

PRELIMINARY OFFICIAL STATEMENT

HTS Continuing Disclosure Services 
A Division of Hilltop Securities
(See “CONTINUING DISCLOSURE
OF INFORMATION” herein)

Dated May 15, 2025

Rating:
S&P: “AA+”
(see “OTHER INFORMATION
- Rating” herein)

NEW ISSUE - Book-Entry-Only

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the 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” herein, including the alternative minimum tax on certain corporations.

**THE BONDS WILL NOT BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS”
FOR FINANCIAL INSTITUTIONS**

\$68,660,000 *

**TRINITY RIVER AUTHORITY OF TEXAS
(TARRANT COUNTY WATER PROJECT)
IMPROVEMENT REVENUE BONDS, SERIES 2025**

Dated Date: June 1, 2025

Due: February 1, as shown on page ii

Interest to accrue from Delivery Date

PAYMENT TERMS . . . Interest on the \$68,660,000 * Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2025 (the “Bonds”) will accrue from the date they are initially delivered (the “Delivery Date”) to the underwriters listed below (the “Underwriters”), will be payable on August 1, 2025 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 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 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” herein). The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas (see “THE BONDS - Paying Agent/Registrar”).

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 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 of Directors (the “Board”) of the Trinity River Authority of Texas (the “Authority” or the “Issuer”) on April 23, 2025. In the Bond Resolution, the Board delegated to the General Manager and the Chief Financial Officer of the Authority (each an “Authorized Officer”) the authority to complete and finalize the sale of the Bonds. The terms of the sale will be included in a “Pricing Certificate” which will be approved and executed by the Authorized Officer (the Bond Resolution and the Pricing Certificate are jointly referred to as the “Resolution”). Under the Constitution and the statutes of the State of Texas, 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 Bonds will be used for the purpose of providing funds (i) to acquire and construct improvements, betterments, extensions and replacements of the Tarrant County Water Project (the “System”) to provide treated water services to contracting cities and others; (ii) to fund the debt service reserve fund; and (iii) to pay costs associated with the issuance of the Bonds.

CUSIP PREFIX: 89657P
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on page ii

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Underwriters 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 Underwriters by Norton Rose Fulbright US LLP, Dallas, Texas, counsel to the Underwriters.

DELIVERY . . . It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June 18, 2025.

RAYMOND JAMES

SAMCO CAPITAL

BLAYLOCK VAN, LLC

* Preliminary, subject to change.

CUSIP PREFIX: 89657P⁽¹⁾

\$68,660,000 *
TRINITY RIVER AUTHORITY OF TEXAS
(TARRANT COUNTY WATER PROJECT)
IMPROVEMENT REVENUE BONDS, SERIES 2025

MATURITY SCHEDULE*

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

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

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

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

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

* Yield shown is the yield to the first optional call date, February 1, 20 __.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the Financial Advisor or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

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

MANDATORY REDEMPTION . . . If two or more serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the 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 page 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 or 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, NOR 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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The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of this Official Statement.

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 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 are appointed by the Texas Governor for six-year terms.
- THE BONDS**..... The Bonds are issued as \$68,660,000 * Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2025. The Bonds are issued as serial bonds maturing on February 1 in each of the years 20__* through 20__*, inclusive (see “THE BONDS - Description of the Bonds” and “MATURITY SCHEDULE” on page ii).
- PAYMENT OF INTEREST** Interest on the Bonds accrues from the date they are initially delivered to the Underwriters, and is payable on August 1, 2025 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 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 April 23, 2025. In the Bond Resolution, the Board delegated to the General Manager and the Chief Financial Officer of the Authority (each an “Authorized Officer”) the authority to complete and finalize the sale of the Bonds. The terms of the sale will be included in a “Pricing Certificate” which will be approved and executed by the Authorized Officer (the Bond Resolution and the Pricing Certificate are jointly referred to 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 Bond Resolution) of the Authority under the Contracts entered into with the Cities of Bedford, Euless, Colleyville, Grapevine and North Richland Hills, Texas (the “Contracting Parties”) (see “THE BONDS - Security and Source of Payment”).
- REDEMPTION** The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after February 1, 20__, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 1, 20__ or on any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS – Redemption – Optional Redemption”). If two or more serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Resolution as further described herein (see “THE BONDS – Redemption – Mandatory Redemption”).
- TAX EXEMPTION**..... In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under the caption “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.
- USE OF PROCEEDS** Proceeds from the sale of the Bonds will be used for the purpose of providing funds (i) to acquire and construct improvements, betterments, extensions and replacements of the Tarrant County Water Project (the “System”) to provide treated water services to contracting cities and others; (ii) to fund the debt service reserve fund; and (iii) to pay costs associated with the issuance of the Bonds.

* Preliminary, subject to change.

RATING The Bonds are rated "AA+" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). The Outstanding Bonds (as defined in the Resolution) of the Authority for the System are rated "AA+" by S&P without regard to credit enhancement (see "OTHER INFORMATION - Rating").

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 Neither the Authority nor any of the Contracting Parties have ever defaulted in payment of their bonds.

For additional information regarding the Authority, please contact:

Ms. Christine J. Epps, C.P.A.
Trinity River Authority of Texas
P.O. Box 60
Arlington, Texas 76004
(817) 493-5192

or

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

AUTHORITY OFFICIALS, STAFF AND CONSULTANTS

Board Members	Position	Area Represented
C. Dwayne Somerville	President and Member, Executive Committee	Freestone County
Megan W. Deen	Vice-President and Member, Executive Committee	Tarrant County
Lewis H. McMahan	Chair, Utility Services Committee and Member, Executive Committee	Dallas County
Steven L. Roberts	Chair, Administration and Audit Committee and Member, Executive Committee	San Jacinto County
Henry Borbolla III	Chair, Resources Development Committee and Member, Executive Committee	Tarrant County
C. Cole Camp	Chair, Legal and Public Policy Committee and Member, Executive Committee	Director at Large
Cathy Altman	Member, Utility Services Committee	Ellis County
Jeffrey H. Bradley	Member, Legal and Public Policy Committee	Walker County
Casey Yeary Callas	Member, Administration and Audit Committee	Trinity County
Benny L. Fogleman	Member, Utility Services Committee	Polk County
Lisa A. Hembry	Member, Utility Services Committee	Dallas County
Jerry F. House, D. Min	Member, Administration and Audit Committee	Leon County
John W. Jenkins	Member, Resources Development Committee	Chambers County
Margaret S. C. Kelihier	Member, Legal and Public Policy Committee	Dallas County
David B. Leonard	Member, Resources Development Committee	Liberty County
Victoria K. Lucas	Member, Resources Development Committee	Kaufman County
Robert F. McFarlane, M.D.	Member, Administration and Audit Committee	Director at Large
William O. Rodgers	Member, Administration and Audit Committee	Tarrant County
Amir A. Rupani	Member, Administration and Audit Committee	Dallas County
Kathryn. Sanders Pyle	Member, Legal and Public Policy Committee	Henderson County
Frank H. Steed, Jr.	Member, Resources Development Committee	Navarro County
Frederick C. Tate	Member, Legal and Public Policy Committee	Director at Large
Brenda K. Walker	Member, Utility Services Committee	Anderson County
David G. Ward	Member, Legal and Public Policy Committee	Madison County
Gregory S. Wassberg	Member, Resources Development 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 Deputy 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
\$68,660,000 *
TRINITY RIVER AUTHORITY OF TEXAS
(TARRANT COUNTY WATER PROJECT)
IMPROVEMENT REVENUE BONDS, SERIES 2025

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$68,660,000 * Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2025 (the “Bonds”). Capitalized terms used but 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 and information regarding the Contracting Parties (as defined herein). 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 Texas Governor with the advice and consent of the Texas Senate. The first directors were appointed for staggered terms, and directors thereafter have served six-year terms. 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.

PLAN OF FINANCING

Purpose

Proceeds from the sale of the Bonds will be used for the purpose of providing funds (i) to acquire and construct improvements, betterments, extensions and replacements of the Tarrant County Water Project (the “System”) to provide treated water services to contracting cities and others, (ii) to fund the debt service reserve fund, and (iii) to pay costs associated with the issuance of the Bonds.

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* Preliminary, subject to change.

Sources and Uses of Bond Proceeds

Proceeds from the sale of the Bonds are expected to be applied as follows:

Sources of Funds	
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	
[Additional Proceeds]	
Total Uses of Funds	\$

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DEBT INFORMATION

Debt Service Requirements

Fiscal Year Ending November 30	Outstanding Parity Bonds Debt Service ⁽¹⁾			Other Obligation ⁽²⁾	The Bonds			Total Outstanding Debt Service
	Principal	Interest	Total		Principal	Interest	Total	
2025	\$ -	\$ 4,881,397	\$ 4,881,397	\$ 218,455				\$ 5,099,852
2026	17,770,000	9,319,644	27,089,644	218,455				27,308,099
2027	18,800,000	8,464,069	27,264,069	218,455				27,482,524
2028	19,685,000	7,560,694	27,245,694	218,455				27,464,149
2029	8,140,000	6,867,344	15,007,344	218,455				15,225,799
2030	8,275,000	6,459,169	14,734,169	218,455				14,952,624
2031	8,705,000	6,036,919	14,741,919	218,455				14,960,374
2032	9,140,000	5,594,594	14,734,594	218,455				14,953,049
2033	9,565,000	5,142,119	14,707,119	218,455				14,925,574
2034	9,830,000	4,682,544	14,512,544	218,455				14,730,999
2035	10,325,000	4,204,731	14,529,731	218,455				14,748,186
2036	10,825,000	3,702,816	14,527,816	218,455				14,746,271
2037	11,350,000	3,176,116	14,526,116	218,455				14,744,571
2038	10,305,000	2,663,372	12,968,372	218,455				13,186,827
2039	10,655,000	2,167,625	12,822,625	218,455				13,041,080
2040	9,950,000	1,668,325	11,618,325	218,455				11,836,780
2041	10,000,000	1,191,147	11,191,147	218,455				11,409,602
2042	10,470,000	719,159	11,189,159	-				11,189,159
2043	8,035,000	288,850	8,323,850	-				8,323,850
2044	2,500,000	50,000	2,550,000	-				2,550,000
2045	-	-	-	-				-
	<u>\$ 204,325,000</u>	<u>\$ 84,840,632</u>	<u>\$ 289,165,632</u>	<u>\$ 3,713,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,879,367</u>

⁽¹⁾ Outstanding Debt Service based on the following Principal by Series as of May 1, 2025:

Series 2016	\$ 33,905,000
Series 2017	14,145,000
Series 2018	1,930,000
Series 2019	13,210,000
Series 2020	4,800,000
Series 2022	33,295,000
Series 2023	69,825,000
Series 2024	33,215,000
Total	<u>\$ 204,325,000</u>

⁽²⁾ Other Obligation includes an Interlocal Agreement with the City of Arlington to use the Lake Arlington Raw Water Pump Station. The obligation will fully mature in 2041.

THE BONDS

Description of the Bonds

The Bonds are dated June 1, 2025 and mature on February 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, 2025 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).

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 are 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 such 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 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 April 23, 2025. In the Bond Resolution, the Board delegated to the General Manager and the Chief Financial Officer of the Authority (each an “Authorized Officer”) the authority to complete and finalize the sale of the Bonds. The terms of the sale will be included in a “Pricing Certificate” which will be approved and executed by the Authorized Officer (the Bond Resolution and the Pricing Certificate are jointly referred to as the “Resolution”). The Bonds are “Additional Bonds” permitted to be issued by the resolutions of the Board authorizing the issuance of the currently outstanding Tarrant County Water Project Revenue Bonds. The Bonds and the outstanding bonds of the Authority secured by the Net Revenues (as defined herein) of the System (as defined herein) are hereinafter referred to as the “Parity Bonds.”

Security and Source of Payment

The Authority has entered into contracts (collectively, the “Contracts”) with the Cities of Bedford, Colleyville, Euless, Grapevine, and North Richland Hills, Texas (the “Contracting Parties”). The Contracting Parties have each agreed to pay its proportionate share of the Authority’s annual costs for (i) operation and maintenance expenses of the System, (ii) any amounts required to be deposited in any special or reserve funds required to be established and/or maintained by the provisions of resolutions authorizing the Parity Bonds, and (iii) debt service on all Parity Bonds, including any Parity Bonds and any Additional Bonds that are required to complete the construction of the System or any future expansions or to refund any such bonds (see “THE SYSTEM” and “SELECTED PROVISIONS OF THE RESOLUTION”). The Bonds, and interest thereon, together with the Parity Bonds currently outstanding and any Additional Bonds hereafter issued are on a parity and of equal dignity in all respects, and are payable solely from 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 the Bonds. The term “Net Revenues” means all of the gross revenues or payments received by the Authority (i) from the Contracting Parties under the Contracts and (ii) from the parties, if any, with whom the Authority may contract in the future for supplying treated water from the System, 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 Parity Bonds on each principal and/or interest payment date (see “SELECTED PROVISIONS OF THE RESOLUTION” herein).

The expense of operating the System, including administrative overhead and the amount necessary to pay debt service on outstanding bonds, is reduced to a cost in cents per 1,000 gallons of water delivered by the System. Each Contracting Party is then billed monthly according to its projected annual flow with provisions for adjustment. The fiscal provisions of the Contracts with the Authority are summarized in this Official Statement (see “SUMMARY OF CONTRACT PROVISIONS - Fiscal Provisions” herein).

Actual net cost to the Contracting Parties of water treatment and transportation for fiscal year 2024 was \$4.554 per 1,000 gallons and the projected net cost for fiscal year 2025 is \$5.254 per 1,000 gallons.

Reserve Fund

A Reserve Fund has previously been created to be used to finally retire or to pay when due debt service on designated Parity 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 Reserve Fund, or any account therein, are not less than a "Required Amount" equal to the average annual principal and interest requirements of the Parity Bonds and Additional Bonds secured by a Reserve Fund, no deposit to the Reserve Fund is required. Upon the issuance of the Bonds, the Authority will deposit Bond proceeds in an amount required to fully fund the Reserve Fund to the Required Amount (see "SELECTED PROVISIONS OF THE RESOLUTION" for additional details regarding the Reserve Fund).

Redemption

Optional Redemption. The Authority reserves the right, at its option, to redeem Bonds having stated maturities or after February 1, 20__, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 1, 20__, or on any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the Authority may select the maturities of the Bonds to be redeemed. If less than all of the 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 Bonds, or portions thereof, within such maturity to be redeemed.

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

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 each registered securities depository, and to 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").

Defeasance

The Bond 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 escrow agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities that 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 provides that “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. Current State law 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 securities or obligations hereafter authorized by the laws of the State as eligible to accomplish the discharge obligations such as the Bonds. **The Authorized Officer may modify the categories of Defeasance Securities that are eligible to defease the Bonds in order to accommodate requests from potential investors and shall include any such modification in the Pricing Certificate and such modification shall be disclosed in the final Official Statement.**

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 Bond 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 or redemption 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 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 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 45 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 provides that, in the event of a default or a threatened default in the payment of principal of 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 it 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 covenants contained in the Bonds or Resolution 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 creditor's 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.

THE SYSTEM

The System

The Tarrant County Water Project (the "System") consists of a shared raw water intake and pump station located on Lake Arlington, raw water transmission pipelines, a raw water booster pump station, a surface water treatment plant, and distribution pumping, transmission and storage facilities. The surface water treatment plant is capable of treating 87 MGD and is a conventional facility consisting of:

- Rapid mix/coagulation facility for dispersing coagulants, fluoride (for tooth decay prevention), and sodium hydroxide for pH adjustment to control corrosion.
- Flocculation/sedimentation structures for removing particulate and flocculated materials.
- Ozone disinfection.
- Filters for removing fine particles and microbials.
- Clearwell structures for additional disinfectant contact and treated water storage.
- High service pumping for conveying water to customer cities and distribution system facilities.

Raw water is supplied to the System through a contract between the Authority and the Tarrant Regional Water District (the "District"). The basic contract was approved by the District and the Authority's Board in December 1979 and was amended and superseded by an amendatory contract by and among the District, the Authority and the Cities of Fort Worth, Arlington and Mansfield, effective as of March 1980 (the "Water Supply Contract"). The Water Supply Contract is effective for the life of the bonds which were issued by the District to provide water to the parties to the Water Supply Contract and thereafter for the life of the District's facilities serving the parties to the Water Supply Contract.

Water is provided to the System from the District's Cedar Creek Lake and Richland-Chambers Reservoir. The District agrees to use its best efforts to furnish raw water, to the extent available from its system, in an amount sufficient to satisfy the reasonable demands of the parties to the Water Supply Contract. Under the Water Supply Contract, the District reserves the right to contract with additional parties so long as it does not jeopardize its ability to supply the needs of the existing contracting parties. The Authority is required to purchase all of its raw water requirements from the District; provided that, upon agreement of the District, the Authority may purchase raw water from other sources if the District is unable to satisfy the System's demands. Pursuant to the Water Supply Contract, the

Authority has a minimum take-or-pay from the District of the greater of 5.5 million gallons per day or the average daily consumption for the previous five-year period.

Future Debt Plans

Additional expansions and improvements to System facilities are planned for rehabilitation and replacement needs of existing structures and increasing demands of the growing Contracting Parties' service area. Funding for future planned capital projects are anticipated to be conducted utilizing the issuance of revenue bonds.

Anticipated Issuance of Additional System Revenue Bonds.

The Authority has plans to finance approximately \$540 million* from 2025 to 2030, including this bond sale, through the issuance of bonds for the System's capital improvement plan. However, results from engineering design and operation and service assessments funded by this bond issuance may produce required updates to the capital improvement plan and future borrowings.

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* Excludes the Bonds. Preliminary, subject to change.

SELECTED CONTRACT PROVISIONS

Following is a summary of the text of certain provisions contained in each of the contracts between the Authority and the Cities of Bedford, Euless, Colleyville, Grapevine and North Richland Hills (collectively, the “Contracts”). The Authority has a separate contract with each City, and, as a consequence, certain provisions may differ slightly between Contracts in order to suit each City’s particular needs. References in this section to “Project” refer to the “System”.

Reference is hereby made to the full and complete Contracts for further information, copies of which are available upon request from the Financial Advisor. 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.

There are two basic differences in the various Contracts. The first regards service area. All of the corporate limits of Bedford, Euless and Colleyville are serviced by the Project. However, because North Richland Hills and Grapevine have other water supplies, the Project serves defined service areas in such cities which encompass less than their entire corporate limits.

The Contracts with Bedford and Euless also provide that the Authority will notify each city at least one year in advance of the issuance of any bonds, after bonds for the first phase of construction, in accordance with the Engineering Report, have been delivered, provided, that such cities may request the Authority to finance and construct a phase of the Project at any time and Authority may issue bonds without giving one year’s notice in cases of emergency. Any resolution authorizing any bonds shall be submitted to each city for approval as to form and substance, except as to price, interest rate and purchaser. No such resolution shall be binding on either city until approved by ordinance or resolution by such city.

Definition of Terms

Terms and expressions as used in each of the Contracts, unless the context clearly shows otherwise, shall have the meanings below. Terms such as “this contract,” “this agreement,” “herein,” “hereof,” “hereby”, “hereunder” or “hereto” shall refer to each Contract in its entirety and not to this summary. The term “City” refers to each of the cities of Bedford, Euless, Colleyville, Grapevine and North Richland Hills.

- A. “Additional Contracting Party” means any party not defined as a Contracting Party with whom Authority makes a contract for supplying treated water through the Project.
- B. “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.
- C. “Annual Payment” means the amount of money to be paid to Authority by City as its proportionate share of the Annual Requirement.
- D. “Annual Requirement” means the total amount of money required for Authority to pay all Operation and Maintenance Expense of the Project, to pay the debt service on its 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.
- E. “Bond Resolutions” means the resolutions of Authority which authorize the Bonds.
- F. “Bonds” means the revenue bonds heretofore and hereafter issued by Authority, whether one or more issues, and the interest coupons appertaining thereto, in connection with the acquisition, construction, improvement, betterment, and extension of the Project, and any bonds issued to refund any Bonds.
- G. “Contracting Parties” means the Cities of Bedford, Euless, Colleyville, Grapevine and North Richland Hills.
- H. “Fiscal Year” means the fiscal year of Authority which is December 1 through November 30.
- I. “Operation and Maintenance Expense” means all costs of operation and maintenance of the Project including (for greater certainty but without limiting the generality of the foregoing) repairs and replacements for which no special fund is created in the Bond Resolutions, the costs of utilities supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the Project, and payments made by Authority in satisfaction of judgments resulting from claims not covered by Authority’s insurance or not paid by a Contracting Party or Parties arising in connection with the operation and maintenance of the Project. The term also includes the charges of the bank or banks where the Bonds are payable.

J. "Project" means all water supply facilities described in the engineering report of Knowlton-Ratliff-English-Collins, consulting engineers, certified Report on Proposed Bedford-Eulesse Water System to Trinity River Authority of Texas, dated July 1971 as such report may be amended or supplemented in the future (the "Engineering Report").

Quantity, Quality, Points of Delivery, Measuring Equipment, Unit of Measurement and Delivery Pressure

A. *Quantity.* Authority agrees to sell and to deliver to City at the Delivery Point or Points described in the Contracts, and City agrees to purchase and take at such Delivery Point or Points all treated water required by City during the period of the Contracts for its own use and for distribution to the customers served by City's distribution system, except to the extent otherwise provided. Authority will use its best efforts to remain in position to furnish water sufficient for the reasonable demands of City, but its obligations shall be limited to the amount of water available to it under its contract with the District* and by its commitments to other Contracting Parties and Additional Contracting Parties. The Authority will not be obligated to furnish water to Additional Contracting Parties which will jeopardize the Authority's ability to provide to Bedford and Eulesse the Average Demand during Peak Month, as projected by Figure 13 of the Engineering Report, unless such obligation has been agreed to by Council Resolution of the Cities of Bedford and Eulesse.

B. *Quality.* The water to be delivered by Authority and received by City shall be potable treated water meeting applicable purity standards of the Texas Department of Public Health. City has satisfied itself that such water will be suitable for its needs.

C. *Points of Delivery.* The Point or Points of Delivery into City's distribution system shall be as designated in the Engineering Report.

D. *Measuring Equipment.* (a) Authority shall furnish, install, operate and maintain at its own expense the necessary metering equipment of standard type for measuring properly the quantity of water delivered under the Contracts. Such metering equipment shall be located on Authority's supply main at a location to be designated by Authority. Such meter or meters and other equipment so installed shall remain the property of Authority. City shall have access to such main metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by the employees or agents of Authority. For the purpose of the Contracts, the original record or reading of the main meter shall be the journal or other record book of Authority in its office in which the records of the employees or agents of Authority who take the reading are or may be transcribed. Upon written request of City, Authority will give City a copy of such journal or record book, or permit City to have access to the same in the office of Authority during reasonable business hours.

(b) Not more than once in each calendar year, on a date as near the end of such calendar year as practical, Authority shall calibrate its main meter or meters, if requested in writing by City to do so, in the presence of a representative of City, and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary, and if the check meter hereinafter provided for has been installed, the same shall also be calibrated by City in the presence of a representative of Authority and the parties shall jointly observe any adjustment in case any adjustment is necessary. If City shall in writing request Authority to calibrate its meters and Authority shall give City written notice of the time when any such calibration is to be made and a representative of City is not present at the time set, Authority may proceed with calibration and adjustment in the absence of any representative of City.

(c) If either party at any time observes a variation between a main delivery meter and the check meter, if any such checkmeter is installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the main meter shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours' notice of the time of any test of meter so that the other party may conveniently have a representative present.

(d) If, upon any test, the percentage of inaccuracy of metering equipment is found to be in excess of two percent (2%) registration thereof shall be corrected for a period extending back to the time when such inaccuracy began if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event farther back than a period of six (6) months. If, for any reason, the main meter is out of service or out of repair so that the amount of water cannot be ascertained or computed from the reading thereof, the water delivered through the period such meter is out of service or out of repair, shall be estimated and agreed upon by the parties thereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any checkmeter if the same has been installed and is accurately registering. Otherwise, the best data available shall be deemed any other meters in the transmission line or treatment plant which can be related to the main delivery meter. If no other meters in the system are operational which will allow determination of delivered quantity, then the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of error is ascertainable by calibration tests or mathematical calculation, or (ii) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter was registering accurately.

* Reference to District means the Tarrant Regional Water District.

(e) City may, at its option and its own expense, install and operate a check meter to check the meter installed by Authority, but the measurement of water shall be solely by the Authority's Meter, except in the case hereinabove specifically provided to the contrary. Such check meter shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Authority, but the reading, calibration and adjustment thereof shall be made only by the City, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration and adjustment thereof shall be made by with like effect as if such check meter had been furnished or installed by Authority.

E. *Unit of Measurement.* The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

F. *Delivery Pressure.* The water shall be delivered by Authority at the point of delivery at a pressure sufficient to transmit the water into the City's distribution system.

Fiscal Provisions

A. *Financing.* Authority will pay for the cost of constructing and expanding the Project and will issue its Bonds in amounts necessary which, together with other available funds, if any, will be sufficient to accomplish such construction or expansion.

B. *Annual Requirement.* It is acknowledged and agreed that payments to be made under the Contracts and similar contracts with other Contracting Parties and Additional Contracting Parties will be the only source available to 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 City 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) All Operation and Maintenance Expense;

(b) The principal of and the interest on the Bonds, as such principal and interest become due, less interest to be paid out of Bond proceeds as permitted by the Bond Resolution;

(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

(d) An amount in addition thereto sufficient to restore any deficiency in any such funds or accounts required to be accumulated and maintained by the provisions of the Bond Resolution.

C. *Payments by City.* (a) For services to be rendered to City by Authority, City agrees to pay, at the time and in the manner provided, its proportionate share of the Annual Requirement, which shall be determined as follows and shall constitute City's Annual Payment:

For each Fiscal Year during the term of the Contracts, City's proportionate share of the Annual Requirement shall be a percentage obtained by dividing City's estimated treated water requirement for such year by the total estimated treated water requirement of all Contracting Parties for such year.

The City's Annual Payment for the Fiscal Year 2024 shall be calculated by multiplying City's percentage from the tabulation below times the Annual Requirement.

	Actual 2024 Flow (MGD)	Percentage of Total	Budgeted 2025 Flow (MGD)	Percentage of Total
<u>Contracting Parties</u>				
Bedford	6.930	21.165	6.697	20.148
Colleyville	7.055	21.547	8.142	24.495
Eules	6.292	19.217	5.500	16.547
Grapevine	8.492	25.936	7.500	22.564
<u>North Richland Hills</u>	<u>3.973</u>	<u>12.135</u>	<u>5.400</u>	<u>16.246</u>
Total	32.742	100.000%	33.239	100.000%

City's Annual Payment for each succeeding Fiscal Year shall be its proportionate share of the Annual Requirement, calculated in the manner specified above. City's Annual Payment shall be made to Authority in twelve equal monthly installments. Such payments shall be made in accordance with and at the times set forth in an annual Schedule of Payment which will be supplied to City. At the close of each Fiscal Year, Authority shall determine City's percentage by dividing City's actual metered usage by the total actual metered usage of the System by all Contracting Parties. City's Adjusted Annual Payment shall be calculated by multiplying City'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 City's account with Authority and shall be credited or debited to City's next subsequent monthly statement.

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

(i) Such Additional Contracting Party or Parties estimated treated water requirement for such year, or portion thereof, shall be determined by Authority;

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

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

(iv) City's Annual Payment shall be redetermined by Multiplying City's redetermined percentage times the redetermined Annual Requirement;

(v) Following the first Fiscal Year or part thereof of service to an Additional Contracting Party, City's Annual Payment shall be determined annually in the manner set forth above, incorporating the Additional Contracting Party in the calculations on the same basis as all parties being served by the System.

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

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

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

(d) On or before November 1 of each year, Authority shall furnish City with a schedule of the monthly payments to be made by such City to the Authority for the ensuing Fiscal Year. City 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 City at any time disputes the amount to be paid by it to Authority, City shall nevertheless promptly make the payment or payments determined by Authority, and, if it is subsequently determined by agreement, arbitration or court decision that such disputed payments made by City should have been less, or more, Authority shall promptly revise and reallocate the charges among all parties then being served by Authority in such manner that City will recover its overpayment or Authority will recover the amount due it.

(e) If City's Annual Payment is redetermined as is herein provided, Authority will promptly furnish City with an updated schedule of monthly payments reflecting such redeterminations.

Special Provisions

(a) Authority will proceed to finance and construct the Project to the end that it will be able to deliver treated water to City beginning on June 1, 1974 with respect to Bedford and Euless and on June 1, 1981 with respect to the other Contracting Parties.

(b) Title to all water supplied hereunder shall remain in Authority through the Point(s) of Delivery, and upon passing through the Point(s) of Delivery, such title to the water shall pass to City. Each of the parties hereto agrees to save and hold the other party harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party.

(c) It is expressly understood and agreed that any obligations on the part of Authority to complete the Project and to provide water to City shall be conditioned upon Authority's ability to obtain all necessary material, labor and equipment and upon the ability of Authority to finance the cost of the Project through the actual sale of Authority's Bonds.

(d) Authority shall never have the right to demand payment by City of any obligations assumed by it or imposed on it under and by virtue of the Contracts from funds raised or to be raised by taxes levied by City. City's obligations under this contract shall never be construed to be a debt of the City of such kind as to require it under the law of this State to levy and collect a tax to discharge such

obligation, it being expressly understood by the parties hereto that all payments due by City are to be made from water and sewer revenues received by City.

(e) City represents and covenants that all payments to be made hereunder by it shall constitute "Operating Expenses" of its waterworks and sewer system as defined in Article 1113 of the Revised Civil Statutes of Texas, as amended now codified as Section 1502.056, Texas Government Code, and that all such payments will constitute operating expenses of City's waterworks and sewer system.

(f) City agrees to fix and collect such rates and charges for water and sewer services to be supplied by its waterworks and sewer system as will produce revenues in an amount equal to at least the minimum payments due under the Contracts and to comply with provisions of ordinances authorizing its outstanding revenue bonds.

(g) The Authority will supply, and City shall take, all of the water to be used during the term of the Contracts. However, it is understood that the City may ultimately require supplemental well supply; and therefore, City must maintain its existing wells in good operating condition at all times. The proper maintenance of these wells will require periodic operation and such operation is considered acceptable. Also, at such times as peak demands on the City's water system may exceed the capabilities of the Authority's facilities to deliver treated water or at such times as the Authority's facilities may be totally or partially out of service, the City may furnish additional water needed by using other sources of water supply available to it for such purposes.

(h) Authority shall not be liable to City for any damages occasioned by the inability of Authority to supply all water required by City if such inability is caused by the inability of District to deliver all water required by Authority to meet its contractual obligations.

(i) In the event Authority is sued or is placed on notice of demand for payment of a claim or claims not covered by Authority's insurance or claims not paid by either Euless or Bedford arising in connection with the operation and maintenance of the Project, then in any of said events, Authority shall forthwith notify City in writing as to the nature of the claim or litigation which could result in an increase in operation and maintenance expense. City shall have ten (10) days from receipt of such written notification in which to advise and comment to Authority concerning any claim, suit or demand for payment and Authority shall duly consider City's advice and comments in any final disposition of said claim or demand for payment.

Force Majeure

(a) If by reason of force majeure either party shall be rendered unable wholly or in part to carry out its obligations under the Contracts, other than the obligation of City to make the payments required under (b) of this section, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" means acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and inability on part of Authority to deliver water hereunder for any reason, or the City to receive water for any reason, or on account of any other causes not reasonably within the control of the party claiming such inability.

- A smaller service area is described in the Grapevine and North Richland Hills Contracts.
- The Grapevine and the North Richland Hills Contracts specify that in order for such cities to supply water to all of their respective water customers, such cities will utilize other sources of water supply available to it for such purposes.

(b) Recognizing that the Authority will use payments received by City and others to pay, secure and finance the issuance of the Bonds, upon the issuance and sale of any Bonds by the Authority to provide funds for the Project, City shall be unconditionally obligated to pay its proportionate share of the debt service on such Bonds, regardless of whether or not the Authority is actually delivering water to City, or whether or not City actually takes water, whether due to Force Majeure or otherwise. Under such circumstances, the amount due to Authority from City shall be a percentage of the debt service on the Bonds for the period of any such failure of service. Such percentage shall be the last percentage used by Authority in determining City's Annual Payment prior to any such failure of service. This covenant by City shall be for the holders of the Bonds.

Limitation of Authority Obligation

In the event that the amount of water available to Authority under its contract with District is insufficient to supply all requirements of City, City may utilize water from other sources to fulfill its need in amounts which Authority is unable to supply.

Term of Contract; Modification; Notices

A. Term of Contract. The contract term is for a period of thirty-five (35) years from the date District is capable of delivering water to Authority and thereafter until all Bonds and refunding bonds issued in lieu of the Bonds have been paid.

B. Modification. No change or modification of this contract shall be made which will affect adversely the prompt payment when due of all moneys required to be paid by City under the terms of this contract and no such change shall be effective which would cause a violation of any provisions of any resolution of Authority authorizing the issuance of Bonds or any bonds issued to refund any of the Bonds.

C. Continued Service. Upon the expiration of the Contracts, that City shall have the right to continued service for an additional period of fifty (50) years, or for such other time as may be agreed, upon execution of an appropriate agreement between City and Authority.

SELECTED PROVISIONS OF THE RESOLUTION

Section 1. DEFINITIONS. In each place throughout this Resolution wherein the following terms, or any of them, are used, the same, unless the text shall indicate another or different meaning or intent, shall be construed and are intended to have meanings as follows:

(a) "Act" and "Authority Act" mean Chapter 518, Acts of the Fifty-Fourth Legislature of the State of Texas, Regular Session, 1955, as amended.

(b) "Additional Bonds" means the additional parity revenue bonds as defined and permitted in Sections 36 and 37 of this Resolution.

(c) "Authority" and "Issuer" mean 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 Authority.

(d) "Board" mean the Board of Directors of the Authority.

(e) "Bonds" means collectively the Bonds as described and defined herein, and all substitute bonds exchanged therefor, as well as all other substitute and replacement bonds, issued as provided in this Resolution.

(f) "Certified Public Accountant" means any certified public accountant, licensed public accountant or firm of such public accountants of suitable experience and qualifications not regularly in the employ of the Authority, selected by the Authority.

(g) "Cities" means the Cities of Bedford, Euless, Colleyville, Grapevine, and North Richland Hills, Texas.

(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) "Contracts" means the contracts between the Authority and the Cities as described and defined in the preamble to this Resolution.

(j) "Credit Facility" shall mean a policy of municipal bond insurance, a surety bond or a letter or line of credit, or any other agreement, commitment or contract authorized by the Authority as a Credit Facility issued by a Credit Facility Provider in support of any Parity Bonds.

(k) "Credit Facility Provider" shall mean (i) with respect to any Credit Facility consisting of a policy of municipal bond insurance or a surety bond, an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations such as the Parity Bonds, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds fully insured by a standard policy issued by the issuer in its highest generic rating category for such obligations; and (ii) with respect to any other Credit Facility, any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds in its two highest generic rating categories for such obligations if the Credit Facility proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the series of Parity Bonds and the interest thereon.

(l) "Depository" means the bank or banks which the Authority selects (whether one or more), in accordance with law, as its depository.

(m) "Eligible Investments" shall mean those investments in which the Authority is authorized by law, including, but not limited to, the Public Funds Investment Act of 1987 (Chapter 2256, Texas Government Code), as amended, to purchase, sell and invest its funds and funds under its control; and provided further that Eligible Investments shall specifically include, with respect to the investment of proceeds of any Parity Bonds, guaranteed investment contracts fully collateralized by Government Obligations.

(n) "Engineering Report" means the Report dated July 1, 1971, and the supplements thereto with respect to the Authority's Tarrant County Water Project, all as described and defined in the preamble to this Resolution, as such Engineering Report may be further amended or supplemented prior to the execution of construction contracts and changed by change orders entered after construction contracts have been executed, or as such report may be amended or supplemented to provide expanded service in the future.

(o) "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 Authority.

(p) "Government Obligations" shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(q) "Independent Consulting Engineer" means the Engineer or engineering firm or corporation at the time employed by the Authority under the provisions of Section 31 of this Resolution.

(r) "Net Revenues" means all of the gross revenues or payments received by the Authority (i) from the Cities under the Contracts and (ii) from the parties, if any, with whom the Authority may contract in the future for supplying treated water from the System, 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 Parity Bonds on each principal and/or interest payment date, and any amounts payable as described in Section 15.

(s) "Outstanding Bonds" shall have the meaning set forth in the preamble.

(t) "Parity Bonds" means collectively the Outstanding Bonds, the Bonds and bonds hereafter issued on a parity therewith.

(u) "Paying Agents" means collectively the banks where the principal of and interest on the Parity Bonds are payable.

(v) "Rating Agency" shall mean any nationally recognized securities rating agency which has assigned a rating to the Parity Bonds.

(w) "Required Amount" shall mean the amount so designated in Section 10 of this Resolution.

(x) "Reserve Fund" shall mean the Fund so designated in Section 10 of this Resolution.

(y) "Reserve Fund Obligations" shall mean cash, Eligible Investments, any Credit Facility, or any combination of the foregoing.

(z) "Resolution" means this Resolution authorizing the Bonds.

(aa) "System" means all of Authority's facilities constructed pursuant to the Engineering Report, as supplemented or amended.

Section 6. BONDS AND SECURITY THEREFOR. The Parity Bonds are and shall be secured by and payable from a first lien on and pledge of the Net Revenues, as hereinafter defined, and the funds and accounts hereinafter confirmed or created in this Resolution; and the Net Revenues are further pledged to the establishment and maintenance of said funds and accounts as hereinafter provided. The Parity Bonds are and will be secured by and payable only from the Net Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System.

Section 7. REVENUE FUND. All revenues of the System received by the Authority, including the net proceeds to the Authority of the Contracts with the Cities shall be collected and paid over promptly upon collection to the Depository and the Authority hereby covenants and agrees so to do. Such revenues shall be held by the Depository in a special fund known as the "Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds Revenue Fund" (hereinafter called the "Revenue Fund"), and shall be disbursed or applied for the purpose of paying Operation and Maintenance Expenses of the System, and for the making of transfers hereinafter required and in the order listed.

Section 8. (a) OPERATION AND MAINTENANCE EXPENSES. The term "Operation and Maintenance Expenses" shall mean 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 any bond resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and

any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the Authority's System, and payments made by Authority in satisfaction of judgments resulting from claims not covered by Authority's insurance or not paid by one of the Cities arising in connection with the operation and maintenance of the System. The term also includes the fees of the bank or banks where the Parity Bonds are payable. Depreciation shall not be considered an item of Operation and Maintenance Expense.

(b) Except for other transfers herein required, the moneys in the Revenue Fund shall be subject to withdrawal by the Authority for the payment of Operation and Maintenance Expenses only upon checks and vouchers or other method of transfer, stating the purpose of the payment (which shall be in accordance with the current Annual Budget of the Authority) signed by the President of the Authority or by its Treasurer, or signed by such officers or employees of the Authority as may from time to time be designated by resolution of the Board of Authority. At the end of each Authority Fiscal Year any surplus funds remaining in the Revenue Fund shall be transferred to the Interest and Sinking Fund.

Section 9. INTEREST AND SINKING FUND. (a) For the sole purpose of paying the principal of and interest on the Parity Bonds, and any Additional Bonds, as the same come due, there has been created and established, and there shall be maintained at a Depository, a separate fund entitled the "Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund").

(b) The Issuer shall, immediately after the delivery of the Bonds, deposit into the Interest and Sinking Fund, from the proceeds of sale of the Bonds, all accrued interest received upon sale of the Bonds, plus an amount sufficient to pay the interest coming due on the Bonds during construction, as required and determined by the Authorized Officer, if any. Said deposit shall be held and applied solely to pay interest on the Bonds as it becomes due and payable.

(c) It shall be the duty of the Authority to transfer from Net Revenues in the Revenue Fund to the credit of the Interest and Sinking Fund the amounts and at times as follows:

(1) such amounts, in equal monthly installments, made on or before the 15th day of each month hereafter, as will be sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the interest scheduled to come due on all Parity Bonds and any Additional Bonds on the next interest payment date; and

(2) such amounts, in equal monthly installments, made on or before the 15th day of each month hereafter, as will be sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the principal of all Parity Bonds and any Additional Bonds coming due and maturing or required to be redeemed on the next interest payment date.

(d) The Authority shall make such arrangements as are necessary to insure that sufficient funds from the Interest and Sinking Fund are available at each Paying Agent to pay the principal of and interest on all Parity Bonds and Additional Bonds when due.

Section 10. RESERVE FUND. (a) There is hereby confirmed and there shall be maintained on the books of the Authority a special Fund entitled the "Trinity River Authority of Texas Tarrant County Water Project New Reserve Fund" (the "Reserve Fund"), within which there may be established separate accounts to be held for the benefit of specific issues of Parity Bonds and not for the benefit of all Parity Bonds. There shall be deposited into the Reserve Fund any Reserve Fund Obligations so designated by the Authority. Reserve Fund Obligations in the Reserve Fund shall be deposited and maintained in a Depository. Reserve Fund Obligations in the Reserve Fund shall be used solely for the purpose of retiring the last of any Parity Bonds for which the Reserve Fund, or an account within the Reserve Fund, is held as they become due or paying principal of and interest on any such Parity Bonds when and to the extent the amounts in the Interest and Sinking Fund are insufficient for such purpose. Any specific Reserve Fund account shall be maintained in an amount equal to the average annual principal and interest requirements of the specific Parity Bonds to which it relates (the "Required Amount"). The Authority may, at its option, withdraw and transfer to the Revenue Fund, all surplus in the Reserve Fund over the Required Amount. The foregoing notwithstanding, with respect to the issuance of the Bonds, the Authorized Officer may direct the transfer of any surplus in the Reserve Fund to be deposited into the Construction and Acquisition Fund.

(b) The Authority may replace or substitute a Credit Facility for cash or Eligible Investments on deposit in the Reserve Fund or in substitution for or replacement of any existing Credit Facility. Upon such replacement or substitution, cash or Eligible Investments on deposit in the Reserve Fund which, taken together with the face amount of any existing Credit Facilities, are in excess of the Required Amount may be withdrawn by the Authority, at its option, and transferred to the Revenue Fund; provided that the face amount of any Credit Facility may be reduced at the option of the Authority in lieu of such transfer.

(c) If the Authority is required to make a withdrawal from the Reserve Fund for any of the purposes described in subsection (a), the Authority shall promptly notify any applicable Credit Facility Provider of the necessity for a withdrawal from the Reserve Fund for any such purposes, and shall make such withdrawal first from available moneys or Eligible Investments then on deposit in the Reserve Fund, and next from a drawing under any Credit Facility to the extent of such deficiency.

(d) In the event of a deficiency in the Reserve Fund, or in the event that on the date of termination or expiration of any Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund Obligations, all in an aggregate amount at least equal to the Required Amount, then the Authority shall satisfy the Required Amount by depositing Reserve Fund Obligations into the Reserve Fund in monthly installments of not less than 1/60 of the Required Amount made on or before the 15th day of each month following such termination or expiration.

(e) In the event of the redemption or defeasance of any Parity Bonds, any Reserve Fund Obligations on deposit in the Reserve Fund in excess of the Required Amount may be withdrawn and transferred, at the option of the Authority, to the Revenue Fund, as a result of (i) the redemption of any Parity Bonds or (ii) funds for the payment of any Parity Bonds having been deposited irrevocably with the paying agent or place of payment therefor in the manner described in any resolution authorizing the issuance of Parity Bonds, the result of such deposit being that such Parity Bonds no longer are deemed to be Outstanding under the terms of any such resolution.

(f) In the event there is a draw upon the Credit Facility, the Authority shall reimburse the Credit Facility Provider for such draw, in accordance with the terms of any agreement pursuant to which the Credit Facility is issued, from Net Revenues, however, such reimbursement from Net Revenues shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the Parity Bonds.

(g) Upon the issuance of Additional Bonds the monies in the Reserve Fund shall, to the extent necessary, be increased to the newly-established Required Amount.

Section 11. CONSTRUCTION AND ACQUISITION FUND. There has been created and there shall be established and maintained at the Depository a separate fund to be entitled the "Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds Construction and Acquisition Fund" (hereinafter called the "Construction and Acquisition Fund"). The net proceeds (after paying costs of issuance and making other required deposits) from the sale of all "Improvement Bonds" in the future shall be deposited in the Construction and Acquisition Fund and such Fund shall be subject to and charged with a lien in favor of the holders of all such "Improvement Bonds" until the money in said Fund has been paid out as herein provided. Interest earnings derived from investment of the Construction and Acquisition Fund shall become part thereof for all purposes; provided, however, that any such earnings required to be rebated to the United States shall not be considered as interest earnings for the purposes of this Resolution. The Depository shall be required to secure the Construction and Acquisition Fund in its possession by pledging obligations of or obligations unconditionally guaranteed by the United States; such obligations at all times shall be at least equal in market value to the amount in the Construction and Acquisition Fund in its possession.

Section 12. DISBURSEMENTS FROM CONSTRUCTION AND ACQUISITION FUND. (a) Money in the Construction and Acquisition Fund shall be subject to disbursement by the Authority for payment of Project Costs to be incurred in the acquisition and construction of any project for which "Improvement Bonds" are issued. Such disbursements shall be made only upon checks stating the purpose of the payment signed and countersigned by such officers of the Authority as may from time to time be designated by the Authority by resolution, and duly certified to the Depository. Disbursements for payments to construction contractors and disbursements for construction material, supplies, and equipment shall be approved by a registered professional engineer.

(b) "Project Costs" as used herein includes all acquisition costs and construction costs as those terms are generally understood in standard accounting practice as applied to projects of this nature, and without limiting the generality of the foregoing, it shall include purchase of equipment, property, rights in property, capitalized interest, costs of land, easements, and rights of way, including damages to land and property, engineering, financing, financial consultants, administrative, auditing, and legal expenses incurred in connection with the performance of the Contracts. The costs for engineering, financial consultants, administrative, and legal expense paid from bond proceeds incurred by the Authority shall be reasonable and at usual and customary rates. Damages to land and property, whenever accruing, adjusted under Article I, Section 17 of the Constitution of Texas shall constitute a part of Project Costs. After completion of any Project improvements, any residue remaining in the Construction and Acquisition Fund shall be deposited in the Interest and Sinking Fund.

Section 13. TRUST FUNDS. The Interest and Sinking Fund and the Reserve Fund shall constitute trust funds and shall be held in trust by a Depository for the benefit of the holders of the Parity Bonds and Additional Bonds permitted hereunder.

Section 14. SECURITY OF FUNDS. The Authority shall cause the Depository to secure and keep secured, in the manner required by law, all funds on deposit with it, and will cause each paying agent to secure all funds deposited with it or them as other trust funds are secured. The Authority covenants and agrees that no money will be allowed to be or remain deposited with the Depository unless secured as above provided.

Section 15. PLEDGE. The Contracts provide for the payment by the Cities to the Authority (a) an amount equal to all Operation and Maintenance Expenses, (b) the amount necessary to pay all the principal of and the interest coming due on "Bonds" (as defined in the Contracts) on each principal and/or interest payment date, (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 any "Bond Resolutions", 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 any "Bond Resolutions". 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 Authority (i) from the Cities under the Contracts and (ii) from the parties, if any, with whom the Authority may contract in the future for supplying treated water from the System, 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 Parity Bonds on each principal and/or interest payment date, and any amounts payable under (c) and (d) above. The Parity Bonds and the interest thereon are and shall be payable from and secured by a first lien on and pledge of said Net Revenues, and said Net Revenues are hereby pledged for such purpose and to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund.

Section 16. INVESTMENT OF FUNDS. The money in all Funds maintained hereunder shall be invested and reinvested in Eligible Securities which mature in not more than fifteen (15) years from the date of their purchase. The foregoing notwithstanding, the Reserve Fund and Construction and Acquisition Fund may be invested as described in Sections 10 and 11, respectively. All income and profits from the investment of all funds hereunder shall be deposited in the Interest and Sinking Fund not later than the January 15 or July 15 next following the receipt thereof.

Section 17. PREPARATION OF BUDGET. Not less than forty (40) days before the commencement of each Fiscal Year while any of the Parity Bonds are outstanding and unpaid, the Authority will prepare and file with the Cities the annual budget (herein called "Annual Budget") of Operation and Maintenance Expenses for the ensuing Fiscal Year, and, except as otherwise provided, the total expenditures in any division thereof will not exceed the total expenditures in the corresponding division in the Annual Budget. The Authority covenants that the current Operation and Maintenance Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount of such expenses, and that it will not expend any amount or incur any obligation for maintenance, repair, and operation in excess of the amounts provided for current Operation and Maintenance Expenses in the Annual Budget; provided, however, that if at any time the Board of Authority shall determine that the amount of the appropriation for any item in the Annual Budget is in excess of the amount which will be required for such term, the Board of Authority may reduce such appropriation and make appropriation for any item or items not covered by the Annual Budget or increase the appropriation for any other item or items by an amount not exceeding the amount of such reduction; and provided further, that the Board of Authority may at any time adopt an amended or supplemental budget for the remainder of the then current Fiscal Year in case of an emergency caused by some extraordinary occurrence which shall be clearly defined in such resolution. Any such supplemental budget shall be filed immediately with the Cities.

Section 18. ACCOUNTING AND REPORTING. The Authority covenants that proper books of record and account will be kept in which true, full, and correct entries will be made of all income, expense, and transactions of and in relation to the System, and each and every part thereof. Within six months after each full Fiscal Year, a statement certified as correct by a Certified Public Accountant showing the Gross Revenues and the Operation and Maintenance Expenses for such Fiscal Year, shall be furnished to the Cities, and to the original purchasers of the Bonds. Each such audit will be available during regular office hours at the administration offices of the Authority for inspection by any holder of any of the Bonds.

Section 19. PUBLIC INSPECTION. The Authority further covenants and agrees that the System, and each and every part thereof, and all books, records, accounts, documents, and vouchers relating to the construction, operation, maintenance, repair, improvement, and extension thereof, will at all times be open to inspection by the Cities.

Section 20. PAYMENT OF PARITY BONDS AND INTEREST THEREON. The Authority covenants and agrees that, out of the pledged Net Revenues, it will duly and punctually pay, or cause to be paid, the principal of every Parity Bond and the interest thereon, on the date and at the place and in the manner specified in the Parity Bonds, and that it will faithfully do and perform and at all times fully observe any and all covenants, undertakings, and provisions contained herein or in any Parity Bond.

Section 21. LEGAL ABILITY. The Authority represents that it is a conservation and reclamation district, a political subdivision of the State of Texas, and a governmental agency and body politic and corporate, duly created, organized, and existing under the Constitution and laws of the State of Texas and has proper authority from all other public bodies and authorities, if any, having jurisdiction thereof to construct, acquire, operate, maintain, improve, extend, better, repair, renew, and replace the System as herein described, and to levy and collect rates, tolls, rents, fees, and other charges, and to pledge its revenues in the manner and form as herein done or intended, and that all corporate action on its part to that end has been duly and validly taken. The Authority covenants and agrees that it will at all times maintain its corporate existence and maintain a lawful Board of Directors, and at all times function and act in the best interest of the System and the owners and holders of the Parity Bonds.

Section 22. CONSTRUCTION AND OPERATION. The Authority further covenants that it will forthwith proceed to acquire and construct the improvements, betterments, extensions, and replacements to the System for which the Bonds are being issued as soon as practicable in accordance with plans and specifications which have been prepared by the Independent Consulting Engineer, and thereafter each and every part of the System will be continuously operated by the Authority in an efficient and economical manner and

will be kept in thorough repair and maintained in a high state of operating efficiency and in such manner that the interest of the Cities, the people of the State of Texas, the bondholders or owners, and the Authority will be promoted.

Section 23. OPERATION OF THE SYSTEM. The Authority shall use its best efforts to see that the System is properly and efficiently operated.

Section 25. COVENANT TO MAINTAIN SUFFICIENT INCOME. To the end that Authority income will be sufficient to pay the Parity Bonds and the interest thereon when due, the Authority will keep in effect and enforce the Contracts, and will cause the System to be operated and maintained at an annual cost that will be within its income other than the income required to pay the Parity Bonds and the interest thereon and the fees of each paying agent and Paying Agent/Registrar. The Authority will not voluntarily consent to any amendment to the Contracts which would reduce the amounts payable thereunder or extend the time of the payment of such amounts or which would in any manner impair or adversely affect the rights of the holders or owners of the Parity Bonds from time to time. If any of the Cities fails to make payments as required by the Contracts and if it shall appear that enforcement of the Contracts has become ineffective or will be ineffective to the extent that a default in payment of principal of or interest on the Parity Bonds occurs or is threatened, the Authority will take all necessary action to preserve and protect the rights of the holders or owners of the Parity Bonds and to assure payment of the principal thereof and the interest thereon.

Section 26. NO OTHER LIENS. The Authority further covenants that there is not now outstanding, except as regards any Parity Bonds, and that the Authority will not at any time while the Parity Bonds are outstanding, create or allow to accrue or to exist any lien upon the System, or any rights owned, or the revenues pledged herein to the payment of the principal of and interest on the Parity Bonds, at any time derived from the operation thereof, or any of its Funds, except as authorized by Sections 36 and 37 of this Resolution in connection with Additional Bonds and other bonds; that the security of the Parity Bonds will not be impaired in any way as a result of any action or any non-action on the part of the Authority, its Board of Directors, or officers, or any thereof, and that the Authority has, and will, subject to the provisions hereof, continuously preserve good and indefeasible title to the System and each and every part thereof.

Section 30. SALE AND LEASE OF PROPERTY. (a) The Authority covenants that so long as any of the Parity Bonds or interest payable thereon shall be outstanding, and except as in this Section otherwise permitted, it will not sell, lease, or otherwise dispose of or encumber any part of the System except as provided herein.

(b) The Authority may from time to time dispose of any rights, machinery, fixtures, apparatus, tolls, instruments, or other movable property and any materials used in connection therewith, if the Authority shall determine that such are no longer needed or are no longer useful in connection with the operation and maintenance of the System. The Authority may from time to time sell such real estate that is not needed or serves no useful purposes in connection with the maintenance and operation of the System. The proceeds of any sale of real or personal property acquired from the proceeds of the Parity Bonds shall be deposited in the Revenue Fund.

(c) The Authority may lease any of its lands for any purpose, if such lease or the use of such lands will not be detrimental to the operation and maintenance of the System. It may also lease any of its real property for oil, gas, and mineral purposes. No lease shall be made which will result in any damage to or substantial diminution of the value of other property of the Authority. The rental to be charged under all such leases shall be not less than the fair and reasonable rental in relation to the character and value of the property leased. All rentals, revenues, receipts, and royalties derived by the Authority from any and all leases so made, shall be deposited in the Revenue Fund.

(d) It is covenanted and agreed by Authority that no such property of any nature shall be sold or leased by Authority unless, prior to any action taken by Authority concerning such sale or leasing, Authority shall procure the advice and recommendation in writing of a registered professional engineer concerning such proposed sale or leasing.

Section 31. INDEPENDENT ENGINEER. (a) The Authority covenants that, until the Parity Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, it will, for the purpose of performing and carrying out the duties imposed on the Independent Consulting Engineer by this Resolution, employ an independent engineer or engineering firm or corporation having a favorable reputation for skill and experience in such work.

(b) The Authority covenants that it will at all appropriate times cause the Independent Consulting Engineer to submit and give all necessary or desirable advice and recommendations concerning renewals, replacements, extensions, betterments, and improvements for the System, to the end that the System shall be operated and maintained in the most efficient and satisfactory manner. Further, Authority shall cause the Independent Consulting Engineer to make in writing a full survey, review, and report on the physical condition of the System once every three years.

(c) Authority further covenants that it will cause the Independent Consulting Engineer to make an annual report to it which shall set forth such Engineer's recommendations and advice as to (1) the proper maintenance, repair, and operation of the System,

including their findings as to whether or not the properties of the System have been maintained in good repair and sound operating condition; (2) the extensions, improvements, renewals, and replacements which should be made during the ensuing Fiscal Year; (3) the amounts and types of insurance which should be carried by the Authority on the properties; and (4) any revisions or changes of rates, fees, and charges.

(d) The expense incurred under this Section 31 shall constitute Operation and Maintenance Expenses.

Section 36. ADDITIONAL BONDS. As used in this resolution, the following additional definitions shall apply:

(a) "Completion Bonds" means any bonds issued to complete construction of the System to enable the Authority to provide water supply services to the Cities and to others, as the System is described in the Engineering Report defined in the Contracts.

(b) "Improvement Bonds" means bonds issued for improvements, betterments, extensions, and replacements of the System.

(c) "Special Project Bonds" means any bonds issued to finance construction and/or acquisition of facilities which will not constitute a part of the System and which will not be paid out of revenues from the Contracts.

(d) "Refunding Bonds" means any bonds issued for the purpose of refunding all or a part of the Prior Lien Bonds, Parity Bonds or Additional Bonds.

(e) "Additional Bonds" means and includes Completion Bonds, Improvement Bonds, and Refunding Bonds.

Section 37. COMPLETION BONDS AND IMPROVEMENT BONDS. The Authority reserves the right to issue Completion Bonds and Improvement Bonds payable from and secured by a pledge of the Net Revenues, on a parity of lien with the Parity Bonds, or junior to the Parity Bonds, or a portion of them may be such first lien bonds and a portion may such junior lien bonds. The Completion Bonds and Improvement Bonds may be issued in one or more series or installments, and from time to time as authorized by the Board of Authority, provided, however, that no installment or series of Completion Bonds or Improvement Bonds, if it is on a parity with the lien of the Parity Bonds, shall be issued unless:

(a) A certificate is executed by the President and Secretary of the Board of Authority to the effect that no default exists in connection with any of the covenants or requirements of the resolutions authorizing the issuance of all then outstanding bonds which are secured by and payable from the Net Revenues;

(b) A certificate is executed by the President and the Secretary of the Board of Authority to the effect that the Interest and Sinking Fund and the Reserve Fund contain the amounts then required to be on deposit therein;

(c) The then proposed Completion Bonds or Improvement Bonds are made to mature on August 1 and/or February 1 of each of the years in which they are scheduled to mature.

Section 38. SPECIAL PROJECT BONDS. Special Project Bonds payable from and secured by revenues may be issued by the Authority for the purpose of providing additional facilities to enable the Authority to render service to other users, provided that such Special Project Bonds are not payable from or secured by a pledge of Net Revenues. Special Project Bonds may be additionally secured by a mortgage or deed of trust lien upon only the physical properties of the project purchased or constructed with the proceeds of such bonds.

Section 39. INCREASE IN RESERVE FUND. If Completion Bonds or Improvement Bonds are issued as Parity Bonds, the amount required to be deposited and maintained in the Reserve Fund shall, if necessary to maintain the Required Amount in the Reserve Fund, be increased so that the aggregate amount to be accumulated in the Reserve Fund shall be no less than the Required Amount for all then outstanding Parity Bonds and for the installment or series of parity Completion Bonds or Improvement Bonds then proposed to be issued. Such average annual requirements shall be calculated as of the date of any such Additional Bonds. Provided, as of the date of any such Additional Bonds, it shall be sufficient if the aggregate amount in the Reserve Fund is equal to the average annual requirement on the Parity Bonds and Additional Bonds outstanding and to be outstanding, and if the amount exceeds such average annual requirement, any surplus in the Reserve Fund may be transferred to the Revenue Fund, unless otherwise required by any bond resolution.

Section 40. TAX BONDS. No provisions in this Resolution shall in any way affect the statutory right of the Authority to issue bonds supported wholly by ad valorem taxes.

Section 41. REFUNDING BONDS. The Authority reserves the right to issue Refunding Bonds to refund any outstanding bonds secured by a pledge of the Net Revenues from the Contracts and any amendments thereof.

Section 42. DEFAULT PROVISIONS AND REMEDIES. In the event of a default or a threatened default in the payment of principal of or interest on the Parity Bonds, any court of competent jurisdiction may, upon petition of holders or owners of twenty-five per cent 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 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 appointing him. 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.

Section 43. OTHER REMEDIES; REMEDIES NOT WAIVED. No remedy herein specified is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy available to the holders or owners of the said Parity Bonds, or now or hereafter existing at law or in equity, or by statute. No delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and so often as may be deemed expedient.

Section 44. AMENDMENTS OF RESOLUTION BY AUTHORITY. Without any prior action by or notice to the holders or owners of the Parity Bonds, Authority may, from time to time, and at any time, amend this Resolution:

(a) to add to the covenants and undertakings of the Authority contained in this Resolution such additional covenants and undertakings as may be authorized or permitted by law; and

(b) to cure any ambiguous, defective, or inconsistent provisions of this Resolution and to accomplish any other purposes not inconsistent with the provisions of this Resolution and which shall not impair the security afforded hereby.

Section 45. AMENDMENTS BY CONSENT. The holders and owners of Parity Bonds and Additional Bonds aggregating in principal amount two-thirds of the aggregate principal amount of the Parity Bonds and Additional Bonds at the time outstanding (but not including in any case any Parity Bonds or Additional Bonds which may then be held or owned by or for the account of the Authority) shall have the right from time to time to approve an amendment of this Resolution which may be deemed necessary or desirable by the Authority; provided, however, that no amendment, without the consent of the holders and owners of all of the outstanding Parity Bonds and Additional Bonds, shall:

(a) Make any change in the maturity of the Parity Bonds or Additional Bonds;

(b) Reduce the rate of interest borne by any of the Parity Bonds or Additional Bonds;

(c) Reduce the amount of the principal payable on the Parity Bonds or Additional Bonds;

(d) Modify the terms of payment of principal of or interest on the Parity Bonds or Additional Bonds, or any of them, or impose any conditions with respect to such payment;

(e) Affect the rights of the holders or owners of less than all of the Parity Bonds and Additional Bonds then outstanding; or

(f) Change the minimum percentage of the principal amount of Parity Bonds and Additional Bonds necessary for consent to such amendment.

Section 49. REVOCATION OF CONSENT. Any consent given by the holder or owner of a Parity Bond or Additional Bond pursuant to the provisions hereof shall be irrevocable for a period of six months from the date of the first publication of the notice provided for herein, and shall be conclusive and binding upon all future holders and owners of the same Parity Bond or Additional Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder or owner who gave such consent, or by a successor in title, by filing notice thereof with the paying agent and the Authority, but such revocation shall not be effective if the holders or owners of two-thirds aggregate principal amount of the Parity Bonds and Additional Bonds outstanding as herein defined have, prior to the attempted revocation, consented to and approved the amendment.

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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:

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The Authority's Revenue-Based Projects

Project Name (Operating)	Cities and Entities Served
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 (effective June 1, 2025)
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)
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
Ellis County Regional Water Supply Project*	Cities of Ferris, Italy, Maypearl, Palmer, Rockett Special Utility District, Ellis County WC&ID No. 1, Avalon Water and Sewer Service Corporation, Nash-Forreston, and Buena Vista-Bethel Water Supply Corporations
Freestone Raw Water Supply Project†	Freestone Power Generation LP

* Effective November 30, 2025, the related project contract terminates for the all parties accept Ellis County WC&ID No. 1 ("ECWCID"). The related project contract will terminate for ECWCID if it enters into a direct agreement with Tarrant Regional Water District ("TRWD").

† The related project contract will terminate if Freestone Power Corporation LP enters into a direct agreement with TRWD.

Project Name (Non-Operating)	Cities and Entities Served
Ennis Raw Water Supply Project*	Ennis
Pollution Control Facilities	Community Waste Disposal, Inc.
Denton Creek Wastewater Transportation Project	Argyle, Flower Mound, and Northlake
Denton Creek Justin Northlake Interceptor	Justin and 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

* The related project contract will terminate if Ennis enters into a direct agreement with TRWD.

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.

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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 "THE BONDS - Security and Source of Payment."

Total Outstanding Principal by System/Project:	Outstanding May 1, 2025	
Central Regional Wastewater System	\$997,775,000	(1)
Denton Creek Regional Wastewater Treatment System	225,580,000	(2)
Trinity River Authority of Texas (General Improvement Project of The Authority)	1,000,000	
Huntsville Regional Water Supply System	4,095,000	
Denton Creek Justin-Northlake Interceptor System	4,370,000	(4)
Livingston Regional Water Supply Project	14,405,000	
Mountain Creek Regional Wastewater System	121,570,000	
Northeast Lakeview Wastewater Transportation Project	2,290,000	
Red Oak Creek Regional Wastewater System	94,220,000	(6)
Tarrant County Water Project	208,038,735	(3)
Ten Mile Creek Regional Wastewater System	93,415,000	(5)
Town of Flower Mound Wastewater Transportation Project	1,635,000	
Walker Calloway System	13,925,000	
SUB-TOTAL	\$1,782,318,735	
 The Bonds	 \$68,660,000	 (8)
TOTAL	\$1,850,978,735	

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 May 1, 2025
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 May 1, 2025
Bardwell Reservoir (City of Ennis and Ellis Co. WCID#1)	\$451,027
Joe Pool Lake ARRA Costs (City of Cedar Hill, Midlothian, Grand Prairie and Duncanville)	103,578
Wallisville Lake (City of Houston)	7,586,168
TOTAL	\$8,140,773

Cost-Share Liability Pay-off	Outstanding November 30, 2024	
Lake Livingston (City of Houston)	\$67,705,583	(7)

(1) Does not include debt service on the 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. On April 23, 2025, the Board of Directors approved the Amendment to increase the ECP Bonds program to \$500,000,000, which is scheduled to close on August 1, 2025.

(2) Does not include debt service on the Extendable Commercial Paper Bonds (“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. On April 23, 2025, the Board of Directors approved the Amendment to increase the ECP Bonds program to \$400,000,000, which is scheduled to close on June 10, 2025.

(3) 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.

(4) The Authority is scheduled to issue Denton Creek (Justin - Northlake Interceptor System) Revenue and Refunding Bonds, Series 2025 on June 17, 2025.

(5) On April 23, 2025, the Board of Directors approved the creation of the Ten Mile Creek Regional Wastewater System Extendable Commercial Paper Bond Program in the amount of \$250,000,000, which is scheduled to close on June 10, 2025.

(6) On April 23, 2025, the Board of Directors approved the creation of the Red Oak Creek Regional Wastewater System Extendable Commercial Paper Bond Program in the amount of \$250,000,000, which is scheduled to close on August 1, 2025.

(7) This figure represents the Authority’s contingent liability 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. The liability is considered a contingent liability because it is required to be paid only from the sale of water. However, the liability 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 liability which will allow the Authority to retire the contingent liability 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).

(8) Preliminary, subject to change.

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TAX MATTERS

Opinion

On the date of initial delivery of the 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 Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). 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 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 Bonds and certain other matters. Failure of the Issuer to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the Issuer is conditioned on compliance by the Issuer with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the Issuer has not been retained to monitor compliance with these requirements subsequent to the issuance of the 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 Bonds.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the 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 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 Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the 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 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 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 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 BONDS.

Interest on the Bonds may be includable in certain corporations' "adjusted financial statements 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 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 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 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 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 Bonds under Federal or state law and could affect the market price or marketability of the 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 Bonds should consult their own tax advisors regarding the foregoing matters.

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 Contracting Parties will be obligated to provide certain updated financial information and operating data annually, the Contracting Parties and the Authority will be obligated to provide its respective audited financial statements 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 2025. 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 2025. 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 2025. 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 have agreed to include with the next financial information and operating data provided in accordance with their respective agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of 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, 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. On November 11, 2020, the Authority filed a notice of the incurrence of a financial obligation on March 30, 2020 in connection with the System.

Contracting Parties. Except as noted below, during the last five years, the Contracting Parties have complied in all material respects with all continuing disclosure undertakings made by them in accordance with the Rule.

Certain of the Contracting Parties have some prior undertakings requiring the filing of audited financial statements within six months of the end of such Contracting Party’s fiscal year and if audited financial statements of the 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 the Contracting Parties did not always file formal unaudited financial statements by such date. Additionally, in certain instances, some of the financial information and operating data as well as certain audits required under prior undertakings were not timely linked to all applicable outstanding bonds.

Additionally, in separate Official Statements that have been filed on EMMA in connection with outstanding non-System related obligations, each of the Cities of Euless 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

Rating

The Bonds are rated “AA+” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”). The Outstanding Parity Bonds of the System are rated “AA+” by S&P, without regard to credit enhancement. An explanation of the significance of this rating may be obtained from the company furnishing the rating. The rating reflects only the views of such organization and the Authority makes no representation as to the appropriateness of the rating. There is no assurance that such rating 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 rating 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 Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the 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 other 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 - Rating” 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” 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"), "SELECTED CONTRACT PROVISIONS," "SELECTED PROVISIONS OF THE RESOLUTION," "TAX MATTERS," "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 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.

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.

SAMCO Capital Markets Inc., an Underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, SAMCO Capital Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, SAMCO Capital Markets Inc. will compensate Fidelity for its selling efforts.

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 Certificate, which will be executed by the Authorized Officer of the Authority, 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

APPENDIX A

BIOGRAPHICAL INFORMATION

Board of Directors
and
Management Officers

BOARD OF DIRECTORS

C. DWAYNE SOMERVILLE of Mexia, Texas (President and member, 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.

MEGAN W. DEEN of Fort Worth, Texas (Vice-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.

LEWIS H. McMAHAN of Dallas, Texas, (member, Executive Committee, and Chair, Utility Services 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.

STEVEN L. ROBERTS of Coldspring, Texas (member, Executive Committee, and Chair, Administration and Audit 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.

HENRY BORBOLLA III of Fort Worth, Texas (member, Executive Committee, and Chair, Resources Development 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.

C. "COLE" CAMP of Arlington, Texas, (member, Executive Committee, and Chair, Legal and Public Policy 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.

CATHY ALTMAN of Midlothian, Texas (member, Utility Services 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.

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, Administration and Audit 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.

BENNY F. FOGLEMAN of Livingston, Texas (member, Utility Services 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.

LISA A. HEMBRY of Dallas, Texas (member, Utility Services Committee). Hembry is the owner of March Forth Communications. She is the former president of Literacy Instruction for Texas and a current board member of the Executive Women of Dallas, Archives of Women of the Southwest at Southern Methodist University and the Texas Capital Community Development Corporation. She is a former member of Texas Association of Realtors, Texas County Treasurers Association, Town & Gown Club at SMU, Dallas Arboretum & Botanical Society and Literacy Texas. Hembry earned a Bachelor of Science in political science from SMU. Hembry was appointed as director for Dallas County in 2019.

JERRY F. HOUSE of Leona, Texas (member, Administration and Audit 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.

JOHN W. JENKINS of Hankamer, Texas (member, 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.

Margaret S. C. Keliher of Dallas, Texas (member, Legal and Public Policy 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, Resources Development 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.

VICTORIA K. LUCAS of Terrell, Texas (member, Resources Development Committee). Lucas is vice president for American National Bank of Texas. She is vice chairman and former chairman of economic development for the Terrell Chamber of Commerce and treasurer and past president of the Kaufman County A&M Club. Additionally, she is vice chair of development for the Terrell ISD Excellence Foundation, vice president of Friends of the Hulsey Public Library, and member of Social Science Club of Terrell and Kiwanis International. Lucas received her Bachelor of Science in industrial distribution from Texas A&M University. Lucas was reappointed as director for Kaufman County in 2018.

ROBERT F. MCFARLANE, M.D. of Palestine, Texas (member, Administration and Audit 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 Big Woods 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.

WILLIAM O. RODGERS of Fort Worth, Texas. Rodgers is vice president of Collins and Young, LLC. He is a board member of the Fort Worth Nature Center and Edwards Family Charitable Giving. Rodgers received a bachelor's degree from Texas Christian University. Rodgers was appointed as director for Tarrant County in 2023.

AMIR RUPANI of Dallas, Texas (member, Executive Committee, and Chair, Resources Development 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.

KATHRYN SANDERS PYLE of Athens, Texas (member, Legal and Public Policy 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.

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, Legal and Public Policy 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.

BRENDA K. WALKER, Palestine, Texas (member, Utility Services 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, Legal and Public Policy 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, Resources Development 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 nearly 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 \$350 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 currently serves as chair of the Region C Regional Water Planning Group and 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 serves as a board and executive committee member of the North Texas Commission and on the Texas Water Conservation Association's executive committee and as chair of the Association's River Authority Panel. He is a past president and a board member of the National Water Resources Association. Additionally, he previously 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 TWCA'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 is currently serving as the president for 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 Big Four accounting firm Deloitte's 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 and the American Institute of Certified Public Accountants, and is also a member of 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 Conservation 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 Deputy General Counsel. Long graduated with a BS in bioenvironmental sciences from Texas A&M University and a Doctor of Jurisprudence from Texas A&M University School of Law. She joined the Trinity River Authority in 2020 as Associate General Counsel and ascended to the position of Deputy General Counsel in 2024. Long's dedication to her field is evident. She has participated in multiple environmental capstone projects in law school and a field study course focused on water, energy, and dispute resolution issues. Additionally, 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 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 committee member of the Texas Water Conservation 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.

APPENDIX B

CERTAIN FINANCIAL AND OPERATING DATA OF THE CONTRACTING PARTIES^{*}

City of Bedford, Texas
City of Colleyville, Texas
City of Euless, Texas
City of Grapevine, Texas
City of North Richland Hills, Texas

^{*} Financial and operating data presented in Appendix B is reproduced from the most recent EMMA filings of the Contracting Parties as of the date of this Preliminary Official Statement.

CITY OF BEDFORD, TEXAS

TABLE 1 – WATER AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2024	2023	2022	2021	2020
Water Sales	\$ 16,739,192	\$ 16,947,250	\$ 16,831,259	\$ 14,596,419	\$ 14,446,353
Charges for Sewer Services	10,428,070	9,498,067	9,234,586	8,676,974	8,656,588
Interest Income	2,097,574	1,576,825	321,623	329,888	492,134
Other	497,236	394,512	364,482	210,840	278,549
Total Revenue	<u>\$ 29,762,072</u>	<u>\$ 28,416,654</u>	<u>\$ 26,751,950</u>	<u>\$ 23,814,121</u>	<u>\$ 23,873,624</u>
<u>Expenses⁽¹⁾</u>					
Water Supply and Distribution	\$ 9,089,108	\$ 10,197,492	\$ 9,984,278	\$ 8,763,667	\$ 9,131,274
Wastewater Collection and Disposal	6,247,982	5,717,685	5,053,553	4,900,651	5,117,514
Billing and Collection	1,580,175	1,113,630	1,491,678	1,974,280	1,108,377
Public Services/Engineering	3,151,150	193,336	1,004,563	957,720	917,768
Total Expense	<u>\$ 20,068,415</u>	<u>\$ 17,222,143</u>	<u>\$ 17,534,072</u>	<u>\$ 16,596,318</u>	<u>\$ 16,274,933</u>
Net Available for Debt Service	\$ 9,693,657	\$ 11,194,511	\$ 9,217,878	\$ 7,217,803	\$ 7,598,691
Administrative Overhead/Payment in Lieu of Taxes	<u>2,828,945</u>	<u>2,840,910</u>	<u>2,662,283</u>	<u>3,340,983</u>	<u>2,678,290</u>
Net Operating Income	\$ 6,864,712	\$ 8,353,601	\$ 6,555,595	\$ 3,876,820	\$ 4,920,401
Water Customers	23,277	23,296	23,272	23,246	23,271
Sewer Customers	22,824	22,809	22,800	22,781	22,809

(1) 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 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 2025)

With the exception of multi-family dwellings the minimum charge for various size meters per month shall be:

Meter Size		Rates per Month
5/8 inch Meter		\$ 21.54
5/8 inch Meter	(Citizens aged 65 and over)	19.57
1 inch Meter		41.80
1 inch Meter	(Citizens aged 65 and over)	39.15
1 ½ inch Meter		86.10
2 inch Meter		137.81
3 inch Meter		258.41
4 inch Meter		413.50
6 inch Meter		1,550.56
Fire Hydrant		228.07
All water used per month		5.22 per 1,000 gallons

TABLE 5 - MONTHLY SEWER RATES (EFFECTIVE JANUARY 2025)⁽¹⁾

Meter Size		Rates per Month
5/8 or ¾ inch Meter		\$ 16.93
5/8 inch Meter	(Citizens aged 65 and over)	15.36
1 inch Meter		25.42
1 inch Meter	(Citizens aged 65 and over)	23.09
1 ½ Meter		39.62
2 inch Meter		56.63
3 inch Meter		101.96
4 inch Meter		153.06
6 inch Meter		294.93
Volume Charge ⁽²⁾		4.39 per 1,000 gallons up to 12,000 gallons

(1) Based on average volume of water billed during December, January and February (residential).

(2) No charge over 12,000 – residential accounts only.

CITY OF COLLEYVILLE, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Revenues					
Metered Water Sales	\$ 15,611,008	\$ 15,285,430	\$ 14,075,059	\$ 11,766,720	\$ 11,734,812
Sewer Service Charges	5,681,290	5,421,052	5,297,937	4,730,415	4,206,156
Miscellaneous Charges and Fees	2,863,943	3,152,443	2,557,018	942,782	947,526
Interest Income	1,344,967	840,756	-7,736	31,280	233,882
Total Revenues	\$ 25,501,208	\$ 24,699,681	\$ 21,922,278	\$ 17,471,197	\$ 17,122,376
Expenses					
Personnel Services	\$ 2,610,599	\$ 2,609,995	\$ 2,048,171	\$ 2,194,442	\$ 2,085,201
Maintenance and Contractual Services	17,380,794	16,035,109	14,786,549	11,693,167	12,572,446
Materials and Supplies	492,644	423,694	296,654	412,230	420,189
Total Expenses	\$ 20,484,037	\$ 19,068,798	\$ 17,131,374	\$ 14,299,839	\$ 15,077,836
Net Available for Debt Service	\$ 5,017,171	\$ 5,630,883	\$ 4,790,904	\$ 3,171,358	\$ 2,044,540
Water Customers	10,005	9,985	9,945	10,608	10,487
Sewer Customers	9,828	9,799	9,760	9,832	9,619

TABLE 2 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2019	\$ -
Coverage of Average Requirements by 9-30-18 Net Available for Debt Service	#DIV/0!
Maximum Annual Principal and Interest Requirements, 2019	\$ -
Coverage of Maximum Requirements by 9-30-18 Net Available for Debt Service	#DIV/0!
Waterworks and Sewer System Revenue Bonds Outstanding (as of 9-30-18)	\$ -
Interest and Sinking Fund (as of 9-30-18)	\$ -
Reserve Fund (as of 9-30-18)	\$ -

As of September 30, 2018, the City has no water and sewer revenue bonds outstanding.

As of September 30, 2018, the City has no authorized but unissued revenue debt.

TABLE 4 – WATER USAGE

Fiscal Year Ended 9/30	Average Day Usage	Total Usage
2019	6,418,359	2,342,701,000
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

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

Meter Size	In-City Customers \$/M Gallons	Out-City Customers \$/M Gallons
1 inch or less	\$ 17.64	\$ 21.64
1.5 inch Meter	35.28	\$ 39.28
2 inch Meter	56.45	\$ 60.45
3 inch Meter	105.85	\$ 109.85
4 inch Meter	176.41	\$ 180.41
Volumetric Water Charge	5.5969 per 1,000 gallons	5.5969 per 1,000 gallons

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2023)

<u>Meter Size</u>	<u>In-City Customers \$/M Gallons</u>	<u>Out-City Customers \$/M Gallons</u>
1 inch or less	\$ 15.62	\$ 19.62
1.5 inch Meter	31.24	\$ 35.24
2 inch Meter	49.99	\$ 53.99
3 inch Meter	93.73	\$ 97.73
4 inch Meter	156.21	\$ 160.21
Volumetric Water Charge	5.5969 per 1,000 gallons	5.5969 per 1,000 gallons

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

	<u>Residential</u>	<u>Non- Residential</u>
Base sewer charge	\$ 14.42	\$ 20.42
Volume charge per 1,000 gallons ⁽¹⁾	3.7371	7.7371
City average sewer rate is 9,000 gallons per household ^{(2) (3)}	\$ 33.63	

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

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

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2023)

	<u>Residential</u>	<u>Non- Residential</u>
Base sewer charge	\$ 13.67	\$ 19.67
Volume charge per 1,000 gallons ⁽¹⁾	3.0663	7.0663
City average sewer rate is 9,000 gallons per household ⁽²⁾⁽³⁾	\$ 27.60	

(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 EULESS, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
Revenues	2024	2023	2022	2021	2020
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	<u>\$ 38,175,886</u>	<u>\$ 32,284,877</u>	<u>\$ 29,551,190</u>	<u>\$ 28,615,631</u>	<u>\$ 27,270,751</u>
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	<u>\$ 28,629,521</u>	<u>\$ 26,660,040</u>	<u>\$ 24,625,614</u>	<u>\$ 22,122,296</u>	<u>\$ 23,101,386</u>
Net Available for Debt Service	<u>\$ 9,546,365</u>	<u>\$ 5,624,837</u>	<u>\$ 4,925,576</u>	<u>\$ 6,493,335</u>	<u>\$ 4,169,365</u>
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 ⁽¹⁾

Date Authorized	Purpose	Amount Authorized	Issued 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		<u>\$ 5,000,000</u>	<u>\$ 3,800,000</u>	<u>\$ 1,200,000</u> ⁽¹⁾

(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)

Water Rates (October 1, 2024)				Water Service Meter Charge	
Water Service				Meter Size (Inches)	Monthly Base Charge
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)

Wastewater Rates (October 1, 2024)	
Inside City	Outside City
\$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 GRAPEVINE, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM 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	<u>\$ 32,144,083</u>	<u>\$ 31,353,907</u>	<u>\$ 26,315,014</u>	<u>\$ 24,069,699</u>	<u>\$ 21,724,371</u>
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	<u>\$ 7,266,007</u>	<u>\$ 5,657,320</u>	<u>\$ 7,843,462</u>	<u>\$ 7,894,699</u>	<u>\$ 8,675,753</u>
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 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 no 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%
		<u>273,624,308</u>	<u>7.69%</u>

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 1/2"	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

COMMERCIAL/MULTI 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 1/2"	380.00	350.00	730.00	1 1/2"	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	\$ -	\$ -	\$ -

APPENDIX C

CERTAIN FINANCIAL AND OPERATING DATA OF THE TARRANT COUNTY WATER SUPPLY PROJECT SYSTEM
ENTERPRISE FUND

TRINITY RIVER AUTHORITY OF TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
NOVEMBER 30, 2024

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECT	TEN MILE CREEK REGIONAL WASTEWATER
<u>Assets</u>				
Current Assets:				
Unrestricted Assets:				
Cash	\$ -	-	100	-
Equity in Pooled Cash and Investments	29,292,720	8,667,210	-	6,739,276
Accounts Receivable, Net of Allowance	464,158	-	41,538	-
Accounts Receivable - Contracting Parties	1,410,711	1,190,000	40,114,767	42
Contract Receivable - Current	-	-	-	-
Interest Receivable	-	-	-	-
System Contribution Receivable - Current	-	-	-	273,988
Due from Other Authority Funds	-	-	144	-
Prepays and Other Assets	222,585	31,320	60	152,503
Inventory	2,434,374	-	-	-
Total Unrestricted Assets	33,824,548	9,888,530	40,156,609	7,165,809
Restricted Assets:				
Equity in Pooled Cash and Investments	246,567,158	151,338,604	5,440,772	25,071,486
Money Market Fund	315,059	-	-	-
Accounts Receivable	615,179	-	-	-
Accrued Investment Income	1,184	-	-	-
Prepays and Other Assets	-	-	-	359,321
Total Restricted Assets	247,498,580	151,338,604	5,440,772	25,430,807
Total Current Assets	281,323,128	161,227,134	45,597,381	32,596,616
Noncurrent Assets:				
Capital Assets:				
Land and Easements	40,321,023	9,144,101	54,652,817	6,619,065
Water Storage Rights	-	-	10,580,707	-
Sewage System and Extensions	1,912,732,312	-	-	214,883,377
Buildings	-	-	-	-
Recreational Facilities	-	-	-	-
Reservoir and Facilities	-	-	87,072,503	-
Water Transportation and Treatment Facilities	-	266,791,393	-	-
Machinery and Equipment	10,403,278	2,126,635	1,692,503	2,053,075
Right-To-Use Leased Assets	151,522	1,574,698	-	-
Right-To-Use Subscription Assets	-	-	-	-
Construction-in-Progress	130,386,611	51,042,013	-	22,181,933
Accumulated Depreciation/Amortization	(649,092,901)	(120,732,070)	(19,988,080)	(93,075,950)
Total Capital Assets, Net	1,444,901,845	209,946,770	134,010,450	152,661,500
Other Noncurrent Assets:				
Contract Receivable - Long Term	-	-	-	-
System Contribution Receivable, Less Current	-	-	-	1,920,513
Total Other Noncurrent Assets	-	-	-	1,920,513
Total Noncurrent Assets	1,444,901,845	209,946,770	134,010,450	154,582,013
Total Assets	\$ 1,726,224,973	371,173,904	179,607,831	187,178,629
<u>Deferred Outflows of Resources</u>				
Deferred Amount on Refunding	\$ 3,950,966	1,050,082	-	230,276
Other Post Employment Benefits	-	-	-	-
Total Deferred Outflows of Resources	\$ 3,950,966	1,050,082	-	230,276

MAJOR ENTERPRISE FUNDS				
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECT	TEN MILE CREEK REGIONAL WASTEWATER
Liabilities				
Current Liabilities:				
Payable from Unrestricted Assets:				
Accounts Payable and Accrued Expenses	\$ 2,967,786	478,144	23,482,666	410,591
Accounts Payable - Contracting Parties	8,818,455	3,518,990	-	5,618,287
Compensated Absences	100,350	21,100	26,709	15,079
Accrued Interest Payable	-	25,903	228,948	-
Due to Other Authority Funds	1,943	-	15,442,032	-
Lease Payable - Current	-	150,180	-	-
Subscription Payable - Current	-	-	-	-
System Contribution Payable - Current	-	-	-	273,988
Unearned Revenue	2,348	991	876	-
Other Post Employment Benefits	-	-	-	-
Claims Payable	-	-	-	-
Obligations to Contracting Parties - Current	-	-	4,750,000	-
Contracts Payable - Current Maturities	-	218,455	168,328	-
Total Payable from Unrestricted Assets	11,890,882	4,413,763	44,099,559	6,317,945
Payable from Restricted Assets:				
Accounts and Retainage Payable	32,245,823	9,119,270	1,056,981	2,176,059
Accrued Interest Payable	14,667,946	3,512,680	-	1,217,036
Unearned Revenue	-	-	-	-
Revenue Bonds - Current Maturities	70,360,000	15,545,000	-	9,705,000
Total Payable from Restricted Assets	117,273,769	28,176,950	1,056,981	13,098,095
Total Current Liabilities	129,164,651	32,590,713	45,156,540	19,416,040
Long-Term Liabilities:				
Accounts Payable and Accrued Expenses	2,944,141	2,840,152	-	819,230
Compensated Absences, Less Current	542,394	109,766	139,962	79,993
Lease Payable, Less Current	-	1,032,857	-	-
Subscription Payable - Less Current	-	-	-	-
System Contribution Payable, Less Current	-	-	-	1,920,513
Unearned Revenue	-	-	-	-
Other Post Employment Benefits	-	-	-	-
Obligations to Contracting Parties, Less Current	-	-	62,955,583	-
Contracts Payable, Less Current Maturities	-	3,495,280	7,587,593	-
Revenue Bonds Payable, Less Current Maturities	1,022,940,864	220,620,076	-	89,366,108
Total Long-Term Liabilities, Net	1,026,427,399	228,098,131	70,683,138	92,185,844
Total Liabilities	\$ 1,155,592,050	260,688,844	115,839,678	111,601,884
Deferred Inflows of Resources				
Deferred Gain on Refunding	\$ 666,728	69,448	-	-
Other Post Employment Benefits	-	-	-	-
Total Deferred Inflows of Resources	\$ 666,728	69,448	-	-
Net Position				
Net Investment in Capital Assets	\$ 458,441,604	77,036,343	58,548,946	62,415,298
Restricted for:				
Debt Service	92,465,369	28,695,715	-	12,373,852
Construction	518,916	-	4,383,791	-
Other Purpose	1,100,000	-	-	250,000
Unrestricted	21,391,272	5,733,636	835,416	767,871
Total Net Position	\$ 573,917,161	111,465,694	63,768,153	75,807,021

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2024

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECT	TEN MILE CREEK REGIONAL WASTEWATER
Operating Revenues:				
Wastewater Contract Revenue	\$ 179,573,438	-	-	20,881,881
Water Supply Contract Revenue	-	54,571,926	-	-
Water Storage Contract Revenue	-	-	41,538,436	-
Raw Water Contract Revenue	-	-	-	-
Recreational Facilities Fees	-	-	-	-
Reclaimed Wastewater Revenue	384,236	-	-	-
Professional Services	635,727	-	160,463	-
Insurance Premiums	-	-	-	-
Management Fees	-	-	-	-
Grant Revenue	-	-	-	-
Joint Project Administration	-	-	-	-
Other	4,256,220	38,432	190,039	5,751
Total Operating Revenues	184,849,621	54,610,358	41,888,938	20,887,632
Operating Expenses:				
Salaries and Benefits	17,486,351	3,208,512	2,673,858	2,335,503
Supplies	10,362,050	4,144,218	232,564	613,310
Other Services and Charges	53,542,203	22,756,889	7,643,454	6,408,902
Depreciation/Amortization	44,097,658	5,914,434	1,020,743	5,150,373
Total Operating Expenses	125,488,262	36,024,053	11,570,619	14,508,088
Operating Income (Loss)	59,361,359	18,586,305	30,318,319	6,379,544
Non-Operating Revenues (Expenses):				
Interest Expense	(29,165,351)	(7,950,220)	(295,402)	(2,868,423)
Debt Issuance Costs	(1,472,650)	(707,445)	-	-
Investment Income (Loss)	14,120,811	7,615,307	206,518	1,800,932
Debt Related Fees	(48,500)	(14,150)	-	(9,600)
Gain (Loss) on Disposal of Capital Assets	(2,439,273)	2,300	(5,435,356)	(38,309)
Other	357,699	7,282	1,201	5,165
Total Non-Operating Revenues (Expenses) - Net	(18,647,264)	(1,046,926)	(5,523,039)	(1,110,235)
Income (Loss) Before Contributions and Transfers	40,714,095	17,539,379	24,795,280	5,269,309
CONTRIBUTIONS	-	-	4,309,612	2,061,406
CONTRIBUTION REFUNDS	-	-	-	(2,061,406)
TRANSFERS IN	145	-	631	117
TRANSFERS OUT	(22,843)	-	-	-
Change in Net Position	40,691,397	17,539,379	29,105,523	5,269,426
Net Position - December 1, 2023, as previously reported	533,225,764	93,926,315	34,662,630	70,537,595
Adjustment - Change within reporting entity	-	-	-	-
Net Position - December 1, 2023, as adjusted	533,225,764	93,926,315	34,662,630	70,537,595
Net Position - November 30, 2024	\$ 573,917,161	111,465,694	63,768,153	75,807,021

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2024

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECT	TEN MILE CREEK REGIONAL WASTEWATER
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 192,380,433	56,900,916	6,631,675	27,123,297
Cash Received from Other Authority Funds for Services	1,751,172	38,432	75,828	3,714
Cash Received from Claim Refunds	-	-	-	-
Cash Payments for Claims	-	-	-	-
Cash Payments for Premiums and Administration	-	-	-	-
Cash Payments to Customers	(7,603,058)	(5,613,323)	-	(2,984,261)
Cash Payments to Suppliers for Goods and Services	(52,432,690)	(22,635,490)	(639,688)	(4,784,124)
Cash Payments for Employee Services	(17,625,074)	(3,169,926)	(2,576,130)	(2,315,111)
Cash Payments to Other Authority Funds for Services	(13,430,225)	(2,579,159)	(1,281,893)	(2,262,866)
Cash from Other Sources	326,075	7,283	304,787	7,201
Net Cash Provided by (Used for) Operating Activities	103,366,633	22,948,733	2,514,579	14,787,850
Cash Flows from Non-Capital Financing Activities:				
Transfers from Other Authority Funds	-	-	-	-
Transfers to Other Authority Funds	(22,843)	-	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(22,843)	-	-	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(69,311,792)	(29,834,909)	(5,149,658)	(8,144,290)
Principal Paid on Revenue Bond Maturities	(66,400,000)	(12,990,000)	-	(9,305,000)
Interest Paid on Revenue Bonds	(42,429,408)	(9,445,966)	-	(4,037,109)
Principal Payments on Contracts Payable	-	(218,455)	(163,037)	-
Interest Paid on Contracts Payable	-	(54,854)	(255,205)	-
Principal Payments on Lease Payable	-	(146,622)	-	-
Interest Paid on Lease Payable	-	(30,306)	-	-
Interest Paid on Retainage	(112,925)	(588)	-	(4,087)
Principal Paid on Subscription Payable	-	-	-	-
Interest Paid on Subscription Payable	-	-	-	-
Debt Related Fees	(44,000)	(13,850)	-	(10,400)
Net Proceeds from Issuance of Bonds	133,303,502	35,397,326	-	-
Cash Deposited in Trust for Defeasance of Debt	-	-	-	-
Debt Issuance Costs Paid	(275,916)	(284,547)	-	-
Debt Issuance Costs Refunded	11,329	4,214	-	-
Proceeds from the Sale of Capital Assets	52,684	2,300	45,704	11,183
Contribution Received	-	-	4,309,612	-
Transfers from Other Authority Funds	-	-	-	-
Transfers to Other Authority Funds	-	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(45,206,526)	(17,616,257)	(1,212,584)	(21,489,703)
Cash Flows from Investing Activities:				
Cash Received for Investment Income	14,120,913	7,615,307	206,518	1,800,932
Net Cash Provided by (Used for) Investing Activities	14,120,913	7,615,307	206,518	1,800,932
Total Change in Cash and Cash Equivalents	72,258,177	12,947,783	1,508,513	(4,900,921)
Cash and Cash Equivalents, Beginning of Year	203,916,760	147,058,031	3,932,359	36,711,683
Cash and Cash Equivalents, End of Year	\$ 276,174,937	160,005,814	5,440,872	31,810,762

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECT	TEN MILE CREEK REGIONAL WASTEWATER
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 59,361,359	18,586,305	30,318,319	6,379,544
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/Amortization	44,097,658	5,914,434	1,020,743	5,150,373
Miscellaneous Income	357,699	7,282	1,201	5,165
Change in Assets and Liabilities:				
Accounts Receivable	14	54,039	(11,208)	-
Accounts Receivable - Contracting Parties	430,830	(1,190,000)	(39,040,084)	623,129
Claim Refunds Receivable	-	-	-	-
Contracts Receivable	-	-	-	-
Interest Receivable	-	-	-	-
Due from Other Authority Funds	1,062	-	11	-
Prepays and Other Assets	33,341	1,312,185	5,673	(64,742)
Inventory	(1,246,824)	-	-	-
Accounts Payable and Accrued Expenses	(734,545)	322,583	38,365	56,355
Compensated Absences	(140,400)	36,325	89,809	4,139
Accounts Payable - Contracting Parties	1,215,398	(2,094,333)	-	2,634,026
Due to Other Authority Funds	(10,033)	-	1,168,037	(139)
Unearned Revenue	1,074	(87)	270	-
Claims Payable	-	-	-	-
Obligations to Contracting Parties	-	-	8,923,443	-
OPEB Obligation	-	-	-	-
Total Adjustments	44,005,274	4,362,428	(27,803,740)	8,408,306
Net Cash Provided by (Used for) Operating Activities	\$ 103,366,633	22,948,733	2,514,579	14,787,850
Supplemental Noncash Disclosures:				
Gain/Loss on Disposal of Capital Assets	\$ (2,491,957)	-	(5,435,356)	(49,492)
Amortization of Bond Premium/Discount	(15,423,017)	(2,424,046)	-	(1,128,500)
Amortization of Gain/Loss on Refunding	783,563	323,101	-	67,697
Change in Estimated Arbitrage Liability	2,909,527	2,278,315	-	493,869
Change in Liabilities Related to Capital Assets	12,503,239	5,475,804	37,633,349	(718,566)
Change in Assets Related to Capital Assets	(413,986)	-	-	-
Bond Proceeds Deposited in Trust for Defeasance of Debt	(12,639,393)	-	-	-
Bond Issuance Costs Retained from Bond Proceeds	(1,208,063)	(427,112)	-	-
Transfer of Capital Assets	-	-	-	117
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR:				
<i>Unrestricted Assets:</i>				
Cash	\$ -	\$ -	100 \$	-
Equity in Pooled Cash and Investments	29,292,720	8,667,210	-	6,739,276
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Investments	246,567,158	151,338,604	5,440,772	25,071,486
Money Market Fund	315,059	-	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 276,174,937	\$ 160,005,814	\$ 5,440,872	\$ 31,810,762

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
(TARRANT COUNTY WATER PROJECT)
IMPROVEMENT REVENUE BONDS, SERIES 2025**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$68,660,000 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 governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Bond 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 parity bonds, are secured by and payable from a first lien on and pledge of (a) the Issuer's Net Revenues from its water supply contracts, each dated as of January 21, 1972, and amended as of January 22, 1975, and as of December 5, 1979 (with respect to the City of Euless, Texas) and December 11, 1979 (with respect to the City of Bedford, Texas), and its water supply contracts, each dated as of April 25, 1979, and amended as of December 5, 1979, and as of April 23, 1980, with the Cities of Colleyville, Grapevine, and North Richland Hills, Texas (collectively the "Contracts"), all relating to the Issuer's Tarrant County Water Project described in the Contracts, all as more fully described in the Contracts and in the Bond Resolution, to each of which reference is hereby made for all purposes, and (b) the Net Revenues the Issuer may receive from other parties, if any, with whom the Issuer may contract in the future for supplying treated water from the Issuer's Tarrant County Water Project, and (ii) each of the

¹ Preliminary, subject to pricing.



aforesaid Contracts is authorized by law, has been duly executed, is valid, and is legally binding upon and enforceable by the parties thereto in accordance with their respective terms and provisions.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond 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 Bond Resolution, to amend the Bond Resolution with the approval of the 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 Bond 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 aforementioned 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.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

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 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,

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