



June 5, 2015

Texas Water Development Board
Water Supply and Infrastructure – Regional Water Planning and Development
Attn: Jeff Walker – Deputy Executive Administrator
PO Box 13231
1700 N. Congress Avenue, 5th Floor
Austin, Texas 78711-3231

**Re: Hays Caldwell Public Utility Agency's SWIFT Financial Application
TWDB PIF# 11046**

Dear Mr. Walker:

Enclosed is a completed Financial Assistance Application for the Hays Caldwell Public Utility Agency (HCPUA). The HCPUA is seeking funding from the SWIFT program in an amount not to exceed \$12,500,000 and in the form of a low interest loan. The HCPUA requests the funding on behalf of the cities of Kyle and San Marcos along with the Canyon Regional Water Authority. The HCPUA's lone remaining Sponsor, the City of Buda, will fund their share of the project separately.

The HCPUA is requesting financial assistance for the Phase 1A project which consists of a pump station and pipeline that will connect the City of Kyle and City of Buda water systems. The Phase 1A facilities will be used to share excess water from the HCPUA sponsors with the City of Buda who projects a water need as soon as 2017. Sharing water in this manner will allow the larger Carrizo project to be deferred for a few years. This deferral will benefit the rate payers for the sponsors as it will allow time for additional growth that will allow the expenses to spread over more customers.

The Phase 1B project, which the HCPUA anticipates initiating in 2017, will include the infrastructure necessary to produce, treat and deliver the Carrizo water from eastern Caldwell County to the sponsors. The Phase 1B infrastructure will tie into the Phase 1A pump station, and once commissioned, will deliver the Carrizo water to the City of Buda.

We appreciate the Board's consideration of this application. Should you have any questions or need any additional information please contact me at (512) 294-3214 or by e-mail at gmoore@hcpua.org.

Sincerely,

Graham Moore
Executive Director

cc: File

Attachment: One (1) Hard Copy of Completed Application
One (1) Electronic Copy

**APPLICATION FOR FINANCIAL ASSISTANCE
FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS**

NOTICE TO ALL APPLICANTS

This application is comprehensive, covering all loan and grant assistance applications for water and wastewater infrastructure financing through the various Texas Water Development Board (TWDB) programs. The format of the application is intended to expedite the review process for both the applicant and TWDB staff. This application is intended for political subdivisions, including Water Supply Corporations.

Each applicant must submit **ONE** double-sided **ORIGINAL** and **ONE** indexed, electronic copy, via electronic storage media such as CD or flash drive using MS Word, Excel and/or Adobe Acrobat. The application must be submitted to:

Texas Water Development Board
Water Supply and Infrastructure-Regional Water Planning and Development
P O Box 13231
1700 N. Congress Avenue, 5th Floor
Austin, Texas 78711-3231
(78701 for courier deliveries)

Only **COMPLETE APPLICATIONS** for projects will be considered for funding. A **COMPLETE APPLICATION** consists of all of the applicable information and forms requested in this document.

IMPORTANT NOTICE

Applicants **MUST** use this form for application to ensure all requested information is included for review.

TWDB Use Only

Name of Applicant: _____

Date application received: _____

Date administratively complete: _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Contents

Part A: General Information.....	3
Part B: Legal Information.....	7
Part C: Financial Information	10
Part D: Project Information	18
Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:.....	23
Part F: Economically Distressed Programs (EDAP) Applicants Only:	24
Part G: CWSRF/DWSRF Applicants Only	25
Part H: Documentation of "Green" Projects and Project Components.....	28
Part I: Summary of attachments to application	29
Part J: Guidance and Forms.....	31

Please label each attachment with the number of the pertinent application section (i.e. “Part D5”)

Part A: General Information

1. The legal authority under which the applicant was created and operates.
 - a) TYPE A GENERAL-LAW MUNICIPALITY (Texas Local Gov’t Code Sec. 5.001)
 - b) TYPE B GENERAL-LAW MUNICIPALITY (Texas Local Gov’t Code Sec. 5.002)
 - c) TYPE C GENERAL-LAW MUNICIPALITY (Texas Local Gov’t Code Sec. 5.003)
 - d) HOME-RULE MUNICIPALITY (Texas Local Gov’t Code Sec. 5.004)
 - e) SPECIAL-LAW MUNICIPALITY (Texas Local Gov’t Code Sec. 5.005)
 - f) NONPROFIT ORGANIZATION (Business Organization Code Chapter 22)
 - g) NONPROFIT WATER SUPPLY OR SEWER SERVICE CORP. (Texas Water Code Chapter 67)
 - h) ALL DISTRICTS (Texas Water Code Chapter 49)
 - i) OTHER (attach) – Chapter 572 Texas Local Government Code, see attached formation resolutions

2. Applicant Name and Contact Information:

Name:	Hays Caldwell Public Utility Agency
County:	Hays
Physical Address:	630 E. Hopkins, San Marcos, TX 78666
Mailing Address:	630 E. Hopkins, San Marcos, TX 78666
Phone:	512-294-3214
Fax:	N/A
Website:	www.hcpua.org

3. Brief description of the project:

The project consists of a pipeline and pump station that will interconnect the City of Kyle and City of Buda water systems and will allow interim water to be sold between the two. The facilities will ultimately be used starting in 2023 to deliver the HCPUA Carrizo water to Buda.

4. Applicant’s Officers and Members:

<u>Name</u>	<u>Office Held</u>
David Wilson	Chair of the Board
John Thomaides	Vice-Chair of the Board
Kenneth Williams	Treasurer
Chris Betz	Secretary
Jane Hughson	
Jared Miller	
Tom Taggart	
Steve Parker	
Todd Webster	
James Earp	
Mike Taylor	
Pat Allen	
Humberto Ramos	

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

5. Applicant's **primary contact person** for day-to-day project implementation.

Name:	Graham Moore
Title:	Executive Director
Address:	630 E. Hopkins, San Marcos, TX 78666
Phone:	512-294-3214
Fax:	N/A
Email:	gmoore@hcpua.org

6. Applicant's Consultants (Attach copies of all draft and/or executed contracts for consultant services to be used by the Applicant in applying for financial assistance or constructing the proposed project.):

a) Applicant Engineer N/A

Firm Name:	Lockwood, Andrews & Newnam, Inc.
Contact:	Drew Hardin, PE
Address:	8911 N. Capital of Texas Highway, Bldg 2, Suite 2300, Austin, TX 78759
Phone:	512-338-4212
Fax:	512-338-4942
Email:	dphardin@lan-inc.com

b) Bond Counsel N/A

Firm Name:	McCall, Parkhurst & Horton, LLP
Contact:	Carol Polumbo
Address:	600 Congress Ave., Suite 1800, Austin, TX 78701
Phone:	512-478-3805
Fax:	512-472-0871
Email:	cpolumbo@mphlegal.com

c) Financial Advisor N/A

Firm Name:	Specialized Public Finance, Inc.
Contact:	Dan Wegmiller
Address:	248 Addie Road, Suite B-103, Austin, TX 78746
Phone:	512-275-7302
Fax:	512-275-3705
Email:	dan@spubfin.com

d) Certified Public Accountant (or other appropriate rep) N/A

Firm Name:	Atchley & Associates, LLP (HCPUA's independent auditor)
Contact:	Dan Shaner
Address:	6850 Austin Center Blvd., Suite 180
Phone:	512-346-2086 Ext. 122
Fax:	512-338-9883
Email:	dshaner@atchleycpas.com

e) Legal Counsel (if other than Bond Counsel) N/A

Firm Name:	Mark B. Taylor
Contact:	Mark B. Taylor
Address:	130 East Sierra Circle, San Marcos, TX 78666
Phone:	512-754-0485

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Fax:	N/A
Email:	markbtaylor@grandecom.net

f) Any other consultant representing the Applicant before the Board N/A

Firm Name:	
Contact:	
Address:	
Phone:	
Fax:	
Email:	

7. List the counties within the Applicant's service area. Hays, Caldwell, Comal & Guadalupe.
8. Identify the Applicant's total service area population: 160,000
9. Applicant is requesting funding from which programs? Check all that apply.

	PROGRAM	AMOUNT REQUESTED
a) <input type="checkbox"/>	Drinking Water State Revolving Fund (DWSRF)	\$ _____
b) <input type="checkbox"/>	Clean Water State Revolving Fund (CWSRF)	\$ _____
c) <input type="checkbox"/>	Texas Water Development Fund (DFund)	\$ _____
d) <input type="checkbox"/>	State Participation	\$ _____
e) <input type="checkbox"/>	Rural Water Assistance Fund (RWAFF)	\$ _____
f) <input checked="" type="checkbox"/>	State Water Implementation Fund for Texas (SWIFT)	\$ <u>12,500,000</u>
g) <input type="checkbox"/>	Economically Distressed Areas Program (EDAP)	\$ _____
h) <input type="checkbox"/>	If other please explain: _____	\$ _____

The amount requested is split between three of the Agency's four Sponsors. San Marcos is committed to 37.78%, Canyon Regional Water Authority is committed to 32.54% and Kyle is committed to 29.68%.

10. Other Funding Sources: Provide a list of any other funding source(s) being utilized to complete the project, including Applicant's local contribution, if any, or commitments applied for and/or received from any other funding agency for this project or any aspect of this project. **Provide commitment letters if available. Additional funding sources must be included within the Project Budget (TWDB-1201).**

Funding Source	Type of Funds (Loan/Grant)	Amount (\$)	Date Applied for Funding	Anticipated or Funding Secured Date
Buda Revenue Bonds	Loan	675,992	N/A	1/15/2016
Total Funding from All Sources		\$13,175,992		

Comments: The Agency is seeking reimbursement for the local contributions by the Agency's Sponsors through the SWIFT debt issuance.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

11. Applicant is requesting funding for which phase(s)? Check all that apply.

- Planning
- Acquisition
- Design
- Construction

12. Is Applicant requesting funding to refinance existing debt?

- Yes If yes, attach a copy of the document securing the debt to be refinanced.
- Attached document**
- No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part B: Legal Information

13. Cite the legal authority under which the Applicant can issue the proposed debt including the authority to make a proposed pledge of revenues. Chapter 572 Local Government Code

14. What type of pledge will be used to repay the proposed debt?

- Systems Revenue
- Taxes
- Combination of systems revenues and taxes
- Other (Contract Revenue, etc.)

15. Provide the full legal name of the security for the proposed debt issue(s).

The legal name of the security is contract bond revenues but specifically the Bonds are limited, special obligations of the Agency payable from and equally and ratably secured solely by a lien on and pledge of the Bond Payments. Bond Payments consist of the payments defined as "Bond Payments" within the Contract that the Agency expects to receive from the Cities of Kyle and San Marcos, Texas and the Canyon Regional Water Authority. The Contract is the Regional Water Supply Contract dated as of January 15, 2008, as amended by Amendment No. 1 and as may be further amended, between the Agency and the Sponsoring Entities of the Cities of Buda, Kyle and San Marcos, Texas and the Canyon Regional Water Authority.

16. Describe the pledge being offered and any existing rate covenants. Wholesale water supply contract between the Agency and the cities of Kyle and San Marcos and the Canyon Regional Water Authority.

17. Attach the resolution from the governing body requesting financial assistance.

TWDB-0201A (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Resolution

18. Attach the Application Affidavit

TWDB-0201 (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Applicant Affidavit

19. Attach the Certificate of Secretary

TWDB-201B (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Certificate of Secretary

20. Is the applicant a Water Supply Corporation (WSC)?

- Yes If yes, attach each of the following:
 - Articles of Incorporation**
 - Certificate of Incorporation from the Texas Secretary of State evidencing that the current Articles of Incorporation are on file with the Secretary**
 - By-laws and any amendments**
 - Certificate of Status from the Texas Secretary of State (i.e. Certificate of Existence)**
 - Certificate of Account Status from the Texas Comptroller of Public Accounts (certifies that the WSC is exempt from the franchise tax and that the WSC is in good standing).**
- No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

21. Is the applicant proposing to issue revenue bonds?
 Yes If yes, attach copies of the most recent resolution/ordinance(s) authorizing any outstanding parity debt. This is essential to insure outstanding bond covenants are consistent with covenants that might be required for TWDB financing.
 Attached resolution/ordinance(s)
 No
22. Does the applicant possess a Certificate of Convenience and Necessity (CCN)?
 Yes If yes, attach a copy of the CCN and service area map showing the areas the applicant is allowed to provide water or wastewater services.
 Attached CCN and service area map
 No If no, indicate the status of the CCN. _____
 N/A - Hays Caldwell PUA is a wholesale provider only.
23. Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), or any other entity within the past three years?
 Yes If yes, attach a brief description of every enforcement action within the past three years and action(s) to address requirements.
 Attached
 No
24. Are any facilities to be constructed or the area to be served within the service area of a municipality or other public utility?
 Yes If yes, has the applicant obtained an affidavit stating that the utility does not object to the construction and operation of the services and facilities in its service area?
 If yes, attach a copy of the affidavit.
 Attached affidavit
 If no, provide an explanation as to why not. The facilities are only located within the City of Buda and City of Kyle which are both Sponsors of the Hays Caldwell PUA.
 No
25. If the assistance requested is more than \$500,000 a Water Conservation Plan (WCP) is required. The WCP cannot be more than **FIVE** years old and must have been adopted by the applicant. Has the applicant adopted a Board-approved WCP? (Check one and attach requested information, if any.)
 Yes Enter date of Applicant's WCP adoption: _____
 No If no, attach a copy of a draft Water Conservation Plan and Drought Contingency Plan prepared in accordance with the TWDB WCP Checklist (<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1968.pdf>)
 Attached Draft WCP and Drought Contingency Plan
 Attached Utility Profile TWDB-1965
<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1965.pdf>
 N/A (Request is \$500,000 or less per Water Code §§ 15.106(c), 17.125(c), 17.277(c), and 17.857(c))

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Under Texas Water Code Section 11.271, the Texas Commission on Environmental Quality must require a water conservation plan from applicants for a new or amended "water right," and from holders of certain existing "water rights". However, Water Code Section 11.002(5) defines a "water right" as "a right acquired under the laws of this state to impound, divert, or use state water". The HCPUA project is planned solely for the development of groundwater, not state-owned surface water. Because of this, the requirement for a water conservation plan in Water Code Section 11.271 appears to be inapplicable to the HCPUA project.

Note: If the applicant will utilize the project financed by the TWDB to furnish services to another entity that in turn will furnish services to the ultimate consumer, the requirements for the WCP may be met through contractual agreements between the applicant and the other entity providing for establishment of a water conservation plan. The provision requiring a WCP shall be included in the contract at the earliest of: the original execution, renewal or substantial amendment of that contract, or by other appropriate measures.

26. Does the applicant provide retail water services?
 Yes If yes, has the applicant already submitted to the TWDB the annual water use survey of groundwater and surface water for the last **THREE** years?
 Yes
 No If no, please download survey forms and attach a copy of the completed water use surveys to the application.
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
 Attached Water Use Survey
- No
27. Is the applicant a retail public utility that provides potable water?
 Yes If yes, has the applicant already submitted the most recently required water loss audit to the TWDB?
 Yes
 No If no, and if applying for a water supply project, please complete the online TWDB Water Audit worksheet found at <http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp> and attach a copy to the application.
 Attached TWDB Water Audit worksheet
- No – The Hays Caldwell PUA does not yet supply water.
28. Does the Applicant provide wastewater services?
 Yes
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part C: Financial Information

Regional or wholesale providers, complete questions 29-31.
Retail providers, complete questions 32-34.

29. List top **TEN** customers of the system by annual usage in gallons and percentage of total usage, including whether any are in bankruptcy.

ATTACHED ARE LISTS OF THE TOP TEN CUSTOMERS BY ANNUAL USAGE FOR KYLE, CANYON REGIONAL WATER AUTHORITY AND SAN MARCOS.

Customer Name	Annual Usage (gal)	Percent of Usage	Bankruptcy (Y/N)

Comments: Only Agency customers are wholesale customers.

30. List the top TEN customers of the system by gross revenues and percent of total revenues, including whether any are in bankruptcy

ATTACHED ARE LISTS OF THE TOP TEN CUSTOMERS BY GROSS REVENUE FOR KYLE, CANYON REGIONAL WATER AUTHORITY AND SAN MARCOS.

Customer Name	Annual Revenue(\$)	Percent of Revenue	Bankruptcy (Y/N)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

31. Provide a summary of the wholesale contracts with customers

ATTACHED IS THE LIST OF WHOLESALE CONTRACTS WITH CUSTOMERS FOR CANYON REGIONAL WATER AUTHORITY. KYLE AND SAN MARCOS DO NOT HAVE ANY WHOLESALE CONTRACTS.

Contract Type	Minimum annual amount	Usage fee per 1,000 gallons	Annual Operations and Maintenance	Annual Capital Costs	Annual Debt Service	Other

32. List top **TEN** customers of the water and/or wastewater system by annual revenue with corresponding usage and percentage of total use, including whether any are in bankruptcy.

a. **WATER**

ATTACHED ARE LISTS OF THE TOP TEN CUSTOMERS BY ANNUAL REVENUE FOR KYLE, CANYON REGIONAL WATER AUTHORITY AND SAN MARCOS.

Customer Name	Annual Usage (gal)	Percent of Total Water Revenue	Bankruptcy (Y/N)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

b. **WASTEWATER – NOT APPLICABLE**

Customer Name	Annual Usage (gal)	Percent of Total Wastewater Revenue	Bankruptcy (Y/N)

33. Current Average Residential Usage and Rate Information – **NOT APPLICABLE**

Service	Date of Last Rate Increase	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Avg. Monthly Increase Per Customer(\$)	Projected Monthly Increase Necessary (\$)
Water					
Wastewater					

34. Provide the number of customers for each of the past five years. – **NOT APPLICABLE**

Year	Number of Customers
20	
20	
20	
20	
20	

All applicants complete questions 35-51 of the financial section, as applicable.

35. Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt (such as anticipated lawsuits, judgments, bankruptcies, major customer closings, etc.).
None.

36. Has the applicant ever defaulted on any debt?
 Yes If yes, disclose all circumstances surrounding prior default(s). _____
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

37. Does the applicant have taxing authority?

- Yes
- No

38. Provide the last five-years of data showing total taxable assessed valuation including net ad valorem taxes levied, corresponding tax rate (detailing debt service and general purposes), and tax collection rate. – NOT APPLICABLE

Fiscal Year Ending	Net Taxable Assessed Value (\$)	Tax Rate	General Fund	Interest & Sinking Fund	Tax Levy \$	Percentage Current Collections	Percentage Total Collections
20							
20							
20							
20							
20							

Comments: _____

39. Attach the last five-years of tax assessed values delineated by Classification (Residential, Commercial and Industrial). **If applicant does not have taxing authority, provide the assessed values of the county.**

- a) **2010 attached** – Caldwell, Guadalupe & Hays counties
- b) **2011 attached** – Caldwell, Guadalupe & Hays counties
- c) **2012 attached** – Caldwell, Guadalupe & Hays counties
- d) **2013 attached** – Caldwell, Guadalupe & Hays counties
- e) **2014 attached** – Caldwell, Guadalupe & Hays counties

40. Attach the direct and overlapping tax rate table: - NOT APPLICABLE
 Attached tax rate table

41. Provide the current top **TEN** taxpayers showing percentage of ownership to total assessed valuation. State if any are in bankruptcy and explain anticipated prospective impacts in the Comments blank, below. If any of these have changed in the past three years, please provide information on the changes to the top ten. – NOT APPLICABLE

Taxpayer Name	Assessed Value	Percent of Total	Bankruptcy (Y/N)

Comments: _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

42. Provide the maximum tax rate permitted by law per \$100 of property value. NOT APPLICABLE.

43. Does the applicant collect sales tax?

Yes Provide the sales tax collection history for the past five years.

Fiscal Year Ending	Total Collections
20	
20	
20	
20	

No

44. Indicate the tax status of the proposed loan?

Tax-Exempt

Taxable

45. Proforma (**Select one of the four listed below**) Please be sure the proforma reflects the schedule requested, including multi-phased funding options.

a. System revenues are anticipated to be used to repay the proposed debt. Attach a proforma indicating the following information for each year the debt is outstanding:

- projected gross revenues
- operating and maintenance expenditures
- outstanding and proposed debt service requirements
- net revenues available for debt service and coverage of current and proposed debt paid from revenues

PROFORMAS FOR KYLE, CANYON REGIONAL WATER AUTHORITY AND SAN MARCOS ARE ATTACHED.

b. Taxes are anticipated to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- outstanding and proposed debt service requirements
- the tax rate necessary to repay current and proposed debt paid from taxes
- list the assumed collection rate and tax base used to prepare the schedule

c. Combination of system revenues and taxes to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- projected gross revenues, operating and maintenance expenditures, net revenues available for debt service
- outstanding and proposed debt service requirements
- the tax rate necessary to pay the current and proposed debt
- list the assumed collection rate and tax base used to prepare the schedule

d. Another type of pledge will be used to repay the proposed debt. Attach a pro forma with information for each year the debt is outstanding, which includes projected revenues, annual expenditures, outstanding debt requirements, and revenues available for debt service.

Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

46. Attach a **FIVE** year comparative system operating statement (not condensed) including audited prior years and an unaudited year-to-date statement. Unaudited year-to-date statement must reflect the financial status for a period not exceeding the latest six months.

Attached Operating Statement.
COMPARATIVE OPERATING STATEMENTS FOR KYLE, CANYON REGIONAL WATER AUTHORITY AND SAN MARCOS ARE ATTACHED.

47. Attach **ONE** copy of an annual audit of financial statements, including the management letter, for the preceding fiscal year prepared by a certified public accountant or firm of accountants and, if the last annual audit was more than 6 months ago, then, provide interim financial information.

Attached Annual Audit
 Attached Management Letter
 If applicable, attached interim financial information

Attached are the most recent annual audits, management letters and interim financial information for the Hays Caldwell PUA as well as for the three Sponsors seeking funding from the TWDB: San Marcos, Kyle and Canyon Regional Water Authority.

48. Does the applicant have any outstanding debt? (Check all that apply)

Yes, General obligation debt
 Yes, Revenue debt
 Yes, Authorized but unissued debt
 No

49. Attach a listing of total outstanding debt and identify the debt holder. Segregate by type (General Obligation or Revenue) and present a consolidated schedule for each, showing total annual requirements. Note any authorized but unissued debt.

a. General Obligation Debt:

Yes
 Attached schedule. The schedule should also identify the debt holder.
 No

b. Revenue:

Yes
 Attached schedule. The schedule should also identify the debt holder.
 No

c. Authorized by Unissued Debt:

Yes
 Attached schedule. The schedule should also identify the debt holder.
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

50. List the ten largest employers of the Applicant's service area:

Name	Number of Employees
Texas State University (San Marcos)	3,036
Hays County Independent School District (Kyle)	2,383
Premium Outlets San Marcos (San Marcos)	2,100
Tanger Factory Outlet Center (San Marcos)	1,540
San Marcos CISD (San Marcos)	1,200
Hays County (San Marcos)	813
Central Texas Medical Center (San Marcos)	800
Hunter Industries (San Marcos)	650
H.E.B. Distribution Center (San Marcos)	650
Seton Medical Center (Kyle)	582

Comments (example, any anticipated changes to the tax base, employers etc.) NONE

51.A. Provide any current bond ratings with date received. – CITY OF KYLE'S RATINGS.

	Standard & Poor's	Date Received	Moody's	Date Received	Fitch	Date Received
G.O.	AA-	4/8/2015	NR		NR	
Revenue	N/A		N/A		N/A	

51.B. Provide any current bond ratings with date received. – CANYON REGIONAL WATER AUTHORITY'S RATINGS.

	Standard & Poor's	Date Received	Moody's	Date Received	Fitch	Date Received
G.O.	N/A		N/A		N/A	
Revenue	A+		N/A		N/A	

51.C. Provide any current bond ratings with date received. – SAN MARCOS'S RATINGS.

	Standard & Poor's	Date Received	Moody's	Date Received	Fitch	Date Received
G.O.	AA	5/5/2014	Aa2	4/23/2010	N/A	
Revenue	A+	6/6/2008	Aa2	4/23/2010	N/A	

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

52. Is the project intended to allow the applicant to provide or receive water or sewer services to or from another entity?

Yes. If yes, the applicant must attach, at a minimum, the proposed agreement, contract, or other documentation establishing the service relationship, with the final and binding agreements provided prior to loan closing.

Attached – Attached is the Agency's Regional Water Supply Contract and Amendment #1 to the Contract. Also attached is the Agency's adopted Water Sharing Rules & Procedures. This framework is being used to develop the contracts that will provide for water sharing between Kyle/San Marcos and Buda. The contracts are anticipated to be finalized during the summer of 2015 and will be provided to the TWDB at that time.

No.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D: Project Information

53. Description of Project Need (for example, is the project needed to address a current compliance issue, avoid potential compliance issues, extend service, expand capacity, etc.):
The project will provide a new water supply to the City of Buda via the Hays Caldwell Public Utility Agency to comply with the TCEQ 0.6 gpm per connection rule and to provide for future growth.
54. Description of Project, including a bulleted list of project elements/components, and alternatives considered (including existing facilities):
The project description is provide in Attachment D54. The preliminary engineering feasibility data report will be prepared as part of the planning phase of the project for which funding is being sought.
- A complete preliminary engineering feasibility data must include:
- a. A description and purpose of the project, including existing facilities.
 - Note: CWSRF and DWSRF must address issues scored in Intended Use Plan submittal **Attached**
 - b. **If project is for Construction only, then attach** the appropriate Engineering Feasibility Report:
 - a) **Water** (TWDB-0555 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0555.pdf>)
 Attached
 - b) **Wastewater** (TWDB-0556 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0556.pdf>)
 Attached
 - c. DWSRF applicants must complete a Projected Draw Schedule (TWDB-1202 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1202.xls>)
55. Water Made Available (For projects requesting a construction component):
Phase 1A of the project will not develop or increase supplies.
- a. *New supply* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
 - The **increase** in the total annual volume of water supply that will be made available to the recipient(s) by the proposed project.
 - Water Plan project examples: new groundwater wells, reservoir development, pipelines to sources.
 - b. *New Conservation savings* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
 - Annual volume of anticipated water savings resulting from implementation of the proposed conservation project including water loss) and other conservation activities,
 - Water Plan project examples: municipal conservation, advanced Water Conservation, on-farm conservation, brush control, irrigation conservation.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- c. *New Reuse supply* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
- o Increase in the annual volume of (direct or indirect) reuse water supply that will be made available to the recipient(s) by the proposed project.
 - o Water Plan project examples: direct reuse, non-potable reuse, recycled water programs.
- d. *Maintenance of Current Supply* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
- o Volume of recipients' current supplies that will be maintained by implementing the proposed project
 - o Water Plan project examples: None. Not a water plan project. (Examples of these type projects: treatment rehabilitation, system storage facilities, system upgrades).

56. Project Location:

The Phase 1A Project is located in Hays County and will interconnect the western portion of the water systems for the City of Kyle and City of Buda.

Attach a map of the service area and drawings as necessary to locate and describe the project. The map should show the project footprint and major project components.

Attached – The first map shows the overall services are for the Agency. The second map indicates the basic layout for the Phase 1A infrastructure included in the loan request.

57. Attach the Census tract numbers in which the applicant's service area is within. The Census tracts within your area may be found at:

<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Please follow these steps:

- Select Advanced Search.
- Select the Geographies button located below Topics (left side of page).
- On the top of the window select the Name tab.
- In the text box, type "All Census Tracts within____" (Fill in the blank with the name of a County Subdivision or a Place.) Select "Go".
- If your town is a County Subdivision, select the geography labeled "All Census Tracts (or parts) within City, County, State" from the Geography Results. If your town is a place select the geography labeled "All Census Tracts (or parts) full-or-partially within City, State" from the Geography Results.
- Close the Geographies Search window.
- Use the Topics on the left side of the page to further refine your search or to select a table(s) from your search results.

Attached Census tracts

58. Project Schedule:

- a) Requested loan closing date.
November 15, 2015.
- b) Estimated date to submit environmental planning documents.
February 15, 2016.
- c) Estimated date to submit engineering planning documents.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- December 15, 2015
- d) Estimated date for completion of design.
May 1, 2016
- e) Estimated Construction start date for first contract.
May 15, 2016
- f) Estimated Construction end date for last contract.
May 31, 2017

59. **Attach** a copy of current and future populations and projected water use or wastewater flows. Include entities to be served.
 Attached
60. Attach the most current itemized project cost estimate (include all costs and funding sources). Utilize the budget format provided (TWDB-1201 at <http://www.twdb.texas.gov/financial/instructions/>). If applying for pre-construction costs only (i.e., P, A, D) then itemize only the relevant portions in the attached budget template
 Attached
61. Attach the appropriate Project Information Form:
 Wastewater: Attached a completed Wastewater Project Information Form WRD-253a <http://www.twdb.texas.gov/financial/instructions/index.asp>
 Water: Attached a completed Water Project Information Form WRD-253d <http://www.twdb.texas.gov/financial/instructions/index.asp>
62. If the project is for Construction only, wastewater projects that involve the construction of a new plant or the expansion of an existing plant and/or associated facilities, attach evidence that an application for a new Texas Pollution Discharge Elimination System Permit or amendment to an existing permit related to the proposed project has been filed with the Texas Commission on Environmental Quality (TCEQ). Final permit authorization must be obtained from the TCEQ before funds can be released for construction activities.
 Attached
 No. Provide explanation: Not a wastewater project.
63. If this project will result in: (a) an increase by the applicant in the use of groundwater, (b) drilling a new water well, or (c) an increase by the applicant in use of surface water, then the applicant must demonstrate that it has acquired – by contract, ownership or lease – the necessary property rights, groundwater permits, and/or surface water rights sufficient for the project before funds can be released for construction.
- a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?
 Yes If yes, please attach the completed, appropriate form.
1. WRD 208A (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Surface Water)
 Attached
2. WRD 208B (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Groundwater)
 Attached
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits. – NOT APPLICABLE

Type of Permit Water Right	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.

- c) List any major permits not identified elsewhere that are necessary for completion of project. Also, list any more necessary minor permits that may involve particular difficulty due to the nature of the proposed project.

Permit	Issuing Entity	Permit Acquired (Y/N)
Section 404 Nationwide Permit 12, Utility Line Activities	U.S. Army Corps of Engineers	No

64. Has the applicant obtained all necessary land and easements for the project?

- Yes. If yes, attach the site certificate (ED-101 at <http://www.twdb.texas.gov/financial/instructions/index.asp>)
 Attached

- No. If no, **fill out the table below** and describe the land or easements that will need to be acquired, provide the anticipated date by which the applicant expects to have the land or easements, and indicate if funding from TWDB is to be used for the acquisition.

Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)
Fee Simple Purchase	Private landowner	Full ownership	3/1/2016	Yes
Pipeline Easements	Private landowners	Ownership of easement	5/1/2016	Yes

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

65. Has a Categorical Exclusion (CE), Determination of No Effect (DNE), Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?
- Yes
 Attach a copy of the finding.
 No
66. Is the project potentially eligible for a Categorical Exclusion (CE)/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?
- Yes
 No
67. Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U.S. Army Corps of Engineers)?
- Yes
 If yes, attach additional information
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:

68. Identify the type of SWIFT funding (If more than one funding option is being requested indicate the amount of funding for each):

- | | | |
|-------------------------------------|---------------------|--------------|
| <input type="checkbox"/> | Deferred | \$ |
| <input checked="" type="checkbox"/> | Low Interest Loan | \$12,500,000 |
| <input type="checkbox"/> | Board Participation | \$ |

69. For multi-year funding request or phased commitments, provide a schedule reflecting the closing dates for each loan requested. – NOT APPLICABLE

Attached

70. **Notice to SWIFT Applicants:** Texas Water Code Sec. 15.435(h) requires all recipients of financial assistance from the State Water Implementation Fund for Texas (SWIFT) to acknowledge any applicable legal obligations in federal law, related to contracting with disadvantaged business enterprises, and state law, related to contracting with historically underutilized businesses. Checking the boxes below serves as this acknowledgement.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with any applicable legal obligations in federal law related to contracting with disadvantaged business enterprises.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with applicable legal obligations in state law (Texas Government Code Chapter 2161 and Texas Administrative Code Chapter 20, Subchapter B) related to contracting with historically underutilized businesses.

71. Provide drafts of the following documents:

a. Proposed Bond Ordinance

Attached

b. Private Placement Memorandum

Attached – The Private Placement Memorandum will be sent once the debt structure is finalized. It is possible that we may end up with multiple series of debt because of the multiple Sponsors and complexity involved.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part F: Economically Distressed Programs (EDAP) Applicants Only:

In accordance with TWDB Rules (31 TAC Chapter 363), an application for EDAP will **not** be considered until the County has adopted and is enforcing the Model Subdivision Rules (MSRs) Texas Water Code § 16.343. If the proposed project is within a municipality or its extraterritorial jurisdiction (ETJ), or if the applicant is a municipality, the municipality must also have adopted and be enforcing MSRs.

72. Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts)

73. Is financing being requested for a **wastewater** project?
 Yes If yes, does the applicant have the required resolution/ordinance establishing a mandatory hookup policy?
 Yes. If yes, attach a copy of the resolution/ordinance.
 Attached
 No. If no, explain _____
 No
74. Required documentation for the project area for Preliminary EDAP Eligibility (31 TAC Chapter 363)
 Attached documentation of inadequacy of water and/or wastewater services.
 Attached documentation regarding the financial resources of the residential users in the EDAP area. Census data or documentation regarding median household income should be provided.
 Attached documentation demonstrating existence of a residence in the project area prior to **June 1, 2005**. This could include tax records of residence, dated aerial maps, or, other documentation demonstrating existence of a residence.
75. Has the Department of State Health Services issued a determination stating a public health nuisance exists in the project area?
 Yes If yes, attach a copy of the determination.
 Attached
 No If no determination exists, attach documentation demonstrating a public health nuisance exists in the project area. (*Photographs may be submitted, but they **must** be labeled with location and date when taken. If the soil types are mentioned in the project area as an issue, include soil profile maps*) This documentation will be used by TWDB staff to request a determination from the Department of State Health Services
 Attached
76. Is this project providing new service?
 Yes If yes, attach plats of the affected subdivisions.
 Attached
 No
77. Attach an EDAP Facility Engineering Plan/Scope of Services report that complies with the requirements of WRD-023A. <http://www.twdb.texas.gov/financial/instructions/index.asp>
 Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part G: CWSRF/DWSRF Applicants Only

Only applicants applying for funding from the CWSRF and DWSRF Programs must complete this section.

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to obtain a DUNS number that will represent a universal identifier for all federal funding assistance. DUNS numbers can be obtained from Dun and Bradstreet at <http://fedgov.dnb.com/webform/>

78. Applicant's Data Universal Number System (DUNS) Number:
DUNS _____

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to register with System for Award Management (SAM) and maintain current registration at all times during which the Board loan agreement is active or under consideration by the Board. Register at: <https://sam.gov>.

79. The applicant has registered and will maintain current SAM registration at all times during which a federal subaward is active or under consideration by the Board.
 Yes
 No

80. Federal Awards information:

1. Did applicant receive over 80% of their revenue from Federal Awards last year?

Yes
 No

2. Did applicant receive over \$25 million in Federal Awards last year?

Yes
 No

3. Public does not have access to executive compensation information via SEC or IRS reports?

Yes
 No

81. If applicant checked **YES** to **ALL** three boxes in 3 above, applicant is required to disclose the name and compensation of the five most highly compensated officers.

Officer's Name	Officer's Compensation (\$)

82. Complete form WRD 213 (<http://www.twdb.texas.gov/financial/instructions/index.asp>) - Certification Regarding Lobbying

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

83. If applying for CWSRF Equivalency or DWSRF, **attach** the Certification Regarding Debarment, Suspension and Other Responsibility. SRF-404
(<http://www.twdb.texas.gov/financial/instructions/doc/SRF-404.pdf>)

Attached Yes
 No
 N/A

84. If applying for CWSRF Equivalency or DWSRF, **attach** the Assurances – Construction Programs. EPA-424D (<http://www.twdb.texas.gov/financial/doc/EPA-424D.pdf>)

Attached Yes
 No
 N/A

85. The applicant must comply with the Davis-Bacon Act regarding prevailing wage rates. The applicant acknowledges that they are aware of, and will abide by, the Davis-Bacon Act requirements.

Yes
 No

Further information on the Davis-Bacon requirement is available through the TWDB Guidance document, DB-0156 (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

All project costs funded by the TWDB through CWSRF Equivalency or DWSRF must comply with the federal Disadvantaged Business Enterprise (DBE) program rules and requirements. The federal DBE program requires a good faith effort to contract with DBE's for all procurements including: professional and non-professional consulting services, equipment, supplies and construction to be funded by federal equivalency dollars. Guidance and forms are found at:

TWDB-0210 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0210.pdf>)

86. **At a minimum, you must complete and attach** the Applicant Affirmative Steps Certification and Goals. This form is required to obtain a financial assistance commitment.

TWDB-0215 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0215.pdf>)

Attached Yes
 No

87. If you have already solicited contractors, complete and attach the Affirmative Steps Solicitation Report. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-216 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0216.pdf>)

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

88. If you have awarded contracts to contractors, complete and attach the Loan/Grant Participation Summary. This form must be submitted for review prior to loan closing and release of funds. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-0373 (<http://www.twdb.texas.gov/financial/doc/TWDB-0373.pdf>)

Attached Yes
 No
 N/A

89. All Contractors that have been awarded will need to complete and attach the Prime Contractor Affirmative Steps Certification and Goals This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-217 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0217.pdf>)

Attached Yes
 No
 N/A

90. **All CWSRF applicants** must be a Designated Management Agency (DMA) for wastewater collection and treatment. Please complete and attach DMA resolutions. WRD-210 (<http://www.twdb.texas.gov/financial/doc/WRD-210.pdf>) is an example of this type of resolution.

 Attached
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part H: Documentation of "Green" Projects and Project Components

CWSRF and DWSRF Applicants Only

All SRF applicants must complete this section if green benefits are all or part of the project (**more than an incidental benefit**). Project is defined as the entire project or a stand-alone component of the project. This section is required so that the TWDB may determine whether the project qualifies as "green" pursuant to Environmental Protection Agency (EPA) Guidance.

A project (or project component) is "green" if the primary purpose qualifies under EPA Guidance as one of the following:

- a. Green Infrastructure,
- b. Water Efficiency-related,
- c. Energy Efficiency-related, or
- d. Environmentally Innovative.

You must use the Green Project Reserve guidance to complete this section. Current guidance may be found at: **Green Project Reserve: Guidance for determining project eligibility**
TWDB-0161 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0161.pdf>)

91. Does your project or a component of your project qualify as Green, per EPA guidance?
- Yes
 No

If Yes, Please complete the remainder of Section G.

92. Type of Green Project
- Water Efficiency Energy Efficiency Green Infrastructure Environmentally Innovative

93. The correct worksheets must be completed.
Green Project Reserve: CWSRF Green Project Worksheets
TWDB-0162 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0162.pdf>)
- Attached** Yes
 No
 N/A

- Green Project Reserve: DWSRF Green Project Worksheets**
TWDB-0163 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0163.pdf>)
- Attached** Yes
 No
 N/A

TWDB will make the final determination whether your project (or project component) meets federal criteria as "green". You may be required to submit a **business case, utilizing the Green guidance**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part I: Summary of attachments to application

Following is a list of the documents that may be necessary in order to process this application. While not all of the listed information below may be required for all projects, an applicant should review the application carefully because incomplete applications will not be processed until all of this information has been provided. In addition, please make sure your entity system name appears on every attachment. **Label each attachment with the number of the pertinent application section (i.e. "Part B5").**

Check list for your convenience

- Part A General Information**
- No. 6 Draft or executed consulting contracts (engineering, financial advisor, bond counsel)
 - No. 12 N/A Existing security document for refinancing

- Part B Legal**
- No. 17 Resolution (TWDB-0201A)
 - No. 18 Application Affidavit (TWDB-0201)
 - No. 19 Certificate of Secretary (TWDB-201B)
 - No. 20 N/A Water Supply Corporations
 - Articles of Incorporation
 - Certificate of incorporation from the Texas Secretary of State
 - By-laws and any amendments
 - Certificate of status from the Texas Secretary of State
 - Certificate of account status from Texas Comptroller
 - No. 21 N/A Resolution/ordinance authorizing the issuance of parity debt
 - No. 22 N/A Certificate of Convenience & Necessity
 - No. 23 N/A Enforcement Actions
 - No. 24 N/A Affidavit of No Objection
 - No. 25 Two copies of the Water Conservation Plan (TWDB-1968 and TWDB-1965)
 - No. 26 N/A Water use surveys
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
 - No. 27 N/A Water Loss Audit
<http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp>

- Part C Financial**
- No. 39 Assessed Values by Classifications
 - No. 40 N/A Direct and Overlapping Tax Table
 - No. 45 Proforma for each year of debt outstanding
 - No. 46 Five year comparative system operating statement.
 - No. 47 Annual audit and management letter
 - No. 49 N/A Outstanding debt schedule
 - No. 52 Service provider contracts

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D

Project Information

- No. 54a Preliminary Engineering Feasibility Data (PEFD)
- No. 54b N/A Engineering Feasibility Report
 - Water (TWDB-0555)
 - Wastewater (TWDB-0556)
- No. 54c N/A Project Draw Schedule (TWDB-1202)
- No. 56 Project Map
- No. 57 Census Tract(s)
- No. 59 Current and future populations and projected water use or wastewater flows
- No. 60 Project Cost Estimate Budget (TWDB-1201)
- No. 61 Wastewater Project Information Form (WRD-253a)
Water Project Information Form (WRD-253d)
- No. 62 N/A Texas Pollution Discharge Elimination System Permit
- No. 63 N/A If applicant has property rights and permits
 - a. WRD-208A (Surface Water)
 - b. WRD-208B (Groundwater)
- No. 63c N/A Additional Permits
- No. 64 N/A Site certificate, evidencing land ownership for the project. (ED-101)
- No. 65 N/A Categorical Exclusion (CE), Finding of No Significant Impact (FONSI), Record of Decision or any other supporting document
- No. 67 N/A Social or environmental issues

Part E

State Water Implementation Fund for Texas

- No. 69 N/A Multi-year/phased commitment schedule
- No. 71a Draft Bond Ordinance
- No. 71b N/A Private Placement Memorandum

Part F

Economically Distressed Areas Program

- No. 73 Resolution/ordinance establishing a mandatory hookup policy
- No. 74 EDAP applicants
 - Inadequacy documentation
 - Financial resources documentation
 - Existence of residences prior to 06/01/2005
- No. 75 Public health nuisance
- No. 76 Plats
- No. 77 EDAP Planning Phase – Facility Engineering Plan/Scope of Services (WRD-023A)

Part G

CWSRF/DWSRF Applicants Only

- No. 82 Lobbying Activities (WRD-213)
- No. 83 Certification Regarding Debarment, Suspension and Other Responsibility Requirements. (SRF-404)
- No. 84 Assurances – Construction Programs (EPA-424D)
Disadvantaged Business Requirements Guidance (TWDB-0210)
- No. 86 Affirmative Steps Certification and Goals (TWDB-0215)
- No. 87 Affirmative Steps Solicitation Report (TWDB-216)
- No. 88 Loan/ Grant Participation Summary (TWDB-0373)
- No. 89 Prime Contractor Affirmative Steps Certification and Goals (TWDB-217)
- No. 90 Designated Management Agency (WRD-210)

Part H

Green Projects

- No. 93 Guidance (TWDB-0161)
CWSRF Green Project Worksheets (TWDB-0162)
DWSRF Green Project Worksheets (TWDB-0163)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part J: Guidance and Forms

Part A

General Information

CWSRF – 31 TAC 375

DWSRF – 31 TAC 371

EDAP and SWIFT - 31 TAC 363

For more information visit, <http://www.twdb.texas.gov/about/rules/index.asp>.

Part D

Project Information

[State Programs - 31 TAC 363](#)

[Drinking Water State Revolving Fund - 31 TAC 371](#)

[Clean Water State Revolving Fund / Equivalency - 31 TAC 375](#)

[Clean Water State Revolving Fund / Non-Equivalency - 31 TAC 375](#)

Guidelines for Environmental Assessment, Clean Water Non-Equivalency (ED-001A)

Clean Water EID Instructions (SRF-099)

Guidelines for Environmental Assessment, State Participation, DFund, RWF and WIF,
(ED-001B)

Guidelines for Environmental Assessment, EDAP (ED-001C)

Drinking Water EID Instructions (DW-001)

Part H

Green Projects and Project Components

Green Project Reserve: Guidance for determining project eligibility
(TWDB-0161)

Part A1

Legal authority under which the applicant was created and operates

- City of Buda formation resolutions
- Canyon Regional Water Authority formation resolutions
- City of Kyle formation resolutions
- City of San Marcos formation resolutions

RESOLUTION NO. 2006-1121

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF KYLE, THE CITY OF SAN MARCOS AND THE CANYON REGIONAL WATER AUTHORITY) TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of Buda, Texas (the "City"), the City of San Marcos, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City is a public entity as defined in Section 422.001(3) of the PUA Act, and the City Council of the City (the "Council") wishes to authorize and direct the publication of the notice of the City's intention to create the Hays Caldwell Public Utility Agency; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS:

Section 1. Form of Notice. Attached hereto is a "Notice of Intention to Approve the Creation of the Hays Caldwell Public Utility Agency," the form and substance of which is hereby adopted and approved.

Section 2. Publication of Notice. The City staff is authorized and directed to publish the attached notice in substantially the form attached hereto in a newspaper of general circulation in a county in which the City is domiciled, once a week for two consecutive weeks, the date of the first publication thereof to be before the 14th day before the date set for adoption of the resolution authorizing and approving the creation of the Hays Caldwell Public Utility Agency.

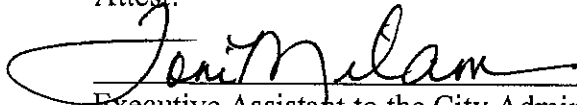
Section 3. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on November 21, 2006.



Mayor

Attest:



Executive Assistant to the City Administrator



Notice of Intention to Approve the Creation of the
Hays Caldwell Public Utility Agency

NOTICE IS HEREBY GIVEN that the City Council of the City of Buda, Texas will meet at City Hall in Buda, Texas, at 7:00 o'clock P.M., Buda, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of San Marcos, Texas, City of Kyle, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities.

CERTIFICATE OF EXECUTIVE ASSISTANT TO THE CITY ADMINISTRATOR

THE STATE OF TEXAS §
 §
 COUNTY OF HAYS §
 §
 CITY OF BUDA §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 21st day of November, 2006, the City Council (the *Council*) of the City of Buda, Texas (the *City*) convened in regular session in the regular meeting place of the City at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

John Trube	Mayor
Bobby Lane	Mayor Pro Tem
Cathy Chilcote	Councilmember
Hutch White	Councilmember
Sandra Tenorio	Councilmember
Thomas Crouse	Councilmember

and all of such persons were present at the Meeting, except the following: John Trube, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF SAN MARCOS, THE CITY OF KYLE AND THE CANYON REGIONAL WATER AUTHORITY) TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember White that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Chilcote and carried by the following vote:

ALL voted "For" _____ voted "Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in

advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 21st day of November, 2006.



Joni Melam
Executive Assistant to the City Administrator

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS

§

COUNTY OF HAYS

§

CITY OF BUDA

§

§

§

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Cindy Slovak-Barton, who, after being by me duly sworn, upon oath says that he/she is the publisher/editor of the HAYS Free Press, a newspaper of general circulation in the City of Buda, Texas, which newspaper satisfies each of the requirements of Subchapter C, Chapter 2051, as amended, Texas Government Code, so as to constitute an official publication in which legal notices may be published as set forth in Subchapter C, Chapter 2051, as amended, Texas Government Code, and that there was published in said newspaper a true and correct copy of the attached NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY on the following dates:

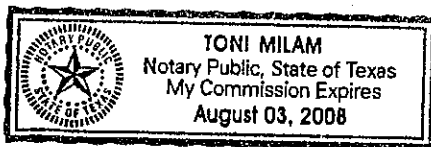
November 29, 2006

December 6, 2006

Cindy Slovak-Barton

Publisher/Editor

SUBSCRIBED AND SWORN TO before me, the undersigned authority, on the 13th day of December, 2006, to verify which witness my hand and seal of office.



Toni Milam

Notary Public in and for the
State of Texas

(NOTARY SEAL)

My Commission Expires: 8-3-08

The Free Press

at 3470 Jack C. Hays Trail
P.O. Box 339 • Buda, Texas 78610
(512) 262-NEWS • (512) 268-7862 • (512) 268-0262

Publisher's Affidavit

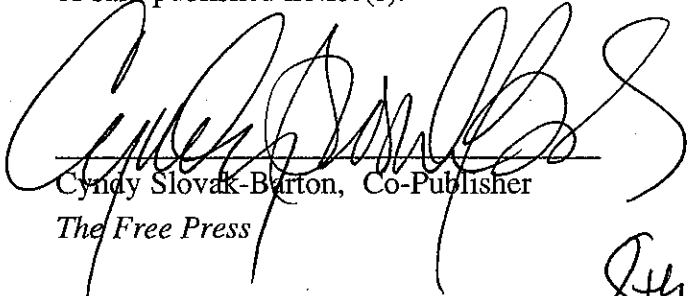
State of Texas §
County of Hays §

Before me, the undersigned authority, a Notary Public in and for the state and county aforesaid, on this day personally appeared Cyndy Slovak-Barton, Co-Publisher of *The Free Press*, a newspaper published in Buda, Texas; Hays County, Texas and in general circulation in said county, who being duly sworn, upon oath deposes and says:

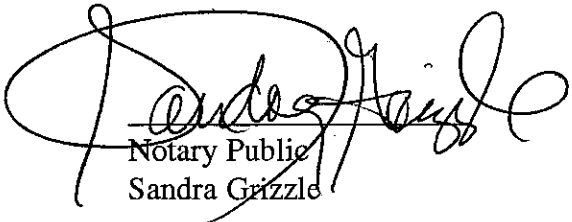
The foregoing attached notice(s) were published in the English language in the

November 29, 2006
December 6, 2006

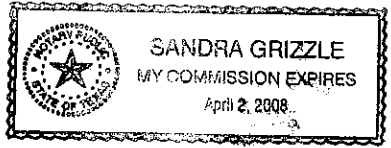
edition(s) of *The Free Press*, and that the attached newspaper clipping is a true and correct copy of said published notice(s).


Cyndy Slovak-Barton, Co-Publisher
The Free Press

Subscribed and sworn before me this the 8th day of December, 2006.


Notary Public
Sandra Grizzle

My commission expires: April 2, 2008



Public Notices

Public Notices

APPLICATION TO T.A.B.C.

APPLICATION HAS BEEN MADE WITH THE TEXAS ALCOHOLIC BEVERAGE COMMISSION FOR A MIX BEVERAGE RESTAURANT PERMIT WITH FB AND A FOOD AND BEVERAGE CERTIFICATE BY ESTHELA O. JAIMES D.B.A. LUVIANOS MEXICAN RESTAURANT, TO BE LOCATED AT 804 CENTER STREET, KYLE, HAYS COUNTY, TEXAS 78640. PN-5200

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will meet at City Hall in Kyle, Texas, at 7:00 o'clock P.M., Kyle, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of San Marcos, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities. PN-5195

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Buda, Texas will meet at City Hall in Buda, Texas, at 7:00 o'clock P.M., Buda, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of San Marcos, Texas, City of Kyle, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities. PN-5194

NOTICE TO BIDDERS PARK DEVELOPMENT BUDA SPORTSPLEX

SCOPE OF WORK: Buda Economic Development Corporation in Buda, Texas, c/o Warren Ketterman, will accept sealed bids for the construction of Park Development for the Buda Sportsplex of the City of Buda, Texas.

RECEIPT OF BIDS: Sealed bids in envelopes are due at the office of Buda Economic Development Corporation, located at 203 Railroad St., Suite 3A, Buda, Texas 78610, (512) 295-2022 no later than 10:00 a.m. on Friday, January 5, 2007, at which time the bids will be opened and read aloud for furnishing all labor, material, equipment and performing all work required for construction of Buda Sportsplex.

INFORMATION AND BIDDING DOCUMENTS: Copies of bidding Drawings and Specifications may be inspected at and/or obtained from Miller Blueprint, 501 W. 6th Street, Austin, TX, ph: (512) 478-8793, during regular business hours: 8:00am to 5:30pm, Monday through Friday. One set of Drawings and Specifications will be provided at no cost to the bidder; additional sets may be purchased at approximately \$65.65 per set made payable to Miller Blueprint by check, and are non-refundable. No partial sets of Drawings and Specifications will be issued or accepted.

BIDDING REQUIREMENTS: All Bids must be accompanied by the Bid Form, a Contractor Qualification Statement provided with the Bid Documents, and a Bid Security made payable, without recourse, to Buda Economic Development Corporation in an amount of five percent (5%) of Bidder's maximum Bid price in the form of a Cashier's check from a national or state bank as a guarantee that if awarded the contract, the Bidder will enter into a Contract and execute bonds within 7 days of the Notice of Award. Bidders shall have completed at least three (3) similar projects in nature and must be capable of performing at least 51% of the work with its own forces. All Work shall be guaranteed against defective workmanship and materials for a period of one (1) year from the date of final acceptance by the OWNER. Performance and payment bonds shall each be issued in an amount equal to 100% of the Contract Amount as security for all the CONTRACTOR's obligations under the Contract Documents. The OWNER reserves the right to waive all informalities and irregularities, and determine which Bid is lowest and best, and to award the Contract on this basis.

The Notice of Award of Contract shall be given by the Owner within thirty (30) days after the bid opening. Bid Security must be enclosed with the bid. Bids without the Bid Security check will not be considered. All Bid Securities will be returned to the respective bidders within twenty-five (25) days after bids are opened, except those which the Owner elects to hold until the successful bidder has executed the Contract. PN-5245

HAYS CISD REQUESTING BIDS

Hays CISD is Requesting Bids for Bid #21-120703MS Library Shelving. Bids will be accepted until 12-14-06 at 2:00 p.m. local time. Bid Specifications are available in the HCISD Purchasing Office (512/268-2141 ext 6063) between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. Bid responses must be returned to the HCISD Purchasing Office, 21003 IH 35, Kyle, TX

RESOLUTION NO. 2007-0102

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF SAN MARCOS, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of Buda, Texas, the City of San Marcos, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City of Buda, Texas (the "City") is a public entity as defined in Section 422.001(3) of the PUA Act, and the City Council of the City (the "Council") has previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of this resolution; and these notices were duly published; and the City has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of this Resolution; and

WHEREAS, this Resolution is adopted as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Council hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS:

Section 1. Name and Boundaries of the Public Utility Agency. The Council hereby approves the creation of the Hays Caldwell Public Utility Agency (the "Agency"). The boundaries of the Agency include the territory within the boundaries of each of the Participating Public Entities as these boundaries exist on the date hereof and as these boundaries may change from time to time.

Section 2. Board of Directors; Bylaws.

(a) The Board of Directors (the "Board") of the Agency shall consist of 13 members, with each of the Participating Public Entities appointing at least one member of the Board. The members shall be appointed by the Participating Public Entities pursuant to the terms of the bylaws of the Agency, with the City of San Marcos, Texas appointing 5 members, Canyon Regional Water Authority appointing 4 members, the City of Kyle, Texas appointing 3 members, and the City of Buda, Texas appointing 1 member, subject to any future change in the bylaws as approved by each of the Participating Public Entities. The appointment of the initial directors shall be reflected in the minutes of the Participating Public Entity's resolution authorizing the creation of the Agency.

(b) The initial term of the directors shall be from October 1, 2006 through September 30, 2007. Subsequent terms of the directors shall be for at least two years. The bylaws of the Agency may provide for staggered terms of office for the directors.

(c) Each of the Participating Public Entities shall appoint its director(s) to the Board by adoption of a resolution by its governing body or as reflected in the minutes of the meeting on the date thereof. A Participating Public Entity may remove and replace a director appointed by that Participating Public Entity at any time, with or without cause, by a resolution of its governing body.

(d) The number of directors of the Board, or the manner of appointment may be changed with the approval of all of the Participating Public Entities, evidenced by a resolution adopted by the governing body of each Participating Public Entity.

(e) The Agency Board shall formulate and approve bylaws governing the conduct of Board business and of the Agency's functions in accordance with the PUA Act, and these bylaws must be approved by the governing body of each of the Participating Public Entities. The Agency Board may amend the bylaws, and the amendments will take effect upon approval by the governing body of each of the Participating Public Entities.

Section 3. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

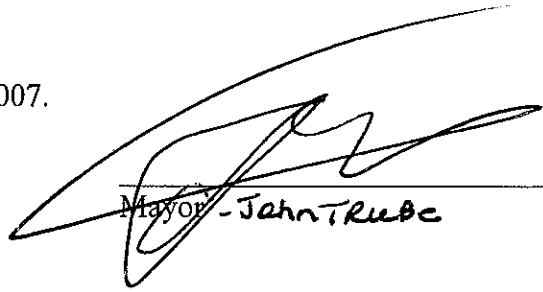
Section 6. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 7. Public Meeting. The Council finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended.

Section 8. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

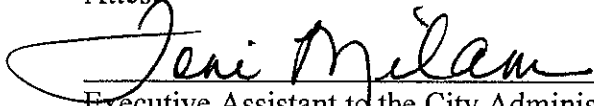
Section 9. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on January 2, 2007.



Mayor - John Rube

Attest:



Executive Assistant to the City Administrator



CERTIFICATE OF EXECUTIVE ASSISTANT TO THE CITY ADMINISTRATOR

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §
 §
CITY OF BUDA §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 2nd day of January, 2007, the City Council (the *Council*) of the City of Buda, Texas (the *City*) convened in regular session in the regular meeting place of the City at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

John Trube	Mayor
Bobby Lane	Mayor Pro Tem
Cathy Chilcote	Councilmember
Hutch White	Councilmember
Sandra Tenorio	Councilmember
Thomas Crouse	Councilmember

and all of such persons were present at the Meeting, except the following: _____, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF SAN MARCOS, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Hutch White that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Sandra Tenorio and carried by the following vote:

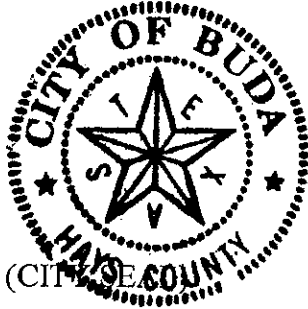
All voted "For" _____ voted "Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in

advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 2nd day of January, 2007.




Executive Assistant to the City Administrator

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BUDA, TEXAS APPROVING THE BYLAWS OF THE HAYS
CALDWELL PUBLIC UTILITY AGENCY**

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of San Marcos, Texas, the City of Buda, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of the creation resolution; and these notices were duly published; and the City of Buda, Texas has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of the creation resolution authorizing the creation of the Hays Caldwell Public Utility Agency (the "Agency"); and

WHEREAS, each of the Participating Public Entities have adopted a creation resolution as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Participating Public Entities must approve the Bylaws of the Agency; and

WHEREAS, the City Council (the "Council") of the City of Buda, Texas hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUDA,
TEXAS:**

Section 1. Approval of the Bylaws. The Council hereby approves the Bylaws of the Hays Caldwell Public Utility Agency (the "Agency") attached hereto as Exhibit A.

Section 2. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are

hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 4. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

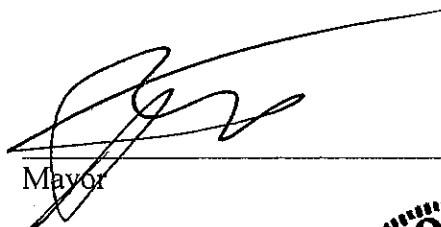
Section 5. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 6. Public Meeting. The Council finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended.

Section 7. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

Section 7. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on March 6, 2007.



Mayor

Attest:



Executive Assistant to the City Administrator

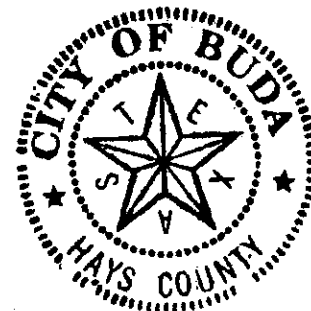


EXHIBIT A
BYLAWS

CERTIFICATE OF EXECUTIVE ASSISTANT TO THE CITY ADMINISTRATOR

THE STATE OF TEXAS	§
	§
COUNTY OF HAYS	§
	§
CITY OF BUDA	§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 6th day of March, 2007, the City Council (the *Council*) of the City of Buda, Texas (the *City*) convened in regular session in the regular meeting place of the City at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

John Trube	Mayor
Bobby Lane	Mayor Pro Tem
Cathy Chilcote	Councilmember
Hutch White	Councilmember
Sandra Tenorio	Councilmember
Thomas Crouse	Councilmember

and all of such persons were present at the Meeting, except the following: Thomas Crouse, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA,
TEXAS APPROVING THE BYLAWS OF THE HAYS CALDWELL
PUBLIC UTILITY AGENCY

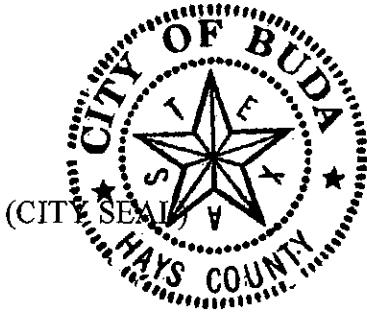
was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Tenorio that the Resolution be finally passed and adopted. The motion was seconded by Councilmember White and carried by the following vote:

4 voted "For" _____ voted "Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 6th day of March, 2007.



Joni Milan
Executive Assistant to the City Administrator

RESOLUTION NO. 070102

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS MAKING AN APPOINTMENT TO THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. The governing bodies of the City of Buda, the City of Kyle, the City of San Marcos, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") have adopted resolutions (the "Concurrent Resolutions") approving the creation of the Hays Caldwell Public Utility Agency (the "Agency") under Texas Local Government Code Chapter 422, as amended (the "PUA Act").

2. The Concurrent Resolutions provide for the Agency to be governed by a Board of Directors to which the City of Buda is entitled to appoint one member.

3. The City Council wishes to appoint a member to serve on the Board of Directors of the Agency.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS:

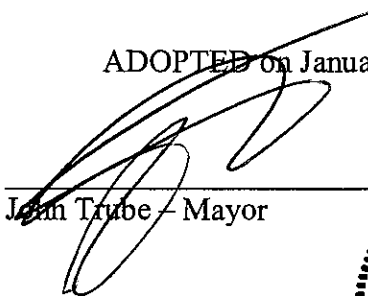
PART 1. The Council appoints the following person to serve as the City's representative on the Board of Directors of the Hays Caldwell Public Utility Agency with City Administrator, Robert Camareno serving as the Mayor's alternate.

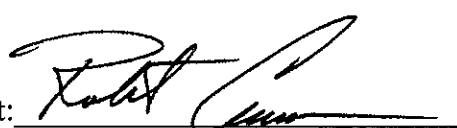
Board Position	Person Appointed
	Mayor John Trube

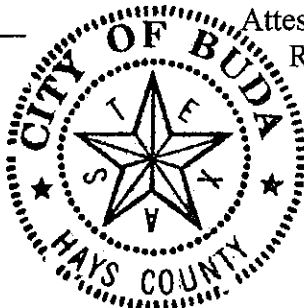
PART 2. As provided in the Concurrent Resolutions, the initial term of the director shall be from October 1, 2006 through September 30, 2008. Subsequent terms of the directors shall be for two years. The bylaws of the Agency may provide for staggered terms of office for the directors.

PART 3. This Resolution shall be full force and effect from and after its passage.

ADOPTED on January 2, 2007


John Trube - Mayor

Attest: 
Robert Camareno - City Administrator



RESOLUTION NO. 2006-_____

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE AUTHORITY (ALONG WITH THE CITY OF KYLE, THE CITY OF BUDA AND THE CITY OF SAN MARCOS) TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the Canyon Regional Water Authority, Texas (the "Authority"), the City of Buda, Texas, the City of Kyle, Texas, and the City of San Marcos, Texas (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the Authority previously adopted a notice of intention resolution on August 14, 2006 and a resolution approving the creation of a public utility agency on September 11, 2006, but the City of Lockhart, Texas, as one of the original participating public entities, decided to withdraw its participation from this public utility agency and the City of Buda, Texas will participate in its place; and

WHEREAS, by the adoption of this resolution the Board of Trustees of the Authority (the "Board") hereby rescinds and cancels its previous actions on August 14, 2006 and September 11, 2006 relating to this matter; and

WHEREAS, the Board must now adopt a new notice of intention resolution with the Participating Public Entities; and

WHEREAS, the Authority is a public entity as defined in Section 422.001(3) of the PUA Act, and the Board wishes to authorize and direct the publication of the notice of the Authority's intention to create the Hays Caldwell Public Utility Agency; NOW, THEREFORE,

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

Section 1. Form of Notice. Attached hereto is a "Notice of Intention to Approve the Creation of the Hays Caldwell Public Utility Agency," the form and substance of which is hereby adopted and approved.

Section 2. Publication of Notice. The Authority staff is authorized and directed to publish the attached notice in substantially the form attached hereto in a newspaper of general circulation in a county in which the Authority is domiciled, once a week for two consecutive weeks, the date of the first publication thereof to be before the 14th day before the date set for adoption of the resolution authorizing and approving the creation of the Hays Caldwell Public Utility Agency.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on November 13, 2006.

President, Board of Trustees

Attest:

Secretary, Board of Trustees

WHEREAS, the Authority previously adopted a notice of intention resolution on August 14, 2006 and a resolution approving the creation of a public utility agency on September 11, 2006, but the City of Lockhart, Texas, as one of the original participating public entities, decided to withdraw its participation from this public utility agency and the City of Buda, Texas will participate in its place; and

WHEREAS, by the adoption of this resolution the Board of Trustees of the Authority (the "Board") hereby rescinds and cancels its previous actions on August 14, 2006 and September 11, 2006 relating to this matter; and

WHEREAS, the Board must now adopt a new notice of intention resolution with the Participating Public Entities; and

WHEREAS, the Authority is a public entity as defined in Section 422.001(3) of the PUA Act, and the Board wishes to authorize and direct the publication of the notice of the Authority's intention to create the Hays Caldwell Public Utility Agency; NOW, THEREFORE,

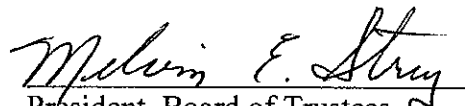
BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY:

Section 1. Form of Notice. Attached hereto is a "Notice of Intention to Approve the Creation of the Hays Caldwell Public Utility Agency," the form and substance of which is hereby adopted and approved.

Section 2. Publication of Notice. The Authority staff is authorized and directed to publish the attached notice in substantially the form attached hereto in a newspaper of general circulation in a county in which the Authority is domiciled, once a week for two consecutive weeks, the date of the first publication thereof to be before the 14th day before the date set for adoption of the resolution authorizing and approving the creation of the Hays Caldwell Public Utility Agency.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on November 13, 2006.



President, Board of Trustees

Attest:



Secretary, Board of Trustees

Notice of Intention to Approve the Creation of the
Hays Caldwell Public Utility Agency

NOTICE IS HEREBY GIVEN that the Board of Trustees of the Canyon Regional Water Authority, Texas will meet at 850 Lakeside Pass, New Braunfels, Texas 78130, at 6:00 o'clock P.M., New Braunfels, Texas time on January 8, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of Kyle, Texas and the City of San Marcos, Texas) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities.

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS §
 §
 COUNTY OF GUADALUPE §
 §
 CANYON REGIONAL WATER §
 AUTHORITY §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Board of Trustees (the "Board") of the Canyon Regional Water Authority (the "Authority"), convened on the 13th day of November, 2006 in regular session in the regular meeting place of the Authority (the "Meeting"), which Meeting was at all times open to the public, the duly constituted officers and members of the Board being as follows:

Melvin Strey	Chairman
William Seiler	Vice Chairman
Mark Speed	Secretary
Glenn Hild	Treasurer
Victor Villarreal	Trustee
Lesley Wenger	Trustee
Sheldon Edmundson	Trustee
Ronald Pedde	Trustee
Harold Schott	Trustee
Robert Richter	Trustee
Sara Frank	Trustee
Rex Wiegand	Trustee
Ken Cargil	Trustee
Donald C. Speer	Trustee
Tommy Zipp	Trustee
James Robinson	Trustee
Brad Crafts	Trustee
Steve Fonville	Trustee
Brian Freeman	Trustee
Jesse Shanks	Trustee
James Martin	Trustee
William Old, III	Trustee

and all of such persons were present at the Meeting, except the following: Victor Villarreal, Lesley Wenger, Sheldon Edmundson thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the "Resolution") entitled: Robert Richter, Ken Cargil, Brad Crafts, Steven Fonville, Brian Freeman & William Old

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF KYLE, THE CITY OF BUDA AND THE CITY OF SAN MARCOS) TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the due consideration of the Board. After presentation and discussion of the Resolution, a motion was made by Trustee Harold Scholtz and seconded by Trustee Sara Frank that the Resolution be passed and adopted.

The motion and carried by the following vote:

13 voted "For" 0 voted "Against" 0 "Abstained"

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the Authority; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Authority, this 13th day of November, 2006.



Secretary, Board of Trustees

(AUTHORITY SEAL)

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF KYLE, THE CITY OF BUDA AND THE CITY OF SAN MARCOS) TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the due consideration of the Board. After presentation and discussion of the Resolution, a motion was made by Trustee Harold Schott and seconded by Trustee Sara Frank that the Resolution be passed and adopted.

The motion and carried by the following vote:

13 voted "For" 0 voted "Against" 0 "Abstained"

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the Authority; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Authority, this 13th day of November, 2006.



Secretary, Board of Trustees

(AUTHORITY SEAL)

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE
HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the Board of Trustees of the Canyon Regional Water Authority, Texas will meet at 850 Lakeside Pass, New Braunfels, Texas 78130, at 6:00 o'clock P.M., New Braunfels, Texas time on January 8, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of Kyle, Texas and the City of San Marcos, Texas) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities.

**SAN ANTONIO EXPRESS NEWS
AFFIDAVIT OF PUBLICATION**

Canyon Regional
Water-Authority

**SCANNED
FILE COPY**

DEC 29 2006

STATE OF TEXAS:

COUNTY OF BEXAR:

Before me, the undersigned authority, a Notary Public in and for the State of Texas,
on this day personally appeared: **URAI CHOKEDEE**, who after being duly sworn, says that
she is the **BOOKKEEPER** of **THE HEARST CORPORATION (SAN ANTONIO EXPRESS-NEWS DIVISION)**,
a daily newspaper published in Bexar County, Texas and that the publication, of
which the annexed is a true copy, was published to wit:

Date(s) ad published: _____
12-18-06 12-25-06

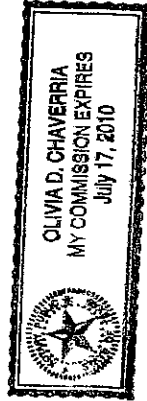
apps: 02 ad number: 022419319
customer: CANYON REGIONAL WATER AUTHOR account: 033209105

Urai Chokedee
URAI CHOKEDEE
Bookkeeper

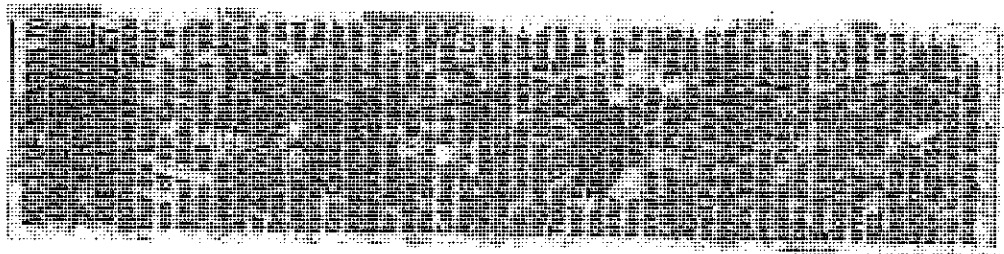
Sworn and subscribed to before me, this the _____ 26th

day of December A.D. 2006

Olivia D. Chaverria



Notary public in and for the State of Texas



RESOLUTION NO. 2007-_____

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF SAN MARCOS, THE CITY OF BUDA, AND THE CITY OF KYLE, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of San Marcos, Texas, the City of Buda, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the Canyon Regional Water Authority (the "Authority") is a public entity as defined in Section 422.001(3) of the PUA Act, and the Board of Trustees of the Authority (the "Board") has previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of this resolution; and these notices were duly published; and the Authority has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of this Resolution; and

WHEREAS, this Resolution is adopted as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Board hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the Authority; NOW, THEREFORE,

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

Section 1. Name and Boundaries of the Public Utility Agency. The Board hereby approves the creation of the Hays Caldwell Public Utility Agency (the "Agency"). The boundaries of the Agency include the territory within the boundaries of each of the Participating Public Entities as these boundaries exist on the date hereof and as these boundaries may change from time to time.

Section 2. Board of Directors; Bylaws.

(a) The Board of Directors (the "Agency Board") of the Agency shall consist of 13 members, with each of the Participating Public Entities appointing at least one member of the Agency Board. The members shall be appointed by the Participating Public Entities pursuant to the terms of the bylaws of the Agency, with the City of San Marcos, Texas appointing 5 members, Canyon Regional Water Authority appointing 4 members, the City of Kyle, Texas appointing 3 members, and the City of Buda, Texas appointing 1 member, subject to any future change in the bylaws as approved by each of the Participating Public Entities. The appointment of the initial directors shall be reflected in the minutes of the Participating Public Entity's resolution authorizing the creation of the Agency.

(b) The initial term of the directors appointed by the Board shall be 2 directors from October 1, 2006 through September 30, 2007 and 2 directors from October 1, 2006 through September 30, 2008. Subsequent terms of the directors shall be for at least two years. The bylaws of the Agency may provide for staggered terms of office for the directors.

(c) Each of the Participating Public Entities shall appoint its director(s) to the Agency Board by adoption of a resolution by its governing body or as reflected in the minutes of the meeting on the date thereof. A Participating Public Entity may remove and

replace a director appointed by that Participating Public Entity at any time, with or without cause, by a resolution of its governing body.

(d) The number of directors of the Agency Board, or the manner of appointment may be changed with the approval of all of the Participating Public Entities, evidenced by a resolution adopted by the governing body of each Participating Public Entity.

(e) The Agency Board shall formulate and approve bylaws governing the conduct of Agency Board business and of the Agency's functions in accordance with the PUA Act, and these bylaws must be approved by the governing body of each of the Participating Public Entities. The Agency Board may amend the bylaws, and the amendments will take effect upon approval by the governing body of each of the Participating Public Entities.

Section 3. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

Section 6. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

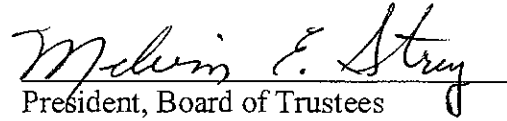
Section 7. Public Meeting. The Board finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended and the Texas Water Code.

Section 8. Further Proceedings. The officers and employees of the Authority are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Authority all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the Authority whose signature appears on any certificate ceases to be such officer before the delivery of the certificate,

the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

Section 9. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on January 8, 2007.



President, Board of Trustees

Attest:



Secretary, Board of Trustees

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF GUADALUPE	§
	§
CANYON REGIONAL WATER	§
AUTHORITY	§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Board of Trustees (the "Board") of the Canyon Regional Water Authority (the "Authority"), convened on the 8th day of January, 2007 in regular session in the regular meeting place of the Authority (the "Meeting"), which Meeting was at all times open to the public, the duly constituted officers and members of the Board being as follows:

Melvin Strey	Chairman
William Seiler	Vice Chairman
Mark Speed	Secretary
Glenn Hild	Treasurer
Victor Villarreal	Trustee
Lesley Wenger	Trustee
Sheldon Edmundson	Trustee
Ronald Pedde	Trustee
Harold Schott	Trustee
Robert Richter	Trustee
Sara Frank	Trustee
Rex Wiegand	Trustee
Ken Cargil	Trustee
Donald C. Speer	Trustee
Tommy Zipp	Trustee
James Robinson	Trustee
Brad Crafts	Trustee
Steve Fonville	Trustee
Brian Freeman	Trustee
Jesse Shanks	Trustee
James Martin	Trustee
William Old, III	Trustee

and all of such persons were present at the Meeting, except the following: Glenn Hild, Lesley Wenger, Sheldon Edmundson, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the "Resolution") entitled:

Ken Cargil, Brad Crafts, Steven Fonville, Brian Freeman & Jesse Shanks

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF SAN MARCOS, THE CITY OF BUDA, AND THE CITY OF KYLE, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the due consideration of the Board. After presentation and discussion of the Resolution, a motion was made by Trustee Sara Frank and seconded by Trustee Victor Villarreal that the Resolution be passed and adopted.

The motion and carried by the following vote:

14 voted "For" 0 voted "Against" 0 "Abstained"

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the Authority; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Authority, this 8th day of January, 2007.



Secretary, Board of Trustees

(AUTHORITY SEAL)

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
CANYON REGIONAL WATER AUTHORITY APPROVING
THE BYLAWS OF THE HAYS CALDWELL PUBLIC
UTILITY AGENCY**

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of San Marcos, Texas, the City of Buda, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of the creation resolution; and these notices were duly published; and the Canyon Regional Water Authority has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of the creation resolution authorizing the creation of the Hays Caldwell Public Utility Agency (the "Agency"); and

WHEREAS, each of the Participating Public Entities have adopted a creation resolution as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Participating Public Entities must approve the Bylaws of the Agency; and

WHEREAS, the Board of Trustees (the "Board") of the Canyon Regional Water Authority hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the Authority; NOW, THEREFORE,

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

Section 1. Approval of the Bylaws. The Board hereby approves the Bylaws of the Hays Caldwell Public Utility Agency (the "Agency") attached hereto as Exhibit A.

Section 2. Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 4. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

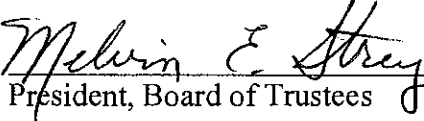
Section 5. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 6. Public Meeting. The Board finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended and the Texas Water Code.

Section 7. Further Proceedings. The officers and employees of the Authority are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Authority all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the Authority whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

Section 7. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on March 12, 2007.



President, Board of Trustees

Attest:



Secretary, Board of Trustees

EXHIBIT A
BYLAWS

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF GUADALUPE	§
	§
CANYON REGIONAL WATER	§
AUTHORITY	§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Board of Trustees (the "Board") of the Canyon Regional Water Authority (the "Authority"), convened on the 12th day of March, 2007 in regular session in the regular meeting place of the Authority (the "Meeting"), which Meeting was at all times open to the public, the duly constituted officers and members of the Board being as follows:

Melvin Strey	Chairman
William Seiler	Vice Chairman
Mark Speed	Secretary
Glenn Hild	Treasurer
Victor Villarreal	Trustee
Lesley Wenger	Trustee
Sheldon Edmundson	Trustee
Ronald Pedde	Trustee
Harold Schott	Trustee
Robert Richter	Trustee
Sara Frank	Trustee
Rex Wiegand	Trustee
Ken Cargil	Trustee
Donald C. Speer	Trustee
Tommy Zipp	Trustee
James Robinson	Trustee
Brad Crafts	Trustee
Steve Fonville	Trustee
Brian Freeman	Trustee
Jesse Shanks	Trustee
James Martin	Trustee
William Old, III	Trustee

and all of such persons were present at the Meeting, except the following:

Mark Speed, Victor Villarreal thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the "Resolution") entitled:

Sheldon Edmundson, Ken Cargil, Brad Crafts, Steve Fonville, Brian Freeman
Jesse Shanks, William Old III

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CANYON
REGIONAL WATER AUTHORITY APPROVING THE BYLAWS OF
THE HAYS CALDWELL PUBLIC UTILITY AGENCY

was introduced for the due consideration of the Board. After presentation and discussion of the Resolution, a motion was made by Trustee Donald Spear and seconded by Trustee Robert Richter that the Resolution be passed and adopted.

The motion and carried by the following vote:

13 voted "For" 0 voted "Against" 0 "Abstained"

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the Authority; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code and the Texas Water Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Authority, this 12th day of March, 2007.


Secretary, Board of Trustees

(AUTHORITY SEAL)

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS §
 §
 COUNTY OF HAYS §
 §
 CITY OF KYLE §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 2nd day of January, 2007, the City Council (the *Council*) of the City of Kyle, Texas (the *City*) convened in regular session in the regular meeting place of the City at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Miguel Gonzalez	Mayor
David Salazar	Mayor Pro Tem, Place 3
Linda Tenorio	Councilmember, Place 1
Becky Selbera	Councilmember, Place 2
Dan Ekakiadis	Councilmember, Place 4
Mike Moore	Councilmember, Place 5
Todd Webster	Councilmember, Place 6

and all of such persons were present at the Meeting, except the following: _____, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS
 AUTHORIZING AND APPROVING THE CREATION OF THE HAYS
 CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE
 CITY OF KYLE, THE CITY OF BUDA, THE CITY OF SAN MARCOS, AND
 THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS
 IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Salazar that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Selbera and carried by the following vote:

7 voted "For" _____ voted "Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation

of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 26th day of September, 2007.


City Secretary

(CITY SEAL)

RESOLUTION NO. 531**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF KYLE, THE CITY OF BUDA, THE CITY OF SAN MARCOS, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of Kyle, Texas, the City of Buda, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City of Kyle, Texas (the "City") is a public entity as defined in Section 422.001(3) of the PUA Act, and the City Council of the City (the "Council") has previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of this resolution; and these notices were duly published; and the City has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of this Resolution; and

WHEREAS, this Resolution is adopted as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Council hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2 Name and Boundaries of the Public Utility Agency. The Council hereby approves the creation of the Hays Caldwell Public Utility Agency (the "Agency"). The boundaries of the Agency include the territory within the boundaries of each of the Participating Public Entities as these boundaries exist on the date hereof and as these boundaries may change from time to time.

Section 3. Board of Directors; Bylaws.

(a) The Board of Directors (the "Board") of the Agency shall consist of 13 members, with each of the Participating Public Entities appointing at least one member of the Board. The members shall be appointed by the Participating Public Entities pursuant to the terms of the bylaws of the Agency, with the City of San Marcos, Texas appointing 5 members, Canyon Regional Water Authority appointing 4 members, the City of Kyle, Texas appointing 3 members, and the City of Buda, Texas appointing 1 member, subject to any future change in the bylaws as approved by each of the Participating Public Entities. The appointment of the initial directors shall be reflected in the minutes of the Participating Public Entity's resolution authorizing the creation of the Agency.

(b) The initial term of the directors shall be from October 1, 2006 through September 30, 2007. Subsequent terms of the directors shall be for at least two years. The bylaws of the Agency may provide for staggered terms of office for the directors.

(c) Each of the Participating Public Entities shall appoint its director(s) to the Board by adoption of a resolution by its governing body or as reflected in the minutes of the meeting on the date thereof. A Participating Public Entity may remove and replace a director appointed by that Participating Public Entity at any time, with or without cause, by a resolution of its governing body.

(d) The number of directors of the Board, or the manner of appointment may be changed with the approval of all of the Participating Public Entities, evidenced by a resolution adopted by the governing body of each Participating Public Entity.

(e) The Agency Board shall formulate and approve bylaws governing the conduct of Board business and of the Agency's functions in accordance with the PUA Act, and these bylaws must be approved by the governing body of each of the Participating Public Entities. The Agency Board may amend the bylaws, and the amendments will take effect upon approval by the governing body of each of the Participating Public Entities.

Section 4. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

Section 7. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 8. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage as authorized by the Charter of the City of Kyle.

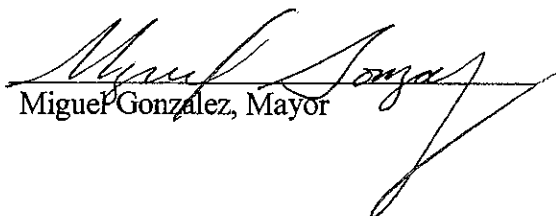
Section 10. Open Meetings. That it is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED on this the 2nd day of January, 2007.

ATTEST:

THE CITY OF KYLE, TEXAS


Minerva Falcon, City Secretary


Miguel Gonzalez, Mayor

RESOLUTION NO. 531**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF KYLE, THE CITY OF BUDA, THE CITY OF SAN MARCOS, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of Kyle, Texas, the City of Buda, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City of Kyle, Texas (the "City") is a public entity as defined in Section 422.001(3) of the PUA Act, and the City Council of the City (the "Council") has previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of this resolution; and these notices were duly published; and the City has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of this Resolution; and

WHEREAS, this Resolution is adopted as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Council hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2 Name and Boundaries of the Public Utility Agency. The Council hereby approves the creation of the Hays Caldwell Public Utility Agency (the "Agency"). The boundaries of the Agency include the territory within the boundaries of each of the Participating Public Entities as these boundaries exist on the date hereof and as these boundaries may change from time to time.

Section 3. Board of Directors; Bylaws.

(a) The Board of Directors (the "Board") of the Agency shall consist of 13 members, with each of the Participating Public Entities appointing at least one member of the Board. The members shall be appointed by the Participating Public Entities pursuant to the terms of the bylaws of the Agency, with the City of San Marcos, Texas appointing 5 members, Canyon Regional Water Authority appointing 4 members, the City of Kyle, Texas appointing 3 members, and the City of Buda, Texas appointing 1 member, subject to any future change in the bylaws as approved by each of the Participating Public Entities. The appointment of the initial directors shall be reflected in the minutes of the Participating Public Entity's resolution authorizing the creation of the Agency.

(b) The initial term of the directors shall be from October 1, 2006 through September 30, 2007. Subsequent terms of the directors shall be for at least two years. The bylaws of the Agency may provide for staggered terms of office for the directors.

(c) Each of the Participating Public Entities shall appoint its director(s) to the Board by adoption of a resolution by its governing body or as reflected in the minutes of the meeting on the date thereof. A Participating Public Entity may remove and replace a director appointed by that Participating Public Entity at any time, with or without cause, by a resolution of its governing body.

(d) The number of directors of the Board, or the manner of appointment may be changed with the approval of all of the Participating Public Entities, evidenced by a resolution adopted by the governing body of each Participating Public Entity.

(e) The Agency Board shall formulate and approve bylaws governing the conduct of Board business and of the Agency's functions in accordance with the PUA Act, and these bylaws must be approved by the governing body of each of the Participating Public Entities. The Agency Board may amend the bylaws, and the amendments will take effect upon approval by the governing body of each of the Participating Public Entities.

Section 4. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

Section 7. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 8. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage as authorized by the Charter of the City of Kyle.


Section 10. Open Meetings. That it is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED on this the 2nd day of January, 2007.

ATTEST:


Minerva Falcon, City Secretary

THE CITY OF KYLE, TEXAS


Miguel Gonzalez, Mayor

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS

§
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§
§

COUNTY OF HAYS

CITY OF KYLE

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 21st day of November, 2006, the City Council (the *Council*) of the City of Kyle, Texas (the *City*) convened in regular session in the regular meeting place of the City at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Miguel Gonzalez	Mayor
David Salazar	Mayor Pro Tem, Place 3
Linda Tenorio	Councilmember, Place 1
Becky Selbera	Councilmember, Place 2
Dan Ekakiadis	Councilmember, Place 4
Mike Moore	Councilmember, Place 5
Todd Webster	Councilmember, Place 6

and all of such persons were present at the Meeting, except the following: Webster, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF SAN MARCOS, THE CITY OF BUDA AND THE CANYON REGIONAL WATER AUTHORITY) TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Moore that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Selbera and carried by the following vote:


6 voted "For" _____ voted "Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation

of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 26th day of September, 2007.



City Secretary

(CITY SEAL)

RESOLUTION NO. 527

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF SAN MARCOS, THE CITY OF BUDA AND THE CANYON REGIONAL WATER AUTHORITY TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of Kyle, Texas (the "City"), the City of Buda, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City previously adopted a notice of intention resolution on August 1, 2006 and a resolution approving the creation of a public utility agency on August 15,

2006, but the City of Lockhart, Texas, as one of the original participating public entities, decided to withdraw its participation from this public utility agency and the City of Buda, Texas will participate in its place; and

WHEREAS, by the adoption of this resolution the City Council of the City (the "Council") hereby rescinds and cancels its previous actions on August 1, 2006 and August 15, 2006 relating to this matter; and

WHEREAS, the City must now adopt a new notice of intention resolution with the Participating Public Entities; and

WHEREAS, the City is a public entity as defined in Section 422.001(3) of the PUA Act, and the Council wishes to authorize and direct the publication of the notice of the City's intention to create the Hays Caldwell Public Utility Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Form of Notice. Attached hereto is a "Notice of Intention to Approve the Creation of the Hays Caldwell Public Utility Agency," the form and substance of which is hereby adopted and approved.

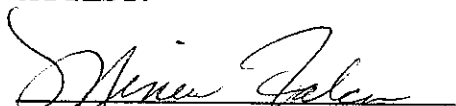
Section 3. Publication of Notice. The City staff is authorized and directed to publish the attached notice in substantially the form attached hereto in a newspaper of general circulation in a county in which the City is domiciled, once a week for two consecutive weeks, the date of the first publication thereof to be before the 14th day before the date set for adoption of the resolution authorizing and approving the creation of the Hays Caldwell Public Utility Agency.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage as authorized by the Charter of the City of Kyle.


Section 6. Open Meetings. That it is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED on this the 21st day of November, 2006.

ATTEST:


Minerva Falcon, City Secretary

THE CITY OF KYLE, TEXAS


Miguel Gonzalez, Mayor

**Notice of Intention to Approve the Creation of the
Hays Caldwell Public Utility Agency**

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will meet at City Hall in Kyle, Texas, at 7:00 o'clock P.M., Kyle, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of San Marcos, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities.

RESOLUTION NO. 527

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING AND DIRECTING PUBLICATION OF NOTICE OF THE INTENT OF THE CITY (ALONG WITH THE CITY OF SAN MARCOS, THE CITY OF BUDA AND THE CANYON REGIONAL WATER AUTHORITY TO CREATE THE HAYS CALDWELL PUBLIC UTILITY AGENCY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of Kyle, Texas (the "City"), the City of Buda, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City previously adopted a notice of intention resolution on August 1, 2006 and a resolution approving the creation of a public utility agency on August 15,

2006, but the City of Lockhart, Texas, as one of the original participating public entities, decided to withdraw its participation from this public utility agency and the City of Buda, Texas will participate in its place; and

WHEREAS, by the adoption of this resolution the City Council of the City (the "Council") hereby rescinds and cancels its previous actions on August 1, 2006 and August 15, 2006 relating to this matter; and

WHEREAS, the City must now adopt a new notice of intention resolution with the Participating Public Entities; and

WHEREAS, the City is a public entity as defined in Section 422.001(3) of the PUA Act, and the Council wishes to authorize and direct the publication of the notice of the City's intention to create the Hays Caldwell Public Utility Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Form of Notice. Attached hereto is a "Notice of Intention to Approve the Creation of the Hays Caldwell Public Utility Agency," the form and substance of which is hereby adopted and approved.


Section 3. Publication of Notice. The City staff is authorized and directed to publish the attached notice in substantially the form attached hereto in a newspaper of general circulation in a county in which the City is domiciled, once a week for two consecutive weeks, the date of the first publication thereof to be before the 14th day before the date set for adoption of the resolution authorizing and approving the creation of the Hays Caldwell Public Utility Agency.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage as authorized by the Charter of the City of Kyle.

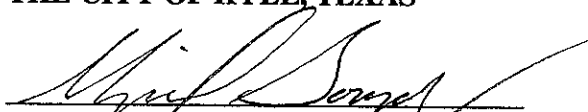
Section 6. Open Meetings. That it is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED on this the 21st day of November, 2006.

ATTEST:


Minerva Falcon, City Secretary

THE CITY OF KYLE, TEXAS


Miguel Gonzalez, Mayor

Notice of Intention to Approve the Creation of the
Hays Caldwell Public Utility Agency

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will meet at City Hall in Kyle, Texas, at 7:00 o'clock P.M., Kyle, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of San Marcos, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities.

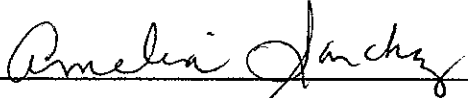
STATE OF TEXAS

COUNTY OF HAYS

CERTIFICATION

I, Amelia Sanchez, Acting City Secretary of the City of Kyle, Texas, do hereby certify that I am the custodian of the records of the City of Kyle, Texas, and that the attached is a true and correct copy of Resolution 527.

WITNESS MY HAND and Official Seal of the City of Kyle, Texas, this the 14th day of March 2007.

A handwritten signature in cursive script, reading "Amelia Sanchez", is written over a horizontal line.

Amelia Sanchez, Acting City Secretary
City of Kyle, Texas

RESOLUTION NO. 522

A RESOLUTION OF THE CITY OF KYLE, TEXAS, AUTHORIZING AND APPROVING APPOINTMENTS TO THE HAYS-CALDWELL PUBLIC UTILITY AGENCY BOARD OF DIRECTORS TO ACT ON BEHALF OF THE CITY OF KYLE; MAKING FINDINGS OF FACT; AND PROVIDING FOR RELATED MATTERS.

Whereas, the City of Kyle, along with the City of San Marcos and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") have recently formed and/or approved the creation of the Hays-Caldwell Public Utility Agency (the "Agency") for the joint financing, acquisition, construction, ownership, operation, and maintenance of a project to secure rights to water and to produce, transport, treat and distribute water (the "Project") within the City; and,

Whereas, the Ordinance the Hays-Caldwell Public Utility Agency provides for representation of each of the Participating Public Entities through the appointment of members to the PUA Board of Directors; and,

Whereas, the City Council has reviewed this situation and determined the appropriate representation for the City's three (3) appointments to said PUA Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, HAYS COUNTY, TEXAS, THAT:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. City Representatives on PUA Board of Directors. In accordance with Section 3(a) of City of Kyle Ordinance No. _____ establishing the Hays-Caldwell Public Utility Agency, the City Council does hereby appoint its representatives as follows:

- Board Position 1..... The City Manager or his designee
- Board Position 2..... City Councilmember Mike Moore
(Alternate) City Councilmember Todd Webster
- Board Position 2..... Water Advisory Committee member Alan McPherson
(Alternate) Water Advisory Committee member David Wilson

Section 3. Term of Office. The initial term of the directors shall be from October 1, 2006 through September 30, 2007. Subsequent terms of the directors shall be for three years. The bylaws of the PUA may ultimately for staggered terms of office for the directors.

Section 4. Appointment and/or Removal of Board Members. The City Council may remove and replace any director at any time, with or without cause, by a Resolution of its governing body.

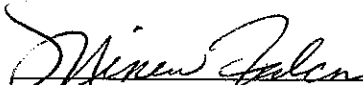
Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage as authorized by the Charter of the City of Kyle.

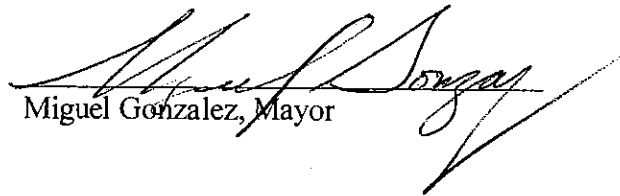
Section 6. Open Meetings. That it is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED on this the 17th day of OCTOBER, 2006.

ATTEST:

THE CITY OF KYLE, TEXAS


Minerva Falcon, City Secretary


Miguel Gonzalez, Mayor

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS §
 §
 COUNTY OF HAYS §
 §
 CITY OF KYLE §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 6th day of March, 2007, the City Council (the *Council*) of the City of Kyle, Texas (the *City*) convened in regular session in the regular meeting place of the City at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Miguel Gonzalez	Mayor
David Salazar	Mayor Pro Tem, Place 3
Linda Tenorio	Councilmember, Place 1
Becky Selbera	Councilmember, Place 2
Dan Ekakiadis	Councilmember, Place 4
Mike Moore	Councilmember, Place 5
Todd Webster	Councilmember, Place 6

and all of such persons were present at the Meeting, except the following: _____, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE,
 TEXAS APPROVING THE BYLAWS OF THE HAYS CALDWELL
 PUBLIC UTILITY AGENCY

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Salazar that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Ekakiadis and carried by the following vote:

7 voted "For" _____ voted "Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the meeting and had actual notice that the Resolution would be considered; and the Meeting and consideration of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 26th day of September, 2007.



City Secretary

(CITY SEAL)

RESOLUTION NO. 540

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
KYLE, TEXAS APPROVING THE BYLAWS OF THE HAYS
CALDWELL PUBLIC UTILITY AGENCY**

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of San Marcos, Texas, the City of Buda, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of the creation resolution; and these notices were duly published; and the City of Kyle, Texas has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of the creation resolution authorizing the creation of the Hays Caldwell Public Utility Agency (the "Agency"); and

WHEREAS, each of the Participating Public Entities have adopted a creation resolution as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Participating Public Entities must approve the Bylaws of the Agency; and

WHEREAS, the City Council (the "Council") of the City of Kyle, Texas hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE,
TEXAS:**

Section 1. Approval of the Bylaws. The Council hereby approves the Bylaws of the Hays Caldwell Public Utility Agency (the "Agency") attached hereto as Exhibit A.

Section 2. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are

hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 4. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

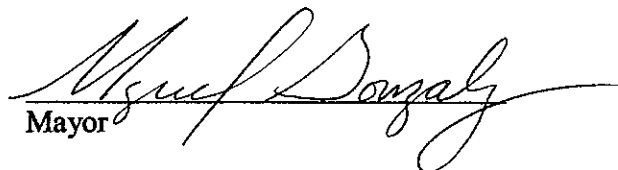
Section 5. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 6. Public Meeting. The Council finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended.

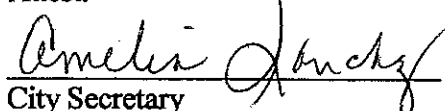
Section 7. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

Section 7. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on March 6, 2007.


Mayor

Attest:


City Secretary

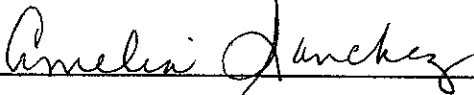
STATE OF TEXAS

COUNTY OF HAYS

CERTIFICATION

I, Amelia Sanchez, Acting City Secretary of the City of Kyle, Texas, do hereby certify that I am the custodian of the records of the City of Kyle, Texas, and that the attached is a true and correct copy of Resolution 531.

WITNESS MY HAND and Official Seal of the City of Kyle, Texas, this the 14th day of March 2007.



Amelia Sanchez, Acting City Secretary
City of Kyle, Texas


STATE OF TEXAS

COUNTY OF HAYS

CERTIFICATION

I, Amelia Sanchez, Acting City Secretary of the City of Kyle, Texas, do hereby certify that I am the custodian of the records of the City of Kyle, Texas, and that the attached is a true and correct copy of Publisher's Affidavit for August 9th and August 16th, 2006.

WITNESS MY HAND and Official Seal of the City of Kyle, Texas, this the 14th day of March 2007.

A handwritten signature in cursive script, reading "Amelia Sanchez", is written over a horizontal line.

Amelia Sanchez, Acting City Secretary
City of Kyle, Texas

The Free Press

at 3470 Jack C. Hays Trail
P.O. Box 339 • Buda, Texas 78610
(512) 262-NEWS • (512) 268-7862 • (512) 268-0262

Publisher's Affidavit

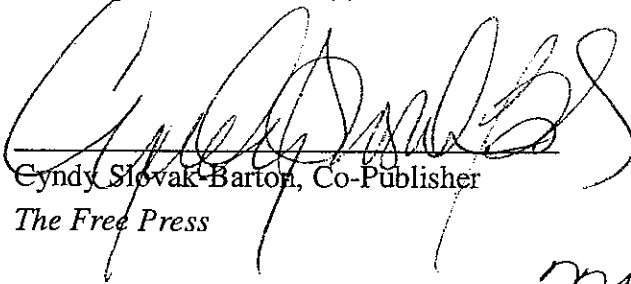
State of Texas §
County of Hays §

Before me, the undersigned authority, a Notary Public in and for the state and county aforesaid, on this day personally appeared Cyndy Slovak-Barton, Co-Publisher of *The Free Press*, a newspaper published in Buda, Texas, Hays County, Texas and in general circulation in said county, who being duly sworn, upon oath deposes and says:

The foregoing attached notice(s) were published in the English language in the

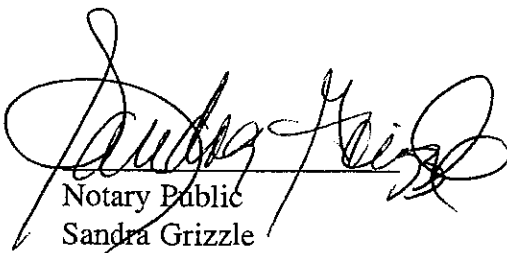
August 9, 2006
August 16, 2006

edition(s) of *The Free Press*, and that the attached newspaper clipping is a true and correct copy of said published notice(s).



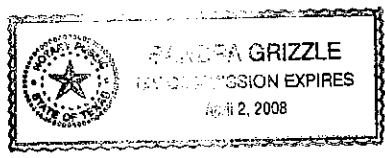
Cyndy Slovak-Barton, Co-Publisher
The Free Press

Subscribed and sworn before me this the 22nd day of August, 2006.



Notary Public
Sandra Grizzle

My commission expires: April 2, 2008



Hours:
day • 9:00am-5:00pm
•00am-4:00pm
268-7862

L OPERATING BUDGET

aring by the Kyle City Council on **ng Budget** in accordance with the **Charter**.

ing Budget is a complete financial **ll municipal operations** during the **ember 30, 2007**. The **FY2006-07** **ng and transfers** from all funds in **cludes General Fund expenditures** **xpenditures** in the total amount of

part of the regular meeting of the **er 5, 2006 at 7:00PM** at the Kyle **exas**.

l and provide input. Copies of the **udget document** and the enabling **the Kyle Administrative Offices**, **ness hours**. PN-4172

ICE

5:05 p.m. on August 15, 2006 at City **e submission of an application to the** **ommunity Development Block Grant** **ng is to allow citizens an opportunity** **velopment of local housing and com-** **CDBG funding available, all eligible** **3G funds**. The City encourages citi- **CDBG application and to make their** **able to attend this meeting may sub-** **i, Public Works Director, at City Hall**. **meeting should contact City Hall to** **e auxiliary aids or services for this** **e before the meeting so that appro-**

immy Haverda at 262-3960.

2005, to DANIEL SALDANA, who was appointed representative of the estate of JUAN ANGEL SALDANA, deceased. *The matter is styled In the Estate of JUAN ANGEL SALDANA, deceased, in the County Court at Law of Hays County, Texas; Cause No. 10,025-P.*

All persons having claims against the estate are notified to present them to the undersigned at the address below within the time prescribed by law.

Dated: July 31, 2006.

Respectfully submitted,
THE LAW OFFICE ART GUZMAN, P.C.

By: ART GUZMAN

State Bar No.08654525

604 W. Hopkins

San Marcos, Texas 78666

(512) 392-6077

(512) 396-5299 Facsimile

ATTORNEY FOR EXECUTOR PN-4163

HAYS CISD IS REQUESTING BIDS

Hays CISD is Requesting Bids for Bid #18-080603MS Locks. Bids will be accepted until August 15, 2006 at 2:00 p.m. local time. Hays CISD is Requesting Bids for Bid #18-080604JH Asphalt Repairs. Bids will be accepted until August 16, 2006 at 2:00 p.m. local time. Bid Specifications are available in the HCISD Purchasing Office (512/268-2141 ext 6063) between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. Bid responses must be returned to the HCISD Purchasing Office, 21003 IH 35, Kyle, TX 78640, by the date and time indicated above. Late bids will be returned unopened. The HCISD Board of Trustees reserves the right to reject any and/or all bids and waive all formalities in the bid process. PN-4137

NOTICE OF MIXED BEVERAGE PERMIT APPLICATION

RAILROAD BBQ, INC., LOCATED AT 107 E. CENTER STREET, HAYS COUNTY, KYLE TEXAS 78640 HAS APPLIED FOR A MIXED BEVERAGE RESTAURANT WITH FB PERMIT WITH THE TEXAS ALCOHOL BEVERAGE COMMISSION.

CORPORATE OWNER RAILROAD BBQ INC. OFFICERS ARE DANNY JOE SHERRIL, PRESIDENT & PAUL KENNEDY SHERRIL JR., VICE PRESIDENT/SECRETARY.

PN-4135

an application for a grant under the Texas Community Development Block Grant Program, Community Development Fund. The grant application request is for \$20,857.00 for development of a comprehensive plan, including Base Planning Activities, Digital Mapping, Sewer System Plan, Street and Drainage needs, development of a Capital Improvements program and development of updated Subdivision and Zoning Ordinances. The application is available for review at City Hall during regular business hours.
PN-4145

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will meet at City Hall in Kyle, Texas at 7:00 o'clock P.M., Kyle, Texas time on September 5, 2006, and during that meeting, the City Council will consider adopting a Resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities, City of Lockhart, Texas, City of San Marcos, Texas and Canyon Regional Water Authority will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities.
PN-4173

NOTICE OF PUBLIC SALE/AUCTION

Tom Thumb Mini Storage LLC pursuant to the revised civil statutes of Texas 5236B, shall conduct a public sale of the contents of the storage rooms listed below in San Marcos, Texas, telephone 396-3434 on the date shown below to satisfy a landlord's lien. All successful bidders shall take possession and remove the contents of the room immediately.

Tom thumb Mini Storage LLC reserves the right to reject any bids and to withdraw any items from such sale.

Date: Saturday 8-26-06 Time: 9:00 A.M.

Location: 1006 Hwy 80, San Marcos, TX

- 1-207 - Joann Jimenez - Baby stroller, clothes.
- 1-227 Leland Calvert III - 2 roll-around tool boxes with tools, camping gear, tires, stereo system, gun case.
- 1-259 Michael Reyes - Kitchen-Aid washer & dryer, maple dresser & chest of drawers, kitchen table & 4 chairs.
- 1-270 Shane Goodson - Luggage, clothes.
- 1-307 Pam Frazer - stereo, TV, fax machine, lots of furniture, fans kitchen stuff.
- 1-319 David Gallus - Furniture, household items.
- 1-338 Zachary Warley - Remote control car, TV, tri-cycle.
- 1-341 Marie Gomez - Kitchen table, chairs, baby bed.
- 4-10 Kimberly Harbroth - Live varmit trap, auto parts, camping stuff.
- 5-12C Mary Rogerson - 2 sofas
- 5-22B Theresa Martin - Household items.

PN-4171

publish a Public Notice?
nces to: classifieds@haysfreepress.com
fax to: 512-268-0262
nce deadline is: Monday/5:00p.m.
2-268-7862 for more information.

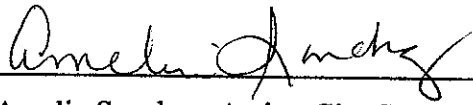
STATE OF TEXAS

COUNTY OF HAYS

CERTIFICATION

I, Amelia Sanchez, Acting City Secretary of the City of Kyle, Texas, do hereby certify that I am the custodian of the records of the City of Kyle, Texas, and that the attached is a true and correct copy of Publisher's Affidavit for November 29, 2006.

WITNESS MY HAND and Official Seal of the City of Kyle, Texas, this the 14th day of March 2007.



Amelia Sanchez, Acting City Secretary
City of Kyle, Texas

The Free Press

at 3470 Jack C. Hays Trail
P.O. Box 339 • Buda, Texas 78610
(512) 262-NEWS • (512) 268-7862 • (512) 268-0262

Publisher's Affidavit

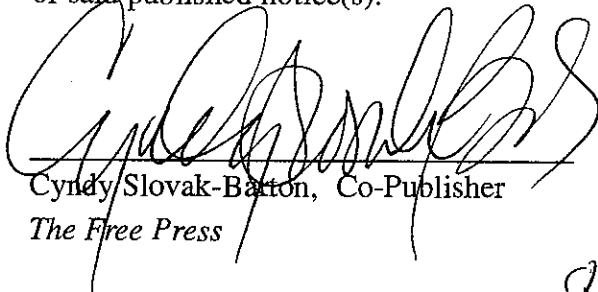
State of Texas §
County of Hays §

Before me, the undersigned authority, a Notary Public in and for the state and county aforesaid, on this day personally appeared Cyndy Slovak-Barton, Co-Publisher of *The Free Press*, a newspaper published in Buda, Texas, Hays County, Texas and in general circulation in said county, who being duly sworn, upon oath deposes and says:

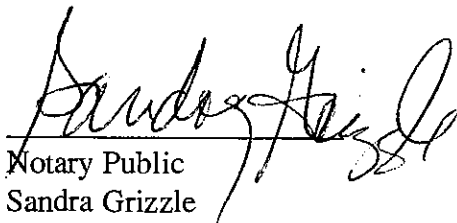
The foregoing attached notice(s) were published in the English language in the

November 29, 2006

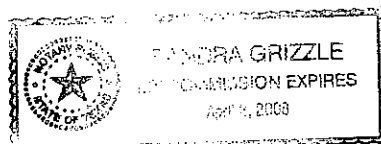
edition(s) of *The Free Press*, and that the attached newspaper clipping is a true and correct copy of said published notice(s).


Cyndy Slovak-Barton, Co-Publisher
The Free Press

Subscribed and sworn before me this the 8th day of December, 2006.


Notary Public
Sandra Grizzle

My commission expires: April 2, 2008



November 29, 2006

Public Notices

Public Notices

APPLICATION TO T.A.B.C.

APPLICATION HAS BEEN MADE WITH THE TEXAS ALCOHOLIC BEVERAGE COMMISSION FOR A MIX BEVERAGE RESTAURANT PERMIT WITH FB AND A FOOD AND BEVERAGE CERTIFICATE BY ESTHELA O. JAIMES D.B.A. LUVIANOS MEXICAN RESTAURANT, TO BE LOCATED AT 804 CENTER STREET, KYLE, HAYS COUNTY, TEXAS 78640. PN-5200

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will meet at City Hall in Kyle, Texas, at 7:00 o'clock P.M., Kyle, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of San Marcos, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities. PN-5195

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Buda, Texas will meet at City Hall in Buda, Texas, at 7:00 o'clock P.M., Buda, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of San Marcos, Texas, City of Kyle, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities. PN-5194

NOTICE TO CREDITORS

Notice is hereby given that original Letters Testamentary for the Estate of **ALANSON WESLEY BROWN, deceased**, were issued on November 21, 2006, in Docket No. 10,485-P pending in the County Court at Law No. 2 of Hays County, Texas, Sitting in Matters Probate to: **MICHAEL LANCE BROWN**, as sole Independent Executor without bond.

The mailing address of the sole Independent Executor without bond is: **MICHAEL LANCE BROWN**, 206 Glenwood Drive, Houston, Texas 77007.

The post office address of the sole Independent Executor without bond for purposes of this notice is:

MICHAEL LANCE BROWN
Texas Bar No. 03154100
MICHAEL L. BROWN, P. C.
5535 F Memorial Drive #662
Houston, Texas 77007
Telephone: (713) 802-1274
Telefacsimile: (713) 802-1604
E-mail address: attorneybrown@msn.com

All persons having claims against this Estate, which is currently being administered, are required to present them within the time and in the manner prescribed by law.

DATED the 28th day of November 2006.

MICHAEL LANCE BROWN
MICHAEL L. BROWN, P. C.
ATTORNEY FOR THE ESTATE PN-5193

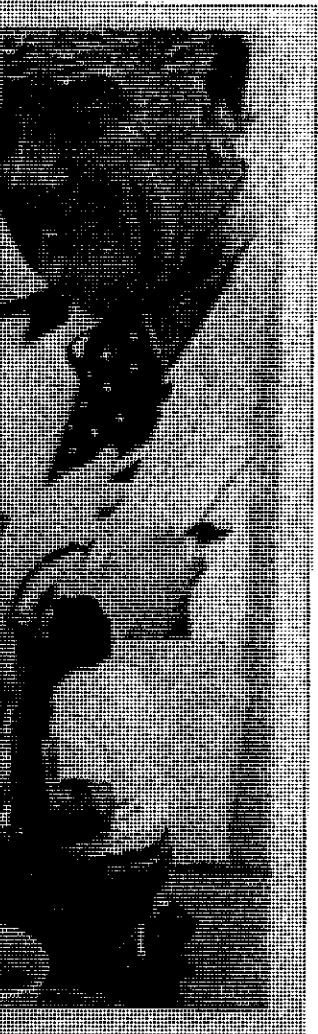
HAYS CISD REQUESTING BIDS

Hays CISD is Requesting Bids for Bid #26-120701JH Cafeteria & Kitchen Equipment. Bids will be accepted until 12-4-06 at 2:30 p.m. local time. Hays CISD is Requesting Proposals for RFP #25-120702MS Demographic Services. Proposals will be accepted until 12-13-06 at 2:00 p.m. local time. Specifications are available in the HCISD Purchasing Office (512/268-2141 ext 6063) between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. Bid responses must be returned to the HCISD Purchasing Office, 21003 IH 35, Kyle, TX 78640, by the date and time indicated above. Late bids will be returned unopened. The HCISD Board of Trustees reserves the right to reject any and/or all bids and waive all formalities in the bid process. PN-5127

DEADLINE FOR PUBLIC NOTICES

Mondays/5:00p.m. If you are late... Please call to reserve your space! (512) 268-7862

useum



namesake student center on campus in 1977. (file photo)

as State University has long supported the construction of a community museum dedicated to President Johnson since it is the only university to claim a President as an alumnus. On Feb. 22, 1998, Hays county commissioners gave their approval to an arrangement through which the museum board could lease an abandoned county-owned

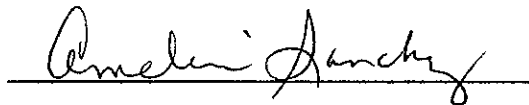
STATE OF TEXAS

COUNTY OF HAYS

CERTIFICATION

I, Amelia Sanchez, Acting City Secretary of the City of Kyle, Texas, do hereby certify that I am the custodian of the records of the City of Kyle, Texas, and that the attached is a true and correct copy of Publisher's Affidavit for December 6, 2006.

WITNESS MY HAND and Official Seal of the City of Kyle, Texas, this the 14th day of March 2007.

A handwritten signature in cursive script, reading "Amelia Sanchez", is written over a horizontal line.

Amelia Sanchez, Acting City Secretary
City of Kyle, Texas

The Free Press

at 3470 Jack C. Hays Trail
P.O. Box 339 • Buda, Texas 78610
(512) 262-NEWS • (512) 268-7862 • (512) 268-0262

Publisher's Affidavit

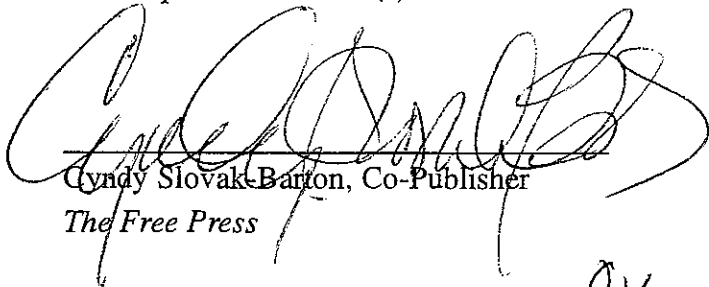
State of Texas §
County of Hays §

Before me, the undersigned authority, a Notary Public in and for the state and county aforesaid, on this day personally appeared Cyndy Slovak-Barton, Co-Publisher of *The Free Press*, a newspaper published in Buda, Texas, Hays County, Texas and in general circulation in said county, who being duly sworn, upon oath deposes and says:

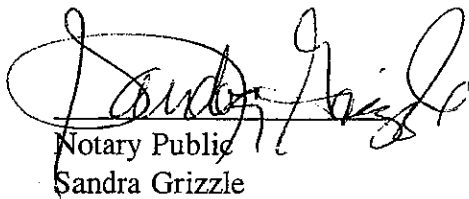
The foregoing attached notice(s) were published in the English language in the

December 6, 2006

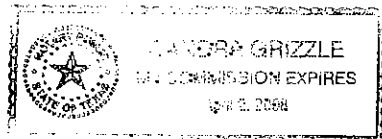
edition(s) of *The Free Press*, and that the attached newspaper clipping is a true and correct copy of said published notice(s).


Cyndy Slovak-Barton, Co-Publisher
The Free Press

Subscribed and sworn before me this the 8th day of December, 2006.


Notary Public
Sandra Grizzle

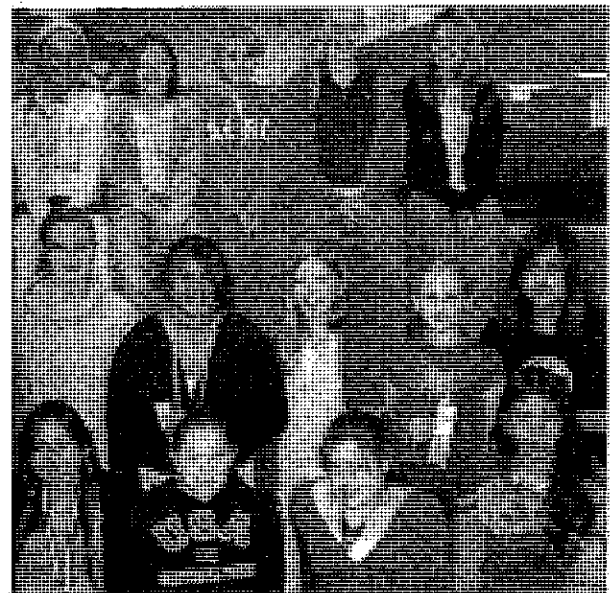
My commission expires: April 2, 2008



Academic UIL winners



School eighth grade are: Gaby Buentello, first place in Reading; Jordan Hall, third place in Listening; Natalie Hardwick, first place in Dictionary; Taylor Kornfuehrer, second place in Dictionary; Jeffrey Joseph, second place in Oral Reading; Samantha Keava, first place in Maps Charts and Graphs; Aria Levanti, first place in Science; Jeffrey George, fourth place in Modern Oratory; Gaby Buentello, second place in Ready Writing; Aria Levanti, sixth place in Ready Writing; Tina Heinrich, third place in editorial writing; Quinzy Braxton, second place in Three Dimensional. (photo courtesy of Donna London)



School seventh grade are: Kelsea Sadler, third place for Spelling; Alyssa Garza, fifth place for Spelling; Rachel Cox, second place for Dictionary; Stephanie Vasquez, third place for Painting; Terence Jarmon, fourth place for Science; Terence Jarmon, third place for Impromptu; Brittany Cox, fourth place for Oral Writing; Trevor Ragsdale, second place for Drawing; (photo courtesy of Donna London)



Public Notices

APPLICATION TO T.A.B.C.

APPLICATION HAS BEEN MADE WITH THE TEXAS ALCOHOLIC BEVERAGE COMMISSION FOR A MIX BEVERAGE RESTAURANT PERMIT WITH FB AND A FOOD AND BEVERAGE CERTIFICATE BY ESTHELA O. JAIMES D.B.A. LUVIANOS MEXICAN RESTAURANT, TO BE LOCATED AT 804 CENTER STREET, KYLE, HAYS COUNTY, TEXAS 78640. PN-5200

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will meet at City Hall in Kyle, Texas, at 7:00 o'clock P.M., Kyle, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of Buda, Texas, City of San Marcos, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities. PN-5195

NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

NOTICE IS HEREBY GIVEN that the City Council of the City of Buda, Texas will meet at City Hall in Buda, Texas, at 7:00 o'clock P.M., Buda, Texas time on January 2, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of the Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities (City of San Marcos, Texas, City of Kyle, Texas and Canyon Regional Water Authority) will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting site is accessible to persons with disabilities. PN-5194

Public Notice

NOTICE TO BIDDERS PARK DEVELOPMENT BUDA SPORTSPLEX

SCOPE OF WORK: Buda Economic Corporation in Buda, Texas, c/o Warren accept sealed bids for the construction Development for the Buda Sportsplex Buda, Texas.

RECEIPT OF BIDS: Sealed bids in envelope at the office of Buda Economic Corporation, located at 203 Railroad St., Buda, Texas 78610, (512) 295-2022 no later than on Friday, January 5, 2007, at which time bids will be opened and read aloud for furnishing all materials, equipment and performing all work required for the construction of Buda Sportsplex.

INFORMATION AND BIDDING DOCUMENTS: Bidding Drawings and Specifications may be viewed and/or obtained from Miller Blueprint Street, Austin, TX, ph: (512) 478-8793, business hours: 8:00am to 5:30pm, Monday through Friday. One set of Drawings and Specifications provided at no cost to the bidder; additional sets purchased at approximately \$65.65 per set, payable to Miller Blueprint by check, cash or money order. No partial sets of Drawings and Specifications will be issued or accepted.

BIDDING REQUIREMENTS: All Bids must be accompanied by the Bid Form, a Contract Security Statement provided with the Bid Documents, and a Contract Security made payable, without recourse, to Buda Economic Development Corporation in the amount of five percent (5%) of Bidder's maximum Bid. The Bid Form must be in the form of a Cashier's check from a national bank or as a guarantee that if awarded the contract, the Bidder will enter into a Contract and execute it within the time specified in the Notice of Award. Bidders must be capable of performing at least 50% of the work with its own forces. All Work shall be guaranteed against defective workmanship and materials for a period of one (1) year from the date of final payment to the OWNER. Performance and payment bonds in the amount equal to the Contract Amount as security for all the Contract obligations under the Contract Documents. The OWNER reserves the right to waive all irregularities, and determine which Bid is the best, and to award the Contract on this basis.

The Notice of Award of Contract shall be issued by the Owner within thirty (30) days after the bid opening. Bid Security must be enclosed with the bid. Bid Security check will not be considered until the bid opening. Bid Securities will be returned to the respective bidder in twenty-five (25) days after bids are opened, except those which the Owner elects to hold until the final bidder has executed the Contract.

HAYS CISD REQUESTING

Hays CISD is Requesting Bids for 120703MS Library Shelving. Bids will be received until 12-14-06 at 2:00 p.m. local time. Bid Specifications available in the HCISD Purchasing Office at 2000 W. Highway 291, Buda, Texas 78610.

CERTIFICATE OF INTERIM CITY CLERK

THE STATE OF TEXAS §
COUNTIES OF HAYS AND §
CALDWELL §
CITY OF SAN MARCOS §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 8th day of January, 2007, the City Council (the *Council*) of the City of San Marcos, Texas (the *City*) convened in regular session in the regular meeting place of the City Council at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Susan Narvaiz	Mayor
Daniel Guerrero	Mayor Pro Tem
Gaylord Bose	Deputy Mayor Pro Tem
Betsy Robertson	Councilmember
Pam Couch	Councilmember
Chris Jones	Councilmember
John Thomaides	Councilmember

and all of such persons were present at the Meeting, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF SAN MARCOS, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Jones that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Thomaides and carried by the following vote:

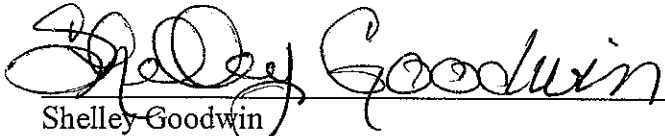
Seven (7) voted "For" None voted "Against" None abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting

and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 8th day of January, 2007.


Shelley Goodwin
Interim City Clerk

(CITY SEAL)

RESOLUTION NO. 2007- 2

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AUTHORIZING AND APPROVING THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY TO ACT ON BEHALF OF THE CITY OF SAN MARCOS, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CANYON REGIONAL WATER AUTHORITY; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of San Marcos, Texas, the City of Buda, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have the authority to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, the Participating Public Entities have determined that forming a public utility agency to jointly finance, plan, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater (the "Project") will achieve economies of scale in providing essential water and wastewater services to the public, will promote the orderly economic development of the State of Texas (the "State"), and will provide environmentally sound protection of the State's future water needs; and

WHEREAS, the City of San Marcos, Texas (the "City") is a public entity as defined in Section 422.001(3) of the PUA Act, and the City Council of the City (the "Council") has previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of this resolution; and these notices were duly published; and the City has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of this Resolution; and

WHEREAS, this Resolution is adopted as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Council hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

Section 1. Name and Boundaries of the Public Utility Agency. The Council hereby approves the creation of the Hays Caldwell Public Utility Agency (the "Agency"). The boundaries of the Agency include the territory within the boundaries of each of the Participating Public Entities as these boundaries exist on the date hereof and as these boundaries may change from time to time.

Section 2. Board of Directors; Bylaws.

(a) The Board of Directors (the "Board") of the Agency shall consist of 13 members, with each of the Participating Public Entities appointing at least one member of the Board. The members shall be appointed by the Participating Public Entities pursuant to the terms of the bylaws of the Agency, with the City of San Marcos, Texas appointing 5 members, Canyon Regional Water Authority appointing 4 members, the City of Kyle, Texas appointing 3 members, and the City of Buda, Texas appointing 1 member, subject to any future change in the bylaws as approved by each of the Participating Public Entities. The appointment of the initial directors shall be reflected in the minutes of the Participating Public Entity's resolution authorizing the creation of the Agency.

(b) The initial term of the directors appointed by the Council shall be 2 directors from October 1, 2006 through September 30, 2007 and 3 directors from October 1, 2006 through September 30, 2008. Subsequent terms of the directors shall be for at least two years. The bylaws of the Agency may provide for staggered terms of office for the directors.

(c) Each of the Participating Public Entities shall appoint its director(s) to the Board by adoption of a resolution by its governing body or as reflected in the minutes of the meeting on the date thereof. A Participating Public Entity may remove and replace a director appointed by that Participating Public Entity at any time, with or without cause, by a resolution of its governing body.

(d) The number of directors of the Board, or the manner of appointment may be changed with the approval of all of the Participating Public Entities, evidenced by a resolution adopted by the governing body of each Participating Public Entity.

(e) The Agency Board shall formulate and approve bylaws governing the conduct of Board business and of the Agency's functions in accordance with the PUA Act, and these bylaws must be approved by the governing body of each of the Participating Public Entities. The Agency Board may amend the bylaws, and the amendments will take effect upon approval by the governing body of each of the Participating Public Entities.

Section 3. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.

Section 6. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 7. Public Meeting. The Council finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended.

Section 8. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.


Section 9. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on January 8, 2007.



Susan Narvaiz
Mayor

Attest:



Shelley Goodwin
Interim City Clerk

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS

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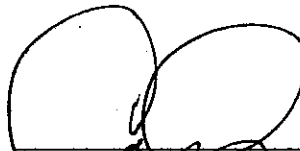
COUNTIES OF HAYS AND
CADLWELL

CITY OF SAN MARCOS

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Cathy Fagan, who, after being by me duly sworn, upon oath says that he/she is the publisher/editor of the San Marcos Daily Record a newspaper of general circulation in the City of San Marcos, Texas, which newspaper satisfies each of the requirements of Subchapter C, Chapter 2051, as amended, Texas Government Code, so as to constitute an official publication in which legal notices may be published as set forth in Subchapter C, Chapter 2051, as amended, Texas Government Code, and that there was published in said newspaper a true and correct copy of the attached NOTICE OF INTENTION TO APPROVE THE CREATION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY on the following dates:

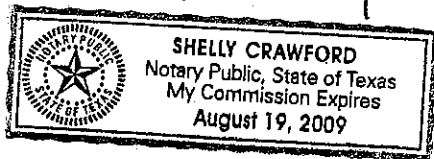
Nov. 30, 2006


Dec. 7, 2006



Publisher/Editor

SUBSCRIBED AND SWORN TO before me, the undersigned authority, on the 18 day of May, 2007, to verify which witness my hand and seal of office.





Notary Public in and for the
State of Texas

(NOTARY SEAL)

My Commission Expires: August 19, 2009

Classifieds

Thursday, November 30, 2006 • Page 5B

512.392.2458 www.sanmarcosrecord.com

Truck

V6, No A/C, Runs good, old Amaco Plant Truck.

\$2,000 OBO
757-2502

1996 Suburban

120 K, basically loaded, dark green, tan interior, very well maintained.

SOLD! Contact
512-757-0328 or
512-396-6084

\$5950. See photos on Autotrader.com.

040

Public Notices

040

Public Notices

PUBLIC NOTICE

IS HEREBY GIVEN that the City Council of the City of San Marcos, Texas will meet at City Hall in San Marcos, Texas, at 7:00 P.M., San Marcos, Texas time on January 8, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities, City of Buda, Texas, City of Kyle, Texas and Canyon Regional Water Authority, will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting is accessible to persons with disabilities.

Shelley Goodwin, Interim City Clerk

housing program, is receiving applications from elderly and handicapped persons.

All applications are being received at 503 Springtown Way, San Marcos, Texas, Mondays through Fridays from 8:00 A.M. until 5:00 P.M.

Eva Sanchez
Program Manager
(512) 396-3363



Things Really Move In the Classifieds!



Placing a classified line ad? Call 392-2458 and ask to speak to Shelly or Angelica.

Placing a classified ad with a border? Call 392-2458 and ask to speak to Julie.

FOR ASSISTANCE, THE PET PREVENT A LITTER (PALS) ARE ANIMAL LOVERS WHO ARE TRYING TO STOP PET OVERPOPULATION. THERE ARE NOT ENOUGH HOMES FOR THEM ALL AND MANY HEALTHY PETS ARE DESTROYED. LOW COST VETERINARY CLINIC CALL FOR APPOINTMENT 512-587-7729 ASSISTANCE AVAILABLE, CALL 512-754-PALS TO APPLY FOR FREE VOUCHER. DONATIONS AND NEW MEMBERS ARE ENCOURAGED. www.preventalitter.com HELP US TO HELP THE ANIMALS!

060

Lost & Found

FOUND OR lost a pet? Place an ad in the classifieds! Please contact the shelter to file a report. Animal Shelter 750 River Rd. 512-393-8340



SECURITY FINANCE now accepting applications for **Asst. Manager Position.** Customer Service / Collection exp. preferred. Excellent Pay/Benefits Package. Apply in person. **175 S. LBJ Drive** San Marcos. No phone calls.

INSIDE SALES

If Friends and Family Have Been Telling You that You Should be in Sales ... We Want to Talk to You!
Contact **Tim Willhoite**
512-312-0800

open, black, reliable details 27 or 1

RD T

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92-2458

es 010 Automobiles

010 Automobiles

010 Automobiles

el Deals!

, RV or Motorcycle

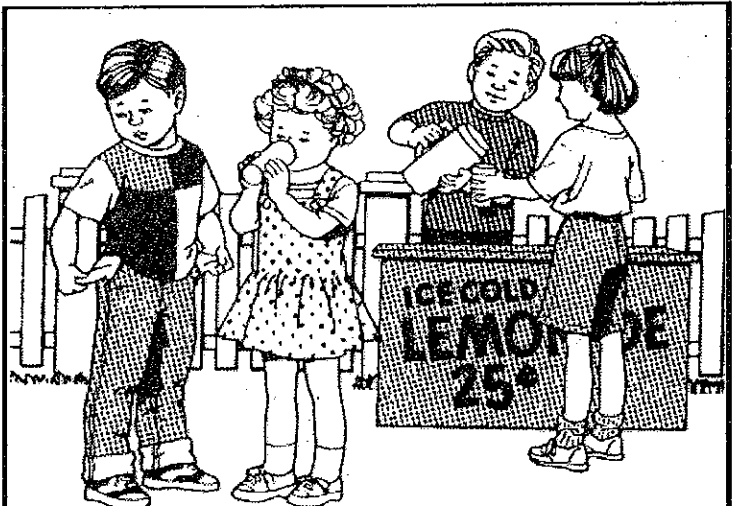
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L IT SELLS

arcos Daily Record

cludes photo

ily \$40



It's the sale of the season! For a sale with extra impact, work with a neighbor

SHIPPI Y

Classifieds

Thursday, December 7, 2006 • Page 5B
 512.392.2458 www.sanmarcosrecord.com

020 Trucks

2005 F-250 DIESEL,
 Loaded,
 Lariat Package,
 57k Miles
\$32,500
210
433-7001

020 Trucks



1990 GMC Truck
 V6, No A/C, Runs good, old Amaco Plant Truck.
\$2,000 OBO
757-2502

050 Lost & Found

FOUND OR lost a pet? Place an ad in the classifieds! Please contact the shelter to file a report. Animal Shelter 750 River Rd. 512-393-8340

LOST GOLDEN Retriever in Willow Creek area. 512-757-1251

LOST WHITE female Husky, in N. Ranch Estates-New Braunfels. Belongs to 5 yr. old. Please help bring her home before Christmas. Call 830-609-1158



1997 FORD EXPEDITION
 All power, great
 San Marcos Daily Record
392-2458

050 Free

FREE PETS ARE USUALLY THE RESULTS OF UNWANTED PET BREEDING. FIX OUR PETS! CONTACT US FOR ASSISTANCE. THE PET PREVENT A

080 Help Wanted

!!MIXER DRIVERS hired w/1 year experience get sign-on bonus!! Lauren Concrete is offering jobs w/11

040 Public Notices

040 Public Notices



Been Telling You that You Should be in Sales ... We Want to Talk to You!
Contact Tim Willhoite 512-312-0800

PUBLIC NOTICE

IS HEREBY GIVEN that the City Council of the City of San Marcos, Texas will meet at City Hall in San Marcos, Texas, at 7:00 P.M., San Marcos, Texas time on January 8, 2007, and during that meeting, the City Council will consider adopting a resolution and take other actions as may be deemed necessary to authorize and approve the creation of Hays Caldwell Public Utility Agency under Texas Local Government Code Chapter 422, as amended. The other participating entities, City of Buda, Texas, City of Kyle, Texas and Canyon Regional Water Authority, will also consider adopting resolutions approving the creation of the Hays Caldwell Public Utility Agency. The Hays Caldwell Public Utility Agency will be created on the date that the concurrent resolutions of the Participating Public Entities take effect. This notice is given under the provisions of Texas Local Government Code Chapter 422, as amended, and specifically Texas Local Government Code Section 422.054. The meeting is accessible to persons with disabilities.

Shelley Goodwin, Interim City Clerk

ASSISTANT MANAGERS \$12.52/hr to start. Immed. openings. Apply in person at 1226 Hwy 123, SM-512-392-9009

ASST. MANAGER w/rent roll 2000 exp. req'd. Lead Maintenance HVAC req'd & Make Ready/Porter person for San Marcos Property. Fax Resume 512-396-8996.

BARTENDER NEEDED for part time shifts in New Braunfels area. Must have TABC certification. 512-567-1384

Classified Ad Listing

Categories

- 010-Automobiles
- 020-Trucks
- 030-Legals
- 040-Public Notices
- 050-Free
- 060-Lost & Found
- 070-Personals
- 079-Insurance
- 080-Help wanted
- 081-Clerical
- 082-Medical-Dental
- 083-Professional
- 084-Sales
- 085-Skills and Trades
- 124-Child Care
- 125-Miscellaneous For Sale
- 126-Furniture/Antiques
- 127-Miscellaneous Wanted
- 128-Unique stores
- 129-Rental Property Wanted
- 130-Rental Roommates
- 131-Manufactured Homes
- 132-Mobile Homes For Rent
- 133-Apartments For Rent
- 134-Duplexes For Rent

1-5 wk Semester break work program Flex hrs. conditions apply. Sales/Service All ages! Call now 512-392-7377

Desk Agent. Must work weekends Apply in person. No phone calls. 1611 IH 35 N. San Marcos

The Kyle Correctional Center is looking for Correctional Officers you must be 18 years of age. For the Maintenance Technician you must have 5 years experience in general maintenance or construction. Additional requirements for both positions are: you have to have a high school diploma or GED. You must be able to pass a background check and a drug test. You may apply in person at 23001 IH 35, Kyle, Texas 78640 or mail or fax your resume to 512-268-3443.

AUTOMOTIVE PAINTER Needed-Busy Automotive & Truck Body Shop in Buda-Must Have Own Tools-Experience Required-Call 512-554-5433

IMMEDIATE OPENING for Lead maintenance at Treehouse Apartments HVAC Certification required. Pay starts from \$12 to \$15 per hour DOE. You can fax your resume to 353-7621 or apply in person at 800 N. LBJ Dr. Questions? Call 353-7620, ask for Victoria

AVON Help needed. Make extra money. independ. Sales, earn up to 50% 392-2791

JOURNEYMAN PLUMBER needed for local commercial construction. Good pay, insurance, 401K, paid holiday/vacation Call 979-743-5424 or send resume to leons@cmaaccess.com

BENNIGAN'S NOW hiring Cooks. Apply in person @ Bennigan's Tanger Outlet Mall 512-392-5511

Dependable Route Drivers needed. Top pay. Call 210-289-7575 or 512-801-8775

MOVIE EXTRAS make up to \$250/day 866-908-7287

080 Help Wanted

080 Help Wanted

080 Help Wanted

CERTIFICATE OF INTERIM CITY CLERK

THE STATE OF TEXAS §
 §
COUNTIES OF HAYS AND §
CALDWELL §
 §
CITY OF SAN MARCOS §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 6th day of March, 2007, the City Council (the *Council*) of the City of San Marcos, Texas (the *City*) convened in regular session in the regular meeting place of the City Council at the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Susan Narvaiz	Mayor
Daniel Guerrero	Mayor Pro Tem
Gaylord Bose	Deputy Mayor Pro Tem
Betsy Robertson	Councilmember
Pam Couch	Councilmember
Chris Jones	Councilmember
John Thomaides	Councilmember

and all of such persons were present at the Meeting, except the following: Daniel Guerrero, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE BYLAWS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Jones that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Couch and carried by the following vote:

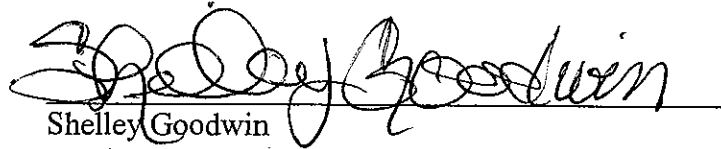
Six (6) voted "For" None voted "Against" None abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in

advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 6th day of March, 2006.


Shelley Goodwin
Interim City Clerk

(CITY SEAL)

RESOLUTION 2007-41R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN MARCOS, TEXAS APPROVING THE BYLAWS OF THE
HAYS CALDWELL PUBLIC UTILITY AGENCY**

WHEREAS, Texas Local Government Code Chapter 422, as amended (the "PUA Act"), authorizes public entities to create a public utility agency to plan, finance, acquire, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater, including a plant site, right-of-way, and property, equipment, or right of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and the collection, transportation, treatment, or disposal of wastewater; and

WHEREAS, under Section 422.054 of the PUA Act, each of the public entities electing to participate in the creation of a public utility agency must publish a notice of its intention to create the public utility agency prior to the adoption of a resolution approving the creation of the public utility agency; and

WHEREAS, the City of San Marcos, Texas, the City of Buda, Texas, the City of Kyle, Texas, and the Canyon Regional Water Authority (collectively, the "Participating Public Entities") each have previously directed the publication of the notice of intention once a week for two consecutive weeks, with the first publication at least 14 days before the date of the adoption of the creation resolution; and these notices were duly published; and the City of San Marcos, Texas has not received a petition under Texas Local Government Code Section 422.056, as amended, prior to the adoption of the creation resolution authorizing the creation of the Hays Caldwell Public Utility Agency (the "Agency"); and

WHEREAS, each of the Participating Public Entities have adopted a creation resolution as a "concurrent ordinance" pursuant to Section 422.055 of the PUA Act; and

WHEREAS, the Participating Public Entities must approve the Bylaws of the Agency; and

WHEREAS, the City Council (the "Council") of the City of San Marcos, Texas hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

Section 1. Approval of the Bylaws. The Council hereby approves the Bylaws of the Hays Caldwell Public Utility Agency (the "Agency") attached hereto as Exhibit A.

Section 2. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are

hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 4. Severability. If any word, phrase, clause, sentence, or paragraph of this Resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Resolution will continue in force if they can be given effect without the invalid portion.


Section 5. Incorporation of Recitals. All of the matters contained in the recitals of this Resolution are found and determined to be true, and the recitals are made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 6. Public Meeting. The Council finds and determines that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given as required by Texas Government Code Chapter 551, as amended.

Section 7. Further Proceedings. The officers and employees of the City are authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In case any officer of the City whose signature appears on any certificate ceases to be such officer before the delivery of the certificate, the signature shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

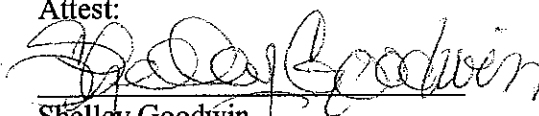
Section 7. Effective Date. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on March 6, 2007.



Susan Narvaiz
Mayor

Attest:



Shelley Goodwin
Interim City Clerk

BYLAWS
OF THE
HAYS CALDWELL PUBLIC UTILITY AGENCY

A Texas Public Utility Agency

(Created as a duly constituted agency and political subdivision of the State of Texas by concurrent ordinances approved by the authority acting on behalf of the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas and the Canyon Regional Water Authority)

Date of Adoption: January 30, 2007

BYLAWS
OF
HAYS CALDWELL PUBLIC UTILITY AGENCY

ARTICLE I
OFFICES

Section 1.1 Principal Office. The principal office of the Hays Caldwell Public Utility Agency (the "Agency") in the State of Texas (the "State") shall be located at Kyle City Hall, Kyle, Texas 78640. The Agency may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Agency.

Section 1.2 Registered Office and Registered Agent. The Agency shall comply with the requirements of Chapter 422, Texas Local Government Code, as amended (the "Act"), and shall maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Agency's principal office in Texas. The Board of Directors may change the registered office and the registered agent.

ARTICLE II
NO MEMBERS

Section 2.1 No Members. The Agency shall have no members.

ARTICLE III
PURPOSES

Section 3.1 The Agency is organized and will be operated exclusively for the purposes set forth in the Act. The Agency is organized for the purpose of aiding, assisting, and acting as a separate agency, political subdivision of the State of Texas and political entity and corporate body in accordance with the Act, as created by concurrent ordinances adopted by the cities of San Marcos (herein "San Marcos"), Kyle (herein "Kyle"), and Buda (herein "Buda"), and the Canyon Regional Water Authority (herein "CRWA") [individually a "Sponsor" and collectively the "Sponsors"] to (i) achieve economies of scale in providing essential water and sewage systems to the public, (ii) promote the orderly economic development of the State, and (iii) provide environmentally sound protection of the State's future water and wastewater needs.

Section 3.2 The Agency is a public utility agency pursuant to the Act and is authorized to exercise all powers privileges and rights conferred on a public utility agency by the Act, and all powers and rights incidental in carrying out the purposes for which the Agency is formed.

Section 3.3 The Agency shall have and exercise all of the rights, powers, privileges, and functions given by the general laws of Texas to a public utility agency created pursuant to the Act.

Section 3.4 The Agency shall have all other powers of a like or different nature not prohibited by law which are available to political subdivisions in Texas and which are necessary or useful to enable the Agency to perform the purposes for which it is created, including the power to

issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Agency shall not issue bonds or notes or incur debt for a particular project without the consent of those Sponsors who are entering into a contract with the Agency for the particular project.

Section 3.5 The Agency was created for the public purposes stated in the Act and will be operated not for profit. The Agency shall not permit any part of the net earnings of the Agency to inure to the benefit of any private individual, except that reasonable compensation may be paid for personal services rendered to or for the Agency affecting one or more of its purposes.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 Appointment, Classes, Powers, Number, and Term of Office.

A. All powers of the Agency shall be vested in the Board of Directors (the "Board"). The Board shall initially consist of thirteen (13) persons. The Agency's directors (the "Director" or "Directors") shall be appointed by position to the Board by the Sponsors in accordance with concurrent ordinances (together, the "Ordinance") creating the Agency adopted by each Sponsor in accordance with Section 422.055 of the Act. The Chair of the Board shall be selected by the Board from among the Directors. The City of San Marcos, Texas appoints five (5) Directors, Canyon Regional Water Authority appoints four (4) Directors, the City of Kyle, Texas appoints three (3) Directors, and the City of Buda, Texas appoints one (1) Director. The composition of the Board shall be based upon the amount of water acquired for each Sponsor pursuant to the terms of the water supply contracts and shall be revised as necessary.

B. Each initial Director shall serve for a term which expires on the date set forth in the Ordinance, or until his or her successor is appointed by a Sponsor, unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill. The terms of Directors appointed by the Sponsors subsequent to the initial Directors shall expire on the date which is at least two (2) years after the date of the appointment of that Director. The appointment of Directors by each Sponsor may be evidenced by minute entry or by adoption of an ordinance or resolution. The terms of Directors shall expire on September 30. Any Director may be removed from office at any time, with or without cause, by the Sponsor who appointed that Director. The number of Directors or expiration date of the terms may be increased or decreased only by an amendment to these Bylaws and with the written consent of all of the Sponsors. The Sponsors which appoint more than one member to the Board shall appoint members with staggered terms that expire on September 30. Directors, unless removed from office by the Sponsor who appointed them, shall continue to perform the duties of their offices until their successors are appointed and duly qualified.

Section 4.2 Meetings of Board. The Board may hold its meetings and may have an office and keep the books of the Agency at such place or places as the Board may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Agency in the State of Texas. Meetings of the Board shall be subject to

applicable provisions of the State Open Meetings Act, Chapter 551, as amended, Texas Government Code (the "Open Meetings Act").

Section 4.3 Annual Meetings. The annual meeting of the Board shall be held at the time and at the location designated by the resolution of the Board for the purpose of transacting such business as may be brought before the Board at the meeting.

Section 4.4 Regular Meetings. Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

Section 4.5 Special and Emergency Meetings.

A. Special and emergency meetings of the Board shall be held whenever called by the Chair or the Secretary of the Board, or by a majority of the Directors, to the extent permitted by the Open Meetings Act.

B. The Secretary shall give notice of each special meeting to each Director and to any ex-officio directors in person or by facsimile, mail, or electronic mail.

C. The Secretary shall give notice of each emergency meeting to each Director and to any ex-officio directors in person or by facsimile, mail, or electronic mail. The notice on its face shall describe the emergency that gave rise to the need for the meeting.

D. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Agency may be considered and acted upon at a special or emergency meeting. At any meeting at which every Director shall be present, even though without any personal notice, any matter pertaining to the purposes of the Agency may be considered and acted upon.

Section 4.6 Quorum; Super Majority.

A. Seven Directors shall constitute a quorum of the Board. The Board may not conduct business unless a quorum of the Board is present in person. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time.

B. Except as hereinafter provided, the act of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, or by these Bylaws.

C. The concurrence of seven (7) or more Directors (by voting in favor of a matter at a Board meeting at which a quorum of the Board is in attendance) shall be required for any of the following actions:

- (1) The award of a construction contract in an amount greater than \$100,000.
- (2) Approving a contract for the supply of water by the Agency.
- (3) Hiring or firing a general manager of the Agency.

(4) As further provided in Article XIII hereof, a proposal to amend these Bylaws.

D. The concurrence of nine (9) or more Directors (by voting in favor of a matter at a Board meeting at which a quorum of the Board is in attendance) shall be required for any of the following actions:

(1) Authorizing the issuance of bonds or the approval of a promissory note or other instrument creating debt.

(2) Creation of an Executive Committee.

E. A Director who is present at a meeting of the Board at which any Agency action is taken shall be presumed to have assented to such action unless his or her dissent or abstention shall be entered in the minutes of the meeting, or unless the Director files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

Section 4.7 Conduct of Business.

A. At the meetings of the Board, matters pertaining to the purposes of the Agency shall be considered in such order as from time to time the Board may determine.

B. At all meetings of the Board, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall preside. In the absence of the Chairperson and the Vice Chairperson, a chairperson shall be chosen by the Board for that meeting from among the Directors present.

C. The Secretary of the Agency shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

D. The Board shall appoint a General Manager and designate the duties and responsibilities of the General Manager or other designee pursuant to a resolution.

Section 4.8 Executive Committee, Other Committees. The Board may, by resolution passed by at least nine (9) of the Directors, designate three (3) or more Directors to constitute an executive committee or other type of committee. To the extent provided in the authorizing resolution, a committee may exercise the powers designated by the Board in the management of the Agency, except where action of the Board is required by statute or in these Bylaws. A committee shall act in the manner provided in the authorizing resolution. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the Agency, and shall report the same to the Board from time to time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board under the Open Meetings Act and these Bylaws.

Section 4.9 Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services as Directors; provided, that Directors may be reimbursed for expenses which are reasonable and necessary in carrying out the Agency's purposes in accordance with written policies approved by the Board.

Section 4.10 Advisory Committee. The Board may establish an Advisory Committee composed of persons who are, in the judgment of the Board, qualified to advise with respect to the activities of the Agency. Members of the Advisory Committee shall serve for a term of one (1) year or such longer term as may be fixed by the Board, not to exceed four (4) years. Advisory Committee members shall be appointed by the Board, and may be removed by the Board at any time with or without cause. The number of members of the Advisory Committee shall be fixed from time to time by the Board. The officers and Directors of the Agency may consult with the Advisory Committee from time to time with respect to the activities of the Agency, but the Advisory Committee shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Advisory Committee shall have no responsibility for the management of the affairs of the Agency. Advisory Committee members shall not receive any salary or compensation for their services as Advisory Committee members; provided, that nothing contained herein shall be construed to preclude any Advisory Committee members may be reimbursed for expenses which are reasonable and necessary in carrying out the Agency's purposes in accordance with written policies approved by the Board.

Section 4.11 Ex-officio Directors. Sponsors may appoint ex-officio non voting members to the Board. Ex-officio non voting directors shall be given notice of meetings in the same manner as a voting Director and may attend any meeting of the Board and participate in discussion of the matters before the Board for consideration but shall not have the right to vote on Board matters.

Section 4.12 Director's Reliance on Consultant Information. A Director shall not be liable if, while acting in good faith and with ordinary care, he or she relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Agency or another person that were prepared or presented by:

- (1) one or more other officers or employees of the Agency;
- (2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or
- (3) a committee of the Board of which the Director is not a member.

ARTICLE V OFFICERS

Section 5.1 Titles and Term of Office.

A. The officers of the Agency shall be a chairperson of the Board, one or more vice chairpersons of the Board, a secretary, a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may not hold more than one office, except that a person may serve as both secretary and treasurer. The term of office for each officer (other than the Chairperson) shall commence on the date of such officer's election and terminate on the earlier of:

two (2) years; the date that the officer is replaced by the Board; or, if the officer is a member of the Board, the date that the officer is no longer a member of the Board.

B. All officers shall be subject to removal, with or without cause, at any time by a vote of a majority of the whole Board then appointed and serving.

C. A vacancy in the office of any officer shall be filled by the Board.

Section 5.2 Powers and Duties of the Chairperson. The Chairperson shall be a member of the Board and shall preside at all meetings of the Board. He or she shall have such duties as are assigned by the Board. The Chairperson may call special or emergency meetings of the Board.

Section 5.3 Powers and Duties of the Vice Chairperson. The Vice Chairperson shall be a member of the Board. The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson upon the Chairperson's death, absence, disability, or resignation, or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be conclusive evidence of the absence or inability to act of the Chairperson at the time such action was taken.

Section 5.4 Treasurer. The Treasurer shall have custody of all the funds and securities of the Agency which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Agency, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Agency in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Agency, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of his or her case account; he or she shall enter or cause to be entered regularly in the books of the Agency to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Agency; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require.

Section 5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Agency, he or she may sign with the Chairperson in the name of the Agency and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Agency; he or she shall have charge of the Agency's books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Agency during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

Section 5.6 Compensation; Reimbursement for Expenses. Board members, even in their capacity as officers, are not entitled to compensation. Board members shall be entitled to

reimbursement for expenses which are reasonable and necessary in carrying out the Agency's purposes. The Board shall adopt a resolution describing expenses that are subject to reimbursement and the process for obtaining reimbursement.

Section 5.7 Officer's Reliance on Consultant Information. In the discharge of a duty imposed or power conferred on an officer of the Agency, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Agency or another person that were prepared or presented by:

- (1) one or more other officers or employees of the Agency, including members of the Board; or
- (2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

ARTICLE VI TRANSACTIONS OF THE AGENCY

Section 6.1 Contracts. The Board of Directors may authorize any officer or agent of the Agency to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Agency. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Section 6.2 Deposits. All funds of the Agency shall be deposited to the credit of the Agency in banks, trust companies, or other depositories that the Board of Directors selects.

Section 6.3 Gifts. The Board of Directors may accept on behalf of the Agency any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Agency. The Board of Directors may make gifts and give charitable contributions that are not prohibited by these Bylaws, state law, or any requirements for maintaining the Agency's federal and state tax status.

Section 6.4 Potential Conflicts of Interest. The Agency shall not make any loan to a Director or officer of the Agency. A Director, officer, or committee member of the Agency may lend money to and otherwise transact business with the Agency except as otherwise provided by these Bylaws and all applicable laws. Such a person transacting business with the Agency has the same rights and obligations relating to those matters as other persons transacting business with the Agency. The Agency shall not borrow money from or otherwise transact business with a Director, officer, or committee member of the Agency unless the transaction is described fully in a legally binding instrument and is in the best interests of the Agency. The Agency shall not borrow money from or otherwise transact business with a Director, officer, or committee member of the Agency without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

Section 6.5 Prohibited Acts. As long as the Agency is in existence, and except with the prior approval of the Board of Directors, no Director, officer, or committee member of the Agency shall:

- (1) do any act in violation of these Bylaws or a binding obligation of the Agency;
- (2) do any act with the intention of harming the Agency or any of its operations;
- (3) do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Agency;
- (4) receive an improper personal benefit from the operation of the Agency;
- (5) use the assets of the Agency, directly or indirectly, for any purpose other than carrying on the business of the Agency;
- (6) wrongfully transfer or dispose of Agency property, including intangible property such as good will;
- (7) use the name of the Agency (or any substantially similar name) or any trademark or trade name adopted by the Agency, except on behalf of the Agency in the ordinary course of the Agency's business; or
- (8) except as required by law, disclose any of the Agency business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

Section 6.6 Issuance of Bonds. The issuance of bonds or other obligations by the Agency under the Act must be approved by the a super-majority of the Board in accordance with Section 4.6D.2.

ARTICLE VII BOOKS AND RECORDS

Section 7.1 Required Books and Records. The Agency shall keep correct and complete books and records of account. The Agency's books and records shall include the following:

- (1) a copy of these Bylaws, and any amended versions or amendments to these Bylaws;
- (2) minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors;
- (3) a list of the names and addresses of the Directors, officers, and any committee members of the Agency; and
- (4) all rulings, letters, and other documents relating to the Agency's federal, state, and local tax status.

Section 7.2 Inspection and Copying. The Agency's books and records shall be subject to applicable provisions of the State Public Information Act, Chapter 552, as amended, Texas Government Code (the "Public Information Act"). The Board of Directors may establish policies and reasonable fees for providing access to and copying of the Agency's books and records in accordance with the Public Information Act.

ARTICLE VIII DISSOLUTION

In the event of dissolution of the Agency, any interest in any funds or property of any kind, real, personal or mixed, held by the Agency, shall not be transferred to private ownership, but upon such dissolution, the Board shall, after paying or making provision for payment of the Agency's pecuniary obligations and liabilities, distribute ownership of the Agency's remaining assets to each Sponsor proportionally in accordance with the percentage of the water of the Agency that each Sponsor has contracted to take in the fiscal year immediately preceding the date of dissolution.

ARTICLE IX NOTICES

Section 9.1 Delivery of Notice. Subject to Section 4.12, any notice required or permitted by these Bylaws to be given to a Director, officer, or member of a committee of the Agency may be given in person or by facsimile, mail, or electronic mail. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Agency, with postage prepaid. If transmitted by facsimile or electronic mail, notice is deemed to be delivered on successful transmission of the facsimile or electronic mail. A person may change his or her contact information by giving written notice to the secretary of the Agency.

Section 9.2 Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Section 9.3 Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.1 Fiscal Year. The fiscal year of the Agency shall begin October 1 of each year.

Section 10.2 Seal. The seal of the Agency shall be such as from time to time may be approved by the Board.

Section 10.3 Resignations. Any Director, officer or Advisory Director may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein,

or, if no time be specified, at the time of its receipt by the Chairperson or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 10.4 Gender. References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

Section 10.5 Appropriations and Grants. The Agency shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

Section 10.6 Legal Authorities Governing Construction of Bylaws. These Bylaws shall be construed in accordance with the laws of the State of Texas, including the Act, the Open Meetings Act, and the Public Information Act. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Section 10.7 Legal Construction. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision, and these Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

Section 10.8 Headings. The headings used in these Bylaws are used for convenience and shall not be considered in construing the terms of these Bylaws.

Section 10.9 Power of Attorney. A person may execute any instrument related to the Agency by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Agency to be kept with the Agency records.

Section 10.10 Parties Bound. These Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Agency and their respective heirs, executors, administrators, legal representatives, successors, and assigns, except as otherwise provided in these Bylaws.

Section 10.11 Approval or Advice and Consent of the Governing Body. To the extent that these Bylaws refer to approval by the Sponsors or refer to advice and consent by the Sponsors, such approval or advice and consent shall be evidenced by a certified copy of a resolution, order, motion, or other official action duly adopted by each of the Sponsors.

Section 10.12 Organization Control. The Sponsors may, at their sole discretion, at any time, alter the nature, organization, programs or activities of the Agency (including the power to terminate the Agency), subject to any limitation on the impairment of contracts entered into by the Agency.

ARTICLE XI
INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Section 11.1 Right to Indemnification.

A. *Definitions.* In this Article:

- (1) *Covered person* includes current and former Directors, ex-officio directors, committee members, and employees of the Agency, and the estate of a current or former Director, ex-officio director, committee member or employee of the Agency.
- (2) *Loss* means a sum of money which a covered person is legally obligated to pay.
- (3) *Proceeding* means any threatened, pending or completed claim, action, suit or civil, criminal, administrative, arbitative or investigative proceeding.

B. *Coverage generally.* To the fullest extent permitted by law, the Agency shall indemnify and defend a covered person in accordance with this section from and against a loss arising in connection with a proceeding relating to an act or omission of the covered person during the course and scope of the covered person's office or employment for the Agency.

C. *Additional coverage.* In addition to the coverage described in subsection B of this section, the Agency will pay the following:

- (1) The Agency's expenses in investigating and defending the proceeding;
- (2) Court costs assessed against a covered person;
- (3) Reasonable expenses of the covered person incurred at the Agency's request or with the Agency's approval; and
- (4) Attorney's fees ordered by a court to be paid by the covered person.

D. *Criteria for coverage.* To be entitled to coverage under this section, a covered person must:

- (1) Notify the Agency's General Manager or legal counsel in writing as soon as practicable, but not later than three working days, after receipt of written notice of a proceeding;
- (2) Cooperate with the Agency in the conduct of the proceeding, negotiation of settlements, and enforcement of any rights of the Agency or the covered person against any claimant;
- (3) Attend depositions, hearings and trials, and assist in securing evidence and obtaining the attendance of witnesses;

- (4) Not, except with the consent of the Agency's General Manager or legal counsel, enter into any agreement or stipulation concerning a proceeding;
- (5) Not, except with the consent of the Agency's General Manager or legal counsel, or upon request of a public officer at the scene of an accident, give any oral or written statement concerning the accident; and
- (6) Not, except at the covered person's own cost, voluntarily make any payment, assume any obligation or incur any expense in connection with a proceeding without the consent of the Agency's General Manager or legal counsel.

E. *Exemptions.* Coverage under this section will not apply to a claim or suit brought against a covered person:

- (1) By the Agency;
- (2) Arising from the intentional or knowing violation of a penal statute or law committed by or with the knowledge and consent of the covered person, or arising from a fraudulent act committed by or at the direction of the covered person;
- (3) If the covered person joins or attempts to join a proceeding against the Agency or an officer or employee of the Agency with a proceeding against the covered person; or
- (4) If the covered person fails to comply with subsection (e) of this section.

F. *Investigation, negotiation, settlement.* The Agency may investigate, retain counsel, negotiate and settle any proceeding as it determines to be reasonable and prudent.

G. *Subrogation of rights.* A covered person, in accepting coverage under this section, agrees to allow the Agency to be subrogated to any rights of the covered person to the extent of the Agency's obligations and payments under this section.

H. *Conflict of interest.* If the Agency's General Manager or legal counsel determines there is a conflict between the interests of the Agency and those of a covered person involved in a proceeding, the Agency may designate and pay the reasonable fees of a separate attorney to represent the covered person.

Disciplinary action. Nothing in this section will affect the Agency's right to take disciplinary action against a covered person for conduct otherwise indemnified or defended by the Agency under this section.

Section 11.2 Non-exclusivity of Rights. The right to indemnification conferred in this Article XI shall not be exclusive of any other right which a covered person may have or hereafter acquire under any law (common or statutory), these Bylaws, written agreement with the Agency, vote of disinterested Directors or otherwise.

Section 11.3 Insurance. The Agency may purchase and maintain insurance, at its expense, to protect itself and any covered person against any expense, liability or loss, whether or not the Agency would have the power to indemnify such person against such expense, liability or loss under this Article XI.

Section 11.4 Notification. Any indemnification of a covered person in accordance with this Article XI shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification.

Section 11.5 Savings Clause. If this Article XI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Agency shall nevertheless indemnify and hold harmless each covered person with respect to a proceeding to the extent permitted by any applicable portion of this Article XI that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE XII CODE OF ETHICS

Section 12.1 Policy and Purposes.

A. It is the policy of the Agency that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Agency; and that the Board establish policies to control and manage the affairs of the Agency fairly, impartially, and without discrimination.

B. This Code of Ethics has been adopted as part of the Agency's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.

Section 12.2 Unlawful Acts. A Director or officer shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, accept, or agree to accept from another:

- (1) any benefit as consideration for the Director's or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;
- (2) any benefit as consideration for the Director's or officer's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or
- (3) any benefit as consideration for a violation of a duty imposed by law on the Director or officer.

Section 12.3 Nepotism. No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood

relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.

ARTICLE XIII AMENDMENTS

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of a majority of the full Board then appointed and serving at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of the special meeting. However, any proposed change or amendment to the Bylaws must be approved by the governing bodies of all of the Sponsors in order to be effective.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Board of Directors of the Hays Caldwell Public Utility Agency and that the foregoing Bylaws constitute the Bylaws of the Agency. These Bylaws were approved by the Sponsors by Resolutions dated _____, 2007, and were duly adopted at a meeting of the Board of Directors held on January __, 2007.

DATED: January __, 2007.

HAYS CALDWELL PUBLIC UTILITY AGENCY

Secretary, Board of Directors

Part A6

Copies of all draft and/or executed contracts for consultant services to be used by the Applicant:

- Lockwood, Andrews & Newnam, Inc. – Engineering
- Lockwood, Andrews & Newnam, Inc. – Property Acquisition
- McCall, Parkhurst & Horton, LLP – Bond Counsel
- Specialized Public Finance, Inc. – Financial Advisor
- Mark B Taylor – Legal Counsel
- Environmental Scope of Work

Lockwood Andrews & Newnam, Inc.
Engineering Contract



RESOLUTION NO. 20141217-002

A RESOLUTION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY BOARD OF DIRECTORS APPROVING A WORK AUTHORIZATION BETWEEN THE AGENCY AND LOCKWOOD, ANDREWS & NEWNAM, INC. FOR ENGINEERING SERVICES RELATED TO THE KYLE TO BUDA PIPELINE PROJECT AND RELATED MATTERS, AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. The Hays Caldwell Public Utility Agency (the "Agency") entered into a master agreement with Lockwood, Andrews & Newnam, Inc. ("LAN") for engineering services and related matters in March 2007.
2. The Agency is in need of engineering design services for the pipeline connecting Kyle and Buda.
3. The attached work authorization references terms and conditions in the approved Master Agreement between the Agency and LAN.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY:

SECTION 1. The attached work authorization for engineering services between the Agency and LAN is approved.

SECTION 2. The Chair of the Agency's Board of Directors, David Wilson, is authorized to execute the attached agreement on behalf of the Agency.

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

ADOPTED: December 17, 2014



David Wilson
Chair, Board of Directors

ATTEST:


Chris Betz
Secretary, Board of Directors

**WORK AUTHORIZATION BASED UPON
MASTER AGREEMENT
BETWEEN
OWNER AND ENGINEER
FOR
PROFESSIONAL SERVICES**

THIS IS A WORK AUTHORIZATION made as of December 17, 2014, between the Hays Caldwell Public Utility Agency ("OWNER") and Lockwood, Andrews & Newnam, Inc. ("ENGINEER") and is governed by all provisions of the OWNER-ENGINEER MASTER AGREEMENT dated March 28th, 2007.

OWNER intends to

Plan, design, and construct the Kyle-Buda Pipeline which consists of approximately 33,000 LF of 16-inch to 20-inch water transmission main and appurtenances from a new pump station and storage tank at Kohler's Crossing Blvd and FM 1626 to the Buda Beacon Hill elevated storage tank on FM 967 (the "Project").

OWNER AND ENGINEER in consideration of their mutual covenants herein agree in respect of the performance or furnishing of professional engineering services by ENGINEER with respect to the Project and the payment for those services by OWNER as set forth below and in the Master Agreement between the parties dated March 28th, 2007. Execution of the Work Authorization by ENGINEER and OWNER constitutes OWNER's written authorization to ENGINEER to proceed on the date first above written with the first phase of the Basic Services described in Section 2 of the Master Agreement and as further set forth in Exhibit A, "Further Description of Basic Engineering Services and Related Matters" ("Exhibit A") of this Work Authorization and in the other exhibits listed in Section 9 of the Master Agreement and as designated below. This Work Authorization will become effective on the date first above written.

SECTIONS 1-8—AS IDENTIFIED IN MASTER AGREEMENT

9.1.7 Not Used

9.1.8 Not Used

SECTION 9—EXHIBITS AND SPECIAL PROVISIONS

9.1.9 Not Used

Sections 9.1.1 - 9.1.4 as identified in Master Agreement.

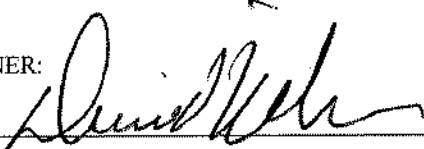
9.2 As identified in Master Agreement.

9.1.5 Exhibit A, "Further Description of Basic Engineering Services and Related Matters," consisting of 7 pages.

9.3. This Work Authorization (consisting of pages 1 to 2, inclusive and the Exhibits identified above), becomes part of the Master Agreement between OWNER and ENGINEER.

9.1.6 Exhibit B, "Payments to Engineer for Services and Reimbursable Expenses," consisting of 2 pages.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first above written.

OWNER: 

ENGINEER: 

By: DAVID WILSON

By: DREW P. HARDIN

Title: BOARD CHAIR

Title: VICE PRESIDENT

Address for giving notices:

Address for giving notices:

630 E. HOPKINS
SAN MARCOS, TX 78666

10301 N. MoPac Exp, BLDG 1, STE 120
AUSTIN, TX 78759

This is **EXHIBIT A**, consisting of 7 pages, referred to in the Agreement between **OWNER** and **ENGINEER** for Professional Services, dated December 17, 2014.

Initial: ADH
 OWNER ADH
 ENGINEER ADH

Further Description of Basic Engineering Services and Related Matters

Sections 2, 3, 4 and 5 of the Master Agreement are amended and supplemented and the time periods for the performance of the Basic Services as indicated in Section 5 of the Master Agreement are established, all as indicated below:

SECTION 2—BASIC SERVICES OF ENGINEER

A2.0 General.

The Basic Services are premised on the following general scope of professional services:

ENGINEER will provide planning, design, and bid phase services for the HCPUA Kyle-Buda Pipeline (Project). Project generally includes approximately 33,000 LF of 16-inch to 20-inch water transmission main and appurtenances from the Kyle elevated storage tank on Kohler's Crossing Blvd to the Buda Beacon Hill elevated storage tank on FM 967. Pipe will be constructed primarily using open-cut construction methods. However, short bored crossings are anticipated at major roadway crossings and one horizontal directional drilling is anticipated under Onion Creek near FM 1626. The project also includes the conceptual design for a ground storage tank and pump station facility to accept water from connections to the City of Kyle, Electro Purification and future water sources developed by HCPUA. The conceptual design includes site, hydraulic and control concepts and 20% drawings for the proposed facilities.

A2.0.1 The following services listed in Section 3, Additional Services, are hereby specifically deleted from that Section and will be performed or furnished by ENGINEER as part of Basic Services in the phase(s) identified below:

3.1.15 (Field Survey)

A2.0.2. The following services listed in Section 4, OWNER's Responsibilities, are hereby specifically deleted from that Section and will be performed or furnished by ENGINEER as part of Basic Services in the phase(s) identified below:

- 4.4.1. (Subsurface Investigations)**
- 4.4.4 (Environmental Assessment)**
- 4.6 (Right of Entry)**

A2.0.3. Section 2, Basic Services of ENGINEER, is hereby amended or supplemented to provide that the following services will be performed or furnished by ENGINEER as part of Basic Services in the phase(s) identified below:

A2.1. Study and Report Phase.

NOT UTILIZED

A2.2. Preliminary Design Phase.

A2.2.5. During the Preliminary Design Phase ENGINEER shall:

Task 01- PROJECT MANAGEMENT, COORDINATION AND MEETINGS

Task 01-1 Project Administration

- A. Project Management Plan (PMP). Develop and document the following plans and procedures to coordinate administration of the contract: quality management, risk management, document control, change management, and cost and schedule control.
- B. Lead, manage and direct design team activities.
- C. Prepare monthly invoices and project progress reports for tasks. At a minimum, monthly progress reports shall include a summary description of tasks completed as of the report date, description of activities planned for the next 60 days and identification of technical or other issues which may have an impact to the overall project budget and/or schedule.

Task 01-2 Project Meetings – attend up to eight (8) progress and/or review meetings with Owner.

Task 01-3 Coordination

- A. Coordination with ENGINEER's SUBCONSULTANTS
- B. Coordination with OWNER's Representative for GST and Pump Station site
- C. Coordination with City of Buda, City of Kyle and EP for connections (Assumes two meetings each)

Task 02- ROUTING AND SITE ANALYSIS

Task 02-1 Siting and Alignment

- A. Review of road widening project on FM 1626
- B. Review of available sites for GST and pump station
- C. Evaluate up to two (2) alternative sites for GST and pump station and make recommendation for preferred site.
- D. Evaluate up to two (2) horizontal alignments for pipeline and make recommendation for preferred alignment.
- E. Evaluate up to two (2) alternative delivery points to the City of Buda water system

Task 02-2 Prepare and submit a technical memorandum summarizing routing and site analysis

Task 03- HYDRAULIC ANALYSIS

Task 03-1 Preliminary sizing analysis and site requirements

- A. Pump station requirements including capacity, pressure and footprint (assumes vertical turbine pumps)
- B. Ground Storage Tank capacity and footprint
- C. Pipeline sizing and materials evaluation

Task 03-2 System Connection plan

- A. City of Kyle connection, flow and pressure management
- B. EP connection, flow and pressure management
- C. Future HCPUA connection, flow and pressure management
- D. City of Buda Beacon Hill Elevated Storage Tank Connection.
- E. System Control Schematic and description of operational sequence

Task 03-3 Prepare and submit a summary technical memorandum of hydraulic analysis

Task 04- ENVIRONMENTAL AND CULTURAL ASSESSMENT (SUBCONSULTANT)

Work will include a constraints level analysis of natural and cultural resources subject to regulation and management overview by federal and state resource agencies and a Phase 1 Environmental Site Assessment. Additionally, field surveys for archeological resources will be conducted if recommended by the Texas Historical Commission (under separate scope).

Task 04-1 Endangered Species Review:

- A. Collect existing environmental data for proposed FM 1626 widening alignment
- B. Perform a desktop evaluation of the project area for federally listed species known to occur in Hays County, Texas. The assessment will compare known habitat and documented observations of endangered species with the mapped vegetation types in the project area.

Task 04-2 Cultural Resources Review

- A. Collect existing cultural data for proposed FM 1626 widening alignment
- B. Conduct background research including an in-depth desktop review and literature search of the subject area including applicable survey reports, soil surveys, aerial photography, county parcel data and others.
- C. Conduct background research at Texas Historical Commission, Texas Archeological Research Laboratory and preliminary archival file searches.
- D. If necessary, a project coordination letter will be prepared, in consultation with LAN, to introduce the project to the THC and present recommendations to achieve project regulatory clearance under the Antiquities Code of Texas (ACT) and, if necessary, Section 106, for the project to proceed to construction. If cultural resource survey is required by the THC, ENGINEER will prepare an Antiquities Permit Application to coordinate the

project and field investigations with the THC and other necessary consulting parties to procure an Antiquities Permit on behalf of the client to conduct field investigations. This scope does not include a cultural resource field survey. If so recommended by the THC, these services can be arranged under a separate scope and budget.

- Task 04-3 Hazardous Material Screen - Conduct a desktop hazardous materials review for the pipeline portion of the project by completing an ASTM environmental background search. This environmental setting will rely on desktop analysis and will not include a site investigation or the ASTM 1527-13 level of review
- Task 04-4 U.S. Army Corps of Engineers -- Section 404 Regulations
Review project design and perform site reconnaissance to determine existence of jurisdictional waters including wetlands and potential impacts requiring permitting under Section 404 of the Clean Water Act. Evaluation will include site reconnaissance following protocol of the U.S. Army Corps of Engineers (USACE) to determine whether potential impacts would comply with requirements for a nationwide permit (NWP) and whether a pre-construction notification (PCN) to the USACE would be necessary. This scope of services assumes a Nationwide Permit 12 for utility line activities will be required without a Pre-construction Notification (PCN). If a PCN is required, then services to complete this coordination process will be included in a separate scope of services.
- Task 04-5 Phase I Environmental Site Assessment - Conduct assessment in accordance with ASTM E 1527-13 and all appropriate inquiry on two (2) pump station sites.
- Task 04-6 Environmental Constraints Report - Prepare and submit an Environmental Constraints Report summarizing the findings of the desktop reviews.

Task 05- RIGHTS OF ENTRY SERVICES

Service to be phased to allow evaluation of alternative routes and pump station sites.

- Task 05-1 Right of Entry and Preliminary Title - Contact Owners to obtain rights of entry for surveying, geotechnical and environmental investigations. Assumes twenty (20) right of entry agreements required for preliminary work.

Task 06- SURVEYING SERVICES (SUBCONSULTANT)

Services to be phased and completed upon selection of horizontal alignment and pump station site.

- Task 06-1 Design Survey
- A. Approximately 33,000 LF of survey is anticipated
 - B. Boundary Survey and Mapping to include ownership, easements, restrictions and other encumbrances
 - C. Topographic survey to locate spot elevations at pertinent grade brakes, top of curb, gutter, and road centerline based on 50 ft. width across the alignment. Survey to include location and elevation of utility surface features (Fire hydrants, manholes, utility poles, down guys, drainage inlets, culverts and other drainage structures) ditches, detention ponds and other surface features such as mailboxes, fence lines, structures and trees 8 inches and larger in diameter (noting species and size) along the proposed easement corridor.
 - D. Deliverables will be in electronic (AutoCAD) format

Task 07- GEOTECHNICAL ASSESSMENT (SUBCONSULTANT)

Task 07-1 Preliminary Geotechnical assessment (Preliminary Design Phase)

- A. Review of readily available, published Geologic Maps, USGS Topographic Maps and USDA Soil Survey Maps of the project area and vicinity
- B. Review of nearby boring data if available
- C. Visual site reconnaissance along the proposed alignment and site
- D. Prepare a report including geologic map, site observations along the alignment, anticipated subsurface conditions, suggested changes to the geotechnical investigation plan and comments regarding the feasibility of the proposed installation techniques.

Task 08-2 Geotechnical Investigation/ Report

- A. Soil investigations including field and laboratory tests, borings, related engineering analysis and recommendations for determining soil conditions
- B. Borings and appropriate field and laboratory analysis at reasonable intervals (twenty (22) assumed) along the project alignment for the Contractor's use in determining soil conditions for preparing bids and Trench Safety Plan. Lab testing shall be performed on only twelve (12) borings. Depth of borings shall be 10 feet for 20 borings associated with open-cut construction and 25 feet for 2 borings associated with trenchless construction. Traffic control and site clearing associated with obtaining these borings will be considered an Optional Service and provided based on need only upon authorization by Owner.

- C. Report to include general subsurface conditions, discussion of site geology, boring logs with descriptions of and laboratory test results and water levels obtained at the time of drilling, boring location plan, excavation potential, general discussion of OSHA trench safety for preliminary cost estimation, discussion of anticipated groundwater conditions and potential effect on proposed construction, general comments regarding trenchless installation and recommendations for earthwork including pipe bedding and backfilling procedures.

Task 08- PRELIMINARY ENGINEERING MEMO & CONCEPTUAL DRAWINGS (30%)

Develop and submit a preliminary engineering memorandum prior to development of 60% design documents. Contents shall include:

- Task 08-1 Summary of selected alternatives from technical memorandum and preliminary findings from desktop geotechnical, environmental, cultural and boundary investigations.
- A. Conceptual design drawings of the selected site for the ground storage tank (GST) and pump station including process control schematic, site access roads and driveways, pump station footprint, schematic level site piping, GST layout, building set-backs, preliminary electrical and pumping requirements, emergency power generation footprint and construction laydown areas.
- Task 08-2 Conceptual design drawings of the horizontal alignment for the pipeline
- Task 08-3 Prepare and submit project constraints mapping including topography, property information, structures, future roadway limits, known utilities, cultural and environmental boundaries/ conditions to assist with evaluation of alternatives
- Task 08-4 Develop revised Opinion of Probable Total Project Cost
- Task 08-5 Conduct internal Quality Control (QC) review of all interim design submittal documentation prior to submission to OWNER.

A2.2.6.1. Two (2) sets of ENGINEER's Preliminary Design documentation along with electronic (pdf format) will be submitted.

A2.2.6.2. The preliminary design documentation will be submitted within 90 calendar days following written authorization from OWNER to ENGINEER to proceed with the Preliminary Design Phase services.

A2.3. Final Design Phase.

A2.3.6. During the Final Design Phase ENGINEER shall prepare construction plans for the pipeline portion of the project only as follows:

Task 09- INTERIM DESIGN DOCUMENTS (60%)

- Task 09-1 Design Drawings (One (1) copy 22"x34", two (2) copies half size)
- A. Cover Sheet
- B. Overall Layout sheet identifying proposed and existing elements of the transmission main including City of Buda Elevated Storage Tank, City of Kyle tank
- C. General Notes Sheet
- D. Plan and Profile sheets: Showing the proposed transmission main, recommended pipe size, isolation valves, proposed ROW and easements, existing utilities and utility easements and other pertinent information necessary to construct the project.
- E. Prepare special detail sheets for transmission main and connection points. These may include connection details between various parts of the project, tunneling details, boring and jacking details, trenchless construction details and other details unique to the construction of the project.
- F. Prepare standard detail sheets for transmission main installation
- G. Prepare erosion control plans
- H. Prepare standard erosion control details
- I. Prepare traffic control plans and standard details
- Task 09-2 Specifications
- A. Prepare and submit four the table of contents for the proposed project manual along with draft versions of technical specifications (Divisions 3-50) for the project.
- Task 09-3 Constructability Review

- A. Prior to the 60% review meeting with OWNER, schedule and attend a project site visit to walk the project.
- B. Engineer shall conduct an internal constructability review with key technical personnel and coordinate with external construction contractors as necessary for complex project elements.
- Task 09-4 Prepare and submit Opinion of Probable Construction Cost
- Task 09-5 Conduct internal Quality Control (QC) review of all interim design submittal documentation prior to submission to OWNER

Task 10- FINAL DESIGN DOCUMENTS

- Task 10-1 90% Design Documents
 - A. Modify design deliverables, as necessary, in response to OWNER comments received and documented during 60% design review.
 - B. Prepare and Submit one (1) copy of 22"X34" and two (2) copies of half size 90% plans
 - C. Prepare and submit complete technical specifications (Divisions 1 thru 50)
 - D. Prepare contract documents (Division 0, including Bid Form) using OWNER provided standard contract documentation
 - E. Prepare and submit Opinion of Probable Construction Cost

- Task 10-2 Construction Documents
 - A. Incorporate all applicable OWNER and QC comments associated with the 90% design milestone and prepare final (100%) signed/ sealed "Issued for Bid" construction drawings to facilitate project advertisement and bidding.
 - B. Prepare and submit electronic (pdf format) and 2 hard copy sets of contract documents to OWNER.

A2.3.7. Two (2) sets of Interim Design and Final Contract Documents along with electronic (pdf format) will be submitted to OWNER.

A2.3.8. The Contract Documents will be submitted to OWNER within 240 calendar days following written authorization from OWNER to ENGINEER to proceed with the Final Design Phase Services.

A2.3.8. The number of prime contracts for work designed or specified by ENGINEER upon which the ENGINEER's compensation has been established under this Agreement is ONE.

A2.4. Bidding or Negotiating Phase.

A2.4.5. During the Bidding or Negotiating Phase ENGINEER shall:

Task 11- BID PHASE SERVICES

- Task 11-1 Attend and participate in pre-bid meeting with OWNER and prospective bidders.
- Task 11-2 Review questions submitted by prospective bidders and develop addenda documentation including responses, clarifications and/ or modifications to the construction drawings and/ or technical specifications as necessary to address questions posed.
- Task 11-3 Prepare addenda as required (ie involving drawings or specifications)
- Task 11-4 Attend bid opening
- Task 11-5 Review bids, prepare bid tabulation, evaluate the qualifications of the apparent, successful bidder and provide formalized recommendation of award letter to OWNER.

A2.5. **Construction Phase.**
NOT UTILIZED

A2.6. **Operational Phase.**
NOT UTILIZED

A.2.7. **Optional Services.**
Optional services are included in the Scope of Work but are only performed if authorized in writing by the Owner. Option services include the following:

Task 04-5 Archeological Survey. If survey is indeed recommended by the THC, Engineer will procure an Antiquities Permit on behalf of Owner to conduct the investigations. Investigations will include survey of the entire alignment with shovel testing and one (1) day of backhoe testing, if required. Following completion of any necessary investigations, a report will be prepared for review by LAN and their client detailing the results of the field work. Once approved by both, the report will be submitted to the THC for their review and comment. The report will coordinate all requirements necessary to achieve regulatory clearance including State Antiquities Landmark and National Register of Historic Places eligibility recommendations for all documented sites, and avoidance strategies for any such locales. Investigation included in this scope does not include any additional archeological investigations recommended by the THC subsequent to the survey and coordination of the technical reports. If so recommended by the THC, these services can be arranged under a separate scope and budget.

Task 05-2 Supplemental Right of Entry and Preliminary Title - Contact additional property owners to obtain rights of entry for surveying, geotechnical and environmental investigations. Assumes twenty four (24) additional rights of entry agreements required for preliminary work.

Task 08-3 Supplemental Geotechnical Lab Testing. Perform lab testing and analysis on ten (10) additional soil borings.

Task 08-4 Traffic Control and Site Clearing for Geotechnical Testing. Provide traffic control for borings drilled in existing roadway right of ways including, but not limited to, FM 1626. Assume four (4) days of traffic control.

Task 08-5 Additional Soil Borings. Perform drilling, analysis and lab testing on ten (10) additional soil borings.

SECTION 3—ADDITIONAL SERVICES OF ENGINEER

Additional services NOT provided in scope of services that can be provided upon written authorization from OWNER and approval of additional fee include the following

- US Army Corps of Engineers 404 Permitting – development of PCN or individual permit(s).
- US Fish & Wildlife Permit – Section 10A permit or other.
- Design survey for greater than 50-foot wide corridor
- Pavement design or roadway improvements associated with pipeline construction.
- Trenchless design other than under Onion Creek and short roadway crossings.
- Legal action required to obtain right of entry agreement(s).

SECTION 4—OWNER'S RESPONSIBILITIES

OWNER'S responsibilities include the following:

- Payment of all permitting fees including, but not limited to, TXDOT, City of Buda, City of Kyle, Hays County, USACE, USFW and/or THC.
- Advertising project and all fees associated with advertising project.

This is **EXHIBIT B**, consisting of 2 pages, referred to in the Agreement between **OWNER** and **ENGINEER** for Professional Services, dated December 14, 2014.

Initial:
OWNER DM
ENGINEER EMA

Payments to ENGINEER for Services and Reimbursable Expenses

Section 6 of the Master Agreement is amended and supplemented to include the following agreement of the parties:

Lump Sum Method of Payment

SECTION B6—PAYMENTS TO ENGINEER

B6.1. Methods of Payment for Services and Expenses of ENGINEER.

B6.1.1. *For Basic Services.* OWNER shall pay ENGINEER for Basic Services as follows:

B6.1.1.1. *General.* A lump sum fee of \$475,900 for all Basic Services and Optional Services of ENGINEER and including services of ENGINEER's Consultants. Optional Services, which includes a fee of up to \$56,200, shall only be utilized upon written authorization from OWNER.

B6.1.1.2. NOT UTILIZED

B6.1.1.3. NOT UTILIZED

B6.1.1.4. NOT UTILIZED

B6.1.2. *For Additional Services.* OWNER shall pay ENGINEER for Additional Services as follows:

B6.1.2.1. *General.* For services of ENGINEER's principals and employees engaged directly on the Project performed or furnished pursuant to paragraph 3.1 or 3.2 (except services as a consultant or witness under paragraph 3.1.17), an amount equal to ENGINEER's Salary Costs times a factor of 2.4.

B6.1.2.2. *ENGINEER's Consultants.* For services of ENGINEER's Consultants performed or furnished pursuant to paragraph 3.1 or 3.2, the amount billed to ENGINEER therefor times a factor of 1.05.

B6.1.2.3.—NOT UTILIZED

B6.1.2.4. NOT UTILIZED

B6.1.2.5. *Serving as a Witness.* For services performed by ENGINEER's principals and employees as consultants or witnesses in any litigation, arbitration or other legal or administrative proceeding under paragraph 3.1.17, based on rates indicated in paragraph B.6.1.2.1 including time spent in preparing to appear in any such litigation, arbitration or proceeding. Compensation for ENGINEER's Consultants for such services will be on the basis provided in paragraph B6.1.2.2.

B6.1.3. *For Reimbursable Expenses.* OWNER shall pay ENGINEER for Reimbursable Expenses such as:

The amount payable to ENGINEER for Reimbursable Expenses will be the charge actually incurred or the imputed cost allocated by ENGINEER therefor times a factor of 1.0.

B6.1.4. *Salary Costs.* Salary Costs means salaries and wages (basic, premium and incentive) paid to personnel plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto.

The principals of ENGINEER and the imputed current hourly Salary Costs of such principals are as follows:

<u>Principal (name and title)</u>	<u>Imputed Hourly Salary Costs</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B6.1.5. *Adjustment of Salary Costs.* The Salary Costs and the factor applied to Salary Costs in determining compensation payable to ENGINEER will be adjusted annually and equitably to reflect changes in the various elements that comprise such Salary Costs and factor. All such adjustments will be in accordance with generally accepted accounting practices as applied on a consistent basis by ENGINEER and consistent with ENGINEER's overall compensation practices and procedures.

B6.2. Other Provisions Concerning Payments.

B6.2.1. *Preparation of Invoices.* The portion of the amount billed for ENGINEER's services which is on account of the Lump Sum will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. The portion related to services rendered on a Salary Costs basis will be billed based on the Salary Costs (multiplied by a factor, if any, as stated above) incurred at the time of billing.

B6.2.3. *Payments Upon Termination.*

B6.2.3.4. In the event of termination during any phase of the Basic Services, ENGINEER will be paid for services performed or furnished in accordance with this Agreement during that phase on the basis of ENGINEER's Salary Costs times a factor of 2.4 for services performed or furnished during that phase to date of termination by ENGINEER's principals and employees engaged directly on the Project.

Lockwood Andrews & Newnam, Inc.
Easement Acquisition Contract



RESOLUTION ND. 20150527-004

**A RESDLUTION DF THE HAYS CALDWELL PUBLIC UTILITY AGENCY
BDARD OF DIRECTDRS APPRDVING A WORK AUTHDRIZATIDN
BETWEEN THE AGENCY AND LOCKWOOD, ANDREWS & NEWNAM, INC.
FDR PRDPERTY ACQUISITIDN SERVICES RELATED TD ALL PHASE 1A
INFRASTRUCTURE FDR THE AGENCY AND RELATED MATTERS, AND
DECLARING AN EFFECTIVE DATE**

RECITALS:

1. The Hays Caldwell Public Utility Agency (the "Agency") is in the process of completing the Agency's Phase 1A infrastructure, which includes a pump station and pipeline interconnecting Kyle and Buda.

2. The Hays Caldwell Public Utility Agency (the "Agency") entered into a master agreement with Lockwood, Andrews & Newnam, Inc. ("LAN") for engineering services and related matters in March 2007.

3. The Agency is in need of property acquisition services for the Agency's Phase 1A infrastructure.

4. The attached work authorization references terms and conditions in the approved Master Agreement between the Agency and LAN.

**BE IT RESOLVED BY THE BOARD DF DIRECTORS OF THE HAYS CALDWELL
PUBLIC UTILITY AGENCY:**

SECTIDN 1. The attached work authorization for property acquisition services between the Agency and LAN is approved.

SECTION 2. The Chair of the Agency's Board of Directors, David Wilson, is authorized to execute the attached agreement on behalf of the Agency.

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

ADOPTED: May 27, 2015



David Wilson
Chair, Board of Directors

ATTEST:



Chris Betz
Secretary, Board of Directors

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use, completion or modification. This document should be adapted to the particular circumstances of the contemplated Project and the applicable laws of the jurisdiction in which the professional services for the Project are to be performed.

**WORK AUTHORIZATION BASED UPON
MASTER AGREEMENT
BETWEEN
OWNER AND ENGINEER
FOR
PROFESSIONAL SERVICES**

THIS IS A WORK AUTHORIZATION made as of May 27, 2015, between Hays Caldwell Public Utility Agency ("OWNER") and Lockwood, Andrews & Newnam, Inc. ("ENGINEER") and is governed by all provisions of the OWNER-ENGINEER MASTER AGREEMENT dated March 28, 2007.

OWNER intends to plan, design, and construct a water line between Kyle and Buda which consists of approximately 33,000 LF of 18-inch to 24-inch water transmission main and appurtenances along with a new pump station and storage tank, combined which are referred to as the Phase 1A Project (the "Project").

OWNER AND ENGINEER in consideration of their mutual covenants herein agree in respect of the performance or furnishing of professional real property acquisition services by ENGINEER with respect to the Project and the payment for those services by OWNER as set forth below and in the Master Agreement between the parties dated March 28, 2007. Execution of the Work Authorization by ENGINEER and OWNER constitutes OWNER's written authorization to ENGINEER to proceed on the date first above written with the first phase of the Basic Services described in Section 2 of the Master Agreement and as further set forth in Exhibit A, "Further Description of Real Property Acquisition Services and Related Matters" ("Exhibit A") of this Work Authorization and in the other exhibits listed in Section 9 of the Master Agreement and as designated below. This Work Authorization will become effective on the date first above written.

SECTIONS 1-8—AS IDENTIFIED IN MASTER AGREEMENT

9.1.7 NOT UTILIZED

SECTION 9—EXHIBITS AND SPECIAL PROVISIONS

9.1.8 NOT UTILIZED

Sections 9.1.1 - 9.1.4 as identified in Master Agreement.

9.1.9 NOT UTILIZED

9.1.5 Exhibit A, "Further Description of Real Property Acquisition Services and Related Matters," consisting of 2 pages.

9.2 As identified in Master Agreement.

9.1.6 Exhibit B, "Payments to Engineer for Services and Reimbursable Expenses," consisting of 2 pages.

9.3. This Work Authorization (consisting of pages 1 to 2, inclusive and the Exhibits identified above), becomes part of the Master Agreement between OWNER and ENGINEER.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first above written.

OWNER:



ENGINEER:


_____ 5-27-15

By: David Wilson

By: Drew P. Hardin

Title: Chair, Board of Directors

Title: Vice President

Address for giving notices:
Hays Caldwell Public Utility Agency
630 East Hopkins Street

Address for giving notices:

102 Wonder World Drive, Suite 303

San Marcos, TX 78666

San Marcos, TX 78666

This is **EXHIBIT A**, consisting of 5 pages, referred to in the **Work Authorization between OWNER and ENGINEER for Professional Services**, dated May 27, 2015.

Initial: 
 OWNER _____
 ENGINEER SP14

Further Description of Real Property Acquisition Services and Related Matters

Sections 2, 3, 4 and 5 of the Master Agreement are amended and supplemented and the time periods for the performance of the Basic Services as indicated in Section 5 of the Master Agreement are established, all as indicated below:

SECTION 2—BASIC SERVICES OF ENGINEER

A2.0 General.

The Basic Services include the following professional services:

PROJECT MANAGEMENT AND COORDINATION

- A. Set up and maintain budget to complete.
- B. Attend project review meetings.
- C. Prepare monthly invoices.
- D. Provide monthly project status reports.
- E. Provide project tracking data.
- F. Set up and maintain project files.
- G. Identify property owners within the Project area.
- H. Provide Landowner's Bill of Rights to each affected property owner.
- I. Provide introduction letter for each affected property owner.
- J. General coordination with property owners, including keeping them informed about negotiations, securing execution of acquisition documents, and arranging for access to their property when needed.
- K. Maintain records of all payments to property owners.
- L. Provide copies of all correspondence.
- M. Coordination with project team or authorized representatives as needed, including meeting with OWNER's Executive Director, engineers, legal counsel, Executive Committee and Board as necessary to present information and secure input and approvals.
- N. Draft standard offer letters, final offer letters, etc. for use. Secure final approval of format from the OWNER.
- O. Draft standard instruments of conveyance, releases, affidavits, etc. for use. Secure final approval of format from the OWNER's legal counsel.
- P. Ensure the use of good faith efforts to achieve a participation goal of [insert]% for use of historically underutilized businesses (HUBs) for the services to be provided by the ENGINEER for the Project, including services provided by the ENGINEER's subconsultants. The ENGINEER will engage the firm of Atrium Real Estate Services as subconsultant for professional appraisal services. The HUB certification for this firm is attached as Appendix A.

APPRAISAL SERVICES (to be performed by the identified subconsultant firm -- the APPRAISER)

- A. For each parcel to be appraised, the ENGINEER will provide the APPRAISER with a copy of a plat showing boundary dimensions, the Appraisal District parcel identification number, the Parcel Number as it relates to the ENGINEER's parcel property map, and the name of the apparent owner.
- B. For each parcel to be appraised, the ENGINEER will ensure that the APPRAISER prepares and submits to the ENGINEER a complete narrative type of appraisal which complies with the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Foundation, without any departure from those standards. Each appraisal shall communicate each analysis, opinion, and conclusion in a manner that is not misleading, and shall

- contain sufficient information to enable the person(s) who receives or relies on the report to understand it properly.
- C. The ENGINEER will ensure that the APPRAISER includes in each appraisal the following:
1. the purpose of the appraisal which includes a statement of value to be estimated and the rights or interests being appraised;
 2. the legal description and area of the parent tract of property, the plat of the property provided by the ENGINEER, the Appraisal District parcel identification number, and the Parcel Number as it relates to the ENGINEER's parcel property map;
 3. the legal description and area of the parcel being acquired, if the parcel is less than the entire parent parcel;
 4. the name of the apparent owner of each interest being evaluated;
 5. a statement of known and observed encumbrances, including leases, easements, oil and mineral rights, etc.;
 6. the present use and, if available, the potential use of the property as reflected by an applicable zoning map or comprehensive plan;
 7. the type and condition of improvements and special features that may add to or detract from the value of the property;
 8. a determination as to the highest and best use of the property, including a justification that the use is physically possible, legally permissible, financially feasible, and appropriately supported;
 9. a description of all comparable sales which were used in arriving at the market value estimate;
 10. a statement of appropriate assumptions and limiting conditions, if any; and
 11. an executed Certificate of Appraiser that conforms to applicable professional standards.
- D. The ENGINEER will ensure that the APPRAISER consults with the OWNER regarding any deficiencies in an appraisal identified by the ENGINEER or the OWNER, and corrects any work determined to be deficient, and delivers corrected work to the ENGINEER within 15 days from the date of request for correction of any deficiencies

The APPRAISER's compensation will be as follows: Easement Appraisals at \$3,000/each and Pump Station Site Appraisal at \$3,500. The ENGINEER will invoice the OWNER for the APPRAISER's services monthly on a pass-through basis, without markup.

NEGOTIATION SERVICES

- A. Pre-Offer preparation.
1. Site inspections. Secure permission from property owners to access properties. The ENGINEER will coordinate access to properties for appraisers, surveyors, and others with a need for access, and will inform them of limitations and requirements related to access. As necessary, the ENGINEER will negotiate the cost, if any, for permission to access properties.
 2. Review project map and plans.
 3. Review field notes.
 4. Review title reports in coordination with OWNER's legal counsel.
 5. Arrange for preparation of appraisals by approved appraiser; review appraisals with OWNER's Executive Director.
 6. Call property owners to set up meetings.
 7. Prepare offer letters and offer packages.
- B. Initial Offers – Meet with property owners to present offers in person and mail offer packages (certified mail return receipt requested per state law).
- C. Post Offer Response.
1. Negotiations (including up to 3 site visits per property owner). Work with the OWNER's Executive Director, engineers and legal counsel to review special acquisition terms offered or requested by property owners. Maintain notes on all contacts with property owners.
 2. Administrative Settlement Procedures (counteroffer consideration) in coordination with the OWNER's Executive Director.
 3. Prepare and send Final Offer letter if owner rejects initial offer (certified mail return receipt requested).
 4. Preparation of conveyance instruments.

TITLE CURATIVE SERVICES

- A. Coordinate with title company to obtain title commitments and title policies.
- B. Review Title Commitments and provide plans for curative actions for review by the OWNER's legal counsel.
 - 1. Review of restrictive covenants and other land restrictions.
 - 2. Removal/release/partial release of liens, including abstracts of judgments and financing and M&M liens.
 - 3. Bankruptcy or intestacy research as needed.
 - 4. Curative work for other complex title encumbrances.
 - 5. Meet with title examiners and OWNER's Executive Director and legal counsel as needed.
- C. Quality control / Quality assurance on all curative matters.
 - 1. Review corporate resolutions, affidavits, lien releases, etc.
 - 2. Negotiate with property owners and owner's attorneys as needed.
- D. Prepare title curative documents; coordinate with OWNER's legal counsel as needed; secure execution of documents, and deliver to Title Company.

CLOSING SERVICES

- A. Order updated commitments.
- B. Arrange for approval by OWNER's Board for acquisitions of parcels when the compensation exceeds \$20,000.
- C. Schedule closings.
- D. Submit requests to OWNER's Executive Director for payments to property owners, accompanied by the latest estimates of closing costs from the title company.
- E. Ensure the completion of all necessary steps and contingencies prior to or at closings.
- F. Attend closings.
- G. Closing documentation and wrap-up for each acquired parcel. Secure OWNER's approval for form and content of the documentation package for acquired parcels. Follow up with the title company to ensure recording of documents and issuance of title policies.

CONDEMNATION SERVICES

- A. Preparation of requests for eminent domain proceedings, including identification of parties recommended to be joined in condemnation petition, and identification of parties not recommended to be joined, and identification of persons to be served, including agents for service, and their service addresses.
- B. Provide copies of all pertinent information and documentation related to condemnation proceedings.
- C. Assist the OWNER in formulating eminent domain strategies.
- D. Assist the OWNER in informal settlement discussions (not involving mediation/arbitration meetings).

A2.1. Study and Report Phase.

NOT UTILIZED

A2.2. Preliminary Design Phase.

NOT UTILIZED

A2.3. Final Design Phase.

NOT UTILIZED

A2.4. Bidding or Negotiating Phase.

NOT UTILIZED

A2.6. **Operational Phase.**

NOT UTILIZED

SECTION 3—ADDITIONAL SERVICES OF ENGINEER

CONDEMNATION SERVICES

- A. If OWNER requests, review pleadings for accuracy prior to electronic filing by OWNER.
- B. Update appraisal reports and/or land planning or cost estimate reports or other reports required for condemnation proceedings.
- C. The Independent Fee Appraiser and/or the Review Appraiser may be called to provide preparation and testimony for a Special Commissioners Hearing.
- D. File Notice of Lis Pendens in Official Public Records.
- E. Mail copies of the filed condemnation petitions and Notice of Lis Pendens by certified mail to the defendants.
- F. Send a copy of the filed condemnation petition to the title company for verification of proper joining of parties.
- G. Coordinate securing signatures of oaths and notices of hearing by the Special Commissioners or pick up same from the court clerk.
- H. Schedule Special Commissioner Hearings in coordination with OWNER's Attorney, engineering and appraisal witnesses, and, as possible, landowners or their attorneys.
- I. Send Order Setting Hearing to OWNER for electronic filing and send copy, along with any other filed documents to OWNER's staff and OWNER's Attorney.
- J. Coordinate a venue for the Special Commissioners Hearing.
- K. Send written confirmation of the date, time and venue of the Special Commissioners Hearing to the Special Commissioners, court reporter, venue controller, OWNER's appraisal and engineering/or other witnesses, OWNER's Attorney, OWNER's project staff, and landowner and/or their representative.
- L. Send an e-mail reminder to those persons identified above at least 5 working days from date of hearing and place call if no response.
- M. Coordinate pre-hearing conference.
- N. Serve notices of hearing timely.
- O. Send OWNER served notices of hearing for electronic filing with County Clerk and send copies to OWNER project staff and OWNER Attorney.
- P. Attend the Special Commissioners and ensure timely filing of the Award.
- Q. Prepare summary of the hearing testimony and make recommendations regarding filing of objections to the Award.
- R. Handle processing documents for payment of fees of Special Commissioners.
- S. Request payment of the Award.
- T. Deposit Award payment into court registry and mail copy of notice of deposit to parties by certified mail.
- U. Arrange for appraiser to inspect property and take photos on date of deposit.

SECTION 4—OWNER'S RESPONSIBILITIES


OWNER'S responsibilities include the following:

- A. Provide timely reviews and approval of submissions.
- B. Provide legal descriptions of easement areas and pump station site.
- C. Process and issue all requests for payment of approved purchase prices for each parcel, and incidental expenses involved in the transfer of property.
- D. Provide final approval for all appraisals and authorize the ENGINEER to make offers.
- E. Initiate, coordinate, and administer environmental investigation surveys.
- F. Pay direct cost and fees necessary and normal to ensure title to the OWNER on acquired parcels, including issuance of title commitments, copies, recording fees, escrow services, legal drafting as may be needed, and

issuance of title policies. These costs are to be paid either directly by the OWNER, or on a pass-through basis, with no markup by the ENGINEER.

- G. The OWNER will be responsible for any updated appraisals or appraiser testimony or preparation for appraiser testimony that may be required for eminent domain proceedings.
- H. All other tasks required to acquire property through eminent domain are the responsibility of the OWNER, including drafting and filing of pleadings, scheduling hearings and pre-hearing conferences, providing updated appraisal testimony, serving notices of hearing, requesting and depositing award proceeds, and all other post hearing matters.

This is **EXHIBIT B**, consisting of 2 pages, referred to in the Agreement between OWNER and ENGINEER for Professional Services, dated May 27, 2015.

Initial: 
OWNER _____
ENGINEER ONT

Payments to ENGINEER for Services and Reimbursable Expenses

Section 6 of the Master Agreement is amended and supplemented to include the following agreement of the parties:

Lump Sum Method of Payment
(with additional payments based on Condemnation Package Preparation,
and additional payments for Reimbursable Expenses)

SECTION B6---PAYMENTS TO ENGINEER

B6.1. Methods of Payment for Services and Expenses of ENGINEER.

B6.1.1. *For Basic Services.* OWNER shall pay ENGINEER for Basic Services as follows:

B6.1.1.1. *General.* A lump sum fee of \$212,650.00 for all services of ENGINEER, including services of ENGINEER's Consultants and also includes a fee of \$6,150.00 for reimbursable expenses.

B6.1.1.2. Payments will be made based on the payment milestones included in the Attached "Right of Way Services for HCPUA Phasc 1A Project Fee Schedule".

B6.1.1.3. NOT UTILIZED

B6.1.1.4. NOT UTILIZED

B6.1.2. *For Additional Services.* OWNER shall pay ENGINEER for Additional Services as follows:

B6.1.2.1. *General.* For services of ENGINEER's principals and employees engaged directly on the Project performed or furnished pursuant to paragraph 3 (except services as a consultant or witness under paragraph 3), an amount equal to ENGINEER's Salary Costs times a factor of 2.4.

B6.1.2.2. *ENGINEER's Consultants.* For services of ENGINEER's Consultants performed or furnished pursuant to paragraph 3 he amount billed to ENGINEER therefor times a factor of 1.1.

B6.1.2.3. NOT UTILIZED

B6.1.2.4. NOT UTILIZED

B6.1.2.5. *Serving as a Witness.* For services performed by ENGINEER's principals and employees as consultants or witnesses in any litigation, arbitration or other legal or administrative proceeding under paragraph 3 based on rates indicated in paragraph B.6.1.2.1 including time spent in preparing to appear in any such litigation, arbitration or proceeding will be on the basis provided in paragraph B6.1.2.1). Compensation for ENGINEER's Consultants for such services will be on the basis provided in paragraph B6.1.2.2.

B6.1.3. *For Reimbursable Expenses.* OWNER shall pay ENGINEER for Reimbursable Expenses such as:

- Mileage at IRS rate not to exceed a total of \$1,150.00
- Courier/US Mail not to exceed a total of \$500.00
- Misc. (Copies, filing fees, lien release fees) not to exceed a total of \$4,500
- TOTAL for all expenses not to exceed \$6,150.00

The amount payable to ENGINEER for Reimbursable Expenses will be the charge actually incurred or the imputed cost allocated by ENGINEER therefor times a factor of 1.0.

B6.1.4. *Salary Costs .* Salary Costs means salaries and wages (basic, premium and incentive) paid to personnel plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto.

The principals of ENGINEER and the imputed current hourly Salary Costs of such principals are as follows:

<u>Principal (name and title)</u>	<u>Imputed Hourly Salary Costs</u>
<u>Project Manager</u>	<u>\$185.00/Hour</u>
<u>Title Manager</u>	<u>\$185.00/Hour</u>
<u>Senior Agent</u>	<u>\$145.00/Hour</u>
<u>Agent</u>	<u>\$125.00/Hour</u>
<u>Right of Way Tech</u>	<u>\$75.00/Hour</u>

B6.1.5. *Adjustment of Salary Costs.* The Salary Costs and the factor applied to Salary Costs in determining compensation payable to ENGINEER will be adjusted annually and equitably to reflect changes in the various elements that comprise such Salary Costs and factor. All such adjustments will be in accordance with generally accepted accounting practices as applied on a consistent

basis by ENGINEER and consistent with ENGINEER's overall compensation practices and procedures.

B6.2. Other Provisions Concerning Payments.

B6.2.1. *Preparation of Invoices.* The portion of the amount billed for ENGINEER's Basic Services will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. The portion related to Additional Services will be billed based on the Salary Costs (multiplied by a factor, if any, as stated above) incurred at the time of billing.

B6.2.3. *Payments Upon Termination.*

B6.2.3.4. In the event of termination during any phase of the Basic Services, ENGINEER will be paid for services performed or furnished in accordance with this Agreement during that phase on the basis of ENGINEER's Salary Costs times a factor of 2.4 for services performed or furnished during that phase to date of termination by ENGINEER's principals and employees engaged directly on the Project.

Right of Way Services for HCPUA Phase 1A Project
 Fee Schedule
 May 4, 2015

<u>Tasks</u>	<u>Unit</u>	<u>Quantity</u>	<u>Fee per Parcel</u>	<u>Cost</u>	<u>Payment Milestones or Rate</u>
Acquisition services (Project Management and Coordination, Negotiation Services, Title Curative Services, and Closing Services)	Parcel	23	\$5,500	\$126,500	1) 25% upon presentation of initial offer, 2) 45% upon submission for payment with clear title or confirmation that title will be clear by closing, or upon mailing of Final Offer Letter, 3) 30% upon completed closing of the parcel.
Condemnation Package	Hourly Rate with not to exceed cap	7 parcels	\$1,500 not to exceed cap	\$10,500	Hourly Rate: Project Manager \$185, Title Manager \$185, Sr. Agent \$145, Agent \$125, ROW Tech/Admin \$75)
Appraisal of Easements	Parcel	22	\$3,000	\$66,000	Payment upon submission of appraisal to HCPUA for approval
Appraisal of Fee Simple site for pump station	Parcel	1	\$3,500	\$3,500	Payment upon submission of appraisal to HCPUA for approval
Sub total				\$206,500	
<u>Reimbursable Expenses</u>	<u>Unit</u>	<u>Quantity</u>	<u>Rate</u>	<u>Cost</u>	
Mileage	Mi.	2,000	IRS	\$1,150	
Courier/US Mail	Ea.	16	\$25	\$500	
Misc. (Copies, filing fees, lien release processing fees)				\$4,500	
Sub total				\$6,150	
TOTAL (not to exceed)				\$212,650	

RESOLUTION NO. 20100922-006

A RESOLUTION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY BOARD OF DIRECTORS APPROVING AN AGREEMENT WITH McCALL, PARKHURST & HORTON, L.L.P. TO PROVIDE BOND COUNSEL SERVICES, AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. The Hays Caldwell Public Utility Agency (the "Agency") desires to engage a qualified firm to perform bond counsel services in connection with the issuance of debt instruments and other related tasks as needed by the Agency.

2. The Agency Board of Directors wishes to approve an agreement with McCall, Parkhurst & Horton, L.L.P. for these services.

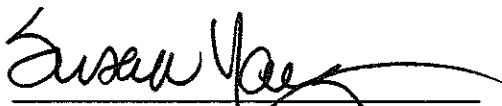
BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY:

SECTION 1. The attached engagement letter between the Agency and McCall, Parkhurst & Horton, L.L.P. is approved

SECTION 2. The Agency Board Chair, Susan Narvaiz, is authorized to execute this agreement on behalf of the Agency.

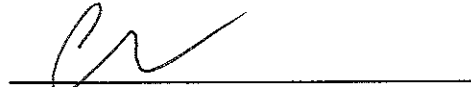
SECTION 3. This Resolution shall be in full force and effect immediately upon its passage.

ADOPTED: September 22, 2010



Susan Narvaiz
Chair, Board of Directors

ATTEST:



Chris Betz
Secretary, Board of Directors

LAW OFFICES

MCCALL, PARKHURST & HORTON L.L.P.

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

November 10, 2010

Mark B. Taylor
Attorney-at-Law
130 East Sierra Circle
San Marcos, Texas 78666

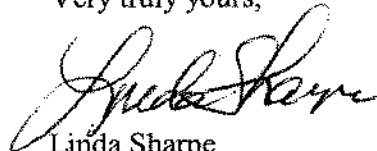
RE: Agreement for Bond Counsel Services

Dear Mr. Taylor,

I have enclosed an executed engagement letter for your files.

Please do not hesitate to call with any questions.

Very truly yours,



Linda Sharpe
Legal Assistant

\ss

Enclosure

LAW OFFICES

M²CALL, PARKHURST & HORTON L.L.P.

717 NORTH HARWOOD	600 CONGRESS AVENUE	700 N. ST. MARY'S STREET
SUITE 900	SUITE 1800	SUITE 1525
DALLAS, TEXAS 75201-6587	AUSTIN, TEXAS 78701-3248	SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 214 754-9200	TELEPHONE: 512 478-3805	TELEPHONE: 210 225-2800
FACSIMILE: 214 754-9250	FACSIMILE: 512 472-0871	FACSIMILE: 210 225-2984

September 20, 2010

Dear Ladies and Gentlemen:

This engagement letter will outline our proposed services as Bond Counsel to the Hays Caldwell Public Utility Agency (the "Agency") in connection with the creation of the Agency, the issuance of any bonds, notes or other obligations by the Agency and our understanding of the compensation therefor (the "Matter").

SERVICES

We will perform all usual and necessary legal services as Bond Counsel. Specifically, we will prepare and direct legal proceedings and perform other necessary legal services with reference to the formation of the Agency, preparation and review of financing contracts, and authorization, sale, and delivery of the Agency's bonds, notes or other obligations referenced above (for convenience hereafter collectively referred to as "bonds"), including the following:

1. consultation with the Agency's Board (the "Board"), and the participating public entities, as appropriate, and any advisors in creation of the Agency and planning for the bond issue, including consultations concerning federal tax considerations;
2. preparation of any orders, resolutions or other documents necessary to create the Agency;
3. preparation of all contracts, resolutions, trust indentures, and other instruments pursuant to which bonds will be authorized, secured, sold and delivered in consultation with the Agency's General Counsel, financial advisors, the underwriters and their counsel and any officials and consultants thereof;
4. attendance at meetings of the Board, as appropriate, and with other representatives of the Agency to the extent required or requested with reference to the creation of the Agency and authorization and issuance of the bonds;

Hays Caldwell Public Utility Agency
September 21, 2010
Page 2

5. preparation of all documents necessary to seek the approval of the Texas Attorney General for the issuance of the bonds, and the submission of such documents to the Texas Attorney General for approval and to the Comptroller of Public Accounts for registration of the bonds as required by law;
6. supervision of the printing and execution of the bonds and the delivery thereof to the initial purchaser of the bonds;
7. rendering our nationally accepted opinions covering the validity of the bonds under Texas law and tax status of the interest thereon under federal income tax laws or taxable nature of such interest under federal income tax laws, as appropriate; and
8. preparation of a transcript of all proceedings in connection with the issuance of the bonds.

The foregoing legal services as Bond Counsel do not include any direct responsibility for litigation of any kind. However, if during the issuance of the bonds any litigation should develop regarding the issuance of the bonds or the provisions made for their payment or security, we will consult, advise and cooperate with the Agency's General Counsel concerning any such litigation. Our fees for such services would be based upon an hourly rate of \$325 an hour.

In addition, our services as Bond Counsel do not include any direct responsibility for the "disclosure obligations" owed to the investing public under the federal securities laws and the various state securities laws. We will not be responsible for the preparation of any Official Statement and will not assume any responsibility with respect thereto nor undertake independently to verify any of the information therein, except that, in our capacity as Bond Counsel, we will review various statements in any Official Statement relative to the bonds to verify that such statements conform to the provisions of the legal instruments and documents therein described.

Our firms will undertake upon the request of the Agency such services as may be necessary to assist the Agency in satisfying its disclosure obligations and its continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission. Our fees for such services would be based upon an hourly billing rate of \$325 per hour. Should it be necessary for the firm to render a written opinion with respect to any matters relating to the compliance by the Agency with the ongoing disclosure or other compliance requirements of Rule 15c2-12, such fee for legal services provided in connection with the delivery of the opinion will be set at an amount agreed upon by us and the Agency.

Our services as Bond Counsel do not include any responsibility for investigating the financial condition and affairs of the Agency. Our approving legal opinion as Bond Counsel will contain a paragraph substantially to the effect that we have acted as Bond Counsel for the Agency for the sole

Hays Caldwell Public Utility Agency
September 21, 2010
Page 3

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 exemption of the interest on the bonds from federal income taxes (if applicable), and for no other reason or purpose. The paragraph will also disclose that we have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Agency, and have not assumed any responsibility with respect thereto.

CLIENT DOCUMENTS

We will maintain all documents you furnish us in our client files for the Matter. At the conclusion of the Matter (or earlier if appropriate), it is your obligation to advise us as to which, if any, of the documents in our files you wish us to return to you. We may keep copies thereof to the extent we believe advisable for our records. We will retain the bond transcript documents.

STANDARDS OF PROFESSIONALISM AND ATTORNEY COMPLAINT INFORMATION

In performing services under this Agreement, we agree to comply with all applicable state and federal laws.

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

COMPENSATION

Fees for the issuance of new money bonds will be as follows:

- 1.50% for the first \$5,000,000
- 0.50% for the second \$5,000,000
- 0.30% for any amount over \$10,000,000 up to \$50,000,000
- Any amounts over \$50,000,000 are subject to negotiation

The fee for refunding issues will be subject to negotiation. The minimum fee for all bond issues is \$25,000. Our Bond Counsel fee is contingent upon the issuance of any bonds.

We also expect to be reimbursed for all normal, actual out-of-pocket expenses incurred (such as travel, communications, reproduction and delivery services) in connection with the services performed and be reimbursed for paying the Texas Attorney General's Filing Fee. Since the work

Hays Caldwell Public Utility Agency

September 21, 2010

Page 4

for the Agency will be performed by attorneys in Austin or San Antonio, it is not anticipated that travel expenses will be incurred; however, in the event travel is necessary it will not be undertaken without prior approval by the Agency. Copying charges are normally twenty cents a page. Large copying orders are sometimes subcontracted out, in which case the actual charges are billed.

TERMINATION

This engagement may be terminated by either party upon thirty (30) days written notice; provided, however, if the Agency exercises the early termination, the Agency shall pay Bond Counsel all fees and expenses accrued to the date of such termination. There shall not be individual liability on any member of the Board, or other official of the Agency, for the payment of any amounts due hereunder.

This agreement is effective as of the date of acceptance by the Agency.

Hays Caldwell Public Utility Agency

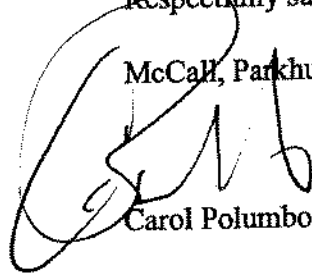
September 21, 2010

Page 5

If the Agency finds this proposal to be satisfactory, we ask that a copy of this letter be signed and returned to us for our files. We look forward to working with the Agency.

Respectfully submitted,

McCall, Parkhurst & Horton L.L.P.

A handwritten signature in black ink, appearing to read 'Carol Polumbo', is written over the printed name. The signature is stylized and somewhat cursive.

Carol Polumbo

Hays Caldwell Public Utility Agency
September 21, 2010
Page 6

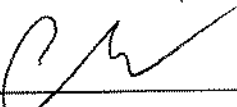
The foregoing agreement is hereby accepted on behalf of the Agency.

Hays Caldwell Public Utility Agency


Chair

9/22/10
Date

ATTEST:


Secretary

9/22/10
Date

Specialized Public Finance, Inc.
Financial Advisor Contract

TO BE PROVIDED AT A LATER DATE

Mark B. Taylor
Legal Counsel Contract

Mark B. Taylor
Attorney-at-Law
130 East Sierra Circle
San Marcos, Texas 78666
markbtaylor@grandecom.net
512.754.0485

September 6, 2014

Chair David Wilson and Members of the Board of Directors
Hays Caldwell Public Utility Agency
c/o Graham Moore, Executive Director
1040 Seguin Highway
San Marcos, TX 78666

Re: **Renewal of Retainer Agreement for General Counsel Services**

Dear Chair Wilson and Board Members:

I appreciate the opportunity to provide general counsel services to the Hays Caldwell Public Utility Agency (the "Agency"). This letter, when countersigned by the Agency, will renew my Retainer Agreement with the Agency (dated February 28, 2007) for general counsel services. This renewal will extend the term of the Retainer Agreement to include the period from October 1, 2014 through September 30, 2015. All other terms of the Retainer Agreement will continue in effect, including my hourly rates.

I understand that the amount budgeted by the Agency for general counsel services for the renewal period is \$60,000, and the total of my fees for services during the renewal period cannot exceed that amount without the written approval of the Agency.

If this renewal is acceptable to the Agency, please have the originals signed below on behalf of the Agency, and return one executed original to me.

Again, thanks for the opportunity to provide general counsel services to the Agency.

Sincerely,

Mark B. Taylor
Attorney-at-Law

Agreed to and Accepted:
Hays Caldwell Public Utility Agency



David Wilson, Chair, Board of Directors



Date

ATTEST:



Chris Betz, Secretary, Board of Directors



Date

Environmental Scope of Work

SCOPE OF WORK FOR ENVIRONMENTAL ASSESSMENT

Below is the anticipated environmental scope of services for the HCPUA's Phase 1A project. A portion of the work is already contracted as a part of the engineering design for the Phase 1A pipeline. The remaining environmental scope of work has not yet been negotiated and contracted. The anticipated budget amounts for work is also noted, for the work that has not yet been contracted this is simply a budget number.

Phase 1A – Scope of Work (Already Contracted, Budget: \$38,000)

Environmental work will include a constraints level analysis of natural and cultural resources subject to regulation and management overview by federal and state resource agencies and a Phase 1 Environmental Site Assessment.

Endangered Species Review:

- A. Collect existing environmental data for proposed FM 1626 widening alignment
- B. Perform a desktop evaluation of the project area for federally listed species known to occur in Hays County, Texas. The assessment will compare known habitat and documented observations of endangered species with the mapped vegetation types in the project area.

Cultural Resources Review:

- A. Collect existing cultural data for proposed FM 1626 widening alignment
- B. Conduct background research including an in-depth desktop review and literature search of the subject area including applicable survey reports, soil surveys, aerial photography, county parcel data and others.
- C. Conduct background research at Texas Historical Commission, Texas Archeological Research Laboratory and preliminary archival file searches.
- D. If necessary, a project coordination letter will be prepared, in consultation with LAN, to introduce the project to the THC and present recommendations to achieve project regulatory clearance under the Antiquities Code of Texas (ACT) and, if necessary, Section 106, for the project to proceed to construction. If cultural resource survey is required by the THC, ENGINEER will prepare an Antiquities Permit Application to coordinate the project and field investigations with the THC and other necessary consulting parties to procure an Antiquities Permit on behalf of the client to conduct field investigations. This scope does not include a cultural resource field survey. If so recommended by the THC, these services can be arranged under a separate scope and budget.

Hazardous Material Screen:

Conduct a desktop hazardous materials review for the pipeline portion of the project by completing an ASTM environmental background search. This environmental setting will rely

on desktop analysis and will not include a site investigation or the ASTM 1527-13 level of review.

U.S. Army Corps of Engineers – Section 404 Regulations

Review project design and perform site reconnaissance to determine existence of jurisdictional waters including wetlands and potential impacts requiring permitting under Section 404 of the Clean Water Act. Evaluation will include site reconnaissance following protocol of the U.S. Army Corps of Engineers (USACE) to determine whether potential impacts would comply with requirements for a nationwide permit (NWP) and whether a pre-construction notification (PCN) to the USACE would be necessary. This scope of services assumes a Nationwide Permit 12 for utility line activities will be required without a Pre-construction Notification (PCN). If a PCN is required, then services to complete this coordination process will be included in a separate scope of services.

Phase 1 Environmental Site Assessment

Conduct assessment in accordance with ASTM E 1527-13 and all appropriate inquiry on two (2) pump station sites.

Environmental Constraints Report

Prepare and submit an Environmental Constraints Report summarizing the findings of the desktop reviews.

Phase 1A – Scope of Work (Not Contracted, Budget: \$55,000)

Below is the remaining environmental work that has not been contracted but that may be required to complete the project.

Cultural Resources:

Field surveys for archeological resources will be conducted if recommended by the Texas Historical Commission.

U.S. Army Corps of Engineers – Section 404 Regulations

Complete the coordination process with the Corps of Engineers if a Pre-construction Notification is required.

Environmental Data Form:

Complete the TWDB Environmental Data Form for the Phase 1A project. The effort will include coordination with TWDB reviewers, responses to comments and revisions to address any outstanding issues.

Part B15

Water Contracts

- Regional Water Supply Contract – dated January 9, 2008
- Amendment #1 to the Regional Water Supply Contract – effective October 31, 2009
- Canyon Regional Water Authority Contract with County Line SUD Purchase HCPUA
- Canyon Regional Water Authority Contract with Crystal Clear SUD Purchase HCPUA
- Canyon Regional Water Authority Contract with Crystal Clear SUD Purchase HCPUA – 2nd Contract
- Canyon Regional Water Authority Contract with Green Valley SUD Purchase HCPUA
- Canyon Regional Water Authority Contract with Martindale WSC Contract Purchase HCPUA

REGIONAL WATER SUPPLY CONTRACT
January 9, 2008

CERTIFICATE OF BOARD SECRETARY

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 9th day of January, 2008, the Board of Directors (the *Board*) of the Hays Caldwell Public Utility Agency (the *Agency*) convened in a regular meeting at the City Train Depot in Kyle, Texas (the *Meeting*), the duly constituted members of the Board being as follows:

Mayor Susan Narvaiz	Chair
Mark Speed	Director
Councilman Mike Moore	Vice Chair
Robert Camareno	Director
Collette Jamison	Director
Jesse Shanks	Director
Tom Mattis	Treasurer
Tom Taggart	Director
Chris Betz	Secretary
Alan McPherson	Director
Laurie Anderson	Director
David Davenport	Director
Rosie Vela	Director

and all of such persons were present at the Meeting, except for Mr. Moore and Mr. McPherson, who were absent, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY APPROVING A REVISED REGIONAL WATER SUPPLY CONTRACT BETWEEN THE AGENCY AND THE CANYON REGIONAL WATER AUTHORITY, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CITY OF SAN MARCOS; AND DECLARING AN EFFECTIVE DATE


was introduced and submitted to the Board for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Mr. Taggart that the Resolution be finally passed and adopted in accordance with the Agency's Bylaws. The motion was seconded by Mr. Shanks and carried by the following vote:

11 voted "For" **None** voted "Against" **None** abstained

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the Agency; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Agency, this 9th day of January, 2008.



Chris Betz
Board Secretary

(AGENCY SEAL)

RESOLUTION NO. 20080109-001

A RESOLUTION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY BOARD OF DIRECTORS APPROVING A REVISED REGIONAL WATER SUPPLY CONTRACT BETWEEN THE AGENCY AND THE CANYON REGIONAL WATER AUTHORITY, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CITY OF SAN MARCOS, AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. The Hays Caldwell Public Utility Agency (the "Agency") was formed by the Canyon Regional Water Authority, the City of Buda, the City of Kyle, and the City of San Marcos (the "Sponsoring Public Entities") for the purpose of developing a water supply project (the "Project") in the Carrizo-Wilcox Aquifer.

2. The Agency's bond counsel and financial advisors have recommended that the Agency enter into a water supply contract with the Sponsoring Public Entities to serve as the primary mechanism for financing Agency activities and the development of the Project, and to serve as the basis for issuance of debt obligations by the Agency.

3. The Agency Board of Directors (the "Agency Board"), at its meeting on September 26, 2007, approved a Regional Water Supply Contract. Since that time, the Agency's financial advisors suggested that the Agency and Sponsoring Public Entities consider revising the contract to allow the Agency to issue bonds in four separate series, one for each Sponsor. This would allow each Sponsor to structure its portion of the debt in a manner best suited to its circumstances. On November 14, 2007, the Executive Committee of the Agency Board recommended that the contract be revised to provide for the issuance of Agency bonds in separate series for each Sponsor. At its meeting on December 12, 2007, the Agency Board directed the Agency's bond attorneys and general counsel to draft the needed revisions to the contract.

4. The Agency's bond attorneys and general counsel have revised the Regional Water Supply Contract to provide for the issuance of Agency bonds in separate series for each Sponsor, and the Agency Board wishes to approve the Regional Water Supply Contract as revised.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY:

SECTION 1. The attached Regional Water Supply Contract, as revised, between the Agency and the Canyon Regional Water Authority, the City of Buda, the City of Kyle, and the City of San Marcos is approved.

SECTION 2. The Chair of the Agency's Board of Directors, Susan Narvaiz, is authorized to execute the attached contract on behalf of the Agency.

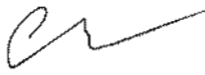
SECTION 3. This Resolution shall be in full force and effect immediately upon its passage.

ADOPTED: January 9, 2008



Susan Narvaiz
Chair, Board of Directors

ATTEST:



Chris Betz
Secretary, Board of Directors

REGIONAL WATER SUPPLY CONTRACT

THIS REGIONAL WATER SUPPLY CONTRACT (the "Contract") is dated and entered into as of the 9th day of January, 2008, by and among the Hays Caldwell Public Utility Agency (the "Agency"), a non-profit constituted authority and instrumentality and political subdivision of the State of Texas (the "State"), created and existing under the laws of the State, including Chapter 422 as amended, Texas Local Government Code, and the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, municipalities and political subdivisions of the State, and the Canyon Regional Water Authority, a conservation and reclamation district and political subdivision of the State of Texas, created and existing pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State. The City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority are referred to in this Contract collectively as the "Sponsoring Public Entities" and singularly each as a "Sponsoring Public Entity."

RECITALS

WHEREAS, Chapter 422 of the Texas Local Government Code, as amended (the "Act") authorizes public entities to create a public utility agency to plan, finance, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and wastewater, including plant sites, rights-of-way, and property, equipment, or rights of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and wastewater; and

WHEREAS, the City Councils of the City of Buda, Texas, the City of Kyle, Texas, and the City of San Marcos, Texas and the Board of Trustees of the Canyon Regional Water Authority (collectively, the "Governing Bodies") have collectively determined to authorize and approve the creation of the Agency as their constituted authority and instrumentality to accomplish the specific public purpose to plan, finance, construct, acquire, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and wastewater, including plant sites, rights-of-way, and property, equipment, or rights of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and wastewater, pursuant to the provisions of the Act, and other applicable law; and

WHEREAS, the Sponsoring Public Entities, pursuant to the Act and other applicable law, have authorized the creation of the Agency for the purposes set forth in the Agency's Bylaws, including the issuance of bonds to finance the costs of the Project, as hereinafter defined; and

WHEREAS, the Agency intends to own, design, construct, acquire, maintain, and operate the Project in a manner that will allow the Agency to deliver its water to the Sponsoring Public Entities and other potential purchasers on a regional basis; and

WHEREAS, the Sponsoring Public Entities and the Agency, exercising their mutual authority and furthering their mutual and urgent interests, wish to enter into this Contract in order

to most efficiently and quickly obtain the capability to deliver the water to the Sponsoring Public Entities; and

WHEREAS, it is necessary that facilities, wells, storage tanks, lines, booster pumps, treatment facilities, and other appurtenances sufficient to deliver the water to which the Sponsoring Public Entities are entitled under this Contract and additional water which the Sponsoring Public Entities may acquire (the "Facilities") be constructed and that the easements, rights-of-way, and other interests in land necessary for the production, withdrawal or diversion of and the acquisition, construction, maintenance, and operation of the Facilities (collectively, the "Land Interests") be purchased (the "Land Interests" and the "Facilities," together the "Project"); and

WHEREAS, it is expected by the Agency and the Sponsoring Public Entities that as soon as practicable after the execution of this Contract the Agency will issue its Bonds (as hereinafter defined) in series for each Sponsoring Public Entity requesting financing through the Agency, payable from and secured solely by payments under this Contract to be made by such Sponsoring Public Entity for which the series of Bonds are issued for the acquisition and construction of the Project; and

WHEREAS, the Agency, to the best of its ability, shall in general do or cause to be done all such things as may be required for the proper acquisition, construction and operation of the Project; and

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions. In addition to the terms defined above, the following terms shall have the meanings assigned to them below wherever they are used in this Contract, unless the context clearly requires otherwise:

(a) "Accountant" means a nationally recognized independent certified public accountant, or an independent firm of certified public accountants, selected by the Agency.

(b) "Additional Bonds" means one or more series of additional Bonds which are issued by the Agency to finance the completion of the Project pursuant to Section 2.9 hereof or for any other lawful purpose.

(c) "Agency" means the Hays Caldwell Public Utility Agency and its lawful successors and assigns.

(d) "Annual Payment Amounts" means the amount of money, constituting the Operation and Maintenance Expenses, Overhead Expenses and, to the extent the Agency issues a series of Bonds on behalf of a Sponsoring Public Entity, the Bond Payment, to be paid to the Agency by each Sponsoring Public Entity, on a several and not a joint basis as described in

Section 3.1, Section 3.5, and Section 5.2 hereof from the revenues of the Sponsoring Public Entities' Systems as an operating and maintenance expense of the Sponsoring Public Entities' Systems (or any other lawfully available revenues of the Sponsoring Public Entities), at the times and in the amounts required by Sections 3.5 and 5.2 of this Contract.

(e) "Approval Certificate" means the certificate or certificates, if any, of the Chair, Board of Directors or Authorized Representative of the Agency approving certain terms of a series of Bonds.

(f) "Authorized Representative" means any person at the time delegated authority to act on behalf of a Sponsoring Public Entity or the Agency, as the case may be, and designated as such in a written certificate, containing a specimen signature of such person, which, for a Sponsoring Public Entity shall be the City Manager, City Administrator, or General Manager, as appropriate, of the Sponsoring Public Entity or such other officers or employees of the Sponsoring Public Entity authorized to act on behalf of the Sponsoring Public Entity during the respective City Manager's, City Administrator's, or General Manager's absence or incapacity, and for the Agency shall be the Chair, Board of Directors of the Agency or such other officer or employee of the Agency authorized to act on behalf of the Agency during the absence or incapacity of the Chair, Board of Directors, unless a party notifies the other parties in writing of a change in its Authorized Representative.

(g) "Bond Payment(s)" means the amount of money to be paid to the Agency by a Sponsoring Public Entity, for the debt service or to fund or replenish any debt service reserve fund or other special or contingency fund on one or more series of Bonds issued for that respective Sponsoring Public Entity, from the revenues of such Sponsoring Public Entity's System as an operating and maintenance expense of the System at the times and in the amounts required by Sections 3.5 and 5.2 of this Contract. A Sponsoring Public Entity is responsible for paying debt service on only the series of Bonds issued for that Sponsoring Public Entity.

(h) "Bond Resolution" means any resolution and/or trust indenture of the Agency, authorizing the issuance of and securing a series of Bonds and all amendments and supplements thereto and including the Approval Certificate, if any, authorized by such resolution to establish certain of the terms of the Bonds authorized by such resolution. Since separate series of Bonds will be issued for each Sponsoring Public Entity requesting financing, any reference in this Contract means the Bond Resolution related to the Sponsoring Public Entity for which such series of Bonds were issued.

(i) "Bonds" means all bonds, notes, or other obligations hereafter issued by the Agency in multiple series with a separate series for each Sponsoring Public Entity requesting financing the proceeds of which are used to pay Project Costs (including any Additional Bonds) or to refund any Bonds or to refund any such refunding Bonds.

(j) "Claim," as used in Section 8.13 of this Contract, means claims, demands, and expenses, including reasonable attorney's fees.

(k) "Code" means the Internal Revenue Code of 1986, and any amendments thereto, as in force and effect on the date of delivery of any series of Bonds.

(l) "Completion Date" means such term as it is defined in Section 2.9 of this Contract.

(m) "Credit Agreement" means any bond insurance policy or other credit agreement, as defined in and authorized by the provisions of Chapter 1371, as amended, Texas Government Code, which the Agency enters into relating to its obligations with respect to the Bonds.

(n) "Delivery Point" means the place, whether one or more, to which the Agency will deliver water to each Sponsoring Public Entity pursuant to this Contract.

(o) "Engineer of Record" means the Engineer of Record for a Sponsoring Public Entity so designated by the governing body of the Sponsoring Public Entity with notice to the Agency.

(p) "Engineering Report" means the "Final Report of the Plumbing Plan," prepared by Lockwood, Andrews & Newnam, Inc., dated September 21, 2007, as such report may be amended, modified and changed and superseded with the approval of the Agency and Sponsoring Public Entities, at any time prior to the execution of construction contracts for the Project or as modified and changed by change orders issued after the execution of such construction contracts; provided, however, no such change orders shall adversely affect any of the Sponsoring Public Entities without the consent of the Sponsoring Public Entities.

(q) "Fiscal Year" means the Sponsoring Public Entities' fiscal years, which currently begin on October 1 of each year, as they may be changed from time to time with notice to the Agency.

(r) "Force Majeure" means such term as it is defined in Section 8.3 of this Contract.

(s) "Facilities" means the facilities, wells, diversion structures, treatment plants, storage tanks, capacity rights, lines, booster pumps, and other appurtenances sufficient to produce, divert, treat and deliver the water to which the Sponsoring Public Entities are entitled under this Contract and any improvements, additions, or extensions to such Facilities hereafter acquired or constructed to deliver water between such places.

(t) "Land Interests" means the easements, right-of-way, and other interests in real property necessary for the acquisition, construction, and operation of the Facilities and the Water Rights for the Project.

(u) "MSRB" means the Municipal Securities Rulemaking Board and any successor to its duties.

(v) "NRMSIR" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

(w) "Operation and Maintenance Expenses" means all direct costs and expenses incurred by the Agency for its operation and maintenance, including but not limited to, the operation and maintenance of the Project, including (for greater certainty but without limiting the generality of the foregoing) amounts payable under any contract with any person, including, but not limited to any federal, state, or local agency for the right to produce, withdraw or divert and use water, any contribution or payment in lieu of taxes or any fee or charge by any government authority relating to the Agency's production, withdrawal or diversion of or sale of treated water hereunder, the costs of utilities, supervision, engineering, accounting, auditing, legal services, insurance premiums, supplies, services, and administration of the Project, Overhead Expenses, any required costs of mitigation and land management incidental to Project operation, and costs

of operating, repairing, maintaining, and replacing equipment for proper operation and maintenance of the Project. The term "Operation and Maintenance Expenses" does not include depreciation charges or such portion of the above-described costs to the extent such costs are paid pursuant to an agreement other than this Contract.

(x) "Overhead Expenses" means the Agency's reasonable and necessary costs and expenses incurred at any time directly related to the issuance and servicing of the Bonds, the acquisition of Land Interests required for the Project, the design, permitting, financing, acquisition, construction, and ownership of the Project and any other activities required of or involving the Agency in connection with or attributable to the Project or the Bonds, including, but not limited to: (i) per diem and reimbursable expenses incurred by the Directors of the Agency for special meetings of the Agency's Board of Directors related to the Project; (ii) services of the professional, technical skilled and unskilled persons and firms engaged by or associated with the Agency, other than Agency staff personnel, together with their reimbursable expenses paid or required to be paid by the Agency; (iii) salaries of the Agency's staff attributable to the Project or the Bonds based on time expended, as documented or reasonably estimated by the President, Board of Directors of the Agency; (iv) the costs of preparing applications for and obtaining all approvals and authorizations required for the Project or the Bonds from the regulatory authorities having jurisdiction; (v) the cost of property casualty and public liability insurance incurred prior to the Completion Date; including any insurance deductible charged to or required to be paid by the Agency; provided that if the Agency is unable to obtain such insurance on an occurrence basis, then any expense incurred by the Agency from and after the Completion Date for casualty and public liability insurance, including any insurance deductible, shall be paid by the Sponsoring Public Entities; (vi) all costs incurred in litigation involving or relating to the Project; and (vii) any and all other costs and expenses, including out-of-pocket expenses, incurred by the Agency attributable to the Project or the Bonds, whether enumerated above or not, and whether or not included in the definition or as a part of Project Costs.

(y) "Permitted Liens" means: (i) minor irregularities, charges, liens, encumbrances, defects, easements, licenses, rights-of-way, servitudes, restrictions, mineral rights, and clouds on title which, in the opinion of counsel to the Agency, a copy of which shall be forwarded to each of the Sponsoring Public Entities, do not materially impair the use of the Project for the purposes for which it is designed; (ii) easements for roads (as used in this Contract, the term "roads" shall include, without limitation, streets, curbs, gutters, drains, ditches, sewers, conduits, canals, mains, aqueducts, aerators, connections, ramps, docks, viaducts, alleys, driveways, parking areas, walkways, and trackage), utilities (which for purposes of this Contract shall include, without limitation, water, sewer, electricity, gas, telephone, pipeline, railroad, and other collection, transportation, light, heat, power, and communication systems) and similar easements and other easements, rights-of-way, rights of flowage, flooding, diversion or outfall, licenses, restrictions, and obligations relating to the operation of the Project which, in the opinion of counsel to the Agency, a copy of which shall be forwarded to each of the Sponsoring Public Entities, do not materially impair the use of the Project for the purposes for which it is designed; (iii) rights of the United States or any state or political subdivision thereof, or other public or governmental authority or agency or any other entity vested with the power of eminent domain to take or control property or to terminate any right, power, franchise, grant, license, or permit previously in force.

(z) "Plans and Specifications" means the plans and specifications prepared for the Project by the Project Engineer, as the same may be revised from time to time in accordance with this Contract.

(aa) "Project" means, collectively, the Land Interests and the Facilities as described in the recitals to this Contract and in the Engineering Report, and as those terms are defined in this Section.

(bb) "Project Costs" means and includes, without limitation, the following costs incurred for the Project by or on behalf of the Agency or the Sponsoring Public Entities: (i) the cost of acquisition of the Land Interests, including appraisals, closing costs and title insurance policies; (ii) the cost of acquisition, construction, repair, replacement, improvement or decommissioning of the Facilities, and any structure, item of equipment, or other item, used for, or in connection with, the Project; (iii) the cost of site preparation of the Land Interests, including demolition or removal of structures and improvements as necessary or incident to accomplishing the Project; (iv) the cost of engineering, legal, architectural or other related services; (v) the preparation cost of plans, specifications, studies, surveys, cost estimates, and other expenses necessary or incident to planning, providing, or financing the Project; (vi) the cost of machinery, equipment, furnishings, and facilities necessary or incident to placing the Project in operation; (vii) finance charges and interest before, during, and after construction as permitted by the laws of the State; (viii) costs incurred in connection with financing the project, including, without limitation: (1) financing, legal, accounting, financial advisory, rating agency, and auditing fees, expenses and disbursements; (2) the cost of printing, engraving, and reproduction services; and (3) the cost of a trustee's or paying agent's initial or acceptance fee and subsequent fees; (ix) all costs, fees and expenses of litigation of all kinds; (x) the cost of property casualty and public liability insurance; (xi) the fees and costs of the underwriters as the anticipated purchasers of the Bonds; (xii) reimbursement of the costs previously incurred by the Sponsoring Public Entities with respect to the Project; and (xiii) other costs generally recognized as a part of Project construction costs.

(cc) "Project Engineer" means such engineering firm or firms as may be selected by the Agency.

(dd) "Prudent Utility Practice" means any of the practices, methods, and acts, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the public utility industry prior thereto, known at the time the decision was made, that would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act at the exclusion of all others, but rather is a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. In the case of any facility included in a Sponsoring Public Entity's System which is owned in common with one or more other entities, the term "Prudent Utility Practice," as applied to such facility, shall have the meaning set forth in the agreement governing the operation of such facility.

(ee) "Rule" means SEC Rule 15c2-12, as amended from time to time.

(ff) "Sale and Offering Documents" means any official notice of sale, official bid form, preliminary official statement, official statement, or other offering document for a series of Bonds.

(gg) "SEC" means the United States Securities and Exchange Commission and any successor to its duties.

(hh) "SID" means any entity designated by the State or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

(ii) "Sponsoring Public Entities" means collectively the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas and Canyon Regional Water Authority. "Sponsoring Public Entity" means respectively, the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas or the Canyon Regional Water Authority.

(jj) "Sponsoring Public Entities' Systems" or "Systems" means collectively the Sponsoring Public Entity's System of all of the Sponsoring Public Entities.

(kk) "Sponsoring Public Entity's System" or "System" means and includes the existing combined waterworks and wastewater disposal system of each of the Sponsoring Public Entities, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage and/or reclaimed water systems which are integrated with the waterworks or wastewater disposal system, and all replacements thereof. Provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the terms "Sponsoring Public Entity's System" or "System" shall not include any waterworks or wastewater facilities which are declared by the respective Sponsoring Public Entity not to be a part of that Sponsoring Public Entity's System, and which are hereafter acquired or constructed by that Sponsoring Public Entity with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of that Sponsoring Public Entity which are not secured by or payable from the net revenues of that Sponsoring Public Entity's System, but which are secured by and are payable solely from special contract revenues, or payments received from that Sponsoring Public Entity or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute gross revenues of that Sponsoring Public Entity's System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such "Special Facilities Bonds".

(ll) "Sponsoring Public Entity's Utility Bonds" or "Utility Bonds" means the bonds, notes and other obligations of a Sponsoring Public Entity outstanding from time to time secured by a lien on and pledge of the net revenues of that Sponsoring Public Entity's System or any part thereof, regardless of lien priority.

(mm) "State" means the State of Texas.

(mn) "TCEQ" means the Texas Commission on Environmental Quality or its successors or assigns.

(oo) "Trustee" means any trustee named under a trust indenture or the paying agent/registrant named in a paying agent/registrant agreement entered into by the Agency securing the payment of a series of Bonds and authorized by a Bond Resolution.

(pp) "TWDB" means the Texas Water Development Board or any successor entity thereto.

(qq) "TWDB Program" means TWDB's State Participation Account as authorized pursuant to Article III, Sections 49-d, 49-d-2, and 49-d-8 of the Texas Constitution and Chapter 16, Subchapters E and F, Texas Water Code or other applicable TWDB program.

(rr) "Water Rights" means the right to produce, withdraw or divert water, and transport the water from the location where it is produced, withdrawn, or diverted into Caldwell County, Guadalupe County, Hays County, and the surrounding counties. "Water Rights" are a component of "Land Interests".

Section 1.2 **Interpretation.** The table of contents and caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa. This Contract and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Contract.

ARTICLE II

ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.1 **General.** Subject to the remaining terms and provisions of this Contract, the Agency agrees to issue the Bonds and to acquire and construct the Project as generally described in the Engineering Report. It is estimated that the Project will be placed in operation on or before December 31, 2018, or as soon thereafter as practicable. The Authorized Representative of the Agency hereby represents that he is not aware of any reason that the Project, as contemplated, cannot be completed on or before December 31, 2018. It is expressly understood and agreed that any obligations on the part of the Agency to finance, acquire, construct, and complete the Project and to provide the water to the Sponsoring Public Entities shall be (i) conditioned upon the Agency's ability to obtain all necessary permits, Land Interests, material, labor, and equipment, and upon the ability of the Agency to finance the cost of the Project through the actual sale of the Bonds, including any Bonds needed to complete the Project, and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State, and any regulatory body having jurisdiction. The Project shall be acquired and constructed by the Agency with all reasonable dispatch, and the Agency will diligently pursue such acquisition and construction in order that it may be completed as soon as practicable, delays incident to events of Force Majeure only excepted; but if for any reason there should be delays in or the entire failure of such acquisition, construction, and improvement, there shall be no diminution in or postponement of the Annual Payment Amounts to be made by the Sponsoring Public Entities hereunder and no resulting liability on the part of the Agency; provided, however, that the Sponsoring Public Entities retain the right to pursue any legal remedy to the extent that delays in the Project are the result of negligence on the part of the Agency.

Section 2.2 **Location of Project; Acquisition of Land Interests.** The Facilities will be constructed and located on, across, within, and through the Land Interests. The Agency (or one or more of the Sponsoring Public Entities acting on behalf of the Agency) shall, as soon as possible after the delivery of this Contract, and subject to the receipt of the Bond proceeds or

funds from one or more of the Sponsoring Public Entities, undertake the acquisition of the Land Interests. The Agency shall be responsible for ensuring that proper filings of each such portion of the Land Interests are made in the deed records of the appropriate counties to ensure that all interested parties have proper notice of the Agency's interests in the Land Interests. As each deed, easement, or other evidence of an interest in real property comprising a portion of the Land Interests is acquired by the Agency, a copy of such instrument, together with evidence of its filing in the deed records of the counties in which such portion lies, shall, upon the written request of a Sponsoring Public Entity, be given to that Sponsoring Public Entity.

The Agency shall acquire a title insurance policy or a title opinion showing good and indefeasible title with respect to each Land Interest acquired. A copy of each such title insurance policy or title opinion shall be retained in the Agency's official records.

Section 2.3 **Construction.** The Agency shall, as soon as possible, and in accordance with the Engineering Report, undertake to make, execute, deliver, and prosecute all contracts, orders, receipts, writings, and instructions with or to other persons, and in general do or cause to be done all such other things, as may be required for the proper acquisition and construction of the Facilities.

Section 2.4 **Selection of Project Engineer; Plans and Specifications; Bidding.** The Agency shall cause the Project Engineer to complete the Plans and Specifications and the other materials to be used in construction of the Facilities and to perform such other engineering tasks as shall be necessary for construction of the Facilities. The bid documents may include appropriate alternatives to assure the most advantageous price consistent with expeditious completion. The specifications for the Project may include as an owner cost any or all insurance coverages either required by law or deemed necessary or advisable by the Agency. Upon obtaining the approval of the Board of Directors of the Agency of the Plans and Specifications and bid documents, the Agency, through its Project Engineer, will promptly advertise for bids for the Project to the extent and as required by law. The Agency may break the construction of the Facilities into several contracts or phases as it determines is best for the timely acquisition and construction of the Facilities. After the receipt of bids, the Agency shall identify the lowest responsible bidder(s) and award the contract(s). If all bids are rejected, bids will again be solicited, following the procedure outlined above in this Section, until such time as bids satisfactory to the Agency have been received. The Agency shall not be obligated to award a construction contract unless the proceeds from the Bonds are available to pay the contract(s).

Section 2.5 **Alternative Method for Construction Procurement.** If authorized under applicable laws, the Agency may procure the design and construction services for the Facilities using an alternative procurement method, such as design-build or construction manager-at-risk. If so authorized, and if the Agency Board of Directors approves the use of an alternative procurement method, the Agency shall proceed to select the contractor and contract for the design and construction of the Facilities in compliance with all applicable laws.

Section 2.6 **Liens.** Neither the Sponsoring Public Entities nor the Agency will create or permit or suffer to exist any lien, encumbrance, or charge upon the Project or any interest therein at any time, except Permitted Liens.

Section 2.7 **Revisions of Plans.** The Plans and Specifications may be revised prior to the Completion Date.

Section 2.8 **Approvals.** Unless otherwise required by law, each consent, approval, or other official action required of the Sponsoring Public Entities or the Agency by any provision of this Contract shall be deemed in compliance with this Contract when written evidence of such action, signed by the respective Authorized Representative, is delivered to the party who is to receive evidence of such action. All contracts to be entered into by the Agency shall be authorized by the Agency's Board of Directors. The Sponsoring Public Entities will cooperate with the Agency in the design, financing, acquisition, and construction of the Project and, following the adoption of the Bond Resolution by the Agency's Board of Directors, will not take any action or fail to take any action (including, without limitation, any exercise or denial of its consent or approval of any action proposed to be taken by the Agency or any of its agents hereunder), if taking or failing to take such action, respectively, would unreasonably delay or obstruct the completion of the Project by the Agency.

Section 2.9 **Completion.**

(a) Except as otherwise provided in subsection (b) of this Section, when the Facilities have been substantially completed, the Agency shall deliver to the Sponsoring Public Entities a certificate of the Agency and the Project Engineer stating that, as of a specified date, the Project has been substantially completed and is ready to be placed in service (the date specified in such certificate being herein called the "Completion Date").

(b) The Sponsoring Public Entities and the Agency acknowledge that the proceeds of the initial series of Bonds will be insufficient to complete the acquisition and construction of the Project, and accordingly agree to use their best efforts to issue Additional Bonds, or to secure financing pursuant to the TWDB Program or a similar State or Federal Program (e.g., the USEPA Revolving Fund), in an amount sufficient to complete the Project.

Section 2.10 **Title to Water.** Title to the water shall be in the Agency until it passes through the meter or meters installed pursuant to this Contract at or near the Delivery Point, following which it shall be in the respective Sponsoring Public Entities that take delivery of the water at that point. Each of the parties hereto hereby agrees, with respect to water to which the party has title, to save and hold each other party hereto harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of the water while title to the water is in such party.

Section 2.11 **Access to Property of Sponsoring Public Entities.** Should any facilities, pipelines, or appurtenances owned by the Agency be installed in any street, alley, or public way within the boundaries of any of the Sponsoring Public Entities, as same are now constituted or as may hereafter be revised, the respective Sponsoring Public Entity hereby grants to the Agency the right, privilege and franchise of using such streets, alleys and public ways for the purposes of maintaining, operating, laying, repairing, or removing such facilities, pipelines, and appurtenances, subject to compliance by the Agency with the franchise and right-of-way management ordinances and other applicable laws and regulations of the respective Sponsoring Public Entity, and the payment of applicable franchise or right-of-way use fees.

Section 2.12 **Easements.** Each of the Sponsoring Public Entities hereby agrees to grant to the Agency such easements as may be reasonably necessary for the purposes of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocated, and removing Facilities upon, over, across and through the property of the respective Sponsoring Public Entity and giving to the Agency, and its successors and assigns, all of the rights and benefits necessary

or appropriate for the full enjoyment and use of the easement, including but without limiting the same to, the free right of ingress and egress to and from the property of the respective Sponsoring Public Entity.

Section 2.13 **Cross-Utilization of Lines.**

(a) Each Sponsoring Public Entity acknowledges that it may be necessary for the Agency to use excess capacity in transmission lines of the Sponsoring Public Entity to transport treated water to another Sponsoring Public Entity or other entity on a temporary or long-term basis. The Sponsoring Public Entity with the transmission lines hereby agrees to permit the Agency to so utilize the lines in accordance with this section and with Section 2.11 and Section 2.12. In such case, the Agency will execute an agreement with the Sponsoring Public Entity with the transmission lines describing their respective rights and obligations. This agreement may include, among other matters, the payment of reasonable fees for the Agency's use of the lines, conditions placed by the Sponsoring Public Entity on the use of its lines (including any improvements needed to facilitate Agency use of the lines), provision for cessation of Agency use of a line if the Sponsoring Public Entity determines that there is no excess capacity in the line, and any special requirements with respect to pressure or other matters relating to the lines.

(b) The Agency will furnish, install, operate, and maintain meters at the point of exit from the Sponsoring Public Entity's transmission lines to maintain accurate measurements of the quantity of water being delivered by the Agency to another Sponsoring Public Entity or other entity through the lines. Such meters shall be subject to inspection and examination by both the Sponsoring Public Entity with the transmission lines and the Agency in accordance with the provisions of Section 4.2.

(c) In the event that repairs are required to be made to any lines or appurtenances of a Sponsoring Public Entity which the Agency utilizes for the transmission of treated water to another Sponsoring Public Entity or other entity, the Agency shall participate in the cost of such repairs as may be agreed from time to time.

(d) Nothing in this Contract will prohibit two Sponsoring Public Entities from entering into an agreement related to the use by one Sponsoring Public Entity of the transmission lines of the other Sponsoring Public Entity.

Section 2.14 **Points of Delivery.** The Project will include the Facilities and Land Interests required to deliver water to the Point of Delivery for each Sponsoring Public Entity at the location depicted in the Engineering Report. However, the Project will include improvements to the transmission lines of a Sponsoring Public Entity needed to facilitate Agency use of the lines under Section 2.13 only to the extent provided for in the agreement entered into by the Agency and the Sponsoring Public Entity under that section. After completion of the Project, each Sponsoring Public Entity shall have the sole responsibility, at its own cost and expense, for providing additional pipelines and other facilities required for transporting its share of the water from the Project to new or additional Points of Delivery, but additional or alternative points of delivery will be allowed only with the consent of the Sponsoring Public Entities.

Section 2.15 **Quantity.** The Sponsoring Public Entities' proportionate share of the treated water produced by the Project is as follows:

City of Buda, Texas	5.60%
City of Kyle, Texas	20.50%
City of San Marcos, Texas	39.70%
Canyon Regional Water Authority	34.20%

Section 2.16 Other Contracts. The Agency shall not enter into contracts with persons or entities other than the Sponsoring Public Entities for the supply of water without the prior consent of all of the Sponsoring Public Entities, and any Sponsoring Public Entity may withhold its consent. Before offering to supply any quantity of water to an entity other than the Sponsoring Public Entities, the Agency shall first offer the water to the Sponsoring Public Entities, and confirm that none of the Sponsoring Public Entities wishes to contract with the Agency for the water. The sale of water by a Sponsoring Public Entity to a retail customer which, in turn, provides water through submeters to tenants is permitted.

Section 2.17 Quality. The water to be delivered by the Agency and received by the Sponsoring Public Entities shall be from sources identified generally in the Engineering Report and treated using the Facilities and equipment described generally in the Engineering Report. Each of the Sponsoring Public Entities has satisfied itself that such water is suitable for its needs. With respect to groundwater supply sources, the Agency and each of the Sponsoring Public Entities shall cooperate, each within its legal powers, in preventing possible pollution and contamination of the formation from which the water is obtained.

Section 2.18 Operation. The Agency covenants to operate the Project in accordance with Prudent Utility Practices and in accordance with applicable regulatory requirements. With respect to groundwater supply sources, the Agency and the Sponsoring Public Entities agree that the Agency shall endeavor to operate groundwater wells in a manner that avoids overdrafting of the formation from which the water is obtained, and they also agree that the Agency shall endeavor to reasonably mitigate the effects of operation of Agency groundwater wells on existing wells in the vicinity.

Section 2.19 Excess Capacity. In the event the Project is constructed so that there is excess capacity in all or any portion of the Facilities, such excess capacity shall be owned by the Agency. Any such excess capacity may be used only with the written consent of the Agency Board of Directors, which may include conditions deemed appropriate by the Board.

ARTICLE III

FINANCING OF THE PROJECT

Section 3.1 Issuance of Bonds.

(a) The Agency's acquisition and construction of the Project and improvements to the Project will be financed by (i) receipt of cash from a Sponsoring Public Entity, (ii) the Agency through the issuance of one or more series or issues of its Bonds by the Agency for a Sponsoring Public Entity, which Bonds are payable from and secured, in part, by an assignment of the Annual Payment Amounts made under this Contract by the designated Sponsoring Public Entity for which such series of Bonds are issued or (iii) any combination of (i) and (ii). It is expressly understood and agreed by the Agency and the Sponsoring Public Entities that any Bonds issued by the Agency shall be issued as separate series of each Sponsoring Public Entity requesting financing by the Agency. Each Sponsoring Public Entity shall be responsible solely for the Bond

Payments on its series of Bonds. No Sponsoring Public Entity shall have any liability or responsibility for any Bond Payments on a series of Bonds issued for another Sponsoring Public Entity. In consideration of the covenants and agreements set forth in this Contract, and to enable the Agency to issue the Bonds to carry out the intents and purposes hereof, this Contract is executed to assure the issuance of the Bonds and to provide for and ensure the due and punctual payment to the Agency or to the Trustee by each Sponsoring Public Entity for which the Agency has issued a series of Bonds, of amounts not less than the Annual Payment Amounts on a series of Bonds issued for a particular Sponsoring Public Entity. Each of the Sponsoring Public Entities hereby agrees to make, or cause to be made, its respective Annual Payment Amount, as and when due, for the benefit of the owners of the Bonds, as provided in the Bonds and the Bond Resolution.

(b) The proceeds from the sale of the Bonds, together with any cash received from a Sponsoring Public Entity, will be used for the payment of the Project Costs. The Bonds will be issued by the Agency in the amount anticipated to be required to acquire and construct the Project, including payment of all Project Costs advanced by one or more of the Sponsoring Public Entities and incurred by the Agency prior to the date of issuance of the Bonds, and to fund, to the extent deemed advisable by the Agency, a debt service reserve fund and interest on the Bonds during construction and for up to one year after the Completion Date. However, each Sponsoring Public Entity reserves the right to pay cash to the Agency for its share of the Project Costs rather than have the Agency issue Bonds on its behalf.

(c)

(i) Each Bond Resolution of the Agency shall specify the maximum principal amount of the Bonds to be issued thereunder. The Bonds shall mature not more than forty (40) years from the date of such Bonds and shall bear interest at not to exceed the maximum legal rate then permitted by law, and the Bond Resolution may create and provide for the maintenance of a revenue fund, an interest and sinking fund, a debt service reserve fund, and any other funds deemed prudent by the Agency, all in the manner and amounts as provided in such Bond Resolution.

(ii) Prior to the final adoption of a Bond Resolution or any amendment of a Bond Resolution by the Agency's Board of Directors or the execution of an Approval Certificate by the Agency, a substantially final copy of the proposed Bond Resolution for the applicable Sponsoring Public Entity, the Approval Certificate, if any, any Credit Agreements and the Sale and Offering Documents shall be presented to the applicable Sponsoring Public Entity for review and approval.

(iii) Upon approval by the Sponsoring Public Entity for which the Agency issues a series of Bonds of (i) a Bond Resolution hereafter adopted by the Agency for the applicable Sponsoring Public Entity, including any Credit Agreements, (ii) any amendments to any Bond Resolution, (iii) an Approval Certificate authorized by a Bond Resolution, and (iv) the Sale and Offering Documents, and the delivery to the Agency of a certification signed by the Authorized Representative of the respective Sponsoring Public Entity to the effect that the Bond Resolution, including any Approval Certificate, and the Sale and

Offering Documents comply with this Contract, then upon the adoption and approval of the Bond Resolution and the Approval Certificate, if any, in such final form by the Agency's Board of Directors or Authorized Representative, as the case may be, and the issuance and delivery of the Bonds to the purchaser thereof, the Bond Resolution shall for all purposes be considered approved by the respective Sponsoring Public Entity and deemed to be in compliance with this Contract in all respects, and the Bonds issued thereunder will constitute Bonds as defined in this Contract for all purposes. Any owner of Bonds is entitled to rely fully and unconditionally on any such approval.

(iv) All covenants and provisions in the Bond Resolution affecting, or purporting to bind, a Sponsoring Public Entity, shall, upon the delivery of the Bonds, become absolute, unconditional, valid, and binding covenants and obligations of the Sponsoring Public Entities so long as the Bonds and interest thereon are outstanding and unpaid, and may be enforced as provided in this Contract and the Bond Resolution. Particularly, the obligation of the respective Sponsoring Public Entity to make, promptly when due, all payments specified in this Contract shall be absolute and unconditional, and said obligation may be enforced as provided in this Contract. In addition, subject to the approval of the affected Sponsoring Public Entity, the Agency may enter into Credit Agreements for the purpose of achieving the lowest financing costs for the Project.

Section 3.2 **Proceeds of Bonds and Cash Contribution.** Subject to the terms and provisions of this Contract, the proceeds of the Bonds shall be used by the Agency for the purpose of financing and funding the Agency's acquisition and construction of the Project as provided in Section 3.1 and improvements to the Project. The Agency shall use its best efforts to issue its Bonds, in one or more separate series for each Sponsoring Public Entity requesting financing, in amounts which will be sufficient, together with any cash contributions, to accomplish such purpose. The proceeds of the Bonds shall be deposited in a construction fund established pursuant to the terms of each Bond Resolution. A trust indenture may be entered into between the Agency and a corporate trustee for the purpose of securing the payment of the Bonds. The trust indenture or the Bond Resolution, as appropriate, will establish procedures for the payment of Project Costs out of the construction fund. It is anticipated that a series of Bonds will be issued pursuant to a Bond Resolution and that a paying agent/registrars agreement will be executed between the Agency and the Trustee concerning the payment procedures with respect to such series of Bonds.

Any cash contribution made by a Sponsoring Public Entity for its share of Project Costs shall be deposited into a subaccount of the construction fund of the Agency: (i) prior to the pricing of any series of Bonds for a Sponsoring Public Entity or (ii) simultaneous with the delivery of the proceeds of any series of Bonds so long as sufficient evidence is provided to the Agency and other Sponsoring Public Entities prior to the pricing of the Bonds that their cash contribution will be available at the closing of the Bonds.

Section 3.3 **Refunding of Bonds.** The Agency reserves the right to issue refunding bonds in accordance with the laws of the State and will provide notice to each applicable Sponsoring Public Entity of the redetermined Annual Payment Amounts in accordance with Section 5.2 of this Contract.

Section 3.4 **Redemption of Bonds.** The Agency, in its sole discretion or upon the written request of a Sponsoring Public Entity (and provided that the affected series of Bonds for such Sponsoring Public Entity are subject to redemption or prepayment prior to maturity at the option of the Agency, and provided that such request is received in sufficient time prior to the date upon which such redemption or prepayment is proposed), forthwith shall take or cause to be taken all action that may be necessary under the applicable redemption provisions of such series of Bonds to redeem the Bonds or any part thereof, to the full extent of funds that are either made available for such purpose by the applicable Sponsoring Public Entity or already on deposit under the Bond Resolution and available for such purpose. The redemption of any outstanding Bonds prior to maturity at any time shall not relieve the applicable Sponsoring Public Entity of their absolute and unconditional obligation to pay each remaining Annual Payment Amount with respect to any outstanding Bonds, as specified in the Bond Resolution.

Section 3.5 **Debt Service on Bonds and Other Bond Funding Requirements.** The parties acknowledge and agree that payments to be made under this Contract will be the primary source available to the Agency to provide the money necessary for the Agency to meet its obligations with respect to a series of Bonds and any Credit Agreements. Each Sponsoring Public Entity therefore agrees to pay the Bond Payments related to the series of Bonds issued for such Sponsoring Public Entity, as outlined in subsections (a) through (c) below, in full when due as provided in this Contract. Bond Payments shall be due by the close of business on the business day prior to each date on which any of the following payments or deposits shall be due and shall be in an amount equal to all such payments and deposits due on such date:

(a) debt service on its related series of Bonds and related payments and deposits, as follows:

(i) principal of, redemption premium, if any, and interest on, its related series of Bonds, less interest to be paid out of Bond proceeds or from other sources if permitted by any Bond Resolution, and the redemption price of any Bonds to be redeemed prior to maturity when and as provided in any Bond Resolution plus the fees, expenses, and, to the extent permitted by law, indemnities of the Trustee, if any, for the Bonds, and those of the paying agent/registrars for paying the principal of and interest on the Bonds and for authenticating, registering, and transferring Bonds on the registration books; and

(ii) deposits required to be made to any special, contingency, or reserve fund by the provisions of any Bond Resolution; and

(iii) any deposit in addition thereto required to restore any deficiency in any of such funds by the provisions of any Bond Resolution,

(b) amounts payable by the Agency under a Credit Agreement; and

(c) the fees, expenses, and indemnities (to the extent permitted by law) of the remarketing agent, rate setting agent, authentication agent, arbitrage rebate compliance firm, and tender agent, if any, for the Bonds.

Section 3.6 **Billing.** The Agency will render bills to each of the Sponsoring Public Entities not more than once each month, commencing in April, 2008, for the current payments required by this Contract. Except as otherwise provided in this Contract, the monthly bill for each Sponsoring Public Entity shall be one-twelfth (1/12) of the amount of that Sponsoring

Public Entity's Annual Payment Amount for the current fiscal year of the Agency. The Agency shall, until further notice, render such bills on or before the 5th day of each month and such bills shall be due and payable on the 26th day of each month or twenty-one (21) days after such bill is deposited into the United States mail, properly stamped and addressed to each Sponsoring Public Entity, whichever is later, and thereafter, to the extent permitted by law, interest shall accrue thereon at the rate of ten per cent (10%) per annum until paid in full. The Agency may, however, from time to time by sixty (60) days' written notice, change the date by which it shall render bills, and all bills shall thereafter be due and payable twenty-one (21) days after such dates as herein provided. Each Sponsoring Public Entity shall make all payments in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and shall make payment to the Agency at its office in Hays County, Texas or at such other place as the Agency may from time to time designate by sixty (60) days' written notice.

Section 3.7 **Delinquency in Payment.** If a Sponsoring Public Entity fails to pay any bills when due and payable, the Agency may give written notice of such delinquency to the Sponsoring Public Entity and if all bills due and unpaid, including interest thereon, are not paid within forty-five (45) days after delivery of such notice, then the Sponsoring Public Entity agrees that the Agency shall be authorized, as its option, to institute suit for collection thereof and to collect any amounts due and unpaid, together with interest thereon and reasonable attorneys' fees, and the Sponsoring Public Entity further agrees that the Agency may, as its option, discontinue providing water to the Sponsoring Public Entity until all amounts due and unpaid are paid in full with interest as herein specified. Any such discontinuation of service shall not, however, relieve the Sponsoring Public Entity of its unconditional obligations to make the payments required by this Contract.

Section 3.8 **Agency's Rights Assigned to Trustee.** The Sponsoring Public Entities are advised and recognize that as security for payment of a series of Bonds issued for a Sponsoring Public Entity, the Agency may assign to the Trustee, pursuant to one or more trust indentures (or paying agent/registrars agreements) to be authorized by the Bond Resolution, the Agency's rights under this Contract, including the right to receive payments due from the Sponsoring Public Entities hereunder (but not the right to receive payments, if any, under Section 8.13 hereof). The Sponsoring Public Entities herewith assent to such assignment and will make the payments due from them hereunder directly to the Trustee without defense or set-off by reason of any dispute between one or more of the Sponsoring Public Entities and the Agency or the Trustee. All rights against the Sponsoring Public Entities arising under this Contract or the Bond Resolution and assigned to the Trustee may be enforced by the Trustee, or the owners of the Bonds, to the extent provided in the Bond Resolution, and the Trustee, or the owners of the Bonds, shall be entitled to bring any suit, action, or proceeding against the Sponsoring Public Entities, to the extent provided in the Bond Resolution, for the enforcement of this Contract, and it shall not be necessary in any such suit, action, or proceeding to make the Agency a party thereto.

Section 3.9 **Tax-Exempt Bonds.** The parties hereto understand and agree that the Agency will use its best efforts to provide for, but will not be liable for a failure to produce, the lowest overall debt service cost for any series of Bonds to be issued for the Project. In connection therewith, the parties understand that the Agency intends to issue Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax

purposes, except that the parties recognize the series of Bonds issued for the Canyon Regional Water Authority will likely be taxable pursuant to the provisions of the Code. The parties hereto acknowledge their understanding that the federal income tax laws impose certain restrictions on the use and investment of proceeds of such tax-exempt bonds and on the use of the property financed therewith and the output produced therefrom. Accordingly, the parties agree and covenant that if any series of Bonds are offered to investors with the understanding that the interest will be exempt from federal income taxation, then the parties, their assigns and agents, will take such action to assure, and refrain from such action which will adversely affect, the treatment of such Bonds as obligations described in section 103 of the Code. Should any party fail to comply with such covenant, the effect of which being that the Bonds no longer qualify as obligations described in the Code, such defaulting party shall be liable for all costs resulting from the loss of the tax-exempt status of the Bonds. The parties hereby agree and covenant to comply with all of the representations and covenants relating to such exemption which are set out in any Bond Resolution. The parties further agree and covenant that in the event any series of Bonds issued are to be tax-exempt, they will modify such agreements, make such filings, restrict the yield on investments, and take such other action necessary to fulfill the applicable provisions of the Code. For these purposes, the parties may rely on the respective opinion of any firm of nationally-recognized bond attorneys selected by them. In the event that a conflict arises in the opinions of the respective firms of the parties, the parties will identify a different firm that is mutually acceptable to all parties in order to resolve the conflict of opinion.

Section 3.10 **Payment to Rebate Fund.** In the event that tax-exempt Bonds are issued as provided in Section 3.9, the Agency hereby covenants and agrees to make the determinations and to pay any deficiency into a rebate fund, at the times and as described in the Bond Resolution to comply with the provisions of section 148(f)(2) of the Code. In any event, if the amount of cash held in the rebate fund shall be insufficient to permit the Trustee to make payment to the United States of America of any amount due on any date under section 148(f)(2) of the Code, each of the Sponsoring Public Entity forthwith shall pay the amount of such insufficiency for the series of Bonds issued for such Sponsoring Public Entity on such date to the Trustee in immediately available funds for such purpose. The obligations of the Sponsoring Public Entities under this Section 3.10 are direct obligations of each Sponsoring Public Entity, acting under the authorization of, and on behalf of, the Agency and the Agency shall have no further obligation or duty with respect to the rebate fund.

Section 3.11 **Sponsoring Public Entities' Obligations.** In the event the Project is not completed for any of the reasons contemplated herein or otherwise, or any proceeds from issuance of a series of Bonds are not used for completion of the Project for any reason, any Bond proceeds and earnings thereon for such series not used for completion of the Project shall be utilized to satisfy amounts due and owing on the related series of Bonds as described in the Bond Resolution, and herein, so as to reduce the Annual Payment Amounts which would otherwise be due hereunder, or be applied for the benefit of the Sponsoring Public Entity for which a series of Bonds are being issued as provided in the Bond Resolution. Each of the Sponsoring Public Entities has covenanted absolutely and unconditionally, in accordance with all other terms of this Contract, to make payment of the Annual Payment Amounts, as provided herein, in consideration for such application of the money as well as the other covenants and obligations of the Agency and others set forth or contemplated herein.

Section 3.12 **Interest on Money.** All legally available money respecting a series of Bonds shall be invested in the manner set forth in the Bond Resolution. Any interest earnings on the Bond proceeds may be used to pay principal of and interest on the related series of Bonds or for the payment of any Project Costs or other costs related to the Project approved by the Sponsoring Public Entity for which such Bonds were issued, subject to Section 3.9.

Section 3.13 **Sale and Offering Documents.** At the request of the Agency, each of the Sponsoring Public Entities for which a series of Bonds are being issued shall provide to the Agency current and historical information concerning such Sponsoring Public Entity's System, the financial conditions, results, and prospects of the Sponsoring Public Entity, and such other information concerning such Sponsoring Public Entity as the Agency shall deem advisable for inclusion in the Sale and Offering Documents for the series of Bonds of to be issued for such Sponsoring Public Entity, and shall certify to the Agency and the underwriters of any offering of Bonds to be made by means of such Sale and Offering Documents when and if the Sponsoring Public Entity deems such Sale and Offering Documents to be complete and final for purposes of the Rule. Each of the Sponsoring Public Entities represents and warrants that all statements concerning it (including, without limitation, its financial condition, results, and prospects, its System, and any demographic and economic information concerning the area served by its System) that are contained in any Sale and Offering Document approved by the Sponsoring Public Entities pursuant to Section 3.1 hereof shall be true in all material respects and shall not omit to state any material fact necessary to make the statements made in such Sale and Offering Document, in the light of the circumstances in which they are made, not misleading.

Section 3.14 **Right of Sponsoring Public Entities to Prepay.** Each of the Sponsoring Public Entities shall have the right at any time to prepay all or any portion of the Annual Payment Amounts. Subject to the provisions of Section 3.9, such prepaid Annual Payment Amounts shall be used and invested by the Agency as directed by the Sponsoring Public Entity which paid (i) as a credit against future Annual Payment Amount obligations of such Sponsoring Public Entity, (ii) to redeem Bonds issued for such Sponsoring Public Entity pursuant to the provisions of Section 3.4, or (iii) to provide for the defeasance of the Bonds pursuant to the provisions of the Bond Resolution. Any such prepayment will not cause a termination of this Contract until all other amounts owed or to be incurred by the Agency or any other person under the provisions of the Bond Resolution (including the charge for water pursuant to Section 8.5 hereof) have been paid in full or waived by such person.

ARTICLE IV

METERING AND MEASUREMENT

Section 4.1 **Unit of Measurement.** The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

Section 4.2 **Measuring Equipment.**

(a) The Agency shall furnish, install, operate and maintain at its own expense for each Delivery Point the necessary electronic or other equipment and devices of standard type for measuring properly the quantity of water delivered under this Contract. Such meter or meters and other equipment so installed shall remain the property of the Agency. The Sponsoring Public Entities shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of the

Agency. For the purpose of this Contract the original record or reading of the meter or meters shall be the journal or other record book of Agency in its office in which the records of the employees or agents of the Agency who take readings are or may be transcribed. Upon written request of a Sponsoring Public Entity, the Agency will give the Sponsoring Public Entity a copy of such journal or record book, or permit the Sponsoring Public Entity to have access to the same in the office of the Agency during reasonable business hours.

(b) The Agency shall calibrate its meters periodically, but at least once each year. Each Sponsoring Public Entity shall be entitled to have a representative present during each calibration, and the parties shall jointly observe any needed adjustments which are made to the meters. If the check meters hereinafter provided for have been installed, the same shall also be calibrated by the Sponsoring Public Entities in the presence of a representative of the Agency, and the parties shall jointly observe any needed adjustment. If the Sponsoring Public Entities in writing request the Agency to calibrate its meters, and the Agency gives the Sponsoring Public Entities notice of the time when the calibration is to be made, and a representative of any Sponsoring Public Entity is not present at the time set, the Agency may proceed with calibration and adjustment in the absence of a representative of that Sponsoring Public Entity.

(c) If any party at any time observes a variation of one percent (1%) or more between the delivery meter or meters and the check meter or meters (if any such check meter or meters are installed), such party will promptly notify the other parties, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment, and the said delivery and check meter or meters shall then be tested and adjusted to accuracy. Each party shall give the other parties forty-eight (48) hours' notice of the time of all tests of meters so that the other parties may conveniently have a representative present.

(d) If upon any test, the percentage of inaccuracy of any 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 ($\frac{1}{2}$) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the 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 or meters were registering accurately.

(e) One or more of the Sponsoring Public Entities may, at their option and their own expense, install and operate a check meter to check each delivery meter installed by the Agency, but the measurement of water for the purpose of this Contract shall be solely by the Agency's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Agency. The reading, calibration and adjustment thereof, however, shall be made only by the respective Sponsoring Public Entity or Entities,

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 the Agency with like effect as if such check meter or meters had been furnished or installed by the Agency.

ARTICLE V

ANNUAL PAYMENT AMOUNTS, SPONSORING PUBLIC ENTITY COVENANTS

Section 5.1 **Annual Estimate of Annual Payment Amounts.** Not less than ninety (90) days prior to the beginning of each Fiscal Year, the Agency shall furnish to the Agency Board of Directors, and to each of the Sponsoring Public Entities, a proposed budget that includes an estimate of the Annual Payment Amounts for that Fiscal Year from each Sponsoring Public Entity, and a schedule of the monthly payments required to be paid by each Sponsoring Public Entity in such Fiscal Year. The Annual Payment Amount for each Sponsoring Public Entity shall include the Entity's Bond Payment and the anticipated proportionate share of the Operation and Maintenance Expenses and Overhead Expenses of the Agency. The Agency Board shall review the proposed budget, and after making any adjustments which are reasonable and necessary, shall approve the budget not later than ten (10) days before the beginning of the Fiscal Year. The Agency Board shall ensure that each approved budget includes appropriate amounts for making of all Bond Payments by the Agency.

Section 5.2 **Payments by the Sponsoring Public Entities.**

(a) Each of the Sponsoring Public Entities hereby agrees that it will make payment of its Bond Payment, to the extent the Agency issues a series of Bonds for such Sponsoring Public Entity, and its proportionate share of the Operation and Maintenance Expenses and Overhead Expenses to the Agency, or to the Trustee on behalf of the Agency, as provided in the Bond Resolution, and in accordance with the procedures established in Section 3.6 hereof. If a Sponsoring Public Entity at any time disputes the amount to be paid by it to the Agency, such Sponsoring Public Entity shall nevertheless promptly make such payment or payments, but if it is subsequently determined by agreement or court decision that such disputed payments made by the Sponsoring Public Entity should have been less, or more, the Agency shall promptly revise the charges for such Sponsoring Public Entity in such manner that the Sponsoring Public Entity will recover its overpayment or the Agency will recover the amount due it. The Agency shall pursue all legal remedies against the Sponsoring Public Entities to enforce and protect the rights of the Agency and the owners of the Bonds, and the Sponsoring Public Entities shall not be relieved of the liability to the Agency for the payment of all amounts which are due by them hereunder.

(b) Except to the extent otherwise provided by the Bond Resolution, all amounts due under this Contract shall be paid and are due in Hays County, Texas, which is the County in which the principal administrative offices of the Agency are located.

(c) The Agency shall redetermine the estimate and schedule of Annual Payment Amounts due in any Fiscal Year at any time during such Fiscal Year, as and to the extent deemed necessary or advisable by the Agency to accurately forecast the Annual Payment Amounts and the dates of payments to be made by each of the Sponsoring Public Entities, if (i) the Agency issues Bonds to complete the Project or to refund any Bonds or enters into, amends, or terminates a Credit Agreement, (ii) actual interest rates on any variable interest rate Bonds differ from those

projected by the Agency, or (iii) any other event occurs which results in an increase or decrease in the Annual Payment Amounts required to be made by the Sponsoring Public Entities in such Fiscal Year.

(d) If, during any Fiscal Year, the Annual Payment Amount is redetermined in any manner as provided or required in this Section, the Agency will promptly furnish each of the Sponsoring Public Entities with an updated schedule of payments reflecting such redetermination.

(e) Notwithstanding anything herein to the contrary, no failure of the Agency to estimate, and no mistake by the Agency in any estimate of, the amount of or schedule for payments due from the Sponsoring Public Entities in any Fiscal Year shall relieve the Sponsoring Public Entities from (or defer) their absolute and unconditional obligation to pay all Annual Payment Amounts in full when due.

(f) The Agency shall, to the extent permitted by law, suspend the delivery of services or water from the Project to any Sponsoring Public Entity which remains delinquent in any payments due under the preceding paragraphs for a period of thirty (30) days, and shall not resume delivery of services or water while such Sponsoring Public Entity is so delinquent. The Agency also retains the right to charge a reconnection fee or other appropriate charges prior to commencing utility service to the delinquent Sponsoring Public Entity. It is further provided and agreed that if any Sponsoring Public Entity should remain delinquent in any payments due hereunder for a period of one hundred twenty days, and if such delinquency continues during any period thereafter, such Sponsoring Public Entity's proportionate share specified in Section 2.15 shall be deemed to have been zero percent during all periods of such delinquency, for the purpose of calculating and redetermining the percentage of Operation and Maintenance Expenses and Overhead Expenses to be paid by the non-delinquent Sponsoring Public Entities and the Agency, and the Agency shall redetermine such percentage of Operation and Maintenance Expenses and Overhead Expenses on that basis in such event so that the non-delinquent Sponsoring Public Entity and the Agency collectively shall be required to pay all of the Operation and Maintenance Expenses and Overhead Expenses. However, the Agency shall pursue all legal remedies against any such delinquent Sponsoring Public Entity to enforce and protect the rights of the Agency and the other Sponsoring Public Entities, and any non-delinquent Sponsoring Public Entity may also pursue remedies against the delinquent Sponsoring Public Entity in coordination with the Agency. The delinquent Sponsoring Public Entity shall not be relieved of the liability to the Agency for the payment of all Operation and Maintenance Expenses and Overhead Expenses which would have been due hereunder had no default occurred or the percentage had not been redetermined as provided in this Section. If any amount of Operation and Maintenance Expenses and Overhead Expenses due and owing the Agency by any Sponsoring Public Entity is placed with an attorney for collection, such Sponsoring Public Entity shall pay to the Agency, and to the non-delinquent Sponsoring Public Entities, as appropriate, all attorneys' fees, in addition to all other payments provided for herein, including interest. In the event the Agency redetermines the percentages of the Operation and Maintenance Expenses and Overhead Expenses to be made by the non-delinquent Sponsoring Public Entities under this subsection then the Agency shall also redetermine each non-delinquent Sponsoring Public Entity's pro rata share of treated water from the Project for the period of the delinquency, and the non-delinquent Sponsoring Public Entities shall be entitled to use of their respective redetermined shares during the period of delinquency.

Section 5.3 **Source of Payment.**

(a) Each of the Sponsoring Public Entities represents and covenants that all payments to be made by them under this Contract shall constitute reasonable and necessary "operating expenses," as defined in Chapter 1502, as amended, Texas Government Code, of its System, but only to the extent of the Annual Payment Amount. A Sponsoring Public Entity shall not be obligated to make its payments under this Contract from any source other than the gross revenues of its System. Each of the Sponsoring Public Entities further represents that its Governing Body has determined that the services to be provided by the Project are absolutely necessary and essential to provide water to that Sponsoring Public Entity.

(b) Each of the Sponsoring Public Entities agrees throughout the term of this Contract to fix and collect such rates and charges for services to be supplied by its System as will produce gross revenues at all times during the term of this Contract in an amount at least equal to (i) all of the expenses of operation and maintenance of the Sponsoring Public Entity's System, including specifically its payments under this Contract and (ii) all other amounts as required by law and the provisions of the ordinances or resolutions authorizing the Sponsoring Public Entity's Utility Bonds or other obligations now or hereafter outstanding payable, in whole or in part, from the net revenues of the Sponsoring Public Entity's System, including the amounts required to pay all principal of and interest on such Sponsoring Public Entity's Utility Bonds and other obligations.

(c) No ad valorem tax revenues of any of the Sponsoring Public Entities shall be pledged to the payment of any amounts to be paid by the Sponsoring Public Entities to the Agency under this Contract, nor shall the Agency have the right to demand payment of any amounts to be paid by the Sponsoring Public Entities under this Contract be paid from funds raised or to be raised from ad valorem taxation from the Sponsoring Public Entities. The obligations under this Contract shall never be construed to be a debt or pecuniary obligation of any of the Sponsoring Public Entities of such kind as to require any of the Sponsoring Public Entities to levy and collect an ad valorem tax to discharge their obligations.

Section 5.4 **Agency's Operation and Maintenance Expenses and Overhead Expenses.** To the extent not paid out of the proceeds of the Bonds, or otherwise, each of the Sponsoring Public Entities shall pay and reimburse the Agency for all of its proportionate share of Operation and Maintenance Expenses and Overhead Expenses incurred by the Agency throughout the term of this Contract within thirty (30) days of receipt of documentation therefor from the Agency. The Sponsoring Public Entities also agree, with the consent of the Agency, to enter into an interlocal agreement among themselves and with the Agency to provide for, among other matters, an annual adjustment of the Operation and Maintenance Expenses and Overhead Expenses paid by each Sponsoring Public Entity based upon certain formulas and taking into account the quantity of water actually utilized by each Sponsoring Public Entity.

Section 5.5 **Annual Budgeting by the Sponsoring Public Entities.** Each Sponsoring Public Entity shall make provision in its annual budgets and shall appropriate an amount sufficient, at a minimum, for the payment of all amounts required to be paid by the Sponsoring Public Entity from the sources specified under this Contract.

Section 5.6 **Revenue Sources Pledged.** Each of the Sponsoring Public Entities hereby pledges the gross revenues of its System to the payment of its obligations under this Contract, and recognizes that the Agency will, and authorizes the Agency to, pledge the Annual Payment Amounts owing to the Agency by the Sponsoring Public Entities under this Contract to

the payment of the Bonds and Credit Agreements. The Agency agrees to make the payments for the Bonds and Credit Agreements when and as required by the Bond Resolution, the Credit Agreements, and this Contract, from and to the extent of capitalized interest, proceeds of the Bonds not expended for the Project, and payments made by the Sponsoring Public Entities.

Section 5.7 **General Covenants.** Each Sponsoring Public Entity further represents, covenants and agrees that in accordance with and to the extent permitted by law:

(a) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each ordinance or resolution authorizing the issuance of its Sponsoring Public Entity's Utility Bonds; and it will, at the time and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the fund and accounts created by said ordinances, but only from and to the extent of the sources of funds and after satisfaction of all prior obligations described therein.

(b) Sponsoring Public Entities' Legal Agency. It is a duly created and existing municipality of the State, or a conservation and reclamation district and political subdivision of the State, as applicable, and is duly authorized under the laws of the State to enter into this Contract, and that all action on its part for the execution and delivery of this Contract has been duly and effectively taken; and that this Contract is a valid and enforceable special obligation of the Sponsoring Public Entities in accordance with its terms.

(c) Acquisition and Construction; Operation and Maintenance. (1) It shall use its best efforts in accordance with Prudent Utility Practice to acquire and construct, or cause to be acquired and constructed, any capital improvements to its System needed for it to secure delivery of its proportionate share of treated water from the Project at the agreed Delivery Points, which shall mean and include any capital extensions, improvements, and betterments, in accordance with the plans and specifications therefor, as modified from time to time with due diligence and in a sound and economical manner; and (2) it shall at all times use its best efforts to operate or cause to be operated its System properly and in an efficient manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacement, and renewals so that at all times the operation of its System may be properly and advantageously conducted.

(d) Title. It has or will obtain lawful title, whether such title is in fee or lesser interest, to the lands, buildings, structures, and facilities constituting its System; it will defend the title to all the aforesaid lands, buildings, structures, and facilities, and every part thereof, for the benefit of the Agency and the owners of the Bonds, against the claims and demands of all persons whomsoever; and it is lawfully qualified to pledge the gross revenues of its System to the payment of the payments required by this Contract in the manner prescribed herein, and has lawfully exercised such rights.

(e) Liens. It will from time to time, and before the same become delinquent, pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon its System; it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the lien granted hereunder

shall be fully preserved in the manner provided herein; and it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the lien hereof might or could be impaired; provided however, that no such tax, assessment, or charge, and no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Sponsoring Public Entity.

(f) Books, Records, and Accounts. It shall keep proper books, records, and accounts separate and apart from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to its System, the Bonds, and the Sponsoring Public Entities, and it shall cause said books and accounts to be audited annually as of the close of each Fiscal Year by the Accountant. At the request of the Agency, the Sponsoring Public Entity shall allow the Agency to audit such books, records, and accounts at any reasonable time and from time to time.

(g) Insurance.

(i) Except as otherwise permitted in clause (ii) below, it shall cause to be insured such parts of its System as would usually be insured by public entities operating like properties, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by public entities operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the legal counsel for the Sponsoring Public Entity gives a written opinion to the effect that the Sponsoring Public Entity is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Sponsoring Public Entities shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Agency at all reasonable times.

(ii) In lieu of obtaining policies for insurance as provided above, the Sponsoring Public Entities may self-insure against risks, accidents, claims, or casualties described in clause (i) above.

(iii) The annual audit hereinafter required shall contain a section commenting on whether or not the Sponsoring Public Entity has complied with the requirements of this Section with respect to the maintenance of insurance, and listing the areas of insurance for which the Sponsoring Public Entity is self-insuring, all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(h) Audits. After the close of each Fiscal Year while this Contract is in effect, it shall cause an audit to be made of the books and accounts relating to its System and of the revenues and expenses of its System by the Accountant. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to the Sponsoring Public Entity, a copy of such audit for the preceding Fiscal Year shall be mailed to the Agency.

Such annual audit reports shall be open to the inspection of the Agency, its agents and representatives, the Trustee, and the owners of the Bonds at all reasonable times at the Agency's office.

(i) Governmental Agencies. It will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to its System, and which have been obtained from any governmental agency; and the Sponsoring Public Entities have or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of its Sponsoring Public Entity's System.

(j) No Competition. To the extent it legally may, it will not grant any franchise or permit for the acquisition, construction, or operation of any competing facilities which might be used as a substitute for its System's facilities, and, to the extent that it legally may, each Sponsoring Public Entity will prohibit any such competing facilities.

(k) Rights of Inspection. The Agency, the Trustee, and the owners of 10% or more in principal amount of the Bonds of any series shall have the right at all reasonable times to inspect its System and all records, accounts, and data of the Sponsoring Public Entity relating thereto, and upon request the Sponsoring Public Entity shall furnish to the Agency, the Trustee, and such owners of Bonds such financial statements, reports, and other information relating to the Sponsoring Public Entity and its System as any such person may from time to time reasonably request.

(l) Sale, Lease, or Disposal of Property by the Sponsoring Public Entities. A Sponsoring Public Entity shall not sell, lease, mortgage, demolish, remove, or otherwise dispose of any part of its System, except as follows:

(i) To the extent permitted by law, a Sponsoring Public Entity may sell or exchange at any time and from time to time any property or facilities constituting a part of its System only if (a) it shall determine such property or facilities are not useful in the operation of its System, (b) the proceeds of such sale are \$250,000 or less, or it shall have received a certificate executed by the Sponsoring Public Entity's Engineer of Record and Authorized Representative stating, in their opinion, that the fair market value of the property or facilities exchanged is \$250,000 or less, (c) if such proceeds or fair market value exceeds \$250,000, it shall have received a certificate executed by the Sponsoring Public Entity's Engineer of Record and Authorized Representative stating, in their opinion, that the sale or exchange of such property or facilities will not impair the ability of the Sponsoring Public Entity to comply during the current or any future year with the provisions of Section 5.3(b) of this Contract, or (d) the sale or exchange will not adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the Sponsoring Public Entity's System shall forthwith, at the option of the Sponsoring Public Entity, be used as provided in the ordinances of the Sponsoring Public Entity authorizing its Utility Bonds.

(ii) To the extent permitted by law, the Sponsoring Public Entity may lease or make contracts or grant licenses for the operation of, or make

arrangements for the use of, or grant easements or other rights with respect to, any part of its System, provided that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by the Sponsoring Public Entity of the System, (ii) does not in any manner impair or adversely affect the rights or security of the Agency under this Contract; and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement, or other right is in excess of \$500,000, the Sponsoring Public Entity shall have received a certificate executed by the Sponsoring Public Entity's Engineer of Record and Authorized Representative that the action of the Sponsoring Public Entity with respect thereto does not result in a breach of the conditions under this subsection (2), and (iii) does not adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof. Any payments received by the Sponsoring Public Entity under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the Sponsoring Public Entity's System or any part thereof shall constitute gross revenues of the System.

ARTICLE VI

CONTINUING DISCLOSURE

Section 6.1 Annual Reports.

(a) Following the issuance of Bonds of any series by the Agency for the benefit of the appropriate Sponsoring Public Entity, the offer or sale of which is not exempt from the Rule and, until the Sponsoring Public Entities are no longer obligated, contingently or otherwise, to pay the Annual Payment Amounts in respect of the Bonds of such series, each Sponsoring Public Entity undertakes to and shall provide annually to each NRMSIR and any SID, within six months after the end of each Fiscal Year, (1) financial information and operating data of the general type included in the Sale and Offering Documents for the Bonds of such series, as specified in the Sponsoring Public Entities' approval of such Sale and Offering Documents pursuant to Section 3.1 hereof and (2) audited general purpose financial statements of the Sponsoring Public Entity, if then available. Any financial statements so to be provided shall be (1) prepared in accordance with generally accepted accounting principles for governmental agencies or such other accounting principles as the Sponsoring Public Entity may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Sponsoring Public Entity commissions an audit of such statements and the audit is completed within the period during which it must be provided. If the audit of such financial statements is not complete within such period, then the Sponsoring Public Entity shall provide unaudited financial statements within the required period, and shall provide audited financial statements for the applicable Fiscal Year to each NRMSIR and any SID, when and if the audit report on such statements become available.

(b) If a Sponsoring Public Entity changes its Fiscal Year, it will notify the Trustee, each NRMSIR, and any SID in writing of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Sponsoring Public Entity otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be incorporated by specific

reference to any document or specific part thereby (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC. Copies of such information and operating data shall be furnished to the Agency at the same time the information and data are furnished to any NRMSIR or SID.

Section 6.2 **Material Event Notices.** (a) The following are the events with respect to the Bonds which the Agency must agree to disclose in a timely manner pursuant to the Rule, if “material” under applicable federal securities laws and regulations promulgated thereunder.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (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 or events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of holders of the Bonds;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds; and
- (11) Rating changes.

(b) A Sponsoring Public Entity shall, promptly after obtaining actual knowledge of the occurrence of any of the events enumerated in (a) above with respect to such Sponsoring Public Entity, notify the Agency of such event and provide all information in the format required to satisfy the requirements of the Rule. Further, the Sponsoring Public Entity shall provide, in a timely manner, notice of any failure by the Sponsoring Public Entity to provide audited financial statements, financial information, and operating data in accordance with Section 6.1 hereof to each NRMSIR and each SID.

Section 6.3 **Limitations, Disclaimers, and Amendments.**

(a) Each Sponsoring Public Entity shall be obligated to observe and perform the covenants specified in this Article in respect of its Bonds of any series for so long as, but only for so long as, the Sponsoring Public Entity remains an “obligated person” with respect to the Bonds of such series within the meaning of the Rule, except that a Sponsoring Public Entity in any event will give notice of any deposit made in accordance with the Bond Resolution that causes Bonds of such series no longer to be outstanding.

(b) The provisions of this Article are for the sole benefit of (and may be enforced by) the owners and beneficial owners of the Bonds of such Sponsoring Public Entity, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Sponsoring Public Entities undertake to provide only the financial information, operating data, financial statements, and notices which they have expressly agreed to provide pursuant to this Article and they do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of their respective financial results, condition, or prospects, nor do they hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Sponsoring Public Entities make no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(c) UNDER NO CIRCUMSTANCES SHALL ANY SPONSORING PUBLIC ENTITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE SPONSORING PUBLIC ENTITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(d) No default by a Sponsoring Public Entity in observing or performing its obligations under this Article shall comprise a breach of or default under this Contract for purposes of any other provision of this Contract.

(e) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Agency or the Sponsoring Public Entities under federal and state securities laws.

(f) The provisions of this Article may be amended by the Agency and the appropriate Sponsoring Public Entities 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 Agency or the appropriate Sponsoring Public Entities, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds of the applicable series in the primary offering of the Bonds of such series in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Contract that authorizes such an amendment) of the outstanding Bonds of each such series affected consent to such amendment or (b) an entity that is unaffiliated with the Agency or the appropriate Sponsoring Public Entities (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the owners and beneficial owners of the Bonds of such series and is permitted by the terms of the Article. If the Agency and the appropriate Sponsoring Public Entities so amend the provisions of this Article in connection with the financial or operating data which the Sponsoring Public Entities are required to disclose under Section 6.1 hereof, the appropriate Sponsoring Public Entities shall provide a notice of such amendment to be filed in accordance with Section 6.2(b) hereof, together with an explanation, in narrative form, of the reason for the amendment and the impact of any change in the type of financial information or operating data to be so provided. The Agency and the

appropriate Sponsoring Public Entities may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provision 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.

ARTICLE VII

COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

Section 7.1 **Compliance with Federal, State and Local Laws.** In addition to the provisions of Section 8.8 hereof, this Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders and regulations of any local, state or federal government authority having or asserting jurisdiction. The Contract is specifically subject to the rules of the TCEQ, and the Agency shall have the right to terminate this Contract with respect to a Sponsoring Public Entity upon the Sponsoring Public Entity's non-compliance with the rules promulgated by the TCEQ. Pursuant to those rules the parties will comply with all of the applicable requirements in Section 7.2 hereof.

Section 7.2 **Recordkeeping and Reporting.** The Sponsoring Public Entities and the Agency shall maintain records relating to the Agency on site for a period of five (5) years.

(a) Records to be maintained by the Agency include:

- (i) copies of notifications made to the TCEQ concerning water projects;
- (ii) as applicable, copies of contracts made with each water user;
- (iii) records of volume of water delivered to each water user per delivery, and
- (iv) water quality analyses.

(b) Records to be maintained by each Sponsoring Public Entity include:

- (i) records of volume of water delivered to the Sponsoring Public Entity by the Agency;
- (ii) records of water quality analysis of the Sponsoring Public Entity's distribution system;
- (iii) calibration records for any check meters (as described in Section 4.2(e) above) owned, maintained, or controlled by the Sponsoring Public Entity, and
- (iv) maintenance records pertinent to each Agency delivery point to the Sponsoring Public Entity.

(c) The Agency shall report to the TCEQ on a monthly basis the following information on forms furnished by the Executive Director of the TCEQ:

- (i) volume of water delivered to each Sponsoring Public Entity.

(ii) quality of water delivered to the Sponsoring Public Entities reported as a monthly average for each quality criteria except those listed as "not to exceed," which shall be reported as individual analyses.

Such reports are due to the TCEQ by the 20th day of the month following the reporting period.

The foregoing requirements of this Article VII shall be amended as necessary to comply with the rules of the TCEQ.

All costs of compliance with the rules of the TCEQ shall be paid by the Agency, but such costs shall be considered an Operation and Maintenance Expense.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 **Participation by the Parties.** Each party represents to the other parties that it is empowered by law to participate in the acquisition, construction, and financing of the Project, and to execute this Contract and other agreements and documents as are or may hereafter be required to accomplish the same; and that its participation in the Project and execution of this Contract have been duly authorized by action of its Governing Body at a meeting conducted in accordance with the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code. Each party agrees to furnish to the other parties such documentation or evidence of its authority to so participate and execute this Contract and other agreements and documents as the other parties may reasonably request, and to take and perform such other and further actions and execute such other agreements and documents as may be reasonably required to carry out the provisions of this Contract.

Section 8.2 **Insurance.**

(a) The Agency agrees to carry public liability insurance and environmental pollution insurance on the Project for purposes and in amounts which ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the Agency shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the Agency's legal counsel, be potentially liable considering relevant governmental immunities of the Sponsoring Public Entities and the Agency. The Agency shall also carry property casualty insurance in the amount of the replacement value of all improvements and personal property connected with the Project (less a deductible comparable to the deductible on the Sponsoring Public Entities' property insurance for their respective properties generally). All premiums for such insurance shall constitute an expense of the Project but may be paid out of the proceeds of the Bonds to the extent that such proceeds are available. In the event the Agency is required to pay a deductible with respect to a claim under any such policy, the amount of such deductible shall constitute an expense and shall be paid by the Sponsoring Public Entities.

(b) The Agency shall require the contractor or contractors employed for construction of the Project to carry insurance and bond coverages throughout the construction period in at least the following amounts: (1) workers' compensation: State law limits; (2) general liability (including contractual liability) and automobile liability: one million dollars (\$1,000,000) per

person and two million dollars (\$2,000,000) per occurrence for bodily injury, and one million dollars (\$1,000,000) for property damage; (3) builder's risk: full replacement value of improvements; (4) performance and payment bond: full value of contract; (5) cost overrun insurance; and (6) timely completion insurance. The Agency shall secure from the contractor or contractors a certified copy of such effective policy of insurance, and original bonds, prior to commencement of construction, and the Agency shall furnish a copy of the policy and bonds to a Sponsoring Public Entity upon request. Such insurance policies shall name the Agency and the Sponsoring Public Entities as additional insureds, and the Agency shall require the contractor to provide a certificate of insurance to the Agency showing the required coverages, and providing that the policies may not be canceled, changed, or not renewed until the Agency has been given thirty (30) days prior written notice of such event.

(c) The insurance required by this section may be modified by written agreement of the Sponsoring Public Entities and the Agency, in accordance with good business practice. Any questions about the scope of coverage required hereunder shall be resolved by written agreement between the Sponsoring Public Entities and the Agency. The parties can agree to substitute an owner controlled insurance program for any of the above specified insurance requirements.

Section 8.3 **Force Majeure.** If by reason of Force Majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of each of the Sponsoring Public Entities to make the payments required under Sections 3.5, and 5.2 of this Contract, then if such party shall give notice and full particulars of such Force Majeure in writing to the other parties within a reasonable time after the 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" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, blue northers, 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, inability on the part of the Agency to deliver water for any reason, or any other causes not reasonably within the control of the party claiming such inability.

Section 8.4 **Unconditional Obligation to Make Payment.** Recognizing the fact that the Sponsoring Public Entities urgently require the facilities and services of the Project, and that such facilities and services are essential and necessary for actual use and for standby utility system purposes, and recognizing the fact that the payments to be received from each of the Sponsoring Public Entities will be the primary source of funds available to the Agency and the Trustee to pay the Bonds and other Project Costs, and recognizing the fact that purchasers of the Bonds will rely on the obligation of the Sponsoring Public Entities to pay the Annual Payment Amounts with respect to their series of Bonds in accordance with the provisions of this Contract, each of the Sponsoring Public Entities hereby waives all rights of set-off, recoupment, counterclaim, suspension, deferment, reduction, and amendment against the Agency, the Trustee, and any other direct or indirect recipients of payments with respect to making the Annual Payment Amounts. Each of the Sponsoring Public Entities agrees that it shall make its appropriate Annual Payment Amounts even if no Bonds are issued for its benefit by the Agency

and, if any Bonds are issued, it shall be unconditionally obligated to pay the Annual Payment Amounts as provided and determined by this Contract, regardless of whether or not the Agency actually acquires, constructs, or completes the Project, or breaches any obligation on the Agency's part hereunder, and whether or not the Sponsoring Public Entity actually uses the Project, whether due to Force Majeure or any other reason whatsoever, regardless of any other provisions of this Contract, or any other contract or agreement between any of the parties hereto. This covenant by each of the Sponsoring Public Entities shall be for the benefit of and enforceable by the owners of the Bonds and/or by the Agency.

By entering into this Contract and performing their obligations under any Section of this Contract, the Sponsoring Public Entities do not release any persons from or waive any claims against such persons that the Sponsoring Public Entities may have resulting from actions by such persons contrary to that person's legal obligations.

Section 8.5 **Term of Contract.** This Contract shall be effective from and after its date, and this Contract shall continue in force and effect until the principal of and interest on all Bonds shall have been paid or provision for the payment of all of the Bonds has been made in accordance with the terms of each Bond Resolution and thereafter continue in force and effect during the entire useful life of the Project. When the principal of and interest on all Bonds shall have been paid or provision for the payment of all of the Bonds has been made in accordance with the terms of the Bond Resolution and all amounts owed to the Agency, the Trustee, or any other person hereunder have been paid, all money held by the Trustee or the Agency pursuant to the terms of the Bond Resolution shall be paid to the Agency. Upon the termination of this Contract, the Agency will charge each of the Sponsoring Public Entities a unit based charge (or other published rate) for water delivered to the Sponsoring Public Entities in accordance with the Agency's then existing rate schedule.

Section 8.6 **Modification.** No change, amendment, or modification of this Contract shall be made or be effective which will affect adversely the prompt payment when due of all money required to be paid by each of the Sponsoring Public Entities under the terms of this Contract, and no such change, amendment, or modification shall be made or be effective which would cause a violation of any provisions of any Bond Resolution.

Section 8.7 **Addresses and Notice.** Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to the other parties must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the Agency:

Chair, Board of Directors

Hays Caldwell Public Utility Agency
121 West Center Street
Kyle, Texas 78640

If to one or more of the Sponsoring Public Entities:

City Administrator
City of Buda, Texas
121 North Main Street
Buda, Texas 78610

City Manager
City of Kyle, Texas
100 West Center Street
Kyle, Texas 78640

City Manager
City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

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

The Agency and each Sponsoring Public Entity shall have the right from time to time and at any time to change its respective address and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other parties.

Section 8.8 **State or Federal Laws, Rules, Orders, or Regulations.** This Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction. Each of the parties represents to the other parties that, to the best of its knowledge, no provisions of any applicable federal, State, or local law, including any Home Rule Charter of a Sponsoring Public Entity, nor any permit, ordinance, rule, order, or regulation of any party will limit or restrict its ability to carry out its respective obligations under or contemplated by this Contract.

Section 8.9 **Severability.** The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the

application of such actions, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 8.10 Remedies Upon Default. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination) existing at law or in equity may be availed of by any party hereto and shall be cumulative. Recognizing that failure in the performance of the Sponsoring Public Entities' obligations hereunder could not be adequately compensated in money damages alone, each of the Sponsoring Public Entities agrees in the event of any default on its part that the Agency and the owners of the Bonds as third-party beneficiaries shall have available to them the remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available to them. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of the Agency to receive the Annual Payment Amounts and the provision of Section 3.9 hereof, which shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years plus one (1) day after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of the performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 8.11 Venue. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Hays County, Texas, which is the County in which the principal administrative offices of the Agency are located. It is specifically agreed among the parties to this Contract that Hays County, Texas, is the place of performance of this Contract; and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Hays County, Texas.

Section 8.12 Statutory Authority. In entering into this Contract and performing all duties and obligations hereunder, the Sponsoring Public Entities and the Agency exercise their authority under and in accordance with the State Constitution and laws including, but not limited to, the Act; Chapter 1502, as amended, Texas Government Code; any Home Rule Charter of a Sponsoring Public Entity; Chapter 1371, as amended, Texas Government Code; and all other laws which may authorize this Contract, all of which provisions and laws, cited or not cited herein, shall cumulatively provide the authority for this Contract.

Section 8.13 Indemnification. FOR SO LONG AS THE BONDS ARE OUTSTANDING AND UNPAID, AND ALSO WITH RESPECT TO ANY CLAIM THAT MAY ARISE OUT OF THE OFFER AND SALE OF THE BONDS OF ANY SERIES OR THE ALLEGED MISSTATEMENT OR OMISSION OF A MATERIAL FACT IN OR FROM ANY SALE AND OFFERING DOCUMENT RELATING TO ANY OF THE SPONSORING PUBLIC ENTITIES USED IN CONNECTION THEREWITH, TO THE EXTENT PERMITTED BY LAW, EACH OF THE SPONSORING PUBLIC ENTITIES AGREES TO INDEMNIFY AND SAVE AND HOLD HARMLESS THE AGENCY, AND THE OTHER

SPONSORING PUBLIC ENTITIES, THEIR OFFICERS, DIRECTORS, AGENTS, FINANCIAL ADVISORS, ATTORNEYS, AND EMPLOYEES, AND THE UNDERWRITERS OF ANY SUCH OFFERING AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS, AND ALL PERSONS WHO CONTROL THE SAME WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS, FROM AND AGAINST ALL CLAIMS THAT MAY ARISE AS A RESULT OF ANY UNDERTAKING, ACT, OR OMISSION, WHETHER NEGLIGENT OR NOT, WHICH IS DONE OR OMITTED TO BE DONE BY THAT SPONSORING PUBLIC ENTITY OR ANY OF ITS OFFICERS, COUNCIL MEMBERS, AGENTS, ATTORNEYS, OR EMPLOYEES, RELATING TO THE PROJECT OR PROVIDING INFORMATION FOR INCLUSION IN THE SALE AND OFFERING DOCUMENTS. IF ANY SUCH CLAIM IS BROUGHT AGAINST ANY SUCH INDEMNIFIED PERSON, THE INDEMNIFYING SPONSORING PUBLIC ENTITY SHALL PAY ALL COSTS INCURRED BY SUCH PERSON IN DEFENDING AGAINST THE CLAIM, AND (SUBJECT TO APPLICABLE RULES OF ATTORNEY CONDUCT) MAY CONTROL THE DEFENSE OF SUCH CLAIM.

Section 8.14 **Contract not for Benefit of Third Parties.** This Contract is made for the exclusive benefit of the Sponsoring Public Entities, the Agency, the Trustee, the owners of the Bonds, the parties to any Credit Agreements, the underwriters of any offering of and remarketing agent and tender agent, if any, for any Bonds, and their respective successors and assigns herein permitted, and not for any third party or parties other than the Agency (including its officers, directors, employees, agents, and attorneys), the Trustee, the owners of the Bonds, the Sponsoring Public Entities, and the parties to any Credit Agreements, the underwriters of any offering of and remarketing agent and tender agent, if any, for any Bonds, the other persons indemnified by Section 8.13 hereof, and their respective successors and assigns herein permitted, any rights or remedies under or by reason of this Contract.

Section 8.15 **Succession and Assignment.** This Contract is binding on and inures to the benefit of the parties hereto and their respective successors, representatives, and assigns. This Contract may not be assigned by any party hereto without (i) complying with any provisions relating to the right of the parties to assign this Contract contained in the Bond Resolution and (ii) prior written notice to and approval by the other parties, which consent may be withheld without cause. The provisions of this Section do not affect the assignment of the Agency's rights under this Contract to the Trustee pursuant to Section 3.8.

Section 8.16 **Incorporation of Preamble Recitals.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Contract for all purposes and are adopted as a part of the judgment and findings of the Agency and the Sponsoring Public Entities.

Section 8.17 **Independent Contractor.** As among the parties, the Agency shall be solely responsible for the operation of the Project to produce, withdraw, or divert and treat water and to transport the water to the Sponsoring Public Entities pursuant to this Contract (except to the extent the Agency and a Sponsoring Public Entity enter into agreements for the Sponsoring Public Entity to operate parts of the Project); and the Agency shall be an independent contractor in the operation of the Project.

Section 8.18 **Financing Statement.** To the extent required by law, each of the Sponsoring Public Entities agrees it shall execute, at the request of the Agency or the Trustee, a

financing statement in a form satisfactory to the Agency or the Trustee and meeting the requirements of the Texas Uniform Commercial Code to perfect any security interest created hereby. To the extent required by law, each Sponsoring Public Entity further agrees to execute such continuation statements or other documents as may be necessary to maintain any such security interest.

Section 8.19 **Entire Agreement.** This Contract constitutes the entire agreement among the parties with respect to the matters described herein.

Section 8.20 **Applicable Law.** This Contract shall be governed by and construed in accordance with the laws of the State, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without reference to the laws of any other state or jurisdiction, except for applicable federal laws, rules, and regulations.

Section 8.21 **Counterparts.** This Contract may be executed in counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 8.22 **Reservation of Rights to Utilize the Texas Water Development Board's State Participation Account Program.** The Sponsoring Public Entities and the Agency hereby agree that the Agency may file an application with the TWDB to seek financial assistance pursuant to the TWDB Program. To the extent the Agency utilizes the TWDB Program to access funds to complete the Project, the TWDB Program's rules and regulations require that the TWDB take an undivided ownership interest in up to 50% of the infrastructure improvements comprising the Project. This undivided ownership interest is represented by a master agreement and other documents to be executed between the Agency and the TWDB to effectuate the Agency's financial participation in the TWDB Program. Under the TWDB Program, the Agency will be obligated (and the Sponsoring Public Entities will be obligated to pay the Annual Payment Amounts to reflect this financial obligation) to make lease or other rental payments to the TWDB to repay the TWDB's financial assistance which enabled the Agency to construct the Project in a manner in which excess capacity in the Project was implemented on a regional basis.

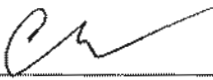
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IN WITNESS WHEREOF, the parties hereto acting under authority of their respective Governing Bodies have caused this Contract to be duly executed as of the day and year first above written.

HAYS CALDWELL PUBLIC UTILITY AGENCY

Attest:

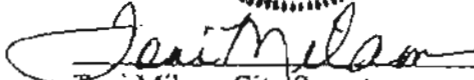
By: 
Chair, Board of Directors

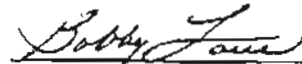
By: 
Secretary, Board of Directors

ADOPTED on January 15, 2008.



Attest:

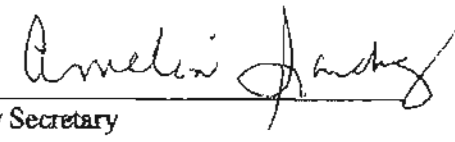

Toni Milam, City Secretary


Bobby Lane, Mayor Pro Tem

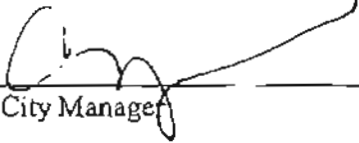
CITY OF KYLE, TEXAS

By: 
Mayor

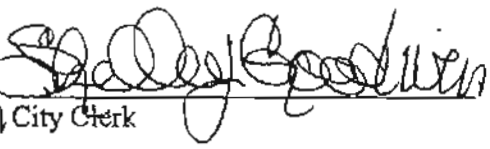
Attest:

By: 
City Secretary

CITY OF SAN MARCOS, TEXAS

By: 
City Manager

Attest:

By: 
City Clerk

CANYON REGIONAL WATER AUTHORITY

By: Melvin E. Stray
President, Board of Trustees

Attest:

By: Mar Speed
Secretary, Board of Trustees

**AMENDMENT #1 TO THE REGIONAL WATER
SUPPLY CONTRACT
October 31, 2009**

**AMENDMENT NO. 1 TO
REGIONAL WATER SUPPLY CONTRACT**

This is Amendment No. 1 to the Regional Water Supply Contract (the "Contract") by and among the Hays Caldwell Public Utility Agency (the "Agency"), and the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority. The Contract was dated and effective as of January 1, 2008. This Amendment is dated and effective as of October 31, 2009. The City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority are referred to in this Amendment collectively as the "Sponsoring Public Entities" and singularly each as a "Sponsoring Public Entity".

RECITALS:

1. The Sponsoring Public Entities formed the Agency as a public utility agency pursuant to Chapter 572 of the Local Government Code, and executed the Contract in order to jointly plan, finance, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and wastewater, including plant sites, rights-of-way, and property, equipment, or rights of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and wastewater.

2. The Sponsoring Public Entities have decided to postpone the issuance of Bonds by the Agency, and they are financing the activities of the Agency through cash contributions until the time the Agency issues Bonds.

3. The Sponsoring Public Entities wish to revise the Contract to describe the Project more definitively, to modify the scope of the Project and the shares in the capacity of the Project to which each of them is entitled, to allow for future modifications to the scope and phasing of the Project, and to make other clarifying revisions to the Contract.

AMENDMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the Sponsoring Public Entities and the Agency mutually undertake, promise, and agree that the Contract is amended as follows:

1. **Section 2.1 of the Agreement is amended as follows** (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 2.1. General; Project Description.

(a) The Project will have a total capacity of 33.212 acre-feet/year. The Facilities will be constructed in two phases as described in the Engineering Report, the first phase having a capacity of 15,000 acre-feet/year, and the second phase having a capacity of 18.212 acre-feet/year. Prior to the issuance of Bonds by the Agency for each phase of construction of the Facilities, the Parties may, by written amendment to this Contract approved by all of the Parties, agree to revise the total capacity of the Project,

the phasing of the Project, or the capacity of each phase of the Project. After the Agency issues Bonds in connection with a phase of the construction of the Facilities, any revision to the capacity of that phase of the Facilities will be limited by, and subject to, the terms and provisions of the Bonds issued for that phase of the Facilities.

(b) Subject to the remaining terms and provisions of this Contract, the Agency agrees to issue the Bonds and to acquire and construct the Project as generally described in the Engineering Report. It is estimated that the first phase of the Project will be placed in operation on or before December 31, 2018, or as soon thereafter as practicable. The Authorized Representative of the Agency hereby represents that he is not aware of any reason that the first phase of the Project, as contemplated, cannot be completed on or before December 31, 2018. It is expressly understood and agreed that any obligations on the part of the Agency to finance, acquire, construct, and complete the Project and to provide the water to the Sponsoring Public Entities shall be (i) conditioned upon the Agency's ability to obtain all necessary permits, Land Interests, material, labor, and equipment, and upon the ability of the Agency to finance the cost of the Project through the actual sale of the Bonds, including any Bonds needed to complete the Project, and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State, and any regulatory body having jurisdiction. The Project shall be acquired and constructed by the Agency with all reasonable dispatch, and the Agency will diligently pursue such acquisition and construction in order that it may be completed as soon as practicable, delays incident to events of Force Majeure only excepted; but if for any reason there should be delays in or the entire failure of such acquisition, construction, and improvement, there shall be no diminution in or postponement of the Annual Payment Amounts to be made by the Sponsoring Public Entities hereunder and no resulting liability on the part of the Agency; provided, however, that the Sponsoring Public Entities retain the right to pursue any legal remedy to the extent that delays in the Project are the result of negligence on the part of the Agency.

(c) The provisions of this Article II shall apply to each phase of the construction of the Facilities.

2. Section 2.15 of the Agreement is amended as follows (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 2.15. Shares of Treated Water and Project Cost Quantity. The Sponsoring Public Entities' proportionate shares of the Project Costs and of the treated water produced by each phase of the Facilities constructed for the Project will be based on the capacity for each Sponsoring Public Entity out of the total Project capacity. The proportionate shares of Project Costs and treated water produced, and the capacity for each Sponsoring Public Entity out of the total Project capacity, are is-as follows:

Sponsoring Public Entity	<u>Project Share of Project Costs and Treated Water</u>	<u>Acre-feet/year out of Total Project Capacity</u>
City of Buda, Texas	5.60 <u>5.08%</u>	<u>1,687</u>
City of Kyle, Texas	20.50 <u>28.17%</u>	<u>9,355</u>

City of San Marcos, Texas	39.70 <u>35.86%</u>	<u>11,910</u>
Canyon Regional Water Authority	34.20 <u>30.89%</u>	<u>10,260</u>

Prior to the issuance of Bonds by the Agency for each phase of construction of the Facilities, the Parties may, by written amendment to this Contract approved by all of the Parties, agree to revise the proportionate shares of the treated water to be produced by, and the proportionate shares of Project Costs for, that phase of the Facilities. After the Agency issues Bonds in connection with a phase of construction of the Facilities, any revision to the proportionate shares of the treated water to be produced by, and the proportionate shares of Project Costs for, that phase of the Facilities will be limited by, and subject to, the terms and provisions of the Bonds issued for that phase of the Facilities.

3. Section 2.19 of the Agreement is amended as follows (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 2.19. Excess Capacity. With prior approval of all of the Parties, the Agency may acquire Water Rights and Land Interests, and may construct the Facilities, so that the capacity of the Project exceeds the total Project capacity as stated in Section 2.1(a). In the event the Project is constructed so that there is excess capacity in all or any portion of the Facilities, such excess capacity shall be owned by the Agency. Any such excess capacity may be used only with the written consent of the Agency Board of Directors, which may include conditions deemed appropriate by the Board.

4. Section 3.1 of the Agreement is amended as follows (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 3.1. Issuance of Bonds.

(a) The Agency's acquisition of the Water Rights for the Project will be financed by the receipt of cash contributions from the Sponsoring Public Entities (which, as to a particular Sponsoring Public Entity, may be proceeds of a loan, bonds or other debt issued by that entity). The Agency's acquisition of other Land Interests needed for the Project, and the Agency's acquisition and construction of each phase of the Facilities Project and any other substantial improvements to the Facilities Project will be financed by (i) receipt of cash from a Sponsoring Public Entity, (ii) the Agency through the issuance of one or more series or issues of its Bonds by the Agency for a Sponsoring Public Entity, which Bonds are payable from and secured, in part, by an assignment of the Annual Payment Amounts made under this Contract by the designated Sponsoring Public Entity for which such series of Bonds are issued or (iii) any combination of (i) and (ii). It is expressly understood and agreed by the Agency and the Sponsoring Public Entities that any Bonds issued by the Agency shall be issued as separate series of each Sponsoring Public Entity requesting financing by the Agency. Each Sponsoring Public Entity shall be responsible solely for the Bond Payments on its series of Bonds. No Sponsoring Public Entity shall have any liability or responsibility for any Bond Payments on a series of Bonds issued for another Sponsoring Public Entity. In consideration of the covenants and agreements set forth in this Contract, and to enable the Agency to issue the Bonds to carry out the intents and purposes hereof, this Contract is executed to assure the

issuance of the Bonds and to provide for and ensure the due and punctual payment to the Agency or to the Trustee by each Sponsoring Public Entity for which the Agency has issued a series of Bonds, of amounts not less than the Annual Payment Amounts on a series of Bonds issued for a particular Sponsoring Public Entity. Each of the Sponsoring Public Entities hereby agrees to make, or cause to be made, its respective Annual Payment Amount, as and when due, for the benefit of the owners of the Bonds, as provided in the Bonds and the Bond Resolution.

(b) The proceeds from the sale of the Bonds, together with any cash received from a Sponsoring Public Entity, will be used for the payment of the Project Costs. The Bonds will be issued by the Agency in the amount anticipated to be required to acquire and construct the Project, including payment of all Project Costs advanced by one or more of the Sponsoring Public Entities and incurred by the Agency prior to the date of issuance of the Bonds, and to fund, to the extent deemed advisable by the Agency, a debt service reserve fund and interest on the Bonds during construction and for up to one year after the Completion Date. However, each Sponsoring Public Entity reserves the right to pay cash to the Agency for its share of the Project Costs rather than have the Agency issue Bonds on its behalf.

(c)

(i) Each Bond Resolution of the Agency shall specify the maximum principal amount of the Bonds to be issued thereunder. The Bonds shall mature not more than forty (40) years from the date of such Bonds and shall bear interest at not to exceed the maximum legal rate then permitted by law, and the Bond Resolution may create and provide for the maintenance of a revenue fund, an interest and sinking fund, a debt service reserve fund, and any other funds deemed prudent by the Agency, all in the manner and amounts as provided in such Bond Resolution.

(ii) Prior to the final adoption of a Bond Resolution or any amendment of a Bond Resolution by the Agency's Board of Directors or the execution of an Approval Certificate by the Agency, a substantially final copy of the proposed Bond Resolution for the applicable Sponsoring Public Entity, the Approval Certificate, if any, any Credit Agreements and the Sale and Offering Documents shall be presented to the applicable Sponsoring Public Entity for review and approval.

(iii) Upon approval by the Sponsoring Public Entity for which the Agency issues a series of Bonds of (i) a Bond Resolution hereafter adopted by the Agency for the applicable Sponsoring Public Entity, including any Credit Agreements, (ii) any amendments to any Bond Resolution, (iii) an Approval Certificate authorized by a Bond Resolution, and (iv) the Sale and Offering Documents, and the delivery to the Agency of a certification signed by the Authorized Representative of the respective Sponsoring Public Entity to the effect that the Bond Resolution, including any Approval Certificate, and the Sale and Offering Documents comply with this Contract, then upon the adoption and approval of the Bond Resolution and the Approval Certificate, if any, in such final form by the Agency's Board of Directors or Authorized Representative, as the

case may be, and the issuance and delivery of the Bonds to the purchaser thereof, the Bond Resolution shall for all purposes be considered approved by the respective Sponsoring Public Entity and deemed to be in compliance with this Contract in all respects, and the Bonds issued thereunder will constitute Bonds as defined in this Contract for all purposes. Any owner of Bonds is entitled to rely fully and unconditionally on any such approval.

(iv) All covenants and provisions in the Bond Resolution affecting, or purporting to bind, a Sponsoring Public Entity, shall, upon the delivery of the Bonds, become absolute, unconditional, valid, and binding covenants and obligations of the Sponsoring Public Entities so long as the Bonds and interest thereon are outstanding and unpaid, and may be enforced as provided in this Contract and the Bond Resolution. Particularly, the obligation of the respective Sponsoring Public Entity to make, promptly when due, all payments specified in this Contract shall be absolute and unconditional, and said obligation may be enforced as provided in this Contract. In addition, subject to the approval of the affected Sponsoring Public Entity, the Agency may enter into Credit Agreements for the purpose of achieving the lowest financing costs for the Project.

(d) The provisions of this Article III shall apply to the Bonds issued by the Agency with respect to each phase of the construction of the Facilities.

5. Defined Terms. All terms that are defined in the Contract will have those same definitions in this Amendment.

6. Remaining Provisions. All other provisions of the Contract remain in full force and effect.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective Governing Bodies have caused this Contract to be duly executed as of the day and year first above written.

HAYS CALDWELL PUBLIC UTILITY AGENCY

Attest:

By: 
Chair, Board of Directors

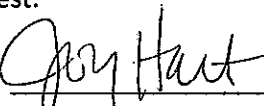
By: 
Secretary, Board of Directors

CITY OF BUDA, TEXAS

By: 
City Manager

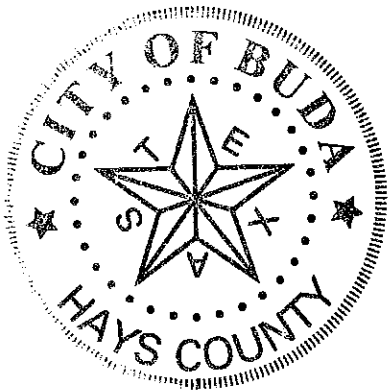
**Original Missing – Executed pursuant to City Council action on September 15, 2009. Effective Date October 31, 2009.

Attest:


By: 
City Secretary

I hereby certify that this agreement was passed by a majority of the City Council of the City of Buda on September 15, 2009, and further certify that the City has operated under the terms of this agreement since that date.

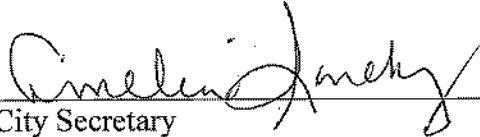

Joy Hart, City Secretary



CITY OF KYLE, TEXAS

By: 
Mayor

Attest:

By: 
City Secretary

CITY OF SAN MARCOS, TEXAS

By: *Fred Anderson*
City Manager

Attest:

By: *Sherry Washburn*
City Clerk

CANYON REGIONAL WATER AUTHORITY

By: Melvin E. Strey
President, Board of Trustees

Attest:

By: Mark Spaf
Secretary, Board of Trustees

Canyon Regional Water Authority Contract with County Line SUD Purchase HCPUA

CONTRACT
FOR
SALE OF PART OF CRWA'S OWNERSHIP
IN
IN THE HCPUA CONTRACT AS AMENDED

This is a contract ("the Contract") between Canyon Regional Water Authority ("CRWA"), 850 Lakeside Pass, New Braunfels, Texas, 78130 and County Line Special Utility District ("County Line"), 131 S. Camino Real, Umland, Texas, 78640, hereinafter jointly referenced as the Parties to this Contract.

ARTICLE 1. BACKGROUND FACTS

1.1 The Parties agree that on or about January 1, 2008, CRWA signed a contract with the Hays Caldwell Public Utility Agency ("HCPUA") in which contract CRWA made certain promises including but not limited to the participation with and the payment for a part of the Project described in the HCPUA Contract as amended ("HCPUA Contract") (copy of the HCPUA Contract with 2009 Amendment attached hereto and incorporated herewith for all purposes as **Exhibit A**). CRWA's participation/ownership level in the HCPUA Contract is currently 30.89 % (thirty and eighty nine one-hundredths percent). The Project as described in the HCPUA Contract is for, in summary, the acquisition of raw water, purification and transportation of 15,000 acre-feet per year (a/f/y)(Phase One) with the goal of a maximum 33,212 a/f/y (Phase Two) of said purified water to be delivered to a point acceptable to the HCPUA Sponsoring Public Entities. The "CRWA-HCPUA 2008 contract, as amended in 2009, for a 30.89% share and a project goal of 33,212 a/f/y" (2008 contract as amended) is a key reference/basis for other sections of this contract.

1.2 The Parties agree that between January 1, 2008, and September 1, 2013, the HCPUA has successfully obtained leases for Carrizo-Wilcox groundwater on a long term basis (list of existing HCPUA groundwater leases and status of these leases attached as **Exhibit B**) and has billed CRWA for 30.89 % of all the costs and expenses incurred by and paid for by the HCPUA directly related to the HCPUA Project in the dollar amount of approximately \$ 3,056,000 (three million fifty six thousand dollars) as of January, 2014.

1.3 The Parties agree that as summarized in Exhibit B, HCPUA currently owns groundwater leases that fully authorize under all currently effective state and local laws the pumping of 10,300 a/f/y from the Carrizo-Wilcox aquifer in Gonzales and Caldwell Counties. Under the terms of the participation interest described above CRWA owns a 30.89% share in the 10,300 a/f/y which equals 3,181.67 a/f/y ($0.3089 \times 10,300 = 3,181.67$). If the goal of 33,212 a/f/y (Phase Two) is achieved, CRWA would own a controlling interest in 10,259.1868 a/f/y ($33,212 \times .3089 = 10,259.1868$).

ARTICLE 11. PURCHASE OF PER CENTAGE PART

2.1 CRWA does hereby grant, sell, convey, assign, transfer, set over and deliver to County Line, and County Line does hereby purchase from CRWA a 10 % share of all CRWA's rights, title, and interest in the HCPUA Contract as amended, including but not limited to CRWA's proportional rights to receive water delivery according to the HCPUA Contract as amended, under those terms and conditions set out herein. The Parties agree that the purchase price set out below is good and sufficient consideration to support this Contract and CRWA acknowledges the receipt and sufficiency of same. County Line is responsible for all future payments itemized herein whether or not it takes delivery of any water made available to it under the terms of this contract. CRWA hereby sells any and all rights CRWA may possess under the HCPUA Contract to the 10% of CRWA's interest under the HCPUA Contract including but not limited to the right to receive the water made available to County Line under the terms of this contract. County Line shall hereafter have the exclusive right to the delivery of said water whether or not County Line takes delivery of same. CRWA's sale of the above defined part of CRWA's ownership in the HCPUA Contract to County Line includes all of CRWA's rights, powers, privileges and immunities relating to the 10% interest transferred hereby including but not limited to title, if any, to the water to be received hereunder.

2.2 The Parties agree that the purchase price of the percent share set out in the paragraph immediately above is (1) a direct proportion of the costs and expenses that have been assessed by HCPUA to CRWA for CRWA's share in the HCPUA Contract as of the Effective Date of this Contract, and (2) a proportionate share of those costs and expenses that will be assessed by HCPUA for CRWA's current share in the HCPUA Contract. These two elements of consideration are more specifically defined as follows:

2.21 Past accumulated investment.

2.211 The Parties agree part of the purchase price includes County Line reimbursement to CRWA through future rates and fees or direct payment over time, or sooner if County Line so elects, for 10% of the dollar amount CRWA has invested in the HCPUA Contract.

2.2111 This dollar amount will be adjusted upward to correspond to 10% of CRWA's investment in the HCPUA Contract as calculated based upon the Effective Date of this Contract.

2.2112 CRWA agrees that payment by County Line to CRWA of that dollar amount and under the payment method described above is considered payment in full for County Line's share of CRWA's investment in the HCPUA Contract accumulated between January 1, 2008, and the Effective Date of this Contract.

2.22 Future HCPUA costs and expenses.

2.221 The Parties agree that County Line is obligated to reimburse CRWA for 10% of CRWA's future payments to HCPUA under the HCPUA Contract as amended. The Parties agree that for efficiency of management and accounting County Line will for the foreseeable future make its payment to the HCPUA through CRWA. County Line's monthly payments will be 10 % of the dollar amount billed by the HCPUA to CRWA for CRWA's current ownership interest in the HCPUA Contract.

2.222 After November 1, 2014, and for each successive month following until all financial obligations supporting the Contract are successfully concluded, County Line agrees to pay on a monthly basis to HCPUA through CRWA a 10% part of the HCPUA's monthly billing to CRWA. County Line's payment will be calculated using the following formula: $CRWA's\ HCPUA\ yearly\ Proportion / 12 = CRWA\ Monthly\ Proportion\ to\ HCPUA$; County Line will be responsible for $CRWA's\ Monthly\ Proportion \times 10\%$.

2.223 County Line must allocate an amount sufficient to cover payments to CRWA to remit to HCPUA.

2.224 Both Parties understand and agree that this monthly dollar amount will increase significantly when the construction of the HCPUA Project begins.

ARTICLE III. RIGHT-OF-FIRST-REFUSAL

3.1 The Parties agree that as part of the consideration for this Contract, CRWA promises and does hereby sell to County Line the right-of-first-refusal to purchase an additional part of CRWA's ownership interest in the HCPUA Contract under the following terms and conditions:

3.11 CRWA will until such time as all of its interest in the HCPUA Contract is sold provide County Line with the right-of-first-refusal to purchase additional parts of the HCPUA Contract at CRWA's cost of the requested additional part.

3.12 This right-of-first-refusal is exclusive to County Line and County Line may not transfer, assign, delegate, sell, or lease this right to any third party.

3.2 Financing the Project. The plan for financing the Project is set forth in Article III of the HCPUA Contract, and provides for financing using: i) cash from a Sponsoring Entity such as CRWA, ii) the issuance of Bonds by the HCPUA on behalf of a Sponsoring Entity, or iii) a combination of these two methods. Each Participating Entity shall have the right to elect to cash fund any or all future costs or payments related to the Project if this option is available based upon the financing option elected by the HCPUA and/or CRWA.

ARTICLE IV. CRWA'S RIGHT OF FIRST REFUSAL; OTHER GENERAL TERMS AND
CONDITIONS

4.1 The Parties agree that beginning on November 1, 2018, CRWA may sell its entire remaining share in the HCPUA Contract to any third party.

4.2 The Parties agree that County Line hereby grants to CRWA as part of the consideration for this contract the right-of-first-refusal when and if County Line sells or leases a part or all of its 10% interest in the HCPUA Contract to any third party.

4.3 CRWA's written approval of the financial capability of a proposed third party purchaser must be obtained before the resale of any of County Line's 10% interest in the HCPUA contract.

4.4 The Parties agree that CRWA will continue for the foreseeable future to represent County Line and all of the other Participating Entities in all matters before the HCPUA. All CRWA members that purchase a Percentage Share in the HCPUA Contract will be referenced as "Participating Entities". All decisions relating to HCPUA Contract matters will be established by vote of CRWA and all other CRWA Participating Entities on a percent ownership basis.

ARTICLE V. NOTICE

5.1 All notices and other communications hereunder will be in writing and will be delivered by one of the following means; hand delivery; expedited courier delivery; mailed by registered or certified mail, return receipt requested, postage prepaid; or, electronic mail, provided, that a duplicate of the same notice or communication is also mailed by first-class mail on the same date of the electronic mail. All notices and communications hereunder will be addressed as follows, and will be effective upon actual delivery if delivered by hand or by expedited courier delivery or, if mailed, three (3) business days after deposit in the United States mail;

Canyon Regional Water Authority
830 Lakeside Pass
New Braunfels, Texas 78130
Telephone: (830) 609-0543
Facsimile: (830) 609-0740
Email: crwa@crwa.com

County Line Special Utility District
131 S. Camino Real
Uhland, Texas 78640
Telephone: 512-398-4748
Facsimile: 512-398-4749
Email: www.clsud.com

ARTICLE VI. MISCELLANEOUS TERMS

6.1 Term and Termination. After the Effective Date, this Contract shall be effective and shall remain in effect for the term set forth in Section 8.5 of the HCPUA Contract. The Parties may thereafter extend the term of this Contract by mutual agreement.

6.2 Due Authorization. Each Party represents to each of the other Parties that the execution, delivery and performance of this Contract has been duly authorized by all necessary action on the part of governing body of the Party and the person executing this Contract on behalf of the Party has been fully authorized and empowered to bind the Party to the terms and provisions of this Contract;

6.3 No Violation of Law. Each Party represents to each of the other Parties that this Contract does not contravene any law or any governmental rule, regulation or order applicable to the Party; and further that the execution and delivery of this Contract and the performance by the Party of its obligations hereunder does not contravene the provisions of, or constitute a default under, the terms of any contract, resolution, or other instrument to which the Party is bound.

6.4 Authority. This Contract is made in part under the authority conferred in Chapter 791, Texas Government Code.

6.5 Governing Law and Venue. This Contract will be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America. All obligations of the Parties are performable in Hays County, Texas and venue for any action arising hereunder will be in Hays County.

6.6 Limitation on Assignment and Consent. Except as otherwise set forth herein, any assignment of this Contract, in whole or part, by any Party is prohibited without the prior written consent of all the Parties.

6.7 Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

6.8 Partial Invalidity. If any of the terms, covenants or conditions of this Contract, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance by any court with jurisdiction, the remainder of this Contract, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

6.9 Waiver. Any waiver by any Party of its rights with respect to a default or requirement under this Contract will not be deemed a waiver of any subsequent default or other matter.

6.10 Cooperation. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Contract, and further to not unreasonably withhold any consent or approvals required for implementing the terms of this Contract.

6.11 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Contract, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Contract.

6.12 Exhibits. All exhibits attached to this Contract are hereby incorporated in this Contract as if the same were set forth in full in the body of this Contract.

6.13 Entire Agreement. This Contract, including the attached exhibits, contains the entire agreement between and among the Parties and supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to such matters.

6.14 Amendments. This Contract may be amended or modified only by written agreement duly authorized and executed on behalf of each of the Parties hereto.

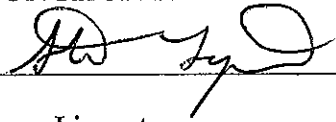
6.15 Approvals. All approvals of any Party hereunder shall be in writing and, unless otherwise expressly provided herein, shall not be unreasonably withheld, conditioned or delayed.

6.16 Execution. This Contract may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

6.17 Effective Date. The Effective Date of this Contract is the 12th day of
December, 2014.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, and intend to be bound by the terms of this Contract upon such execution, with the Contract to be effective as to all Parties as of the Effective Date.

CANYON REGIONAL WATER AUTHORITY

BY: 

Steven Liparoto

Its: Chairman

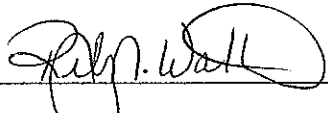
ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

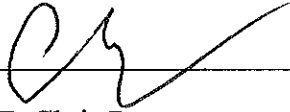
Before me on this day personally appeared Steven Liparoto, acting in his capacity as Chairman of the Board of Directors of the Canyon Regional Water Authority, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 12 day of January, 2015.




Notary Public

COUNTY LINE SPECIAL UTILITY DISTRICT

BY: 

PRINT: Chris Betz

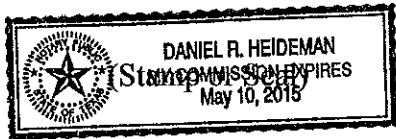
Board of Director President of County Line Special Utility District

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF HAYS §

Before me on this day personally appeared Chris Betz, acting in his/her capacity as representative of County Line SUD, and acknowledged to me that he/she executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 12 day of December, 2014.





Notary Public

Canyon Regional Water Authority Contract with Crystal Clear SUD Purchase HCPUA

CONTRACT
FOR
SALE OF PART OF CRWA'S OWNERSHIP
IN
IN THE HCPUA CONTRACT AS AMENDED

This is a contract ("the Contract") between Canyon Regional Water Authority ("CRWA"), 850 Lakeside Pass, New Braunfels, Texas, 78130 and Crystal Clear Water Supply Corporation ("Crystal Clear"), 2376 F.M. 1979, San Marcos, Texas, 78666, hereinafter jointly referenced as the Parties to this Contract.

ARTICLE I. BACKGROUND FACTS

1.1 The Parties agree that on or about January 1, 2008, CRWA signed a contract with the Hays Caldwell Public Utility Agency ("HCPUA") in which contract CRWA made certain promises including but not limited to the participation with and the payment for a part of the Project described in the HCPUA Contract as amended ("HCPUA Contract") (copy of the HCPUA Contract with 2009 Amendment attached hereto and incorporated herewith for all purposes as **Exhibit A**). CRWA's participation/ownership level in the HCPUA Contract is currently 30.89 % (thirty and eighty nine one-hundredths percent). The Project as described in the HCPUA Contract is for, in summary, the acquisition of raw water, purification and transportation of 15,000 acre-feet per year (a/f/y)(Phase One) with the goal of a maximum 33,212 a/f/y (Phase Two) of said purified water to be delivered to a point acceptable to the HCPUA Sponsoring Public Entities. The "CRWA-HCPUA 2008 contract, as amended in 2009, for a 30.89% share and a project goal of 33,212 a/f/y" (2008 contract as amended) is a key reference/basis for other sections of this contract.

1.2 The Parties agree that between January 1, 2008, and September 1, 2013, the HCPUA has successfully obtained leases for Carrizo-Wilcox groundwater on a long term basis (list of existing HCPUA groundwater leases and status of these leases attached as **Exhibit B**) and has billed CRWA for 30.89 % of all the costs and expenses incurred by and paid for by the HCPUA directly related to the HCPUA Project in the dollar amount of approximately \$ 3,056,000 (three million fifty six thousand dollars) as of January, 2014.

1.3 The Parties agree that as summarized in Exhibit B, HCPUA currently owns groundwater leases that fully authorize under all currently effective state and local laws the pumping of 10,300 a/f/y from the Carrizo-Wilcox aquifer in Gonzales and Caldwell Counties. Under the terms of the participation interest described above CRWA owns a 30.89% share in the 10,300

a/f/y which equals 3,181.67 a/f/y ($0.3089 \times 10,300 = 3,181.67$). If the goal of 33,212 a/f/y (Phase Two) is achieved, CRWA would own a controlling interest in 10,259.1868 a/f/y ($33,212 \times .3089 = 10,259.1868$).

ARTICLE II. PURCHASE OF PER CENTAGE PART

2.1 CRWA does hereby grant, sell, convey, assign, transfer, set over and deliver to Crystal Clear, and Crystal Clear does hereby purchase from CRWA a 33.333 % (thirty three and three hundred thirty three one thousandths) share of all CRWA's rights, title, and interest in the HCPUA Contract as amended, including but not limited to CRWA's proportional rights to receiver water delivery according to the HCPUA Contract as amended, under those terms and conditions set out herein. The Parties agree that the purchase price set out below is good and sufficient consideration to support this Contract and CRWA acknowledges the receipt and sufficiency of same. Crystal Clear is responsible for all future payments itemized herein whether or not it takes delivery of any water made available to it under the terms of this contract. CRWA hereby sells any and all rights CRWA may possess under the HCPUA Contract to the 33.333% of CRWA's interest under the HCPUA Contract including but not limited to the right to receive the water made available to Crystal Clear under the terms of this contract. Crystal Clear shall hereafter have the exclusive right to the delivery of said water whether or not Crystal Clear takes delivery of same. CRWA's sale of the above defined part of CRWA's ownership in the HCPUA Contract to Crystal Clear includes all of CRWA's rights, powers, privileges and immunities relating to the 33.333% interest transferred hereby including but not limited to title, if any, to the water to be received hereunder.

2.2 The Parties agree that the purchase price of the percent share set out in the paragraph immediately above is (1) a direct proportion of the costs and expenses that have been assessed by HCPUA to CRWA for CRWA's share in the HCPUA Contract as of the Effective Date of this Contract, and (2) a proportionate share of those costs and expenses that will be assessed by HCPUA for CRWA's current share in the HCPUA Contract. These two elements of consideration are more specifically defined as follows:

2.21 Past accumulated investment.

2.211 The Parties agree part of the purchase price includes Crystal Clear reimbursement to CRWA through future rates and fees or direct payment over time, or sooner if Crystal Clear so elects, for 33.333% of the dollar amount CRWA has invested in the HCPUA Contract; this dollar amount equals \$ 1,018,564.80 (one million eighteen thousand five hundred sixty-four and 80/100 dollars) [$33.333 \% \times \$ 3,056,000$ (as of January, 2014) = \$ 1,018,564.80].

2.2111 This dollar amount will be adjusted upward to correspond to 33.333% of CRWA's investment in the HCPUA Contract as calculated based upon the Effective Date of this Contract.

2.2112 CRWA agrees that payment by Crystal Clear to CRWA of that dollar amount and under the payment method described above is considered payment in full for Crystal Clear's share of CRWA's investment in the HCPUA Contract accumulated between January 1, 2008, and the Effective Date of this Contract.

2.22 Future HCPUA costs and expenses.

2.221 The Parties agree that Crystal Clear is obligated to reimburse CRWA for 33.333% of CRWA's future payments to HCPUA under the HCPUA Contract as amended. The Parties agree that for efficiency of management and accounting Crystal Clear will for the foreseeable future make its payment to the HCPUA through CRWA. Crystal Clear's monthly payments will be 33.333 % of the dollar amount billed by the HCPUA to CRWA for CRWA's current ownership interest in the HCPUA Contract.

2.222 After August 1, 2014, and for each successive month following until all financial obligations supporting the Contract are successfully concluded, Crystal Clear agrees to pay on a monthly basis to HCPUA through CRWA a 33.333% part of the HCPUA's monthly billing to CRWA. Crystal Clear's payment will be calculated using the following formula: $CRWA's\ HCPUA\ yearly\ Proportion / 12 = CRWA\ Monthly\ Proportion\ to\ HCPUA$; Crystal Clear will be responsible for $CRWA's\ Monthly\ Proportion \times 33.333\%$.

2.223 Crystal Clear must allocate an amount sufficient to cover payments to CRWA to remit to HCPUA.

2.224 Both Parties understand and agree that this monthly dollar amount will increase significantly when the construction of the HCPUA Project begins.

ARTICLE III. CRYSTAL CLEAR'S RIGHT-OF-FIRST-REFUSAL

3.1 The Parties agree that as part of the consideration for this Contract, CRWA promises and does hereby sell to Crystal Clear the right-of-first-refusal to purchase an additional part of CRWA's ownership interest in the HCPUA Contract under the following terms and conditions:

3.11 CRWA will until such time as all of its interest in the HCPUA Contract is sold provide Crystal Clear with the right-of-first-refusal to purchase additional parts of the HCPUA Contract at CRWA's cost of the requested additional part.

3.12 Crystal Clear understands and agrees that CRWA is offering this same right-of-first-refusal to all other CRWA member entities who purchase a Percentage share

(hereinafter “Subscribing Entities”) in the HCPUA Contract. If after the initial offering there is a conflict between two or more Subscribing Entities for all of CRWA’s remaining ownership in the HCPUA Contract, CRWA’s remaining interests will be distributed on a “first to sign a purchase contract” under CRWA’s initial offer basis. All subsequent purchasers will be provided a purchase right ranked in priority by contract signing date.

3.13 This right-of-first-refusal is exclusive to Crystal Clear and Crystal Clear may not transfer, assign, delegate, sell, or lease this right to any third party.

3.2 Financing the Project. The plan for financing the Project is set forth in Article III of the HCPUA Contract, and provides for financing using: i) cash from a Sponsoring Entity such as CRWA, ii) the issuance of Bonds by the HCPUA on behalf of a Sponsoring Entity, or iii) a combination of these two methods. Each Participating Entity shall have the right to elect to cash fund any or all future costs or payments related to the Project if this option is available based upon the financing option elected by the HCPUA and/or CRWA.

ARTICLE IV. CRWA’S RIGHT OF FIRST REFUSAL; OTHER GENERAL TERMS AND CONDITIONS

4.1 The Parties agree that beginning on August 1, 2018, CRWA may sell its entire remaining share in the HCPUA Contract to any third party, but only subject to Crystal Clear’s right-of-first-refusal.

4.2 The Parties agree that Crystal Clear hereby grants to CRWA as part of the consideration for this contract the right-of-first-refusal when and if Crystal Clear sells or leases a part or all of its interest in the HCPUA Contract to any third party.

4.3 CRWA’s written approval of the financial capability of a proposed third party purchaser must be obtained before the resale of any of Crystal Clear’s interest in the HCPUA contract.

4.4 The Parties agree that CRWA will continue for the foreseeable future to represent Crystal Clear and all of the other Participating Entities in all matters before the HCPUA. All CRWA members that purchase a Percentage Share in the HCPUA Contract will be referenced as “Participating Entities”. All decisions relating to HCPUA Contract matters will be established by vote of CRWA and all other CRWA Participating Entities on a percent ownership basis.

4.5 The Parties agree that the terms of this contract were negotiated based upon the assumption that all of CRWA’s ownership in the HCPUA Contract will be purchased on or before August 1, 2014, by CRWA member entities. If CRWA does not sell a minimum of 50 % (fifty percent) of its ownership in the HCPUA Contract by close of business August 1, 2014, to CRWA member entities, this contract is voidable at the sole discretion of Crystal Clear; unless exercised, this option automatically terminates at close of business August 15, 2014.

ARTICLE V. NOTICE

5.1 All notices and other communications hereunder will be in writing and will be delivered by one of the following means; hand delivery; expedited courier delivery; mailed by registered or certified mail, return receipt requested, postage prepaid; or, electronic mail, provided, that a duplicate of the same notice or communication is also mailed by first-class mail on the same date of the electronic mail. All notices and communications hereunder will be addressed as follows, and will be effective upon actual delivery if delivered by hand or by expedited courier delivery or, if mailed, three (3) business days after deposit in the United States mail;

Canyon Regional Water Authority
830 Lakeside Pass
New Braunfels, Texas 78130
Telephone: (830) 609-0543
Facsimile: (830) 609-0740
Email: crwa@crwa.com

Crystal Clear Water Supply Corporation
2376 F.M. 1979
San Marcos, Texas 78666
Telephone: 830-372-1031
Facsimile: 830-372-0067
Email: www.crystalclearwatersud.org

ARTICLE VI. MISCELLANEOUS TERMS

6.1 Term and Termination. After the Effective Date, this Contract shall be effective and shall remain in effect for the term set forth in Section 8.5 of the HCPUA Contract. The Parties may thereafter extend the term of this Contract by mutual agreement.

6.2 Due Authorization. Each Party represents to each of the other Parties that the execution, delivery and performance of this Contract has been duly authorized by all necessary action on the part of governing body of the Party and the person executing this Contract on behalf of the Party has been fully authorized and empowered to bind the Party to the terms and provisions of this Contract;

6.3 No Violation of Law. Each Party represents to each of the other Parties that this Contract does not contravene any law or any governmental rule, regulation or order applicable to the Party; and further that the execution and delivery of this Contract and the performance by the

Party of its obligations hereunder does not contravene the provisions of, or constitute a default under, the terms of any contract, resolution, or other instrument to which the Party is bound.

6.4 Authority. This Contract is made in part under the authority conferred in Chapter 791, Texas Government Code.

6.5 Governing Law and Venue. This Contract will be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America. All obligations of the Parties are performable in Hays County, Texas and venue for any action arising hereunder will be in Hays County.

6.6 Limitation on Assignment and Consent. Except as otherwise set forth herein, any assignment of this Contract, in whole or part, by any Party is prohibited without the prior written consent of all the Parties. Crystal Clear Water Supply Corporation anticipates conveying substantially all of its assets and liabilities to the Crystal Clear Special Utility District, and therefore, notwithstanding any other limitation of this Contract, the Parties hereby expressly consent to the assignment by Crystal Clear Water Supply Corporation of this Contract to the Crystal Clear Special Utility District in conjunction with the conveyance of assets of Crystal Clear Water Supply Corporation to the Crystal Clear Special Utility District.

6.7 Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

6.8 Partial Invalidity. If any of the terms, covenants or conditions of this Contract, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance by any court with jurisdiction, the remainder of this Contract, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

6.9 Waiver. Any waiver by any Party of its rights with respect to a default or requirement under this Contract will not be deemed a waiver of any subsequent default or other matter.

6.10 Cooperation. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Contract, and further to not unreasonably withhold any consent or approvals required for implementing the terms of this Contract.

6.11 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Contract, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Contract.

6.12 Exhibits. All exhibits attached to this Contract are hereby incorporated in this Contract as if the same were set forth in full in the body of this Contract.

6.13 Entire Agreement. This Contract, including the attached exhibits, contains the entire agreement between and among the Parties and supersedes all previous communications,

representations, or agreements, either verbal or written, between the Parties with respect to such matters.

6.14 Amendments. This Contract may be amended or modified only by written agreement duly authorized and executed on behalf of each of the Parties hereto.

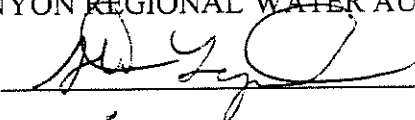
6.15 Approvals. All approvals of any Party hereunder shall be in writing and, unless otherwise expressly provided herein, shall not be unreasonably withheld, conditioned or delayed.

6.16 Execution. This Contract may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

6.17 Effective Date. The Effective Date of this Contract is the 11th day of AUGUST, 2014.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, and intend to be bound by the terms of this Contract upon such execution, with the Contract to be effective as to all Parties as of the Effective Date.

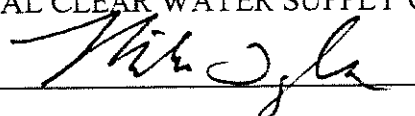
CANYON REGIONAL WATER AUTHORITY

BY:  _____

Steven Laparoto

Its: Chairman

CRYSTAL CLEAR WATER SUPPLY CORPORATION

BY:  _____

Mike Taylor

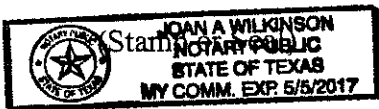
Its: General Manager

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

Before me on this day personally appeared Steven Liparoto, acting in his capacity as Chairman of the Board of Directors of the Canyon Regional Water Authority, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 11th day of August, 2014.



Joan A. Wilkinson
Notary Public

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

Before me on this day personally appeared Mike Taylor, acting in his capacity as General Manager of Crystal Clear Water Supply Corporation, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 11th day of August, 2014.



Joan A. Wilkinson
8

Notary Public

**Canyon Regional Water Authority Contract
with Crystal Clear SUD Purchase HCPUA –
2nd Contract**

SECOND CONTRACT
FOR
SALE OF PART OF CRWA'S OWNERSHIP
IN THE HCPUA CONTRACT AS AMENDED

This is a second, separate contract (the "Contract") between Canyon Regional Water Authority ("CRWA"), 850 Lakeside Pass, New Braunfels, Texas, 78130 and Crystal Clear Water Supply Corporation ("Crystal Clear"), 2376 F.M. 1979, San Marcos, Texas, 78666, hereinafter jointly referenced as the Parties to this Contract. This contract adds-to and does not decrease in any way the interests purchased in the Parties' first "Contract for Sale of Part of CRWA's Ownership in the HCPUA Contract as Amended," executed on August 11, 2014 (the "First Contract").

ARTICLE I. BACKGROUND FACTS

1.1 The Parties agree that on or about January 1, 2008, CRWA signed a contract with the Hays Caldwell Public Utility Agency ("HCPUA") in which contract CRWA made certain promises including but not limited to the participation with and the payment for a part of the Project described in the HCPUA Contract as amended ("HCPUA Contract") (copy of the HCPUA Contract with 2009 Amendment attached hereto and incorporated herewith for all purposes as **Exhibit A**). CRWA's participation/ownership level in the HCPUA Contract is currently 30.89 % (thirty and eighty nine one-hundredths percent). The Project as described in the HCPUA Contract is for, in summary, the acquisition of raw water, purification and transportation of 15,000 acre-feet per year (a/f/y)(Phase One) with the goal of a maximum 33,212 a/f/y (Phase Two) of said purified water to be delivered to a point acceptable to the HCPUA Sponsoring Public Entities. The CRWA-HCPUA 2008 contract, as amended in 2009 (**Exhibit A**), for a 30.89% share and a project goal of 33,212 a/f/y (2008 contract as amended) is a key reference/basis for other sections of this contract.

1.2 The Parties agree that between January 1, 2008, and September 1, 2013, the HCPUA has successfully obtained leases for Carrizo-Wilcox groundwater on a long term basis (list of existing HCPUA groundwater leases and status of these leases attached as **Exhibit B**) and has billed CRWA for 30.89 % of all the costs and expenses incurred by and paid for by the HCPUA directly related to the HCPUA Project in the dollar amount of approximately \$ 3,056,000 (three million fifty six thousand dollars) as of January, 2014.

1.3 The Parties agree that as summarized in Exhibit B, HCPUA currently owns groundwater leases that fully authorize under all currently effective state and local laws the pumping of 10,300 a/f/y from the Carrizo-Wilcox aquifer in Gonzales and Caldwell Counties. Under the terms of the participation interest described above CRWA owns a 30.89% share in the 10,300 a/f/y which equals 3,181.67 a/f/y ($0.3089 \times 10,300 = 3,181.67$). If the goal of 33,212 a/f/y

(Phase Two) is achieved, CRWA would own a controlling interest in 10,259.1868 a/f/y (33,212 x .3089 = 10,259.1868).

ARTICLE II. PURCHASE OF PER CENTAGE PART

2.1 CRWA does hereby grant, sell, convey, assign, transfer, set over and deliver to Crystal Clear, and Crystal Clear does hereby purchase from CRWA a 20.191 % share of all CRWA's rights, title, and interest in the HCPUA Contract as amended, including but not limited to CRWA's proportional rights to receive water delivery according to the HCPUA Contract as amended, under those terms and conditions set out herein. The Parties agree that the purchase price set out below is good and sufficient consideration to support this Contract and CRWA acknowledges the receipt and sufficiency of same. Crystal Clear is responsible for all future payments itemized herein whether or not it takes delivery of any water made available to it under the terms of this contract. CRWA hereby sells any and all rights CRWA may possess under the HCPUA Contract to the 20.191% of CRWA's interest under the HCPUA Contract including but not limited to the right to receive the water made available to Crystal Clear under the terms of this contract. Crystal Clear shall hereafter have the exclusive right to the delivery of said water whether or not Crystal Clear takes delivery of same. CRWA's sale of the above defined part of CRWA's ownership in the HCPUA Contract to Crystal Clear includes all of CRWA's rights, powers, privileges and immunities relating to the 20.191% interest transferred hereby including but not limited to title, if any, to the water to be received hereunder.

2.2 The Parties agree that the purchase price of the percent share set out in the paragraph immediately above is (1) a direct proportion of the costs and expenses that have been assessed by HCPUA to CRWA for CRWA's share in the HCPUA Contract as of the Effective Date of this Contract, and (2) a proportionate share of those costs and expenses that will be assessed by HCPUA for CRWA's current share in the HCPUA Contract. These two elements of consideration are more specifically defined as follows:

2.21 Past accumulated investment.

2.211 The Parties agree part of the purchase price includes Crystal Clear reimbursement to CRWA through future rates and fees or direct payment over time, or sooner if Crystal Clear so elects, for 20.191% of the dollar amount CRWA has invested in the HCPUA Contract.

2.2111 This dollar amount will be adjusted upward to correspond to 20.191% of CRWA's investment in the HCPUA Contract as calculated based upon the Effective Date of this Contract.

2.2112 CRWA agrees that payment by Crystal Clear to CRWA of that dollar amount and under the payment method described above is considered payment in full for Crystal Clear's share of CRWA's investment in the HCPUA Contract accumulated between January 1, 2008, and the Effective Date of this Contract.

2.22 Future HCPUA costs and expenses.

2.221 The Parties agree that Crystal Clear is obligated to reimburse CRWA for 20.191% of CRWA's future payments to HCPUA under the HCPUA Contract as amended. The Parties agree that for efficiency of management and accounting Crystal Clear will for the foreseeable future make its payment to the HCPUA through CRWA. Crystal Clear's monthly payments will be 20.191 % of the dollar amount billed by the HCPUA to CRWA for CRWA's current ownership interest in the HCPUA Contract.

2.222 After November 1, 2014, and for each successive month following until all financial obligations supporting the Contract are successfully concluded, Crystal Clear agrees to pay on a monthly basis to HCPUA through CRWA a 20.191% part of the HCPUA's monthly billing to CRWA. Crystal Clear's payment will be calculated using the following formula: $CRWA's\ HCPUA\ yearly\ Proportion / 12 = CRWA\ Monthly\ Proportion\ to\ HCPUA$; Crystal Clear will be responsible for $CRWA's\ Monthly\ Proportion \times 20.191\%$.

2.223 Crystal Clear must allocate an amount sufficient to cover payments to CRWA to remit to HCPUA.

2.224 Both Parties understand and agree that this monthly dollar amount will increase significantly when the construction of the HCPUA Project begins.

ARTICLE 111. CRYSTAL CLEAR'S RIGHT-OF-FIRST-REFUSAL

3.1 The Parties agree that as part of the consideration for this Contract, CRWA promises and does hereby sell to Crystal Clear the right-of-first-refusal to purchase an additional part of CRWA's ownership interest in the HCPUA Contract under the following terms and conditions:

3.11 CRWA will until such time as all of its interest in the HCPUA Contract is sold provide Crystal Clear with the right-of-first-refusal to purchase additional parts of the HCPUA Contract at CRWA's cost of the requested additional part.

3.13 This right-of-first-refusal is exclusive to Crystal Clear and Crystal Clear may not transfer, assign, delegate, sell, or lease this right to any third party.

3.2 Financing the Project. The plan for financing the Project is set forth in Article 111 of the HCPUA Contract, and provides for financing using: i) cash from a Sponsoring Entity such as CRWA, ii) the issuance of Bonds by the HCPUA on behalf of a Sponsoring Entity, or iii) a combination of these two methods. Each Participating Entity shall have the right to elect to cash fund any or all future costs or payments related to the Project if this option is available based

upon the financing option elected by the HCPUA and/or CRWA.

ARTICLE IV. CRWA'S RIGHT OF FIRST REFUSAL; OTHER GENERAL TERMS AND CONDITIONS

4.1 The Parties agree that beginning on November 1, 2018, CRWA may sell its entire remaining share in the HCPUA Contract to any third party, but only subject to Crystal Clear's right-of-first-refusal.

4.2 The Parties agree that Crystal Clear hereby grants to CRWA as part of the consideration for this contract the right-of-first-refusal when and if Crystal Clear sells or leases a part or all of its 20.191% interest in the HCPUA Contract to any third party.

4.3 CRWA's written approval of the financial capability of a proposed third party purchaser must be obtained before the resale of any of Crystal Clear's 20.191% interest in the HCPUA contract.

4.4 The Parties agree that CRWA will continue for the foreseeable future to represent Crystal Clear and all of the other Participating Entities in all matters before the HCPUA. All CRWA members that purchase a Percentage Share in the HCPUA Contract will be referenced as "Participating Entities". All decisions relating to HCPUA Contract matters will be established by vote of CRWA and all other CRWA Participating Entities on a percent ownership basis.

ARTICLE V. NOTICE

5.1 All notices and other communications hereunder will be in writing and will be delivered by one of the following means; hand delivery; expedited courier delivery; mailed by registered or certified mail, return receipt requested, postage prepaid; or, electronic mail, provided, that a duplicate of the same notice or communication is also mailed by first-class mail on the same date of the electronic mail. All notices and communications hereunder will be addressed as follows, and will be effective upon actual delivery if delivered by hand or by expedited courier delivery or, if mailed, three (3) business days after deposit in the United States mail;

Canyon Regional Water Authority
830 Lakeside Pass
New Braunfels, Texas 78130
Telephone: (830) 609-0543
Facsimile: (830) 609-0740
Email: crwa@crwa.com

Crystal Clear Water Supply Corporation
2376 F.M. 1979
San Marcos, Texas 78666
Telephone: 830-372-1031

Facsimile: 830-372-0067
Email: www.crystalclearwatersud.org

ARTICLE VI. MISCELLANEOUS TERMS

6.1 Term and Termination. After the Effective Date, this Contract shall be effective and shall remain in effect for the term set forth in Section 8.5 of the HCPUA Contract. The Parties may thereafter extend the term of this Contract by mutual agreement.

6.2 Due Authorization. Each Party represents to each of the other Parties that the execution, delivery and performance of this Contract has been duly authorized by all necessary action on the part of governing body of the Party and the person executing this Contract on behalf of the Party has been fully authorized and empowered to bind the Party to the terms and provisions of this Contract;

6.3 No Violation of Law. Each Party represents to each of the other Parties that this Contract does not contravene any law or any governmental rule, regulation or order applicable to the Party; and further that the execution and delivery of this Contract and the performance by the Party of its obligations hereunder does not contravene the provisions of, or constitute a default under, the terms of any contract, resolution, or other instrument to which the Party is bound.

6.4 Authority. This Contract is made in part under the authority conferred in Chapter 791, Texas Government Code.

6.5 Governing Law and Venue. This Contract will be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America. All obligations of the Parties are performable in Hays County, Texas and venue for any action arising hereunder will be in Hays County.

6.6 Limitation on Assignment and Consent. Except as otherwise set forth herein, any assignment of this Contract, in whole or part, by any Party is prohibited without the prior written consent of all the Parties. Crystal Clear Water Supply Corporation anticipates conveying substantially all of its assets and liabilities to the Crystal Clear Special Utility District, and therefore, notwithstanding any other limitation of this Contract, the Parties hereby expressly consent to the assignment by Crystal Clear Water Supply Corporation of this Contract to the Crystal Clear Special Utility District in conjunction with the conveyance of assets of Crystal Clear Water Supply Corporation to the Crystal Clear Special Utility District.

6.7 Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

6.8 Partial Invalidity. If any of the terms, covenants or conditions of this Contract, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance

by any court with jurisdiction, the remainder of this Contract, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

6.9 Waiver. Any waiver by any Party of its rights with respect to a default or requirement under this Contract will not be deemed a waiver of any subsequent default or other matter.

6.10 Cooperation. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Contract, and further to not unreasonably withhold any consent or approvals required for implementing the terms of this Contract.

6.11 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Contract, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Contract.

6.12 Exhibits. All exhibits attached to this Contract are hereby incorporated in this Contract as if the same were set forth in full in the body of this Contract.

6.13 Entire Agreement. This Contract, including the attached exhibits, contains the entire agreement between and among the Parties and supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to such matters.

6.14 Amendments. This Contract may be amended or modified only by written agreement duly authorized and executed on behalf of each of the Parties hereto.

6.15 Approvals. All approvals of any Party hereunder shall be in writing and, unless otherwise expressly provided herein, shall not be unreasonably withheld, conditioned or delayed.

6.16 Execution. This Contract may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

6.17 Effective Date. The Effective Date of this Contract is the 13th day of October, 2014.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, and intend to be bound by the terms of this Contract upon such execution, with the Contract to be effective as to all Parties as of the Effective Date.

CANYON REGIONAL WATER AUTHORITY

BY: *Steven Liparoto*

Steven Liparoto

Its: Chairman

CRYSTAL CLEAR WATER SUPPLY CORPORTION

BY: *Mike Taylor*

Mike Taylor

Its: General Manager

ACKNOWLEDGEMENT

STATE OF TEXAS

§
§
§

COUNTY OF GUADALUPE

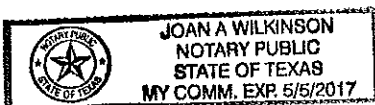
Before me on this day personally appeared Steven Liparoto, acting in his capacity as Chairman of the Board of Directors of the Canyon Regional Water Authority, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 10th day of November, 2014.

(Stamp or Seal)

Joan A Wilkinson
7

CRWA-Form A(14520)



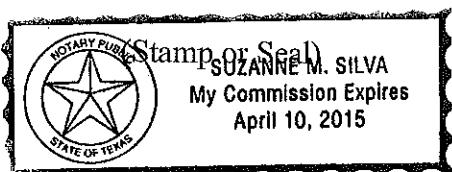
Notary Public

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

Before me on this day personally appeared Mike Taylor, acting in his capacity as General Manager of Crystal Clear Water Supply Corporation, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 29 day of October, 2014.



Suzanne M Silva
Notary Public

Canyon Regional Water Authority Contract with Green Valley SUD Purchase HCPUA

CONTRACT
FOR
SALE OF PART OF CRWA'S OWNERSHIP
IN
IN THE HCPUA CONTRACT AS AMENDED

This is a contract ("the Contract") between Canyon Regional Water Authority ("CRWA"), 850 Lakeside Pass, New Braunfels, Texas, 78130 and Green Valley Special Utility District ("Green Valley"), P.O. Box 99, Marion, Texas, 78124, hereinafter jointly referenced as the Parties to this Contract.

ARTICLE I. BACKGROUND FACTS

1.1 The Parties agree that on or about January 1, 2008, CRWA signed a contract with the Hays Caldwell Public Utility Agency ("HCPUA") in which contract CRWA made certain promises including but not limited to the participation with and the payment for a part of the Project described in the HCPUA Contract as amended ("HCPUA Contract") (copy of the HCPUA Contract with 2009 Amendment attached hereto and incorporated herewith for all purposes as **Exhibit A**). CRWA's participation/ownership level in the HCPUA Contract is currently 30.89 % (thirty and eighty nine one-hundredths percent). The Project as described in the HCPUA Contract is for, in summary, the acquisition of raw water, purification and transportation of 15,000 acre-feet per year (a/f/y)(Phase One) with the goal of a maximum of 33,212 a/f/y (Phase Two) said purified water to be delivered to a point acceptable to the HCPUA Sponsoring Public Entities. The "CRWA-HCPUA 2008 contract, as amended in 2009, for a 30.89% share and a project goal of 33,212 a/f/y" (2008 contract as amended) is a key reference/basis for other sections of this contract.

1.2 The Parties agree that between January 1, 2008, and September 1, 2013, the HCPUA has successfully obtained leases for Carrizo-Wilcox groundwater on a long term basis (list of existing HCPUA groundwater leases and status of these leases attached as **Exhibit B**) and has billed CRWA for 30.89 % of all the costs and expenses incurred by and paid for by the HCPUA directly related to the HCPUA Project in the dollar amount of approximately \$ 3,056,000 (three million fifty six thousand dollars) as of January, 2014.

1.3 The Parties agree that as summarized in Exhibit B, HCPUA currently owns groundwater leases that fully authorize under all currently effective state and local laws the pumping of 10,300 a/f/y from the Carrizo-Wilcox aquifer in Gonzales and Caldwell Counties. Under the terms of

the participation interest described above CRWA owns a 30.89% share in the 10,300 a/f/y which equals 3,181.67 a/f/y ($0.3089 \times 10,300 = 3,181.67$). If the goal of 33,212 a/f/y (Phase Two) is achieved CRWA would own a controlling interest in 10,259.186 a/f/y ($33,212 \times 30.89\% = 10,259.186$).

ARTICLE II. PURCHASE OF PER CENTAGE PART

2.1 CRWA does hereby grant, sell, and convey to Green Valley and Green Valley does hereby agree to purchase from CRWA a 33.333 % (thirty three and three hundred thirty three one thousandths) share of CRWA's interest in the HCPUA Contract as amended under those terms and conditions set out herein. The Parties are aware of the fact that prior to the date of the Contract CRWA had already sold part of its ownership in the HCPUA Contract to other entities; 33.333% to Crystal Clear WSC and 100 acre-fect to Martindale WSC. Therefore, the Parties agree that all calculations of shares, interests, payments and responsibilities of any and all types Green Valley is purchasing hereby is to be based upon 33.333% of CRWA's 30.89% ownership in the HCPUA Contract as amended; not calculated upon 33.333% of CRWA's remaining interest in the HCPUA Contract immediately following the prior sales identified above. The Parties agree that the purchase price set out below is good and sufficient consideration to support this Contract.

2.2 The Parties agree that the purchase price of the per cent share set out in the paragraph immediately above is (1) a direct proportion of the costs and expenses that have been assessed by HCPUA to CRWA for CRWA's full participation share in the HCPUA Contract as of the Effective Date of this Contract, and (2) a proportionate share of those costs and expenses that will be assessed by HCPUA for CRWA's full participation share in the HCPUA Contract. These two elements of consideration are more specifically defined as follows:

2.21 Past accumulated investment.

2.211 The Parties agree that as part of the purchase price Green Valley will reimburse, through future rates and fees over time or sooner if Green Valley so elects, CRWA for 33.333% of the dollar amount already invested by CRWA in the HCPUA Contract; this dollar amount equals \$ 1,018,546 (one million eighteen thousand five hundred forty six dollars) [$33.33\% \times \$ 3,056,000$ (as of January, 2014) = \$ 1,018,546].

2.2111 This dollar amount will be adjusted upward to correspond to 33.333% of CRWA's investment in the HCPUA Contract as calculated based upon the Effective Date of this Contract.

2.2112 CRWA agrees that payment by Green Valley to CRWA of that dollar amount and under the payment method described above will be

payment in full for Green Valley's share of CRWA's investment in the HCPUA Contract accumulated between January 1, 2008, and the Effective Date of this Contract.

2.22 Future HCPUA costs and expenses.

2.221 The Parties agree that for efficiency of management and accounting Green Valley will for the foreseeable future make its payment to the HCPUA through CRWA. Green Valley's monthly payments will be 33.333 % of the dollar amount billed by the HCPUA to CRWA for CRWA's full participation share in the HCPUA Contract.

2.222 The current monthly billing from the HCPUA to CRWA is approximately \$40,000 ($\$480,000 \div 12 = \$40,000$). Green Valley agrees to pay to the HCPUA through CRWA, 33.333 % of the monthly HCPUA bill to CRWA which monthly amount is currently \$ 13,332 (thirteen thousand three hundred thirty two dollars) ($33.33\% \times \$40,000 = \$13,332$). CRWA will immediately forward this dollar amount to the HCPUA.

2.223 Green Valley must allocate an amount sufficient to cover payments to CRWA to remit to HCPUA.

2.224 Both Parties understand and agree that this monthly dollar amount will increase significantly when the construction of the HCPUA Project begins.

ARTICLE III. RIGHT-OF-FIRST-REFUSAL

3.1 The Parties agree that as part of the consideration for this Contract CRWA promises and does hereby sell to Green Valley the right-of-first-refusal to purchase an additional part of CRWA's ownership interest in the HCPUA Contract under the following terms and conditions:

3.11 CRWA will until such time as all of its interest in the HCPUA Contract has been sold provide Green Valley with the right-of-first-refusal to purchase additional parts of the HCPUA Contract at CRWA's cost of the requested additional part.

3.12 Green Valley understands and agrees that CRWA is offering this same right-of-first-refusal to all other CRWA member entities who purchase a Percentage share (hereinafter "Subscribing Entities") in the HCPUA Contract. If after the initial offering there is a conflict between two or more Subscribing Entities for all of CRWA's remaining ownership in the HCPUA Contract, CRWA's remaining interests will be distributed on a "first to sign a purchase contract" under CRWA's initial offer basis. All subsequent purchasers will be provided a purchase right ranked in priority by contract signing date.

Green Valley has been made aware of the fact that Crystal Clear WSC has prior to the date of this Contract signed a purchase contract for a Percentage share with CRWA.

3.13 This right-of-first-refusal may not be exercised by Green Valley on behalf of any third party.

3.2 Financing the Project. The plan for financing the Project is set forth in Article III of the HCPUA Contract, and provides for financing using: i) cash from a Subscribing Entity such as CRWA, ii) the issuance of Bonds by the HCPUA on behalf of a Subscribing Entity, or iii) a combination of these two methods. Each Subscribing Entity shall have the right to elect to cash fund any or all future costs or payments related to the Project if this option is available based upon the financing option elected by the HCPUA and/or CRWA.

ARTICLE IV. GENERAL TERMS AND CONDITIONS

4.1 The Parties agree that beginning on August 1, 2018, CRWA may sell its entire remaining share in the HCPUA Contract to any third party but only subject to Green Valley's right-of-first-refusal.

4.2 The Parties agree that Green Valley hereby grants to CRWA as part of the consideration for this contract the right-of-first-refusal when and if Green Valley sells or leases a part or all of its interest in the HCPUA Contract to any third party.

4.3 CRWA's written approval of the financial capability of a proposed third party purchaser must be obtained before the resale of any of Green Valley's interest in the HCPUA contract.

4.4 The Parties agree that CRWA will continue for the foreseeable future to represent Green Valley and all of the other Subscribing Entities in all matters before the HCPUA. All CRWA members that purchase a Percentage Share in the HCPUA Contract will be referenced as "Subscribing Entities". All decisions relating to HCPUA Contract matters will be established by vote of CRWA and all other CRWA Subscribing Entities on a per cent ownership basis.

ARTICLE V. NOTICE

5.1 All notices and other communications hereunder will be in writing and will be delivered by one of the following means; hand delivery; expedited courier delivery; mailed by registered or certified mail, return receipt requested, postage prepaid; or, electronic mail, provided, that a duplicate of the same notice or communication is also mailed by first-class mail on the same date of the electronic mail. All notices and communications hereunder will be addressed as follows,

and will be effective upon actual delivery if delivered by hand or by expedited courier delivery or, if mailed, three (3) business days after deposit in the United States mail;

Canyon Regional Water Authority
830 Lakeside Pass
New Braunfels, Texas 78130
Telephone: (830) 609-0543
Facsimile: (830) 609-0740
Email: crwa@crwa.com

Green Valley Special Utility District
P.O. Box 99
Marion, Texas 78124
Telephone: 830-914-2330
Facsimile: 830-420-4138
Email: www.gvsud.org

ARTICLE VI. MISCELLANEOUS TERMS

6.1 Term and Termination. After the Effective Date, this Contract shall be effective and shall remain in effect for the term set forth in Section 8.5 of the HCPUA Contract. The Parties may thereafter extend the term of this Contract by mutual agreement.

6.2 Due Authorization. Each Party represents to each of the other Parties that the execution, delivery and performance of this Contract has been duly authorized by all necessary action on the part of governing body of the Party and the person executing this Contract on behalf of the Party has been fully authorized and empowered to bind the Party to the terms and provisions of this Contract;

6.3 No Violation of Law. Each Party represents to each of the other Parties that this Contract does not contravene any law or any governmental rule, regulation or order applicable to the Party; and further that the execution and delivery of this Contract and the performance by the Party of its obligations hereunder does not contravene the provisions of, or constitute a default under, the terms of any contract, resolution, or other instrument to which the Party is bound.

6.4 Authority. This Contract is made in part under the authority conferred in Chapter 791, Texas Government Code.

6.5 Governing Law and Venue. This Contract will be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America. All obligations of the Parties are performable in Hays County, Texas and venue for any action arising hereunder will be in Hays County.

6.6 Limitation on Assignment and Consent. Except as otherwise set forth herein, any assignment of this Contract, in whole or part, by any Party is prohibited without the prior written consent of all the Parties.

6.7 Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

6.8 Partial Invalidity. If any of the terms, covenants or conditions of this Contract, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance by any court with jurisdiction, the remainder of this Contract, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

6.9 Waiver. Any waiver by any Party of its rights with respect to a default or requirement under this Contract will not be deemed a waiver of any subsequent default or other matter.

6.10 Cooperation. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Contract, and further to not unreasonably withhold any consent or approvals required for implementing the terms of this Contract.

6.11 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Contract, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Contract.

6.12 Exhibits. All exhibits attached to this Contract are hereby incorporated in this Contract as if the same were set forth in full in the body of this Contract.

6.13 Entire Agreement. This Contract, including the attached exhibits, contains the entire agreement between and among the Parties and supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to such matters.

6.14 Amendments. This Contract may be amended or modified only by written agreement duly authorized and executed on behalf of each of the Parties hereto.

6.15 Approvals. All approvals of any Party hereunder shall be in writing and, unless otherwise expressly provided herein, shall not be unreasonably withheld, conditioned or delayed.

6.16 Execution. This Contract may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

6.17 Effective Date. The Effective Date of this Contract is the 24th day of July, 2014.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, and intend to be bound by the terms of this Contract upon such execution, with the Contract to be effective as to all Parties as of the Effective Date.

CANYON REGIONAL WATER AUTHORITY

BY: *Steven Liparoto*

Steven Liparoto

Its: Chairman

GREEN VALLEY SPECIAL UTILITY DISTRICT

BY: *Dennis Dreyer*

Dennis Dreyer

Its: President

ACKNOWLEDGEMENT

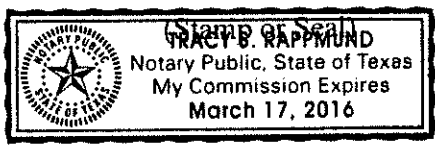
STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

Before me on this day personally appeared Steven Liparoto, acting in his capacity as Chairman of the Board of Directors of the Canyon Regional Water Authority, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 24th day of July, 2014.

Tracy S. Rappmund

Notary Public



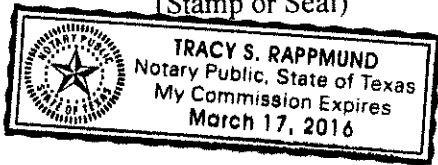
ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

Before me on this day personally appeared Dennis Dreyer, acting in his capacity as President of Green Valley Special Utility District, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 24th day of July, 2014.

(Stamp or Seal)



Tracy S. Rappmund

Notary Public

**Canyon Regional Water Authority Contract
with Martindale WSC Contract Purchase
HCPUA**

CONTRACT
FOR
SALE OF PART OF CRWA'S OWNERSHIP
IN
THE HCPUA CONTRACT AS AMENDED

This is a contract ("the Contract") between Canyon Regional Water Authority ("CRWA"), 850 Lakeside Pass, New Braunfels, Texas, 78130 and Martindale Water Supply Corporation ("MWSC"), P.O. 175, Martindale, Texas, 78655, hereinafter jointly referenced as the Parties to this Contract.

ARTICLE I. BACKGROUND FACTS

1.1 The Parties agree that on or about January 1, 2008, CRWA signed a contract with the Hays Caldwell Public Utility Agency ("HCPUA") in which contract CRWA made certain promises including but not limited to the participation with and the payment for a part of the Project described in the HCPUA Contract as amended ("HCPUA Contract") (copy of the HCPUA Contract with 2009 Amendment attached hereto and incorporated herewith for all purposes as **Exhibit A**). CRWA's participation/ownership level in the HCPUA Contract is currently 30.89 % (thirty and eighty nine one-hundredths percent). The Project as described in the HCPUA Contract is for, in summary, the acquisition of raw water, purification and transportation of 15,000 acre-feet per year (a/f/y)(Phase One) with the goal of a maximum of 33,212 a/f/y (Phase Two) said purified water to be delivered to a point acceptable to the HCPUA Sponsoring Public Entities. The "CRWA-HCPUA 2008 contract, as amended in 2009, for a 30.89% share and a project goal of 33,212 a/f/y" (2008 contract as amended) is a key reference/basis for other sections of this contract.

1.2 The Parties agree that between January 1, 2008, and September 1, 2013, the HCPUA has successfully obtained leases for Carrizo-Wilcox groundwater on a long term basis (list of existing HCPUA groundwater leases and status of these leases attached as **Exhibit B**) and has billed CRWA for 30.89 % of all the costs and expenses incurred by and paid for by the HCPUA directly related to the HCPUA Project in the dollar amount of approximately \$ 3,056,000 (three million fifty six thousand dollars) as of January, 2014.

1.3 The Parties agree that as summarized in Exhibit B, HCPUA currently owns groundwater leases that fully authorize under all currently effective state and local laws the pumping of 10,300 a/f/y from the Carrizo-Wilcox aquifer in Gonzales and Caldwell Counties. Under the terms of the participation interest described above CRWA owns a 30.89% share in the 10,300 a/f/y which equals 3,181.67 a/f/y ($0.3089 \times 10,300 = 3,181.67$). If the goal of 33,212 a/f/y (Phase Two) is achieved CRWA would own a controlling interest in 10,259.186 a/f/y ($33,212 \times 30.89\% = 10,259.186$).

ARTICLE II. PURCHASE OF VOLUMETRIC PART

2.1 CRWA agrees to grant, sell, and convey to MWSC and MWSC hereby agrees to purchase a 100 (one hundred) a/f/y volumetric part of CRWA's ownership interest in the HCPUA Contract under those terms and conditions set out below:

2.11 It is assumed by the Parties that the initial volume of water delivered by the HCPUA to CRWA under the terms of the HCPUA Contract will be equal to or less than 3,181.67 a/f/y and that this exact volumetric number will not be fixed until some time in the near future. For the purposes of explanation and definition purposes only this volume, the initial delivery volume from HCPUA to CRWA, will be assumed to be 3,000 a/f/y.

2.12 The total 100 a/f/y hereby sold by CRWA to MWSC is a one time sale and will not establish any other rights such as the right-of-first-refusal between the Parties.

2.13 MWSC will be responsible for paying CRWA for the 100 a/f/y whether or not it actually takes deliver of any of this water.

2.14 MWSC will be required to independently finance the purchase of the 100 a/f/y.

ARTICLE III. PURCHASE PRICE

3.1 The Parties agree that the purchase price for a volumetric part of CRWA's ownership interest in the HCPUA Contract will be determined as specified below:

3.11 MWSC will pay to CRWA a straight pro rata part of CRWA's cost accumulated (approximately, as of January, 2014; \$3,065,000) to the Effective Date of purchase by MWSC based upon the direct relationship between the volume of 100 (one hundred) acre-feet/year purchased and the current fully approved and permitted pumping figure of 3,181.67 a/f/y referenced above; and

Example: If MWSC purchases a Volumetric amount of 100 a/f/y then part of the purchase price will be \$96,332.95 ($100/3,181.67 = 0.03143$; $0.03143 \times \$3,065,000 = \$96,332.95$).

3.12 Ten (10%) per cent of this part of the purchase price (\$9,633.29) must be delivered by MWSC to CRWA on the Effective Date of this contract. The remainder of this dollar amount will be paid to CRWA by MWSC through future rates and fees over time or sooner if MWSC so elects; and

3.12 Beginning August 1, 2014, MWSC will pay to CRWA a straight pro rata part of CRWA's monthly bill from the HCPUA for all future monthly payments for the HCPUA Project attributable to the development and delivery of 3,181.67 a/f/y to CRWA, up to that month when the HCPUA fixes the actual volume of water to be delivered to CRWA under phase one of the Project; and

Example: If MWSC purchases a Volumetric amount of 100 a/f/y then part of the purchase price will be \$ 1,257.20/m ($100/3,181.67 = 0.03143$; $0.03143 \times \$ 40,000/m = \$1,275.20$) until that month when the HCPUA announces to CRWA the exact volume of water it will deliver to CRWA under the first phase of the Project.

3.121 Beginning August 1, 2014, MWSC will pay to CRWA a 0.03143 part (as derived above) of all increases in the monthly bill for the Project from the HCPUA but only for those costs and expenses attributed to the delivery of up to 3,181.67 a/f/y under the actual first phase of the Project .

3.122 If the actual first phase of the Project is for the delivery of less than 3,181.67 a/f/y to CRWA as described immediately above then the monthly dollar payments shall be adjusted accordingly.

Example: If MWSC purchases a Volumetric amount of 100 a/f/y and the volume of water to be delivered to CRWA under the actual first phase of the Project is 2,500 a/f/y, then MWSC's adjusted monthly payment to CRWA will be \$1,600/m ($100/2,500 = 0.04$; $0.04 \times \$40,000 = \$1,600$).

3.2 The Parties agree that CRWA is currently being billed under the terms of the HCPUA Contract for ongoing costs and expenses. This HCPUA billing is currently estimated as $\$480,000 \div 12 = \$40,000/\text{month}$ (as of January, 2014) subject to significant increases when Project construction is initiated.

3.3 MWSC shall have the right to elect to cash fund any or all future costs, expenses, charges, and payments related to this contract.

3.4 MWSC shall have the right to sell all of its interests in this contract any time subject to CRWA's right-of-first refusal. CRWA's written approval of the financial capability of a proposed third party purchaser must be obtained before the sale of any of MWSC's interest in this contract.

ARTICLE IV. WATER DELIVERY

4.1 The Parties understand and agree that it is currently anticipated that the first delivery of water by the HCPUA to CRWA under the terms of the HCPUA Contract is assumed to be in

2018, subject to revision.

4.2 Under the terms of this contract MWSC will have the right to 100 a/f/y out of the first delivery of water to CRWA under the terms of the HCPUA Contract regardless of what this total volume will actually be.

ARTICLE V. LIMITED RIGHT TO VOID CONTRACT

5.1 The Parties agree that the terms of this contract were negotiated based upon the assumption that substantially all of CRWA's ownership interests in the HCPUA Contract will be purchased on or before August 1, 2014, by CRWA member entities. If CRWA does not sell a minimum of 50 % of its ownership interests in the HCPUA Contract by close of business August 1, 2014, to its member entities, this contract is voidable at the sole discretion of MWSC. Unless exercised by MWSC this option automatically terminates at close of business August 15, 2014.

ARTICLE VI. NOTICE

6.1 All notices and other communications hereunder will be in writing and will be delivered by one of the following means: hand delivery; expedited courier delivery; mailed by registered or certified mail, return receipt requested, postage prepaid; or, electronic mail, provided, that a duplicate of the same notice or communication is also mailed by first-class mail on the same date of the electronic mail. All notices and communications hereunder will be addressed as follows, and will be effective upon actual delivery if delivered by hand or by expedited courier delivery or, if mailed, three (3) business days after deposit in the United States mail:

Canyon Regional Water Authority
850 Lakeside Pass
New Braunfels, Texas 78130
Telephone: (830) 609-0543
Facsimile: (830) 609-0740
Email: crwa@crwa.com

Martindale Water Supply Corporation
P.O. Box 175
Martindale, Texas 78655
Telephone: (512) 357-6951
Facsimile: (512) 357-0028
Email: martwsc@austin.rr.com

6.2 Any Party may change its address for receiving notice by giving notice of a new address in the manner herein; *provided, however*, if mailed, notice of such new address will be effective only upon actual receipt by the other parties.

ARTICLE VII. MISCELLANEOUS TERMS

7.1 Term and Termination. After the Effective Date, this Contract shall be effective and shall remain in effect for the term set forth in Section 8.5 of the HCPUA Contract. The Parties may thereafter extend the term of this Contract by mutual agreement.

7.2 Due Authorization. Each Party represents to each of the other Parties that the execution, delivery and performance of this Contract has been duly authorized by all necessary action on the part of governing body of the Party and the person executing this Contract on behalf of the Party has been fully authorized and empowered to bind the Party to the terms and provisions of this Contract;

7.3 No Violation of Law. Each Party represents to each of the other Parties that this Contract does not contravene any law or any governmental rule, regulation or order applicable to the Party; and further that the execution and delivery of this Contract and the performance by the Party of its obligations hereunder does not contravene the provisions of, or constitute a default under, the terms of any contract, resolution, or other instrument to which the Party is bound.

7.4 Authority. This Contract is made in part under the authority conferred in Chapter 791, Texas Government Code.

7.5 Governing Law and Venue. This Contract will be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America. All obligations of the Parties are performable in Hays County, Texas and venue for any action arising hereunder will be in Hays County.

7.6 Limitation on Assignment and Consent. Except as otherwise set forth herein, any assignment of this Contract, in whole or part, by any Party is prohibited without the prior written consent of all the Parties.

7.7 Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

7.8 Partial Invalidity. If any of the terms, covenants or conditions of this Contract, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance by any court with jurisdiction, the remainder of this Contract, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

7.9 Waiver. Any waiver by any Party of its rights with respect to a default or requirement under this Contract will not be deemed a waiver of any subsequent default or other matter.

7.10 Cooperation. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Contract, and further to not unreasonably withhold any consent or approvals required for implementing the terms of this Contract.

7.11 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Contract, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Contract.

7.12 Exhibits. All exhibits attached to this Contract are hereby incorporated in this Contract as if the same were set forth in full in the body of this Contract.

7.13 Entire Agreement. This Contract, including the attached exhibits, contains the entire agreement between and among the Parties and supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to such matters.

7.14 Amendments. This Contract may be amended or modified only by written agreement duly authorized and executed on behalf of each of the Parties hereto.

7.15 Approvals. All approvals of any Party hereunder shall be in writing and, unless otherwise expressly provided herein, shall not be unreasonably withheld, conditioned or delayed.

7.16 Execution. This Contract may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

7.17 Effective Date. The Effective Date of this Contract is the 28 day of July, 2014.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, and intend to be bound by the terms of this Contract upon such execution, with the Contract to be effective as to all Parties as of the Effective Date.

CANYON REGIONAL WATER AUTHORITY

BY: 
Steve Laparoto

Its: Chairman

MARTINDALE WATER SUPPLY CORPORATION

BY: _____

Tom Dodington

Its: President

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF GUADALUPE §

Before me on this day personally appeared Steve Laparoto, acting in his capacity as Chairman of Canyon Regional Water Authority, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 28 day of July, 2014.

(Stamp or Seal)



Ritzie N Watkins
Notary Public in and for the State of Texas

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF HAYS §

Before me on this day personally appeared Tom Dodington, acting in his/her capacity as President of Martindale Water Supply Corporation, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2014.

(Stamp or Seal)

Notary Public in and for the State of Texas

7.17 Effective Date. The Effective Date of this Contract is the _____ day of _____, 2014.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, and intend to be bound by the terms of this Contract upon such execution, with the Contract to be effective as to all Parties as of the Effective Date.

CANYON REGIONAL WATER AUTHORITY

BY: [Signature]
Steve Liparoto
Its: Chairman

MARTINDALE WATER SUPPLY CORPORATION

BY: [Signature]
Tom Dodington
Its: President

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF HAYS §

Before me on this day personally appeared Tom Dodington, acting in his/her capacity as President of Martindale Water Supply Corporation, and acknowledged to me that he executed the above document for the purposes and consideration therein expressed.

Given under my hand and seal of office this 28TH day of JULY, 2014.

(Stamp or Seal)

[Signature]
Notary Public in and for the State of Texas

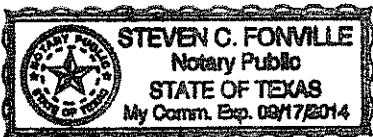


EXHIBIT "A"
HCPUA Contract

EXHIBIT "B"
List of Existing HCPUA Groundwater Leases

Part B17

Resolution Requesting Financial Assistance

TWDB-0201a
Rev 1/3/2014**Application Filing and Authorized Representative Resolution (WRD-201a)**

A RESOLUTION by the Board of Directors of the Hays Caldwell Public Utility Agency (the "Agency") requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY:

SECTION 1: That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an aggregate principal amount not to exceed \$13,236,000 to provide for the costs of the Agency's Phase 1A project which consists of a pipeline and pump station that interconnects the City of Kyle and City of Buda water systems and will ultimately serve as the delivery infrastructure for the Agency's Carrizo water.

SECTION 2: That the Agency's Executive Director, Graham Moore, be and is hereby designated the authorized representative of the Hays Caldwell Public Utility Agency for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3: That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the Hays Caldwell Public Utility Agency before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: Dan Wegmiller with Specialized Public Finance, Inc.
248 Addie Road, Suite B-103, Austin, TX 78746
(512) 275-7302

Engineer: Drew Hardin, PE with Lockwood, Andrews & Newnam, Inc.
8911 N. Capital of Texas Highway, Bldg. 2, Suite 2300, Austin, TX 78759
(512) 338-4212

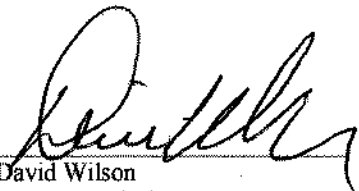
Bond Counsel: Carol Polumbo with McCall, Parkhurst & Horton, LLP
600 Congress Ave., Suite 1800, Austin, TX 78701
(512) 478-3805

PASSED AND APPROVED, this the 27th day of May, 2015.

ATTEST:


Chris Betz
Secretary, Board of Directors

By:


David Wilson
Chair, Board of Directors

Part B18

Application Affidavit

TWDB-0201
Revised 2/21/2013

Application Affidavit (WRD-201)

THE STATE OF TEXAS §
 COUNTY OF Hays §
 APPLICANT Hays Caldwell Public Utility Agency §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Graham Moore as the Authorized Representative of the Hays Caldwell Public Utility Agency, who being by me duly sworn, upon oath says that:

1. the decision by the Hays Caldwell Public Utility Agency (authority, city, county, corporation, district) to request financial assistance from the Texas Water Development Board ("Board") was made in a public meeting held in accordance with the Open Meetings Act (Government Code, §551.001, et seq.) and after providing all such notice as required by such Act as is applicable to the Hays Caldwell Public Utility Agency (authority, city, county, corporation, district) ;

2. the information submitted in the application is true and correct according to my best knowledge and belief;

3. the Hays Caldwell Public Utility Agency (authority, city, county, corporation, district) has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessment or other enforcement or compliance issue of any kind or nature by the Environmental Protection Agency, Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write in "none"):

none

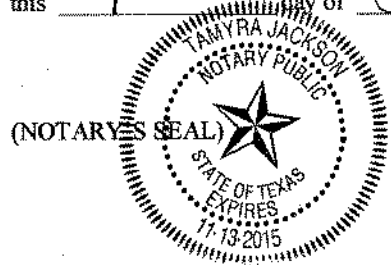
4. the Hays Caldwell Public Utility Agency (authority, city, county, corporation, district) warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and

5. the Hays Caldwell Public Utility Agency (authority, city, county, corporation, district) will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.

[Signature]
 Official Representative

Title: Executive Director

SWORN TO AND SUBSCRIBED BEFORE ME, by Graham Moore,
 this 1st day of June, 2015.



[Signature]
 Notary Public, State of Texas

Part B19

Certificate of Secretary

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS '
COUNTY OF HAYS '
HAYS CALDWELL PUBLIC UTILITY AGENCY '

We, the undersigned officers of the Board of Directors of the Agency, hereby certify as follows:

1. The Board of Directors of the Agency convened in a REGULAR MEETING ON THE 27TH DAY OF MAY, 2015, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of the Board, to wit:

David Wilson - Chairman
John Thomaides - Vice Chair
Chris Betz - Secretary
Kenneth Williams - Treasurer
Todd Webster - Director
James Earp - Director
Jane Hughson - Director
Jared Miller - Director
Steve Parker - Director
Tom Taggart - Director
Pat Allen - Director
Humberto Ramos - Director

and all of the persons were present, except the following absentees: Thomaides, Miller,
Webster & Parker thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

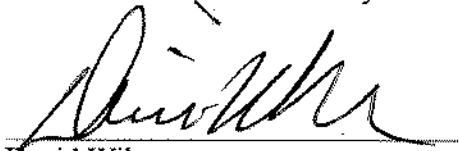
**A RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM
THE TEXAS WATER DEVELOPMENT BOARD, AUTHORIZING THE
FILING OF AN APPLICATION FOR ASSISTANCE; AND MAKING
CERTAIN FINDINGS IN CONNECTION THEREWITH**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be passed; and, after due discussion, the motion, carrying with it the passage of the Resolution, prevailed and carried by the following vote:

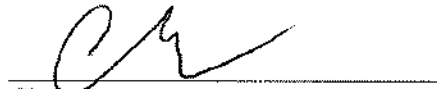
AYES: 9
NOES: 0

2. That a true, full and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Resolution has been duly recorded in the Board's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that the Resolution would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; that the Meeting was open to the public and public notice of the time, place and purpose of the Meeting as given, all as required by Chapter 551, Government Code.

SIGNED this 27th day of May, 2015.



David Wilson
Chair, Board of Directors



Chris Betz
Secretary, Board of Directors

Part B25

Water Conservation Plan (2 Copies)

- City of Buda Drought Contingency Plan



Drought Contingency Plan

January 3, 2012

Developed to Meet Requirements Outlined in 30 TAC Section 288.20

Public Water Supply Number:

TX1050012

Certificate of Convenience and Necessity Number:

11953

121 Main Street

Buda, Texas 78610

TABLE OF CONTENTS

- Section I. Declaration of Policy, Purpose and Intent4
- Section II. Authority and Applicability4
- Section III. Background4
 - City of Buda Water Supply, Projected Demand, and Water Supply Contracts4
 - Figure 1: Water Supply Availability by Month Under BSEACD’s Drought Curtailments5
- Section IV. Public Involvement6
- Section V. Public Education and Notification.....6
- Section VI. Coordination with Regional Water Planning Groups and the City’s Suppliers6
- Section VII. Drought Stage Triggers and Goals7
 - Year-Round Water Conservation7
 - Stage 17
 - Goal.....7
 - Triggers7
 - Termination of Stage7
 - Stage 27
 - Goal.....7
 - Triggers7
 - Termination of Stage7
 - Stage 38
 - Goal.....8
 - Triggers8
 - Termination of Stage8
 - Stage 48
 - Goal.....8
 - Triggers8
 - Termination of Stage8
- Section VIII. Utility Actions and Supply Management by Drought Stage.....8
 - Year-Round8
 - Stage 19
 - Stage 29
 - Stage 39
 - Stage 49
- Section IX. User and Customer Demand Actions by Drought Stage10

Section X. Variances, Enforcement Procedures and Plan Adoption10
 Variances.....10
 Enforcement Procedures and Plan Adoption10
Section XI. Plan Review and Updates.....10
Appendix A. Water Conservation Ordinance11

SECTION I. DECLARATION OF POLICY, PURPOSE AND INTENT

The City of Buda (the “City”) establishes the 2011-2016 Drought Contingency Plan (the “Plan”) to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other emergency water supply conditions. The Plan will allow the City to manage its water system and water resources in a conscientious, fair and appropriate manner during certain situations when water use reductions are necessary. It is not designed to punish, stigmatize, or criticize anyone about their usage of water, but rather to ensure the City maintains an adequate supply of water during various stages of drought conditions or other water supply emergencies.

The City believes that significant reductions in water usage can be achieved through drought triggered water use restrictions and voluntary efforts by end-users, along with complimentary efforts by the water utility to maximize the efficiency of the system and eliminate loss. Implementation of voluntary water conservation measures beyond minimum year-round requirements and conscientious water use practices are encouraged at all times; however, additional water use restrictions are required in cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure. During drought, these efforts, if sufficiently effective, may delay the depletion of spring flows at Barton Springs, aquifer water levels and surface water supplies until sufficient recharge and runoff is available to replenish the Aquifer and reservoirs.

The Plan specifies how the City will respond to and manage the water system during system capacity and distribution limitations. In addition, the Plan specifies how the City will respond to and manage the water system during a repetition of the critical drought of record, and interim steps leading up to such a drought. The City will coordinate with policies of the Barton Springs-Edwards Aquifer Conservation District (BSEACD) and Guadalupe Blanco River Authority (GBRA) and any other water provider secured subsequent to the adoption of this Plan as it pertains to their adopted Drought Contingency Plans, Water Management Plans and other similar policies, if and when drought conditions occur. Both water supply and system capacity management actions are codified in the City of Buda’s Municipal Code Article 24.06. This Plan is designed to meet Section 11.1272 of the Texas Water Code and Chapter 288 of the Texas Administrative Code. These regulations require all Texas public water supply systems providing water service to 3,300 or more connections to prepare a Drought Contingency Plan. In addition, this Plan satisfies and complies with BSEACD Rules 3-7.5 and 3-7.7 related to Drought Management.

SECTION II. AUTHORITY AND APPLICABILITY

The City Manager, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The City Manager or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the City of Buda, excluding reclaimed water and grey water. The terms person and customer as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

SECTION III. BACKGROUND

CITY OF BUDA WATER SUPPLY, PROJECTED DEMAND, AND WATER SUPPLY CONTRACTS

The City is also participating in the Hays Caldwell Public Utility Association (HCPUA) in an effort to secure additional water sources from the Carizzo-Wilcox Aquifer. The HCPUA is a joint effort by several public water utilities and large water users to act regionally & cooperatively to secure the region's future water supply. In addition, the City is constantly evaluating other water sources available to assure a sustainable & reliable water supply.

SECTION IV. PUBLIC INVOLVEMENT

The City conducted a public workshop on November 1, 2011 at its regularly scheduled City Council meeting, which presented issues regarding current water supply & sources, concerns & challenges pertaining to the City's current water conservation ordinances and Drought Contingency Plan, and some recommendations. The City then held a public hearing on December 6, 2011 at 7:00 p.m. in the City Hall Council Chambers, with notification of the hearing published in the Hays Free Press (newspaper of record) on November 30, 2011.

SECTION V. PUBLIC EDUCATION AND NOTIFICATION

The City will provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the response measures to be implemented in each stage. This information will be provided by means of press releases, web page notices, signs posted in public places, public meetings and fliers available at City facilities. The City will also provide notice via utility bill inserts at the first opportunity following declaration of a drought stage. The City may take additional actions to notify beyond those listed. To the extent possible, the City will provide copies of public education and notification materials to its water suppliers. The City will provide additional public education regarding water use and water conservation throughout the year.

Press releases, web page notices, fliers and utility bill inserts shall at a minimum include the following information and/or a reference to a website that provides:

1. The date restrictions will begin
2. The circumstances that triggered the restrictions
3. The stages of response and explanation of the restrictions to be implemented, and
4. An explanation of the consequences for violations

Signs posted in public spaces should clearly identify the drought stage and provide key information regarding restrictions (or a reference to a website that provides the information described above for press releases, web page notices, fliers and utility bill inserts.

The water suppliers will notify the City of the implementation or termination of each stage of their Drought Contingency Plan program. The City will provide notice to customers as described above prior to implementation or termination of each stage of the water restriction program. The City must notify TCEQ by telephone at 512-239-4691 or my electronic mail at watermon@tceq.state.tx.us, and must notify in writing the water suppliers and the Public Drinking Water Section at MC – 155, P.O. Box 13087, Austin, Texas 78711-3087 within five working days of implementation. This notification must include a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions.

SECTION VI. COORDINATION WITH REGIONAL WATER PLANNING GROUPS AND THE CITY'S SUPPLIERS

The City's water suppliers, BSEACD and GBRA, are located within Regional Water Planning Groups K & L. A draft of this plan was provided to both Regional Water Planning Groups for comment, and adopted copies of this Plan have been provided.

SECTION VII. DROUGHT STAGE TRIGGERS AND GOALS

YEAR-ROUND WATER CONSERVATION

The City of Buda has implemented year-round water conservation requirements rather than establishing summer water conservation periods in an effort to reduce waste of water, improve implementation of drought restrictions when necessary and maintain water management as a public good & priority with the public. Due to the frequency of droughts in Central Texas, maintaining a year-round conservation program represents a pro-active approach to reduce demand and potentially avert or delay implementation of drought stages. Information regarding the year-round water conservation standards is contained in Appendix A.

STAGE 1

GOAL

To reduce overall water use by 10 percent, and reduce pumping from BSEACD by 20 percent

TRIGGERS

Stage 1 shall be implemented when any one of the following conditions occur:

1. BSEACD declares an Alarm Stage in accordance with its Drought Contingency Plan
2. Daily demand reaches 75 percent of available supply (including any water supply source curtailments) for five consecutive days
3. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

STAGE 2

GOAL

To reduce overall water use by 15 percent, and reduce pumping from BSEACD by 30 percent

TRIGGERS

Stage 2 shall be implemented when any one of the following conditions occur:

1. BSEACD declares a Critical Stage in accordance with its Drought Contingency Plan
2. BSEACD declaring an Alarm Stage and GBRA declaring Stage II in accordance with their respective Drought Contingency Plans
3. Daily demand reaches 80 percent of available supply (including any water supply source curtailments) for five consecutive days
4. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

STAGE 3

GOAL

To reduce overall water use by 20 percent, and reduce pumping from BSEACD by 40 percent

TRIGGERS

Stage 3 shall be implemented when any one of the following conditions occur:

1. BSEACD declares a Exceptional Stage in accordance with its Drought Contingency Plan
2. BSEACD declaring an Alarm Stage or greater stage and GBRA declaring Stage III in accordance with their respective Drought Contingency Plans
3. Daily demand reaches 85 percent of available supply (including any water supply source curtailments) for five consecutive days
4. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

STAGE 4

GOAL

To reduce water use by more than 20 percent, and reduce pumping from BSEACD by more than 40 percent

TRIGGERS

Stage 4 shall be implemented when any one of the following conditions occur:

1. BSEACD declares a Emergency Response Stage in accordance with its Drought Contingency Plan
2. BSEACD declaring an Critical Stage or greater stage and GBRA declaring Stage IV in accordance with their respective Drought Contingency Plans
3. Daily demand reaches 90 percent of available supply (including any water supply source curtailments) for five consecutive days
4. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

SECTION VIII. UTILITY ACTIONS AND SUPPLY MANAGEMENT BY DROUGHT STAGE

YEAR-ROUND

The City shall do the following on a year-round basis:

1. Regularly monitor the service area for occurrences of waste
2. Visually inspect lines and repair leaks on a regular basis
3. Include historic water use and customer water use comparisons in customer billings
4. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 1

The City shall do the following during Stage 1 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a monthly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 1 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs
6. Include historic water use and customer water use comparisons in customer billings
7. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 2

The City shall do the following during Stage 2 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a weekly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 2 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs
6. Include historic water use and customer water use comparisons in customer billings
7. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 3

The City shall do the following during Stage 3 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a weekly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 3 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs
6. Include historic water use and customer water use comparisons in customer billings
7. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 4

The City shall do the following during Stage 3 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a weekly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 4 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs

6. Place an item before City Council to consider, adopt and enforce any or all additional measures as needed to protect water supplies and the aquifer
7. Include historic water use and customer water use comparisons in customer billings
8. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

SECTION IX. USER AND CUSTOMER DEMAND ACTIONS BY DROUGHT STAGE

User and customer actions required by each drought stage are particularly described in the ordinance contained in Appendix A.

SECTION X. VARIANCES, ENFORCEMENT PROCEDURES AND PLAN ADOPTION

VARIANCES

The City Manager may grant variances from this Plan in accordance with Appendix A.

If a variance request results in a conflict with adopted rules of a water supplier, such as BSEACD, the City may request a variance to such rules from the water supplier. If the City is denied such a variance, then it may appeal such action in writing to the TCEQ.

ENFORCEMENT PROCEDURES AND PLAN ADOPTION

In accordance with the requirements of TCEQ and the rules of the City's water suppliers, this Plan and its related ordinances sufficiently establish, implement and enforce the provisions of this Plan. It sufficiently develops and implements procedures for enforcing the Plan and its related ordinances, incorporates all enforcement measures and surcharges available to CCN holders under TCEQ rules, and informs customers of the authority and intent to enforce the measures of the Plan and its related ordinances. Penalties are more particularly described in Appendix A.

SECTION XI. PLAN REVIEW AND UPDATES

This Plan was developed to meet the requirement in 30 TAC Section 288.20 to submit a Drought Contingency Plan and provide the community and water customers with essential drought contingency response information, regulations and services. The Plan will be reviewed at a minimum every five years and updated based on developments in Buda's water service area.

APPENDIX A. WATER CONSERVATION ORDINANCE

ORDINANCE NO. 2012-01
**AN ORDINANCE AMENDING CHAPTER 24, CODE OF
ORDINANCES, CITY OF BUDA, TEXAS BY REPEALING
AND REPLACING 24.06, ESTABLISHING REGULATIONS
FOR WATER RESOURCE MANAGEMENT AND
CONSERVATION; PROVIDING FOR A SEVERABILITY
CLAUSE AND REPEALING CONFLICTING
ORDINANCES AND RESOLUTIONS**

WHEREAS, the City has reviewed its Code of Ordinances and conducted public hearings regarding the need and desirability of amendments, revisions, deletions, and modifications; and

WHEREAS, the City desires to establish regulations for water conservation in a manner consistent with its User Drought Contingency Plan in order to provide for the health, safety and general welfare of the citizens of the City and surrounding areas, and to comply with requirements of Section 11.1272 of the Texas Water Code and Chapter 288 of the Texas Administrative Code; and

WHEREAS, this ordinance was passed and approved at a meeting of the City Council of the City of Buda held in compliance with the Texas Open Meetings Act at which a quorum of the City Council Members were present and voting.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS, THAT:

Section 1. That the City of Buda hereby adopts the revised Drought Contingency Plan attached as Exhibit "A".

Section 2. That Chapter 24, Code of Ordinances, City of Buda, Texas, is hereby amended by repealing Article 24.06 and replacing it with the following:

ARTICLE 24.06 WATER RESOURCE MANAGEMENT AND CONSERVATION

24.06.001 Purpose and Intent.

The purpose of this ordinance is to provide for the health, safety, and general welfare of the citizens of City of Buda, as well as protect the environment and limited regional water sources through the effective management and conservation of the public water supply. This ordinance establishes methods to conserve and manage the public water supply year-round and in times of drought.

24.06.002 Definitions.

The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them in this definitions section, except when the context otherwise requires. Whenever any words and phrases used herein are not defined herein but are defined in the federal and state laws regulating public water supplies and drought management, any such definition therein shall be deemed to apply to such words and phrases used herein, except when the context otherwise requires.

Aesthetic Water Feature. A fountain, waterfall, landscape lake or pond, or another decorative feature where the use is entirely ornamental and serves no other functional purpose.

Aquifer. The Edwards Aquifer.

Automatic Sprinkler Irrigation System. A system of fixed pipes and sprinkler heads that apply water to landscape plants or turf.

BSEACD. The Barton Springs Edwards Aquifer Conservation District.

Cfs. Cubic feet per second.

Charity Car Wash. Any special event involving the washing of vehicles for a donation.

City Manager. The City Manager of the City of Buda, or a person designated by the City Manager to act in his or her behalf.

Commercial Car Wash. Any permanently located or mobile car wash that washes automobiles, trucks, trailers, boats and other mobile equipment for a fee.

Commercial, Mixed Use or Multifamily Customer. For the purposes of this article, a water customer being charged using the commercial rate structure. This includes irrigation meters not associated with a companion residential water account (i.e. landscape lots maintained by home owners associations).

Drip Irrigation System. A system of fixed pipes or hoses with emitters designed to apply water to plants slowly and under pressurized conditions at or below the soil surface.

EAA. Edwards Aquifer Authority.

Existing Facility. A swimming pool, hot tub, aesthetic water feature or any similar facility, installed during any period for which a drought response stage is not in effect.

Existing Landscape. Landscaping plants and/or turf on which installation was completed more than 21 days from the current date.

Foundation Watering. Use of a soaker hose or similar device placed within 24 inches of a building foundation for the purpose of providing moisture to the foundation soils in an effort to prevent cracking or shifting.

GBRA. The Guadalupe Blanco River Authority.

Gray Water. Water that has previously been used in sinks, showers, bath tubs and clothes washing machines.

Hand-held Bucket. A container holding five gallons or less.

Hand-held Hose. A hose equipped with a positive shutoff device.

Health and Safety Use. Use of water for any purpose that is necessary to protect human health and safety.

Impervious Surface. A type of surface that prevents water from penetrating directly into the ground. Impervious surfaces include, but are not limited to, sidewalks, driveways, paved streets, and pavers or stones set with mortar.

Landscape Watering. The application of water to grow landscaping plants.

Landscaping Plant. Any plant, including any tree, shrub, vine, herb, flower, vegetable, fruit, succulent, ground cover or grass species that is used for landscaping purposes or for the support of intensive recreational areas including playgrounds and playing fields.

Makeup. Partial refilling of a swimming pool or hot tub or aesthetic water feature to replace water lost through evaporation or backwashing.

Mobile Car Wash. A commercial car wash equipped with a vehicle or trailer-mounted self-contained washing system with any of the following: water or detergent solution, storage tank, high pressure/low-flow pumping equipment, hoses, spray wand and related appurtenances.

New Facility. A swimming pool, hot tub, aesthetic water feature or any similar facility, installed during any period for which a drought response stage is in effect. When the stage, together with all other stages which precede or succeed that stage in a continuous time period, is rescinded, the new facility will be treated thereafter as an existing facility.

New Landscape. Landscaping plants and/or turf on which installation was completed within the last 21 days.

Non-Commercial Vehicle Washing. The washing of automobiles, trucks, trailers, boats, and other mobile equipment at a private residence.

Non-Essential Water Use. Any usage of water that is not required for:

- (1) A health and safety use;
- (2) Personal needs such as drinking, bathing, cooling, heating, cooking, food preparation, cleaning or sanitation;
- (3) Medical or industrial processes; or
- (4) Watering of livestock

Not in Use. As it relates to swimming pools, hot tubs and similar facilities, a facility which is not used during any 24 hour period.

Person. With respect to this Article, any individual, corporation, partnership, or other legal entity within the corporate limits of the City, or any individual, corporation, partnership, or other legal entity outside the corporate limits of the city who is a city water customer.

Positive Shutoff Device. A device which permits water to flow through it only when a continuous pressure is applied to a handle, trigger, or similar portion of the device.

Reclaimed Water. Treated wastewater that is recycled or reused after it has been used for another purpose.

Residential Customer. For the purposes of this article, a water customer being charged using the residential rate structure. This includes irrigation meters associated with a companion residential water account (i.e. a separate irrigation meter at a residence supplying an automated sprinkler system for the residence).

Soaker Hose. A portable hose with small openings that applies water slowly to plants at the soil surface with no vertical spray.

Swimming Pool. Any structure, basin, chamber, or tank, including hot tubs, containing an artificial body of water for swimming, diving, or recreational bathing, and having a depth of two (2) feet or more at any point.

Vegetable Garden. A defined area cultivated primarily to grow vegetables, herbs and other plants useful for human consumption. A defined area in which such plants are grown together with aesthetic plants (also known as a 'potager') shall be treated as a "vegetable garden" for the purposes of the article if at least 60 percent of the plants are vegetables, herbs and other plants useful for human consumption

Waste. Any activity which causes or results in excessive water usage, including but not limited to the following:

- (1) Failing to repair a controllable leak, including a broken sprinkler head, a leaking valve, leaking or broken pipes, or a leaking faucet; OR

(2) Operation of a permanently installed irrigation system with a broken head, a head that is out of adjustment and the arc of the spray head is over a street or parking lot, or a head that is misting because of high water pressure; OR

(3) Any irrigation that allows water to:

- a. Run off a property and form a stream of water in a street, gutter, ditch, drain, creek or any other natural or man-made water course for a distance of 50 feet or greater; OR
- b. Pond in a street or parking lot to a depth greater than one-quarter of an inch; OR
- c. Run off from a property onto adjacent properties

24.06.003 Applicability.

The requirements set forth under this division apply to all persons and entities using water provided by the City of Buda water utility. These requirements do not apply to alternative sources of water such as rainwater, gray water and reclaimed water. Likewise, these requirements do not apply to private wells. Owners of private wells and customers of other water utilities are encouraged to contact their respective utilities and/or regulatory agencies for any applicable requirements.

24.06.004 Implementation and Termination of Drought Response Stages.

The City Manager shall monitor water supply conditions on a daily basis. The City Manager shall issue notices to implement or terminate drought response stages as follows:

(1) *Stage 1.*

- a. Stage 1 shall be implemented when any one of the following conditions occur:
 - i. BSEACD declares an Alarm Stage in accordance with its Drought Contingency Plan;
 - ii. Daily demand reaches 75 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iii. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 1 shall be terminated when the conditions which prompted initiation of Stage 1 no longer exist.

(2) *Stage 2.*

- a. Stage 2 shall be implemented when any one of the following conditions occur:
 - i. BSEACD declares an Critical Stage in accordance with its Drought Contingency Plan;
 - ii. BSEACD declares an Alarm Stage and GBRA declares Stage II in accordance with their respective Drought Contingency Plans;
 - iii. Daily demand reaches 80 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iv. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 2 shall be terminated when the conditions which prompted initiation of Stage 2 no longer exist.

(3) *Stage 3.*

- a. Stage 3 shall be implemented when any one of the following conditions occur:
 - i. BSEACD declares an Exceptional Stage in accordance with its Drought Contingency Plan;
 - ii. BSEACD declares a Critical Stage and GBRA declares Stage III in accordance with their respective Drought Contingency Plans;
 - iii. Daily demand reaches 85 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iv. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 3 shall be terminated when the conditions which prompted initiation of Stage 3 no longer exist.

(4) *Stage 4.*

- a. Stage 4 shall be implemented when any one of the following conditions occur:

- i. BSEACD declares an Emergency Response Stage in accordance with its Drought Contingency Plan;
 - ii. BSEACD declares a Critical Stage and GBRA declares Stage IV in accordance with their respective Drought Contingency Plans;
 - iii. Daily demand reaches 90 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iv. Significant production or distribution limitations including but not limited to system outages and equipment failure; or
 - v. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 4 shall be terminated when the conditions which prompted initiation of Stage 4 no longer exist.

(5) *Notice of implementation and termination of stages.* Notices of implementation and termination of stages shall be posted on the city internet website, released to public media outlets, signs posted in public spaces, fliers available at city facilities, and published in whole or in summary form in at least one newspaper of general circulation within the city.

24.06.005 Year-Round Water Use Allowances and Restrictions.

The following allowances and restrictions are in effect at all times; however, the allowances and restrictions may be superseded by more stringent restrictions upon implementation of a drought response stage.

- (1) Waste of water is prohibited at all times.
- (2) Irrigation.
 - a. Irrigation with hose-end sprinklers and automatic sprinkler systems is prohibited between the hours of 10:00 a.m. and 7:00 p.m.
 - b. Irrigation with hand-held bucket, hand-held hose, soaker hose and drip irrigation systems is allowed on any day and at any time.
 - c. Irrigation of vegetable gardens is allowed on any day and at any time.
 - d. Irrigation of golf courses, athletic fields and commercial nurseries with sprinklers is prohibited between the hours of 10:00 a.m. and 7:00 p.m.

- e. Date and time restrictions for irrigation do not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.
- f. From and after the effective date of this article, no golf courses shall be allowed to irrigate the greens, tees, roughs or fairways with potable water. Use of potable water for landscape irrigation in and around the club house will be permitted but must conform to all other requirements for landscape irrigation.

(3) Vehicle Washing.

- a. Charity car washes are allowed, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- b. Non-commercial vehicle washing is allowed on any day and at any time, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- c. Commercial vehicle washing is allowed on any day and at any time.
- d. New commercial carwashes shall reuse at least 50 percent of rinse water and reuse all reverse osmosis concentrate

(4) Swimming pools are allowed to operate and be filled as normal. It is recommended that pools be covered while not in use to minimize evaporative losses.

(5) Operation of non-recirculating aesthetic water features is prohibited at all times.

(6) Washing of impervious surfaces is allowed but should be limited unless required for health and safety use.

(7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.

(8) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use

(9) Newly constructed Commercial, Mixed Use, Multifamily and Industrial Buildings shall comply with the following:

- a. Newly constructed buildings installing vacuum systems shall not be water-cooled with single-pass potable water when alternative systems are available

- b. Newly constructed buildings installing air conditioning systems shall have a single and independent condensate wastewater line to collect condensate wastewater to provide for future utilization as:
 - i. Process water and cooling tower make-up, and/or
 - ii. Landscape irrigation water. Condensate wastewater shall not be allowed to drain into a storm sewer, roof drain, overflow piping system, public way or impervious surface

24.06.006 Stage 1 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 1 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.
- (2) Outdoor irrigation shall be restricted as follows:
 - a. Outdoor Watering Twice-Per-Week Schedule
 - i. Odd-Numbered Residential: Wednesday and/or Saturday
 - ii. Even-Numbered Residential: Thursday and/or Sunday
 - iii. Commercial, Mixed Use and Multifamily: Tuesday and/or Friday
 - iv. It is recommended that outdoor watering be limited to one of the permitted watering days each week in order to promote conservation.
 - b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.
 - c. Irrigation of vegetable gardens is allowed on any day and at any time.
 - d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by ten percent of consumption based on the last month's billing prior to the implementation of any drought stage.
 - e. Commercial nurseries are subject to the time restrictions when using automated irrigation systems, but may operate on any day. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.

- f. Except as provided in Subsections b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
- g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
- h. Date and time restrictions for irrigation do not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.

(3) Vehicle Washing.

- a. Charity car washes are allowed, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- b. Non-commercial vehicle washing is allowed on any day and at any time, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- c. Commercial vehicle washing is allowed on any day and at any time.

(4) Swimming pools are allowed to operate and be filled as normal. It is recommended that pools be covered while not in use to minimize evaporative losses.

(5) Operation of non-recirculating aesthetic water features is prohibited at all times.

(1) Washing of impervious surfaces is prohibited unless required for health and safety use.

(6) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.

(7) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use.

24.06.007 Stage 2 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 2 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.

(2) Outdoor irrigation shall be restricted as follows:

- a. Outdoor Watering Twice-Per-Week Schedule
 - i. Odd-Numbered Residential: Wednesday and/or Saturday
 - ii. Even-Numbered Residential: Thursday and/or Sunday
 - iii. Commercial, Mixed Use and Multifamily: Tuesday and/or Friday
 - iv. It is recommended that outdoor watering be limited to one of the permitted watering days each week in order to promote conservation.
- b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems is restricted to the Outdoor Watering Twice-Per-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- c. Irrigation of vegetable gardens is allowed any day, but prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by fifteen percent of consumption based on the last month's billing prior to the implementation of any drought stage.
- e. Commercial nurseries are subject to the time restrictions when using automated irrigation systems, but may operate on any day. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.
- f. Except as provided in Subsections b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
- g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
- h. Date and time restrictions for irrigation does not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.

(3) Vehicle Washing.

- a. Charity car washes are prohibited unless held at a commercial car wash.

- b. Non-commercial vehicle washing is allowed, but must comply with the Twice-Per-Week outdoor watering schedule before 10:00 a.m. and after 7:00 p.m., and use a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
 - c. Commercial vehicle washing is allowed on any day and at any time.
- (4) Filling of new swimming pools is prohibited. Make-up of existing swimming pools is allowed. Swimming pool surfaces shall be covered at least 25 percent when not in use.
 - (5) Operation of non-recirculating aesthetic water features is prohibited at all times.
 - (6) Washing of impervious surfaces is prohibited unless required for health and safety use.
 - (7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.
 - (8) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use.
 - (9) *Construction Water*. Construction water used for non-potable needs, such as dust suppression, shall utilize alternative sources of water such as rainwater, gray water and reclaimed water to the maximum extent available. The City Manager may cap withdrawals from construction meters connected to the City water system.

24.06.008 Stage 3 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 3 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.
- (2) Outdoor irrigation shall be restricted as follows:
 - a. Outdoor Watering Once-Per-Week Schedule
 - i. Address ending in 0 or 1: Monday
 - ii. Address ending in 2 or 3: Tuesday
 - iii. Address ending in 4 or 5: Wednesday
 - iv. Address ending in 6 or 7: Thursday

- v. Address ending in 8 or 9: Friday
 - vi. The above schedule applies to Residential, Commercial, Mixed Use and Multifamily
- b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems is restricted to the Outdoor Watering Once-Per-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
 - c. Irrigation of vegetable gardens is restricted to the Outdoor Watering Once-Per-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
 - d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by twenty percent of consumption based on the last month's billing prior to the implementation of any drought stage.
 - e. Commercial nurseries are subject to the time restrictions when using automated irrigation systems, but may operate on any day. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.
 - f. Except as provided in Subsections b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
 - g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
 - h. Date and time restrictions for irrigation does not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.

(3) Vehicle Washing.

- a. Charity car washes are prohibited unless held at a commercial car wash.
- b. Non-commercial vehicle washing is allowed, but must comply with the Once-Per-Week outdoor watering schedule before 10:00 a.m. and after 7:00 p.m., and use a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- c. Commercial vehicle washing is allowed on any day and at any time.

- (4) Filling of new swimming pools is prohibited. Make-up of existing swimming pools is allowed. Swimming pool surfaces shall be covered at least 25 percent when not in use.
- (5) Operation of non-recirculating aesthetic water features is prohibited at all times.
- (6) Washing of impervious surfaces is prohibited unless required for health and safety use.
- (7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.
- (8) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use.
- (9) *Construction Water.* Construction water used for non-potable needs, such as dust suppression, shall utilize alternative sources of water such as rainwater, gray water and reclaimed water to the maximum extent available. The City Manager may cap withdrawals from construction meters connected to the City water system.

24.06.009 Stage 4 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 4 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.
- (2) Outdoor irrigation shall be restricted as follows:
 - a. Outdoor Watering Once-Per-Every-Other-Week Schedule
 - i. Address ending in 0 or 1: Monday, on the week of recycling pick-up for that address
 - ii. Address ending in 2 or 3: Tuesday, on the week of recycling pick-up for that address
 - iii. Address ending in 4 or 5: Wednesday, on the week of recycling pick-up for that address
 - iv. Address ending in 6 or 7: Thursday, on the week of recycling pick-up for that address
 - v. Address ending in 8 or 9: Friday, on the week of recycling pick-up for that address

- vi. The above schedule applies to Residential, Commercial, Mixed Use and Multifamily
- b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems is restricted to the Outdoor Watering Once-Per-Every-Other-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- c. Irrigation of vegetable gardens is restricted to the Outdoor Watering Once-Per-Every-Other-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by thirty percent of consumption based on the last month's billing prior to the implementation of any drought stage.
- e. Commercial nurseries must comply with the Once-Per-Every-Other Week Schedule for automated irrigation systems before 10:00 a.m. and after 7:00 p.m. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted any day before 10:00 a.m. and after 7:00 p.m.
- f. Except as provided in Subsection b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
- g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
- h. Date and time restrictions for irrigation does not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.
- i. The City Council may take action following enactment of Stage IV to prohibit all outdoor irrigation if it determines there is a direct threat to health, safety and the general welfare.

(3) Vehicle Washing.

- a. Charity car washes are prohibited unless held at a commercial car wash.
- b. Non-commercial vehicle washing is prohibited except at a commercial car wash.
- c. Commercial vehicle washing is allowed on any day and at any time.

- (4) Filling of new swimming pools is prohibited. Make-up of existing swimming pools is prohibited. Swimming pool surfaces shall be fully-covered when not in use.
- (5) Operation of non-recirculating aesthetic water features is prohibited at all times.
- (6) Washing of impervious surfaces is prohibited unless required for health and safety use.
- (7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.
- (8) Other non-essential water uses are prohibited.
- (9) *Construction Water.* Construction water used for non-potable needs, such as dust suppression, shall utilize alternative sources of water such as rainwater, gray water and reclaimed water to the maximum extent available. The City Manager may cap withdrawals from construction meters connected to the City water system.

24.06.010 Variances and Alternative Compliance.

- (1) The City Manager may grant a variance from the requirements of this article if it is determined that special circumstances exist and that:
 - a. Compliance with this article adversely affects the health, sanitation, fire protection or safety of the public; or
 - b. Compliance with this article cannot be technically accomplished; or
 - c. Alternative methods can be implemented that will achieve the same or greater reduction in water use; or
 - d. Substantially threatens the applicant's primary source of income; or
 - e. Adversely affects pesticide or fertilizer application
- (2) The City Manager may grant a variance pertaining to the time of day allowed and/or permitted watering day calendar for outdoor water use if the City Manager determines that a property cannot be completely watered with an average of three-quarters of an inch of water per week and that the property should be divided into sections to be watered on different days.

- (3) A person may seek a variance by filing an application with the City Manager. The City Manager may require the applicant to provide information the City Manager determines is necessary to evaluate the variance request. At a minimum, the applicant must provide the following:
- a. Name and address of the applicant;
 - b. Purpose and location of water use;
 - c. Specific provisions of this division for which the applicant is requesting a variance;
 - d. Detailed explanation of how the specific provisions will adversely affect the applicant;
 - e. Period of time for which the variance is sought;
 - f. Alternative measures the applicant proposes to implement in order to meet the intent of this article; and
 - g. Any other pertinent information as required by the City Manager
- (4) If the City Manager approved a variance, the applicant shall keep a copy of the approval in a location on the affected property that is accessible and visible to the public.
- (5) An approved variance or approved form of alternative compliance shall expire when any of the following occur:
- a. A more intensive drought stage takes effect; or
 - b. The applicant is convicted of violating this article

24.06.011 New Landscape Installation Program.

- (1) *Noticed New Landscape Authorization.* Expressed approval from the City is not required. Rather, an applicant will submit a New Landscape Installation Authorization Form. Upon receipt of the completed form, the City will confirm its receipt with the applicant. The submission will reflect compliance with new landscape installation irrigation requirements as described below. Irrigation of the new landscaping may then commence in accordance with the dates as indicated by the applicant on the New Landscape Installation Authorization. Any modification will require submittal of a new and completed New Landscape Installation Authorization.

- (2) *Outdoor Watering Schedule During Year-Round Conservation.* New landscape installation irrigation shall comply with the following schedule when drought stages are not in effect:
- a. Days 1-10: Irrigation permitted any time
- (3) *Outdoor Watering Schedule During Drought Stages.* New landscape installation irrigation shall comply with the following schedule when drought stages are in effect:
- a. Days 1-10: Irrigation permitted every day and any time
 - b. Days 11-20: Irrigation permitted Monday, Wednesday and Friday, and only before 10:00 a.m. and after 7:00 p.m.
 - c. Days 21-30: Irrigation permitted in accordance with the Twice-per-week watering schedule as described in 24.06.006(2)a and 24.06.007(2)a
- (4) The applicant shall post a copy of the notice in a location on the affected property that is accessible and visible to the public.
- (5) All other aspects of this article shall remain in full effect, including prohibitions on waste of water.
- (6) Watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.

24.06.012 Violations.

- (1) It shall be unlawful for any person to intentionally, knowingly, recklessly, or with criminal negligence allow or cause any waste of water, to allow or cause landscape watering at any time other than during a prescribed time for landscape watering, or to allow or cause any violation of any provision or restriction of this article.
- (2) The City Manager is authorized and instructed to commence any action, in law or in equity, including the filing of criminal charges, deemed necessary for the purpose of enforcing this article. The City Manager may seek civil penalties and any other legal or equitable relief available under common law, Chapter 54 of the Texas Local Government Code or any other applicable city, state or federal code or statute.
- (3) It is not a defense to prosecution under any provision of the article that the violation charged is no longer occurring or no longer exists. A judge of the municipal court may not dismiss a complaint or enter a finding of not guilty on the grounds that the violation is no longer occurring or no longer exists.

24.06.013 Enforcement Personnel.

In addition to all peace officers, code enforcement officers, and other persons authorized to enforce city ordinances, the City Manager is authorized to enforce this article by issuing citations to violators, filing complaints in the municipal court, and filing civil enforcement actions.

24.06.014 Registered Water User Presumed.

For the purposes of this article, in any case where water has been used on a property in violation of this article, it shall be presumed that the person in whose name a water meter connection is registered with the city for the property has intentionally, knowingly, recklessly, or negligently caused or allowed the violation to occur. Proof that the particular premises had a water meter connection registered in the name of the defendant cited in a criminal or civil complaint filed under this division shall constitute prima facie evidence that the defendant caused or allowed the violation to occur.

24.06.015 Additional Enforcement Remedies.

- (1) The City Manager is authorized and instructed to commence any action, in law or in equity, including the filing of criminal charges, necessary to enforce this article.
- (2) The City Manager may seek civil penalties and any other legal or equitable relief available under common law, Chapter 54 of the Texas Local Government Code, or any other applicable city, state or federal code or statute necessary to enforce this article.
- (3) More than three criminal violations of this article by a customer of the city water system in a 12-month period, or failure to pay assessed penalties, may result in installation of a flow control device on the customer's water line, and/or termination of the customer's water service. When possible, termination of the customer's water service may be limited to outdoor use. However, termination of water service may include both indoor and outdoor use. In the event of termination of the customer's water service, the customer shall pay the reconnection fee.

24.06.016 Penalties.

- (1) *Criminal Penalties:* A person who violates any provision of this article commits a misdemeanor, and upon conviction, shall be punished by a fine in the respective amounts shown:
 - a. 1st offense in a 12 month period – not more than \$100.00
 - b. 2nd offense in a 12 month period – not more than \$250.00

- c. 3rd offense in a 12 month period – not more than \$500.00
 - d. If the court determines the offense relates to public health or sanitation, or makes a finding of criminal negligence, the maximum fine is \$2,000.00 regardless of the number of offenses.
- (2) Each violation of a particular provision of this article shall constitute a separate offense, and each day a violation occurs or continues shall be considered a new offense.
- (3) *Civil Penalties.* Civil penalties, imposed by courts of competent jurisdiction in civil actions for violations of this article, may also be assessed as may be allowed by applicable state law in any amount to be authorized by the state. Under Local Government Code Chapter 54, the City may presently pursue civil enforcement for injunctive relief and the imposition of up to \$1,000.00 per day civil penalties appropriately imposed by the court. This statutory remedy is in addition to the city's common law right to bring civil actions for injunctive relief to stop harmful acts, independent of authority found in the Texas Local Government Code. A civil penalty assessed against a utility customer for violation of this article may be collected through the utility billing system as part of the consolidated billing system.
- (4) *Surcharges.* Any person who violates the watering restriction provisions of this article will be held strictly liable and the punishment for such violation may include the imposition of punitive surcharges. The City is authorized to assess one or more surcharges on the water bill of any person presumed to have been the one who violated this article. In the event the City determines a violation has occurred, the person assessed the punitive surcharge by the City is *prima facie* presumed to have violated this article for the purpose of assessment of surcharges. Punitive surcharges may be assessed as follows:
- a. 1st offense in a 12 month period – warning
 - b. 2nd offense in a 12 month period – \$25.00
 - c. 3rd offense in a 12 month period – \$100.00
 - d. 4th offense in a 12 month period - \$300.00
- (5) Enforcement personnel may issue verbal and/or written warnings prior to issuance of a citation.

24.06.017 Liability of Corporate Officers for Penalty.

Whenever a corporation or association violates any provision of this article or in a drought response order issued under this article, the president, vice-president, secretary, treasurer,

manager or any agent or employee of the corporation or association who is responsible for the violation shall be subject to the penalty prescribed for the violation.

Section 3. This ordinance shall be cumulative of all other ordinances of the City of Buda, and this ordinance shall not operate to repeal or affect any other ordinances of the City of Buda except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, are hereby repealed.

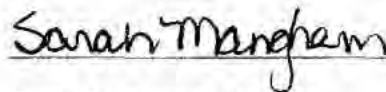
Section 4. The sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional or invalid phrase, clause, sentence, paragraph or section.

Section 5. This Ordinance shall be effective immediately from and after its final passage and any publication in accordance with the requirements of the City of Buda and the laws of the State of Texas.

PASSED AND APPROVED on first reading by an affirmative vote of the City Council of the City of Buda, this 6th day of December, 2011.

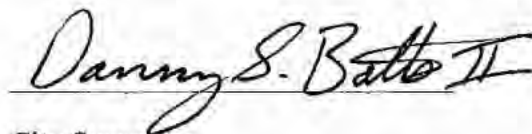
PASSED, APPROVED AND ADOPTED on second reading by an affirmative vote of the City Council of the City of Buda, this 3rd day of January, 2012.

APPROVED:



Sarah Mangham, Mayor

ATTEST:



City Secretary





Drought Contingency Plan

January 3, 2012

Developed to Meet Requirements Outlined in 30 TAC Section 288.20

Public Water Supply Number:

TX1050012

Certificate of Convenience and Necessity Number:

11953

121 Main Street

Buda, Texas 78610

TABLE OF CONTENTS

Section I. Declaration of Policy, Purpose and Intent	4
Section II. Authority and Applicability	4
Section III. Background	4
City of Buda Water Supply, Projected Demand, and Water Supply Contracts	4
Figure 1: Water Supply Availability by Month Under BSEACD’s Drought Curtailments	5
Section IV. Public Involvement	6
Section V. Public Education and Notification.....	6
Section VI. Coordination with Regional Water Planning Groups and the City’s Suppliers	6
Section VII. Drought Stage Triggers and Goals	7
Year-Round Water Conservation	7
Stage 1	7
Goal.....	7
Triggers	7
Termination of Stage	7
Stage 2	7
Goal.....	7
Triggers	7
Termination of Stage	7
Stage 3	8
Goal.....	8
Triggers	8
Termination of Stage	8
Stage 4	8
Goal.....	8
Triggers	8
Termination of Stage	8
Section VIII. Utility Actions and Supply Management by Drought Stage.....	8
Year-Round	8
Stage 1	9
Stage 2	9
Stage 3	9
Stage 4	9
Section IX. User and Customer Demand Actions by Drought Stage	10

Section X. Variances, Enforcement Procedures and Plan Adoption10
 Variances.....10
 Enforcement Procedures and Plan Adoption10
Section XI. Plan Review and Updates.....10
Appendix A. Water Conservation Ordinance11

SECTION I. DECLARATION OF POLICY, PURPOSE AND INTENT

The City of Buda (the “City”) establishes the 2011-2016 Drought Contingency Plan (the “Plan”) to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other emergency water supply conditions. The Plan will allow the City to manage its water system and water resources in a conscientious, fair and appropriate manner during certain situations when water use reductions are necessary. It is not designed to punish, stigmatize, or criticize anyone about their usage of water, but rather to ensure the City maintains an adequate supply of water during various stages of drought conditions or other water supply emergencies.

The City believes that significant reductions in water usage can be achieved through drought triggered water use restrictions and voluntary efforts by end-users, along with complimentary efforts by the water utility to maximize the efficiency of the system and eliminate loss. Implementation of voluntary water conservation measures beyond minimum year-round requirements and conscientious water use practices are encouraged at all times; however, additional water use restrictions are required in cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure. During drought, these efforts, if sufficiently effective, may delay the depletion of spring flows at Barton Springs, aquifer water levels and surface water supplies until sufficient recharge and runoff is available to replenish the Aquifer and reservoirs.

The Plan specifies how the City will respond to and manage the water system during system capacity and distribution limitations. In addition, the Plan specifies how the City will respond to and manage the water system during a repetition of the critical drought of record, and interim steps leading up to such a drought. The City will coordinate with policies of the Barton Springs-Edwards Aquifer Conservation District (BSEACD) and Guadalupe Blanco River Authority (GBRA) and any other water provider secured subsequent to the adoption of this Plan as it pertains to their adopted Drought Contingency Plans, Water Management Plans and other similar policies, if and when drought conditions occur. Both water supply and system capacity management actions are codified in the City of Buda’s Municipal Code Article 24.06. This Plan is designed to meet Section 11.1272 of the Texas Water Code and Chapter 288 of the Texas Administrative Code. These regulations require all Texas public water supply systems providing water service to 3,300 or more connections to prepare a Drought Contingency Plan. In addition, this Plan satisfies and complies with BSEACD Rules 3-7.5 and 3-7.7 related to Drought Management.

SECTION II. AUTHORITY AND APPLICABILITY

The City Manager, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The City Manager or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the City of Buda, excluding reclaimed water and grey water. The terms person and customer as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

SECTION III. BACKGROUND

CITY OF BUDA WATER SUPPLY, PROJECTED DEMAND, AND WATER SUPPLY CONTRACTS

The City is also participating in the Hays Caldwell Public Utility Association (HCPUA) in an effort to secure additional water sources from the Carizzo-Wilcox Aquifer. The HCPUA is a joint effort by several public water utilities and large water users to act regionally & cooperatively to secure the region's future water supply. In addition, the City is constantly evaluating other water sources available to assure a sustainable & reliable water supply.

SECTION IV. PUBLIC INVOLVEMENT

The City conducted a public workshop on November 1, 2011 at its regularly scheduled City Council meeting, which presented issues regarding current water supply & sources, concerns & challenges pertaining to the City's current water conservation ordinances and Drought Contingency Plan, and some recommendations. The City then held a public hearing on December 6, 2011 at 7:00 p.m. in the City Hall Council Chambers, with notification of the hearing published in the Hays Free Press (newspaper of record) on November 30, 2011.

SECTION V. PUBLIC EDUCATION AND NOTIFICATION

The City will provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the response measures to be implemented in each stage. This information will be provided by means of press releases, web page notices, signs posted in public places, public meetings and fliers available at City facilities. The City will also provide notice via utility bill inserts at the first opportunity following declaration of a drought stage. The City may take additional actions to notify beyond those listed. To the extent possible, the City will provide copies of public education and notification materials to its water suppliers. The City will provide additional public education regarding water use and water conservation throughout the year.

Press releases, web page notices, fliers and utility bill inserts shall at a minimum include the following information and/or a reference to a website that provides:

1. The date restrictions will begin
2. The circumstances that triggered the restrictions
3. The stages of response and explanation of the restrictions to be implemented, and
4. An explanation of the consequences for violations

Signs posted in public spaces should clearly identify the drought stage and provide key information regarding restrictions (or a reference to a website that provides the information described above for press releases, web page notices, fliers and utility bill inserts).

The water suppliers will notify the City of the implementation or termination of each stage of their Drought Contingency Plan program. The City will provide notice to customers as described above prior to implementation or termination of each stage of the water restriction program. The City must notify TCEQ by telephone at 512-239-4691 or my electronic mail at watermon@tceq.state.tx.us, and must notify in writing the water suppliers and the Public Drinking Water Section at MC – 155, P.O. Box 13087, Austin, Texas 78711-3087 within five working days of implementation. This notification must include a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions.

SECTION VI. COORDINATION WITH REGIONAL WATER PLANNING GROUPS AND THE CITY'S SUPPLIERS

The City's water suppliers, BSEACD and GBRA, are located within Regional Water Planning Groups K & L. A draft of this plan was provided to both Regional Water Planning Groups for comment, and adopted copies of this Plan have been provided.

SECTION VII. DROUGHT STAGE TRIGGERS AND GOALS

YEAR-ROUND WATER CONSERVATION

The City of Buda has implemented year-round water conservation requirements rather than establishing summer water conservation periods in an effort to reduce waste of water, improve implementation of drought restrictions when necessary and maintain water management as a public good & priority with the public. Due to the frequency of droughts in Central Texas, maintaining a year-round conservation program represents a pro-active approach to reduce demand and potentially avert or delay implementation of drought stages. Information regarding the year-round water conservation standards is contained in Appendix A.

STAGE 1

GOAL

To reduce overall water use by 10 percent, and reduce pumping from BSEACD by 20 percent

TRIGGERS

Stage 1 shall be implemented when any one of the following conditions occur:

1. BSEACD declares an Alarm Stage in accordance with its Drought Contingency Plan
2. Daily demand reaches 75 percent of available supply (including any water supply source curtailments) for five consecutive days
3. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

STAGE 2

GOAL

To reduce overall water use by 15 percent, and reduce pumping from BSEACD by 30 percent

TRIGGERS

Stage 2 shall be implemented when any one of the following conditions occur:

1. BSEACD declares a Critical Stage in accordance with its Drought Contingency Plan
2. BSEACD declaring an Alarm Stage and GBRA declaring Stage II in accordance with their respective Drought Contingency Plans
3. Daily demand reaches 80 percent of available supply (including any water supply source curtailments) for five consecutive days
4. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

STAGE 3

GOAL

To reduce overall water use by 20 percent, and reduce pumping from BSEACD by 40 percent

TRIGGERS

Stage 3 shall be implemented when any one of the following conditions occur:

1. BSEACD declares a Exceptional Stage in accordance with its Drought Contingency Plan
2. BSEACD declaring an Alarm Stage or greater stage and GBRA declaring Stage III in accordance with their respective Drought Contingency Plans
3. Daily demand reaches 85 percent of available supply (including any water supply source curtailments) for five consecutive days
4. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

STAGE 4

GOAL

To reduce water use by more than 20 percent, and reduce pumping from BSEACD by more than 40 percent

TRIGGERS

Stage 4 shall be implemented when any one of the following conditions occur:

1. BSEACD declares a Emergency Response Stage in accordance with its Drought Contingency Plan
2. BSEACD declaring an Critical Stage or greater stage and GBRA declaring Stage IV in accordance with their respective Drought Contingency Plans
3. Daily demand reaches 90 percent of available supply (including any water supply source curtailments) for five consecutive days
4. A water quality, supply, distribution system or other emergency exists as determined by the City Manager

TERMINATION OF STAGE

The stage will be terminated when the conditions which prompted initiation of the restrictions no longer exist.

SECTION VIII. UTILITY ACTIONS AND SUPPLY MANAGEMENT BY DROUGHT STAGE

YEAR-ROUND

The City shall do the following on a year-round basis:

1. Regularly monitor the service area for occurrences of waste
2. Visually inspect lines and repair leaks on a regular basis
3. Include historic water use and customer water use comparisons in customer billings
4. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 1

The City shall do the following during Stage 1 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a monthly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 1 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs
6. Include historic water use and customer water use comparisons in customer billings
7. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 2

The City shall do the following during Stage 2 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a weekly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 2 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs
6. Include historic water use and customer water use comparisons in customer billings
7. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 3

The City shall do the following during Stage 3 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a weekly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 3 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs
6. Include historic water use and customer water use comparisons in customer billings
7. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

STAGE 4

The City shall do the following during Stage 3 Drought Restrictions:

1. Regularly monitor the service area for occurrences of waste
2. Conduct a weekly Lead Detection Survey and immediately repair all identified leaks in the system
3. Do not flush water mains except for dead end mains
4. City facilities shall comply with the Stage 4 Drought Restrictions consistent with Commercial watering schedules
5. Notify the public upon initiation of the drought stage, including placement of signs

6. Place an item before City Council to consider, adopt and enforce any or all additional measures as needed to protect water supplies and the aquifer
7. Include historic water use and customer water use comparisons in customer billings
8. Include a reminder on each water bill encouraging water conservation and providing a link to the City's website containing information about water conservation

SECTION IX. USER AND CUSTOMER DEMAND ACTIONS BY DROUGHT STAGE

User and customer actions required by each drought stage are particularly described in the ordinance contained in Appendix A.

SECTION X. VARIANCES, ENFORCEMENT PROCEDURES AND PLAN ADOPTION

VARIANCES

The City Manager may grant variances from this Plan in accordance with Appendix A.

If a variance request results in a conflict with adopted rules of a water supplier, such as BSEACD, the City may request a variance to such rules from the water supplier. If the City is denied such a variance, then it may appeal such action in writing to the TCEQ.

ENFORCEMENT PROCEDURES AND PLAN ADOPTION

In accordance with the requirements of TCEQ and the rules of the City's water suppliers, this Plan and its related ordinances sufficiently establish, implement and enforce the provisions of this Plan. It sufficiently develops and implements procedures for enforcing the Plan and its related ordinances, incorporates all enforcement measures and surcharges available to CCN holders under TCEQ rules, and informs customers of the authority and intent to enforce the measures of the Plan and its related ordinances. Penalties are more particularly described in Appendix A.

SECTION XI. PLAN REVIEW AND UPDATES

This Plan was developed to meet the requirement in 30 TAC Section 288.20 to submit a Drought Contingency Plan and provide the community and water customers with essential drought contingency response information, regulations and services. The Plan will be reviewed at a minimum every five years and updated based on developments in Buda's water service area.

APPENDIX A. WATER CONSERVATION ORDINANCE

ORDINANCE NO. 2012-01
**AN ORDINANCE AMENDING CHAPTER 24, CODE OF
ORDINANCES, CITY OF BUDA, TEXAS BY REPEALING
AND REPLACING 24.06, ESTABLISHING REGULATIONS
FOR WATER RESOURCE MANAGEMENT AND
CONSERVATION; PROVIDING FOR A SEVERABILITY
CLAUSE AND REPEALING CONFLICTING
ORDINANCES AND RESOLUTIONS**

WHEREAS, the City has reviewed its Code of Ordinances and conducted public hearings regarding the need and desirability of amendments, revisions, deletions, and modifications; and

WHEREAS, the City desires to establish regulations for water conservation in a manner consistent with its User Drought Contingency Plan in order to provide for the health, safety and general welfare of the citizens of the City and surrounding areas, and to comply with requirements of Section 11.1272 of the Texas Water Code and Chapter 288 of the Texas Administrative Code; and

WHEREAS, this ordinance was passed and approved at a meeting of the City Council of the City of Buda held in compliance with the Texas Open Meetings Act at which a quorum of the City Council Members were present and voting.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS, THAT:

Section 1. That the City of Buda hereby adopts the revised Drought Contingency Plan attached as Exhibit "A".

Section 2. That Chapter 24, Code of Ordinances, City of Buda, Texas, is hereby amended by repealing Article 24.06 and replacing it with the following:

ARTICLE 24.06 WATER RESOURCE MANAGEMENT AND CONSERVATION

24.06.001 Purpose and Intent.

The purpose of this ordinance is to provide for the health, safety, and general welfare of the citizens of City of Buda, as well as protect the environment and limited regional water sources through the effective management and conservation of the public water supply. This ordinance establishes methods to conserve and manage the public water supply year-round and in times of drought.

24.06.002 Definitions.

The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them in this definitions section, except when the context otherwise requires. Whenever any words and phrases used herein are not defined herein but are defined in the federal and state laws regulating public water supplies and drought management, any such definition therein shall be deemed to apply to such words and phrases used herein, except when the context otherwise requires.

Aesthetic Water Feature. A fountain, waterfall, landscape lake or pond, or another decorative feature where the use is entirely ornamental and serves no other functional purpose.

Aquifer. The Edwards Aquifer.

Automatic Sprinkler Irrigation System. A system of fixed pipes and sprinkler heads that apply water to landscape plants or turf.

BSEACD. The Barton Springs Edwards Aquifer Conservation District.

Cfs. Cubic feet per second.

Charity Car Wash. Any special event involving the washing of vehicles for a donation.

City Manager. The City Manager of the City of Buda, or a person designated by the City Manager to act in his or her behalf.

Commercial Car Wash. Any permanently located or mobile car wash that washes automobiles, trucks, trailers, boats and other mobile equipment for a fee.

Commercial, Mixed Use or Multifamily Customer. For the purposes of this article, a water customer being charged using the commercial rate structure. This includes irrigation meters not associated with a companion residential water account (i.e. landscape lots maintained by home owners associations).

Drip Irrigation System. A system of fixed pipes or hoses with emitters designed to apply water to plants slowly and under pressurized conditions at or below the soil surface.

EAA. Edwards Aquifer Authority.

Existing Facility. A swimming pool, hot tub, aesthetic water feature or any similar facility, installed during any period for which a drought response stage is not in effect.

Existing Landscape. Landscaping plants and/or turf on which installation was completed more than 21 days from the current date.

Foundation Watering. Use of a soaker hose or similar device placed within 24 inches of a building foundation for the purpose of providing moisture to the foundation soils in an effort to prevent cracking or shifting.

GBRA. The Guadalupe Blanco River Authority.

Gray Water. Water that has previously been used in sinks, showers, bath tubs and clothes washing machines.

Hand-held Bucket. A container holding five gallons or less.

Hand-held Hose. A hose equipped with a positive shutoff device.

Health and Safety Use. Use of water for any purpose that is necessary to protect human health and safety.

Impervious Surface. A type of surface that prevents water from penetrating directly into the ground. Impervious surfaces include, but are not limited to, sidewalks, driveways, paved streets, and pavers or stones set with mortar.

Landscape Watering. The application of water to grow landscaping plants.

Landscaping Plant. Any plant, including any tree, shrub, vine, herb, flower, vegetable, fruit, succulent, ground cover or grass species that is used for landscaping purposes or for the support of intensive recreational areas including playgrounds and playing fields.

Makeup. Partial refilling of a swimming pool or hot tub or aesthetic water feature to replace water lost through evaporation or backwashing.

Mobile Car Wash. A commercial car wash equipped with a vehicle or trailer-mounted self-contained washing system with any of the following: water or detergent solution, storage tank, high pressure/low-flow pumping equipment, hoses, spray wand and related appurtenances.

New Facility. A swimming pool, hot tub, aesthetic water feature or any similar facility, installed during any period for which a drought response stage is in effect. When the stage, together with all other stages which precede or succeed that stage in a continuous time period, is rescinded, the new facility will be treated thereafter as an existing facility.

New Landscape. Landscaping plants and/or turf on which installation was completed within the last 21 days.

Non-Commercial Vehicle Washing. The washing of automobiles, trucks, trailers, boats, and other mobile equipment at a private residence.

Non-Essential Water Use. Any usage of water that is not required for:

- (1) A health and safety use;
- (2) Personal needs such as drinking, bathing, cooling, heating, cooking, food preparation, cleaning or sanitation;
- (3) Medical or industrial processes; or
- (4) Watering of livestock

Not in Use. As it relates to swimming pools, hot tubs and similar facilities, a facility which is not used during any 24 hour period.

Person. With respect to this Article, any individual, corporation, partnership, or other legal entity within the corporate limits of the City, or any individual, corporation, partnership, or other legal entity outside the corporate limits of the city who is a city water customer.

Positive Shutoff Device. A device which permits water to flow through it only when a continuous pressure is applied to a handle, trigger, or similar portion of the device.

Reclaimed Water. Treated wastewater that is recycled or reused after it has been used for another purpose.

Residential Customer. For the purposes of this article, a water customer being charged using the residential rate structure. This includes irrigation meters associated with a companion residential water account (i.e. a separate irrigation meter at a residence supplying an automated sprinkler system for the residence).

Soaker Hose. A portable hose with small openings that applies water slowly to plants at the soil surface with no vertical spray.

Swimming Pool. Any structure, basin, chamber, or tank, including hot tubs, containing an artificial body of water for swimming, diving, or recreational bathing, and having a depth of two (2) feet or more at any point.

Vegetable Garden. A defined area cultivated primarily to grow vegetables, herbs and other plants useful for human consumption. A defined area in which such plants are grown together with aesthetic plants (also known as a 'potager') shall be treated as a "vegetable garden" for the purposes of the article if at least 60 percent of the plants are vegetables, herbs and other plants useful for human consumption

Waste. Any activity which causes or results in excessive water usage, including but not limited to the following:

- (1) Failing to repair a controllable leak, including a broken sprinkler head, a leaking valve, leaking or broken pipes, or a leaking faucet; OR

(2) Operation of a permanently installed irrigation system with a broken head, a head that is out of adjustment and the arc of the spray head is over a street or parking lot, or a head that is misting because of high water pressure; OR

(3) Any irrigation that allows water to:

- a. Run off a property and form a stream of water in a street, gutter, ditch, drain, creek or any other natural or man-made water course for a distance of 50 feet or greater; OR
- b. Pond in a street or parking lot to a depth greater than one-quarter of an inch; OR
- c. Run off from a property onto adjacent properties

24.06.003 Applicability.

The requirements set forth under this division apply to all persons and entities using water provided by the City of Buda water utility. These requirements do not apply to alternative sources of water such as rainwater, gray water and reclaimed water. Likewise, these requirements do not apply to private wells. Owners of private wells and customers of other water utilities are encouraged to contact their respective utilities and/or regulatory agencies for any applicable requirements.

24.06.004 Implementation and Termination of Drought Response Stages.

The City Manager shall monitor water supply conditions on a daily basis. The City Manager shall issue notices to implement or terminate drought response stages as follows:

(1) *Stage 1.*

- a. Stage 1 shall be implemented when any one of the following conditions occur:
 - i. BSEACD declares an Alarm Stage in accordance with its Drought Contingency Plan;
 - ii. Daily demand reaches 75 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iii. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 1 shall be terminated when the conditions which prompted initiation of Stage 1 no longer exist.

(2) *Stage 2.*

- a. Stage 2 shall be implemented when any one of the following conditions occur:
 - i. BSEACD declares an Critical Stage in accordance with its Drought Contingency Plan;
 - ii. BSEACD declares an Alarm Stage and GBRA declares Stage II in accordance with their respective Drought Contingency Plans;
 - iii. Daily demand reaches 80 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iv. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 2 shall be terminated when the conditions which prompted initiation of Stage 2 no longer exist.

(3) *Stage 3.*

- a. Stage 3 shall be implemented when any one of the following conditions occur:
 - i. BSEACD declares an Exceptional Stage in accordance with its Drought Contingency Plan;
 - ii. BSEACD declares a Critical Stage and GBRA declares Stage III in accordance with their respective Drought Contingency Plans;
 - iii. Daily demand reaches 85 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iv. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 3 shall be terminated when the conditions which prompted initiation of Stage 3 no longer exist.

(4) *Stage 4.*

- a. Stage 4 shall be implemented when any one of the following conditions occur:

- i. BSEACD declares an Emergency Response Stage in accordance with its Drought Contingency Plan;
 - ii. BSEACD declares a Critical Stage and GBRA declares Stage IV in accordance with their respective Drought Contingency Plans;
 - iii. Daily demand reaches 90 percent of available supply, based on the City's current water supply resulting from any curtailments implemented by water suppliers, for five consecutive days; or
 - iv. Significant production or distribution limitations including but not limited to system outages and equipment failure; or
 - v. A water quality, supply, distribution system or other emergency exists as determined by the City Manager
- b. Stage 4 shall be terminated when the conditions which prompted initiation of Stage 4 no longer exist.

(5) *Notice of implementation and termination of stages.* Notices of implementation and termination of stages shall be posted on the city internet website, released to public media outlets, signs posted in public spaces, fliers available at city facilities, and published in whole or in summary form in at least one newspaper of general circulation within the city.

24.06.005 Year-Round Water Use Allowances and Restrictions.

The following allowances and restrictions are in effect at all times; however, the allowances and restrictions may be superseded by more stringent restrictions upon implementation of a drought response stage.

- (1) Waste of water is prohibited at all times.
- (2) Irrigation.
 - a. Irrigation with hose-end sprinklers and automatic sprinkler systems is prohibited between the hours of 10:00 a.m. and 7:00 p.m.
 - b. Irrigation with hand-held bucket, hand-held hose, soaker hose and drip irrigation systems is allowed on any day and at any time.
 - c. Irrigation of vegetable gardens is allowed on any day and at any time.
 - d. Irrigation of golf courses, athletic fields and commercial nurseries with sprinklers is prohibited between the hours of 10:00 a.m. and 7:00 p.m.

- e. Date and time restrictions for irrigation do not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.
- f. From and after the effective date of this article, no golf courses shall be allowed to irrigate the greens, tees, roughs or fairways with potable water. Use of potable water for landscape irrigation in and around the club house will be permitted but must conform to all other requirements for landscape irrigation.

(3) Vehicle Washing.

- a. Charity car washes are allowed, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- b. Non-commercial vehicle washing is allowed on any day and at any time, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- c. Commercial vehicle washing is allowed on any day and at any time.
- d. New commercial carwashes shall reuse at least 50 percent of rinse water and reuse all reverse osmosis concentrate

(4) Swimming pools are allowed to operate and be filled as normal. It is recommended that pools be covered while not in use to minimize evaporative losses.

(5) Operation of non-recirculating aesthetic water features is prohibited at all times.

(6) Washing of impervious surfaces is allowed but should be limited unless required for health and safety use.

(7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.

(8) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use

(9) Newly constructed Commercial, Mixed Use, Multifamily and Industrial Buildings shall comply with the following:

- a. Newly constructed buildings installing vacuum systems shall not be water-cooled with single-pass potable water when alternative systems are available

- b. Newly constructed buildings installing air conditioning systems shall have a single and independent condensate wastewater line to collect condensate wastewater to provide for future utilization as:
 - i. Process water and cooling tower make-up, and/or
 - ii. Landscape irrigation water. Condensate wastewater shall not be allowed to drain into a storm sewer, roof drain, overflow piping system, public way or impervious surface

24.06.006 Stage 1 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 1 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.
- (2) Outdoor irrigation shall be restricted as follows:
 - a. Outdoor Watering Twice-Per-Week Schedule
 - i. Odd-Numbered Residential: Wednesday and/or Saturday
 - ii. Even-Numbered Residential: Thursday and/or Sunday
 - iii. Commercial, Mixed Use and Multifamily: Tuesday and/or Friday
 - iv. It is recommended that outdoor watering be limited to one of the permitted watering days each week in order to promote conservation.
 - b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.
 - c. Irrigation of vegetable gardens is allowed on any day and at any time.
 - d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by ten percent of consumption based on the last month's billing prior to the implementation of any drought stage.
 - e. Commercial nurseries are subject to the time restrictions when using automated irrigation systems, but may operate on any day. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.

- f. Except as provided in Subsections b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
- g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
- h. Date and time restrictions for irrigation do not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.

(3) Vehicle Washing.

- a. Charity car washes are allowed, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- b. Non-commercial vehicle washing is allowed on any day and at any time, but must be done using a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- c. Commercial vehicle washing is allowed on any day and at any time.

(4) Swimming pools are allowed to operate and be filled as normal. It is recommended that pools be covered while not in use to minimize evaporative losses.

(5) Operation of non-recirculating aesthetic water features is prohibited at all times.

(1) Washing of impervious surfaces is prohibited unless required for health and safety use.

(6) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.

(7) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use.

24.06.007 Stage 2 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 2 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.

(2) Outdoor irrigation shall be restricted as follows:

- a. Outdoor Watering Twice-Per-Week Schedule
 - i. Odd-Numbered Residential: Wednesday and/or Saturday
 - ii. Even-Numbered Residential: Thursday and/or Sunday
 - iii. Commercial, Mixed Use and Multifamily: Tuesday and/or Friday
 - iv. It is recommended that outdoor watering be limited to one of the permitted watering days each week in order to promote conservation.
- b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems is restricted to the Outdoor Watering Twice-Per-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- c. Irrigation of vegetable gardens is allowed any day, but prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by fifteen percent of consumption based on the last month's billing prior to the implementation of any drought stage.
- e. Commercial nurseries are subject to the time restrictions when using automated irrigation systems, but may operate on any day. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.
- f. Except as provided in Subsections b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
- g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
- h. Date and time restrictions for irrigation does not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.

(3) Vehicle Washing.

- a. Charity car washes are prohibited unless held at a commercial car wash.

- b. Non-commercial vehicle washing is allowed, but must comply with the Twice-Per-Week outdoor watering schedule before 10:00 a.m. and after 7:00 p.m., and use a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
 - c. Commercial vehicle washing is allowed on any day and at any time.
- (4) Filling of new swimming pools is prohibited. Make-up of existing swimming pools is allowed. Swimming pool surfaces shall be covered at least 25 percent when not in use.
 - (5) Operation of non-recirculating aesthetic water features is prohibited at all times.
 - (6) Washing of impervious surfaces is prohibited unless required for health and safety use.
 - (7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.
 - (8) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use.
 - (9) *Construction Water.* Construction water used for non-potable needs, such as dust suppression, shall utilize alternative sources of water such as rainwater, gray water and reclaimed water to the maximum extent available. The City Manager may cap withdrawals from construction meters connected to the City water system.

24.06.008 Stage 3 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 3 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.
- (2) Outdoor irrigation shall be restricted as follows:
 - a. Outdoor Watering Once-Per-Week Schedule
 - i. Address ending in 0 or 1: Monday
 - ii. Address ending in 2 or 3: Tuesday
 - iii. Address ending in 4 or 5: Wednesday
 - iv. Address ending in 6 or 7: Thursday

- v. Address ending in 8 or 9: Friday
 - vi. The above schedule applies to Residential, Commercial, Mixed Use and Multifamily
- b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems is restricted to the Outdoor Watering Once-Per-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
 - c. Irrigation of vegetable gardens is restricted to the Outdoor Watering Once-Per-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
 - d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by twenty percent of consumption based on the last month's billing prior to the implementation of any drought stage.
 - e. Commercial nurseries are subject to the time restrictions when using automated irrigation systems, but may operate on any day. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted at any time on any day.
 - f. Except as provided in Subsections b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
 - g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
 - h. Date and time restrictions for irrigation does not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.

(3) Vehicle Washing.

- a. Charity car washes are prohibited unless held at a commercial car wash.
- b. Non-commercial vehicle washing is allowed, but must comply with the Once-Per-Week outdoor watering schedule before 10:00 a.m. and after 7:00 p.m., and use a hand-held bucket or a hand-held hose equipped with a positive shutoff device.
- c. Commercial vehicle washing is allowed on any day and at any time.

- (4) Filling of new swimming pools is prohibited. Make-up of existing swimming pools is allowed. Swimming pool surfaces shall be covered at least 25 percent when not in use.
- (5) Operation of non-recirculating aesthetic water features is prohibited at all times.
- (6) Washing of impervious surfaces is prohibited unless required for health and safety use.
- (7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.
- (8) Other non-essential water uses are allowed but all reasonable measures shall be taken to limit the use.
- (9) *Construction Water.* Construction water used for non-potable needs, such as dust suppression, shall utilize alternative sources of water such as rainwater, gray water and reclaimed water to the maximum extent available. The City Manager may cap withdrawals from construction meters connected to the City water system.

24.06.009 Stage 4 Water Use Allowances and Restrictions.

The following measures are in effect for any period when stage 4 of the drought response plan has been implemented:

- (1) Waste of water is prohibited.
- (2) Outdoor irrigation shall be restricted as follows:
 - a. Outdoor Watering Once-Per-Every-Other-Week Schedule
 - i. Address ending in 0 or 1: Monday, on the week of recycling pick-up for that address
 - ii. Address ending in 2 or 3: Tuesday, on the week of recycling pick-up for that address
 - iii. Address ending in 4 or 5: Wednesday, on the week of recycling pick-up for that address
 - iv. Address ending in 6 or 7: Thursday, on the week of recycling pick-up for that address
 - v. Address ending in 8 or 9: Friday, on the week of recycling pick-up for that address

- vi. The above schedule applies to Residential, Commercial, Mixed Use and Multifamily
- b. Outdoor watering with hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems is restricted to the Outdoor Watering Once-Per-Every-Other-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- c. Irrigation of vegetable gardens is restricted to the Outdoor Watering Once-Per-Every-Other-Week Schedule and shall be prohibited between the hours of 10:00 a.m. and 7:00 p.m.
- d. Outdoor watering use at golf courses, athletic fields and city facilities shall be reduced by thirty percent of consumption based on the last month's billing prior to the implementation of any drought stage.
- e. Commercial nurseries must comply with the Once-Per-Every-Other Week Schedule for automated irrigation systems before 10:00 a.m. and after 7:00 p.m. Use of hand-held bucket, hand-held hose with a positive shutoff device, soaker hose and/or drip irrigation systems are permitted any day before 10:00 a.m. and after 7:00 p.m.
- f. Except as provided in Subsection b-d, a person may not irrigate outdoors at a residential facility, multifamily facility, mixed use facility or a commercial facility between the hours of 10:00 a.m. and 7:00 p.m.
- g. A person may not irrigate outdoors at a residential facility except on a designated outdoor water use day, or as provided in Subsection b and c, and time as provided in Subsection f.
- h. Date and time restrictions for irrigation does not apply during repair or testing of a new or existing irrigation system if the person performing the testing is present.
- i. The City Council may take action following enactment of Stage IV to prohibit all outdoor irrigation if it determines there is a direct threat to health, safety and the general welfare.

(3) Vehicle Washing.

- a. Charity car washes are prohibited unless held at a commercial car wash.
- b. Non-commercial vehicle washing is prohibited except at a commercial car wash.
- c. Commercial vehicle washing is allowed on any day and at any time.

- (4) Filling of new swimming pools is prohibited. Make-up of existing swimming pools is prohibited. Swimming pool surfaces shall be fully-covered when not in use.
- (5) Operation of non-recirculating aesthetic water features is prohibited at all times.
- (6) Washing of impervious surfaces is prohibited unless required for health and safety use.
- (7) Foundation watering is allowed on any day and at any time. However, foundation watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.
- (8) Other non-essential water uses are prohibited.
- (9) *Construction Water.* Construction water used for non-potable needs, such as dust suppression, shall utilize alternative sources of water such as rainwater, gray water and reclaimed water to the maximum extent available. The City Manager may cap withdrawals from construction meters connected to the City water system.

24.06.010 Variances and Alternative Compliance.

- (1) The City Manager may grant a variance from the requirements of this article if it is determined that special circumstances exist and that:
 - a. Compliance with this article adversely affects the health, sanitation, fire protection or safety of the public; or
 - b. Compliance with this article cannot be technically accomplished; or
 - c. Alternative methods can be implemented that will achieve the same or greater reduction in water use; or
 - d. Substantially threatens the applicant's primary source of income; or
 - e. Adversely affects pesticide or fertilizer application
- (2) The City Manager may grant a variance pertaining to the time of day allowed and/or permitted watering day calendar for outdoor water use if the City Manager determines that a property cannot be completely watered with an average of three-quarters of an inch of water per week and that the property should be divided into sections to be watered on different days.

- (3) A person may seek a variance by filing an application with the City Manager. The City Manager may require the applicant to provide information the City Manager determines is necessary to evaluate the variance request. At a minimum, the applicant must provide the following:
- a. Name and address of the applicant;
 - b. Purpose and location of water use;
 - c. Specific provisions of this division for which the applicant is requesting a variance;
 - d. Detailed explanation of how the specific provisions will adversely affect the applicant;
 - e. Period of time for which the variance is sought;
 - f. Alternative measures the applicant proposes to implement in order to meet the intent of this article; and
 - g. Any other pertinent information as required by the City Manager
- (4) If the City Manager approved a variance, the applicant shall keep a copy of the approval in a location on the affected property that is accessible and visible to the public.
- (5) An approved variance or approved form of alternative compliance shall expire when any of the following occur:
- a. A more intensive drought stage takes effect; or
 - b. The applicant is convicted of violating this article

24.06.011 New Landscape Installation Program.

- (1) *Noticed New Landscape Authorization.* Expressed approval from the City is not required. Rather, an applicant will submit a New Landscape Installation Authorization Form. Upon receipt of the completed form, the City will confirm its receipt with the applicant. The submission will reflect compliance with new landscape installation irrigation requirements as described below. Irrigation of the new landscaping may then commence in accordance with the dates as indicated by the applicant on the New Landscape Installation Authorization. Any modification will require submittal of a new and completed New Landscape Installation Authorization.

- (2) *Outdoor Watering Schedule During Year-Round Conservation.* New landscape installation irrigation shall comply with the following schedule when drought stages are not in effect:
- a. Days 1-10: Irrigation permitted any time
- (3) *Outdoor Watering Schedule During Drought Stages.* New landscape installation irrigation shall comply with the following schedule when drought stages are in effect:
- a. Days 1-10: Irrigation permitted every day and any time
 - b. Days 11-20: Irrigation permitted Monday, Wednesday and Friday, and only before 10:00 a.m. and after 7:00 p.m.
 - c. Days 21-30: Irrigation permitted in accordance with the Twice-per-week watering schedule as described in 24.06.006(2)a and 24.06.007(2)a
- (4) The applicant shall post a copy of the notice in a location on the affected property that is accessible and visible to the public.
- (5) All other aspects of this article shall remain in full effect, including prohibitions on waste of water.
- (6) Watering shall not result in saturation to the point it causes pooling in the yard or runoff onto impervious surfaces, adjacent property, drainage facilities (natural or man-made), sidewalks or streets.

24.06.012 Violations.

- (1) It shall be unlawful for any person to intentionally, knowingly, recklessly, or with criminal negligence allow or cause any waste of water, to allow or cause landscape watering at any time other than during a prescribed time for landscape watering, or to allow or cause any violation of any provision or restriction of this article.
- (2) The City Manager is authorized and instructed to commence any action, in law or in equity, including the filing of criminal charges, deemed necessary for the purpose of enforcing this article. The City Manager may seek civil penalties and any other legal or equitable relief available under common law, Chapter 54 of the Texas Local Government Code or any other applicable city, state or federal code or statute.
- (3) It is not a defense to prosecution under any provision of the article that the violation charged is no longer occurring or no longer exists. A judge of the municipal court may not dismiss a complaint or enter a finding of not guilty on the grounds that the violation is no longer occurring or no longer exists.

24.06.013 Enforcement Personnel.

In addition to all peace officers, code enforcement officers, and other persons authorized to enforce city ordinances, the City Manager is authorized to enforce this article by issuing citations to violators, filing complaints in the municipal court, and filing civil enforcement actions.

24.06.014 Registered Water User Presumed.

For the purposes of this article, in any case where water has been used on a property in violation of this article, it shall be presumed that the person in whose name a water meter connection is registered with the city for the property has intentionally, knowingly, recklessly, or negligently caused or allowed the violation to occur. Proof that the particular premises had a water meter connection registered in the name of the defendant cited in a criminal or civil complaint filed under this division shall constitute prima facie evidence that the defendant caused or allowed the violation to occur.

24.06.015 Additional Enforcement Remedies.

- (1) The City Manager is authorized and instructed to commence any action, in law or in equity, including the filing of criminal charges, necessary to enforce this article.
- (2) The City Manager may seek civil penalties and any other legal or equitable relief available under common law, Chapter 54 of the Texas Local Government Code, or any other applicable city, state or federal code or statute necessary to enforce this article.
- (3) More than three criminal violations of this article by a customer of the city water system in a 12-month period, or failure to pay assessed penalties, may result in installation of a flow control device on the customer's water line, and/or termination of the customer's water service. When possible, termination of the customer's water service may be limited to outdoor use. However, termination of water service may include both indoor and outdoor use. In the event of termination of the customer's water service, the customer shall pay the reconnection fee.

24.06.016 Penalties.

- (1) *Criminal Penalties:* A person who violates any provision of this article commits a misdemeanor, and upon conviction, shall be punished by a fine in the respective amounts shown:
 - a. 1st offense in a 12 month period – not more than \$100.00
 - b. 2nd offense in a 12 month period – not more than \$250.00

- c. 3rd offense in a 12 month period – not more than \$500.00
 - d. If the court determines the offense relates to public health or sanitation, or makes a finding of criminal negligence, the maximum fine is \$2,000.00 regardless of the number of offenses.
- (2) Each violation of a particular provision of this article shall constitute a separate offense, and each day a violation occurs or continues shall be considered a new offense.
- (3) *Civil Penalties.* Civil penalties, imposed by courts of competent jurisdiction in civil actions for violations of this article, may also be assessed as may be allowed by applicable state law in any amount to be authorized by the state. Under Local Government Code Chapter 54, the City may presently pursue civil enforcement for injunctive relief and the imposition of up to \$1,000.00 per day civil penalties appropriately imposed by the court. This statutory remedy is in addition to the city's common law right to bring civil actions for injunctive relief to stop harmful acts, independent of authority found in the Texas Local Government Code. A civil penalty assessed against a utility customer for violation of this article may be collected through the utility billing system as part of the consolidated billing system.
- (4) *Surcharges.* Any person who violates the watering restriction provisions of this article will be held strictly liable and the punishment for such violation may include the imposition of punitive surcharges. The City is authorized to assess one or more surcharges on the water bill of any person presumed to have been the one who violated this article. In the event the City determines a violation has occurred, the person assessed the punitive surcharge by the City is *prima facie* presumed to have violated this article for the purpose of assessment of surcharges. Punitive surcharges may be assessed as follows:
- a. 1st offense in a 12 month period – warning
 - b. 2nd offense in a 12 month period – \$25.00
 - c. 3rd offense in a 12 month period – \$100.00
 - d. 4th offense in a 12 month period - \$300.00
- (5) Enforcement personnel may issue verbal and/or written warnings prior to issuance of a citation.

24.06.017 Liability of Corporate Officers for Penalty.

Whenever a corporation or association violates any provision of this article or in a drought response order issued under this article, the president, vice-president, secretary, treasurer,

manager or any agent or employee of the corporation or association who is responsible for the violation shall be subject to the penalty prescribed for the violation.

Section 3. This ordinance shall be cumulative of all other ordinances of the City of Buda, and this ordinance shall not operate to repeal or affect any other ordinances of the City of Buda except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, are hereby repealed.

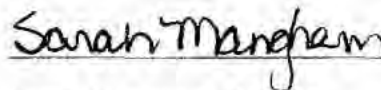
Section 4. The sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional or invalid phrase, clause, sentence, paragraph or section.

Section 5. This Ordinance shall be effective immediately from and after its final passage and any publication in accordance with the requirements of the City of Buda and the laws of the State of Texas.

PASSED AND APPROVED on first reading by an affirmative vote of the City Council of the City of Buda, this 6th day of December, 2011.

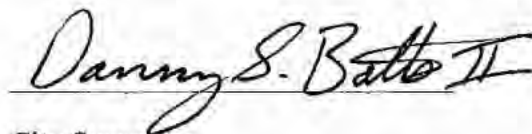
PASSED, APPROVED AND ADOPTED on second reading by an affirmative vote of the City Council of the City of Buda, this 3rd day of January, 2012.

APPROVED:



Sarah Mangham, Mayor

ATTEST:



City Secretary



Part C29

Customers by Annual Usage

KYLE - TOP TEN CUSTOMERS BY ANNUAL USAGE

<u>Customer</u>	<u>Annual Usage (Gallons)</u>	<u>% of Usage</u>	<u>Bankruptcy</u>
Kyle Correctional Center	28,981,200	4.14%	Unknown
Seton Medical Center-Hays	14,783,900	2.11%	Unknown
Aztec Village/Oakhill Comm.	9,665,600	1.38%	Unknown
Vista at Plum Creek	8,991,300	1.28%	Unknown
Bluebonnet Estates	7,614,900	1.09%	Unknown
Saddlecreek Apartments	5,445,700	0.78%	Unknown
HCISD-Lehman HS	4,211,800	0.60%	Unknown
Hometown Kyle HOA	3,860,200	0.55%	Unknown
HEB Grocery Co.	3,260,800	0.47%	Unknown
Legend Oaks Healthcare & Rehabilitation	2,720,800	0.39%	Unknown
	<u>89,536,200</u>	<u>12.79%</u>	

CRWA - TOP TEN CUSTOMERS BY ANNUAL USAGE

<u>Customer</u>	<u>Annual Usage (Gallons)</u>	<u>% of Usage</u>	<u>Bankruptcy</u>
San Antonio Water System	1,120,769,000	31.75%	N
Green Valley SUD	512,167,000	14.51%	N
City of Cibolo	509,227,000	14.42%	N
Springs Hill WSC	355,942,866	10.08%	N
East Central SUD	321,730,040	9.11%	N
Crystal Clear WSC	221,223,400	6.27%	N
Maxwell WSC	193,551,000	5.48%	N
County Line SUD	162,586,000	4.61%	N
City of Lavernia	81,680,700	2.31%	N
City of Marion	51,605,544	1.46%	N
	<u>3,530,482,550</u>	<u>100.00%</u>	

SAN MARCOS - TOP TEN CUSTOMERS BY ANNUAL USAGE

<u>Customer</u>	<u>Annual Usage (Gallons)</u>	<u>% of Usage</u>	<u>Bankruptcy</u>
City of San Marcos	37,699,495	1.96%	N
MTC Gary Job Corps	32,283,541	1.68%	N
The Retreat at San Marcos	31,308,921	1.63%	N
HRA Zone LLC	28,510,566	1.49%	N
Copper Beach Townhomes	25,273,751	1.32%	N
HRA Edge LLC	24,001,961	1.25%	N
Embassy Suites San Marcos	23,405,240	1.22%	N
NRP Contractors LLC	23,365,011	1.22%	N
Texas State University	19,720,252	1.03%	N
San Marcos CISD	19,386,323	1.01%	N
	<u>264,955,061</u>	<u>13.81%</u>	

Part C30

Customers by Gross Revenue

KYLE - TOP TEN CUSTOMERS BY ANNUAL REVENUE

<u>Customer</u>	<u>Annual Revenue</u>	<u>% of Revenue</u>	<u>Bankruptcy</u>
Kyle Correctional Center	\$ 230,111	1.46%	Unknown
Seton Medical Center-Hays	117,384	0.74%	Unknown
Aztec Village/Oakhill Comm.	76,745	0.49%	Unknown
Vista at Plum Creek	71,391	0.45%	Unknown
Bluebonnet Estates	60,462	0.38%	Unknown
Saddlecreek Apartments	43,239	0.27%	Unknown
HCISD-Lehman HS	33,442	0.21%	Unknown
Hometown Kyle HOA	30,650	0.19%	Unknown
HEB Grocery Co.	25,891	0.16%	Unknown
Legend Oaks Healthcare & Rehabilitation	21,603	0.14%	Unknown
	<u>710,918</u>	<u>4.49%</u>	

CRWA - TOP TEN CUSTOMERS BY ANNUAL REVENUE

<u>Customer</u>	<u>Annual Revenue</u>	<u>% of Revenue</u>	<u>Bankruptcy</u>
San Antonio Water System	\$ 7,102,763	38.55%	N
City of Cibolo	2,822,086	15.32%	N
Green Valley SUD	2,414,923	13.11%	N
East Central SUD	1,944,138	10.55%	N
Springs Hill WSC	1,152,077	6.25%	N
County Line SUD	934,983	5.08%	N
Maxwell WSC	811,127	4.40%	N
Crystal Clear WSC	710,820	3.86%	N
City of Marion	273,658	1.49%	N
City of Lavernia	256,612	1.36%	N
	<u>18,423,186</u>	<u>99.97%</u>	

SAN MARCOS - TOP TEN CUSTOMERS BY ANNUAL REVENUE

<u>Customer</u>	<u>Annual Revenue</u>	<u>% of Revenue</u>	<u>Bankruptcy</u>
City of San Marcos	\$ 316,777	2.19%	N
MTC Gary Job Corps	275,550	1.91%	N
The Retreat at San Marcos	214,725	1.49%	N
HRA Zone LLC	198,323	1.37%	N
Copper Beach Townhomes	178,363	1.23%	N
HRA Edge LLC	166,708	1.15%	N
Texas State University	163,062	1.13%	N
Embassy Suites San Marcos	162,802	1.13%	N
NRP Contractors LLC	161,652	1.12%	N
San Marcos CISD	157,959	1.09%	N
	<u>1,995,921</u>	<u>13.81%</u>	

Part C31

Wholesale Customers for Canyon Regional Water Authority

**CANYON REGIONAL WATER AUTHORITY
FY 2014
Budget**

Entity	Total Budget	Bond Payments	Raw Water	Plant O&M	Membrane Funds	Line Use & Delivery	CRWA Admin
Lake Dunlap Exempt							
5AWS-DSP	\$1,435,214.26	\$653,532.48	\$559,590.98	\$0.00	\$58,011.55	\$0.00	\$164,079.25
Cibolo	\$476,469.04	\$229,669.99	\$168,750.00	\$0.00	\$20,386.92	\$0.00	\$57,662.14
SAWS-D5P/Cibolo	\$205,030.61	\$93,361.78	\$79,941.57	\$0.00	\$8,287.36	\$0.00	\$23,439.89
East Central	\$563,620.76	\$261,412.99	\$213,371.45	\$0.00	\$23,204.62	\$0.00	\$65,631.70
Green Valley	\$678,808.86	\$336,102.42	\$228,488.31	\$0.00	\$29,834.51	\$0.00	\$84,383.62
Marion	\$37,517.81	\$18,672.36	\$12,500.00	\$0.00	\$1,657.47	\$0.00	\$4,687.98
Lake Dunlap Exempt Totals	\$3,396,661.34	\$1,592,752.03	\$1,262,642.31	\$0.00	\$141,382.43	\$0.00	\$399,884.58
Lake Dunlap Taxable							
Crystal Clear	\$138,535.04	\$100,207.78	\$0.00	\$0.00	\$8,287.36	\$6,600.00	\$23,439.89
Springs Hill	\$755,171.65	\$390,810.34	\$240,625.00	\$0.00	\$32,320.72	\$0.00	\$91,415.58
Lake Dunlap Taxable Totals	\$893,706.69	\$491,018.13	\$240,625.00	\$0.00	\$40,608.08	\$6,600.00	\$114,855.48
Lake Dunlap Totals	\$4,290,368.03	\$2,083,770.15	\$1,503,267.31	\$0.00	\$181,990.51	\$6,600.00	\$514,740.06
Mid Cities Exempt							
SAWS-DSP	\$1,062,832.71	\$1,062,832.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cibolo	\$265,708.18	\$265,708.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAWS-DSP/Cibolo	\$151,833.24	\$151,833.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
East Central	\$425,133.08	\$425,133.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Green Valley	\$151,833.24	\$151,833.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Marion	\$60,733.30	\$60,733.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mid Cities Exempt Totals	\$2,118,073.76	\$2,118,073.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wells Ranch							
SAWS-DSP	\$3,483,274.36	\$2,692,673.97	\$659,336.99	\$0.00	\$0.00	\$0.00	\$131,263.40
Cibolo	\$922,003.38	\$673,168.49	\$216,019.04	\$0.00	\$0.00	\$0.00	\$32,815.85
East Central	\$620,886.52	\$480,834.64	\$116,611.98	\$0.00	\$0.00	\$0.00	\$23,439.89
Green Valley	\$1,066,016.85	\$673,168.49	\$360,032.50	\$0.00	\$0.00	\$0.00	\$32,815.85
Marion	\$124,177.30	\$96,166.93	\$23,322.40	\$0.00	\$0.00	\$0.00	\$4,687.98
Crystal Clear	\$388,974.20	\$288,500.78	\$86,409.48	\$0.00	\$0.00	\$0.00	\$14,063.94
Springs Hill	\$158,460.06	\$96,166.93	\$57,605.15	\$0.00	\$0.00	\$0.00	\$4,687.98
Wells Ranch Totals	\$6,763,792.66	\$5,000,680.23	\$1,519,337.54	\$0.00	\$0.00	\$0.00	\$243,774.89

**CANYON REGIONAL WATER AUTHORITY
FY 2014
Budget**

Entity	Total Budget	Bond Payments	Raw Water	Plant O&M	Membrane Funds	Line Use & Delivery	CRWA Admin
LD/MC/WR Blended O&M							
SAWS-DSP	\$1,734,728.27	\$0.00	\$0.00	\$1,734,728.27	\$0.00	\$0.00	\$0.00
Cibolo	\$392,768.67	\$0.00	\$0.00	\$392,768.67	\$0.00	\$0.00	\$0.00
East Central	\$196,384.33	\$0.00	\$0.00	\$196,384.33	\$0.00	\$0.00	\$0.00
Green Valley	\$458,230.11	\$0.00	\$0.00	\$458,230.11	\$0.00	\$0.00	\$0.00
Marion	\$22,911.51	\$0.00	\$0.00	\$22,911.51	\$0.00	\$0.00	\$0.00
LD/MC/WR				\$2,805,022.89			
Cost Per 1,000 gallons				\$1.00			
Crystal Clear	\$87,790.38	\$0.00	\$0.00	\$87,790.38	\$0.00	\$0.00	\$0.00
Springs Hill	\$285,318.73	\$0.00	\$0.00	\$285,318.73	\$0.00	\$0.00	\$0.00
LD/WR				\$373,109.11			
Cost Per 1,000 gallons				\$0.67			
LD/MC/WR Blended O&M Tot	\$3,178,132.00	\$0.00	\$0.00	\$3,178,132.00	\$0.00	\$0.00	\$0.00
Hays Caldwell							
County Line	\$928,592.75	\$354,202.78	\$136,000.00	\$253,720.33	\$28,354.06	\$94,996.82	\$61,318.76
Crystal Clear	\$430,993.72	\$144,621.33	\$44,492.00	\$181,971.55	\$10,838.71	\$25,630.25	\$23,439.89
Martindale	\$118,148.73	\$41,871.00	\$16,762.00	\$38,993.90	\$4,335.48	\$6,810.38	\$9,375.96
Maxwell	\$813,412.71	\$288,757.84	\$81,496.00	\$311,951.22	\$19,509.68	\$69,506.16	\$42,191.81
Hays Caldwell Totals	\$2,291,147.91	\$829,452.95	\$278,750.00	\$786,637.00	\$63,037.93	\$196,943.61	\$136,326.42
Cost Per 1,000 gallons				\$1.60			
New Berlin							
East Central	\$70,875.68	\$0.00	\$52,826.96	\$0.00	\$0.00	\$0.00	\$18,048.72
La Vernia	\$207,599.55	\$0.00	\$171,687.63	\$0.00	\$0.00	\$17,160.00	\$18,751.91
New Berlin Totals	\$278,475.23	\$0.00	\$224,514.60	\$0.00	\$0.00	\$17,160.00	\$36,800.63
CRWA FY14 Total Budget	\$18,919,989.59	\$10,031,977.09	\$3,525,869.45	\$3,964,769.00	\$245,028.45	\$220,703.61	\$931,642.00
CRWA FY13 Total Budget	\$17,496,712.29	\$8,974,044.14	\$3,534,673.94	\$3,598,201.00	\$245,028.45	\$206,767.76	\$937,997.00
Difference	\$1,423,277.30	\$1,057,932.95	-\$8,804.49	\$366,568.00	\$0.00	\$13,935.85	-\$6,355.00

Part C32

Customers by Revenue

KYLE - TOP TEN CUSTOMERS BY ANNUAL REVENUE

<u>Customer</u>	<u>Annual Usage (Gallons)</u>	<u>% of Total Water Revenue</u>	<u>Bankruptcy</u>
Kyle Correctional Center	28,981,200	1.46%	Unknown
Seton Medical Center-Hays	14,783,900	0.74%	Unknown
Aztec Village/Oakhill Comm.	9,665,600	0.49%	Unknown
Vista at Plum Creek	8,991,300	0.45%	Unknown
Bluebonnet Estates	7,614,900	0.38%	Unknown
Saddlecreek Apartments	5,445,700	0.27%	Unknown
HCISD-Lehman HS	4,211,800	0.21%	Unknown
Hometown Kyle HOA	3,860,200	0.19%	Unknown
HEB Grocery Co.	3,260,800	0.16%	Unknown
Legend Oaks Healthcare & Rehabilitation	2,720,800	0.14%	Unknown
	<u>89,536,200</u>	<u>4.49%</u>	

CRWA - TOP TEN CUSTOMERS BY ANNUAL REVENUE

<u>Customer</u>	<u>Annual Usage (Gallons)</u>	<u>% of Total Water Revenue</u>	<u>Bankruptcy</u>
San Antonio Water System	1,120,769,000	31.75%	N
Green Valley SUD	512,167,000	14.51%	N
City of Cibolo	509,227,000	14.42%	N
Springs Hill WSC	355,942,866	10.08%	N
East Central SUD	321,730,040	9.11%	N
Crystal Clear WSC	221,223,400	6.27%	N
Maxwell WSC	193,551,000	5.48%	N
County Line SUD	162,586,000	4.61%	N
City of Lavernia	81,680,700	2.31%	N
City of Marion	51,605,544	1.46%	N
	<u>3,530,482,550</u>	<u>100.00%</u>	

SAN MARCOS - TOP TEN CUSTOMERS BY ANNUAL REVENUE

<u>Customer</u>	<u>Annual Usage (Gallons)</u>	<u>% of Total Revenue</u>	<u>Bankruptcy</u>
City of San Marcos	37,699,495	2.19%	N
MTC Gary Job Corps	32,283,541	1.91%	N
The Retreat at San Marcos	31,308,921	1.49%	N
HRA Zone LLC	28,510,566	1.37%	N
Copper Beach Townhomes	25,273,751	1.23%	N
HRA Edge LLC	24,001,961	1.15%	N
Embassy Suites San Marcos	23,405,240	1.13%	N
NRP Contractors LLC	23,365,011	1.12%	N
Texas State University	19,720,252	1.13%	N
San Marcos CISD	19,386,323	1.09%	N
	<u>264,955,061</u>	<u>13.81%</u>	

Part C39

Five Years Tax Assessed Values

The 2010-2014 values for the following counties are attached:

- Caldwell County
- Guadalupe County
- Hays County

CALDWELL COUNTY

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

FTM - Farm to Market Road
ARB Approved Totals

7/22/2010 1:57:03PM

Land	Value			
Homesite:	121,549,652			
Non Homesite:	273,591,711			
Ag Market:	708,480,060			
Timber Market:	2,186,880	Total Land	(+)	1,105,808,303

Improvement	Value			
Homesite:	604,409,620			
Non Homesite:	423,262,087	Total Improvements	(+)	1,027,671,707

Non Real	Count	Value		
Personal Property:	1,861	182,524,274		
Mineral Property:	17,366	90,324,020		
Autos:	0	0	Total Non Real	(+)
			Market Value	=
				2,406,328,304

Ag	Non Exempt	Exempt		
Total Productivity Market:	705,756,540	4,910,400		
Ag Use:	24,212,183	151,080	Productivity Loss	(-)
Timber Use:	76,900	0	Appraised Value	=
Productivity Loss:	681,467,457	4,759,320		1,724,860,847
			Homestead Cap	(-)
			Assessed Value	=
				2,391,793
				1,722,469,054

Exemption	Count	Local	State	Total		
DP	354	0	0	0		
DV1	67	0	390,760	390,760		
DV1S	5	0	20,000	20,000		
DV2	35	0	277,250	277,250		
DV3	39	0	352,760	352,760		
DV3S	3	0	10,000	10,000		
DV4	197	0	1,913,360	1,913,360		
DV4S	16	0	184,990	184,990		
DVHS	71	0	7,440,308	7,440,308		
EX	883	0	124,234,033	124,234,033		
EX(Prorated)	9	0	23,284	23,284		
EX366	6,426	0	323,470	323,470		
HS	6,882	0	12,857,320	12,857,320		
OV65	2,205	21,861,027	0	21,861,027		
OV65S	18	180,000	0	180,000		
PC	4	185,623	0	185,623	Total Exemptions	(-)
						170,254,185

Net Taxable = 1,552,214,869

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	21,923,984	20,498,024	40.85	97.26	333			
OV65	192,019,636	166,629,066	331.80	901.31	2,087			
Total	213,943,620	187,127,090	372.65	998.57	2,420	Freeze Taxable	(-)	
Tax Rate	0.000200							
							187,127,090	

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	501,010	449,010	449,010	0	4		
Total	501,010	449,010	449,010	0	4	Transfer Adjustment	(-)
							0
						Freeze Adjusted Taxable	=
							1,365,087,779

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

FTM - Farm to Market Road
ARB Approved Totals

7/22/2010 1:57:03PM

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
3,102.83 = 1,365,087,779 * (0.000200 / 100) + 372.65

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 176

FTM - Farm to Market Road
Under ARB Review Totals

7/22/2010

1:57:03PM

Land		Value				
Homesite:		297,370				
Non Homesite:		6,346,640				
Ag Market:		6,874,890				
Timber Market:		0			Total Land	(+) 13,518,900
Improvement		Value				
Homesite:		1,522,370				
Non Homesite:		5,354,920			Total Improvements	(+) 6,877,290
Non Real		Count	Value			
Personal Property:		9	2,411,820			
Mineral Property:		2	1,830			
Autos:		0	0		Total Non Real	(+) 2,413,650
					Market Value	= 22,809,840
Ag		Non Exempt	Exempt			
Total Productivity Market:		6,874,890	0			
Ag Use:		181,170	0		Productivity Loss	(-) 6,693,720
Timber Use:		0	0		Appraised Value	= 16,116,120
Productivity Loss:		6,693,720	0		Homestead Cap	(-) 45,776
					Assessed Value	= 16,070,344
Exemption		Count	Local	State	Total	
EX		1	0	45,530	45,530	
HS		15	0	42,000	42,000	
OV65		1	10,000	0	10,000	Total Exemptions
						(-) 97,530
					Net Taxable	= 15,972,814
Freeze		Assessed	Taxable	Actual Tax	Ceiling	Count
OV65		27,890	17,890	0.04	0.22	1
Total		27,890	17,890	0.04	0.22	1
Tax Rate	0.000200					
					Freeze Taxable	(-) 17,890
					Freeze Adjusted Taxable	= 15,954,924

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 31.95 = 15,954,924 * (0.000200 / 100) + 0.04

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

FTM - Farm to Market Road
Grand Totals

7/22/2010 1:57:03PM

Land	Value			
Homesite:	121,847,022			
Non Homesite:	279,938,351			
Ag Market:	715,354,950			
Timber Market:	2,186,880	Total Land	(+)	1,119,327,203

Improvement	Value			
Homesite:	605,931,990			
Non Homesite:	428,617,007	Total Improvements	(+)	1,034,548,997

Non Real	Count	Value		
Personal Property:	1,870	184,936,094		
Mineral Property:	17,368	90,325,850		
Autos:	0	0		
		Total Non Real	(+)	275,261,944
		Market Value	=	2,429,138,144

Ag	Non Exempt	Exempt		
Total Productivity Market:	712,631,430	4,910,400		
Ag Use:	24,393,353	151,080	Productivity Loss	(-) 688,161,177
Timber Use:	76,900	0	Appraised Value	= 1,740,976,967
Productivity Loss:	688,161,177	4,759,320		
		Homestead Cap	(-) 2,437,569	
		Assessed Value	= 1,738,539,398	

Exemption	Count	Local	State	Total		
DP	354	0	0	0		
DV1	67	0	390,760	390,760		
DV1S	5	0	20,000	20,000		
DV2	35	0	277,250	277,250		
DV3	39	0	352,760	352,760		
DV3S	3	0	10,000	10,000		
DV4	197	0	1,913,360	1,913,360		
DV4S	16	0	184,990	184,990		
DVHS	71	0	7,440,308	7,440,308		
EX	884	0	124,279,563	124,279,563		
EX(Prorated)	9	0	23,284	23,284		
EX366	6,426	0	323,470	323,470		
HS	6,897	0	12,899,320	12,899,320		
OV65	2,206	21,871,027	0	21,871,027		
OV65S	18	180,000	0	180,000		
PC	4	185,623	0	185,623	Total Exemptions	(-) 170,351,715

Net Taxable = 1,568,187,683

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	21,923,984	20,498,024	40.85	97.26	333		
OV65	192,047,526	166,646,956	331.84	901.53	2,088		
Total	213,971,510	187,144,980	372.69	998.79	2,421	Freeze Taxable	(-) 187,144,980
Tax Rate	0.000200						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	501,010	449,010	449,010	0	4		
Total	501,010	449,010	449,010	0	4	Transfer Adjustment	(-) 0
						Freeze Adjusted Taxable	= 1,381,042,703

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

FTM - Farm to Market Road
Grand Totals

7/22/2010

1:57:03PM

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
3,134.78 = 1,381,042,703 * (0.000200 / 100) + 372.69

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

FTM - Farm to Market Road
ARB Approved Totals

7/22/2010

1:57:48PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,113		\$11,374,670	\$647,063,110
B	MULTIFAMILY RESIDENCE	212		\$3,515,330	\$35,071,610
C	VACANT LOT	1,792		\$0	\$22,922,331
D1	QUALIFIED AG LAND	4,683	291,892.3787	\$0	\$705,755,820
D2	NON-QUALIFIED LAND	2,410	23,950.0367	\$0	\$99,082,502
E	FARM OR RANCH IMPROVEMENT	4,383		\$6,557,300	\$308,168,997
F1	COMMERCIAL REAL PROPERTY	949		\$5,265,350	\$132,924,762
F2	INDUSTRIAL REAL PROPERTY	39		\$1,995,500	\$14,554,125
G1	OIL AND GAS	10,960		\$0	\$89,899,630
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,085,140
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANY (INCLUDING CO-O	132		\$0	\$13,252,420
J5	RAILROAD	17		\$0	\$8,473,070
J6	PIPELAND COMPANY	111		\$0	\$17,326,150
J7	CABLE TELEVISION COMPANY	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY	1,002		\$0	\$60,883,264
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,771		\$3,052,420	\$43,365,470
M2	TANGIBLE OTHER PERSONAL, OTHER	274		\$0	\$16,139,990
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	240		\$0	\$2,138,330
S	SPECIAL INVENTORY TAX	18		\$0	\$2,645,600
X	TOTALLY EXEMPT PROPERTY	7,309		\$372,290	\$124,557,503
	Totals		315,842.4154	\$32,132,860	\$2,406,328,304

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 176

FTM - Farm to Market Road
Under ARB Review Totals

7/22/2010

1:57:48PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	45		\$89,080	\$3,011,280
C	VACANT LOT	19		\$0	\$365,780
D1	QUALIFIED AG LAND	29	2,198.4290	\$0	\$6,874,890
D2	NON-QUALIFIED LAND	21	501.7220	\$0	\$2,562,570
E	FARM OR RANCH IMPROVEMENT	34		\$121,010	\$2,155,510
F1	COMMERCIAL REAL PROPERTY	15		\$19,740	\$4,153,010
F2	INDUSTRIAL REAL PROPERTY	1		\$0	\$524,120
G1	OIL AND GAS	2		\$0	\$1,830
L1	COMMERCIAL PERSONAL PROPERTY	6		\$0	\$1,353,130
M1	TANGIBLE OTHER PERSONAL, MOBILE H	30		\$214,540	\$655,100
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$1,058,690
O	RESIDENTIAL INVENTORY	7		\$0	\$48,400
X	TOTALLY EXEMPT PROPERTY	1		\$0	\$45,530
	Totals		2,700.1510	\$444,370	\$22,809,840

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

FTM - Farm to Market Road
Grand Totals

7/22/2010

1:57:48PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,158		\$11,463,750	\$650,074,390
B	MULTIFAMILY RESIDENCE	212		\$3,515,330	\$35,071,610
C	VACANT LOT	1,811		\$0	\$23,288,111
D1	QUALIFIED AG LAND	4,712	294,090.8077	\$0	\$712,630,710
D2	NON-QUALIFIED LAND	2,431	24,451.7587	\$0	\$101,645,072
E	FARM OR RANCH IMPROVEMENT	4,417		\$6,678,310	\$310,324,507
F1	COMMERCIAL REAL PROPERTY	964		\$5,285,090	\$137,077,772
F2	INDUSTRIAL REAL PROPERTY	40		\$1,995,500	\$15,078,245
G1	OIL AND GAS	10,962		\$0	\$89,901,460
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,085,140
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANY (INCLUDING CO-O	132		\$0	\$13,252,420
J5	RAILROAD	17		\$0	\$8,473,070
J6	PIPELAND COMPANY	111		\$0	\$17,326,150
J7	CABLE TELEVISION COMPANY	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY	1,008		\$0	\$62,236,394
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,801		\$3,266,960	\$44,020,570
M2	TANGIBLE OTHER PERSONAL, OTHER	278		\$0	\$17,198,680
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	247		\$0	\$2,186,730
S	SPECIAL INVENTORY TAX	18		\$0	\$2,645,600
X	TOTALLY EXEMPT PROPERTY	7,310		\$372,290	\$124,603,033
	Totals		318,542.5664	\$32,577,230	\$2,429,138,144

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

FTM - Farm to Market Road
ARB Approved Totals

7/22/2010

1:57:48PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$80,590	\$163,660
A1	RESIDENTIAL SINGLE FAMILY	6,707		\$9,007,500	\$574,919,239
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,612		\$2,286,580	\$71,980,211
B2	MULTI-FAMILY - DUPLEX	157		\$250	\$16,253,300
B3	MULTI-FAMILY - TRIPLEX	8		\$0	\$965,070
B4	MULTI-FAMILY - FOURPLEX	10		\$0	\$1,541,730
BB	MULTI-FAMILY - APTS 5-10 UNITS	14		\$5,070	\$1,637,520
BC	MULTI-FAMILY - APTS 11-25 UNITS	16		\$0	\$4,733,240
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,338,780
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$3,510,010	\$7,601,970
C	VACANT RESIDENTIAL LOTS - INSIDE CI	941		\$0	\$8,346,974
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	768		\$0	\$9,354,497
C2	VACANT COMMERCIAL LOTS	83		\$0	\$5,220,860
D1	RANCH LAND - VACANT ACREAGE	4,683	291,892.3787	\$0	\$705,755,820
D2	TIMBERLAND - VACANT ACREAGE	2,410	23,950.0367	\$0	\$99,082,502
E	RURAL RESIDENTIAL MORE THAN 5 ACS	2,411		\$4,100,910	\$231,516,384
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	2,243		\$1,269,470	\$31,687,531
E2	RURAL MOBILE HOMES ON MORE THAN 5	1,453		\$1,186,920	\$44,965,082
F1	REAL - COMMERCIAL	949		\$5,265,350	\$132,924,762
F2	REAL - INDUSTRIAL	39		\$1,995,500	\$14,554,125
G1	OIL, GAS AND MINERAL RESERVES	10,960		\$0	\$89,899,630
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,085,140
J3	ELECTRIC COMPANIES (INCLD CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANIES (INCLD CO-OP)	132		\$0	\$13,252,420
J5	RAILROADS	17		\$0	\$8,473,070
J6	PIPELINES	111		\$0	\$17,326,150
J7	RADIO, TV, & CABLE TV	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY - T	748		\$0	\$54,446,194
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
L3	LEASED EQUIPMENT	256		\$0	\$6,368,740
L5	POLLUTION CONTROL	1		\$0	\$68,330
M1	AIRCRAFT	13		\$0	\$9,007,100
M2	COMMERCIAL VEHICLES	261		\$0	\$7,132,890
M3	MOBILE HOMES ONLY - NO LAND	1,771		\$3,052,420	\$43,365,470
N1	PERSONAL PROPERTY - INTANGIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	240		\$0	\$2,138,330
S	SPECIAL INVENTORY	18		\$0	\$2,645,600
X	EXEMPT	7,309		\$372,290	\$124,557,503
	Totals		315,842.4154	\$32,132,860	\$2,406,328,304

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 176

FTM - Farm to Market Road
Under ARB Review Totals

7/22/2010

1:57:48PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	20		\$87,250	\$1,893,050
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	25		\$1,830	\$1,118,230
C	VACANT RESIDENTIAL LOTS - INSIDE CI	11		\$0	\$130,110
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	3		\$0	\$44,230
C2	VACANT COMMERCIAL LOTS	5		\$0	\$191,440
D1	RANCH LAND - VACANT ACREAGE	29	2,198.4290	\$0	\$6,874,890
D2	TIMBERLAND - VACANT ACREAGE	21	501.7220	\$0	\$2,562,570
E	RURAL RESIDENTIAL MORE THAN 5 ACS	11		\$19,740	\$1,254,710
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	18		\$98,660	\$293,870
E2	RURAL MOBILE HOMES ON MORE THAN 5	16		\$2,610	\$606,930
F1	REAL - COMMERCIAL	15		\$19,740	\$4,153,010
F2	REAL - INDUSTRIAL	1		\$0	\$524,120
G1	OIL, GAS AND MINERAL RESERVES	2		\$0	\$1,830
L1	COMMERCIAL PERSONAL PROPERTY - T	6		\$0	\$1,353,130
M1	AIRCRAFT	1		\$0	\$900,000
M2	COMMERCIAL VEHICLES	3		\$0	\$158,690
M3	MOBILE HOMES ONLY - NO LAND	30		\$214,540	\$655,100
O	REAL PROPERTY INVENTORY - RESIDEN	7		\$0	\$48,400
X	EXEMPT	1		\$0	\$45,530
	Totals		2,700.1510	\$444,370	\$22,809,840

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

FTM - Farm to Market Road
Grand Totals

7/22/2010

1:57:48PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$80,590	\$163,660
A1	RESIDENTIAL SINGLE FAMILY	6,727		\$9,094,750	\$576,812,289
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,637		\$2,288,410	\$73,098,441
B2	MULTI-FAMILY - DUPLEX	157		\$250	\$16,253,300
B3	MULTI-FAMILY - TRIPLEX	8		\$0	\$965,070
B4	MULTI-FAMILY - FOURPLEX	10		\$0	\$1,541,730
BB	MULTI-FAMILY - APTS 5-10 UNITS	14		\$5,070	\$1,637,520
BC	MULTI-FAMILY - APTS 11-25 UNITS	16		\$0	\$4,733,240
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,338,780
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$3,510,010	\$7,601,970
C	VACANT RESIDENTIAL LOTS - INSIDE CI	952		\$0	\$8,477,084
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	771		\$0	\$9,398,727
C2	VACANT COMMERCIAL LOTS	88		\$0	\$5,412,300
D1	RANCH LAND - VACANT ACREAGE	4,712	294,090.8077	\$0	\$712,630,710
D2	TIMBERLAND - VACANT ACREAGE	2,431	24,451.7587	\$0	\$101,645,072
E	RURAL RESIDENTIAL MORE THAN 5 ACS	2,422		\$4,120,650	\$232,771,094
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	2,261		\$1,368,130	\$31,981,401
E2	RURAL MOBILE HOMES ON MORE THAN 5	1,469		\$1,189,530	\$45,572,012
F1	REAL - COMMERCIAL	964		\$5,285,090	\$137,077,772
F2	REAL - INDUSTRIAL	40		\$1,995,500	\$15,078,245
G1	OIL, GAS AND MINERAL RESERVES	10,962		\$0	\$89,901,460
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,085,140
J3	ELECTRIC COMPANIES (INCLD CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANIES (INCLD CO-OP)	132		\$0	\$13,252,420
J5	RAILROADS	17		\$0	\$8,473,070
J6	PIPELINES	111		\$0	\$17,326,150
J7	RADIO, TV, & CABLE TV	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY - T	754		\$0	\$55,799,324
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
L3	LEASED EQUIPMENT	256		\$0	\$6,368,740
L5	POLLUTION CONTROL	1		\$0	\$68,330
M1	AIRCRAFT	14		\$0	\$9,907,100
M2	COMMERCIAL VEHICLES	264		\$0	\$7,291,580
M3	MOBILE HOMES ONLY - NO LAND	1,801		\$3,266,960	\$44,020,570
N1	PERSONAL PROPERTY - INTANGIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	247		\$0	\$2,186,730
S	SPECIAL INVENTORY	18		\$0	\$2,645,600
X	EXEMPT	7,310		\$372,290	\$124,603,033
	Totals		318,542.5664	\$32,577,230	\$2,429,138,144

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

FTM - Farm to Market Road
Effective Rate Assumption

7/22/2010

1:57:48PM

New Value

TOTAL NEW VALUE MARKET: **\$32,577,230**
TOTAL NEW VALUE TAXABLE: **\$31,922,293**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	11	2009 Market Value	\$822,710
EX366	HOUSE BILL 366	473	2009 Market Value	\$96,300
ABSOLUTE EXEMPTIONS VALUE LOSS				\$919,010

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	7	\$0
DV1	DISABLED VET	3	\$15,000
DV2	DISABLED VET	9	\$80,750
DV3	DISABLED VET	10	\$104,000
DV4	DISABLED VET	11	\$111,560
DV4S	DISABLED VET	2	\$24,000
DVHS	Disabled Veteran Homestead	14	\$1,237,960
HS	HOMESTEAD	283	\$715,500
OV65	OVER 65	63	\$620,000
PARTIAL EXEMPTIONS VALUE LOSS		402	\$2,908,770
TOTAL EXEMPTIONS VALUE LOSS			\$3,827,780

New Ag / Timber Exemptions

2009 Market Value \$3,803,878 Count: 55
2010 Ag/Timber Use \$93,570
NEW AG / TIMBER VALUE LOSS \$3,710,308

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,298	\$99,316	\$2,223	\$97,093

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,569	\$97,287	\$2,219	\$95,068

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
176	\$22,809,840.00	\$14,268,933

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

GCA - Caldwell County
ARB Approved Totals

7/22/2010 1:57:03PM

Land	Value			
Homesite:	121,549,652			
Non Homesite:	273,591,711			
Ag Market:	708,480,060			
Timber Market:	2,186,880	Total Land	(+)	1,105,808,303

Improvement	Value			
Homesite:	604,409,620			
Non Homesite:	423,262,087	Total Improvements	(+)	1,027,671,707

Non Real	Count	Value		
Personal Property:	1,861	182,524,274		
Mineral Property:	17,366	90,324,020		
Autos:	0	0	Total Non Real	(+)
			Market Value	=
				2,406,328,304

Ag	Non Exempt	Exempt		
Total Productivity Market:	705,756,540	4,910,400		
Ag Use:	24,212,183	151,080	Productivity Loss	(-)
Timber Use:	76,900	0	Appraised Value	=
Productivity Loss:	681,467,457	4,759,320		1,724,860,847
			Homestead Cap	(-)
			Assessed Value	=
				2,391,793
				1,722,469,054

Exemption	Count	Local	State	Total		
DP	354	0	0	0		
DV1	67	0	402,074	402,074		
DV1S	5	0	20,000	20,000		
DV2	35	0	277,500	277,500		
DV3	39	0	352,760	352,760		
DV3S	3	0	16,170	16,170		
DV4	197	0	1,917,910	1,917,910		
DV4S	16	0	192,000	192,000		
DVHS	71	0	7,837,308	7,837,308		
EX	883	0	124,234,033	124,234,033		
EX(Prorated)	9	0	23,284	23,284		
EX366	6,426	0	323,470	323,470		
FR	3	3,586,830	0	3,586,830		
OV65	2,205	21,528,523	0	21,528,523		
OV65S	18	180,000	0	180,000		
PC	4	185,623	0	185,623	Total Exemptions	(-)
						161,077,485

Net Taxable = 1,561,391,569

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	21,923,984	20,498,024	122,797.60	130,039.65	333		
OV65	192,171,936	166,771,366	947,407.59	980,010.57	2,088		
Total	214,095,920	187,269,390	1,070,205.19	1,110,050.22	2,421	Freeze Taxable	(-)
Tax Rate	0.690800						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	501,010	449,010	295,677	153,333	4		
Total	501,010	449,010	295,677	153,333	4	Transfer Adjustment	(-)
						Freeze Adjusted Taxable	=
							1,373,968,846

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

GCA - Caldwell County
ARB Approved Totals

7/22/2010 1:57:03PM

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
10,561,581.98 = 1,373,968,846 * (0.690800 / 100) + 1,070,205.19

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 176

GCA - Caldwell County
Under ARB Review Totals

7/22/2010

1:57:03PM

Land		Value			
Homesite:		297,370			
Non Homesite:		6,346,640			
Ag Market:		6,874,890			
Timber Market:		0	Total Land	(+) 13,518,900	
Improvement		Value			
Homesite:		1,522,370			
Non Homesite:		5,354,920	Total Improvements	(+) 6,877,290	
Non Real		Count	Value		
Personal Property:		9	2,411,820		
Mineral Property:		2	1,830		
Autos:		0	0		
			Total Non Real	(+) 2,413,650	
			Market Value	= 22,809,840	
Ag	Non Exempt	Exempt			
Total Productivity Market:	6,874,890	0			
Ag Use:	181,170	0			
Timber Use:	0	0			
Productivity Loss:	6,693,720	0			
			Productivity Loss	(-) 6,693,720	
			Appraised Value	= 16,116,120	
			Homestead Cap	(-) 45,776	
			Assessed Value	= 16,070,344	
Exemption	Count	Local	State	Total	
EX	1	0	45,530	45,530	
OV65	1	10,000	0	10,000	
			Total Exemptions	(-) 55,530	
			Net Taxable	= 16,014,814	
Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
OV65	27,890	17,890	123.58	186.04	1
Total	27,890	17,890	123.58	186.04	1
Freeze Taxable					(-) 17,890
Tax Rate	0.690800				
			Freeze Adjusted Taxable		= 15,996,924

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 110,630.33 = 15,996,924 * (0.690800 / 100) + 123.58

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

GCA - Caldwell County
Grand Totals

7/22/2010 1:57:03PM

Land	Value			
Homesite:	121,847,022			
Non Homesite:	279,938,351			
Ag Market:	715,354,950			
Timber Market:	2,186,880	Total Land	(+)	1,119,327,203

Improvement	Value			
Homesite:	605,931,990			
Non Homesite:	428,617,007	Total Improvements	(+)	1,034,548,997

Non Real	Count	Value		
Personal Property:	1,870	184,936,094		
Mineral Property:	17,368	90,325,850		
Autos:	0	0	Total Non Real	(+) 275,261,944
			Market Value	= 2,429,138,144

Ag	Non Exempt	Exempt		
Total Productivity Market:	712,631,430	4,910,400		
Ag Use:	24,393,353	151,080	Productivity Loss	(-) 688,161,177
Timber Use:	76,900	0	Appraised Value	= 1,740,976,967
Productivity Loss:	688,161,177	4,759,320	Homestead Cap	(-) 2,437,569
			Assessed Value	= 1,738,539,398

Exemption	Count	Local	State	Total		
DP	354	0	0	0		
DV1	67	0	402,074	402,074		
DV1S	5	0	20,000	20,000		
DV2	35	0	277,500	277,500		
DV3	39	0	352,760	352,760		
DV3S	3	0	16,170	16,170		
DV4	197	0	1,917,910	1,917,910		
DV4S	16	0	192,000	192,000		
DVHS	71	0	7,837,308	7,837,308		
EX	884	0	124,279,563	124,279,563		
EX(Prorated)	9	0	23,284	23,284		
EX366	6,426	0	323,470	323,470		
FR	3	3,586,830	0	3,586,830		
OV65	2,206	21,538,523	0	21,538,523		
OV65S	18	180,000	0	180,000		
PC	4	185,623	0	185,623	Total Exemptions	(-) 161,133,015

Net Taxable = 1,577,406,383

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	21,923,984	20,498,024	122,797.60	130,039.65	333		
OV65	192,199,826	166,789,256	947,531.17	980,196.61	2,089		
Total	214,123,810	187,287,280	1,070,328.77	1,110,236.26	2,422	Freeze Taxable	(-) 187,287,280
Tax Rate	0.690800						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	501,010	449,010	295,677	153,333	4		
Total	501,010	449,010	295,677	153,333	4	Transfer Adjustment	(-) 153,333
						Freeze Adjusted Taxable	= 1,389,965,770

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

GCA - Caldwell County
Grand Totals

7/22/2010 1:57:03PM

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
10,672,212.31 = 1,389,965,770 * (0.690800 / 100) + 1,070,328.77

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

GCA - Caldwell County
ARB Approved Totals

7/22/2010

1:57:48PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,113		\$11,374,670	\$647,063,110
B	MULTIFAMILY RESIDENCE	212		\$3,515,330	\$35,071,610
C	VACANT LOT	1,792		\$0	\$22,922,331
D1	QUALIFIED AG LAND	4,683	291,892.3787	\$0	\$705,755,820
D2	NON-QUALIFIED LAND	2,410	23,950.0367	\$0	\$99,082,502
E	FARM OR RANCH IMPROVEMENT	4,383		\$6,557,300	\$308,168,997
F1	COMMERCIAL REAL PROPERTY	949		\$5,265,350	\$132,924,762
F2	INDUSTRIAL REAL PROPERTY	39		\$1,995,500	\$14,554,125
G1	OIL AND GAS	10,960		\$0	\$89,899,630
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,085,140
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANY (INCLUDING CO-O	132		\$0	\$13,252,420
J5	RAILROAD	17		\$0	\$8,473,070
J6	PIPELAND COMPANY	111		\$0	\$17,326,150
J7	CABLE TELEVISION COMPANY	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY	1,002		\$0	\$60,883,264
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,771		\$3,052,420	\$43,365,470
M2	TANGIBLE OTHER PERSONAL, OTHER	274		\$0	\$16,139,990
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	240		\$0	\$2,138,330
S	SPECIAL INVENTORY TAX	18		\$0	\$2,645,600
X	TOTALLY EXEMPT PROPERTY	7,309		\$372,290	\$124,557,503
	Totals		315,842.4154	\$32,132,860	\$2,406,328,304

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 176

GCA - Caldwell County
Under ARB Review Totals

7/22/2010

1:57:48PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	45		\$89,080	\$3,011,280
C	VACANT LOT	19		\$0	\$365,780
D1	QUALIFIED AG LAND	29	2,198.4290	\$0	\$6,874,890
D2	NON-QUALIFIED LAND	21	501.7220	\$0	\$2,562,570
E	FARM OR RANCH IMPROVEMENT	34		\$121,010	\$2,155,510
F1	COMMERCIAL REAL PROPERTY	15		\$19,740	\$4,153,010
F2	INDUSTRIAL REAL PROPERTY	1		\$0	\$524,120
G1	OIL AND GAS	2		\$0	\$1,830
L1	COMMERCIAL PERSONAL PROPERTY	6		\$0	\$1,353,130
M1	TANGIBLE OTHER PERSONAL, MOBILE H	30		\$214,540	\$655,100
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$1,058,690
O	RESIDENTIAL INVENTORY	7		\$0	\$48,400
X	TOTALLY EXEMPT PROPERTY	1		\$0	\$45,530
	Totals		2,700.1510	\$444,370	\$22,809,840

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

GCA - Caldwell County
Grand Totals

7/22/2010

1:57:48PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,158		\$11,463,750	\$650,074,390
B	MULTIFAMILY RESIDENCE	212		\$3,515,330	\$35,071,610
C	VACANT LOT	1,811		\$0	\$23,288,111
D1	QUALIFIED AG LAND	4,712	294,090.8077	\$0	\$712,630,710
D2	NON-QUALIFIED LAND	2,431	24,451.7587	\$0	\$101,645,072
E	FARM OR RANCH IMPROVEMENT	4,417		\$6,678,310	\$310,324,507
F1	COMMERCIAL REAL PROPERTY	964		\$5,285,090	\$137,077,772
F2	INDUSTRIAL REAL PROPERTY	40		\$1,995,500	\$15,078,245
G1	OIL AND GAS	10,962		\$0	\$89,901,460
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,085,140
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANY (INCLUDING CO-O	132		\$0	\$13,252,420
J5	RAILROAD	17		\$0	\$8,473,070
J6	PIPELAND COMPANY	111		\$0	\$17,326,150
J7	CABLE TELEVISION COMPANY	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY	1,008		\$0	\$62,236,394
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,801		\$3,266,960	\$44,020,570
M2	TANGIBLE OTHER PERSONAL, OTHER	278		\$0	\$17,198,680
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	247		\$0	\$2,186,730
S	SPECIAL INVENTORY TAX	18		\$0	\$2,645,600
X	TOTALLY EXEMPT PROPERTY	7,310		\$372,290	\$124,603,033
	Totals		318,542.5664	\$32,577,230	\$2,429,138,144

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,378

GCA - Caldwell County
ARB Approved Totals

7/22/2010

1:57:48PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$80,590	\$163,660
A1	RESIDENTIAL SINGLE FAMILY	6,707		\$9,007,500	\$574,919,239
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,612		\$2,286,580	\$71,980,211
B2	MULTI-FAMILY - DUPLEX	157		\$250	\$16,253,300
B3	MULTI-FAMILY - TRIPLEX	8		\$0	\$965,070
B4	MULTI-FAMILY - FOURPLEX	10		\$0	\$1,541,730
BB	MULTI-FAMILY - APTS 5-10 UNITS	14		\$5,070	\$1,637,520
BC	MULTI-FAMILY - APTS 11-25 UNITS	16		\$0	\$4,733,240
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,338,780
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$3,510,010	\$7,601,970
C	VACANT RESIDENTIAL LOTS - INSIDE CI	941		\$0	\$8,346,974
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	768		\$0	\$9,354,497
C2	VACANT COMMERCIAL LOTS	83		\$0	\$5,220,860
D1	RANCH LAND - VACANT ACREAGE	4,683	291,892.3787	\$0	\$705,755,820
D2	TIMBERLAND - VACANT ACREAGE	2,410	23,950.0367	\$0	\$99,082,502
E	RURAL RESIDENTIAL MORE THAN 5 ACS	2,411		\$4,100,910	\$231,516,384
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	2,243		\$1,269,470	\$31,687,531
E2	RURAL MOBILE HOMES ON MORE THAN 5	1,453		\$1,186,920	\$44,965,082
F1	REAL - COMMERCIAL	949		\$5,265,350	\$132,924,762
F2	REAL - INDUSTRIAL	39		\$1,995,500	\$14,554,125
G1	OIL, GAS AND MINERAL RESERVES	10,960		\$0	\$89,899,630
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,085,140
J3	ELECTRIC COMPANIES (INCLD CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANIES (INCLD CO-OP)	132		\$0	\$13,252,420
J5	RAILROADS	17		\$0	\$8,473,070
J6	PIPELINES	111		\$0	\$17,326,150
J7	RADIO, TV, & CABLE TV	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY - T	748		\$0	\$54,446,194
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
L3	LEASED EQUIPMENT	256		\$0	\$6,368,740
L5	POLLUTION CONTROL	1		\$0	\$68,330
M1	AIRCRAFT	13		\$0	\$9,007,100
M2	COMMERCIAL VEHICLES	261		\$0	\$7,132,890
M3	MOBILE HOMES ONLY - NO LAND	1,771		\$3,052,420	\$43,365,470
N1	PERSONAL PROPERTY - INTANGIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	240		\$0	\$2,138,330
S	SPECIAL INVENTORY	18		\$0	\$2,645,600
X	EXEMPT	7,309		\$372,290	\$124,557,503
	Totals		315,842.4154	\$32,132,860	\$2,406,328,304

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 176

GCA - Caldwell County
Under ARB Review Totals

7/22/2010

1:57:48PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	20		\$87,250	\$1,893,050
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	25		\$1,830	\$1,118,230
C	VACANT RESIDENTIAL LOTS - INSIDE CI	11		\$0	\$130,110
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	3		\$0	\$44,230
C2	VACANT COMMERCIAL LOTS	5		\$0	\$191,440
D1	RANCH LAND - VACANT ACREAGE	29	2,198.4290	\$0	\$6,874,890
D2	TIMBERLAND - VACANT ACREAGE	21	501.7220	\$0	\$2,562,570
E	RURAL RESIDENTIAL MORE THAN 5 ACS	11		\$19,740	\$1,254,710
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	18		\$98,660	\$293,870
E2	RURAL MOBILE HOMES ON MORE THAN 5	16		\$2,610	\$606,930
F1	REAL - COMMERCIAL	15		\$19,740	\$4,153,010
F2	REAL - INDUSTRIAL	1		\$0	\$524,120
G1	OIL, GAS AND MINERAL RESERVES	2		\$0	\$1,830
L1	COMMERCIAL PERSONAL PROPERTY - T	6		\$0	\$1,353,130
M1	AIRCRAFT	1		\$0	\$900,000
M2	COMMERCIAL VEHICLES	3		\$0	\$158,690
M3	MOBILE HOMES ONLY - NO LAND	30		\$214,540	\$655,100
O	REAL PROPERTY INVENTORY - RESIDEN	7		\$0	\$48,400
X	EXEMPT	1		\$0	\$45,530
	Totals		2,700.1510	\$444,370	\$22,809,840

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

GCA - Caldwell County
Grand Totals

7/22/2010

1:57:48PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$80,590	\$163,660
A1	RESIDENTIAL SINGLE FAMILY	6,727		\$9,094,750	\$576,812,289
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,637		\$2,288,410	\$73,098,441
B2	MULTI-FAMILY - DUPLEX	157		\$250	\$16,253,300
B3	MULTI-FAMILY - TRIPLEX	8		\$0	\$965,070
B4	MULTI-FAMILY - FOURPLEX	10		\$0	\$1,541,730
BB	MULTI-FAMILY - APTS 5-10 UNITS	14		\$5,070	\$1,637,520
BC	MULTI-FAMILY - APTS 11-25 UNITS	16		\$0	\$4,733,240
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,338,780
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$3,510,010	\$7,601,970
C	VACANT RESIDENTIAL LOTS - INSIDE CI	952		\$0	\$8,477,084
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	771		\$0	\$9,398,727
C2	VACANT COMMERCIAL LOTS	88		\$0	\$5,412,300
D1	RANCH LAND - VACANT ACREAGE	4,712	294,090.8077	\$0	\$712,630,710
D2	TIMBERLAND - VACANT ACREAGE	2,431	24,451.7587	\$0	\$101,645,072
E	RURAL RESIDENTIAL MORE THAN 5 ACS	2,422		\$4,120,650	\$232,771,094
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	2,261		\$1,368,130	\$31,981,401
E2	RURAL MOBILE HOMES ON MORE THAN 5	1,469		\$1,189,530	\$45,572,012
F1	REAL - COMMERCIAL	964		\$5,285,090	\$137,077,772
F2	REAL - INDUSTRIAL	40		\$1,995,500	\$15,078,245
G1	OIL, GAS AND MINERAL RESERVES	10,962		\$0	\$89,901,460
J1	WATER SYSTEMS	2		\$0	\$289,500
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,085,140
J3	ELECTRIC COMPANIES (INCLD CO-OP)	52		\$0	\$43,961,940
J4	TELEPHONE COMPANIES (INCLD CO-OP)	132		\$0	\$13,252,420
J5	RAILROADS	17		\$0	\$8,473,070
J6	PIPELINES	111		\$0	\$17,326,150
J7	RADIO, TV, & CABLE TV	36		\$0	\$2,518,860
J9	RAILROAD ROLLING STOCK	1		\$0	\$2,208,370
L1	COMMERCIAL PERSONAL PROPERTY - T	754		\$0	\$55,799,324
L2	INDUSTRIAL PERSONAL PROPERTY	155		\$0	\$12,039,810
L3	LEASED EQUIPMENT	256		\$0	\$6,368,740
L5	POLLUTION CONTROL	1		\$0	\$68,330
M1	AIRCRAFT	14		\$0	\$9,907,100
M2	COMMERCIAL VEHICLES	264		\$0	\$7,291,580
M3	MOBILE HOMES ONLY - NO LAND	1,801		\$3,266,960	\$44,020,570
N1	PERSONAL PROPERTY - INTANGIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	247		\$0	\$2,186,730
S	SPECIAL INVENTORY	18		\$0	\$2,645,600
X	EXEMPT	7,310		\$372,290	\$124,603,033
	Totals		318,542.5664	\$32,577,230	\$2,429,138,144

Caldwell County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 40,554

GCA - Caldwell County
Effective Rate Assumption

7/22/2010

1:57:48PM

New Value

TOTAL NEW VALUE MARKET:	\$32,577,230
TOTAL NEW VALUE TAXABLE:	\$31,953,003

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	11	2009 Market Value	\$822,710
EX366	HOUSE BILL 366	473	2009 Market Value	\$96,300
ABSOLUTE EXEMPTIONS VALUE LOSS				\$919,010

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	7	\$0
DV1	DISABLED VET	3	\$15,000
DV2	DISABLED VET	9	\$81,000
DV3	DISABLED VET	10	\$104,000
DV4	DISABLED VET	11	\$111,560
DV4S	DISABLED VET	2	\$24,000
DVHS	Disabled Veteran Homestead	14	\$1,304,960
OV65	OVER 65	63	\$610,000
PARTIAL EXEMPTIONS VALUE LOSS		119	\$2,250,520
TOTAL EXEMPTIONS VALUE LOSS			\$3,169,530

New Ag / Timber Exemptions

2009 Market Value	\$3,803,878	Count: 55
2010 Ag/Timber Use	\$93,570	
NEW AG / TIMBER VALUE LOSS	\$3,710,308	

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,298	\$99,316	\$379	\$98,937

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,569	\$97,287	\$373	\$96,914

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
176	\$22,809,840.00	\$14,304,933

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 40,961

GCA - Caldwell County
ARB Approved Totals

7/22/2011 11:46:53AM

Land		Value				
Homesite:		134,732,439				
Non Homesite:		300,484,970				
Ag Market:		746,815,221				
Timber Market:		769,260		Total Land	(+)	1,182,801,890
Improvement		Value				
Homesite:		598,598,978				
Non Homesite:		435,800,920		Total Improvements	(+)	1,034,399,898
Non Real		Count	Value			
Personal Property:	1,839	233,449,010				
Mineral Property:	17,815	91,362,150				
Autos:	0	0		Total Non Real	(+)	324,811,160
				Market Value	=	2,542,012,948
Ag	Non Exempt	Exempt				
Total Productivity Market:	743,584,811	3,999,670				
Ag Use:	24,288,953	140,850		Productivity Loss	(-)	719,268,158
Timber Use:	27,700	0		Appraised Value	=	1,822,744,790
Productivity Loss:	719,268,158	3,858,820		Homestead Cap	(-)	2,012,147
				Assessed Value	=	1,820,732,643

Exemption	Count	Local	State	Total		
AB	1	3,899,410	0	3,899,410		
DP	371	0	0	0		
DPS	1	0	0	0		
DV1	65	0	441,981	441,981		
DV1S	5	0	25,000	25,000		
DV2	38	0	303,000	303,000		
DV3	37	0	346,760	346,760		
DV3S	2	0	5,620	5,620		
DV4	198	0	1,848,280	1,848,280		
DV4S	16	0	192,000	192,000		
DVHS	80	0	9,089,302	9,089,302		
EX	925	0	132,413,940	132,413,940		
EX(Prorated)	5	0	38,562	38,562		
EX366	6,258	0	331,140	331,140		
FR	3	3,565,610	0	3,565,610		
OV65	2,408	23,415,192	0	23,415,192		
OV65S	15	150,000	0	150,000		
PC	4	181,713	0	181,713	Total Exemptions	(-) 176,247,510
					Net Taxable	= 1,644,485,133

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	23,350,413	21,773,543	131,661.41	139,277.48	354		
DPS	59,090	59,090	338.98	338.98	1		
OV65	204,478,788	177,209,669	1,017,147.83	1,054,595.00	2,201		
Total	227,888,291	199,042,302	1,149,148.22	1,194,211.46	2,556	Freeze Taxable	(-) 199,042,302
Tax Rate	0.690900						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	84,200	84,200	68,605	15,595	1		
OV65	802,110	732,110	565,981	166,129	7		
Total	886,310	816,310	634,586	181,724	8	Transfer Adjustment	(-) 181,724

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 40,961

GCA - Caldwell County
ARB Approved Totals

7/22/2011 11:46:53AM

Freeze Adjusted Taxable = 1,445,261,107

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
11,134,457.21 = 1,445,261,107 * (0.690900 / 100) + 1,149,148.22

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 133

GCA - Caldwell County
Under ARB Review Totals

7/22/2011 11:46:53AM

Land		Value			
Homesite:		399,990			
Non Homesite:		4,459,400			
Ag Market:		2,341,690			
Timber Market:		0	Total Land	(+) 7,201,080	
Improvement		Value			
Homesite:		1,004,620			
Non Homesite:		5,835,130	Total Improvements	(+) 6,839,750	
Non Real		Count	Value		
Personal Property:		2	2,156,670		
Mineral Property:		0	0		
Autos:		0	0		
			Total Non Real	(+) 2,156,670	
			Market Value	= 16,197,500	
Ag	Non Exempt	Exempt			
Total Productivity Market:	2,341,690	0			
Ag Use:	66,600	0			
Timber Use:	0	0			
Productivity Loss:	2,275,090	0			
			Productivity Loss	(-) 2,275,090	
			Appraised Value	= 13,922,410	
			Homestead Cap	(-) 23,139	
			Assessed Value	= 13,899,271	
Exemption	Count	Local	State	Total	
EX	1	0	92,060	92,060	
OV65	1	10,000	0	10,000	
			Total Exemptions	(-) 102,060	
			Net Taxable	= 13,797,211	
Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
OV65	166,000	156,000	820.72	820.72	1
Total	166,000	156,000	820.72	820.72	1
Freeze Taxable					(-) 156,000
Tax Rate	0.690900				
			Freeze Adjusted Taxable		= 13,641,211

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 95,067.85 = 13,641,211 * (0.690900 / 100) + 820.72

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 41,094

GCA - Caldwell County
Grand Totals

7/22/2011 11:46:53AM

Land		Value			
Homesite:		135,132,429			
Non Homesite:		304,944,370			
Ag Market:		749,156,911			
Timber Market:		769,260			
			Total Land	(+)	1,190,002,970
Improvement		Value			
Homesite:		599,603,598			
Non Homesite:		441,636,050			
			Total Improvements	(+)	1,041,239,648
Non Real		Count	Value		
Personal Property:		1,841	235,605,680		
Mineral Property:		17,815	91,362,150		
Autos:		0	0		
			Total Non Real	(+)	326,967,830
			Market Value	=	2,558,210,448
Ag	Non Exempt	Exempt			
Total Productivity Market:	745,926,501	3,999,670			
Ag Use:	24,355,553	140,850	Productivity Loss	(-)	721,543,248
Timber Use:	27,700	0	Appraised Value	=	1,836,667,200
Productivity Loss:	721,543,248	3,858,820			
			Homestead Cap	(-)	2,035,286
			Assessed Value	=	1,834,631,914

Exemption	Count	Local	State	Total		
AB	1	3,899,410	0	3,899,410		
DP	371	0	0	0		
DPS	1	0	0	0		
DV1	65	0	441,981	441,981		
DV1S	5	0	25,000	25,000		
DV2	38	0	303,000	303,000		
DV3	37	0	346,760	346,760		
DV3S	2	0	5,620	5,620		
DV4	198	0	1,848,280	1,848,280		
DV4S	16	0	192,000	192,000		
DVHS	80	0	9,089,302	9,089,302		
EX	926	0	132,506,000	132,506,000		
EX(Prorated)	5	0	38,562	38,562		
EX366	6,258	0	331,140	331,140		
FR	3	3,565,610	0	3,565,610		
OV65	2,409	23,425,192	0	23,425,192		
OV65S	15	150,000	0	150,000		
PC	4	181,713	0	181,713	Total Exemptions	(-) 176,349,570
					Net Taxable	= 1,658,282,344

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	23,350,413	21,773,543	131,661.41	139,277.48	354		
DPS	59,090	59,090	338.98	338.98	1		
OV65	204,644,788	177,365,669	1,017,968.55	1,055,415.72	2,202		
Total	228,054,291	199,198,302	1,149,968.94	1,195,032.18	2,557	Freeze Taxable	(-) 199,198,302
Tax Rate	0.690900						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	84,200	84,200	68,605	15,595	1		
OV65	802,110	732,110	565,981	166,129	7		
Total	886,310	816,310	634,586	181,724	8	Transfer Adjustment	(-) 181,724

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 41,094

GCA - Caldwell County
Grand Totals

7/22/2011 11:46:53AM

Freeze Adjusted Taxable = 1,458,902,318

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
11,229,525.06 = 1,458,902,318 * (0.690900 / 100) + 1,149,968.94

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 40,961

GCA - Caldwell County
ARB Approved Totals

7/22/2011 11:47:57AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,178		\$6,447,868	\$657,851,558
B	MULTIFAMILY RESIDENCE	213		\$329,360	\$35,537,382
C	VACANT LOT	1,765		\$0	\$23,575,687
D1	QUALIFIED AG LAND	4,766	293,323.6777	\$0	\$743,584,071
D2	NON-QUALIFIED LAND	2,305	22,881.2660	\$0	\$101,196,840
E	FARM OR RANCH IMPROVEMENT	4,469		\$7,145,369	\$328,858,002
F1	COMMERCIAL REAL PROPERTY	949		\$3,676,740	\$135,457,818
F2	INDUSTRIAL REAL PROPERTY	39		\$33,790	\$14,778,000
G1	OIL AND GAS	11,590		\$0	\$90,933,590
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,147,230
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$45,753,280
J4	TELEPHONE COMPANY (INCLUDING CO-O	131		\$0	\$12,242,990
J5	RAILROAD	17		\$0	\$9,671,900
J6	PIPELAND COMPANY	113		\$0	\$16,860,820
J7	CABLE TELEVISION COMPANY	35		\$0	\$2,466,380
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,732,940
L1	COMMERCIAL PERSONAL PROPERTY	975		\$0	\$68,838,160
L2	INDUSTRIAL PERSONAL PROPERTY	156		\$0	\$52,913,990
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,817		\$2,430,470	\$42,714,620
M2	TANGIBLE OTHER PERSONAL, OTHER	263		\$0	\$16,455,190
N	INTANGIBLE PROPERTY AND/OR UNCERT	2		\$0	\$17,580
O	RESIDENTIAL INVENTORY	290		\$0	\$2,794,740
S	SPECIAL INVENTORY TAX	17		\$0	\$2,885,100
X	TOTALLY EXEMPT PROPERTY	7,183		\$223,030	\$132,745,080
	Totals		316,204.9437	\$20,286,627	\$2,542,012,948

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 133

GCA - Caldwell County
Under ARB Review Totals

7/22/2011

11:47:57AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	36		\$64,870	\$2,263,780
B	MULTIFAMILY RESIDENCE	1		\$0	\$299,820
C	VACANT LOT	14		\$0	\$622,260
D1	QUALIFIED AG LAND	25	876.0290	\$0	\$2,341,690
D2	NON-QUALIFIED LAND	28	329.1710	\$0	\$1,373,000
E	FARM OR RANCH IMPROVEMENT	33		\$130,210	\$1,740,350
F1	COMMERCIAL REAL PROPERTY	22		\$2,710	\$4,282,710
F2	INDUSTRIAL REAL PROPERTY	1		\$0	\$846,580
L1	COMMERCIAL PERSONAL PROPERTY	2		\$0	\$2,156,670
M1	TANGIBLE OTHER PERSONAL, MOBILE H	5		\$2,870	\$178,580
X	TOTALLY EXEMPT PROPERTY	1		\$0	\$92,060
	Totals		1,205.2000	\$200,660	\$16,197,500

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 41,094

GCA - Caldwell County
Grand Totals

7/22/2011 11:47:57AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,214		\$6,512,738	\$660,115,338
B	MULTIFAMILY RESIDENCE	214		\$329,360	\$35,837,202
C	VACANT LOT	1,779		\$0	\$24,197,947
D1	QUALIFIED AG LAND	4,791	294,199.7067	\$0	\$745,925,761
D2	NON-QUALIFIED LAND	2,333	23,210.4370	\$0	\$102,569,840
E	FARM OR RANCH IMPROVEMENT	4,502		\$7,275,579	\$330,598,352
F1	COMMERCIAL REAL PROPERTY	971		\$3,679,450	\$139,740,528
F2	INDUSTRIAL REAL PROPERTY	40		\$33,790	\$15,624,580
G1	OIL AND GAS	11,590		\$0	\$90,933,590
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,147,230
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$45,753,280
J4	TELEPHONE COMPANY (INCLUDING CO-O	131		\$0	\$12,242,990
J5	RAILROAD	17		\$0	\$9,671,900
J6	PIPELAND COMPANY	113		\$0	\$16,860,820
J7	CABLE TELEVISION COMPANY	35		\$0	\$2,466,380
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,732,940
L1	COMMERCIAL PERSONAL PROPERTY	977		\$0	\$70,994,830
L2	INDUSTRIAL PERSONAL PROPERTY	156		\$0	\$52,913,990
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,822		\$2,433,340	\$42,893,200
M2	TANGIBLE OTHER PERSONAL, OTHER	263		\$0	\$16,455,190
N	INTANGIBLE PROPERTY AND/OR UNCERT	2		\$0	\$17,580
O	RESIDENTIAL INVENTORY	290		\$0	\$2,794,740
S	SPECIAL INVENTORY TAX	17		\$0	\$2,885,100
X	TOTALLY EXEMPT PROPERTY	7,184		\$223,030	\$132,837,140
	Totals		317,410.1437	\$20,487,287	\$2,558,210,448

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 40,961

GCA - Caldwell County
ARB Approved Totals

7/22/2011

11:47:57AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	1		\$0	\$53,520
A1	RESIDENTIAL SINGLE FAMILY	6,746		\$5,380,209	\$581,333,618
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,643		\$1,067,659	\$76,464,420
B2	MULTI-FAMILY - DUPLEX	158		\$3,330	\$16,062,750
B3	MULTI-FAMILY - TRIPLEX	8		\$0	\$966,430
B4	MULTI-FAMILY - FOURPLEX	10		\$0	\$1,541,190
BB	MULTI-FAMILY - APTS 5-10 UNITS	14		\$0	\$1,628,880
BC	MULTI-FAMILY - APTS 11-25 UNITS	16		\$326,030	\$4,848,002
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,755,990
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$7,734,140
C	VACANT RESIDENTIAL LOTS - INSIDE CI	944		\$0	\$8,331,543
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	720		\$0	\$9,680,223
C2	VACANT COMMERCIAL LOTS	100		\$0	\$5,539,641
C3	VACANT RURAL LOTS	1		\$0	\$24,280
D1	RANCH LAND - VACANT ACREAGE	4,766	293,323.6777	\$0	\$743,584,071
D2	TIMBERLAND - VACANT ACREAGE	2,305	22,881.2660	\$0	\$101,196,840
E	RURAL RESIDENTIAL MORE THAN 5 ACS	2,426		\$4,989,180	\$243,821,510
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	2,356		\$1,339,030	\$33,445,713
E2	RURAL MOBILE HOMES ON MORE THAN 5	1,480		\$817,159	\$51,590,779
F1	REAL - COMMERCIAL	949		\$3,676,740	\$135,457,818
F2	REAL - INDUSTRIAL	39		\$33,790	\$14,778,000
G1	OIL, GAS AND MINERAL RESERVES	11,590		\$0	\$90,933,590
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,147,230
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$45,753,280
J4	TELEPHONE COMPANIES (INCLD CO-OP)	131		\$0	\$12,242,990
J5	RAILROADS	17		\$0	\$9,671,900
J6	PIPELINES	113		\$0	\$16,860,820
J7	RADIO, TV, & CABLE TV	35		\$0	\$2,466,380
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,732,940
L1	COMMERCIAL PERSONAL PROPERTY - T	736		\$0	\$62,102,230
L2	INDUSTRIAL PERSONAL PROPERTY	156		\$0	\$52,913,990
L3	LEASED EQUIPMENT	239		\$0	\$6,671,020
L5	POLLUTION CONTROL	1		\$0	\$64,910
M1	AIRCRAFT	13		\$0	\$9,855,890
M2	COMMERCIAL VEHICLES	250		\$0	\$6,599,300
M3	MOBILE HOMES ONLY - NO LAND	1,817		\$2,430,470	\$42,714,620
N		1		\$0	\$0
N1	PERSONAL PROPERTY - INTANGIBLE	1		\$0	\$17,580
O	REAL PROPERTY INVENTORY - RESIDEN	290		\$0	\$2,794,740
S	SPECIAL INVENTORY	17		\$0	\$2,885,100
X	EXEMPT	7,183		\$223,030	\$132,745,080
	Totals		316,204.9437	\$20,286,627	\$2,542,012,948

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 133

GCA - Caldwell County
Under ARB Review Totals

7/22/2011 11:47:57AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	10		\$60,040	\$1,204,430
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	27		\$4,830	\$1,059,350
BC	MULTI-FAMILY - APTS 11-25 UNITS	1		\$0	\$299,820
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	9		\$0	\$213,710
C2	VACANT COMMERCIAL LOTS	5		\$0	\$408,550
D1	RANCH LAND - VACANT ACREAGE	25	876.0290	\$0	\$2,341,690
D2	TIMBERLAND - VACANT ACREAGE	28	329.1710	\$0	\$1,373,000
E	RURAL RESIDENTIAL MORE THAN 5 ACS	13		\$88,930	\$977,030
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	17		\$6,910	\$195,350
E2	RURAL MOBILE HOMES ON MORE THAN 5	12		\$34,370	\$567,970
F1	REAL - COMMERCIAL	22		\$2,710	\$4,282,710
F2	REAL - INDUSTRIAL	1		\$0	\$846,580
L1	COMMERCIAL PERSONAL PROPERTY - T	2		\$0	\$2,156,670
M3	MOBILE HOMES ONLY - NO LAND	5		\$2,870	\$178,580
X	EXEMPT	1		\$0	\$92,060
	Totals		1,205.2000	\$200,660	\$16,197,500

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 41,094

GCA - Caldwell County
Grand Totals

7/22/2011

11:47:57AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	1		\$0	\$53,520
A1	RESIDENTIAL SINGLE FAMILY	6,756		\$5,440,249	\$582,538,048
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,670		\$1,072,489	\$77,523,770
B2	MULTI-FAMILY - DUPLEX	158		\$3,330	\$16,062,750
B3	MULTI-FAMILY - TRIPLEX	8		\$0	\$966,430
B4	MULTI-FAMILY - FOURPLEX	10		\$0	\$1,541,190
BB	MULTI-FAMILY - APTS 5-10 UNITS	14		\$0	\$1,628,880
BC	MULTI-FAMILY - APTS 11-25 UNITS	17		\$326,030	\$5,147,822
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,755,990
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$7,734,140
C	VACANT RESIDENTIAL LOTS - INSIDE CI	944		\$0	\$8,331,543
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	729		\$0	\$9,893,933
C2	VACANT COMMERCIAL LOTS	105		\$0	\$5,948,191
C3	VACANT RURAL LOTS	1		\$0	\$24,280
D1	RANCH LAND - VACANT ACREAGE	4,791	294,199.7067	\$0	\$745,925,761
D2	TIMBERLAND - VACANT ACREAGE	2,333	23,210.4370	\$0	\$102,569,840
E	RURAL RESIDENTIAL MORE THAN 5 ACS	2,439		\$5,078,110	\$244,798,540
E1	RURAL NON-RESIDENTIAL IMPROVEMENT	2,373		\$1,345,940	\$33,641,063
E2	RURAL MOBILE HOMES ON MORE THAN 5	1,492		\$851,529	\$52,158,749
F1	REAL - COMMERCIAL	971		\$3,679,450	\$139,740,528
F2	REAL - INDUSTRIAL	40		\$33,790	\$15,624,580
G1	OIL, GAS AND MINERAL RESERVES	11,590		\$0	\$90,933,590
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,147,230
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$45,753,280
J4	TELEPHONE COMPANIES (INCLD CO-OP)	131		\$0	\$12,242,990
J5	RAILROADS	17		\$0	\$9,671,900
J6	PIPELINES	113		\$0	\$16,860,820
J7	RADIO, TV, & CABLE TV	35		\$0	\$2,466,380
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,732,940
L1	COMMERCIAL PERSONAL PROPERTY - T	738		\$0	\$64,258,900
L2	INDUSTRIAL PERSONAL PROPERTY	156		\$0	\$52,913,990
L3	LEASED EQUIPMENT	239		\$0	\$6,671,020
L5	POLLUTION CONTROL	1		\$0	\$64,910
M1	AIRCRAFT	13		\$0	\$9,855,890
M2	COMMERCIAL VEHICLES	250		\$0	\$6,599,300
M3	MOBILE HOMES ONLY - NO LAND	1,822		\$2,433,340	\$42,893,200
N		1		\$0	\$0
N1	PERSONAL PROPERTY - INTANGIBLE	1		\$0	\$17,580
O	REAL PROPERTY INVENTORY - RESIDEN	290		\$0	\$2,794,740
S	SPECIAL INVENTORY	17		\$0	\$2,885,100
X	EXEMPT	7,184		\$223,030	\$132,837,140
	Totals		317,410.1437	\$20,487,287	\$2,558,210,448

Caldwell County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 41,094

GCA - Caldwell County
Effective Rate Assumption

7/22/2011 11:47:57AM

New Value

TOTAL NEW VALUE MARKET: **\$20,487,287**
TOTAL NEW VALUE TAXABLE: **\$20,183,137**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	18	2010 Market Value	\$1,779,140
EX366	HOUSE BILL 366	506	2010 Market Value	\$233,970
ABSOLUTE EXEMPTIONS VALUE LOSS				\$2,013,110

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	12	\$0
DV1	Disabled Veterans 10% - 29%	1	\$5,000
DV2	Disabled Veterans 30% - 49%	5	\$40,500
DV3	Disabled Veterans 50% - 69%	5	\$54,000
DV4	Disabled Veterans 70% - 100%	5	\$48,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	3	\$36,000
DVHS	Disabled Veteran Homestead	9	\$1,108,760
OV65	OVER 65	161	\$1,526,550
PARTIAL EXEMPTIONS VALUE LOSS		201	\$2,818,810
TOTAL EXEMPTIONS VALUE LOSS			\$4,831,920

New Ag / Timber Exemptions

2010 Market Value \$3,338,131 Count: 50
2011 Ag/Timber Use \$82,150
NEW AG / TIMBER VALUE LOSS \$3,255,981

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,335	\$100,627	\$320	\$100,307

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,583	\$98,062	\$285	\$97,777

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
133	\$16,197,500.00	\$11,605,905

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,296

GCA - Caldwell County
ARB Approved Totals

7/24/2012 10:30:09AM

Land		Value			
Homesite:		130,014,697			
Non Homesite:		294,709,177			
Ag Market:		756,543,241			
Timber Market:		436,250			
			Total Land	(+)	1,181,703,365
Improvement		Value			
Homesite:		574,979,385			
Non Homesite:		476,582,082			
			Total Improvements	(+)	1,051,561,467
Non Real		Count	Value		
Personal Property:		1,827	224,885,171		
Mineral Property:		19,259	161,096,730		
Autos:		0	0		
			Total Non Real	(+)	385,981,901
			Market Value	=	2,619,246,733
Ag	Non Exempt	Exempt			
Total Productivity Market:	752,987,151	3,992,340			
Ag Use:	23,845,930	140,500	Productivity Loss	(-)	729,127,161
Timber Use:	14,060	0	Appraised Value	=	1,890,119,572
Productivity Loss:	729,127,161	3,851,840			
			Homestead Cap	(-)	1,260,536
			Assessed Value	=	1,888,859,036

Exemption	Count	Local	State	Total		
AB	1	4,416,840	0	4,416,840		
DP	351	0	0	0		
DPS	1	0	0	0		
DV1	64	0	433,890	433,890		
DV1S	5	0	25,000	25,000		
DV2	37	0	295,500	295,500		
DV3	40	0	381,500	381,500		
DV3S	1	0	0	0		
DV4	196	0	1,823,660	1,823,660		
DV4S	15	0	180,000	180,000		
DVHS	86	0	9,689,090	9,689,090		
EX	754	0	122,653,160	122,653,160		
EX (Prorated)	3	0	21,218	21,218		
EX366	6,016	0	315,840	315,840		
FR	3	2,962,470	0	2,962,470		
OV65	2,310	22,452,972	0	22,452,972		
OV65S	17	170,000	0	170,000		
PC	3	72,413	0	72,413	Total Exemptions	(-) 165,893,553
					Net Taxable	= 1,722,965,483

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	22,430,172	20,735,292	128,640.22	137,749.39	327		
DPS	57,930	57,930	338.98	338.98	1		
OV65	198,493,770	171,604,878	994,639.60	1,037,169.59	2,109		
Total	220,981,872	192,398,100	1,123,618.80	1,175,257.96	2,437	Freeze Taxable	(-) 192,398,100
Tax Rate	0.690800						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	149,660	149,660	141,951	7,709	2		
OV65	1,637,450	1,535,450	1,419,266	116,184	9		
Total	1,787,110	1,685,110	1,561,217	123,893	11	Transfer Adjustment	(-) 123,893

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,296

GCA - Caldwell County
ARB Approved Totals

7/24/2012 10:30:09AM

Freeze Adjusted Taxable = 1,530,443,490

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
11,695,922.43 = 1,530,443,490 * (0.690800 / 100) + 1,123,618.80

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 222

GCA - Caldwell County
Under ARB Review Totals

7/24/2012 10:30:09AM

Land	Value			
Homesite:	493,150			
Non Homesite:	8,110,820			
Ag Market:	3,194,390			
Timber Market:	0	Total Land	(+)	11,798,360

Improvement	Value			
Homesite:	2,483,590			
Non Homesite:	8,220,720	Total Improvements	(+)	10,704,310

Non Real	Count	Value		
Personal Property:	8	3,090,360		
Mineral Property:	19	1,112,410		
Autos:	0	0	Total Non Real	(+)
			Market Value	=
				4,202,770
				26,705,440

Ag	Non Exempt	Exempt		
Total Productivity Market:	3,194,390	0		
Ag Use:	85,660	0	Productivity Loss	(-)
Timber Use:	0	0	Appraised Value	=
Productivity Loss:	3,108,730	0		23,596,710
			Homestead Cap	(-)
			Assessed Value	=
				0
				23,596,710

Exemption	Count	Local	State	Total		
DP	2	0	0	0		
DV4	1	0	12,000	12,000		
DVHS	1	0	65,800	65,800		
OV65	3	30,000	0	30,000	Total Exemptions	(-)
						107,800
					Net Taxable	=
						23,488,910

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	71,380	5,580	38.55	374.58	2		
OV65	205,570	185,570	1,081.29	1,108.44	2		
Total	276,950	191,150	1,119.84	1,483.02	4	Freeze Taxable	(-)
Tax Rate	0.690800						
						Freeze Adjusted Taxable	=
							23,297,760

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 162,060.77 = 23,297,760 * (0.690800 / 100) + 1,119.84

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,518

GCA - Caldwell County
Grand Totals

7/24/2012 10:30:09AM

Land		Value				
Homesite:		130,507,847				
Non Homesite:		302,819,997				
Ag Market:		759,737,631				
Timber Market:		436,250		Total Land	(+)	1,193,501,725
Improvement		Value				
Homesite:		577,462,975				
Non Homesite:		484,802,802		Total Improvements	(+)	1,062,265,777
Non Real		Count	Value			
Personal Property:		1,835	227,975,531			
Mineral Property:		19,278	162,209,140			
Autos:		0	0	Total Non Real	(+)	390,184,671
				Market Value	=	2,645,952,173
Ag	Non Exempt	Exempt				
Total Productivity Market:	756,181,541	3,992,340				
Ag Use:	23,931,590	140,500		Productivity Loss	(-)	732,235,891
Timber Use:	14,060	0		Appraised Value	=	1,913,716,282
Productivity Loss:	732,235,891	3,851,840		Homestead Cap	(-)	1,260,536
				Assessed Value	=	1,912,455,746

Exemption	Count	Local	State	Total		
AB	1	4,416,840	0	4,416,840		
DP	353	0	0	0		
DPS	1	0	0	0		
DV1	64	0	433,890	433,890		
DV1S	5	0	25,000	25,000		
DV2	37	0	295,500	295,500		
DV3	40	0	381,500	381,500		
DV3S	1	0	0	0		
DV4	197	0	1,835,660	1,835,660		
DV4S	15	0	180,000	180,000		
DVHS	87	0	9,754,890	9,754,890		
EX	754	0	122,653,160	122,653,160		
EX (Prorated)	3	0	21,218	21,218		
EX366	6,016	0	315,840	315,840		
FR	3	2,962,470	0	2,962,470		
OV65	2,313	22,482,972	0	22,482,972		
OV65S	17	170,000	0	170,000		
PC	3	72,413	0	72,413	Total Exemptions	(-) 166,001,353
					Net Taxable	= 1,746,454,393

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	22,501,552	20,740,872	128,678.77	138,123.97	329		
DPS	57,930	57,930	338.98	338.98	1		
OV65	198,699,340	171,790,448	995,720.89	1,038,278.03	2,111		
Total	221,258,822	192,589,250	1,124,738.64	1,176,740.98	2,441	Freeze Taxable	(-) 192,589,250
Tax Rate	0.690800						

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	149,660	149,660	141,951	7,709	2		
OV65	1,637,450	1,535,450	1,419,266	116,184	9		
Total	1,787,110	1,685,110	1,561,217	123,893	11	Transfer Adjustment	(-) 123,893

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,518

GCA - Caldwell County
Grand Totals

7/24/2012 10:30:09AM

Freeze Adjusted Taxable = 1,553,741,250

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
11,857,983.19 = 1,553,741,250 * (0.690800 / 100) + 1,124,738.64

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,296

GCA - Caldwell County
ARB Approved Totals

7/24/2012 10:30:58AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,129		\$7,677,790	\$656,106,728
B	MULTIFAMILY RESIDENCE	213		\$1,660	\$35,717,937
C	VACANT LOT	1,739		\$0	\$22,546,546
D1	QUALIFIED AG LAND	4,784	292,383.9060	\$0	\$752,986,411
D2	NON-QUALIFIED LAND	2,209	22,178.6475	\$0	\$98,439,586
E	FARM OR RANCH IMPROVEMENT	4,286		\$15,013,220	\$343,263,916
F1	COMMERCIAL REAL PROPERTY	955		\$5,394,530	\$147,701,838
F2	INDUSTRIAL REAL PROPERTY	37		\$30,970	\$16,509,920
G1	OIL AND GAS	13,278		\$0	\$160,681,020
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,087,470
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$50,654,590
J4	TELEPHONE COMPANY (INCLUDING CO-O	128		\$0	\$10,727,400
J5	RAILROAD	17		\$0	\$10,389,000
J6	PIPELAND COMPANY	114		\$0	\$17,436,570
J7	CABLE TELEVISION COMPANY	36		\$0	\$2,901,230
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,762,851
L1	COMMERCIAL PERSONAL PROPERTY	953		\$0	\$53,381,760
L2	INDUSTRIAL PERSONAL PROPERTY	149		\$0	\$49,738,560
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,806		\$2,237,410	\$39,695,800
M2	TANGIBLE OTHER PERSONAL, OTHER	276		\$0	\$18,047,630
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	268		\$0	\$2,540,200
S	SPECIAL INVENTORY TAX	18		\$0	\$2,960,770
X	TOTALLY EXEMPT PROPERTY	6,770		\$916,640	\$122,969,000
	Totals		314,562.5535	\$31,272,220	\$2,619,246,733

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 222

GCA - Caldwell County
Under ARB Review Totals

7/24/2012 10:30:58AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	28		\$94,640	\$2,232,310
B	MULTIFAMILY RESIDENCE	2		\$0	\$807,480
C	VACANT LOT	15		\$0	\$258,310
D1	QUALIFIED AG LAND	33	1,156.7360	\$0	\$3,194,390
D2	NON-QUALIFIED LAND	87	1,658.4320	\$0	\$4,777,330
E	FARM OR RANCH IMPROVEMENT	71		\$408,580	\$5,394,630
F1	COMMERCIAL REAL PROPERTY	17		\$39,360	\$4,943,740
F2	INDUSTRIAL REAL PROPERTY	3		\$0	\$635,580
G1	OIL AND GAS	19		\$0	\$1,112,410
L1	COMMERCIAL PERSONAL PROPERTY	3		\$0	\$2,228,830
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$794,700
M1	TANGIBLE OTHER PERSONAL, MOBILE H	7		\$0	\$258,900
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$66,830
	Totals		2,815.1680	\$542,580	\$26,705,440

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,518

GCA - Caldwell County
Grand Totals

7/24/2012 10:30:58AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,157		\$7,772,430	\$658,339,038
B	MULTIFAMILY RESIDENCE	215		\$1,660	\$36,525,417
C	VACANT LOT	1,754		\$0	\$22,804,856
D1	QUALIFIED AG LAND	4,817	293,540.6420	\$0	\$756,180,801
D2	NON-QUALIFIED LAND	2,296	23,837.0795	\$0	\$103,216,916
E	FARM OR RANCH IMPROVEMENT	4,357		\$15,421,800	\$348,658,546
F1	COMMERCIAL REAL PROPERTY	972		\$5,433,890	\$152,645,578
F2	INDUSTRIAL REAL PROPERTY	40		\$30,970	\$17,145,500
G1	OIL AND GAS	13,297		\$0	\$161,793,430
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,087,470
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$50,654,590
J4	TELEPHONE COMPANY (INCLUDING CO-O	128		\$0	\$10,727,400
J5	RAILROAD	17		\$0	\$10,389,000
J6	PIPELAND COMPANY	114		\$0	\$17,436,570
J7	CABLE TELEVISION COMPANY	36		\$0	\$2,901,230
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,762,851
L1	COMMERCIAL PERSONAL PROPERTY	956		\$0	\$55,610,590
L2	INDUSTRIAL PERSONAL PROPERTY	150		\$0	\$50,533,260
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,813		\$2,237,410	\$39,954,700
M2	TANGIBLE OTHER PERSONAL, OTHER	280		\$0	\$18,114,460
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	268		\$0	\$2,540,200
S	SPECIAL INVENTORY TAX	18		\$0	\$2,960,770
X	TOTALLY EXEMPT PROPERTY	6,770		\$916,640	\$122,969,000
	Totals		317,377.7215	\$31,814,800	\$2,645,952,173

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,296

GCA - Caldwell County
ARB Approved Totals

7/24/2012

10:30:58AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	1		\$0	\$53,420
A1	RESIDENTIAL SINGLE FAMILY	6,613		\$5,885,510	\$576,768,180
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,633		\$1,413,610	\$76,276,168
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	258		\$378,670	\$3,008,960
B2	MULTI-FAMILY - DUPLEX	159		\$1,350	\$15,871,050
B3	MULTI-FAMILY - TRIPLEX	7		\$0	\$792,410
B4	MULTI-FAMILY - FOURPLEX	15		\$0	\$2,077,290
BB	MULTI-FAMILY - APTS 5-10 UNITS	12		\$0	\$1,223,110
BC	MULTI-FAMILY - APTS 11-25 UNITS	13		\$0	\$4,860,804
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,794,327
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$310	\$8,098,946
C	VACANT RESIDENTIAL LOTS - INSIDE CI	927		\$0	\$8,154,473
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	703		\$0	\$9,486,992
C2	VACANT COMMERCIAL LOTS	110		\$0	\$4,905,081
D1	RANCH LAND - VACANT ACREAGE	4,784	292,383.9060	\$0	\$752,986,411
D2	TIMBERLAND - VACANT ACREAGE	2,209	22,178.6475	\$0	\$98,439,586
E	RESIDENTIAL MORE THAN 5 ACS	2,485		\$8,489,750	\$253,651,701
E1	NON-RESIDENTIAL IMPROVEMENTS	2,275		\$5,619,190	\$36,767,803
E2	MOBILE HOMES ON MORE THAN 5 ACS	1,481		\$904,280	\$52,844,412
F1	REAL - COMMERCIAL	955		\$5,394,530	\$147,701,838
F2	REAL - INDUSTRIAL	37		\$30,970	\$16,509,920
G1	OIL, GAS AND MINERAL RESERVES	13,278		\$0	\$160,681,020
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,087,470
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$50,654,590
J4	TELEPHONE COMPANIES (INCLD CO-OP)	128		\$0	\$10,727,400
J5	RAILROADS	17		\$0	\$10,389,000
J6	PIPELINES	114		\$0	\$17,436,570
J7	RADIO, TV, & CABLE TV	36		\$0	\$2,901,230
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,762,851
L1	COMMERCIAL PERSONAL PROPERTY - T	735		\$0	\$49,831,500
L2	INDUSTRIAL PERSONAL PROPERTY	149		\$0	\$49,738,560
L3	LEASED EQUIPMENT	217		\$0	\$3,483,970
L5	POLLUTION CONTROL	1		\$0	\$66,290
M1	AIRCRAFT	25		\$0	\$10,379,720
M2	COMMERCIAL VEHICLES	251		\$0	\$7,667,910
M3	MOBILE HOMES ONLY - NO LAND	1,806		\$2,237,410	\$39,695,800
N		1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	268		\$0	\$2,540,200
S	SPECIAL INVENTORY	18		\$0	\$2,960,770
X	EXEMPT	6,770		\$916,640	\$122,969,000
	Totals		314,562.5535	\$31,272,220	\$2,619,246,733

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 222

GCA - Caldwell County
Under ARB Review Totals

7/24/2012 10:30:58AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	19		\$94,640	\$1,679,460
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	10		\$0	\$547,610
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	1		\$0	\$5,240
BB	MULTI-FAMILY - APTS 5-10 UNITS	1		\$0	\$178,630
BC	MULTI-FAMILY - APTS 11-25 UNITS	1		\$0	\$628,850
C	VACANT RESIDENTIAL LOTS - INSIDE CI	3		\$0	\$21,700
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	11		\$0	\$193,130
C2	VACANT COMMERCIAL LOTS	1		\$0	\$43,480
D1	RANCH LAND - VACANT ACREAGE	33	1,156.7360	\$0	\$3,194,390
D2	TIMBERLAND - VACANT ACREAGE	87	1,658.4320	\$0	\$4,777,330
E	RESIDENTIAL MORE THAN 5 ACS	38		\$243,320	\$3,817,000
E1	NON-RESIDENTIAL IMPROVEMENTS	31		\$133,870	\$572,330
E2	MOBILE HOMES ON MORE THAN 5 ACS	31		\$31,390	\$1,005,300
F1	REAL - COMMERCIAL	17		\$39,360	\$4,943,740
F2	REAL - INDUSTRIAL	3		\$0	\$635,580
G1	OIL, GAS AND MINERAL RESERVES	19		\$0	\$1,112,410
L1	COMMERCIAL PERSONAL PROPERTY - T	3		\$0	\$2,228,830
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$794,700
M2	COMMERCIAL VEHICLES	4		\$0	\$66,830
M3	MOBILE HOMES ONLY - NO LAND	7		\$0	\$258,900
	Totals		2,815.1680	\$542,580	\$26,705,440

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,518

GCA - Caldwell County
Grand Totals

7/24/2012

10:30:58AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	1		\$0	\$53,420
A1	RESIDENTIAL SINGLE FAMILY	6,632		\$5,980,150	\$578,447,640
A2	RESIDENTIAL MOBILE HOME ON 5 ACS O	1,643		\$1,413,610	\$76,823,778
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	259		\$378,670	\$3,014,200
B2	MULTI-FAMILY - DUPLEX	159		\$1,350	\$15,871,050
B3	MULTI-FAMILY - TRIPLEX	7		\$0	\$792,410
B4	MULTI-FAMILY - FOURPLEX	15		\$0	\$2,077,290
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$0	\$1,401,740
BC	MULTI-FAMILY - APTS 11-25 UNITS	14		\$0	\$5,489,654
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$0	\$2,794,327
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$310	\$8,098,946
C	VACANT RESIDENTIAL LOTS - INSIDE CI	930		\$0	\$8,176,173
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	714		\$0	\$9,680,122
C2	VACANT COMMERCIAL LOTS	111		\$0	\$4,948,561
D1	RANCH LAND - VACANT ACREAGE	4,817	293,540.6420	\$0	\$756,180,801
D2	TIMBERLAND - VACANT ACREAGE	2,296	23,837.0795	\$0	\$103,216,916
E	RESIDENTIAL MORE THAN 5 ACS	2,523		\$8,733,070	\$257,468,701
E1	NON-RESIDENTIAL IMPROVEMENTS	2,306		\$5,753,060	\$37,340,133
E2	MOBILE HOMES ON MORE THAN 5 ACS	1,512		\$935,670	\$53,849,712
F1	REAL - COMMERCIAL	972		\$5,433,890	\$152,645,578
F2	REAL - INDUSTRIAL	40		\$30,970	\$17,145,500
G1	OIL, GAS AND MINERAL RESERVES	13,297		\$0	\$161,793,430
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,087,470
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$50,654,590
J4	TELEPHONE COMPANIES (INCLD CO-OP)	128		\$0	\$10,727,400
J5	RAILROADS	17		\$0	\$10,389,000
J6	PIPELINES	114		\$0	\$17,436,570
J7	RADIO, TV, & CABLE TV	36		\$0	\$2,901,230
J9	RAILROAD ROLLING STOCK	2		\$0	\$2,762,851
L1	COMMERCIAL PERSONAL PROPERTY - T	738		\$0	\$52,060,330
L2	INDUSTRIAL PERSONAL PROPERTY	150		\$0	\$50,533,260
L3	LEASED EQUIPMENT	217		\$0	\$3,483,970
L5	POLLUTION CONTROL	1		\$0	\$66,290
M1	AIRCRAFT	25		\$0	\$10,379,720
M2	COMMERCIAL VEHICLES	255		\$0	\$7,734,740
M3	MOBILE HOMES ONLY - NO LAND	1,813		\$2,237,410	\$39,954,700
N		1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	268		\$0	\$2,540,200
S	SPECIAL INVENTORY	18		\$0	\$2,960,770
X	EXEMPT	6,770		\$916,640	\$122,969,000
	Totals		317,377.7215	\$31,814,800	\$2,645,952,173

Caldwell County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 42,518

GCA - Caldwell County
Effective Rate Assumption

7/24/2012 10:30:58AM

New Value

TOTAL NEW VALUE MARKET:	\$31,814,800
TOTAL NEW VALUE TAXABLE:	\$30,774,010

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	5	2011 Market Value	\$1,369,110
EX366	HOUSE BILL 366	499	2011 Market Value	\$86,470
ABSOLUTE EXEMPTIONS VALUE LOSS				\$1,455,580

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	17	\$0
DV1	Disabled Veterans 10% - 29%	4	\$23,680
DV2	Disabled Veterans 30% - 49%	2	\$19,500
DV3	Disabled Veterans 50% - 69%	3	\$32,000
DV4	Disabled Veterans 70% - 100%	11	\$113,550
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	1	\$12,000
DVHS	Disabled Veteran Homestead	7	\$664,610
OV65	OVER 65	86	\$850,000
OV65S	OVER 65 Surviving Spouse	2	\$20,000
PARTIAL EXEMPTIONS VALUE LOSS		133	\$1,735,340
TOTAL EXEMPTIONS VALUE LOSS			\$3,190,920

New Ag / Timber Exemptions

2011 Market Value	\$4,507,281	Count: 56
2012 Ag/Timber Use	\$113,230	
NEW AG / TIMBER VALUE LOSS	\$4,394,051	

New Annexations**New Deannexations****Average Homestead Value**

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,073	\$101,641	\$208	\$101,433

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,307	\$98,909	\$159	\$98,750

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
222	\$26,705,440.00	\$17,336,709

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,258

FTM - Farm to Market Road
ARB Approved Totals

7/24/2013 2:08:18PM

Land		Value			
Homesite:		128,255,147			
Non Homesite:		313,965,604			
Ag Market:		758,965,380			
Timber Market:		439,400		Total Land	(+) 1,201,625,531
Improvement		Value			
Homesite:		564,774,233			
Non Homesite:		500,110,117		Total Improvements	(+) 1,064,884,350
Non Real		Count	Value		
Personal Property:		1,853	247,528,610		
Mineral Property:		20,784	213,157,160		
Autos:		0	0	Total Non Real	(+) 460,685,770
				Market Value	= 2,727,195,651
Ag	Non Exempt	Exempt			
Total Productivity Market:	755,512,220	3,892,560			
Ag Use:	23,499,738	140,970	Productivity Loss	(-)	731,997,892
Timber Use:	14,590	0	Appraised Value	=	1,995,197,759
Productivity Loss:	731,997,892	3,751,590			
			Homestead Cap	(-)	1,244,992
			Assessed Value	=	1,993,952,767

Exemption	Count	Local	State	Total		
AB	1	4,727,210	0	4,727,210		
DP	353	0	0	0		
DPS	1	0	0	0		
DV1	57	0	399,260	399,260		
DV1S	4	0	20,000	20,000		
DV2	39	0	328,500	328,500		
DV3	46	0	435,520	435,520		
DV3S	1	0	0	0		
DV4	190	0	1,720,580	1,720,580		
DV4S	16	0	186,000	186,000		
DVHS	90	0	9,601,491	9,601,491		
DVHSS	1	0	131,880	131,880		
EX	1	0	4,380	4,380		
EX (Prorated)	1	0	44,598	44,598		
EX-XF	4	0	4,721,410	4,721,410		
EX-XG	7	0	2,371,990	2,371,990		
EX-XI	1	0	63,780	63,780		
EX-XL	14	0	1,719,200	1,719,200		
EX-XR	60	0	2,099,890	2,099,890		
EX-XU	9	0	871,110	871,110		
EX-XV	658	0	118,053,350	118,053,350		
EX-XV (Prorated)	5	0	10,317	10,317		
EX366	6,711	0	296,060	296,060		
FR	3	2,194,150	0	2,194,150		
HS	6,503	0	12,361,270	12,361,270		
OV65	2,345	23,224,063	0	23,224,063		
OV65S	17	170,000	0	170,000		
PC	2	66,273	0	66,273	Total Exemptions	(-) 185,822,282

Net Taxable = 1,808,130,485

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,258

FTM - Farm to Market Road
ARB Approved Totals

7/24/2013 2:08:18PM

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	22,866,364	20,241,594	20.23	75.05	335			
DPS	56,760	53,760	0.05	0.29	1			
OV65	209,994,266	181,488,223	180.11	793.56	2,217			
Total	232,917,390	201,783,577	200.39	868.90	2,553	Freeze Taxable	(-)	201,783,577
Tax Rate	0.000100							

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count			
OV65	428,140	378,140	378,139	1	5			
Total	428,140	378,140	378,139	1	5	Transfer Adjustment	(-)	1
Freeze Adjusted Taxable							=	1,606,346,907

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 1,806.74 = 1,606,346,907 * (0.000100 / 100) + 200.39

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 141

FTM - Farm to Market Road
Under ARB Review Totals

7/24/2013

2:08:18PM

Land		Value			
Homesite:		477,120			
Non Homesite:		4,653,770			
Ag Market:		896,380			
Timber Market:		0		Total Land	(+) 6,027,270
Improvement		Value			
Homesite:		1,525,580			
Non Homesite:		6,943,820		Total Improvements	(+) 8,469,400
Non Real		Count	Value		
Personal Property:		18	121,360		
Mineral Property:		0	0		
Autos:		0	0	Total Non Real	(+) 121,360
				Market Value	= 14,618,030
Ag	Non Exempt	Exempt			
Total Productivity Market:	896,380	0			
Ag Use:	20,010	0	Productivity Loss	(-)	876,370
Timber Use:	0	0	Appraised Value	=	13,741,660
Productivity Loss:	876,370	0	Homestead Cap	(-)	0
				Assessed Value	= 13,741,660
Exemption	Count	Local	State	Total	
DP	1	0	0	0	
DV1	1	0	12,000	12,000	
HS	17	0	33,000	33,000	
OV65	6	60,000	0	60,000	Total Exemptions (-) 105,000
				Net Taxable	= 13,636,660
Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
OV65	482,010	432,010	0.42	2.26	5
Total	482,010	432,010	0.42	2.26	5
Tax Rate	0.000100				
				Freeze Taxable	(-) 432,010
				Freeze Adjusted Taxable	= 13,204,650

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 13.62 = 13,204,650 * (0.000100 / 100) + 0.42

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,399

FTM - Farm to Market Road
Grand Totals

7/24/2013 2:08:18PM

Land		Value				
Homesite:		128,732,267				
Non Homesite:		318,619,374				
Ag Market:		759,861,760				
Timber Market:		439,400		Total Land	(+)	1,207,652,801
Improvement		Value				
Homesite:		566,299,813				
Non Homesite:		507,053,937		Total Improvements	(+)	1,073,353,750
Non Real		Count	Value			
Personal Property:	1,871	247,649,970				
Mineral Property:	20,784	213,157,160				
Autos:	0	0		Total Non Real	(+)	460,807,130
				Market Value	=	2,741,813,681
Ag	Non Exempt	Exempt				
Total Productivity Market:	756,408,600	3,892,560				
Ag Use:	23,519,748	140,970		Productivity Loss	(-)	732,874,262
Timber Use:	14,590	0		Appraised Value	=	2,008,939,419
Productivity Loss:	732,874,262	3,751,590		Homestead Cap	(-)	1,244,992
				Assessed Value	=	2,007,694,427

Exemption	Count	Local	State	Total		
AB	1	4,727,210	0	4,727,210		
DP	354	0	0	0		
DPS	1	0	0	0		
DV1	58	0	411,260	411,260		
DV1S	4	0	20,000	20,000		
DV2	39	0	328,500	328,500		
DV3	46	0	435,520	435,520		
DV3S	1	0	0	0		
DV4	190	0	1,720,580	1,720,580		
DV4S	16	0	186,000	186,000		
DVHS	90	0	9,601,491	9,601,491		
DVHSS	1	0	131,880	131,880		
EX	1	0	4,380	4,380		
EX (Prorated)	1	0	44,598	44,598		
EX-XF	4	0	4,721,410	4,721,410		
EX-XG	7	0	2,371,990	2,371,990		
EX-XI	1	0	63,780	63,780		
EX-XL	14	0	1,719,200	1,719,200		
EX-XR	60	0	2,099,890	2,099,890		
EX-XU	9	0	871,110	871,110		
EX-XV	658	0	118,053,350	118,053,350		
EX-XV (Prorated)	5	0	10,317	10,317		
EX366	6,711	0	296,060	296,060		
FR	3	2,194,150	0	2,194,150		
HS	6,520	0	12,394,270	12,394,270		
OV65	2,351	23,284,063	0	23,284,063		
OV65S	17	170,000	0	170,000		
PC	2	66,273	0	66,273		
					Total Exemptions	(-) 185,927,282

Net Taxable = 1,821,767,145

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,399

FTM - Farm to Market Road
Grand Totals

7/24/2013 2:08:18PM

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	22,866,364	20,241,594	20.23	75.05	335			
DPS	56,760	53,760	0.05	0.29	1			
OV65	210,476,276	181,920,233	180.53	795.82	2,222			
Total	233,399,400	202,215,587	200.81	871.16	2,558	Freeze Taxable	(-)	202,215,587
Tax Rate	0.000100							

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count			
OV65	428,140	378,140	378,139	1	5			
Total	428,140	378,140	378,139	1	5	Transfer Adjustment	(-)	1
Freeze Adjusted Taxable							=	1,619,551,557

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 1,820.36 = 1,619,551,557 * (0.000100 / 100) + 200.81

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,258

FTM - Farm to Market Road
ARB Approved Totals

7/24/2013

2:08:45PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,220		\$7,072,860	\$655,753,633
B	MULTIFAMILY RESIDENCE	213		\$21,860	\$35,765,053
C1	VACANT LOTS AND LAND TRACTS	1,746		\$0	\$24,054,561
D1	QUALIFIED OPEN-SPACE LAND	4,843	292,816.4764	\$0	\$755,511,470
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	1,451		\$1,327,790	\$24,924,693
E	RURAL LAND, NON QUALIFIED OPEN SPA	5,015	30,814.2284	\$6,238,450	\$430,345,234
F1	COMMERCIAL REAL PROPERTY	979		\$8,427,240	\$154,208,526
F2	INDUSTRIAL AND MANUFACTURING REAL	40		\$54,020	\$16,939,790
G1	OIL AND GAS	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,195,750
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANY (INCLUDING CO-O	41		\$0	\$6,324,010
J5	RAILROAD	17		\$0	\$11,580,030
J6	PIPELAND COMPANY	111		\$0	\$16,838,520
L1	COMMERCIAL PERSONAL PROPERTY	1,220		\$0	\$83,510,640
L2	INDUSTRIAL AND MANUFACTURING PERS	286		\$0	\$62,115,120
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,884		\$3,430,190	\$40,324,306
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$50,900
O	RESIDENTIAL INVENTORY	348		\$0	\$3,701,960
S	SPECIAL INVENTORY TAX	18		\$0	\$2,916,460
X	TOTALLY EXEMPT PROPERTY	7,463		\$6,127,720	\$130,255,745
	Totals		323,630.7048	\$32,700,130	\$2,727,195,651

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 141

FTM - Farm to Market Road
Under ARB Review Totals

7/24/2013

2:08:45PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	40		\$20,270	\$2,753,280
B	MULTIFAMILY RESIDENCE	2		\$0	\$1,246,590
C1	VACANT LOTS AND LAND TRACTS	25		\$0	\$779,080
D1	QUALIFIED OPEN-SPACE LAND	10	261.3395	\$0	\$896,380
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	7		\$859,750	\$882,870
E	RURAL LAND, NON QUALIFIED OPEN SPA	20	174.6120	\$63,770	\$1,818,230
F1	COMMERCIAL REAL PROPERTY	14		\$2,860	\$5,229,590
F2	INDUSTRIAL AND MANUFACTURING REAL	1		\$0	\$322,790
L1	COMMERCIAL PERSONAL PROPERTY	18		\$0	\$121,360
M1	TANGIBLE OTHER PERSONAL, MOBILE H	6		\$0	\$163,830
O	RESIDENTIAL INVENTORY	16		\$0	\$404,030
	Totals		435.9515	\$946,650	\$14,618,030

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,399

FTM - Farm to Market Road
Grand Totals

7/24/2013

2:08:45PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,260		\$7,093,130	\$658,506,913
B	MULTIFAMILY RESIDENCE	215		\$21,860	\$37,011,643
C1	VACANT LOTS AND LAND TRACTS	1,771		\$0	\$24,833,641
D1	QUALIFIED OPEN-SPACE LAND	4,853	293,077.8159	\$0	\$756,407,850
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	1,458		\$2,187,540	\$25,807,563
E	RURAL LAND, NON QUALIFIED OPEN SPA	5,035	30,988.8404	\$6,302,220	\$432,163,464
F1	COMMERCIAL REAL PROPERTY	993		\$8,430,100	\$159,438,116
F2	INDUSTRIAL AND MANUFACTURING REAL	41		\$54,020	\$17,262,580
G1	OIL AND GAS	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,195,750
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANY (INCLUDING CO-O	41		\$0	\$6,324,010
J5	RAILROAD	17		\$0	\$11,580,030
J6	PIPELAND COMPANY	111		\$0	\$16,838,520
L1	COMMERCIAL PERSONAL PROPERTY	1,238		\$0	\$83,632,000
L2	INDUSTRIAL AND MANUFACTURING PERS	286		\$0	\$62,115,120
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,890		\$3,430,190	\$40,488,136
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$50,900
O	RESIDENTIAL INVENTORY	364		\$0	\$4,105,990
S	SPECIAL INVENTORY TAX	18		\$0	\$2,916,460
X	TOTALLY EXEMPT PROPERTY	7,463		\$6,127,720	\$130,255,745
	Totals		324,066.6563	\$33,646,780	\$2,741,813,681

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,258

FTM - Farm to Market Road
ARB Approved Totals

7/24/2013

2:08:45PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$0	\$58,860
A1	RESIDENTIAL SINGLE FAMILY	6,632		\$5,119,930	\$576,331,401
A2	RESIDENTIAL MOBILE HOME ON OWNER I	1,678		\$1,622,210	\$75,859,111
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	380		\$330,720	\$3,504,261
B2	MULTI-FAMILY - DUPLEX	159		\$2,960	\$15,724,430
B3	MULTI-FAMILY - TRIPLEX	7		\$640	\$783,770
B4	MULTI-FAMILY - FOURPLEX	15		\$2,390	\$2,057,610
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$1,490	\$1,396,850
BC	MULTI-FAMILY - APTS 11-25 UNITS	13		\$12,890	\$4,751,948
BD	MULTI-FAMILY - APTS 26-50 UNITS	3		\$1,490	\$2,391,843
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$8,658,602
C	VACANT RESIDENTIAL LOTS - INSIDE CI	934		\$0	\$8,502,665
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	705		\$0	\$9,713,685
C3	VACANT COMMERCIAL LOTS	108		\$0	\$5,838,211
D1	RANCH LAND - QUALIFIED AG LAND	4,871	293,109.4047	\$0	\$756,273,461
D2	NON-RESIDENTIAL IMPRVS ON QUALIFIE	1,451		\$1,327,790	\$24,924,693
D3	FARMLAND - QUALIFIED AG LAND	1		\$0	\$2,280
E	RESIDENTIAL ON NON-QUALIFIED AG LA	2,527		\$5,449,520	\$259,159,555
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	904		\$419,580	\$10,768,908
E2	MOBILE HOMES ON RURAL LAND	1,525		\$369,350	\$53,867,179
E3	RURAL LAND NON-QUALIFIED AG	2,281		\$0	\$105,785,321
F1	REAL - COMMERCIAL	979		\$8,427,240	\$154,208,526
F2	REAL - INDUSTRIAL	40		\$54,020	\$16,939,790
G1	OIL, GAS AND MINERAL RESERVES	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,195,750
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANIES (INCLD CO-OP)	41		\$0	\$6,324,010
J5	RAILROADS	17		\$0	\$11,580,030
J6	PIPELINES	111		\$0	\$16,838,520
L1	COMMERCIAL PERSONAL PROPERTY - T	693		\$0	\$57,117,260
L2	INDUSTRIAL PERSONAL PROPERTY	286		\$0	\$62,115,120
L3	LEASED EQUIPMENT	252		\$0	\$3,375,560
L4	AIRCRAFT - INCOME PRODUCING COMME	28		\$0	\$12,712,250
L5	VEHICLES - INCOME PRODUCING COMME	248		\$0	\$10,242,590
L7	POLUTION CONTROL	1		\$0	\$62,980
M1	MOBILE HOME ONLY ON NON-OWNED L	1,884		\$3,430,190	\$40,324,306
M2	AIRCRAFT - NON-INCOME PRODUCING - P	3		\$0	\$50,900
M3	VEHICLE - NON-INCOME PRODUCING - P	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	348		\$0	\$3,701,960
S	SPECIAL INVENTORY	18		\$0	\$2,916,460
X	EXEMPT	7,463		\$6,127,720	\$130,255,745
	Totals		293,109.4047	\$32,700,130	\$2,727,195,651

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 141

FTM - Farm to Market Road
Under ARB Review Totals

7/24/2013

2:08:45PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	18		\$15,850	\$1,862,490
A2	RESIDENTIAL MOBILE HOME ON OWNER I	22		\$4,420	\$890,790
BC	MULTI-FAMILY - APTS 11-25 UNITS	1		\$0	\$628,850
BD	MULTI-FAMILY - APTS 26-50 UNITS	1		\$0	\$617,740
C	VACANT RESIDENTIAL LOTS - INSIDE CI	4		\$0	\$59,630
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	20		\$0	\$713,460
C3	VACANT COMMERCIAL LOTS	1		\$0	\$5,990
D1	RANCH LAND - QUALIFIED AG LAND	10	261.3395	\$0	\$896,380
D2	NON-RESIDENTIAL IMPRVS ON QUALIFIE	7		\$859,750	\$882,870
E	RESIDENTIAL ON NON-QUALIFIED AG LA	9		\$1,890	\$880,690
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	5		\$190	\$29,770
E2	MOBILE HOMES ON RURAL LAND	10		\$61,690	\$263,920
E3	RURAL LAND NON-QUALIFIED AG	11		\$0	\$643,850
F1	REAL - COMMERCIAL	14		\$2,860	\$5,229,590
F2	REAL - INDUSTRIAL	1		\$0	\$322,790
L1	COMMERCIAL PERSONAL PROPERTY - T	6		\$0	\$14,350
L4	AIRCRAFT - INCOME PRODUCING COMME	12		\$0	\$107,010
M1	MOBILE HOME ONLY ON NON-OWNED L	6		\$0	\$163,830
O	REAL PROPERTY INVENTORY - RESIDEN	16		\$0	\$404,030
	Totals		261.3395	\$946,650	\$14,618,030

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,399

FTM - Farm to Market Road
Grand Totals

7/24/2013

2:08:45PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$0	\$58,860
A1	RESIDENTIAL SINGLE FAMILY	6,650		\$5,135,780	\$578,193,891
A2	RESIDENTIAL MOBILE HOME ON OWNER I	1,700		\$1,626,630	\$76,749,901
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	380		\$330,720	\$3,504,261
B2	MULTI-FAMILY - DUPLEX	159		\$2,960	\$15,724,430
B3	MULTI-FAMILY - TRIPLEX	7		\$640	\$783,770
B4	MULTI-FAMILY - FOURPLEX	15		\$2,390	\$2,057,610
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$1,490	\$1,396,850
BC	MULTI-FAMILY - APTS 11-25 UNITS	14		\$12,890	\$5,380,798
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$1,490	\$3,009,583
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$8,658,602
C	VACANT RESIDENTIAL LOTS - INSIDE CI	938		\$0	\$8,562,295
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	725		\$0	\$10,427,145
C3	VACANT COMMERCIAL LOTS	109		\$0	\$5,844,201
D1	RANCH LAND - QUALIFIED AG LAND	4,881	293,370.7442	\$0	\$757,169,841
D2	NON-RESIDENTIAL IMPRVS ON QUALIFIE	1,458		\$2,187,540	\$25,807,563
D3	FARMLAND - QUALIFIED AG LAND	1		\$0	\$2,280
E	RESIDENTIAL ON NON-QUALIFIED AG LA	2,536		\$5,451,410	\$260,040,245
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	909		\$419,770	\$10,798,678
E2	MOBILE HOMES ON RURAL LAND	1,535		\$431,040	\$54,131,099
E3	RURAL LAND NON-QUALIFIED AG	2,292		\$0	\$106,429,171
F1	REAL - COMMERCIAL	993		\$8,430,100	\$159,438,116
F2	REAL - INDUSTRIAL	41		\$54,020	\$17,262,580
G1	OIL, GAS AND MINERAL RESERVES	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,195,750
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANIES (INCLD CO-OP)	41		\$0	\$6,324,010
J5	RAILROADS	17		\$0	\$11,580,030
J6	PIPELINES	111		\$0	\$16,838,520
L1	COMMERCIAL PERSONAL PROPERTY - T	699		\$0	\$57,131,610
L2	INDUSTRIAL PERSONAL PROPERTY	286		\$0	\$62,115,120
L3	LEASED EQUIPMENT	252		\$0	\$3,375,560
L4	AIRCRAFT - INCOME PRODUCING COMME	40		\$0	\$12,819,260
L5	VEHICLES - INCOME PRODUCING COMME	248		\$0	\$10,242,590
L7	POLUTION CONTROL	1		\$0	\$62,980
M1	MOBILE HOME ONLY ON NON-OWNED L	1,890		\$3,430,190	\$40,488,136
M2	AIRCRAFT - NON-INCOME PRODUCING - P	3		\$0	\$50,900
M3	VEHICLE - NON-INCOME PRODUCING - P	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	364		\$0	\$4,105,990
S	SPECIAL INVENTORY	18		\$0	\$2,916,460
X	EXEMPT	7,463		\$6,127,720	\$130,255,745
	Totals		293,370.7442	\$33,646,780	\$2,741,813,681

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,399

FTM - Farm to Market Road
Effective Rate Assumption

7/24/2013

2:08:45PM

New Value

TOTAL NEW VALUE MARKET: **\$33,646,780**
TOTAL NEW VALUE TAXABLE: **\$27,421,298**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	1	2012 Market Value	\$68,110
EX-XU	11.23 Miscellaneous Exemptions	1	2012 Market Value	\$94,850
EX-XV	Other Exemptions (including public property, re	5	2012 Market Value	\$243,150
EX366	HOUSE BILL 366	781	2012 Market Value	\$417,610
ABSOLUTE EXEMPTIONS VALUE LOSS				\$823,720

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	7	\$0
DV2	Disabled Veterans 30% - 49%	2	\$19,500
DV3	Disabled Veterans 50% - 69%	3	\$34,000
DV4	Disabled Veterans 70% - 100%	2	\$24,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	2	\$24,000
DVHS	Disabled Veteran Homestead	2	\$361,040
HS	HOMESTEAD	201	\$456,631
OV65	OVER 65	92	\$871,930
PARTIAL EXEMPTIONS VALUE LOSS		311	\$1,791,101
TOTAL EXEMPTIONS VALUE LOSS			\$2,614,821

New Ag / Timber Exemptions

2012 Market Value \$1,088,243
2013 Ag/Timber Use \$44,400
Count: 17
NEW AG / TIMBER VALUE LOSS \$1,043,843

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
5,962	\$101,790	\$2,071	\$99,719
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,243	\$98,473	\$2,018	\$96,455

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

FTM - Farm to Market Road
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
141	\$14,618,030.00	\$10,696,400

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,260

GCA - Caldwell County
ARB Approved Totals

7/24/2013 2:08:18PM

Land		Value			
Homesite:		128,255,147			
Non Homesite:		313,965,604			
Ag Market:		758,965,380			
Timber Market:		439,400	Total Land	(+) 1,201,625,531	
Improvement		Value			
Homesite:		564,774,233			
Non Homesite:		500,110,117	Total Improvements	(+) 1,064,884,350	
Non Real		Count	Value		
Personal Property:		1,855	250,703,690		
Mineral Property:		20,784	213,157,160		
Autos:		0	0		
			Total Non Real	(+) 463,860,850	
			Market Value	= 2,730,370,731	
Ag		Non Exempt	Exempt		
Total Productivity Market:		755,512,220	3,892,560		
Ag Use:		23,499,738	140,970	Productivity Loss (-) 731,997,892	
Timber Use:		14,590	0	Appraised Value = 1,998,372,839	
Productivity Loss:		731,997,892	3,751,590		
			Homestead Cap	(-) 1,244,992	
			Assessed Value	= 1,997,127,847	
Exemption	Count	Local	State	Total	
AB	1	4,727,210	0	4,727,210	
DP	353	0	0	0	
DPS	1	0	0	0	
DV1	57	0	409,260	409,260	
DV1S	4	0	20,000	20,000	
DV2	39	0	328,500	328,500	
DV3	46	0	435,520	435,520	
DV3S	1	0	0	0	
DV4	190	0	1,726,580	1,726,580	
DV4S	16	0	186,000	186,000	
DVHS	90	0	10,186,491	10,186,491	
DVHSS	1	0	134,880	134,880	
EX	1	0	4,380	4,380	
EX (Prorated)	1	0	44,598	44,598	
EX-XF	4	0	4,721,410	4,721,410	
EX-XG	7	0	2,371,990	2,371,990	
EX-XI	1	0	63,780	63,780	
EX-XL	14	0	1,719,200	1,719,200	
EX-XR	60	0	2,099,890	2,099,890	
EX-XU	9	0	871,110	871,110	
EX-XV	658	0	118,053,350	118,053,350	
EX-XV (Prorated)	5	0	10,317	10,317	
EX366	6,710	0	296,060	296,060	
FR	3	2,194,150	0	2,194,150	
OV65	2,345	22,764,063	0	22,764,063	
OV65S	17	170,000	0	170,000	
PC	2	66,273	0	66,273	
			Total Exemptions		(-) 173,605,012
			Net Taxable		= 1,823,522,835

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,260

GCA - Caldwell County
ARB Approved Totals

7/24/2013 2:08:18PM

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	22,866,364	21,201,114	133,659.54	144,364.91	335			
DPS	56,760	56,760	338.98	338.98	1			
OV65	209,994,266	181,488,223	1,079,020.56	1,127,786.57	2,217			
Total	232,917,390	202,746,097	1,213,019.08	1,272,490.46	2,553	Freeze Taxable	(-)	202,746,097
Tax Rate	0.690700							
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count			
OV65	364,840	324,840	263,913	60,927	4			
Total	364,840	324,840	263,913	60,927	4	Transfer Adjustment	(-)	60,927
Freeze Adjusted Taxable							=	1,620,715,811

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 12,407,303.19 = 1,620,715,811 * (0.690700 / 100) + 1,213,019.08

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 141

GCA - Caldwell County
Under ARB Review Totals

7/24/2013

2:08:18PM

Land		Value			
Homesite:		477,120			
Non Homesite:		4,653,770			
Ag Market:		896,380			
Timber Market:		0		Total Land	(+) 6,027,270
Improvement		Value			
Homesite:		1,525,580			
Non Homesite:		6,943,820		Total Improvements	(+) 8,469,400
Non Real		Count	Value		
Personal Property:		18	121,360		
Mineral Property:		0	0		
Autos:		0	0	Total Non Real	(+) 121,360
				Market Value	= 14,618,030
Ag	Non Exempt	Exempt			
Total Productivity Market:	896,380	0			
Ag Use:	20,010	0	Productivity Loss	(-) 876,370	
Timber Use:	0	0	Appraised Value	= 13,741,660	
Productivity Loss:	876,370	0	Homestead Cap	(-) 0	
				Assessed Value	= 13,741,660
Exemption	Count	Local	State	Total	
DP	1	0	0	0	
DV1	1	0	12,000	12,000	
OV65	6	60,000	0	60,000	Total Exemptions (-) 72,000
				Net Taxable	= 13,669,660
Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
OV65	482,010	432,010	2,612.45	3,036.35	5
Total	482,010	432,010	2,612.45	3,036.35	5
Tax Rate	0.690700				
				Freeze Taxable	(-) 432,010
				Freeze Adjusted Taxable	= 13,237,650

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

94,044.90 = 13,237,650 * (0.690700 / 100) + 2,612.45

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,401

GCA - Caldwell County
Grand Totals

7/24/2013 2:08:18PM

Land		Value				
Homesite:		128,732,267				
Non Homesite:		318,619,374				
Ag Market:		759,861,760				
Timber Market:		439,400			Total Land	(+) 1,207,652,801
Improvement		Value				
Homesite:		566,299,813				
Non Homesite:		507,053,937			Total Improvements	(+) 1,073,353,750
Non Real		Count	Value			
Personal Property:		1,873	250,825,050			
Mineral Property:		20,784	213,157,160			
Autos:		0	0		Total Non Real	(+) 463,982,210
					Market Value	= 2,744,988,761
Ag		Non Exempt	Exempt			
Total Productivity Market:		756,408,600	3,892,560			
Ag Use:		23,519,748	140,970		Productivity Loss	(-) 732,874,262
Timber Use:		14,590	0		Appraised Value	= 2,012,114,499
Productivity Loss:		732,874,262	3,751,590			
					Homestead Cap	(-) 1,244,992
					Assessed Value	= 2,010,869,507
Exemption	Count	Local	State	Total		
AB	1	4,727,210	0	4,727,210		
DP	354	0	0	0		
DPS	1	0	0	0		
DV1	58	0	421,260	421,260		
DV1S	4	0	20,000	20,000		
DV2	39	0	328,500	328,500		
DV3	46	0	435,520	435,520		
DV3S	1	0	0	0		
DV4	190	0	1,726,580	1,726,580		
DV4S	16	0	186,000	186,000		
DVHS	90	0	10,186,491	10,186,491		
DVHSS	1	0	134,880	134,880		
EX	1	0	4,380	4,380		
EX (Prorated)	1	0	44,598	44,598		
EX-XF	4	0	4,721,410	4,721,410		
EX-XG	7	0	2,371,990	2,371,990		
EX-XI	1	0	63,780	63,780		
EX-XL	14	0	1,719,200	1,719,200		
EX-XR	60	0	2,099,890	2,099,890		
EX-XU	9	0	871,110	871,110		
EX-XV	658	0	118,053,350	118,053,350		
EX-XV (Prorated)	5	0	10,317	10,317		
EX366	6,710	0	296,060	296,060		
FR	3	2,194,150	0	2,194,150		
OV65	2,351	22,824,063	0	22,824,063		
OV65S	17	170,000	0	170,000		
PC	2	66,273	0	66,273	Total Exemptions	(-) 173,677,012
					Net Taxable	= 1,837,192,495

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,401

GCA - Caldwell County
Grand Totals

7/24/2013 2:08:18PM

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	22,866,364	21,201,114	133,659.54	144,364.91	335			
DPS	56,760	56,760	338.98	338.98	1			
OV65	210,476,276	181,920,233	1,081,633.01	1,130,822.92	2,222			
Total	233,399,400	203,178,107	1,215,631.53	1,275,526.81	2,558	Freeze Taxable	(-)	203,178,107
Tax Rate	0.690700							
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count			
OV65	364,840	324,840	263,913	60,927	4			
Total	364,840	324,840	263,913	60,927	4	Transfer Adjustment	(-)	60,927
Freeze Adjusted Taxable							=	1,633,953,461

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 12,501,348.09 = 1,633,953,461 * (0.690700 / 100) + 1,215,631.53

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,260

GCA - Caldwell County
ARB Approved Totals

7/24/2013

2:08:45PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,220		\$7,072,860	\$655,753,633
B	MULTIFAMILY RESIDENCE	213		\$21,860	\$35,765,053
C1	VACANT LOTS AND LAND TRACTS	1,746		\$0	\$24,054,561
D1	QUALIFIED OPEN-SPACE LAND	4,843	292,816.4764	\$0	\$755,511,470
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	1,451		\$1,327,790	\$24,924,693
E	RURAL LAND, NON QUALIFIED OPEN SPA	5,015	30,814.2284	\$6,238,450	\$430,345,234
F1	COMMERCIAL REAL PROPERTY	979		\$8,427,240	\$154,208,526
F2	INDUSTRIAL AND MANUFACTURING REAL	40		\$54,020	\$16,939,790
G1	OIL AND GAS	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,195,750
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANY (INCLUDING CO-O	41		\$0	\$6,324,010
J5	RAILROAD	17		\$0	\$11,580,030
J6	PIPELAND COMPANY	111		\$0	\$16,838,520
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,175,080
L1	COMMERCIAL PERSONAL PROPERTY	1,220		\$0	\$83,510,640
L2	INDUSTRIAL AND MANUFACTURING PERS	286		\$0	\$62,115,120
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,884		\$3,430,190	\$40,324,306
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$50,900
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	348		\$0	\$3,701,960
S	SPECIAL INVENTORY TAX	18		\$0	\$2,916,460
X	TOTALLY EXEMPT PROPERTY	7,462		\$6,127,720	\$130,255,745
	Totals		323,630.7048	\$32,700,130	\$2,730,370,731

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 141

GCA - Caldwell County
Under ARB Review Totals

7/24/2013

2:08:45PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	40		\$20,270	\$2,753,280
B	MULTIFAMILY RESIDENCE	2		\$0	\$1,246,590
C1	VACANT LOTS AND LAND TRACTS	25		\$0	\$779,080
D1	QUALIFIED OPEN-SPACE LAND	10	261.3395	\$0	\$896,380
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	7		\$859,750	\$882,870
E	RURAL LAND, NON QUALIFIED OPEN SPA	20	174.6120	\$63,770	\$1,818,230
F1	COMMERCIAL REAL PROPERTY	14		\$2,860	\$5,229,590
F2	INDUSTRIAL AND MANUFACTURING REAL	1		\$0	\$322,790
L1	COMMERCIAL PERSONAL PROPERTY	18		\$0	\$121,360
M1	TANGIBLE OTHER PERSONAL, MOBILE H	6		\$0	\$163,830
O	RESIDENTIAL INVENTORY	16		\$0	\$404,030
	Totals		435.9515	\$946,650	\$14,618,030

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,401

GCA - Caldwell County
Grand Totals

7/24/2013

2:08:45PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	8,260		\$7,093,130	\$658,506,913
B	MULTIFAMILY RESIDENCE	215		\$21,860	\$37,011,643
C1	VACANT LOTS AND LAND TRACTS	1,771		\$0	\$24,833,641
D1	QUALIFIED OPEN-SPACE LAND	4,853	293,077.8159	\$0	\$756,407,850
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	1,458		\$2,187,540	\$25,807,563
E	RURAL LAND, NON QUALIFIED OPEN SPA	5,035	30,988.8404	\$6,302,220	\$432,163,464
F1	COMMERCIAL REAL PROPERTY	993		\$8,430,100	\$159,438,116
F2	INDUSTRIAL AND MANUFACTURING REAL	41		\$54,020	\$17,262,580
G1	OIL AND GAS	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,195,750
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANY (INCLUDING CO-O	41		\$0	\$6,324,010
J5	RAILROAD	17		\$0	\$11,580,030
J6	PIPELAND COMPANY	111		\$0	\$16,838,520
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,175,080
L1	COMMERCIAL PERSONAL PROPERTY	1,238		\$0	\$83,632,000
L2	INDUSTRIAL AND MANUFACTURING PERS	286		\$0	\$62,115,120
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,890		\$3,430,190	\$40,488,136
M2	TANGIBLE OTHER PERSONAL, OTHER	4		\$0	\$50,900
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	364		\$0	\$4,105,990
S	SPECIAL INVENTORY TAX	18		\$0	\$2,916,460
X	TOTALLY EXEMPT PROPERTY	7,462		\$6,127,720	\$130,255,745
	Totals		324,066.6563	\$33,646,780	\$2,744,988,761

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,260

GCA - Caldwell County
ARB Approved Totals

7/24/2013

2:08:45PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$0	\$58,860
A1	RESIDENTIAL SINGLE FAMILY	6,632		\$5,119,930	\$576,331,401
A2	RESIDENTIAL MOBILE HOME ON OWNER I	1,678		\$1,622,210	\$75,859,111
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	380		\$330,720	\$3,504,261
B2	MULTI-FAMILY - DUPLEX	159		\$2,960	\$15,724,430
B3	MULTI-FAMILY - TRIPLEX	7		\$640	\$783,770
B4	MULTI-FAMILY - FOURPLEX	15		\$2,390	\$2,057,610
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$1,490	\$1,396,850
BC	MULTI-FAMILY - APTS 11-25 UNITS	13		\$12,890	\$4,751,948
BD	MULTI-FAMILY - APTS 26-50 UNITS	3		\$1,490	\$2,391,843
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$8,658,602
C	VACANT RESIDENTIAL LOTS - INSIDE CI	934		\$0	\$8,502,665
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	705		\$0	\$9,713,685
C3	VACANT COMMERCIAL LOTS	108		\$0	\$5,838,211
D1	RANCH LAND - QUALIFIED AG LAND	4,871	293,109.4047	\$0	\$756,273,461
D2	NON-RESIDENTIAL IMPRVS ON QUALIFIE	1,451		\$1,327,790	\$24,924,693
D3	FARMLAND - QUALIFIED AG LAND	1		\$0	\$2,280
E	RESIDENTIAL ON NON-QUALIFIED AG LA	2,527		\$5,449,520	\$259,159,555
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	904		\$419,580	\$10,768,908
E2	MOBILE HOMES ON RURAL LAND	1,525		\$369,350	\$53,867,179
E3	RURAL LAND NON-QUALIFIED AG	2,281		\$0	\$105,785,321
F1	REAL - COMMERCIAL	979		\$8,427,240	\$154,208,526
F2	REAL - INDUSTRIAL	40		\$54,020	\$16,939,790
G1	OIL, GAS AND MINERAL RESERVES	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,195,750
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANIES (INCLD CO-OP)	41		\$0	\$6,324,010
J5	RAILROADS	17		\$0	\$11,580,030
J6	PIPELINES	111		\$0	\$16,838,520
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,175,080
L1	COMMERCIAL PERSONAL PROPERTY - T	693		\$0	\$57,117,260
L2	INDUSTRIAL PERSONAL PROPERTY	286		\$0	\$62,115,120
L3	LEASED EQUIPMENT	252		\$0	\$3,375,560
L4	AIRCRAFT - INCOME PRODUCING COMME	28		\$0	\$12,712,250
L5	VEHICLES - INCOME PRODUCING COMME	248		\$0	\$10,242,590
L7	POLUTION CONTROL	1		\$0	\$62,980
M1	MOBILE HOME ONLY ON NON-OWNED L	1,884		\$3,430,190	\$40,324,306
M2	AIRCRAFT - NON-INCOME PRODUCING - P	3		\$0	\$50,900
M3	VEHICLE - NON-INCOME PRODUCING - P	1		\$0	\$0
N1	PERSONAL PROPERTY - INTANGLIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	348		\$0	\$3,701,960
S	SPECIAL INVENTORY	18		\$0	\$2,916,460
X	EXEMPT	7,462		\$6,127,720	\$130,255,745
	Totals		293,109.4047	\$32,700,130	\$2,730,370,731

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 141

GCA - Caldwell County
Under ARB Review Totals

7/24/2013

2:08:45PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	18		\$15,850	\$1,862,490
A2	RESIDENTIAL MOBILE HOME ON OWNER I	22		\$4,420	\$890,790
BC	MULTI-FAMILY - APTS 11-25 UNITS	1		\$0	\$628,850
BD	MULTI-FAMILY - APTS 26-50 UNITS	1		\$0	\$617,740
C	VACANT RESIDENTIAL LOTS - INSIDE CI	4		\$0	\$59,630
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	20		\$0	\$713,460
C3	VACANT COMMERCIAL LOTS	1		\$0	\$5,990
D1	RANCH LAND - QUALIFIED AG LAND	10	261.3395	\$0	\$896,380
D2	NON-RESIDENTIAL IMPRVS ON QUALIFIE	7		\$859,750	\$882,870
E	RESIDENTIAL ON NON-QUALIFIED AG LA	9		\$1,890	\$880,690
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	5		\$190	\$29,770
E2	MOBILE HOMES ON RURAL LAND	10		\$61,690	\$263,920
E3	RURAL LAND NON-QUALIFIED AG	11		\$0	\$643,850
F1	REAL - COMMERCIAL	14		\$2,860	\$5,229,590
F2	REAL - INDUSTRIAL	1		\$0	\$322,790
L1	COMMERCIAL PERSONAL PROPERTY - T	6		\$0	\$14,350
L4	AIRCRAFT - INCOME PRODUCING COMME	12		\$0	\$107,010
M1	MOBILE HOME ONLY ON NON-OWNED L	6		\$0	\$163,830
O	REAL PROPERTY INVENTORY - RESIDEN	16		\$0	\$404,030
	Totals		261.3395	\$946,650	\$14,618,030

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,401

GCA - Caldwell County
Grand Totals

7/24/2013

2:08:45PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$0	\$58,860
A1	RESIDENTIAL SINGLE FAMILY	6,650		\$5,135,780	\$578,193,891
A2	RESIDENTIAL MOBILE HOME ON OWNER I	1,700		\$1,626,630	\$76,749,901
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	380		\$330,720	\$3,504,261
B2	MULTI-FAMILY - DUPLEX	159		\$2,960	\$15,724,430
B3	MULTI-FAMILY - TRIPLEX	7		\$640	\$783,770
B4	MULTI-FAMILY - FOURPLEX	15		\$2,390	\$2,057,610
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$1,490	\$1,396,850
BC	MULTI-FAMILY - APTS 11-25 UNITS	14		\$12,890	\$5,380,798
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$1,490	\$3,009,583
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$8,658,602
C	VACANT RESIDENTIAL LOTS - INSIDE CI	938		\$0	\$8,562,295
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	725		\$0	\$10,427,145
C3	VACANT COMMERCIAL LOTS	109		\$0	\$5,844,201
D1	RANCH LAND - QUALIFIED AG LAND	4,881	293,370.7442	\$0	\$757,169,841
D2	NON-RESIDENTIAL IMPRVS ON QUALIFIE	1,458		\$2,187,540	\$25,807,563
D3	FARMLAND - QUALIFIED AG LAND	1		\$0	\$2,280
E	RESIDENTIAL ON NON-QUALIFIED AG LA	2,536		\$5,451,410	\$260,040,245
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	909		\$419,770	\$10,798,678
E2	MOBILE HOMES ON RURAL LAND	1,535		\$431,040	\$54,131,099
E3	RURAL LAND NON-QUALIFIED AG	2,292		\$0	\$106,429,171
F1	REAL - COMMERCIAL	993		\$8,430,100	\$159,438,116
F2	REAL - INDUSTRIAL	41		\$54,020	\$17,262,580
G1	OIL, GAS AND MINERAL RESERVES	14,126		\$0	\$212,716,570
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,195,750
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$58,162,680
J4	TELEPHONE COMPANIES (INCLD CO-OP)	41		\$0	\$6,324,010
J5	RAILROADS	17		\$0	\$11,580,030
J6	PIPELINES	111		\$0	\$16,838,520
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,175,080
L1	COMMERCIAL PERSONAL PROPERTY - T	699		\$0	\$57,131,610
L2	INDUSTRIAL PERSONAL PROPERTY	286		\$0	\$62,115,120
L3	LEASED EQUIPMENT	252		\$0	\$3,375,560
L4	AIRCRAFT - INCOME PRODUCING COMME	40		\$0	\$12,819,260
L5	VEHICLES - INCOME PRODUCING COMME	248		\$0	\$10,242,590
L7	POLUTION CONTROL	1		\$0	\$62,980
M1	MOBILE HOME ONLY ON NON-OWNED L	1,890		\$3,430,190	\$40,488,136
M2	AIRCRAFT - NON-INCOME PRODUCING - P	3		\$0	\$50,900
M3	VEHICLE - NON-INCOME PRODUCING - P	1		\$0	\$0
N1	PERSONAL PROPERTY - INTANGLIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	364		\$0	\$4,105,990
S	SPECIAL INVENTORY	18		\$0	\$2,916,460
X	EXEMPT	7,462		\$6,127,720	\$130,255,745
	Totals		293,370.7442	\$33,646,780	\$2,744,988,761

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 44,401

GCA - Caldwell County
Effective Rate Assumption

7/24/2013 2:08:45PM

New Value

TOTAL NEW VALUE MARKET: **\$33,646,780**
TOTAL NEW VALUE TAXABLE: **\$27,433,298**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	1	2012 Market Value	\$68,110
EX-XU	11.23 Miscellaneous Exemptions	1	2012 Market Value	\$94,850
EX-XV	Other Exemptions (including public property, re	5	2012 Market Value	\$243,150
EX366	HOUSE BILL 366	781	2012 Market Value	\$417,610
ABSOLUTE EXEMPTIONS VALUE LOSS				\$823,720

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	7	\$0
DV2	Disabled Veterans 30% - 49%	2	\$19,500
DV3	Disabled Veterans 50% - 69%	3	\$34,000
DV4	Disabled Veterans 70% - 100%	2	\$24,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	2	\$24,000
DVHS	Disabled Veteran Homestead	2	\$374,040
OV65	OVER 65	92	\$861,930
PARTIAL EXEMPTIONS VALUE LOSS		110	\$1,337,470
TOTAL EXEMPTIONS VALUE LOSS			\$2,161,190

New Ag / Timber Exemptions

2012 Market Value \$1,088,243 Count: 17
2013 Ag/Timber Use \$44,400
NEW AG / TIMBER VALUE LOSS \$1,043,843

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
5,962	\$101,790	\$197	\$101,593
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,243	\$98,473	\$134	\$98,339

Caldwell County

2013 CERTIFIED TOTALS

As of Certification

GCA - Caldwell County
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
141	\$14,618,030.00	\$10,714,400

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 43,958

GCA - Caldwell County
ARB Approved Totals

7/22/2014

1:39:18PM

Land		Value		
Homesite:		128,529,434		
Non Homesite:		326,779,854		
Ag Market:		790,032,903		
Timber Market:		297,370	Total Land	(+) 1,245,639,561
Improvement		Value		
Homesite:		563,203,301		
Non Homesite:		545,511,849	Total Improvements	(+) 1,108,715,150
Non Real		Count	Value	
Personal Property:	1,996		272,383,150	
Mineral Property:	20,230		239,181,380	
Autos:	0		0	
			Total Non Real	(+) 511,564,530
			Market Value	= 2,865,919,241
Ag		Non Exempt	Exempt	
Total Productivity Market:	786,300,743		4,029,530	
Ag Use:	23,454,914		144,300	Productivity Loss (-) 762,832,669
Timber Use:	13,160		0	Appraised Value = 2,103,086,572
Productivity Loss:	762,832,669		3,885,230	
			Homestead Cap	(-) 1,684,371
			Assessed Value	= 2,101,402,201
			Total Exemptions Amount	(-) 203,283,443
			(Breakdown on Next Page)	
			Net Taxable	= 1,898,118,758

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	23,149,600	20,993,250	132,632.85	148,670.71	349	
DPS	248,570	248,570	1,671.63	1,693.21	2	
OV65	212,326,071	183,580,917	1,098,184.84	1,149,848.40	2,192	
Total	235,724,241	204,822,737	1,232,489.32	1,300,212.32	2,543	Freeze Taxable (-) 204,822,737
Tax Rate	0.690600					
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count	
DP	81,630	81,630	81,630	0	1	
OV65	241,560	184,560	179,399	5,161	5	
Total	323,190	266,190	261,029	5,161	6	Transfer Adjustment (-) 5,161
						Freeze Adjusted Taxable = 1,693,290,860

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 12,926,356.00 = 1,693,290,860 * (0.690600 / 100) + 1,232,489.32

Tif Zone Code	Tax Increment Loss
CETRZ	49,870,772
Tax Increment Finance Value:	49,870,772
Tax Increment Finance Levy:	344,407.55

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 43,958

GCA - Caldwell County
ARB Approved Totals

7/22/2014

1:39:29PM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	1	4,640,640	0	4,640,640
DP	370	0	0	0
DPS	3	0	0	0
DV1	51	0	378,294	378,294
DV1S	4	0	20,000	20,000
DV2	45	0	365,962	365,962
DV3	49	0	473,540	473,540
DV3S	1	0	0	0
DV4	190	0	1,677,640	1,677,640
DV4S	16	0	167,290	167,290
DVHS	105	0	12,266,612	12,266,612
DVHSS	1	0	135,910	135,910
EX	46	0	520,810	520,810
EX (Prorated)	6	0	59,687	59,687
EX-XF	4	0	4,714,220	4,714,220
EX-XG	6	0	2,328,130	2,328,130
EX-XI	1	0	66,380	66,380
EX-XL	13	0	1,030,540	1,030,540
EX-XR	60	0	2,148,890	2,148,890
EX-XU	5	0	779,440	779,440
EX-XV	613	0	145,671,390	145,671,390
EX366	5,919	0	356,800	356,800
FR	4	2,424,620	0	2,424,620
OV65	2,376	22,833,525	0	22,833,525
OV65S	17	160,000	0	160,000
PC	2	63,123	0	63,123
Totals		30,121,908	173,161,535	203,283,443

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 219

GCA - Caldwell County
Under ARB Review Totals

7/22/2014

1:39:18PM

Land		Value			
Homesite:		285,230			
Non Homesite:		10,896,200			
Ag Market:		4,748,700			
Timber Market:		0		Total Land	(+) 15,930,130
Improvement		Value			
Homesite:		1,992,350			
Non Homesite:		10,557,616		Total Improvements	(+) 12,549,966
Non Real		Count	Value		
Personal Property:		4	73,830		
Mineral Property:		1	7,760		
Autos:		0	0	Total Non Real	(+) 81,590
				Market Value	= 28,561,686
Ag	Non Exempt	Exempt			
Total Productivity Market:	4,748,700	0			
Ag Use:	183,740	0	Productivity Loss	(-)	4,564,960
Timber Use:	0	0	Appraised Value	=	23,996,726
Productivity Loss:	4,564,960	0	Homestead Cap	(-)	11,687
			Assessed Value	=	23,985,039
			Total Exemptions Amount	(-)	57,000
			(Breakdown on Next Page)		
			Net Taxable	=	23,928,039

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
OV65	348,205	313,205	2,095.65	2,107.07	4			
Total	348,205	313,205	2,095.65	2,107.07	4	Freeze Taxable	(-) 313,205	
Tax Rate	0.690600							
						Freeze Adjusted Taxable	= 23,614,834	

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 165,179.69 = 23,614,834 * (0.690600 / 100) + 2,095.65

Tif Zone Code	Tax Increment Loss
CETRZ	148,040
Tax Increment Finance Value:	148,040
Tax Increment Finance Levy:	1,022.36

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 219

GCA - Caldwell County
Under ARB Review Totals

7/22/2014

1:39:29PM

Exemption Breakdown

Exemption	Count	Local	State	Total
DV4	1	0	12,000	12,000
OV65	5	45,000	0	45,000
	Totals	45,000	12,000	57,000

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 44,177

GCA - Caldwell County
Grand Totals

7/22/2014

1:39:18PM

Land		Value			
Homesite:		128,814,664			
Non Homesite:		337,676,054			
Ag Market:		794,781,603			
Timber Market:		297,370			
			Total Land	(+)	1,261,569,691
Improvement		Value			
Homesite:		565,195,651			
Non Homesite:		556,069,465			
			Total Improvements	(+)	1,121,265,116
Non Real		Count	Value		
Personal Property:	2,000		272,456,980		
Mineral Property:	20,231		239,189,140		
Autos:	0		0		
			Total Non Real	(+)	511,646,120
			Market Value	=	2,894,480,927
Ag	Non Exempt	Exempt			
Total Productivity Market:	791,049,443		4,029,530		
Ag Use:	23,638,654		144,300		
Timber Use:	13,160		0		
Productivity Loss:	767,397,629		3,885,230		
			Productivity Loss	(-)	767,397,629
			Appraised Value	=	2,127,083,298
			Homestead Cap	(-)	1,696,058
			Assessed Value	=	2,125,387,240
			Total Exemptions Amount	(-)	203,340,443
			(Breakdown on Next Page)		
			Net Taxable	=	1,922,046,797

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	23,149,600	20,993,250	132,632.85	148,670.71	349		
DPS	248,570	248,570	1,671.63	1,693.21	2		
OV65	212,674,276	183,894,122	1,100,280.49	1,151,955.47	2,196		
Total	236,072,446	205,135,942	1,234,584.97	1,302,319.39	2,547	Freeze Taxable	(-) 205,135,942
Tax Rate	0.690600						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	81,630	81,630	81,630	0	1		
OV65	241,560	184,560	179,399	5,161	5		
Total	323,190	266,190	261,029	5,161	6	Transfer Adjustment	(-) 5,161
						Freeze Adjusted Taxable	= 1,716,905,694

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 13,091,535.69 = 1,716,905,694 * (0.690600 / 100) + 1,234,584.97

Tif Zone Code	Tax Increment Loss
CETRZ	50,018,812
Tax Increment Finance Value:	50,018,812
Tax Increment Finance Levy:	345,429.92

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 44,177

GCA - Caldwell County
Grand Totals

7/22/2014

1:39:29PM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	1	4,640,640	0	4,640,640
DP	370	0	0	0
DPS	3	0	0	0
DV1	51	0	378,294	378,294
DV1S	4	0	20,000	20,000
DV2	45	0	365,962	365,962
DV3	49	0	473,540	473,540
DV3S	1	0	0	0
DV4	191	0	1,689,640	1,689,640
DV4S	16	0	167,290	167,290
DVHS	105	0	12,266,612	12,266,612
DVHSS	1	0	135,910	135,910
EX	46	0	520,810	520,810
EX (Prorated)	6	0	59,687	59,687
EX-XF	4	0	4,714,220	4,714,220
EX-XG	6	0	2,328,130	2,328,130
EX-XI	1	0	66,380	66,380
EX-XL	13	0	1,030,540	1,030,540
EX-XR	60	0	2,148,890	2,148,890
EX-XU	5	0	779,440	779,440
EX-XV	613	0	145,671,390	145,671,390
EX366	5,919	0	356,800	356,800
FR	4	2,424,620	0	2,424,620
OV65	2,381	22,878,525	0	22,878,525
OV65S	17	160,000	0	160,000
PC	2	63,123	0	63,123
Totals		30,166,908	173,173,535	203,340,443

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 43,958

GCA - Caldwell County
ARB Approved Totals

7/22/2014

1:39:29PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	7,858		\$6,826,600	\$640,976,470
B	MULTIFAMILY RESIDENCE	212		\$3,570	\$34,720,532
C1	VACANT LOTS AND LAND TRACTS	1,736		\$0	\$23,726,165
D1	QUALIFIED OPEN-SPACE LAND	4,802	290,990.2061	\$0	\$786,299,983
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	1,455		\$578,960	\$25,372,841
E	RURAL LAND, NON QUALIFIED OPEN SP	5,828	32,344.7835	\$8,880,520	\$483,204,945
F1	COMMERCIAL REAL PROPERTY	983		\$2,653,970	\$157,103,978
F2	INDUSTRIAL AND MANUFACTURING REA	36		\$28,380	\$14,862,530
G1	OIL AND GAS	14,343		\$0	\$238,670,020
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,467,860
J3	ELECTRIC COMPANY (INCLUDING CO-OP	53		\$0	\$70,139,210
J4	TELEPHONE COMPANY (INCLUDING CO-	39		\$0	\$6,026,380
J5	RAILROAD	17		\$0	\$12,947,590
J6	PIPELAND COMPANY	111		\$0	\$16,754,900
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,434,160
L1	COMMERCIAL PERSONAL PROPERTY	1,346		\$0	\$82,437,100
L2	INDUSTRIAL AND MANUFACTURING PERS	322		\$0	\$70,990,420
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,629		\$2,808,230	\$31,913,340
M2	TANGIBLE OTHER PERSONAL, OTHER	1		\$0	\$0
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	308		\$0	\$3,430,270
S	SPECIAL INVENTORY TAX	19		\$0	\$3,764,260
X	TOTALLY EXEMPT PROPERTY	6,672		\$25,364,350	\$157,676,287
	Totals		323,334.9896	\$47,144,580	\$2,865,919,241

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 219

GCA - Caldwell County
Under ARB Review Totals

7/22/2014

1:39:29PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	96		\$186,330	\$5,584,490
B	MULTIFAMILY RESIDENCE	2		\$0	\$4,230,530
C1	VACANT LOTS AND LAND TRACTS	51		\$0	\$2,094,260
D1	QUALIFIED OPEN-SPACE LAND	21	1,127.5660	\$0	\$4,748,700
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	5		\$0	\$121,930
E	RURAL LAND, NON QUALIFIED OPEN SP	33	223.2790	\$88,620	\$3,079,290
F1	COMMERCIAL REAL PROPERTY	15		\$58,780	\$6,053,280
F2	INDUSTRIAL AND MANUFACTURING REA	2		\$0	\$1,888,390
G1	OIL AND GAS	1		\$0	\$7,760
L1	COMMERCIAL PERSONAL PROPERTY	4		\$0	\$73,830
M1	TANGIBLE OTHER PERSONAL, MOBILE H	2		\$0	\$54,936
O	RESIDENTIAL INVENTORY	15		\$0	\$624,290
	Totals		1,350.8450	\$333,730	\$28,561,686

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 44,177

GCA - Caldwell County
Grand Totals

7/22/2014

1:39:29PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	7,954		\$7,012,930	\$646,560,960
B	MULTIFAMILY RESIDENCE	214		\$3,570	\$38,951,062
C1	VACANT LOTS AND LAND TRACTS	1,787		\$0	\$25,820,425
D1	QUALIFIED OPEN-SPACE LAND	4,823	292,117.7721	\$0	\$791,048,683
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	1,460		\$578,960	\$25,494,771
E	RURAL LAND, NON QUALIFIED OPEN SP	5,861	32,568.0625	\$8,969,140	\$486,284,235
F1	COMMERCIAL REAL PROPERTY	998		\$2,712,750	\$163,157,258
F2	INDUSTRIAL AND MANUFACTURING REA	38		\$28,380	\$16,750,920
G1	OIL AND GAS	14,344		\$0	\$238,677,780
J2	GAS DISTRIBUTION SYSTEM	9		\$0	\$1,467,860
J3	ELECTRIC COMPANY (INCLUDING CO-OP	53		\$0	\$70,139,210
J4	TELEPHONE COMPANY (INCLUDING CO-	39		\$0	\$6,026,380
J5	RAILROAD	17		\$0	\$12,947,590
J6	PIPELAND COMPANY	111		\$0	\$16,754,900
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,434,160
L1	COMMERCIAL PERSONAL PROPERTY	1,350		\$0	\$82,510,930
L2	INDUSTRIAL AND MANUFACTURING PERS	322		\$0	\$70,990,420
M1	TANGIBLE OTHER PERSONAL, MOBILE H	1,631		\$2,808,230	\$31,968,276
M2	TANGIBLE OTHER PERSONAL, OTHER	1		\$0	\$0
N	INTANGIBLE PROPERTY AND/OR UNCERT	1		\$0	\$0
O	RESIDENTIAL INVENTORY	323		\$0	\$4,054,560
S	SPECIAL INVENTORY TAX	19		\$0	\$3,764,260
X	TOTALLY EXEMPT PROPERTY	6,672		\$25,364,350	\$157,676,287
	Totals		324,685.8346	\$47,478,310	\$2,894,480,927

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 43,958

GCA - Caldwell County
ARB Approved Totals

7/22/2014

1:39:29PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$0	\$60,310
A1	RESIDENTIAL SINGLE FAMILY	6,491		\$5,608,750	\$575,147,300
A2	RESIDENTIAL MOBILE HOME ON OWNER	1,415		\$1,069,780	\$61,981,450
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	452		\$148,070	\$3,787,410
B2	MULTI-FAMILY - DUPLEX	157		\$3,290	\$16,115,610
B3	MULTI-FAMILY - TRIPLEX	7		\$0	\$827,470
B4	MULTI-FAMILY - FOURPLEX	15		\$0	\$2,110,600
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$0	\$1,547,660
BC	MULTI-FAMILY - APTS 11-25 UNITS	14		\$0	\$5,744,892
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$280	\$3,119,110
BE	MULTI-FAMILY - APTS 51-100 UNITS	6		\$0	\$5,255,190
C	VACANT RESIDENTIAL LOTS - INSIDE CI	968		\$0	\$8,785,571
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	656		\$0	\$8,901,913
C3	VACANT COMMERCIAL LOTS	113		\$0	\$6,038,681
D1	RANCH LAND - QUALIFIED AG LAND	4,827	291,086.1264	\$0	\$786,524,615
D2	NON-RESIDENTIAL IMPRVS ON QUALIFI	1,455		\$578,960	\$25,372,841
D3	FARMLAND - QUALIFIED AG LAND	1		\$0	\$2,280
D4	TIMBERLAND - QUALIFIED AG LAND	2		\$0	\$37,940
E	RESIDENTIAL ON NON-QUALIFIED AG LA	2,677		\$6,818,730	\$276,181,641
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	1,098		\$650,220	\$11,757,287
E2	MOBILE HOMES ON RURAL LAND	2,266		\$1,411,570	\$80,550,253
E3	RURAL LAND NON-QUALIFIED AG	2,362		\$0	\$114,450,912
F1	REAL - COMMERCIAL	983		\$2,653,970	\$157,103,978
F2	REAL - INDUSTRIAL	36		\$28,380	\$14,862,530
G1	OIL, GAS AND MINERAL RESERVES	14,343		\$0	\$238,670,020
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,467,860
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$70,139,210
J4	TELEPHONE COMPANIES (INCLD CO-OP)	39		\$0	\$6,026,380
J5	RAILROADS	17		\$0	\$12,947,590
J6	PIPELINES	111		\$0	\$16,754,900
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,434,160
L1	COMMERCIAL PERSONAL PROPERTY - T	793		\$0	\$55,202,230
L2	INDUSTRIAL PERSONAL PROPERTY	320		\$0	\$70,986,140
L3	LEASED EQUIPMENT	232		\$0	\$3,029,360
L4	AIRCRAFT - INCOME PRODUCING COMME	52		\$0	\$14,566,880
L5	VEHICLES - INCOME PRODUCING COMME	272		\$0	\$9,638,630
L9	VEHICLES - INCOME PRODUCING INDUST	2		\$0	\$4,280
M1	MOBILE HOME ONLY ON NON-OWNED L	1,629		\$2,808,230	\$31,913,340
M3	VEHICLE - NON-INCOME PRODUCING - P	1		\$0	\$0
N1	PERSONAL PROPERTY - INTANGLIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	308		\$0	\$3,430,270
S	SPECIAL INVENTORY	19		\$0	\$3,764,260
X	EXEMPT	6,672		\$25,364,350	\$157,676,287
	Totals		291,086.1264	\$47,144,580	\$2,865,919,241

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 219

GCA - Caldwell County
Under ARB Review Totals

7/22/2014

1:39:29PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	21		\$150,690	\$1,990,710
A2	RESIDENTIAL MOBILE HOME ON OWNER	77		\$1,830	\$3,545,780
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	17		\$33,810	\$48,000
B2	MULTI-FAMILY - DUPLEX	1		\$0	\$117,710
BE	MULTI-FAMILY - APTS 51-100 UNITS	1		\$0	\$4,112,820
C	VACANT RESIDENTIAL LOTS - INSIDE CI	1		\$0	\$113,100
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	45		\$0	\$1,789,030
C3	VACANT COMMERCIAL LOTS	5		\$0	\$192,130
D1	RANCH LAND - QUALIFIED AG LAND	21	1,127.5660	\$0	\$4,748,700
D2	NON-RESIDENTIAL IMPRVS ON QUALIFI	5		\$0	\$121,930
E	RESIDENTIAL ON NON-QUALIFIED AG LA	18		\$88,620	\$1,780,430
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	6		\$0	\$114,160
E2	MOBILE HOMES ON RURAL LAND	7		\$0	\$260,450
E3	RURAL LAND NON-QUALIFIED AG	16		\$0	\$924,250
F1	REAL - COMMERCIAL	15		\$58,780	\$6,053,280
F2	REAL - INDUSTRIAL	2		\$0	\$1,888,390
G1	OIL, GAS AND MINERAL RESERVES	1		\$0	\$7,760
L1	COMMERCIAL PERSONAL PROPERTY - T	1		\$0	\$34,300
L5	VEHICLES - INCOME PRODUCING COMME	3		\$0	\$39,530
M1	MOBILE HOME ONLY ON NON-OWNED L	2		\$0	\$54,936
O	REAL PROPERTY INVENTORY - RESIDEN	15		\$0	\$624,290
	Totals		1,127.5660	\$333,730	\$28,561,686

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 44,177

GCA - Caldwell County
Grand Totals

7/22/2014

1:39:29PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	DO NOT USE	2		\$0	\$60,310
A1	RESIDENTIAL SINGLE FAMILY	6,512		\$5,759,440	\$577,138,010
A2	RESIDENTIAL MOBILE HOME ON OWNER	1,492		\$1,071,610	\$65,527,230
A9	RESIDENTIAL MISC / NON-RESIDENTIAL	469		\$181,880	\$3,835,410
B2	MULTI-FAMILY - DUPLEX	158		\$3,290	\$16,233,320
B3	MULTI-FAMILY - TRIPLEX	7		\$0	\$827,470
B4	MULTI-FAMILY - FOURPLEX	15		\$0	\$2,110,600
BB	MULTI-FAMILY - APTS 5-10 UNITS	13		\$0	\$1,547,660
BC	MULTI-FAMILY - APTS 11-25 UNITS	14		\$0	\$5,744,892
BD	MULTI-FAMILY - APTS 26-50 UNITS	4		\$280	\$3,119,110
BE	MULTI-FAMILY - APTS 51-100 UNITS	7		\$0	\$9,368,010
C	VACANT RESIDENTIAL LOTS - INSIDE CI	969		\$0	\$8,898,671
C1	VACANT RESIDENTIAL LOTS - OUTSIDE C	701		\$0	\$10,690,943
C3	VACANT COMMERCIAL LOTS	118		\$0	\$6,230,811
D1	RANCH LAND - QUALIFIED AG LAND	4,848	292,213.6924	\$0	\$791,273,315
D2	NON-RESIDENTIAL IMPRVS ON QUALIFI	1,460		\$578,960	\$25,494,771
D3	FARMLAND - QUALIFIED AG LAND	1		\$0	\$2,280
D4	TIMBERLAND - QUALIFIED AG LAND	2		\$0	\$37,940
E	RESIDENTIAL ON NON-QUALIFIED AG LA	2,695		\$6,907,350	\$277,962,071
E1	NON-RESIDENTIAL ON NON-QUALIFIED A	1,104		\$650,220	\$11,871,447
E2	MOBILE HOMES ON RURAL LAND	2,273		\$1,411,570	\$80,810,703
E3	RURAL LAND NON-QUALIFIED AG	2,378		\$0	\$115,375,162
F1	REAL - COMMERCIAL	998		\$2,712,750	\$163,157,258
F2	REAL - INDUSTRIAL	38		\$28,380	\$16,750,920
G1	OIL, GAS AND MINERAL RESERVES	14,344		\$0	\$238,677,780
J2	GAS DISTRIBUTION SYSTEMS	9		\$0	\$1,467,860
J3	ELECTRIC COMPANIES (INCLD CO-OP)	53		\$0	\$70,139,210
J4	TELEPHONE COMPANIES (INCLD CO-OP)	39		\$0	\$6,026,380
J5	RAILROADS	17		\$0	\$12,947,590
J6	PIPELINES	111		\$0	\$16,754,900
J9	RAILROAD ROLLING STOCK	2		\$0	\$3,434,160
L1	COMMERCIAL PERSONAL PROPERTY - T	794		\$0	\$55,236,530
L2	INDUSTRIAL PERSONAL PROPERTY	320		\$0	\$70,986,140
L3	LEASED EQUIPMENT	232		\$0	\$3,029,360
L4	AIRCRAFT - INCOME PRODUCING COMME	52		\$0	\$14,566,880
L5	VEHICLES - INCOME PRODUCING COMME	275		\$0	\$9,678,160
L9	VEHICLES - INCOME PRODUCING INDUST	2		\$0	\$4,280
M1	MOBILE HOME ONLY ON NON-OWNED L	1,631		\$2,808,230	\$31,968,276
M3	VEHICLE - NON-INCOME PRODUCING - P	1		\$0	\$0
N1	PERSONAL PROPERTY - INTANGLIBLE	1		\$0	\$0
O	REAL PROPERTY INVENTORY - RESIDEN	323		\$0	\$4,054,560
S	SPECIAL INVENTORY	19		\$0	\$3,764,260
X	EXEMPT	6,672		\$25,364,350	\$157,676,287
	Totals		292,213.6924	\$47,478,310	\$2,894,480,927

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 44,177

GCA - Caldwell County
Effective Rate Assumption

7/22/2014

1:39:29PM

New Value

TOTAL NEW VALUE MARKET: **\$47,478,310**
TOTAL NEW VALUE TAXABLE: **\$21,698,010**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	7	2013 Market Value	\$131,904
EX-XL	11.231 Organizations Providing Economic Deve	1	2013 Market Value	\$91,610
EX-XV	Other Exemptions (including public property, r	3	2013 Market Value	\$147,730
EX366	HOUSE BILL 366	895	2013 Market Value	\$400,990
ABSOLUTE EXEMPTIONS VALUE LOSS				\$772,234

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	15	\$0
DPS	DISABLED Surviving Spouse	1	\$0
DV1	Disabled Veterans 10% - 29%	3	\$14,314
DV2	Disabled Veterans 30% - 49%	3	\$27,000
DV3	Disabled Veterans 50% - 69%	11	\$122,000
DV4	Disabled Veterans 70% - 100%	11	\$132,000
DVHS	Disabled Veteran Homestead	6	\$750,680
OV65	OVER 65	119	\$1,072,886
PARTIAL EXEMPTIONS VALUE LOSS		169	\$2,118,880
TOTAL EXEMPTIONS VALUE LOSS			\$2,891,114

New Ag / Timber Exemptions

2013 Market Value \$2,064,816 Count: 27
2014 Ag/Timber Use \$41,190
NEW AG / TIMBER VALUE LOSS \$2,023,626

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,038	\$101,677	\$272	\$101,405
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
3,988	\$100,724	\$261	\$100,463

Caldwell County

2014 CERTIFIED TOTALS

As of Certification

GCA - Caldwell County
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
219	\$28,561,686.00	\$19,576,256

GUADALUPE COUNTY

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:35:59AM

Land		Value				
Homesite:		662,383,126				
Non Homesite:		885,455,767				
Ag Market:		1,445,730,835				
Timber Market:		0		Total Land	(+)	2,993,569,728
Improvement		Value				
Homesite:		3,889,407,683				
Non Homesite:		2,234,468,700		Total Improvements	(+)	6,123,876,383
Non Real		Count	Value			
Personal Property:		3,885	881,999,131			
Mineral Property:		4,132	106,761,400			
Autos:		0	0	Total Non Real	(+)	988,760,531
				Market Value	=	10,106,206,642
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,445,554,972	175,863				
Ag Use:	32,989,345	3,228		Productivity Loss	(-)	1,412,565,627
Timber Use:	0	0		Appraised Value	=	8,693,641,015
Productivity Loss:	1,412,565,627	172,635		Homestead Cap	(-)	61,145,234
				Assessed Value	=	8,632,495,781
				Total Exemptions Amount (Breakdown on Next Page)	(-)	744,125,819
				Net Taxable	=	7,888,369,962

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	127,080,681	100,105,720	288,627.66	344,941.90	1,164		
DPS	1,168,941	1,096,941	3,256.97	3,307.98	10		
OV65	1,027,763,926	878,622,551	2,432,553.49	2,508,317.34	7,631		
Total	1,156,013,548	979,825,212	2,724,438.12	2,856,567.22	8,805	Freeze Taxable	(-) 979,825,212
Tax Rate	0.344900						
						Freeze Adjusted Taxable	= 6,908,544,750

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 26,552,008.96 = 6,908,544,750 * (0.344900 / 100) + 2,724,438.12

Tif Zone Code	Tax Increment Loss
2007 TIF	17,721,873
Tax Increment Finance Value:	17,721,873
Tax Increment Finance Levy:	61,122.74

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015

10:36:01AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	4	53,901,557	0	53,901,557
CH	2	57,431	0	57,431
DP	1,264	0	0	0
DPS	10	0	0	0
DV1	789	0	4,490,035	4,490,035
DV1S	94	0	447,500	447,500
DV2	628	0	4,824,000	4,824,000
DV2S	34	0	255,000	255,000
DV3	657	0	6,549,000	6,549,000
DV3S	53	0	487,500	487,500
DV4	1,982	0	18,022,087	18,022,087
DV4S	160	0	1,795,743	1,795,743
DVHS	554	0	93,471,432	93,471,432
EX	1,678	0	144,743,818	144,743,818
EX (Prorated)	64	0	811,523	811,523
EX366	103	0	24,177	24,177
FR	33	89,842,400	0	89,842,400
HS	30,712	149,631,496	0	149,631,496
OV65	7,781	75,069,702	0	75,069,702
OV65S	440	4,392,419	0	4,392,419
PC	19	95,159,886	0	95,159,886
SO	6	149,113	0	149,113
Totals		468,204,004	275,921,815	744,125,819

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:35:59AM

Land		Value			
Homesite:		13,072,080			
Non Homesite:		142,379,913			
Ag Market:		72,552,282			
Timber Market:		0	Total Land	(+)	228,004,275
Improvement		Value			
Homesite:		40,177,405			
Non Homesite:		296,845,877	Total Improvements	(+)	337,023,282
Non Real		Count	Value		
Personal Property:	88	15,069,527			
Mineral Property:	0	0			
Autos:	0	0	Total Non Real	(+)	15,069,527
			Market Value	=	580,097,084
Ag	Non Exempt	Exempt			
Total Productivity Market:	72,552,282	0			
Ag Use:	1,152,231	0		Productivity Loss	(-) 71,400,051
Timber Use:	0	0		Appraised Value	= 508,697,033
Productivity Loss:	71,400,051	0		Homestead Cap	(-) 2,154,693
				Assessed Value	= 506,542,340
				Total Exemptions Amount (Breakdown on Next Page)	(-) 2,660,304
				Net Taxable	= 503,882,036

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	575,911	555,911	1,617.82	1,617.82	3			
OV65	12,904,347	12,322,174	30,883.49	30,908.55	32			
Total	13,480,258	12,878,085	32,501.31	32,526.37	35	Freeze Taxable	(-) 12,878,085	
Tax Rate	0.344900							
						Freeze Adjusted Taxable	= 491,003,951	

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

1,725,973.94 = 491,003,951 * (0.344900 / 100) + 32,501.31

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:36:01AM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	4	0	0	0
DV1	4	0	27,000	27,000
DV2	1	0	7,500	7,500
DV3	3	0	30,000	30,000
DV4	7	0	84,000	84,000
DV4S	1	0	12,000	12,000
EX	2	0	116,671	116,671
EX366	1	0	430	430
FR	1	272,930	0	272,930
HS	177	972,459	0	972,459
LIH	1	0	757,314	757,314
OV65	38	380,000	0	380,000
Totals		1,625,389	1,034,915	2,660,304

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

GCO - GUADALUPE COUNTY
Grand Totals

6/3/2015 10:35:59AM

Land		Value				
Homesite:		675,455,206				
Non Homesite:		1,027,835,680				
Ag Market:		1,518,283,117				
Timber Market:		0		Total Land	(+)	3,221,574,003
Improvement		Value				
Homesite:		3,929,585,088				
Non Homesite:		2,531,314,577		Total Improvements	(+)	6,460,899,665
Non Real		Count	Value			
Personal Property:	3,973	897,068,658				
Mineral Property:	4,132	106,761,400				
Autos:	0	0		Total Non Real	(+)	1,003,830,058
				Market Value	=	10,686,303,726
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,518,107,254	175,863				
Ag Use:	34,141,576	3,228		Productivity Loss	(-)	1,483,965,678
Timber Use:	0	0		Appraised Value	=	9,202,338,048
Productivity Loss:	1,483,965,678	172,635		Homestead Cap	(-)	63,299,927
				Assessed Value	=	9,139,038,121
				Total Exemptions Amount (Breakdown on Next Page)	(-)	746,786,123
				Net Taxable	=	8,392,251,998

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	127,656,592	100,661,631	290,245.48	346,559.72	1,167		
DPS	1,168,941	1,096,941	3,256.97	3,307.98	10		
OV65	1,040,668,273	890,944,725	2,463,436.98	2,539,225.89	7,663		
Total	1,169,493,806	992,703,297	2,756,939.43	2,889,093.59	8,840	Freeze Taxable	(-) 992,703,297
Tax Rate	0.344900						
						Freeze Adjusted Taxable	= 7,399,548,701

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 28,277,982.90 = 7,399,548,701 * (0.344900 / 100) + 2,756,939.43

Tif Zone Code	Tax Increment Loss
2007 TIF	17,721,873
Tax Increment Finance Value:	17,721,873
Tax Increment Finance Levy:	61,122.74

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:36:01AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	4	53,901,557	0	53,901,557
CH	2	57,431	0	57,431
DP	1,268	0	0	0
DPS	10	0	0	0
DV1	793	0	4,517,035	4,517,035
DV1S	94	0	447,500	447,500
DV2	629	0	4,831,500	4,831,500
DV2S	34	0	255,000	255,000
DV3	660	0	6,579,000	6,579,000
DV3S	53	0	487,500	487,500
DV4	1,989	0	18,106,087	18,106,087
DV4S	161	0	1,807,743	1,807,743
DVHS	554	0	93,471,432	93,471,432
EX	1,680	0	144,860,489	144,860,489
EX (Prorated)	64	0	811,523	811,523
EX366	104	0	24,607	24,607
FR	34	90,115,330	0	90,115,330
HS	30,889	150,603,955	0	150,603,955
LIH	1	0	757,314	757,314
OV65	7,819	75,449,702	0	75,449,702
OV65S	440	4,392,419	0	4,392,419
PC	19	95,159,886	0	95,159,886
SO	6	149,113	0	149,113
Totals		469,829,393	276,956,730	746,786,123

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:36:01AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	40,291		\$193,886,212	\$5,700,384,966
B	MULTIFAMILY RESIDENCE	319		\$185,119	\$71,732,635
C	VACANT LOT	6,029		\$0	\$120,025,214
D1	QUALIFIED AG LAND	8,614	353,736.7685	\$0	\$1,445,554,972
D2	NON-QUALIFIED LAND	1,722	15,022.3829	\$0	\$100,360,292
E	FARM OR RANCH IMPROVEMENT	6,088		\$8,626,644	\$456,266,527
F1	COMMERCIAL REAL PROPERTY	1,695		\$18,839,813	\$516,903,119
F2	INDUSTRIAL REAL PROPERTY	61		\$206,022,533	\$439,423,589
G1	OIL AND GAS	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,494,514
J3	ELECTRIC COMPANY (INCLUDING CO-OP	86		\$0	\$91,424,123
J4	TELEPHONE COMPANY (INCLUDING CO-	65		\$0	\$30,059,580
J5	RAILROAD	16		\$0	\$15,155,961
J6	PIPELAND COMPANY	119		\$0	\$17,051,593
J7	CABLE TELEVISION COMPANY	13		\$0	\$8,612,690
L1	COMMERCIAL PERSONAL PROPERTY	2,940		\$0	\$358,081,975
L2	INDUSTRIAL PERSONAL PROPERTY	448		\$0	\$344,500,083
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,146		\$4,812,572	\$91,205,258
O	RESIDENTIAL INVENTORY	1,426		\$5,991,270	\$33,333,229
S	SPECIAL INVENTORY TAX	59		\$0	\$12,795,183
X	TOTALLY EXEMPT PROPERTY	1,783		\$218,949	\$144,825,426
	Totals		368,759.1514	\$438,583,112	\$10,106,206,642

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:36:01AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	488		\$8,605,487	\$121,353,376
B	MULTIFAMILY RESIDENCE	30		\$0	\$55,691,470
C	VACANT LOT	358		\$0	\$17,820,407
D1	QUALIFIED AG LAND	191	11,984.1116	\$0	\$72,552,282
D2	NON-QUALIFIED LAND	60	1,450.8094	\$0	\$19,304,696
E	FARM OR RANCH IMPROVEMENT	100		\$126,263	\$8,299,310
F1	COMMERCIAL REAL PROPERTY	220		\$5,235,029	\$221,983,587
F2	INDUSTRIAL REAL PROPERTY	14		\$6,928,533	\$38,160,878
L1	COMMERCIAL PERSONAL PROPERTY	85		\$0	\$14,780,859
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$252,119
M1	TANGIBLE OTHER PERSONAL, MOBILE H	72		\$66,981	\$1,508,267
O	RESIDENTIAL INVENTORY	566		\$338,314	\$8,236,613
S	SPECIAL INVENTORY TAX	1		\$0	\$36,119
X	TOTALLY EXEMPT PROPERTY	3		\$0	\$117,101
	Totals		13,434.9210	\$21,300,607	\$580,097,084

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:36:01AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	40,779		\$202,491,699	\$5,821,738,342
B	MULTIFAMILY RESIDENCE	349		\$185,119	\$127,424,105
C	VACANT LOT	6,387		\$0	\$137,845,621
D1	QUALIFIED AG LAND	8,805	365,720.8801	\$0	\$1,518,107,254
D2	NON-QUALIFIED LAND	1,782	16,473.1923	\$0	\$119,664,988
E	FARM OR RANCH IMPROVEMENT	6,188		\$8,752,907	\$464,565,837
F1	COMMERCIAL REAL PROPERTY	1,915		\$24,074,842	\$738,886,706
F2	INDUSTRIAL REAL PROPERTY	75		\$212,951,066	\$477,584,467
G1	OIL AND GAS	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,494,514
J3	ELECTRIC COMPANY (INCLUDING CO-OP	86		\$0	\$91,424,123
J4	TELEPHONE COMPANY (INCLUDING CO-	65		\$0	\$30,059,580
J5	RAILROAD	16		\$0	\$15,155,961
J6	PIPELAND COMPANY	119		\$0	\$17,051,593
J7	CABLE TELEVISION COMPANY	13		\$0	\$8,612,690
L1	COMMERCIAL PERSONAL PROPERTY	3,025		\$0	\$372,862,834
L2	INDUSTRIAL PERSONAL PROPERTY	449		\$0	\$344,752,202
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,218		\$4,879,553	\$92,713,525
O	RESIDENTIAL INVENTORY	1,992		\$6,329,584	\$41,569,842
S	SPECIAL INVENTORY TAX	60		\$0	\$12,831,302
X	TOTALLY EXEMPT PROPERTY	1,786		\$218,949	\$144,942,527
	Totals		382,194.0724	\$459,883,719	\$10,686,303,726

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:36:01AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	34,414		\$189,243,627	\$5,392,345,054
A2	MOBILE HOME RESIDENTIAL	5,302		\$3,240,357	\$257,894,601
A3	SUBSTANTIAL NON-RES +\$1000	916		\$675,793	\$40,069,066
A4	LEASEHOLD IMPR RESIDENTIAL	173		\$726,435	\$10,076,245
B1	MULTI-FAMILY RESIDENTIAL	110		\$60,218	\$49,509,975
B2	DUPLEXES RESIDENTIAL	209		\$124,901	\$22,095,388
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,755		\$0	\$97,112,745
C2	COLONIA LOTS AND LAND TRACTS	268		\$0	\$22,842,851
C3	CONV CODE	7		\$0	\$69,618
D1	ACREAGE RANCH LAND	8,614	353,699.7685	\$0	\$1,445,439,471
D2	NON-QUALIFY LAND	1,722	15,022.3829	\$0	\$100,360,292
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,326		\$7,615,429	\$402,139,010
E2	MOBILE HOMES RURAL	827		\$217,649	\$26,759,084
E3	BARN, SHEDS, SILOS & OTHER BLDGS	2,199		\$755,898	\$25,577,384
E4	LEASEHOLD IMPR RESIDENTIAL	38		\$37,668	\$1,791,049
F1	REAL COMMERCIAL	1,651		\$18,839,813	\$509,711,785
F2	REAL INDUSTRIAL	61		\$206,022,533	\$439,423,589
F4	COMM/INDUST LEASEHOLD IMPR	44		\$0	\$7,191,334
G1	OIL, GAS AND MINERAL RESERVES	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS COMPANIES	11		\$0	\$1,494,514
J3	ELECTRIC COMPANIES	86		\$0	\$91,424,123
J4	TELEPHONE COMPANIES	65		\$0	\$30,059,580
J5	RAILROADS	16		\$0	\$15,155,961
J6	PIPELINES	119		\$0	\$17,051,593
J7	CABLE COMPANIES	13		\$0	\$8,612,690
L1	TANGIBLE COMMERCIAL PERSONAL	2,940		\$0	\$358,081,975
L2	INDUSTRIAL PERSONAL PROPERTY	448		\$0	\$344,500,083
M1	MOBILE HOMES	4,145		\$4,812,572	\$91,193,368
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	1,423		\$5,991,270	\$33,290,077
O2	INVENTORY-COMMERCIAL	3		\$0	\$43,152
S	SPECIAL INVENTORY	59		\$0	\$12,795,183
X	EXEMPT	1,783		\$218,949	\$144,825,426
	Totals		368,722.1514	\$438,583,112	\$10,106,206,642

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:36:01AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	382		\$8,303,198	\$113,267,473
A2	MOBILE HOME RESIDENTIAL	74		\$26,859	\$2,827,839
A3	SUBSTANTIAL NON-RES +\$1000	38		\$275,430	\$5,219,384
A4	LEASEHOLD IMPR RESIDENTIAL	2		\$0	\$38,680
B1	MULTI-FAMILY RESIDENTIAL	17		\$0	\$53,528,466
B2	DUPLEXES RESIDENTIAL	13		\$0	\$2,163,004
C1	VACANT RES & COMM LOTS	330		\$0	\$12,005,757
C2	COLONIA LOTS AND LAND TRACTS	28		\$0	\$5,814,650
D1	ACREAGE RANCH LAND	191	11,984.1116	\$0	\$72,552,282
D2	NON-QUALIFY LAND	60	1,450.8094	\$0	\$19,304,696
E1	REAL FARM & RANCH IMPROVEMENTS	60		\$102,140	\$7,307,097
E2	MOBILE HOMES RURAL	9		\$830	\$242,527
E3	BARNS,SHEDS,SILOS & OTHER BLDGS	42		\$23,293	\$749,686
F1	REAL COMMERCIAL	218		\$5,235,029	\$212,735,821
F2	REAL INDUSTRIAL	14		\$6,928,533	\$38,160,878
F4	COMM/INDUST LEASEHOLD IMPR	2		\$0	\$9,247,766
L1	TANGIBLE COMMERCIAL PERSONAL	85		\$0	\$14,780,859
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$252,119
M1	MOBILE HOMES	72		\$66,981	\$1,508,267
O1	INVENTORY-RESIDENTIAL	564		\$338,314	\$8,072,071
O2	INVENTORY-COMMERCIAL	2		\$0	\$164,542
S	SPECIAL INVENTORY	1		\$0	\$36,119
X	EXEMPT	3		\$0	\$117,101
	Totals		13,434.9210	\$21,300,607	\$580,097,084

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:36:01AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	34,796		\$197,546,825	\$5,505,612,527
A2	MOBILE HOME RESIDENTIAL	5,376		\$3,267,216	\$260,722,440
A3	SUBSTANTIAL NON-RES +\$1000	954		\$951,223	\$45,288,450
A4	LEASEHOLD IMPR RESIDENTIAL	175		\$726,435	\$10,114,925
B1	MULTI-FAMILY RESIDENTIAL	127		\$60,218	\$103,038,441
B2	DUPLEXES RESIDENTIAL	222		\$124,901	\$24,258,392
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	6,085		\$0	\$109,118,502
C2	COLONIA LOTS AND LAND TRACTS	296		\$0	\$28,657,501
C3	CONV CODE	7		\$0	\$69,618
D1	ACREAGE RANCH LAND	8,805	365,683.8801	\$0	\$1,517,991,753
D2	NON-QUALIFY LAND	1,782	16,473.1923	\$0	\$119,664,988
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,386		\$7,717,569	\$409,446,107
E2	MOBILE HOMES RURAL	836		\$218,479	\$27,001,611
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,241		\$779,191	\$26,327,070
E4	LEASEHOLD IMPR RESIDENTIAL	38		\$37,668	\$1,791,049
F1	REAL COMMERCIAL	1,869		\$24,074,842	\$722,447,606
F2	REAL INDUSTRIAL	75		\$212,951,066	\$477,584,467
F4	COMM/INDUST LEASEHOLD IMPR	46		\$0	\$16,439,100
G1	OIL, GAS AND MINERAL RESERVES	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS COMPANIES	11		\$0	\$1,494,514
J3	ELECTRIC COMPANIES	86		\$0	\$91,424,123
J4	TELEPHONE COMPANIES	65		\$0	\$30,059,580
J5	RAILROADS	16		\$0	\$15,155,961
J6	PIPELINES	119		\$0	\$17,051,593
J7	CABLE COMPANIES	13		\$0	\$8,612,690
L1	TANGIBLE COMMERCIAL PERSONAL	3,025		\$0	\$372,862,834
L2	INDUSTRIAL PERSONAL PROPERTY	449		\$0	\$344,752,202
M1	MOBILE HOMES	4,217		\$4,879,553	\$92,701,635
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	1,987		\$6,329,584	\$41,362,148
O2	INVENTORY-COMMERCIAL	5		\$0	\$207,694
S	SPECIAL INVENTORY	60		\$0	\$12,831,302
X	EXEMPT	1,786		\$218,949	\$144,942,527
	Totals		382,157.0724	\$459,883,719	\$10,686,303,726

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

GCO - GUADALUPE COUNTY

Effective Rate Assumption

6/3/2015 10:36:01AM

New Value

TOTAL NEW VALUE MARKET: **\$459,883,719**
 TOTAL NEW VALUE TAXABLE: **\$420,632,191**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	141	2009 Market Value	\$6,948,041
EX366	HOUSE BILL 366	30	2009 Market Value	\$47,125
ABSOLUTE EXEMPTIONS VALUE LOSS				\$6,995,166

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	61	\$0
DPS	DISABLED Surviving Spouse	6	\$0
DV1	Disabled Veterans 10% - 29%	48	\$275,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	3	\$15,000
DV2	Disabled Veterans 30% - 49%	57	\$432,750
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	4	\$30,000
DV3	Disabled Veterans 50% - 69%	86	\$854,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	5	\$50,000
DV4	Disabled Veterans 70% - 100%	252	\$2,378,076
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	21	\$228,000
DVHS	Disabled Veteran Homestead	153	\$25,998,957
HS	HOMESTEAD	1,750	\$8,414,123
OV65	OVER 65	518	\$4,886,449
OV65S	OVER 65 Surviving Spouse	6	\$60,000
PARTIAL EXEMPTIONS VALUE LOSS		2,970	\$43,622,355
TOTAL EXEMPTIONS VALUE LOSS			\$50,617,521

New Ag / Timber Exemptions

2009 Market Value	\$1,061,172	Count: 8
2010 Ag/Timber Use	\$11,223	
NEW AG / TIMBER VALUE LOSS	\$1,049,949	

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
29,114	\$156,018	\$6,972	\$149,046
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
26,852	\$157,396	\$6,997	\$150,399

GUADALUPE County

2010 CERTIFIED TOTALS
GCO - GUADALUPE COUNTY
Lower Value Used

As of Certification

Count of Protested Properties	Total Market Value	Total Value Used
2,119	\$580,097,084.00	\$438,291,978

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:35:59AM

Land		Value				
Homesite:		662,383,126				
Non Homesite:		885,455,767				
Ag Market:		1,445,730,835				
Timber Market:		0		Total Land	(+)	2,993,569,728
Improvement		Value				
Homesite:		3,889,407,683				
Non Homesite:		2,234,468,700		Total Improvements	(+)	6,123,876,383
Non Real		Count	Value			
Personal Property:		3,885	881,999,131			
Mineral Property:		4,132	106,761,400			
Autos:		0	0	Total Non Real	(+)	988,760,531
				Market Value	=	10,106,206,642
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,445,554,972	175,863				
Ag Use:	32,989,345	3,228		Productivity Loss	(-)	1,412,565,627
Timber Use:	0	0		Appraised Value	=	8,693,641,015
Productivity Loss:	1,412,565,627	172,635		Homestead Cap	(-)	61,145,234
				Assessed Value	=	8,632,495,781
				Total Exemptions Amount (Breakdown on Next Page)	(-)	809,852,091
				Net Taxable	=	7,822,643,690

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	127,080,681	97,067,561	43,265.10	52,969.67	1,164		
DPS	1,168,941	1,066,941	501.13	532.17	10		
OV65	1,027,876,260	878,565,112	369,512.20	388,039.58	7,631		
Total	1,156,125,882	976,699,614	413,278.43	441,541.42	8,805	Freeze Taxable	(-) 976,699,614
Tax Rate	0.055000						
						Freeze Adjusted Taxable	= 6,845,944,076

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 4,178,547.67 = 6,845,944,076 * (0.055000 / 100) + 413,278.43

Tif Zone Code	Tax Increment Loss
2007 TIF	17,709,873
Tax Increment Finance Value:	17,709,873
Tax Increment Finance Levy:	9,740.43

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015

10:36:01AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	4	53,901,557	0	53,901,557
CH	2	57,431	0	57,431
DP	1,264	0	0	0
DPS	10	0	0	0
DV1	789	0	4,466,402	4,466,402
DV1S	94	0	447,500	447,500
DV2	628	0	4,824,000	4,824,000
DV2S	34	0	255,000	255,000
DV3	657	0	6,546,617	6,546,617
DV3S	53	0	487,500	487,500
DV4	1,982	0	17,916,323	17,916,323
DV4S	160	0	1,778,861	1,778,861
DVHS	554	0	87,783,499	87,783,499
EX	1,678	0	144,743,818	144,743,818
EX (Prorated)	64	0	811,523	811,523
EX366	103	0	24,177	24,177
FR	33	89,842,400	0	89,842,400
HS	30,712	152,235,710	67,062,515	219,298,225
OV65	7,781	53,818,830	23,147,010	76,965,840
OV65S	440	3,073,619	1,318,800	4,392,419
PC	19	95,159,886	0	95,159,886
SO	6	149,113	0	149,113
Totals		448,238,546	361,613,545	809,852,091

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:35:59AM

Land		Value			
Homesite:		13,072,080			
Non Homesite:		142,379,913			
Ag Market:		72,552,282			
Timber Market:		0		Total Land	(+) 228,004,275
Improvement		Value			
Homesite:		40,177,405			
Non Homesite:		296,845,877		Total Improvements	(+) 337,023,282
Non Real		Count	Value		
Personal Property:		88	15,069,527		
Mineral Property:		0	0		
Autos:		0	0	Total Non Real	(+) 15,069,527
				Market Value	= 580,097,084
Ag	Non Exempt	Exempt			
Total Productivity Market:	72,552,282	0			
Ag Use:	1,152,231	0		Productivity Loss	(-) 71,400,051
Timber Use:	0	0		Appraised Value	= 508,697,033
Productivity Loss:	71,400,051	0		Homestead Cap	(-) 2,154,693
				Assessed Value	= 506,542,340
				Total Exemptions Amount	(-) 3,081,804
				(Breakdown on Next Page)	
				Net Taxable	= 503,460,536

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	575,911	546,911	249.14	266.66	3	
OV65	12,904,347	12,322,174	4,887.37	4,931.52	32	
Total	13,480,258	12,869,085	5,136.51	5,198.18	35	Freeze Taxable (-) 12,869,085
Tax Rate	0.055000					
						Freeze Adjusted Taxable = 490,591,451

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

274,961.81 = 490,591,451 * (0.055000 / 100) + 5,136.51

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:36:01AM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	4	0	0	0
DV1	4	0	27,000	27,000
DV2	1	0	7,500	7,500
DV3	3	0	30,000	30,000
DV4	7	0	84,000	84,000
DV4S	1	0	12,000	12,000
EX	2	0	116,671	116,671
EX366	1	0	430	430
FR	1	272,930	0	272,930
HS	177	972,459	421,500	1,393,959
LIH	1	0	757,314	757,314
OV65	38	266,000	114,000	380,000
Totals		1,511,389	1,570,415	3,081,804

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:35:59AM

Land		Value				
Homesite:		675,455,206				
Non Homesite:		1,027,835,680				
Ag Market:		1,518,283,117				
Timber Market:		0		Total Land	(+)	3,221,574,003
Improvement		Value				
Homesite:		3,929,585,088				
Non Homesite:		2,531,314,577		Total Improvements	(+)	6,460,899,665
Non Real		Count	Value			
Personal Property:		3,973	897,068,658			
Mineral Property:		4,132	106,761,400			
Autos:		0	0	Total Non Real	(+)	1,003,830,058
				Market Value	=	10,686,303,726
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,518,107,254	175,863				
Ag Use:	34,141,576	3,228		Productivity Loss	(-)	1,483,965,678
Timber Use:	0	0		Appraised Value	=	9,202,338,048
Productivity Loss:	1,483,965,678	172,635		Homestead Cap	(-)	63,299,927
				Assessed Value	=	9,139,038,121
				Total Exemptions Amount (Breakdown on Next Page)	(-)	812,933,895
				Net Taxable	=	8,326,104,226

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	127,656,592	97,614,472	43,514.24	53,236.33	1,167		
DPS	1,168,941	1,066,941	501.13	532.17	10		
OV65	1,040,780,607	890,887,286	374,399.57	392,971.10	7,663		
Total	1,169,606,140	989,568,699	418,414.94	446,739.60	8,840	Freeze Taxable	(-) 989,568,699
Tax Rate	0.055000						
						Freeze Adjusted Taxable	= 7,336,535,527

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 4,453,509.48 = 7,336,535,527 * (0.055000 / 100) + 418,414.94

Tif Zone Code	Tax Increment Loss
2007 TIF	17,709,873
Tax Increment Finance Value:	17,709,873
Tax Increment Finance Levy:	9,740.43

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

LTR - LATERAL ROAD
Grand Totals

6/3/2015

10:36:01AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	4	53,901,557	0	53,901,557
CH	2	57,431	0	57,431
DP	1,268	0	0	0
DPS	10	0	0	0
DV1	793	0	4,493,402	4,493,402
DV1S	94	0	447,500	447,500
DV2	629	0	4,831,500	4,831,500
DV2S	34	0	255,000	255,000
DV3	660	0	6,576,617	6,576,617
DV3S	53	0	487,500	487,500
DV4	1,989	0	18,000,323	18,000,323
DV4S	161	0	1,790,861	1,790,861
DVHS	554	0	87,783,499	87,783,499
EX	1,680	0	144,860,489	144,860,489
EX (Prorated)	64	0	811,523	811,523
EX366	104	0	24,607	24,607
FR	34	90,115,330	0	90,115,330
HS	30,889	153,208,169	67,484,015	220,692,184
LIH	1	0	757,314	757,314
OV65	7,819	54,084,830	23,261,010	77,345,840
OV65S	440	3,073,619	1,318,800	4,392,419
PC	19	95,159,886	0	95,159,886
SO	6	149,113	0	149,113
Totals		449,749,935	363,183,960	812,933,895

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:36:01AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	40,291		\$193,886,212	\$5,700,384,966
B	MULTIFAMILY RESIDENCE	319		\$185,119	\$71,732,635
C	VACANT LOT	6,029		\$0	\$120,025,214
D1	QUALIFIED AG LAND	8,614	353,736.7685	\$0	\$1,445,554,972
D2	NON-QUALIFIED LAND	1,722	15,022.3829	\$0	\$100,360,292
E	FARM OR RANCH IMPROVEMENT	6,088		\$8,626,644	\$456,266,527
F1	COMMERCIAL REAL PROPERTY	1,695		\$18,839,813	\$516,903,119
F2	INDUSTRIAL REAL PROPERTY	61		\$206,022,533	\$439,423,589
G1	OIL AND GAS	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,494,514
J3	ELECTRIC COMPANY (INCLUDING CO-OP	86		\$0	\$91,424,123
J4	TELEPHONE COMPANY (INCLUDING CO-	65		\$0	\$30,059,580
J5	RAILROAD	16		\$0	\$15,155,961
J6	PIPELAND COMPANY	119		\$0	\$17,051,593
J7	CABLE TELEVISION COMPANY	13		\$0	\$8,612,690
L1	COMMERCIAL PERSONAL PROPERTY	2,940		\$0	\$358,081,975
L2	INDUSTRIAL PERSONAL PROPERTY	448		\$0	\$344,500,083
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,146		\$4,812,572	\$91,205,258
O	RESIDENTIAL INVENTORY	1,426		\$5,991,270	\$33,333,229
S	SPECIAL INVENTORY TAX	59		\$0	\$12,795,183
X	TOTALLY EXEMPT PROPERTY	1,783		\$218,949	\$144,825,426
	Totals		368,759.1514	\$438,583,112	\$10,106,206,642

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:36:01AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	488		\$8,605,487	\$121,353,376
B	MULTIFAMILY RESIDENCE	30		\$0	\$55,691,470
C	VACANT LOT	358		\$0	\$17,820,407
D1	QUALIFIED AG LAND	191	11,984.1116	\$0	\$72,552,282
D2	NON-QUALIFIED LAND	60	1,450.8094	\$0	\$19,304,696
E	FARM OR RANCH IMPROVEMENT	100		\$126,263	\$8,299,310
F1	COMMERCIAL REAL PROPERTY	220		\$5,235,029	\$221,983,587
F2	INDUSTRIAL REAL PROPERTY	14		\$6,928,533	\$38,160,878
L1	COMMERCIAL PERSONAL PROPERTY	85		\$0	\$14,780,859
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$252,119
M1	TANGIBLE OTHER PERSONAL, MOBILE H	72		\$66,981	\$1,508,267
O	RESIDENTIAL INVENTORY	566		\$338,314	\$8,236,613
S	SPECIAL INVENTORY TAX	1		\$0	\$36,119
X	TOTALLY EXEMPT PROPERTY	3		\$0	\$117,101
	Totals		13,434.9210	\$21,300,607	\$580,097,084

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:36:01AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	40,779		\$202,491,699	\$5,821,738,342
B	MULTIFAMILY RESIDENCE	349		\$185,119	\$127,424,105
C	VACANT LOT	6,387		\$0	\$137,845,621
D1	QUALIFIED AG LAND	8,805	365,720.8801	\$0	\$1,518,107,254
D2	NON-QUALIFIED LAND	1,782	16,473.1923	\$0	\$119,664,988
E	FARM OR RANCH IMPROVEMENT	6,188		\$8,752,907	\$464,565,837
F1	COMMERCIAL REAL PROPERTY	1,915		\$24,074,842	\$738,886,706
F2	INDUSTRIAL REAL PROPERTY	75		\$212,951,066	\$477,584,467
G1	OIL AND GAS	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,494,514
J3	ELECTRIC COMPANY (INCLUDING CO-OP	86		\$0	\$91,424,123
J4	TELEPHONE COMPANY (INCLUDING CO-	65		\$0	\$30,059,580
J5	RAILROAD	16		\$0	\$15,155,961
J6	PIPELAND COMPANY	119		\$0	\$17,051,593
J7	CABLE TELEVISION COMPANY	13		\$0	\$8,612,690
L1	COMMERCIAL PERSONAL PROPERTY	3,025		\$0	\$372,862,834
L2	INDUSTRIAL PERSONAL PROPERTY	449		\$0	\$344,752,202
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,218		\$4,879,553	\$92,713,525
O	RESIDENTIAL INVENTORY	1,992		\$6,329,584	\$41,569,842
S	SPECIAL INVENTORY TAX	60		\$0	\$12,831,302
X	TOTALLY EXEMPT PROPERTY	1,786		\$218,949	\$144,942,527
	Totals		382,194.0724	\$459,883,719	\$10,686,303,726

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 76,781

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:36:01AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	34,414		\$189,243,627	\$5,392,345,054
A2	MOBILE HOME RESIDENTIAL	5,302		\$3,240,357	\$257,894,601
A3	SUBSTANTIAL NON-RES +\$1000	916		\$675,793	\$40,069,066
A4	LEASEHOLD IMPR RESIDENTIAL	173		\$726,435	\$10,076,245
B1	MULTI-FAMILY RESIDENTIAL	110		\$60,218	\$49,509,975
B2	DUPLEXES RESIDENTIAL	209		\$124,901	\$22,095,388
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,755		\$0	\$97,112,745
C2	COLONIA LOTS AND LAND TRACTS	268		\$0	\$22,842,851
C3	CONV CODE	7		\$0	\$69,618
D1	ACREAGE RANCH LAND	8,614	353,699.7685	\$0	\$1,445,439,471
D2	NON-QUALIFY LAND	1,722	15,022.3829	\$0	\$100,360,292
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,326		\$7,615,429	\$402,139,010
E2	MOBILE HOMES RURAL	827		\$217,649	\$26,759,084
E3	BARN, SHEDS, SILOS & OTHER BLDGS	2,199		\$755,898	\$25,577,384
E4	LEASEHOLD IMPR RESIDENTIAL	38		\$37,668	\$1,791,049
F1	REAL COMMERCIAL	1,651		\$18,839,813	\$509,711,785
F2	REAL INDUSTRIAL	61		\$206,022,533	\$439,423,589
F4	COMM/INDUST LEASEHOLD IMPR	44		\$0	\$7,191,334
G1	OIL, GAS AND MINERAL RESERVES	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS COMPANIES	11		\$0	\$1,494,514
J3	ELECTRIC COMPANIES	86		\$0	\$91,424,123
J4	TELEPHONE COMPANIES	65		\$0	\$30,059,580
J5	RAILROADS	16		\$0	\$15,155,961
J6	PIPELINES	119		\$0	\$17,051,593
J7	CABLE COMPANIES	13		\$0	\$8,612,690
L1	TANGIBLE COMMERCIAL PERSONAL	2,940		\$0	\$358,081,975
L2	INDUSTRIAL PERSONAL PROPERTY	448		\$0	\$344,500,083
M1	MOBILE HOMES	4,145		\$4,812,572	\$91,193,368
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	1,423		\$5,991,270	\$33,290,077
O2	INVENTORY-COMMERCIAL	3		\$0	\$43,152
S	SPECIAL INVENTORY	59		\$0	\$12,795,183
X	EXEMPT	1,783		\$218,949	\$144,825,426
	Totals		368,722.1514	\$438,583,112	\$10,106,206,642

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 2,119

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:36:01AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	382		\$8,303,198	\$113,267,473
A2	MOBILE HOME RESIDENTIAL	74		\$26,859	\$2,827,839
A3	SUBSTANTIAL NON-RES +\$1000	38		\$275,430	\$5,219,384
A4	LEASEHOLD IMPR RESIDENTIAL	2		\$0	\$38,680
B1	MULTI-FAMILY RESIDENTIAL	17		\$0	\$53,528,466
B2	DUPLEXES RESIDENTIAL	13		\$0	\$2,163,004
C1	VACANT RES & COMM LOTS	330		\$0	\$12,005,757
C2	COLONIA LOTS AND LAND TRACTS	28		\$0	\$5,814,650
D1	ACREAGE RANCH LAND	191	11,984.1116	\$0	\$72,552,282
D2	NON-QUALIFY LAND	60	1,450.8094	\$0	\$19,304,696
E1	REAL FARM & RANCH IMPROVEMENTS	60		\$102,140	\$7,307,097
E2	MOBILE HOMES RURAL	9		\$830	\$242,527
E3	BARNS,SHEDS,SILOS & OTHER BLDGS	42		\$23,293	\$749,686
F1	REAL COMMERCIAL	218		\$5,235,029	\$212,735,821
F2	REAL INDUSTRIAL	14		\$6,928,533	\$38,160,878
F4	COMM/INDUST LEASEHOLD IMPR	2		\$0	\$9,247,766
L1	TANGIBLE COMMERCIAL PERSONAL	85		\$0	\$14,780,859
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$252,119
M1	MOBILE HOMES	72		\$66,981	\$1,508,267
O1	INVENTORY-RESIDENTIAL	564		\$338,314	\$8,072,071
O2	INVENTORY-COMMERCIAL	2		\$0	\$164,542
S	SPECIAL INVENTORY	1		\$0	\$36,119
X	EXEMPT	3		\$0	\$117,101
	Totals		13,434.9210	\$21,300,607	\$580,097,084

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:36:01AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	34,796		\$197,546,825	\$5,505,612,527
A2	MOBILE HOME RESIDENTIAL	5,376		\$3,267,216	\$260,722,440
A3	SUBSTANTIAL NON-RES +\$1000	954		\$951,223	\$45,288,450
A4	LEASEHOLD IMPR RESIDENTIAL	175		\$726,435	\$10,114,925
B1	MULTI-FAMILY RESIDENTIAL	127		\$60,218	\$103,038,441
B2	DUPLEXES RESIDENTIAL	222		\$124,901	\$24,258,392
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	6,085		\$0	\$109,118,502
C2	COLONIA LOTS AND LAND TRACTS	296		\$0	\$28,657,501
C3	CONV CODE	7		\$0	\$69,618
D1	ACREAGE RANCH LAND	8,805	365,683.8801	\$0	\$1,517,991,753
D2	NON-QUALIFY LAND	1,782	16,473.1923	\$0	\$119,664,988
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,386		\$7,717,569	\$409,446,107
E2	MOBILE HOMES RURAL	836		\$218,479	\$27,001,611
E3	BARN, SHEDS, SILOS & OTHER BLDGS	2,241		\$779,191	\$26,327,070
E4	LEASEHOLD IMPR RESIDENTIAL	38		\$37,668	\$1,791,049
F1	REAL COMMERCIAL	1,869		\$24,074,842	\$722,447,606
F2	REAL INDUSTRIAL	75		\$212,951,066	\$477,584,467
F4	COMM/INDUST LEASEHOLD IMPR	46		\$0	\$16,439,100
G1	OIL, GAS AND MINERAL RESERVES	4,128		\$0	\$106,746,890
J1	WATER SYSTEMS	8		\$0	\$268,823
J2	GAS COMPANIES	11		\$0	\$1,494,514
J3	ELECTRIC COMPANIES	86		\$0	\$91,424,123
J4	TELEPHONE COMPANIES	65		\$0	\$30,059,580
J5	RAILROADS	16		\$0	\$15,155,961
J6	PIPELINES	119		\$0	\$17,051,593
J7	CABLE COMPANIES	13		\$0	\$8,612,690
L1	TANGIBLE COMMERCIAL PERSONAL	3,025		\$0	\$372,862,834
L2	INDUSTRIAL PERSONAL PROPERTY	449		\$0	\$344,752,202
M1	MOBILE HOMES	4,217		\$4,879,553	\$92,701,635
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	1,987		\$6,329,584	\$41,362,148
O2	INVENTORY-COMMERCIAL	5		\$0	\$207,694
S	SPECIAL INVENTORY	60		\$0	\$12,831,302
X	EXEMPT	1,786		\$218,949	\$144,942,527
	Totals		382,157.0724	\$459,883,719	\$10,686,303,726

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 78,900

LTR - LATERAL ROAD
Effective Rate Assumption

6/3/2015 10:36:01AM

New Value

TOTAL NEW VALUE MARKET: **\$459,883,719**
TOTAL NEW VALUE TAXABLE: **\$420,501,211**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	141	2009 Market Value	\$6,948,041
EX366	HOUSE BILL 366	30	2009 Market Value	\$47,125
ABSOLUTE EXEMPTIONS VALUE LOSS				\$6,995,166

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	61	\$0
DPS	DISABLED Surviving Spouse	6	\$0
DV1	Disabled Veterans 10% - 29%	48	\$275,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	3	\$15,000
DV2	Disabled Veterans 30% - 49%	57	\$432,750
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	4	\$30,000
DV3	Disabled Veterans 50% - 69%	86	\$854,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	5	\$50,000
DV4	Disabled Veterans 70% - 100%	252	\$2,362,849
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	21	\$228,000
DVHS	Disabled Veteran Homestead	153	\$24,503,957
HS	HOMESTEAD	1,750	\$13,066,085
OV65	OVER 65	518	\$5,074,146
OV65S	OVER 65 Surviving Spouse	6	\$60,000
PARTIAL EXEMPTIONS VALUE LOSS		2,970	\$46,951,787
TOTAL EXEMPTIONS VALUE LOSS			\$53,946,953

New Ag / Timber Exemptions

2009 Market Value **\$1,061,172** Count: 8
2010 Ag/Timber Use **\$11,223**
NEW AG / TIMBER VALUE LOSS \$1,049,949

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
29,114	\$156,018	\$9,236	\$146,782
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
26,852	\$157,396	\$9,300	\$148,096

GUADALUPE County

2010 CERTIFIED TOTALS

As of Certification

LTR - LATERAL ROAD
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
2,119	\$580,097,084.00	\$437,869,941

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:37:25AM

Land		Value			
Homesite:		700,817,635			
Non Homesite:		986,954,087			
Ag Market:		1,613,439,751			
Timber Market:		0		Total Land	(+) 3,301,211,473
Improvement		Value			
Homesite:		4,029,769,458			
Non Homesite:		2,528,101,254		Total Improvements	(+) 6,557,870,712
Non Real		Count	Value		
Personal Property:	3,868	1,050,485,997			
Mineral Property:	4,438	109,085,931			
Autos:	0	0		Total Non Real	(+) 1,159,571,928
				Market Value	= 11,018,654,113
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,613,333,812	105,939			
Ag Use:	33,414,152	741		Productivity Loss	(-) 1,579,919,660
Timber Use:	0	0		Appraised Value	= 9,438,734,453
Productivity Loss:	1,579,919,660	105,198		Homestead Cap	(-) 39,303,375
				Assessed Value	= 9,399,431,078
				Total Exemptions Amount (Breakdown on Next Page)	(-) 1,001,088,107
				Net Taxable	= 8,398,342,971

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	134,387,657	108,360,729	315,491.30	361,228.21	1,230		
DPS	2,406,592	2,270,592	6,386.30	6,456.62	18		
OV65	1,085,737,033	926,348,556	2,598,569.52	2,680,711.87	7,934		
Total	1,222,531,282	1,036,979,877	2,920,447.12	3,048,396.70	9,182	Freeze Taxable	(-) 1,036,979,877
Tax Rate	0.345600						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	729,020	699,020	595,115	103,905	4		
OV65	5,979,357	5,440,980	4,397,389	1,043,591	34		
Total	6,708,377	6,140,000	4,992,504	1,147,496	38	Transfer Adjustment	(-) 1,147,496
						Freeze Adjusted Taxable	= 7,360,215,598

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 28,357,352.23 = 7,360,215,598 * (0.345600 / 100) + 2,920,447.12

Tif Zone Code	Tax Increment Loss
2007 TIF	16,000,322
Tax Increment Finance Value:	16,000,322
Tax Increment Finance Levy:	55,297.11

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015

10:37:26AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	11	167,512,021	0	167,512,021
CH	2	62,672	0	62,672
DP	1,333	0	0	0
DPS	19	0	0	0
DV1	745	0	4,068,529	4,068,529
DV1S	90	0	425,000	425,000
DV2	638	0	4,845,000	4,845,000
DV2S	39	0	292,500	292,500
DV3	711	0	7,093,000	7,093,000
DV3S	57	0	507,500	507,500
DV4	2,279	0	21,210,649	21,210,649
DV4S	187	0	2,083,433	2,083,433
DVHS	628	0	108,303,515	108,303,515
EX	1,679	0	160,822,469	160,822,469
EX (Prorated)	29	0	337,504	337,504
EX366	79	0	19,144	19,144
FR	39	159,012,293	0	159,012,293
HS	31,664	153,887,708	0	153,887,708
LIH	2	0	1,156,181	1,156,181
OV65	8,145	78,136,730	0	78,136,730
OV65S	515	5,141,038	0	5,141,038
PC	20	126,051,058	0	126,051,058
SO	5	120,163	0	120,163
Totals		689,923,683	311,164,424	1,001,088,107

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:37:25AM

Land		Value			
Homesite:		11,088,122			
Non Homesite:		83,257,829			
Ag Market:		22,341,368			
Timber Market:		0		Total Land	(+) 116,687,319
Improvement		Value			
Homesite:		18,845,829			
Non Homesite:		118,098,206		Total Improvements	(+) 136,944,035
Non Real		Count	Value		
Personal Property:	90	31,165,745			
Mineral Property:	2	30,170			
Autos:	0	0		Total Non Real	(+) 31,195,915
				Market Value	= 284,827,269
Ag	Non Exempt	Exempt			
Total Productivity Market:	22,341,368	0			
Ag Use:	561,880	0		Productivity Loss	(-) 21,779,488
Timber Use:	0	0		Appraised Value	= 263,047,781
Productivity Loss:	21,779,488	0		Homestead Cap	(-) 1,718,335
				Assessed Value	= 261,329,446
				Total Exemptions Amount (Breakdown on Next Page)	(-) 9,856,594
				Net Taxable	= 251,472,852

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	676,937	666,839	1,805.47	1,805.47	2	
OV65	11,242,564	10,530,795	24,049.05	25,035.86	19	
Total	11,919,501	11,197,634	25,854.52	26,841.33	21	Freeze Taxable (-) 11,197,634
Tax Rate	0.345600					
						Freeze Adjusted Taxable = 240,275,218

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

856,245.67 = 240,275,218 * (0.345600 / 100) + 25,854.52

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:37:26AM

Exemption Breakdown

Exemption	Count	Local	State	Total
CHODO	1	1,563,678	0	1,563,678
DP	2	0	0	0
DV1	1	0	5,000	5,000
DV1S	1	0	5,000	5,000
DV2	1	0	7,500	7,500
DV3	1	0	10,000	10,000
DV4	6	0	60,000	60,000
DV4S	2	0	24,000	24,000
DVHS	1	0	349,282	349,282
EX	1	0	500	500
FR	3	7,163,918	0	7,163,918
HS	77	457,716	0	457,716
OV65	21	200,000	0	200,000
OV65S	1	10,000	0	10,000
Totals		9,395,312	461,282	9,856,594

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

GCO - GUADALUPE COUNTY
Grand Totals

6/3/2015 10:37:25AM

Land		Value			
Homesite:		711,905,757			
Non Homesite:		1,070,211,916			
Ag Market:		1,635,781,119			
Timber Market:		0		Total Land	(+) 3,417,898,792
Improvement		Value			
Homesite:		4,048,615,287			
Non Homesite:		2,646,199,460		Total Improvements	(+) 6,694,814,747
Non Real		Count	Value		
Personal Property:		3,958	1,081,651,742		
Mineral Property:		4,440	109,116,101		
Autos:		0	0	Total Non Real	(+) 1,190,767,843
				Market Value	= 11,303,481,382
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,635,675,180	105,939			
Ag Use:	33,976,032	741		Productivity Loss	(-) 1,601,699,148
Timber Use:	0	0		Appraised Value	= 9,701,782,234
Productivity Loss:	1,601,699,148	105,198		Homestead Cap	(-) 41,021,710
				Assessed Value	= 9,660,760,524
				Total Exemptions Amount (Breakdown on Next Page)	(-) 1,010,944,701
				Net Taxable	= 8,649,815,823

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	135,064,594	109,027,568	317,296.77	363,033.68	1,232		
DPS	2,406,592	2,270,592	6,386.30	6,456.62	18		
OV65	1,096,979,597	936,879,351	2,622,618.57	2,705,747.73	7,953		
Total	1,234,450,783	1,048,177,511	2,946,301.64	3,075,238.03	9,203	Freeze Taxable	(-) 1,048,177,511
Tax Rate	0.345600						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	729,020	699,020	595,115	103,905	4		
OV65	5,979,357	5,440,980	4,397,389	1,043,591	34		
Total	6,708,377	6,140,000	4,992,504	1,147,496	38	Transfer Adjustment	(-) 1,147,496
						Freeze Adjusted Taxable	= 7,600,490,816

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 29,213,597.90 = 7,600,490,816 * (0.345600 / 100) + 2,946,301.64

Tif Zone Code	Tax Increment Loss
2007 TIF	16,000,322
Tax Increment Finance Value:	16,000,322
Tax Increment Finance Levy:	55,297.11

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:37:26AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	11	167,512,021	0	167,512,021
CH	2	62,672	0	62,672
CHODO	1	1,563,678	0	1,563,678
DP	1,335	0	0	0
DPS	19	0	0	0
DV1	746	0	4,073,529	4,073,529
DV1S	91	0	430,000	430,000
DV2	639	0	4,852,500	4,852,500
DV2S	39	0	292,500	292,500
DV3	712	0	7,103,000	7,103,000
DV3S	57	0	507,500	507,500
DV4	2,285	0	21,270,649	21,270,649
DV4S	189	0	2,107,433	2,107,433
DVHS	629	0	108,652,797	108,652,797
EX	1,680	0	160,822,969	160,822,969
EX (Prorated)	29	0	337,504	337,504
EX366	79	0	19,144	19,144
FR	42	166,176,211	0	166,176,211
HS	31,741	154,345,424	0	154,345,424
LIH	2	0	1,156,181	1,156,181
OV65	8,166	78,336,730	0	78,336,730
OV65S	516	5,151,038	0	5,151,038
PC	20	126,051,058	0	126,051,058
SO	5	120,163	0	120,163
Totals		699,318,995	311,625,706	1,010,944,701

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:37:26AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	41,553		\$173,327,734	\$5,909,453,853
B	MULTIFAMILY RESIDENCE	339		\$1,904	\$86,478,980
C	VACANT LOT	5,785		\$0	\$121,056,288
D1	QUALIFIED AG LAND	8,743	361,488.4392	\$0	\$1,613,333,812
D2	NON-QUALIFIED LAND	1,685	14,710.7449	\$0	\$95,451,244
E	FARM OR RANCH IMPROVEMENT	6,207		\$12,727,330	\$471,283,734
F1	COMMERCIAL REAL PROPERTY	1,796		\$26,357,191	\$656,746,094
F2	INDUSTRIAL REAL PROPERTY	93		\$4,975,819	\$605,622,321
G1	OIL AND GAS	4,434		\$0	\$109,073,296
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,493,190
J3	ELECTRIC COMPANY (INCLUDING CO-OP	83		\$0	\$108,795,366
J4	TELEPHONE COMPANY (INCLUDING CO-	66		\$0	\$25,453,999
J5	RAILROAD	17		\$440,094	\$17,896,544
J6	PIPELAND COMPANY	120		\$0	\$17,526,916
J7	CABLE TELEVISION COMPANY	13		\$0	\$6,806,649
L1	COMMERCIAL PERSONAL PROPERTY	2,931		\$0	\$297,390,189
L2	INDUSTRIAL PERSONAL PROPERTY	465		\$69,819,611	\$550,157,317
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,507		\$6,462,703	\$95,901,751
O	RESIDENTIAL INVENTORY	2,079		\$16,974,758	\$53,356,394
S	SPECIAL INVENTORY TAX	55		\$0	\$14,090,597
X	TOTALLY EXEMPT PROPERTY	1,760		\$3,349,400	\$161,009,305
	Totals		376,199.1841	\$314,436,544	\$11,018,654,113

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:37:26AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	227		\$533,742	\$76,074,197
B	MULTIFAMILY RESIDENCE	18		\$0	\$35,822,836
C	VACANT LOT	99		\$0	\$10,357,678
D1	QUALIFIED AG LAND	88	4,628.7082	\$0	\$22,341,368
D2	NON-QUALIFIED LAND	41	970.8538	\$0	\$17,786,552
E	FARM OR RANCH IMPROVEMENT	40		\$9,607	\$3,548,815
F1	COMMERCIAL REAL PROPERTY	132		\$8,218,938	\$79,595,792
F2	INDUSTRIAL REAL PROPERTY	3		\$0	\$5,246,003
G1	OIL AND GAS	2		\$0	\$30,170
L1	COMMERCIAL PERSONAL PROPERTY	87		\$0	\$25,673,789
L2	INDUSTRIAL PERSONAL PROPERTY	3		\$0	\$5,491,956
M1	TANGIBLE OTHER PERSONAL, MOBILE H	36		\$38,875	\$506,640
O	RESIDENTIAL INVENTORY	51		\$152,786	\$787,295
X	TOTALLY EXEMPT PROPERTY	2		\$0	\$1,564,178
		Totals	5,599.5620	\$8,953,948	\$284,827,269

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

GCO - GUADALUPE COUNTY
Grand Totals

6/3/2015 10:37:26AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	41,780		\$173,861,476	\$5,985,528,050
B	MULTIFAMILY RESIDENCE	357		\$1,904	\$122,301,816
C	VACANT LOT	5,884		\$0	\$131,413,966
D1	QUALIFIED AG LAND	8,831	366,117.1474	\$0	\$1,635,675,180
D2	NON-QUALIFIED LAND	1,726	15,681.5987	\$0	\$113,237,796
E	FARM OR RANCH IMPROVEMENT	6,247		\$12,736,937	\$474,832,549
F1	COMMERCIAL REAL PROPERTY	1,928		\$34,576,129	\$736,341,886
F2	INDUSTRIAL REAL PROPERTY	96		\$4,975,819	\$610,868,324
G1	OIL AND GAS	4,436		\$0	\$109,103,466
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,493,190
J3	ELECTRIC COMPANY (INCLUDING CO-OP	83		\$0	\$108,795,366
J4	TELEPHONE COMPANY (INCLUDING CO-	66		\$0	\$25,453,999
J5	RAILROAD	17		\$440,094	\$17,896,544
J6	PIPELAND COMPANY	120		\$0	\$17,526,916
J7	CABLE TELEVISION COMPANY	13		\$0	\$6,806,649
L1	COMMERCIAL PERSONAL PROPERTY	3,018		\$0	\$323,063,978
L2	INDUSTRIAL PERSONAL PROPERTY	468		\$69,819,611	\$555,649,273
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,543		\$6,501,578	\$96,408,391
O	RESIDENTIAL INVENTORY	2,130		\$17,127,544	\$54,143,689
S	SPECIAL INVENTORY TAX	55		\$0	\$14,090,597
X	TOTALLY EXEMPT PROPERTY	1,762		\$3,349,400	\$162,573,483
	Totals		381,798.7461	\$323,390,492	\$11,303,481,382

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:37:26AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	35,572		\$168,111,064	\$5,593,504,136
A11	CONV CODE	2		\$251,230	\$263,580
A2	MOBILE HOME RESIDENTIAL	5,430		\$3,091,646	\$265,475,768
A3	SUBSTANTIAL NON-RES +\$1000	1,005		\$1,688,204	\$42,528,641
A4	LEASEHOLD IMPR RESIDENTIAL	132		\$185,590	\$7,681,728
B1	MULTI-FAMILY RESIDENTIAL	123		\$1,862	\$63,657,690
B2	DUPLEXES RESIDENTIAL	215		\$42	\$22,694,018
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,353		\$0	\$88,501,250
C2	COLONIA LOTS AND LAND TRACTS	428		\$0	\$32,495,423
C3	CONV CODE	6		\$0	\$59,615
D1	ACREAGE RANCH LAND	8,743	361,451.4392	\$0	\$1,613,218,311
D2	NON-QUALIFY LAND	1,685	14,710.7449	\$0	\$95,451,244
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,388		\$11,002,603	\$414,615,021
E2	MOBILE HOMES RURAL	864		\$379,844	\$27,346,230
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,264		\$1,264,694	\$27,425,814
E4	LEASEHOLD IMPR RESIDENTIAL	35		\$80,189	\$1,896,669
F1	REAL COMMERCIAL	1,757		\$26,314,456	\$648,578,195
F2	REAL INDUSTRIAL	93		\$4,975,819	\$605,622,321
F4	COMM/INDUST LEASEHOLD IMPR	39		\$42,735	\$8,167,899
G1	OIL, GAS AND MINERAL RESERVES	4,434		\$0	\$109,073,296
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS COMPANIES	11		\$0	\$1,493,190
J3	ELECTRIC COMPANIES	83		\$0	\$108,795,366
J4	TELEPHONE COMPANIES	66		\$0	\$25,453,999
J5	RAILROADS	17		\$440,094	\$17,896,544
J6	PIPELINES	120		\$0	\$17,526,916
J7	CABLE COMPANIES	13		\$0	\$6,806,649
L1	TANGIBLE COMMERCIAL PERSONAL	2,931		\$0	\$297,390,189
L2	INDUSTRIAL PERSONAL PROPERTY	465		\$69,819,611	\$550,157,317
M1	MOBILE HOMES	4,506		\$6,462,703	\$95,889,861
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	2,076		\$16,850,129	\$53,188,613
O2	INVENTORY-COMMERCIAL	4		\$124,629	\$167,781
S	SPECIAL INVENTORY	55		\$0	\$14,090,597
X	EXEMPT	1,760		\$3,349,400	\$161,009,305
	Totals		376,162.1841	\$314,436,544	\$11,018,654,113

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:37:26AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	192		\$504,971	\$71,534,772
A2	MOBILE HOME RESIDENTIAL	18		\$25,835	\$961,272
A3	SUBSTANTIAL NON-RES +\$1000	26		\$2,936	\$3,578,153
B1	MULTI-FAMILY RESIDENTIAL	11		\$0	\$34,800,280
B2	DUPLEXES RESIDENTIAL	8		\$0	\$1,022,556
C1	VACANT RES & COMM LOTS	57		\$0	\$3,250,153
C2	COLONIA LOTS AND LAND TRACTS	42		\$0	\$7,107,525
D1	ACREAGE RANCH LAND	88	4,628.7082	\$0	\$22,341,368
D2	NON-QUALIFY LAND	41	970.8538	\$0	\$17,786,552
E1	REAL FARM & RANCH IMPROVEMENTS	23		\$3,503	\$3,191,325
E2	MOBILE HOMES RURAL	5		\$0	\$33,368
E3	BARN, SHEDS, SILOS & OTHER BLDGS	16		\$6,104	\$324,122
F1	REAL COMMERCIAL	132		\$8,218,938	\$79,595,792
F2	REAL INDUSTRIAL	3		\$0	\$5,246,003
G1	OIL, GAS AND MINERAL RESERVES	2		\$0	\$30,170
L1	TANGIBLE COMMERCIAL PERSONAL	87		\$0	\$25,673,789
L2	INDUSTRIAL PERSONAL PROPERTY	3		\$0	\$5,491,956
M1	MOBILE HOMES	36		\$38,875	\$506,640
O1	INVENTORY-RESIDENTIAL	51		\$152,786	\$787,295
X	EXEMPT	2		\$0	\$1,564,178
	Totals		5,599.5620	\$8,953,948	\$284,827,269

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:37:26AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	35,764		\$168,616,035	\$5,665,038,908
A11	CONV CODE	2		\$251,230	\$263,580
A2	MOBILE HOME RESIDENTIAL	5,448		\$3,117,481	\$266,437,040
A3	SUBSTANTIAL NON-RES +\$1000	1,031		\$1,691,140	\$46,106,794
A4	LEASEHOLD IMPR RESIDENTIAL	132		\$185,590	\$7,681,728
B1	MULTI-FAMILY RESIDENTIAL	134		\$1,862	\$98,457,970
B2	DUPLEXES RESIDENTIAL	223		\$42	\$23,716,574
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,410		\$0	\$91,751,403
C2	COLONIA LOTS AND LAND TRACTS	470		\$0	\$39,602,948
C3	CONV CODE	6		\$0	\$59,615
D1	ACREAGE RANCH LAND	8,831	366,080.1474	\$0	\$1,635,559,679
D2	NON-QUALIFY LAND	1,726	15,681.5987	\$0	\$113,237,796
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,411		\$11,006,106	\$417,806,346
E2	MOBILE HOMES RURAL	869		\$379,844	\$27,379,598
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,280		\$1,270,798	\$27,749,936
E4	LEASEHOLD IMPR RESIDENTIAL	35		\$80,189	\$1,896,669
F1	REAL COMMERCIAL	1,889		\$34,533,394	\$728,173,987
F2	REAL INDUSTRIAL	96		\$4,975,819	\$610,868,324
F4	COMM/INDUST LEASEHOLD IMPR	39		\$42,735	\$8,167,899
G1	OIL, GAS AND MINERAL RESERVES	4,436		\$0	\$109,103,466
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS COMPANIES	11		\$0	\$1,493,190
J3	ELECTRIC COMPANIES	83		\$0	\$108,795,366
J4	TELEPHONE COMPANIES	66		\$0	\$25,453,999
J5	RAILROADS	17		\$440,094	\$17,896,544
J6	PIPELINES	120		\$0	\$17,526,916
J7	CABLE COMPANIES	13		\$0	\$6,806,649
L1	TANGIBLE COMMERCIAL PERSONAL	3,018		\$0	\$323,063,978
L2	INDUSTRIAL PERSONAL PROPERTY	468		\$69,819,611	\$555,649,273
M1	MOBILE HOMES	4,542		\$6,501,578	\$96,396,501
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	2,127		\$17,002,915	\$53,975,908
O2	INVENTORY-COMMERCIAL	4		\$124,629	\$167,781
S	SPECIAL INVENTORY	55		\$0	\$14,090,597
X	EXEMPT	1,762		\$3,349,400	\$162,573,483
	Totals		381,761.7461	\$323,390,492	\$11,303,481,382

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

GCO - GUADALUPE COUNTY

Effective Rate Assumption

6/3/2015 10:37:26AM

New Value

TOTAL NEW VALUE MARKET: **\$323,390,492**
 TOTAL NEW VALUE TAXABLE: **\$246,686,623**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	48	2010 Market Value	\$1,319,552
EX366	HOUSE BILL 366	23	2010 Market Value	\$48,846
ABSOLUTE EXEMPTIONS VALUE LOSS				\$1,368,398

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	78	\$0
DV1	Disabled Veterans 10% - 29%	34	\$198,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	2	\$7,500
DV2	Disabled Veterans 30% - 49%	61	\$466,500
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	3	\$22,500
DV3	Disabled Veterans 50% - 69%	93	\$922,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	4	\$40,000
DV4	Disabled Veterans 70% - 100%	272	\$2,670,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	18	\$168,000
DVHS	Disabled Veteran Homestead	107	\$19,028,953
HS	HOMESTEAD	1,619	\$7,751,350
OV65	OVER 65	616	\$5,630,663
OV65S	OVER 65 Surviving Spouse	6	\$60,000
PARTIAL EXEMPTIONS VALUE LOSS		2,913	\$36,965,466
TOTAL EXEMPTIONS VALUE LOSS			\$38,333,864

New Ag / Timber Exemptions

2010 Market Value \$45,591 Count: 1
 2011 Ag/Timber Use \$1,450
NEW AG / TIMBER VALUE LOSS \$44,141

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
29,958	\$156,986	\$6,191	\$150,795
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
27,695	\$158,142	\$6,179	\$151,963

GUADALUPE County

2011 CERTIFIED TOTALS
GCO - GUADALUPE COUNTY
Lower Value Used

As of Certification

Count of Protested Properties	Total Market Value	Total Value Used
795	\$284,827,269.00	\$207,858,641

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:37:25AM

Land		Value			
Homesite:		700,817,635			
Non Homesite:		986,954,087			
Ag Market:		1,613,439,751			
Timber Market:		0		Total Land	(+) 3,301,211,473
Improvement		Value			
Homesite:		4,029,769,458			
Non Homesite:		2,528,101,254		Total Improvements	(+) 6,557,870,712
Non Real		Count	Value		
Personal Property:		3,868	1,050,485,997		
Mineral Property:		4,438	109,085,931		
Autos:		0	0	Total Non Real	(+) 1,159,571,928
				Market Value	= 11,018,654,113
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,613,333,812	105,939			
Ag Use:	33,414,152	741		Productivity Loss	(-) 1,579,919,660
Timber Use:	0	0		Appraised Value	= 9,438,734,453
Productivity Loss:	1,579,919,660	105,198		Homestead Cap	(-) 39,303,375
				Assessed Value	= 9,399,431,078
				Total Exemptions Amount	(-) 1,068,284,012
				(Breakdown on Next Page)	
				Net Taxable	= 8,331,147,066

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	134,387,657	105,105,842	48,260.60	55,621.23	1,230		
DPS	2,406,592	2,216,592	978.58	999.40	18		
OV65	1,085,842,434	926,283,873	400,961.52	417,619.61	7,934		
Total	1,222,636,683	1,033,606,307	450,200.70	474,240.24	9,182	Freeze Taxable	(-) 1,033,606,307
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	729,020	687,020	535,007	152,013	4		
OV65	5,816,750	5,291,873	3,997,481	1,294,392	33		
Total	6,545,770	5,978,893	4,532,488	1,446,405	37	Transfer Adjustment	(-) 1,446,405
						Freeze Adjusted Taxable	= 7,296,094,354

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 4,681,935.43 = 7,296,094,354 * (0.058000 / 100) + 450,200.70

Tif Zone Code	Tax Increment Loss
2007 TIF	15,991,322
Tax Increment Finance Value:	15,991,322
Tax Increment Finance Levy:	9,274.97

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015

10:37:26AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	11	167,512,021	0	167,512,021
CH	2	62,672	0	62,672
DP	1,333	0	0	0
DPS	19	0	0	0
DV1	745	0	4,053,014	4,053,014
DV1S	90	0	425,000	425,000
DV2	638	0	4,845,000	4,845,000
DV2S	39	0	292,500	292,500
DV3	711	0	7,090,617	7,090,617
DV3S	57	0	504,487	504,487
DV4	2,279	0	21,096,998	21,096,998
DV4S	187	0	2,064,591	2,064,591
DVHS	628	0	101,615,303	101,615,303
EX	1,679	0	160,822,469	160,822,469
EX (Prorated)	29	0	337,504	337,504
EX366	79	0	19,144	19,144
FR	39	159,012,293	0	159,012,293
HS	31,664	156,883,137	68,578,642	225,461,779
LIH	2	0	1,156,181	1,156,181
OV65	8,145	56,362,850	24,235,693	80,598,543
OV65S	515	3,598,875	1,543,800	5,142,675
PC	20	126,051,058	0	126,051,058
SO	5	120,163	0	120,163
Totals		669,603,069	398,680,943	1,068,284,012

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:37:25AM

Land		Value			
Homesite:		11,088,122			
Non Homesite:		83,257,829			
Ag Market:		22,341,368			
Timber Market:		0		Total Land	(+) 116,687,319
Improvement		Value			
Homesite:		18,845,829			
Non Homesite:		118,098,206		Total Improvements	(+) 136,944,035
Non Real		Count	Value		
Personal Property:	90	31,165,745			
Mineral Property:	2	30,170			
Autos:	0	0		Total Non Real	(+) 31,195,915
				Market Value	= 284,827,269
Ag	Non Exempt	Exempt			
Total Productivity Market:	22,341,368	0			
Ag Use:	561,880	0		Productivity Loss	(-) 21,779,488
Timber Use:	0	0		Appraised Value	= 263,047,781
Productivity Loss:	21,779,488	0		Homestead Cap	(-) 1,718,335
				Assessed Value	= 261,329,446
				Total Exemptions Amount (Breakdown on Next Page)	(-) 10,018,594
				Net Taxable	= 251,310,852

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	676,937	660,839	272.22	272.22	2			
OV65	11,242,564	10,530,795	3,708.42	3,871.35	19			
Total	11,919,501	11,191,634	3,980.64	4,143.57	21	Freeze Taxable	(-) 11,191,634	
Tax Rate	0.058000							
						Freeze Adjusted Taxable	= 240,119,218	

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

143,249.79 = 240,119,218 * (0.058000 / 100) + 3,980.64

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015

10:37:26AM

Exemption Breakdown

Exemption	Count	Local	State	Total
CHODO	1	1,563,678	0	1,563,678
DP	2	0	0	0
DV1	1	0	5,000	5,000
DV1S	1	0	5,000	5,000
DV2	1	0	7,500	7,500
DV3	1	0	10,000	10,000
DV4	6	0	60,000	60,000
DV4S	2	0	24,000	24,000
DVHS	1	0	334,282	334,282
EX	1	0	500	500
FR	3	7,163,918	0	7,163,918
HS	77	462,716	162,000	624,716
OV65	21	147,000	63,000	210,000
OV65S	1	7,000	3,000	10,000
Totals		9,344,312	674,282	10,018,594

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:37:25AM

Land		Value			
Homesite:		711,905,757			
Non Homesite:		1,070,211,916			
Ag Market:		1,635,781,119			
Timber Market:		0		Total Land	(+) 3,417,898,792
Improvement		Value			
Homesite:		4,048,615,287			
Non Homesite:		2,646,199,460		Total Improvements	(+) 6,694,814,747
Non Real		Count	Value		
Personal Property:		3,958	1,081,651,742		
Mineral Property:		4,440	109,116,101		
Autos:		0	0	Total Non Real	(+) 1,190,767,843
				Market Value	= 11,303,481,382
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,635,675,180	105,939			
Ag Use:	33,976,032	741		Productivity Loss	(-) 1,601,699,148
Timber Use:	0	0		Appraised Value	= 9,701,782,234
Productivity Loss:	1,601,699,148	105,198		Homestead Cap	(-) 41,021,710
				Assessed Value	= 9,660,760,524
				Total Exemptions Amount	(-) 1,078,302,606
				(Breakdown on Next Page)	
				Net Taxable	= 8,582,457,918

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	135,064,594	105,766,681	48,532.82	55,893.45	1,232		
DPS	2,406,592	2,216,592	978.58	999.40	18		
OV65	1,097,084,998	936,814,668	404,669.94	421,490.96	7,953		
Total	1,234,556,184	1,044,797,941	454,181.34	478,383.81	9,203	Freeze Taxable	(-) 1,044,797,941
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	729,020	687,020	535,007	152,013	4		
OV65	5,816,750	5,291,873	3,997,481	1,294,392	33		
Total	6,545,770	5,978,893	4,532,488	1,446,405	37	Transfer Adjustment	(-) 1,446,405
						Freeze Adjusted Taxable	= 7,536,213,572

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 4,825,185.21 = 7,536,213,572 * (0.058000 / 100) + 454,181.34

Tif Zone Code	Tax Increment Loss
2007 TIF	15,991,322
Tax Increment Finance Value:	15,991,322
Tax Increment Finance Levy:	9,274.97

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

LTR - LATERAL ROAD
Grand Totals

6/3/2015

10:37:26AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	11	167,512,021	0	167,512,021
CH	2	62,672	0	62,672
CHODO	1	1,563,678	0	1,563,678
DP	1,335	0	0	0
DPS	19	0	0	0
DV1	746	0	4,058,014	4,058,014
DV1S	91	0	430,000	430,000
DV2	639	0	4,852,500	4,852,500
DV2S	39	0	292,500	292,500
DV3	712	0	7,100,617	7,100,617
DV3S	57	0	504,487	504,487
DV4	2,285	0	21,156,998	21,156,998
DV4S	189	0	2,088,591	2,088,591
DVHS	629	0	101,949,585	101,949,585
EX	1,680	0	160,822,969	160,822,969
EX (Prorated)	29	0	337,504	337,504
EX366	79	0	19,144	19,144
FR	42	166,176,211	0	166,176,211
HS	31,741	157,345,853	68,740,642	226,086,495
LIH	2	0	1,156,181	1,156,181
OV65	8,166	56,509,850	24,298,693	80,808,543
OV65S	516	3,605,875	1,546,800	5,152,675
PC	20	126,051,058	0	126,051,058
SO	5	120,163	0	120,163
Totals		678,947,381	399,355,225	1,078,302,606

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:37:26AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	41,553		\$173,327,734	\$5,909,453,853
B	MULTIFAMILY RESIDENCE	339		\$1,904	\$86,478,980
C	VACANT LOT	5,785		\$0	\$121,056,288
D1	QUALIFIED AG LAND	8,743	361,488.4392	\$0	\$1,613,333,812
D2	NON-QUALIFIED LAND	1,685	14,710.7449	\$0	\$95,451,244
E	FARM OR RANCH IMPROVEMENT	6,207		\$12,727,330	\$471,283,734
F1	COMMERCIAL REAL PROPERTY	1,796		\$26,357,191	\$656,746,094
F2	INDUSTRIAL REAL PROPERTY	93		\$4,975,819	\$605,622,321
G1	OIL AND GAS	4,434		\$0	\$109,073,296
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,493,190
J3	ELECTRIC COMPANY (INCLUDING CO-OP	83		\$0	\$108,795,366
J4	TELEPHONE COMPANY (INCLUDING CO-	66		\$0	\$25,453,999
J5	RAILROAD	17		\$440,094	\$17,896,544
J6	PIPELAND COMPANY	120		\$0	\$17,526,916
J7	CABLE TELEVISION COMPANY	13		\$0	\$6,806,649
L1	COMMERCIAL PERSONAL PROPERTY	2,931		\$0	\$297,390,189
L2	INDUSTRIAL PERSONAL PROPERTY	465		\$69,819,611	\$550,157,317
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,507		\$6,462,703	\$95,901,751
O	RESIDENTIAL INVENTORY	2,079		\$16,974,758	\$53,356,394
S	SPECIAL INVENTORY TAX	55		\$0	\$14,090,597
X	TOTALLY EXEMPT PROPERTY	1,760		\$3,349,400	\$161,009,305
	Totals		376,199.1841	\$314,436,544	\$11,018,654,113

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:37:26AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	227		\$533,742	\$76,074,197
B	MULTIFAMILY RESIDENCE	18		\$0	\$35,822,836
C	VACANT LOT	99		\$0	\$10,357,678
D1	QUALIFIED AG LAND	88	4,628.7082	\$0	\$22,341,368
D2	NON-QUALIFIED LAND	41	970.8538	\$0	\$17,786,552
E	FARM OR RANCH IMPROVEMENT	40		\$9,607	\$3,548,815
F1	COMMERCIAL REAL PROPERTY	132		\$8,218,938	\$79,595,792
F2	INDUSTRIAL REAL PROPERTY	3		\$0	\$5,246,003
G1	OIL AND GAS	2		\$0	\$30,170
L1	COMMERCIAL PERSONAL PROPERTY	87		\$0	\$25,673,789
L2	INDUSTRIAL PERSONAL PROPERTY	3		\$0	\$5,491,956
M1	TANGIBLE OTHER PERSONAL, MOBILE H	36		\$38,875	\$506,640
O	RESIDENTIAL INVENTORY	51		\$152,786	\$787,295
X	TOTALLY EXEMPT PROPERTY	2		\$0	\$1,564,178
	Totals		5,599.5620	\$8,953,948	\$284,827,269

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:37:26AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	41,780		\$173,861,476	\$5,985,528,050
B	MULTIFAMILY RESIDENCE	357		\$1,904	\$122,301,816
C	VACANT LOT	5,884		\$0	\$131,413,966
D1	QUALIFIED AG LAND	8,831	366,117.1474	\$0	\$1,635,675,180
D2	NON-QUALIFIED LAND	1,726	15,681.5987	\$0	\$113,237,796
E	FARM OR RANCH IMPROVEMENT	6,247		\$12,736,937	\$474,832,549
F1	COMMERCIAL REAL PROPERTY	1,928		\$34,576,129	\$736,341,886
F2	INDUSTRIAL REAL PROPERTY	96		\$4,975,819	\$610,868,324
G1	OIL AND GAS	4,436		\$0	\$109,103,466
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,493,190
J3	ELECTRIC COMPANY (INCLUDING CO-OP	83		\$0	\$108,795,366
J4	TELEPHONE COMPANY (INCLUDING CO-	66		\$0	\$25,453,999
J5	RAILROAD	17		\$440,094	\$17,896,544
J6	PIPELAND COMPANY	120		\$0	\$17,526,916
J7	CABLE TELEVISION COMPANY	13		\$0	\$6,806,649
L1	COMMERCIAL PERSONAL PROPERTY	3,018		\$0	\$323,063,978
L2	INDUSTRIAL PERSONAL PROPERTY	468		\$69,819,611	\$555,649,273
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,543		\$6,501,578	\$96,408,391
O	RESIDENTIAL INVENTORY	2,130		\$17,127,544	\$54,143,689
S	SPECIAL INVENTORY TAX	55		\$0	\$14,090,597
X	TOTALLY EXEMPT PROPERTY	1,762		\$3,349,400	\$162,573,483
	Totals		381,798.7461	\$323,390,492	\$11,303,481,382

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 79,318

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:37:26AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	35,572		\$168,111,064	\$5,593,504,136
A11	CONV CODE	2		\$251,230	\$263,580
A2	MOBILE HOME RESIDENTIAL	5,430		\$3,091,646	\$265,475,768
A3	SUBSTANTIAL NON-RES +\$1000	1,005		\$1,688,204	\$42,528,641
A4	LEASEHOLD IMPR RESIDENTIAL	132		\$185,590	\$7,681,728
B1	MULTI-FAMILY RESIDENTIAL	123		\$1,862	\$63,657,690
B2	DUPLEXES RESIDENTIAL	215		\$42	\$22,694,018
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,353		\$0	\$88,501,250
C2	COLONIA LOTS AND LAND TRACTS	428		\$0	\$32,495,423
C3	CONV CODE	6		\$0	\$59,615
D1	ACREAGE RANCH LAND	8,743	361,451.4392	\$0	\$1,613,218,311
D2	NON-QUALIFY LAND	1,685	14,710.7449	\$0	\$95,451,244
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,388		\$11,002,603	\$414,615,021
E2	MOBILE HOMES RURAL	864		\$379,844	\$27,346,230
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,264		\$1,264,694	\$27,425,814
E4	LEASEHOLD IMPR RESIDENTIAL	35		\$80,189	\$1,896,669
F1	REAL COMMERCIAL	1,757		\$26,314,456	\$648,578,195
F2	REAL INDUSTRIAL	93		\$4,975,819	\$605,622,321
F4	COMM/INDUST LEASEHOLD IMPR	39		\$42,735	\$8,167,899
G1	OIL, GAS AND MINERAL RESERVES	4,434		\$0	\$109,073,296
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS COMPANIES	11		\$0	\$1,493,190
J3	ELECTRIC COMPANIES	83		\$0	\$108,795,366
J4	TELEPHONE COMPANIES	66		\$0	\$25,453,999
J5	RAILROADS	17		\$440,094	\$17,896,544
J6	PIPELINES	120		\$0	\$17,526,916
J7	CABLE COMPANIES	13		\$0	\$6,806,649
L1	TANGIBLE COMMERCIAL PERSONAL	2,931		\$0	\$297,390,189
L2	INDUSTRIAL PERSONAL PROPERTY	465		\$69,819,611	\$550,157,317
M1	MOBILE HOMES	4,506		\$6,462,703	\$95,889,861
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	2,076		\$16,850,129	\$53,188,613
O2	INVENTORY-COMMERCIAL	4		\$124,629	\$167,781
S	SPECIAL INVENTORY	55		\$0	\$14,090,597
X	EXEMPT	1,760		\$3,349,400	\$161,009,305
	Totals		376,162.1841	\$314,436,544	\$11,018,654,113

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 795

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:37:26AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	192		\$504,971	\$71,534,772
A2	MOBILE HOME RESIDENTIAL	18		\$25,835	\$961,272
A3	SUBSTANTIAL NON-RES +\$1000	26		\$2,936	\$3,578,153
B1	MULTI-FAMILY RESIDENTIAL	11		\$0	\$34,800,280
B2	DUPLEXES RESIDENTIAL	8		\$0	\$1,022,556
C1	VACANT RES & COMM LOTS	57		\$0	\$3,250,153
C2	COLONIA LOTS AND LAND TRACTS	42		\$0	\$7,107,525
D1	ACREAGE RANCH LAND	88	4,628.7082	\$0	\$22,341,368
D2	NON-QUALIFY LAND	41	970.8538	\$0	\$17,786,552
E1	REAL FARM & RANCH IMPROVEMENTS	23		\$3,503	\$3,191,325
E2	MOBILE HOMES RURAL	5		\$0	\$33,368
E3	BARNs, SHEDS, SILOS & OTHER BLDGS	16		\$6,104	\$324,122
F1	REAL COMMERCIAL	132		\$8,218,938	\$79,595,792
F2	REAL INDUSTRIAL	3		\$0	\$5,246,003
G1	OIL, GAS AND MINERAL RESERVES	2		\$0	\$30,170
L1	TANGIBLE COMMERCIAL PERSONAL	87		\$0	\$25,673,789
L2	INDUSTRIAL PERSONAL PROPERTY	3		\$0	\$5,491,956
M1	MOBILE HOMES	36		\$38,875	\$506,640
O1	INVENTORY-RESIDENTIAL	51		\$152,786	\$787,295
X	EXEMPT	2		\$0	\$1,564,178
	Totals		5,599.5620	\$8,953,948	\$284,827,269

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:37:26AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	35,764		\$168,616,035	\$5,665,038,908
A11	CONV CODE	2		\$251,230	\$263,580
A2	MOBILE HOME RESIDENTIAL	5,448		\$3,117,481	\$266,437,040
A3	SUBSTANTIAL NON-RES +\$1000	1,031		\$1,691,140	\$46,106,794
A4	LEASEHOLD IMPR RESIDENTIAL	132		\$185,590	\$7,681,728
B1	MULTI-FAMILY RESIDENTIAL	134		\$1,862	\$98,457,970
B2	DUPLEXES RESIDENTIAL	223		\$42	\$23,716,574
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,410		\$0	\$91,751,403
C2	COLONIA LOTS AND LAND TRACTS	470		\$0	\$39,602,948
C3	CONV CODE	6		\$0	\$59,615
D1	ACREAGE RANCH LAND	8,831	366,080.1474	\$0	\$1,635,559,679
D2	NON-QUALIFY LAND	1,726	15,681.5987	\$0	\$113,237,796
D3	CULTIVATED LAND	1		\$0	\$14,121
D5	NATIVE PASTURE LAND	1		\$0	\$101,380
E1	REAL FARM & RANCH IMPROVEMENTS	3,411		\$11,006,106	\$417,806,346
E2	MOBILE HOMES RURAL	869		\$379,844	\$27,379,598
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,280		\$1,270,798	\$27,749,936
E4	LEASEHOLD IMPR RESIDENTIAL	35		\$80,189	\$1,896,669
F1	REAL COMMERCIAL	1,889		\$34,533,394	\$728,173,987
F2	REAL INDUSTRIAL	96		\$4,975,819	\$610,868,324
F4	COMM/INDUST LEASEHOLD IMPR	39		\$42,735	\$8,167,899
G1	OIL, GAS AND MINERAL RESERVES	4,436		\$0	\$109,103,466
J1	WATER SYSTEMS	8		\$0	\$276,274
J2	GAS COMPANIES	11		\$0	\$1,493,190
J3	ELECTRIC COMPANIES	83		\$0	\$108,795,366
J4	TELEPHONE COMPANIES	66		\$0	\$25,453,999
J5	RAILROADS	17		\$440,094	\$17,896,544
J6	PIPELINES	120		\$0	\$17,526,916
J7	CABLE COMPANIES	13		\$0	\$6,806,649
L1	TANGIBLE COMMERCIAL PERSONAL	3,018		\$0	\$323,063,978
L2	INDUSTRIAL PERSONAL PROPERTY	468		\$69,819,611	\$555,649,273
M1	MOBILE HOMES	4,542		\$6,501,578	\$96,396,501
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	2,127		\$17,002,915	\$53,975,908
O2	INVENTORY-COMMERCIAL	4		\$124,629	\$167,781
S	SPECIAL INVENTORY	55		\$0	\$14,090,597
X	EXEMPT	1,762		\$3,349,400	\$162,573,483
	Totals		381,761.7461	\$323,390,492	\$11,303,481,382

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 80,113

LTR - LATERAL ROAD
Effective Rate Assumption

6/3/2015 10:37:26AM

New Value

TOTAL NEW VALUE MARKET: **\$323,390,492**
TOTAL NEW VALUE TAXABLE: **\$246,549,323**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	48	2010 Market Value	\$1,319,552
EX366	HOUSE BILL 366	23	2010 Market Value	\$48,846
ABSOLUTE EXEMPTIONS VALUE LOSS				\$1,368,398

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	78	\$0
DV1	Disabled Veterans 10% - 29%	34	\$198,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	2	\$7,500
DV2	Disabled Veterans 30% - 49%	61	\$466,500
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	3	\$22,500
DV3	Disabled Veterans 50% - 69%	93	\$922,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	4	\$40,000
DV4	Disabled Veterans 70% - 100%	272	\$2,670,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	18	\$168,000
DVHS	Disabled Veteran Homestead	107	\$17,955,953
HS	HOMESTEAD	1,619	\$11,955,131
OV65	OVER 65	616	\$6,050,663
OV65S	OVER 65 Surviving Spouse	6	\$60,000
PARTIAL EXEMPTIONS VALUE LOSS		2,913	\$40,516,247
TOTAL EXEMPTIONS VALUE LOSS			\$41,884,645

New Ag / Timber Exemptions

2010 Market Value \$45,591 Count: 1
2011 Ag/Timber Use \$1,450
NEW AG / TIMBER VALUE LOSS \$44,141

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
29,958	\$156,986	\$8,448	\$148,538
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
27,695	\$158,142	\$8,479	\$149,663

GUADALUPE County

2011 CERTIFIED TOTALS

As of Certification

LTR - LATERAL ROAD
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
795	\$284,827,269.00	\$207,696,922

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:42:16AM

Land		Value			
Homesite:		732,961,728			
Non Homesite:		1,015,688,054			
Ag Market:		1,633,449,342			
Timber Market:		0		Total Land	(+) 3,382,099,124
Improvement		Value			
Homesite:		4,068,583,970			
Non Homesite:		2,888,950,675		Total Improvements	(+) 6,957,534,645
Non Real		Count	Value		
Personal Property:	4,030	1,268,821,229			
Mineral Property:	5,867	190,742,592			
Autos:	0	0		Total Non Real	(+) 1,459,563,821
				Market Value	= 11,799,197,590
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,633,343,403	105,939			
Ag Use:	33,385,429	752		Productivity Loss	(-) 1,599,957,974
Timber Use:	0	0		Appraised Value	= 10,199,239,616
Productivity Loss:	1,599,957,974	105,187		Homestead Cap	(-) 41,978,602
				Assessed Value	= 10,157,261,014
				Total Exemptions Amount (Breakdown on Next Page)	(-) 1,344,712,063
				Net Taxable	= 8,812,548,951

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	142,958,579	117,690,173	346,131.44	386,512.36	1,279		
DPS	2,800,568	2,353,549	6,647.31	7,392.23	24		
OV65	1,160,956,454	984,049,354	2,768,384.30	2,879,395.15	8,255		
Total	1,306,715,601	1,104,093,076	3,121,163.05	3,273,299.74	9,558	Freeze Taxable	(-) 1,104,093,076
Tax Rate	0.345600						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	959,348	939,348	857,988	81,360	4		
OV65	5,298,852	4,766,184	4,034,902	731,282	32		
Total	6,258,200	5,705,532	4,892,890	812,642	36	Transfer Adjustment	(-) 812,642
						Freeze Adjusted Taxable	= 7,707,643,233

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 29,758,778.06 = 7,707,643,233 * (0.345600 / 100) + 3,121,163.05

Tif Zone Code	Tax Increment Loss
2007 TIF	16,162,710
Tax Increment Finance Value:	16,162,710
Tax Increment Finance Levy:	55,858.33

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015

10:42:18AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	17	202,257,598	0	202,257,598
CH	2	62,672	0	62,672
CHODO	1	535,292	0	535,292
DP	1,397	0	0	0
DPS	28	0	0	0
DV1	727	0	3,893,756	3,893,756
DV1S	87	0	407,500	407,500
DV2	672	0	5,095,500	5,095,500
DV2S	35	0	262,500	262,500
DV3	759	0	7,521,001	7,521,001
DV3S	62	0	557,500	557,500
DV4	2,529	0	23,200,093	23,200,093
DV4S	238	0	2,454,000	2,454,000
DVHS	764	0	132,122,938	132,122,938
DVHSS	17	0	2,934,457	2,934,457
EX	1,701	0	163,592,724	163,592,724
EX (Prorated)	44	0	203,983,572	203,983,572
EX366	91	0	21,425	21,425
FR	49	180,400,824	0	180,400,824
HS	31,972	154,065,036	0	154,065,036
LIH	2	0	1,967,919	1,967,919
OV65	8,488	80,372,859	0	80,372,859
OV65S	559	5,481,706	0	5,481,706
PC	22	173,372,078	0	173,372,078
SO	6	149,113	0	149,113
Totals		796,697,178	548,014,885	1,344,712,063

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:42:16AM

Land		Value			
Homesite:		9,876,875			
Non Homesite:		81,621,315			
Ag Market:		27,525,671			
Timber Market:		0		Total Land	(+) 119,023,861
Improvement		Value			
Homesite:		29,685,799			
Non Homesite:		88,925,897		Total Improvements	(+) 118,611,696
Non Real		Count	Value		
Personal Property:	61	10,596,391			
Mineral Property:	3	169,327			
Autos:	0	0		Total Non Real	(+) 10,765,718
				Market Value	= 248,401,275
Ag	Non Exempt	Exempt			
Total Productivity Market:	27,525,671	0			
Ag Use:	583,535	0		Productivity Loss	(-) 26,942,136
Timber Use:	0	0		Appraised Value	= 221,459,139
Productivity Loss:	26,942,136	0		Homestead Cap	(-) 1,125,521
				Assessed Value	= 220,333,618
				Total Exemptions Amount (Breakdown on Next Page)	(-) 2,110,426
				Net Taxable	= 218,223,192

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	310,069	292,569	890.67	944.42	4	
OV65	8,349,180	7,541,023	22,388.41	23,302.15	35	
Total	8,659,249	7,833,592	23,279.08	24,246.57	39	Freeze Taxable (-) 7,833,592
Tax Rate	0.345600					
						Freeze Adjusted Taxable = 210,389,600

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

750,385.54 = 210,389,600 * (0.345600 / 100) + 23,279.08

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:42:18AM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	5	0	0	0
DV1	1	0	5,000	5,000
DV4	8	0	72,000	72,000
DVHS	6	0	840,479	840,479
EX366	1	0	430	430
HS	161	790,306	0	790,306
OV65	42	382,211	0	382,211
OV65S	2	20,000	0	20,000
Totals		1,192,517	917,909	2,110,426

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

GCO - GUADALUPE COUNTY
Grand Totals

6/3/2015 10:42:16AM

Land		Value			
Homesite:		742,838,603			
Non Homesite:		1,097,309,369			
Ag Market:		1,660,975,013			
Timber Market:		0		Total Land	(+) 3,501,122,985
Improvement		Value			
Homesite:		4,098,269,769			
Non Homesite:		2,977,876,572		Total Improvements	(+) 7,076,146,341
Non Real		Count	Value		
Personal Property:	4,091	1,279,417,620			
Mineral Property:	5,870	190,911,919			
Autos:	0	0		Total Non Real	(+) 1,470,329,539
				Market Value	= 12,047,598,865
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,660,869,074	105,939			
Ag Use:	33,968,964	752		Productivity Loss	(-) 1,626,900,110
Timber Use:	0	0		Appraised Value	= 10,420,698,755
Productivity Loss:	1,626,900,110	105,187		Homestead Cap	(-) 43,104,123
				Assessed Value	= 10,377,594,632
				Total Exemptions Amount	(-) 1,346,822,489
				(Breakdown on Next Page)	
				Net Taxable	= 9,030,772,143

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	143,268,648	117,982,742	347,022.11	387,456.78	1,283		
DPS	2,800,568	2,353,549	6,647.31	7,392.23	24		
OV65	1,169,305,634	991,590,377	2,790,772.71	2,902,697.30	8,290		
Total	1,315,374,850	1,111,926,668	3,144,442.13	3,297,546.31	9,597	Freeze Taxable	(-) 1,111,926,668
Tax Rate	0.345600						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	959,348	939,348	857,988	81,360	4		
OV65	5,298,852	4,766,184	4,034,902	731,282	32		
Total	6,258,200	5,705,532	4,892,890	812,642	36	Transfer Adjustment	(-) 812,642
						Freeze Adjusted Taxable	= 7,918,032,833

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 30,509,163.60 = 7,918,032,833 * (0.345600 / 100) + 3,144,442.13

Tif Zone Code	Tax Increment Loss
2007 TIF	16,162,710
Tax Increment Finance Value:	16,162,710
Tax Increment Finance Levy:	55,858.33

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:42:18AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	17	202,257,598	0	202,257,598
CH	2	62,672	0	62,672
CHODO	1	535,292	0	535,292
DP	1,402	0	0	0
DPS	28	0	0	0
DV1	728	0	3,898,756	3,898,756
DV1S	87	0	407,500	407,500
DV2	672	0	5,095,500	5,095,500
DV2S	35	0	262,500	262,500
DV3	759	0	7,521,001	7,521,001
DV3S	62	0	557,500	557,500
DV4	2,537	0	23,272,093	23,272,093
DV4S	238	0	2,454,000	2,454,000
DVHS	770	0	132,963,417	132,963,417
DVHSS	17	0	2,934,457	2,934,457
EX	1,701	0	163,592,724	163,592,724
EX (Prorated)	44	0	203,983,572	203,983,572
EX366	92	0	21,855	21,855
FR	49	180,400,824	0	180,400,824
HS	32,133	154,855,342	0	154,855,342
LIH	2	0	1,967,919	1,967,919
OV65	8,530	80,755,070	0	80,755,070
OV65S	561	5,501,706	0	5,501,706
PC	22	173,372,078	0	173,372,078
SO	6	149,113	0	149,113
Totals		797,889,695	548,932,794	1,346,822,489

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:42:18AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	42,449		\$146,116,960	\$6,088,334,485
B	MULTIFAMILY RESIDENCE	355		\$11,742,197	\$139,097,810
C	VACANT LOT	5,938		\$0	\$125,910,678
D1	QUALIFIED AG LAND	8,707	358,804.6088	\$0	\$1,633,343,403
D2	NON-QUALIFIED LAND	1,703	16,518.9919	\$0	\$102,043,692
E	FARM OR RANCH IMPROVEMENT	6,328		\$12,185,992	\$487,539,255
F1	COMMERCIAL REAL PROPERTY	1,837		\$25,377,386	\$695,897,788
F2	INDUSTRIAL REAL PROPERTY	97		\$6,523,436	\$855,520,444
G1	OIL AND GAS	5,859		\$0	\$190,711,312
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,539,516
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$506,909	\$21,819,731
J5	RAILROAD	17		\$0	\$19,093,220
J6	PIPELAND COMPANY	124		\$0	\$21,359,063
J7	CABLE TELEVISION COMPANY	13		\$0	\$7,856,677
L1	COMMERCIAL PERSONAL PROPERTY	3,100		\$20,389	\$367,291,636
L2	INDUSTRIAL PERSONAL PROPERTY	451		\$90,798,376	\$645,195,269
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,718		\$4,837,032	\$97,341,810
O	RESIDENTIAL INVENTORY	250		\$229,136	\$4,825,069
S	SPECIAL INVENTORY TAX	62		\$0	\$18,026,715
X	TOTALLY EXEMPT PROPERTY	1,795		\$2,687,418	\$164,212,113
	Totals		375,323.6007	\$301,386,910	\$11,799,197,590

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:42:18AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	435		\$19,169,033	\$99,195,854
B	MULTIFAMILY RESIDENCE	13		\$0	\$1,596,352
C	VACANT LOT	1,280		\$0	\$33,468,190
D1	QUALIFIED AG LAND	112	5,599.0600	\$0	\$27,525,671
D2	NON-QUALIFIED LAND	43	813.4031	\$0	\$10,660,101
E	FARM OR RANCH IMPROVEMENT	67		\$253,225	\$7,390,299
F1	COMMERCIAL REAL PROPERTY	108		\$3,458,066	\$49,243,819
F2	INDUSTRIAL REAL PROPERTY	6		\$0	\$8,209,197
G1	OIL AND GAS	3		\$0	\$169,327
L1	COMMERCIAL PERSONAL PROPERTY	52		\$0	\$10,186,763
L2	INDUSTRIAL PERSONAL PROPERTY	8		\$0	\$409,198
M1	TANGIBLE OTHER PERSONAL, MOBILE H	15		\$22,531	\$316,074
O	RESIDENTIAL INVENTORY	2		\$0	\$30,000
X	TOTALLY EXEMPT PROPERTY	1		\$0	\$430
	Totals		6,412.4631	\$22,902,855	\$248,401,275

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:42:18AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	42,884		\$165,285,993	\$6,187,530,339
B	MULTIFAMILY RESIDENCE	368		\$11,742,197	\$140,694,162
C	VACANT LOT	7,218		\$0	\$159,378,868
D1	QUALIFIED AG LAND	8,819	364,403.6688	\$0	\$1,660,869,074
D2	NON-QUALIFIED LAND	1,746	17,332.3950	\$0	\$112,703,793
E	FARM OR RANCH IMPROVEMENT	6,395		\$12,439,217	\$494,929,554
F1	COMMERCIAL REAL PROPERTY	1,945		\$28,835,452	\$745,141,607
F2	INDUSTRIAL REAL PROPERTY	103		\$6,523,436	\$863,729,641
G1	OIL AND GAS	5,862		\$0	\$190,880,639
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,539,516
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$506,909	\$21,819,731
J5	RAILROAD	17		\$0	\$19,093,220
J6	PIPELAND COMPANY	124		\$0	\$21,359,063
J7	CABLE TELEVISION COMPANY	13		\$0	\$7,856,677
L1	COMMERCIAL PERSONAL PROPERTY	3,152		\$20,389	\$377,478,399
L2	INDUSTRIAL PERSONAL PROPERTY	459		\$90,798,376	\$645,604,467
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,733		\$4,859,563	\$97,657,884
O	RESIDENTIAL INVENTORY	252		\$229,136	\$4,855,069
S	SPECIAL INVENTORY TAX	62		\$0	\$18,026,715
X	TOTALLY EXEMPT PROPERTY	1,796		\$2,687,418	\$164,212,543
	Totals		381,736.0638	\$324,289,765	\$12,047,598,865

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:42:18AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	36,397		\$142,402,737	\$5,763,867,131
A2	MOBILE HOME RESIDENTIAL	5,462		\$1,820,251	\$267,405,178
A3	SUBSTANTIAL NON-RES +\$1000	1,078		\$1,748,240	\$48,955,766
A4	LEASEHOLD IMPR RESIDENTIAL	138		\$145,732	\$8,106,410
B1	MULTI-FAMILY RESIDENTIAL	133		\$10,769,978	\$115,019,979
B2	DUPLEXES RESIDENTIAL	222		\$972,219	\$23,950,559
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,440		\$0	\$84,013,366
C2	COLONIA LOTS AND LAND TRACTS	504		\$0	\$41,897,312
D1	ACREAGE RANCH LAND	8,707	358,767.6088	\$0	\$1,633,235,706
D2	NON-QUALIFY LAND	1,703	16,518.9919	\$0	\$102,043,692
D3	CULTIVATED LAND	1		\$0	\$15,533
D5	NATIVE PASTURE LAND	1		\$0	\$92,164
E1	REAL FARM & RANCH IMPROVEMENTS	3,424		\$9,822,950	\$427,222,657
E2	MOBILE HOMES RURAL	887		\$875,655	\$29,337,933
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,339		\$1,487,222	\$29,163,414
E4	LEASEHOLD IMPR RESIDENTIAL	37		\$165	\$1,815,251
F1	REAL COMMERCIAL	1,803		\$25,377,386	\$690,553,684
F2	REAL INDUSTRIAL	97		\$6,523,436	\$855,520,444
F4	COMM/INDUST LEASEHOLD IMPR	35		\$0	\$5,344,104
G1	OIL, GAS AND MINERAL RESERVES	5,859		\$0	\$190,711,312
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS COMPANIES	11		\$0	\$1,539,516
J3	ELECTRIC COMPANIES	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANIES	54		\$506,909	\$21,819,731
J5	RAILROADS	17		\$0	\$19,093,220
J6	PIPELINES	124		\$0	\$21,359,063
J7	CABLE COMPANIES	13		\$0	\$7,856,677
L1	TANGIBLE COMMERCIAL PERSONAL	3,100		\$20,389	\$367,291,636
L2	INDUSTRIAL PERSONAL PROPERTY	451		\$90,798,376	\$645,195,269
M1	MOBILE HOMES	4,717		\$4,837,032	\$97,329,920
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	247		\$229,136	\$4,731,242
O2	INVENTORY-COMMERCIAL	3		\$0	\$93,827
S	SPECIAL INVENTORY	62		\$0	\$18,026,715
X	EXEMPT	1,795		\$2,687,418	\$164,212,113
	Totals		375,286.6007	\$301,386,910	\$11,799,197,590

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:42:18AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	392		\$19,017,173	\$94,317,086
A2	MOBILE HOME RESIDENTIAL	20		\$5,205	\$1,227,997
A3	SUBSTANTIAL NON-RES +\$1000	35		\$146,655	\$3,490,389
A4	LEASEHOLD IMPR RESIDENTIAL	2		\$0	\$160,382
B1	MULTI-FAMILY RESIDENTIAL	5		\$0	\$922,599
B2	DUPLEXES RESIDENTIAL	8		\$0	\$673,753
C1	VACANT RES & COMM LOTS	1,210		\$0	\$25,513,867
C2	COLONIA LOTS AND LAND TRACTS	70		\$0	\$7,954,323
D1	ACREAGE RANCH LAND	112	5,599.0600	\$0	\$27,525,671
D2	NON-QUALIFY LAND	43	813.4031	\$0	\$10,660,101
E1	REAL FARM & RANCH IMPROVEMENTS	41		\$237,167	\$6,720,892
E2	MOBILE HOMES RURAL	9		\$0	\$190,956
E3	BARNS,SHEDS,SILOS & OTHER BLDGS	23		\$16,058	\$478,451
F1	REAL COMMERCIAL	106		\$3,458,066	\$47,500,030
F2	REAL INDUSTRIAL	6		\$0	\$8,209,197
F4	COMM/INDUST LEASEHOLD IMPR	2		\$0	\$1,743,789
G1	OIL, GAS AND MINERAL RESERVES	3		\$0	\$169,327
L1	TANGIBLE COMMERCIAL PERSONAL	52		\$0	\$10,186,763
L2	INDUSTRIAL PERSONAL PROPERTY	8		\$0	\$409,198
M1	MOBILE HOMES	15		\$22,531	\$316,074
O1	INVENTORY-RESIDENTIAL	2		\$0	\$30,000
X	EXEMPT	1		\$0	\$430
	Totals		6,412.4631	\$22,902,855	\$248,401,275

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

GCO - GUADALUPE COUNTY
Grand Totals

6/3/2015 10:42:18AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	36,789		\$161,419,910	\$5,858,184,217
A2	MOBILE HOME RESIDENTIAL	5,482		\$1,825,456	\$268,633,175
A3	SUBSTANTIAL NON-RES +\$1000	1,113		\$1,894,895	\$52,446,155
A4	LEASEHOLD IMPR RESIDENTIAL	140		\$145,732	\$8,266,792
B1	MULTI-FAMILY RESIDENTIAL	138		\$10,769,978	\$115,942,578
B2	DUPLEXES RESIDENTIAL	230		\$972,219	\$24,624,312
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	6,650		\$0	\$109,527,233
C2	COLONIA LOTS AND LAND TRACTS	574		\$0	\$49,851,635
D1	ACREAGE RANCH LAND	8,819	364,366.6688	\$0	\$1,660,761,377
D2	NON-QUALIFY LAND	1,746	17,332.3950	\$0	\$112,703,793
D3	CULTIVATED LAND	1		\$0	\$15,533
D5	NATIVE PASTURE LAND	1		\$0	\$92,164
E1	REAL FARM & RANCH IMPROVEMENTS	3,465		\$10,060,117	\$433,943,549
E2	MOBILE HOMES RURAL	896		\$875,655	\$29,528,889
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,362		\$1,503,280	\$29,641,865
E4	LEASEHOLD IMPR RESIDENTIAL	37		\$165	\$1,815,251
F1	REAL COMMERCIAL	1,909		\$28,835,452	\$738,053,714
F2	REAL INDUSTRIAL	103		\$6,523,436	\$863,729,641
F4	COMM/INDUST LEASEHOLD IMPR	37		\$0	\$7,087,893
G1	OIL, GAS AND MINERAL RESERVES	5,862		\$0	\$190,880,639
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS COMPANIES	11		\$0	\$1,539,516
J3	ELECTRIC COMPANIES	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANIES	54		\$506,909	\$21,819,731
J5	RAILROADS	17		\$0	\$19,093,220
J6	PIPELINES	124		\$0	\$21,359,063
J7	CABLE COMPANIES	13		\$0	\$7,856,677
L1	TANGIBLE COMMERCIAL PERSONAL	3,152		\$20,389	\$377,478,399
L2	INDUSTRIAL PERSONAL PROPERTY	459		\$90,798,376	\$645,604,467
M1	MOBILE HOMES	4,732		\$4,859,563	\$97,645,994
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	249		\$229,136	\$4,761,242
O2	INVENTORY-COMMERCIAL	3		\$0	\$93,827
S	SPECIAL INVENTORY	62		\$0	\$18,026,715
X	EXEMPT	1,796		\$2,687,418	\$164,212,543
	Totals		381,699.0638	\$324,289,765	\$12,047,598,865

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

GCO - GUADALUPE COUNTY

Effective Rate Assumption

6/3/2015 10:42:18AM

New Value

TOTAL NEW VALUE MARKET: **\$324,289,765**
 TOTAL NEW VALUE TAXABLE: **\$292,060,228**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	58	2011 Market Value	\$138,533,682
EX366	HOUSE BILL 366	27	2011 Market Value	\$15,636
ABSOLUTE EXEMPTIONS VALUE LOSS				\$138,549,318

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	56	\$0
DPS	DISABLED Surviving Spouse	3	\$0
DV1	Disabled Veterans 10% - 29%	47	\$235,763
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	2	\$10,000
DV2	Disabled Veterans 30% - 49%	63	\$468,815
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	2	\$15,000
DV3	Disabled Veterans 50% - 69%	72	\$702,001
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	5	\$50,000
DV4	Disabled Veterans 70% - 100%	276	\$2,626,351
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	29	\$246,000
DVHS	Disabled Veteran Homestead	128	\$22,383,705
HS	HOMESTEAD	1,495	\$6,676,041
OV65	OVER 65	644	\$5,565,519
OV65S	OVER 65 Surviving Spouse	6	\$53,432
PARTIAL EXEMPTIONS VALUE LOSS		2,828	\$39,032,627
TOTAL EXEMPTIONS VALUE LOSS			\$177,581,945

New Ag / Timber Exemptions

2011 Market Value \$105,001 Count: 3
 2012 Ag/Timber Use \$1,837
NEW AG / TIMBER VALUE LOSS \$103,164

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
30,346	\$157,678	\$6,232	\$151,446
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
28,047	\$158,618	\$6,194	\$152,424

GUADALUPE County

2012 CERTIFIED TOTALS
GCO - GUADALUPE COUNTY
Lower Value Used

As of Certification

Count of Protested Properties	Total Market Value	Total Value Used
2,093	\$248,401,275.00	\$176,089,638

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:42:16AM

Land		Value			
Homesite:		732,961,728			
Non Homesite:		1,015,688,054			
Ag Market:		1,633,449,342			
Timber Market:		0		Total Land	(+) 3,382,099,124
Improvement		Value			
Homesite:		4,068,583,970			
Non Homesite:		2,888,950,675		Total Improvements	(+) 6,957,534,645
Non Real		Count	Value		
Personal Property:	4,030	1,268,821,229			
Mineral Property:	5,867	190,742,592			
Autos:	0	0		Total Non Real	(+) 1,459,563,821
				Market Value	= 11,799,197,590
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,633,343,403	105,939			
Ag Use:	33,385,429	752		Productivity Loss	(-) 1,599,957,974
Timber Use:	0	0		Appraised Value	= 10,199,239,616
Productivity Loss:	1,599,957,974	105,187		Homestead Cap	(-) 41,978,602
				Assessed Value	= 10,157,261,014
				Total Exemptions Amount	(-) 1,380,444,181
				(Breakdown on Next Page)	
				Net Taxable	= 8,776,816,833

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	142,958,579	114,277,964	53,412.12	60,004.21	1,279		
DPS	2,800,568	2,288,290	1,021.12	1,153.58	24		
OV65	1,161,058,731	983,986,497	431,441.81	452,791.71	8,255		
Total	1,306,817,878	1,100,552,751	485,875.05	513,949.50	9,558	Freeze Taxable	(-) 1,100,552,751
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	959,348	927,348	802,225	125,123	4		
OV65	5,476,004	4,928,336	3,945,418	982,918	33		
Total	6,435,352	5,855,684	4,747,643	1,108,041	37	Transfer Adjustment	(-) 1,108,041
						Freeze Adjusted Taxable	= 7,675,156,041

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 4,937,465.55 = 7,675,156,041 * (0.058000 / 100) + 485,875.05

Tif Zone Code	Tax Increment Loss
2007 TIF	16,153,710
Tax Increment Finance Value:	16,153,710
Tax Increment Finance Levy:	9,369.15

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015

10:42:18AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	15	171,536,031	0	171,536,031
CH	2	62,672	0	62,672
CHODO	1	535,292	0	535,292
DP	1,397	0	0	0
DPS	28	0	0	0
DV1	727	0	3,881,278	3,881,278
DV1S	87	0	407,500	407,500
DV2	672	0	5,095,500	5,095,500
DV2S	35	0	262,500	262,500
DV3	759	0	7,513,287	7,513,287
DV3S	62	0	554,487	554,487
DV4	2,529	0	23,095,235	23,095,235
DV4S	238	0	2,435,158	2,435,158
DVHS	764	0	124,044,695	124,044,695
DVHSS	17	0	2,728,957	2,728,957
EX	1,701	0	163,592,724	163,592,724
EX (Prorated)	44	0	203,983,572	203,983,572
EX366	91	0	21,425	21,425
FR	49	180,400,824	0	180,400,824
HS	31,972	157,735,284	67,958,817	225,694,101
LIH	2	0	1,967,919	1,967,919
OV65	8,488	58,432,100	25,109,390	83,541,490
OV65S	559	3,897,043	1,671,300	5,568,343
PC	22	173,372,078	0	173,372,078
SO	6	149,113	0	149,113
Totals		746,120,437	634,323,744	1,380,444,181

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:42:16AM

Land		Value			
Homesite:		9,876,875			
Non Homesite:		81,621,315			
Ag Market:		27,525,671			
Timber Market:		0		Total Land	(+) 119,023,861
Improvement		Value			
Homesite:		29,685,799			
Non Homesite:		88,925,897		Total Improvements	(+) 118,611,696
Non Real		Count	Value		
Personal Property:	61	10,596,391			
Mineral Property:	3	169,327			
Autos:	0	0		Total Non Real	(+) 10,765,718
				Market Value	= 248,401,275
Ag	Non Exempt	Exempt			
Total Productivity Market:	27,525,671	0			
Ag Use:	583,535	0		Productivity Loss	(-) 26,942,136
Timber Use:	0	0		Appraised Value	= 221,459,139
Productivity Loss:	26,942,136	0		Homestead Cap	(-) 1,125,521
				Assessed Value	= 220,333,618
				Total Exemptions Amount (Breakdown on Next Page)	(-) 2,459,077
				Net Taxable	= 217,874,541

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	310,069	282,069	140.61	149.04	4	
OV65	8,349,180	7,541,023	3,598.05	3,726.14	35	
Total	8,659,249	7,823,092	3,738.66	3,875.18	39	Freeze Taxable (-) 7,823,092
Tax Rate	0.058000					
						Freeze Adjusted Taxable = 210,051,449

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX

125,568.50 = 210,051,449 * (0.058000 / 100) + 3,738.66

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015

10:42:18AM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	5	0	0	0
DV1	1	0	5,000	5,000
DV4	8	0	72,000	72,000
DVHS	6	0	815,700	815,700
EX366	1	0	430	430
HS	161	800,899	351,651	1,152,550
OV65	42	275,378	118,019	393,397
OV65S	2	14,000	6,000	20,000
Totals		1,090,277	1,368,800	2,459,077

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:42:16AM

Land		Value			
Homesite:		742,838,603			
Non Homesite:		1,097,309,369			
Ag Market:		1,660,975,013			
Timber Market:		0		Total Land	(+) 3,501,122,985
Improvement		Value			
Homesite:		4,098,269,769			
Non Homesite:		2,977,876,572		Total Improvements	(+) 7,076,146,341
Non Real		Count	Value		
Personal Property:	4,091	1,279,417,620			
Mineral Property:	5,870	190,911,919			
Autos:	0	0		Total Non Real	(+) 1,470,329,539
				Market Value	= 12,047,598,865
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,660,869,074	105,939			
Ag Use:	33,968,964	752		Productivity Loss	(-) 1,626,900,110
Timber Use:	0	0		Appraised Value	= 10,420,698,755
Productivity Loss:	1,626,900,110	105,187		Homestead Cap	(-) 43,104,123
				Assessed Value	= 10,377,594,632
				Total Exemptions Amount	(-) 1,382,903,258
				(Breakdown on Next Page)	
				Net Taxable	= 8,994,691,374

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	143,268,648	114,560,033	53,552.73	60,153.25	1,283		
DPS	2,800,568	2,288,290	1,021.12	1,153.58	24		
OV65	1,169,407,911	991,527,520	435,039.86	456,517.85	8,290		
Total	1,315,477,127	1,108,375,843	489,613.71	517,824.68	9,597	Freeze Taxable	(-) 1,108,375,843
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	959,348	927,348	802,225	125,123	4		
OV65	5,476,004	4,928,336	3,945,418	982,918	33		
Total	6,435,352	5,855,684	4,747,643	1,108,041	37	Transfer Adjustment	(-) 1,108,041
						Freeze Adjusted Taxable	= 7,885,207,490

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 5,063,034.05 = 7,885,207,490 * (0.058000 / 100) + 489,613.71

Tif Zone Code	Tax Increment Loss
2007 TIF	16,153,710
Tax Increment Finance Value:	16,153,710
Tax Increment Finance Levy:	9,369.15

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

LTR - LATERAL ROAD
Grand Totals

6/3/2015

10:42:18AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	15	171,536,031	0	171,536,031
CH	2	62,672	0	62,672
CHODO	1	535,292	0	535,292
DP	1,402	0	0	0
DPS	28	0	0	0
DV1	728	0	3,886,278	3,886,278
DV1S	87	0	407,500	407,500
DV2	672	0	5,095,500	5,095,500
DV2S	35	0	262,500	262,500
DV3	759	0	7,513,287	7,513,287
DV3S	62	0	554,487	554,487
DV4	2,537	0	23,167,235	23,167,235
DV4S	238	0	2,435,158	2,435,158
DVHS	770	0	124,860,395	124,860,395
DVHSS	17	0	2,728,957	2,728,957
EX	1,701	0	163,592,724	163,592,724
EX (Prorated)	44	0	203,983,572	203,983,572
EX366	92	0	21,855	21,855
FR	49	180,400,824	0	180,400,824
HS	32,133	158,536,183	68,310,468	226,846,651
LIH	2	0	1,967,919	1,967,919
OV65	8,530	58,707,478	25,227,409	83,934,887
OV65S	561	3,911,043	1,677,300	5,588,343
PC	22	173,372,078	0	173,372,078
SO	6	149,113	0	149,113
Totals		747,210,714	635,692,544	1,382,903,258

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:42:18AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	42,449		\$146,116,960	\$6,088,334,485
B	MULTIFAMILY RESIDENCE	355		\$11,742,197	\$139,097,810
C	VACANT LOT	5,938		\$0	\$125,910,678
D1	QUALIFIED AG LAND	8,707	358,804.6088	\$0	\$1,633,343,403
D2	NON-QUALIFIED LAND	1,703	16,518.9919	\$0	\$102,043,692
E	FARM OR RANCH IMPROVEMENT	6,328		\$12,185,992	\$487,539,255
F1	COMMERCIAL REAL PROPERTY	1,837		\$25,377,386	\$695,897,788
F2	INDUSTRIAL REAL PROPERTY	97		\$6,523,436	\$855,520,444
G1	OIL AND GAS	5,859		\$0	\$190,711,312
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,539,516
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$506,909	\$21,819,731
J5	RAILROAD	17		\$0	\$19,093,220
J6	PIPELAND COMPANY	124		\$0	\$21,359,063
J7	CABLE TELEVISION COMPANY	13		\$0	\$7,856,677
L1	COMMERCIAL PERSONAL PROPERTY	3,100		\$20,389	\$367,291,636
L2	INDUSTRIAL PERSONAL PROPERTY	451		\$90,798,376	\$645,195,269
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,718		\$4,837,032	\$97,341,810
O	RESIDENTIAL INVENTORY	250		\$229,136	\$4,825,069
S	SPECIAL INVENTORY TAX	62		\$0	\$18,026,715
X	TOTALLY EXEMPT PROPERTY	1,795		\$2,687,418	\$164,212,113
	Totals		375,323.6007	\$301,386,910	\$11,799,197,590

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:42:18AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	435		\$19,169,033	\$99,195,854
B	MULTIFAMILY RESIDENCE	13		\$0	\$1,596,352
C	VACANT LOT	1,280		\$0	\$33,468,190
D1	QUALIFIED AG LAND	112	5,599.0600	\$0	\$27,525,671
D2	NON-QUALIFIED LAND	43	813.4031	\$0	\$10,660,101
E	FARM OR RANCH IMPROVEMENT	67		\$253,225	\$7,390,299
F1	COMMERCIAL REAL PROPERTY	108		\$3,458,066	\$49,243,819
F2	INDUSTRIAL REAL PROPERTY	6		\$0	\$8,209,197
G1	OIL AND GAS	3		\$0	\$169,327
L1	COMMERCIAL PERSONAL PROPERTY	52		\$0	\$10,186,763
L2	INDUSTRIAL PERSONAL PROPERTY	8		\$0	\$409,198
M1	TANGIBLE OTHER PERSONAL, MOBILE H	15		\$22,531	\$316,074
O	RESIDENTIAL INVENTORY	2		\$0	\$30,000
X	TOTALLY EXEMPT PROPERTY	1		\$0	\$430
	Totals		6,412.4631	\$22,902,855	\$248,401,275

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:42:18AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	42,884		\$165,285,993	\$6,187,530,339
B	MULTIFAMILY RESIDENCE	368		\$11,742,197	\$140,694,162
C	VACANT LOT	7,218		\$0	\$159,378,868
D1	QUALIFIED AG LAND	8,819	364,403.6688	\$0	\$1,660,869,074
D2	NON-QUALIFIED LAND	1,746	17,332.3950	\$0	\$112,703,793
E	FARM OR RANCH IMPROVEMENT	6,395		\$12,439,217	\$494,929,554
F1	COMMERCIAL REAL PROPERTY	1,945		\$28,835,452	\$745,141,607
F2	INDUSTRIAL REAL PROPERTY	103		\$6,523,436	\$863,729,641
G1	OIL AND GAS	5,862		\$0	\$190,880,639
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,539,516
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$506,909	\$21,819,731
J5	RAILROAD	17		\$0	\$19,093,220
J6	PIPELAND COMPANY	124		\$0	\$21,359,063
J7	CABLE TELEVISION COMPANY	13		\$0	\$7,856,677
L1	COMMERCIAL PERSONAL PROPERTY	3,152		\$20,389	\$377,478,399
L2	INDUSTRIAL PERSONAL PROPERTY	459		\$90,798,376	\$645,604,467
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,733		\$4,859,563	\$97,657,884
O	RESIDENTIAL INVENTORY	252		\$229,136	\$4,855,069
S	SPECIAL INVENTORY TAX	62		\$0	\$18,026,715
X	TOTALLY EXEMPT PROPERTY	1,796		\$2,687,418	\$164,212,543
	Totals		381,736.0638	\$324,289,765	\$12,047,598,865

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 80,427

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:42:18AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	36,397		\$142,402,737	\$5,763,867,131
A2	MOBILE HOME RESIDENTIAL	5,462		\$1,820,251	\$267,405,178
A3	SUBSTANTIAL NON-RES +\$1000	1,078		\$1,748,240	\$48,955,766
A4	LEASEHOLD IMPR RESIDENTIAL	138		\$145,732	\$8,106,410
B1	MULTI-FAMILY RESIDENTIAL	133		\$10,769,978	\$115,019,979
B2	DUPLEXES RESIDENTIAL	222		\$972,219	\$23,950,559
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	5,440		\$0	\$84,013,366
C2	COLONIA LOTS AND LAND TRACTS	504		\$0	\$41,897,312
D1	ACREAGE RANCH LAND	8,707	358,767.6088	\$0	\$1,633,235,706
D2	NON-QUALIFY LAND	1,703	16,518.9919	\$0	\$102,043,692
D3	CULTIVATED LAND	1		\$0	\$15,533
D5	NATIVE PASTURE LAND	1		\$0	\$92,164
E1	REAL FARM & RANCH IMPROVEMENTS	3,424		\$9,822,950	\$427,222,657
E2	MOBILE HOMES RURAL	887		\$875,655	\$29,337,933
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,339		\$1,487,222	\$29,163,414
E4	LEASEHOLD IMPR RESIDENTIAL	37		\$165	\$1,815,251
F1	REAL COMMERCIAL	1,803		\$25,377,386	\$690,553,684
F2	REAL INDUSTRIAL	97		\$6,523,436	\$855,520,444
F4	COMM/INDUST LEASEHOLD IMPR	35		\$0	\$5,344,104
G1	OIL, GAS AND MINERAL RESERVES	5,859		\$0	\$190,711,312
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS COMPANIES	11		\$0	\$1,539,516
J3	ELECTRIC COMPANIES	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANIES	54		\$506,909	\$21,819,731
J5	RAILROADS	17		\$0	\$19,093,220
J6	PIPELINES	124		\$0	\$21,359,063
J7	CABLE COMPANIES	13		\$0	\$7,856,677
L1	TANGIBLE COMMERCIAL PERSONAL	3,100		\$20,389	\$367,291,636
L2	INDUSTRIAL PERSONAL PROPERTY	451		\$90,798,376	\$645,195,269
M1	MOBILE HOMES	4,717		\$4,837,032	\$97,329,920
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	247		\$229,136	\$4,731,242
O2	INVENTORY-COMMERCIAL	3		\$0	\$93,827
S	SPECIAL INVENTORY	62		\$0	\$18,026,715
X	EXEMPT	1,795		\$2,687,418	\$164,212,113
	Totals		375,286.6007	\$301,386,910	\$11,799,197,590

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 2,093

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:42:18AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	392		\$19,017,173	\$94,317,086
A2	MOBILE HOME RESIDENTIAL	20		\$5,205	\$1,227,997
A3	SUBSTANTIAL NON-RES +\$1000	35		\$146,655	\$3,490,389
A4	LEASEHOLD IMPR RESIDENTIAL	2		\$0	\$160,382
B1	MULTI-FAMILY RESIDENTIAL	5		\$0	\$922,599
B2	DUPLEXES RESIDENTIAL	8		\$0	\$673,753
C1	VACANT RES & COMM LOTS	1,210		\$0	\$25,513,867
C2	COLONIA LOTS AND LAND TRACTS	70		\$0	\$7,954,323
D1	ACREAGE RANCH LAND	112	5,599.0600	\$0	\$27,525,671
D2	NON-QUALIFY LAND	43	813.4031	\$0	\$10,660,101
E1	REAL FARM & RANCH IMPROVEMENTS	41		\$237,167	\$6,720,892
E2	MOBILE HOMES RURAL	9		\$0	\$190,956
E3	BARNS,SHEDS,SILOS & OTHER BLDGS	23		\$16,058	\$478,451
F1	REAL COMMERCIAL	106		\$3,458,066	\$47,500,030
F2	REAL INDUSTRIAL	6		\$0	\$8,209,197
F4	COMM/INDUST LEASEHOLD IMPR	2		\$0	\$1,743,789
G1	OIL, GAS AND MINERAL RESERVES	3		\$0	\$169,327
L1	TANGIBLE COMMERCIAL PERSONAL	52		\$0	\$10,186,763
L2	INDUSTRIAL PERSONAL PROPERTY	8		\$0	\$409,198
M1	MOBILE HOMES	15		\$22,531	\$316,074
O1	INVENTORY-RESIDENTIAL	2		\$0	\$30,000
X	EXEMPT	1		\$0	\$430
	Totals		6,412.4631	\$22,902,855	\$248,401,275

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:42:18AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	36,789		\$161,419,910	\$5,858,184,217
A2	MOBILE HOME RESIDENTIAL	5,482		\$1,825,456	\$268,633,175
A3	SUBSTANTIAL NON-RES +\$1000	1,113		\$1,894,895	\$52,446,155
A4	LEASEHOLD IMPR RESIDENTIAL	140		\$145,732	\$8,266,792
B1	MULTI-FAMILY RESIDENTIAL	138		\$10,769,978	\$115,942,578
B2	DUPLEXES RESIDENTIAL	230		\$972,219	\$24,624,312
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$127,272
C1	VACANT RES & COMM LOTS	6,650		\$0	\$109,527,233
C2	COLONIA LOTS AND LAND TRACTS	574		\$0	\$49,851,635
D1	ACREAGE RANCH LAND	8,819	364,366.6688	\$0	\$1,660,761,377
D2	NON-QUALIFY LAND	1,746	17,332.3950	\$0	\$112,703,793
D3	CULTIVATED LAND	1		\$0	\$15,533
D5	NATIVE PASTURE LAND	1		\$0	\$92,164
E1	REAL FARM & RANCH IMPROVEMENTS	3,465		\$10,060,117	\$433,943,549
E2	MOBILE HOMES RURAL	896		\$875,655	\$29,528,889
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	2,362		\$1,503,280	\$29,641,865
E4	LEASEHOLD IMPR RESIDENTIAL	37		\$165	\$1,815,251
F1	REAL COMMERCIAL	1,909		\$28,835,452	\$738,053,714
F2	REAL INDUSTRIAL	103		\$6,523,436	\$863,729,641
F4	COMM/INDUST LEASEHOLD IMPR	37		\$0	\$7,087,893
G1	OIL, GAS AND MINERAL RESERVES	5,862		\$0	\$190,880,639
J1	WATER SYSTEMS	4		\$0	\$72,373
J2	GAS COMPANIES	11		\$0	\$1,539,516
J3	ELECTRIC COMPANIES	79		\$361,679	\$112,165,531
J4	TELEPHONE COMPANIES	54		\$506,909	\$21,819,731
J5	RAILROADS	17		\$0	\$19,093,220
J6	PIPELINES	124		\$0	\$21,359,063
J7	CABLE COMPANIES	13		\$0	\$7,856,677
L1	TANGIBLE COMMERCIAL PERSONAL	3,152		\$20,389	\$377,478,399
L2	INDUSTRIAL PERSONAL PROPERTY	459		\$90,798,376	\$645,604,467
M1	MOBILE HOMES	4,732		\$4,859,563	\$97,645,994
M3	DO NOT USE/ USE M1	1		\$0	\$11,890
O1	INVENTORY-RESIDENTIAL	249		\$229,136	\$4,761,242
O2	INVENTORY-COMMERCIAL	3		\$0	\$93,827
S	SPECIAL INVENTORY	62		\$0	\$18,026,715
X	EXEMPT	1,796		\$2,687,418	\$164,212,543
	Totals		381,699.0638	\$324,289,765	\$12,047,598,865

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 82,520

LTR - LATERAL ROAD
Effective Rate Assumption

6/3/2015 10:42:18AM

New Value

TOTAL NEW VALUE MARKET: **\$324,289,765**
TOTAL NEW VALUE TAXABLE: **\$304,179,967**

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	58	2011 Market Value	\$138,533,682
EX366	HOUSE BILL 366	27	2011 Market Value	\$15,636
ABSOLUTE EXEMPTIONS VALUE LOSS				\$138,549,318

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	56	\$0
DPS	DISABLED Surviving Spouse	3	\$0
DV1	Disabled Veterans 10% - 29%	47	\$235,763
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	2	\$10,000
DV2	Disabled Veterans 30% - 49%	63	\$468,815
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	2	\$15,000
DV3	Disabled Veterans 50% - 69%	72	\$702,001
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	5	\$50,000
DV4	Disabled Veterans 70% - 100%	276	\$2,622,103
DV4S	Disabled Veterans Surviving Spouse 70% - 100	29	\$246,000
DVHS	Disabled Veteran Homestead	128	\$21,328,539
HS	HOMESTEAD	1,495	\$10,267,619
OV65	OVER 65	644	\$6,016,708
OV65S	OVER 65 Surviving Spouse	6	\$53,431
PARTIAL EXEMPTIONS VALUE LOSS		2,828	\$42,015,979
TOTAL EXEMPTIONS VALUE LOSS			\$180,565,297

New Ag / Timber Exemptions

2011 Market Value \$105,001 Count: 3
2012 Ag/Timber Use \$1,837
NEW AG / TIMBER VALUE LOSS \$103,164

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
30,346	\$157,678	\$8,477	\$149,201
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
28,047	\$158,618	\$8,484	\$150,134

GUADALUPE County

2012 CERTIFIED TOTALS

As of Certification

LTR - LATERAL ROAD
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
2,093	\$248,401,275.00	\$175,725,138

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:45:50AM

Land		Value			
Homesite:		768,082,693			
Non Homesite:		1,035,478,423			
Ag Market:		1,646,625,390			
Timber Market:		0		Total Land	(+) 3,450,186,506
Improvement		Value			
Homesite:		4,136,804,953			
Non Homesite:		2,949,292,970		Total Improvements	(+) 7,086,097,923
Non Real		Count	Value		
Personal Property:	4,035	1,352,293,317			
Mineral Property:	5,754	167,174,559			
Autos:	0	0		Total Non Real	(+) 1,519,467,876
				Market Value	= 12,055,752,305
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,646,068,212	557,178			
Ag Use:	33,026,814	6,485		Productivity Loss	(-) 1,613,041,398
Timber Use:	0	0		Appraised Value	= 10,442,710,907
Productivity Loss:	1,613,041,398	550,693		Homestead Cap	(-) 42,305,149
				Assessed Value	= 10,400,405,758
				Total Exemptions Amount	(-) 1,502,356,822
				(Breakdown on Next Page)	
				Net Taxable	= 8,898,048,936

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	131,268,530	109,492,299	317,930.35	353,262.00	1,184		
DPS	2,745,807	2,300,959	6,675.01	7,564.60	25		
OV65	1,091,435,313	921,934,397	2,609,497.32	3,126,559.25	7,810		
Total	1,225,449,650	1,033,727,655	2,934,102.68	3,487,385.85	9,019	Freeze Taxable	(-) 1,033,727,655
Tax Rate	0.341900						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DPS	145,184	130,184	87,780	42,404	1		
OV65	6,754,986	5,951,067	4,557,757	1,393,310	42		
Total	6,900,170	6,081,251	4,645,537	1,435,714	43	Transfer Adjustment	(-) 1,435,714
						Freeze Adjusted Taxable	= 7,862,885,567

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 29,817,308.43 = 7,862,885,567 * (0.341900 / 100) + 2,934,102.68

Tif Zone Code	Tax Increment Loss
2007 TIF	1,244,777
Tax Increment Finance Value:	1,244,777
Tax Increment Finance Levy:	4,255.89

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015

10:45:52AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	11	234,931,228	0	234,931,228
CH	2	62,672	0	62,672
DP	1,440	0	0	0
DPS	41	0	0	0
DV1	649	0	3,360,531	3,360,531
DV1S	81	0	382,500	382,500
DV2	640	0	4,802,250	4,802,250
DV2S	34	0	250,000	250,000
DV3	751	0	7,432,000	7,432,000
DV3S	61	0	557,500	557,500
DV4	2,865	0	26,577,862	26,577,862
DV4S	281	0	2,787,303	2,787,303
DVHS	874	0	151,257,713	151,257,713
DVHSS	34	0	6,167,924	6,167,924
EX	14	0	26,308	26,308
EX-XV	1,779	0	449,094,050	449,094,050
EX-XV (Prorated)	21	0	416,885	416,885
EX366	103	0	24,191	24,191
FR	47	195,438,791	0	195,438,791
HS	32,627	156,047,304	0	156,047,304
HT	1	0	0	0
LIH	2	0	2,944,500	2,944,500
OV65	8,851	82,815,213	0	82,815,213
OV65S	656	6,348,591	0	6,348,591
PC	20	170,361,108	0	170,361,108
SO	13	270,398	0	270,398
Totals		846,275,305	656,081,517	1,502,356,822

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:45:50AM

Land		Value				
Homesite:		10,283,781				
Non Homesite:		75,634,813				
Ag Market:		41,772,648				
Timber Market:		0		Total Land	(+)	127,691,242
Improvement		Value				
Homesite:		21,621,394				
Non Homesite:		171,422,960		Total Improvements	(+)	193,044,354
Non Real		Count	Value			
Personal Property:		126	54,277,307			
Mineral Property:		4	170,607			
Autos:		0	0	Total Non Real	(+)	54,447,914
				Market Value	=	375,183,510
Ag	Non Exempt	Exempt				
Total Productivity Market:	41,772,648	0				
Ag Use:	787,106	0		Productivity Loss	(-)	40,985,542
Timber Use:	0	0		Appraised Value	=	334,197,968
Productivity Loss:	40,985,542	0		Homestead Cap	(-)	866,482
				Assessed Value	=	333,331,486
				Total Exemptions Amount (Breakdown on Next Page)	(-)	31,145,582
				Net Taxable	=	302,185,904

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	1,028,657	979,157	2,637.57	2,730.50	6		
OV65	5,588,231	5,260,068	13,182.81	13,388.57	19		
Total	6,616,888	6,239,225	15,820.38	16,119.07	25	Freeze Taxable	(-) 6,239,225
Tax Rate	0.341900						
						Freeze Adjusted Taxable	= 295,946,679

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 1,027,662.08 = 295,946,679 * (0.341900 / 100) + 15,820.38

Tif Zone Code	Tax Increment Loss
2007 TIF	15,956,577
Tax Increment Finance Value:	15,956,577
Tax Increment Finance Levy:	54,555.54

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:45:52AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	2	28,163,045	0	28,163,045
CHODO	1	534,600	0	534,600
DP	6	0	0	0
DV1	2	0	10,000	10,000
DV2	2	0	15,000	15,000
DV4	7	0	84,000	84,000
DV4S	1	0	12,000	12,000
EX-XV	15	0	1,392,302	1,392,302
EX-XV (Prorated)	1	0	55,109	55,109
HS	122	626,695	0	626,695
OV65	25	242,831	0	242,831
OV65S	1	10,000	0	10,000
Totals		29,577,171	1,568,411	31,145,582

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015 10:45:50AM

Land		Value				
Homesite:		778,366,474				
Non Homesite:		1,111,113,236				
Ag Market:		1,688,398,038				
Timber Market:		0		Total Land	(+)	3,577,877,748
Improvement		Value				
Homesite:		4,158,426,347				
Non Homesite:		3,120,715,930		Total Improvements	(+)	7,279,142,277
Non Real		Count	Value			
Personal Property:	4,161	1,406,570,624				
Mineral Property:	5,758	167,345,166				
Autos:	0	0		Total Non Real	(+)	1,573,915,790
				Market Value	=	12,430,935,815
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,687,840,860	557,178				
Ag Use:	33,813,920	6,485		Productivity Loss	(-)	1,654,026,940
Timber Use:	0	0		Appraised Value	=	10,776,908,875
Productivity Loss:	1,654,026,940	550,693		Homestead Cap	(-)	43,171,631
				Assessed Value	=	10,733,737,244
				Total Exemptions Amount	(-)	1,533,502,404
				(Breakdown on Next Page)		
				Net Taxable	=	9,200,234,840

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	132,297,187	110,471,456	320,567.92	355,992.50	1,190		
DPS	2,745,807	2,300,959	6,675.01	7,564.60	25		
OV65	1,097,023,544	927,194,465	2,622,680.13	3,139,947.82	7,829		
Total	1,232,066,538	1,039,966,880	2,949,923.06	3,503,504.92	9,044	Freeze Taxable	(-) 1,039,966,880
Tax Rate	0.341900						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DPS	145,184	130,184	87,780	42,404	1		
OV65	6,754,986	5,951,067	4,557,757	1,393,310	42		
Total	6,900,170	6,081,251	4,645,537	1,435,714	43	Transfer Adjustment	(-) 1,435,714
						Freeze Adjusted Taxable	= 8,158,832,246

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 30,844,970.51 = 8,158,832,246 * (0.341900 / 100) + 2,949,923.06

Tif Zone Code	Tax Increment Loss
2007 TIF	17,201,354
Tax Increment Finance Value:	17,201,354
Tax Increment Finance Levy:	58,811.43

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

GCO - GUADALUPE COUNTY
Grand Totals

6/3/2015

10:45:52AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	13	263,094,273	0	263,094,273
CH	2	62,672	0	62,672
CHODO	1	534,600	0	534,600
DP	1,446	0	0	0
DPS	41	0	0	0
DV1	651	0	3,370,531	3,370,531
DV1S	81	0	382,500	382,500
DV2	642	0	4,817,250	4,817,250
DV2S	34	0	250,000	250,000
DV3	751	0	7,432,000	7,432,000
DV3S	61	0	557,500	557,500
DV4	2,872	0	26,661,862	26,661,862
DV4S	282	0	2,799,303	2,799,303
DVHS	874	0	151,257,713	151,257,713
DVHSS	34	0	6,167,924	6,167,924
EX	14	0	26,308	26,308
EX-XV	1,794	0	450,486,352	450,486,352
EX-XV (Prorated)	22	0	471,994	471,994
EX366	103	0	24,191	24,191
FR	47	195,438,791	0	195,438,791
HS	32,749	156,673,999	0	156,673,999
HT	1	0	0	0
LIH	2	0	2,944,500	2,944,500
OV65	8,876	83,058,044	0	83,058,044
OV65S	657	6,358,591	0	6,358,591
PC	20	170,361,108	0	170,361,108
SO	13	270,398	0	270,398
Totals		875,852,476	657,649,928	1,533,502,404

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:45:52AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	43,430		\$171,172,361	\$6,273,584,874
B	MULTIFAMILY RESIDENCE	354		\$1,186,651	\$109,934,161
C1	VACANT LOTS AND LAND TRACTS	5,868		\$0	\$119,435,364
D1	QUALIFIED OPEN-SPACE LAND	8,782	359,893.9330	\$0	\$1,645,926,110
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	176		\$241,566	\$3,003,358
E	RURAL LAND, NON QUALIFIED OPEN SP	8,061	21,839.0493	\$14,230,476	\$581,917,506
F1	COMMERCIAL REAL PROPERTY	1,868		\$34,611,900	\$677,273,870
F2	INDUSTRIAL AND MANUFACTURING REA	99		\$7,592,199	\$612,786,583
G1	OIL AND GAS	5,738		\$0	\$167,147,532
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,761,844
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANY (INCLUDING CO-	53		\$0	\$19,228,237
J5	RAILROAD	17		\$0	\$21,167,979
J6	PIPELAND COMPANY	124		\$0	\$18,312,811
J7	CABLE TELEVISION COMPANY	15		\$0	\$7,620,395
L1	COMMERCIAL PERSONAL PROPERTY	3,039		\$0	\$340,338,815
L2	INDUSTRIAL AND MANUFACTURING PERS	457		\$0	\$728,683,796
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,788		\$4,995,996	\$97,758,459
O	RESIDENTIAL INVENTORY	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY TAX	73		\$0	\$22,955,077
X	TOTALLY EXEMPT PROPERTY	1,921		\$2,716,517	\$452,568,607
	Totals		381,732.9823	\$250,414,672	\$12,055,752,305

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:45:52AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	355		\$2,759,332	\$84,366,420
B	MULTIFAMILY RESIDENCE	18		\$0	\$32,956,627
C1	VACANT LOTS AND LAND TRACTS	130		\$0	\$11,681,699
D1	QUALIFIED OPEN-SPACE LAND	93	5,617.0528	\$0	\$41,772,648
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	6		\$10,376	\$53,272
E	RURAL LAND, NON QUALIFIED OPEN SP	107	905.1762	\$190,359	\$12,435,923
F1	COMMERCIAL REAL PROPERTY	111		\$3,008,573	\$118,607,965
F2	INDUSTRIAL AND MANUFACTURING REA	4		\$0	\$16,493,482
G1	OIL AND GAS	4		\$0	\$170,607
L1	COMMERCIAL PERSONAL PROPERTY	123		\$0	\$53,394,907
L2	INDUSTRIAL AND MANUFACTURING PERE	1		\$0	\$838,616
M1	TANGIBLE OTHER PERSONAL, MOBILE H	32		\$15,231	\$429,333
X	TOTALLY EXEMPT PROPERTY	17		\$0	\$1,982,011
	Totals		6,522.2290	\$5,983,871	\$375,183,510

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:45:52AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	43,785		\$173,931,693	\$6,357,951,294
B	MULTIFAMILY RESIDENCE	372		\$1,186,651	\$142,890,788
C1	VACANT LOTS AND LAND TRACTS	5,998		\$0	\$131,117,063
D1	QUALIFIED OPEN-SPACE LAND	8,875	365,510.9858	\$0	\$1,687,698,758
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	182		\$251,942	\$3,056,630
E	RURAL LAND, NON QUALIFIED OPEN SP	8,168	22,744.2255	\$14,420,835	\$594,353,429
F1	COMMERCIAL REAL PROPERTY	1,979		\$37,620,473	\$795,881,835
F2	INDUSTRIAL AND MANUFACTURING REA	103		\$7,592,199	\$629,280,065
G1	OIL AND GAS	5,742		\$0	\$167,318,139
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,761,844
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANY (INCLUDING CO-	53		\$0	\$19,228,237
J5	RAILROAD	17		\$0	\$21,167,979
J6	PIPELAND COMPANY	124		\$0	\$18,312,811
J7	CABLE TELEVISION COMPANY	15		\$0	\$7,620,395
L1	COMMERCIAL PERSONAL PROPERTY	3,162		\$0	\$393,733,722
L2	INDUSTRIAL AND MANUFACTURING PERS	458		\$0	\$729,522,412
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,820		\$5,011,227	\$98,187,792
O	RESIDENTIAL INVENTORY	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY TAX	73		\$0	\$22,955,077
X	TOTALLY EXEMPT PROPERTY	1,938		\$2,716,517	\$454,550,618
	Totals		388,255.2113	\$256,398,543	\$12,430,935,815

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:45:52AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	37,387		\$167,298,602	\$5,933,521,280
A2	MOBILE HOME RESIDENTIAL	5,443		\$2,797,670	\$274,818,182
A3	SUBSTANTIAL NON-RES +\$1000	1,196		\$1,008,354	\$56,866,273
A4	LEASEHOLD IMPR RESIDENTIAL	147		\$67,735	\$8,379,139
B1	MULTI-FAMILY RESIDENTIAL	128		\$1,155,978	\$88,137,202
B2	DUPLEXES RESIDENTIAL	225		\$30,673	\$21,687,321
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$109,638
C1	VACANT RES & COMM LOTS	5,868		\$0	\$119,435,364
D1	ACREAGE RANCH LAND	8,782	359,893.9330	\$0	\$1,645,926,110
D2	IMPROVEMENTS ON QUALIFIED LAND	176	666.5040	\$241,566	\$3,003,358
D3	CULTIVATED LAND	8		\$0	\$220,962
D5	NATIVE PASTURE LAND	29		\$0	\$364,063
E1	REAL FARM & RANCH IMPROVEMENTS	3,586		\$10,338,541	\$429,878,206
E2	MOBILE HOMES RURAL	924		\$672,654	\$30,732,478
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,578		\$2,742,917	\$29,831,026
E4	LEASEHOLD IMPR RESIDENTIAL	45		\$476,364	\$2,503,363
E5	RURAL LAND NON-QUALIFIED	1,557		\$0	\$88,387,408
F1	REAL COMMERCIAL	1,836		\$34,564,252	\$670,337,294
F2	REAL INDUSTRIAL	99		\$7,592,199	\$612,786,583
F4	COMM/INDUST LEASEHOLD IMPR	34		\$47,648	\$6,936,576
G1	OIL, GAS AND MINERAL RESERVES	5,738		\$0	\$167,147,532
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS COMPANIES	11		\$0	\$1,761,844
J3	ELECTRIC COMPANIES	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANIES	53		\$0	\$19,228,237
J5	RAILROADS	17		\$0	\$21,167,979
J6	PIPELINES	124		\$0	\$18,312,811
J7	CABLE COMPANIES	15		\$0	\$7,620,395
L1	TANGIBLE COMMERCIAL PERSONAL	3,039		\$0	\$340,338,815
L2	INDUSTRIAL PERSONAL PROPERTY	457		\$0	\$728,683,796
M1	MOBILE HOMES	4,788		\$4,995,996	\$97,758,459
O1	INVENTORY-RESIDENTIAL	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY	73		\$0	\$22,955,077
X	EXEMPT	1,921		\$2,716,517	\$452,568,607
	Totals		360,560.4370	\$250,414,672	\$12,055,752,305

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:45:52AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	262		\$2,700,069	\$79,899,190
A2	MOBILE HOME RESIDENTIAL	76		\$3,603	\$2,478,936
A3	SUBSTANTIAL NON-RES +\$1000	25		\$55,660	\$1,946,020
A4	LEASEHOLD IMPR RESIDENTIAL	1		\$0	\$42,274
B1	MULTI-FAMILY RESIDENTIAL	12		\$0	\$32,336,638
B2	DUPLEXES RESIDENTIAL	6		\$0	\$619,989
C1	VACANT RES & COMM LOTS	130		\$0	\$11,681,699
D1	ACREAGE RANCH LAND	93	5,617.0528	\$0	\$41,772,648
D2	IMPROVEMENTS ON QUALIFIED LAND	6	2.8500	\$10,376	\$53,272
D5	NATIVE PASTURE LAND	1		\$0	\$577,398
E1	REAL FARM & RANCH IMPROVEMENTS	55		\$125,299	\$6,876,871
E2	MOBILE HOMES RURAL	9		\$31,396	\$262,423
E3	BARNS,SHEDS,SILOS & OTHER BLDGS	20		\$33,664	\$486,889
E5	RURAL LAND NON-QUALIFIED	31		\$0	\$4,232,342
F1	REAL COMMERCIAL	111		\$3,008,573	\$118,607,965
F2	REAL INDUSTRIAL	4		\$0	\$16,493,482
G1	OIL, GAS AND MINERAL RESERVES	4		\$0	\$170,607
L1	TANGIBLE COMMERCIAL PERSONAL	123		\$0	\$53,394,907
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$838,616
M1	MOBILE HOMES	32		\$15,231	\$429,333
X	EXEMPT	17		\$0	\$1,982,011
	Totals		5,619.9028	\$5,983,871	\$375,183,510

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:45:52AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	37,649		\$169,998,671	\$6,013,420,470
A2	MOBILE HOME RESIDENTIAL	5,519		\$2,801,273	\$277,297,118
A3	SUBSTANTIAL NON-RES +\$1000	1,221		\$1,064,014	\$58,812,293
A4	LEASEHOLD IMPR RESIDENTIAL	148		\$67,735	\$8,421,413
B1	MULTI-FAMILY RESIDENTIAL	140		\$1,155,978	\$120,473,840
B2	DUPLEXES RESIDENTIAL	231		\$30,673	\$22,307,310
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$109,638
C1	VACANT RES & COMM LOTS	5,998		\$0	\$131,117,063
D1	ACREAGE RANCH LAND	8,875	365,510.9858	\$0	\$1,687,698,758
D2	IMPROVEMENTS ON QUALIFIED LAND	182	669.3540	\$251,942	\$3,056,630
D3	CULTIVATED LAND	8		\$0	\$220,962
D5	NATIVE PASTURE LAND	30		\$0	\$941,461
E1	REAL FARM & RANCH IMPROVEMENTS	3,641		\$10,463,840	\$436,755,077
E2	MOBILE HOMES RURAL	933		\$704,050	\$30,994,901
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,598		\$2,776,581	\$30,317,915
E4	LEASEHOLD IMPR RESIDENTIAL	45		\$476,364	\$2,503,363
E5	RURAL LAND NON-QUALIFIED	1,588		\$0	\$92,619,750
F1	REAL COMMERCIAL	1,947		\$37,572,825	\$788,945,259
F2	REAL INDUSTRIAL	103		\$7,592,199	\$629,280,065
F4	COMM/INDUST LEASEHOLD IMPR	34		\$47,648	\$6,936,576
G1	OIL, GAS AND MINERAL RESERVES	5,742		\$0	\$167,318,139
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS COMPANIES	11		\$0	\$1,761,844
J3	ELECTRIC COMPANIES	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANIES	53		\$0	\$19,228,237
J5	RAILROADS	17		\$0	\$21,167,979
J6	PIPELINES	124		\$0	\$18,312,811
J7	CABLE COMPANIES	15		\$0	\$7,620,395
L1	TANGIBLE COMMERCIAL PERSONAL	3,162		\$0	\$393,733,722
L2	INDUSTRIAL PERSONAL PROPERTY	458		\$0	\$729,522,412
M1	MOBILE HOMES	4,820		\$5,011,227	\$98,187,792
O1	INVENTORY-RESIDENTIAL	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY	73		\$0	\$22,955,077
X	EXEMPT	1,938		\$2,716,517	\$454,550,618
	Totals		366,180.3398	\$256,398,543	\$12,430,935,815

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

GCO - GUADALUPE COUNTY

Effective Rate Assumption

6/3/2015 10:45:52AM

New Value

TOTAL NEW VALUE MARKET: **\$256,398,543**
 TOTAL NEW VALUE TAXABLE: **\$245,210,450**

New Exemptions

Exemption	Description	Count		
EX-XV	Other Exemptions (including public property, r	95	2012 Market Value	\$2,530,547
EX366	HOUSE BILL 366	24	2012 Market Value	\$11,889
ABSOLUTE EXEMPTIONS VALUE LOSS				\$2,542,436

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	45	\$0
DPS	DISABLED Surviving Spouse	6	\$0
DV1	Disabled Veterans 10% - 29%	25	\$130,251
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	4	\$20,000
DV2	Disabled Veterans 30% - 49%	29	\$218,250
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	1	\$7,500
DV3	Disabled Veterans 50% - 69%	57	\$552,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	3	\$30,000
DV4	Disabled Veterans 70% - 100%	282	\$2,801,445
DV4S	Disabled Veterans Surviving Spouse 70% - 100	25	\$216,000
DVHS	Disabled Veteran Homestead	78	\$12,915,967
HS	HOMESTEAD	1,405	\$6,442,011
OV65	OVER 65	647	\$5,547,940
OV65S	OVER 65 Surviving Spouse	8	\$40,000
PARTIAL EXEMPTIONS VALUE LOSS		2,615	\$28,921,364
TOTAL EXEMPTIONS VALUE LOSS			\$31,463,800

New Ag / Timber Exemptions

2012 Market Value \$7,874 Count: 1
 2013 Ag/Timber Use \$53
NEW AG / TIMBER VALUE LOSS \$7,821

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
30,914	\$157,844	\$6,193	\$151,651
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
28,592	\$158,941	\$6,165	\$152,776

GUADALUPE County

2013 CERTIFIED TOTALS
GCO - GUADALUPE COUNTY
Lower Value Used

As of Certification

Count of Protested Properties	Total Market Value	Total Value Used
956	\$375,183,510.00	\$266,176,612

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:45:50AM

Land		Value				
Homesite:		768,082,693				
Non Homesite:		1,035,478,423				
Ag Market:		1,646,625,390				
Timber Market:		0		Total Land	(+)	3,450,186,506
Improvement		Value				
Homesite:		4,136,804,953				
Non Homesite:		2,949,292,970		Total Improvements	(+)	7,086,097,923
Non Real		Count	Value			
Personal Property:	4,035	1,352,293,317				
Mineral Property:	5,754	167,174,559				
Autos:	0	0		Total Non Real	(+)	1,519,467,876
				Market Value	=	12,055,752,305
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,646,068,212	557,178				
Ag Use:	33,026,814	6,485		Productivity Loss	(-)	1,613,041,398
Timber Use:	0	0		Appraised Value	=	10,442,710,907
Productivity Loss:	1,613,041,398	550,693		Homestead Cap	(-)	42,305,149
				Assessed Value	=	10,400,405,758
				Total Exemptions Amount	(-)	1,565,069,861
				(Breakdown on Next Page)		
				Net Taxable	=	8,835,335,897

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	131,268,530	106,300,899	49,066.58	54,736.26	1,184		
DPS	2,745,807	2,232,700	1,031.43	1,186.78	25		
OV65	1,091,522,735	921,734,087	408,368.67	429,497.74	7,809		
Total	1,225,537,072	1,030,267,686	458,466.68	485,420.78	9,018	Freeze Taxable	(-) 1,030,267,686
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DPS	145,184	127,184	71,545	55,639	1		
OV65	6,861,530	6,042,611	4,410,525	1,632,086	43		
Total	7,006,714	6,169,795	4,482,070	1,687,725	44	Transfer Adjustment	(-) 1,687,725
						Freeze Adjusted Taxable	= 7,803,380,486

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 4,984,427.36 = 7,803,380,486 * (0.058000 / 100) + 458,466.68

Tif Zone Code	Tax Increment Loss
2007 TIF	1,235,777
Tax Increment Finance Value:	1,235,777
Tax Increment Finance Levy:	716.75

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015

10:45:52AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	10	230,906,460	0	230,906,460
CH	2	62,672	0	62,672
DP	1,440	0	0	0
DPS	41	0	0	0
DV1	649	0	3,351,877	3,351,877
DV1S	81	0	382,500	382,500
DV2	640	0	4,802,250	4,802,250
DV2S	34	0	250,000	250,000
DV3	751	0	7,418,286	7,418,286
DV3S	61	0	554,487	554,487
DV4	2,865	0	26,458,213	26,458,213
DV4S	281	0	2,768,461	2,768,461
DVHS	875	0	142,422,442	142,422,442
DVHSS	34	0	5,734,924	5,734,924
EX	14	0	26,308	26,308
EX-XV	1,779	0	449,094,050	449,094,050
EX-XV (Prorated)	21	0	414,025	414,025
EX366	103	0	24,191	24,191
FR	47	195,438,791	0	195,438,791
HS	32,627	160,187,245	68,214,526	228,401,771
HT	1	0	0	0
LIH	2	0	2,944,500	2,944,500
OV65	8,851	60,461,542	25,980,377	86,441,919
OV65S	656	4,577,583	1,962,645	6,540,228
PC	20	170,361,108	0	170,361,108
SO	13	270,398	0	270,398
Totals		822,265,799	742,804,062	1,565,069,861

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:45:50AM

Land		Value			
Homesite:		10,283,781			
Non Homesite:		75,634,813			
Ag Market:		41,772,648			
Timber Market:		0		Total Land	(+) 127,691,242
Improvement		Value			
Homesite:		21,621,394			
Non Homesite:		171,422,960		Total Improvements	(+) 193,044,354
Non Real		Count	Value		
Personal Property:		126	54,277,307		
Mineral Property:		4	170,607		
Autos:		0	0	Total Non Real	(+) 54,447,914
				Market Value	= 375,183,510
Ag	Non Exempt	Exempt			
Total Productivity Market:	41,772,648	0			
Ag Use:	787,106	0	Productivity Loss	(-)	40,985,542
Timber Use:	0	0	Appraised Value	=	334,197,968
Productivity Loss:	40,985,542	0	Homestead Cap	(-)	866,482
			Assessed Value	=	333,331,486
			Total Exemptions Amount (Breakdown on Next Page)	(-)	3,268,526
			Net Taxable	=	330,062,960

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	1,028,657	961,157	429.78	444.53	6			
OV65	5,588,231	5,260,068	2,012.93	2,033.61	19			
Total	6,616,888	6,221,225	2,442.71	2,478.14	25	Freeze Taxable	(-) 6,221,225	
Tax Rate	0.058000							
						Freeze Adjusted Taxable	= 323,841,735	

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 190,270.92 = 323,841,735 * (0.058000 / 100) + 2,442.71

Tif Zone Code	Tax Increment Loss
2007 TIF	15,956,577
Tax Increment Finance Value:	15,956,577
Tax Increment Finance Levy:	9,254.81

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015

10:45:52AM

Exemption Breakdown

Exemption	Count	Local	State	Total
CHODO	1	534,600	0	534,600
DP	6	0	0	0
DV1	2	0	10,000	10,000
DV2	2	0	15,000	15,000
DV4	7	0	84,000	84,000
DV4S	1	0	12,000	12,000
EX-XV	15	0	1,392,302	1,392,302
EX-XV (Prorated)	1	0	55,109	55,109
HS	122	626,695	285,990	912,685
OV65	25	169,981	72,849	242,830
OV65S	1	7,000	3,000	10,000
Totals		1,338,276	1,930,250	3,268,526

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:45:50AM

Land		Value			
Homesite:		778,366,474			
Non Homesite:		1,111,113,236			
Ag Market:		1,688,398,038			
Timber Market:		0		Total Land	(+) 3,577,877,748
Improvement		Value			
Homesite:		4,158,426,347			
Non Homesite:		3,120,715,930		Total Improvements	(+) 7,279,142,277
Non Real		Count	Value		
Personal Property:	4,161	1,406,570,624			
Mineral Property:	5,758	167,345,166			
Autos:	0	0		Total Non Real	(+) 1,573,915,790
				Market Value	= 12,430,935,815
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,687,840,860	557,178			
Ag Use:	33,813,920	6,485		Productivity Loss	(-) 1,654,026,940
Timber Use:	0	0		Appraised Value	= 10,776,908,875
Productivity Loss:	1,654,026,940	550,693		Homestead Cap	(-) 43,171,631
				Assessed Value	= 10,733,737,244
				Total Exemptions Amount	(-) 1,568,338,387
				(Breakdown on Next Page)	
				Net Taxable	= 9,165,398,857

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	132,297,187	107,262,056	49,496.36	55,180.79	1,190		
DPS	2,745,807	2,232,700	1,031.43	1,186.78	25		
OV65	1,097,110,966	926,994,155	410,381.60	431,531.35	7,828		
Total	1,232,153,960	1,036,488,911	460,909.39	487,898.92	9,043	Freeze Taxable	(-) 1,036,488,911
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DPS	145,184	127,184	71,545	55,639	1		
OV65	6,861,530	6,042,611	4,410,525	1,632,086	43		
Total	7,006,714	6,169,795	4,482,070	1,687,725	44	Transfer Adjustment	(-) 1,687,725
						Freeze Adjusted Taxable	= 8,127,222,221

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 5,174,698.28 = 8,127,222,221 * (0.058000 / 100) + 460,909.39

Tif Zone Code	Tax Increment Loss
2007 TIF	17,192,354
Tax Increment Finance Value:	17,192,354
Tax Increment Finance Levy:	9,971.57

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

LTR - LATERAL ROAD
Grand Totals

6/3/2015

10:45:52AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	10	230,906,460	0	230,906,460
CH	2	62,672	0	62,672
CHODO	1	534,600	0	534,600
DP	1,446	0	0	0
DPS	41	0	0	0
DV1	651	0	3,361,877	3,361,877
DV1S	81	0	382,500	382,500
DV2	642	0	4,817,250	4,817,250
DV2S	34	0	250,000	250,000
DV3	751	0	7,418,286	7,418,286
DV3S	61	0	554,487	554,487
DV4	2,872	0	26,542,213	26,542,213
DV4S	282	0	2,780,461	2,780,461
DVHS	875	0	142,422,442	142,422,442
DVHSS	34	0	5,734,924	5,734,924
EX	14	0	26,308	26,308
EX-XV	1,794	0	450,486,352	450,486,352
EX-XV (Prorated)	22	0	469,134	469,134
EX366	103	0	24,191	24,191
FR	47	195,438,791	0	195,438,791
HS	32,749	160,813,940	68,500,516	229,314,456
HT	1	0	0	0
LIH	2	0	2,944,500	2,944,500
OV65	8,876	60,631,523	26,053,226	86,684,749
OV65S	657	4,584,583	1,965,645	6,550,228
PC	20	170,361,108	0	170,361,108
SO	13	270,398	0	270,398
Totals		823,604,075	744,734,312	1,568,338,387

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:45:52AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	43,430		\$171,172,361	\$6,273,587,734
B	MULTIFAMILY RESIDENCE	354		\$1,186,651	\$109,934,161
C1	VACANT LOTS AND LAND TRACTS	5,868		\$0	\$119,435,364
D1	QUALIFIED OPEN-SPACE LAND	8,782	359,893.9330	\$0	\$1,645,926,110
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	176		\$241,566	\$3,003,358
E	RURAL LAND, NON QUALIFIED OPEN SP	8,061	21,839.0493	\$14,230,476	\$581,917,506
F1	COMMERCIAL REAL PROPERTY	1,868		\$34,611,900	\$677,273,870
F2	INDUSTRIAL AND MANUFACTURING REA	99		\$7,592,199	\$612,786,583
G1	OIL AND GAS	5,738		\$0	\$167,147,532
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,761,844
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANY (INCLUDING CO-	53		\$0	\$19,228,237
J5	RAILROAD	17		\$0	\$21,167,979
J6	PIPELAND COMPANY	124		\$0	\$18,312,811
J7	CABLE TELEVISION COMPANY	15		\$0	\$7,620,395
L1	COMMERCIAL PERSONAL PROPERTY	3,039		\$0	\$340,338,815
L2	INDUSTRIAL AND MANUFACTURING PERS	457		\$0	\$728,683,796
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,788		\$4,995,996	\$97,758,459
O	RESIDENTIAL INVENTORY	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY TAX	73		\$0	\$22,955,077
X	TOTALLY EXEMPT PROPERTY	1,921		\$2,716,517	\$452,565,747
	Totals		381,732.9823	\$250,414,672	\$12,055,752,305

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:45:52AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	355		\$2,759,332	\$84,366,420
B	MULTIFAMILY RESIDENCE	18		\$0	\$32,956,627
C1	VACANT LOTS AND LAND TRACTS	130		\$0	\$11,681,699
D1	QUALIFIED OPEN-SPACE LAND	93	5,617.0528	\$0	\$41,772,648
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	6		\$10,376	\$53,272
E	RURAL LAND, NON QUALIFIED OPEN SP	107	905.1762	\$190,359	\$12,435,923
F1	COMMERCIAL REAL PROPERTY	111		\$3,008,573	\$118,607,965
F2	INDUSTRIAL AND MANUFACTURING REA	4		\$0	\$16,493,482
G1	OIL AND GAS	4		\$0	\$170,607
L1	COMMERCIAL PERSONAL PROPERTY	123		\$0	\$53,394,907
L2	INDUSTRIAL AND MANUFACTURING PERE	1		\$0	\$838,616
M1	TANGIBLE OTHER PERSONAL, MOBILE H	32		\$15,231	\$429,333
X	TOTALLY EXEMPT PROPERTY	17		\$0	\$1,982,011
	Totals		6,522.2290	\$5,983,871	\$375,183,510

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:45:52AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	43,785		\$173,931,693	\$6,357,954,154
B	MULTIFAMILY RESIDENCE	372		\$1,186,651	\$142,890,788
C1	VACANT LOTS AND LAND TRACTS	5,998		\$0	\$131,117,063
D1	QUALIFIED OPEN-SPACE LAND	8,875	365,510.9858	\$0	\$1,687,698,758
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	182		\$251,942	\$3,056,630
E	RURAL LAND, NON QUALIFIED OPEN SP	8,168	22,744.2255	\$14,420,835	\$594,353,429
F1	COMMERCIAL REAL PROPERTY	1,979		\$37,620,473	\$795,881,835
F2	INDUSTRIAL AND MANUFACTURING REA	103		\$7,592,199	\$629,280,065
G1	OIL AND GAS	5,742		\$0	\$167,318,139
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,761,844
J3	ELECTRIC COMPANY (INCLUDING CO-OP	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANY (INCLUDING CO-	53		\$0	\$19,228,237
J5	RAILROAD	17		\$0	\$21,167,979
J6	PIPELAND COMPANY	124		\$0	\$18,312,811
J7	CABLE TELEVISION COMPANY	15		\$0	\$7,620,395
L1	COMMERCIAL PERSONAL PROPERTY	3,162		\$0	\$393,733,722
L2	INDUSTRIAL AND MANUFACTURING PERS	458		\$0	\$729,522,412
M1	TANGIBLE OTHER PERSONAL, MOBILE H	4,820		\$5,011,227	\$98,187,792
O	RESIDENTIAL INVENTORY	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY TAX	73		\$0	\$22,955,077
X	TOTALLY EXEMPT PROPERTY	1,938		\$2,716,517	\$454,547,758
	Totals		388,255.2113	\$256,398,543	\$12,430,935,815

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 82,661

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:45:52AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	37,387		\$167,298,602	\$5,933,524,140
A2	MOBILE HOME RESIDENTIAL	5,443		\$2,797,670	\$274,818,182
A3	SUBSTANTIAL NON-RES +\$1000	1,196		\$1,008,354	\$56,866,273
A4	LEASEHOLD IMPR RESIDENTIAL	147		\$67,735	\$8,379,139
B1	MULTI-FAMILY RESIDENTIAL	128		\$1,155,978	\$88,137,202
B2	DUPLEXES RESIDENTIAL	225		\$30,673	\$21,687,321
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$109,638
C1	VACANT RES & COMM LOTS	5,868		\$0	\$119,435,364
D1	ACREAGE RANCH LAND	8,782	359,893.9330	\$0	\$1,645,926,110
D2	IMPROVEMENTS ON QUALIFIED LAND	176	666.5040	\$241,566	\$3,003,358
D3	CULTIVATED LAND	8		\$0	\$220,962
D5	NATIVE PASTURE LAND	29		\$0	\$364,063
E1	REAL FARM & RANCH IMPROVEMENTS	3,586		\$10,338,541	\$429,878,206
E2	MOBILE HOMES RURAL	924		\$672,654	\$30,732,478
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,578		\$2,742,917	\$29,831,026
E4	LEASEHOLD IMPR RESIDENTIAL	45		\$476,364	\$2,503,363
E5	RURAL LAND NON-QUALIFIED	1,557		\$0	\$88,387,408
F1	REAL COMMERCIAL	1,836		\$34,564,252	\$670,337,294
F2	REAL INDUSTRIAL	99		\$7,592,199	\$612,786,583
F4	COMM/INDUST LEASEHOLD IMPR	34		\$47,648	\$6,936,576
G1	OIL, GAS AND MINERAL RESERVES	5,738		\$0	\$167,147,532
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS COMPANIES	11		\$0	\$1,761,844
J3	ELECTRIC COMPANIES	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANIES	53		\$0	\$19,228,237
J5	RAILROADS	17		\$0	\$21,167,979
J6	PIPELINES	124		\$0	\$18,312,811
J7	CABLE COMPANIES	15		\$0	\$7,620,395
L1	TANGIBLE COMMERCIAL PERSONAL	3,039		\$0	\$340,338,815
L2	INDUSTRIAL PERSONAL PROPERTY	457		\$0	\$728,683,796
M1	MOBILE HOMES	4,788		\$4,995,996	\$97,758,459
O1	INVENTORY-RESIDENTIAL	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY	73		\$0	\$22,955,077
X	EXEMPT	1,921		\$2,716,517	\$452,565,747
	Totals		360,560.4370	\$250,414,672	\$12,055,752,305

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 956

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:45:52AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	262		\$2,700,069	\$79,899,190
A2	MOBILE HOME RESIDENTIAL	76		\$3,603	\$2,478,936
A3	SUBSTANTIAL NON-RES +\$1000	25		\$55,660	\$1,946,020
A4	LEASEHOLD IMPR RESIDENTIAL	1		\$0	\$42,274
B1	MULTI-FAMILY RESIDENTIAL	12		\$0	\$32,336,638
B2	DUPLEXES RESIDENTIAL	6		\$0	\$619,989
C1	VACANT RES & COMM LOTS	130		\$0	\$11,681,699
D1	ACREAGE RANCH LAND	93	5,617.0528	\$0	\$41,772,648
D2	IMPROVEMENTS ON QUALIFIED LAND	6	2.8500	\$10,376	\$53,272
D5	NATIVE PASTURE LAND	1		\$0	\$577,398
E1	REAL FARM & RANCH IMPROVEMENTS	55		\$125,299	\$6,876,871
E2	MOBILE HOMES RURAL	9		\$31,396	\$262,423
E3	BARNS,SHEDS,SILOS & OTHER BLDGS	20		\$33,664	\$486,889
E5	RURAL LAND NON-QUALIFIED	31		\$0	\$4,232,342
F1	REAL COMMERCIAL	111		\$3,008,573	\$118,607,965
F2	REAL INDUSTRIAL	4		\$0	\$16,493,482
G1	OIL, GAS AND MINERAL RESERVES	4		\$0	\$170,607
L1	TANGIBLE COMMERCIAL PERSONAL	123		\$0	\$53,394,907
L2	INDUSTRIAL PERSONAL PROPERTY	1		\$0	\$838,616
M1	MOBILE HOMES	32		\$15,231	\$429,333
X	EXEMPT	17		\$0	\$1,982,011
	Totals		5,619.9028	\$5,983,871	\$375,183,510

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:45:52AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	37,649		\$169,998,671	\$6,013,423,330
A2	MOBILE HOME RESIDENTIAL	5,519		\$2,801,273	\$277,297,118
A3	SUBSTANTIAL NON-RES +\$1000	1,221		\$1,064,014	\$58,812,293
A4	LEASEHOLD IMPR RESIDENTIAL	148		\$67,735	\$8,421,413
B1	MULTI-FAMILY RESIDENTIAL	140		\$1,155,978	\$120,473,840
B2	DUPLEXES RESIDENTIAL	231		\$30,673	\$22,307,310
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$109,638
C1	VACANT RES & COMM LOTS	5,998		\$0	\$131,117,063
D1	ACREAGE RANCH LAND	8,875	365,510.9858	\$0	\$1,687,698,758
D2	IMPROVEMENTS ON QUALIFIED LAND	182	669.3540	\$251,942	\$3,056,630
D3	CULTIVATED LAND	8		\$0	\$220,962
D5	NATIVE PASTURE LAND	30		\$0	\$941,461
E1	REAL FARM & RANCH IMPROVEMENTS	3,641		\$10,463,840	\$436,755,077
E2	MOBILE HOMES RURAL	933		\$704,050	\$30,994,901
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,598		\$2,776,581	\$30,317,915
E4	LEASEHOLD IMPR RESIDENTIAL	45		\$476,364	\$2,503,363
E5	RURAL LAND NON-QUALIFIED	1,588		\$0	\$92,619,750
F1	REAL COMMERCIAL	1,947		\$37,572,825	\$788,945,259
F2	REAL INDUSTRIAL	103		\$7,592,199	\$629,280,065
F4	COMM/INDUST LEASEHOLD IMPR	34		\$47,648	\$6,936,576
G1	OIL, GAS AND MINERAL RESERVES	5,742		\$0	\$167,318,139
J1	WATER SYSTEMS	4		\$0	\$70,355
J2	GAS COMPANIES	11		\$0	\$1,761,844
J3	ELECTRIC COMPANIES	79		\$19,505	\$124,963,204
J4	TELEPHONE COMPANIES	53		\$0	\$19,228,237
J5	RAILROADS	17		\$0	\$21,167,979
J6	PIPELINES	124		\$0	\$18,312,811
J7	CABLE COMPANIES	15		\$0	\$7,620,395
L1	TANGIBLE COMMERCIAL PERSONAL	3,162		\$0	\$393,733,722
L2	INDUSTRIAL PERSONAL PROPERTY	458		\$0	\$729,522,412
M1	MOBILE HOMES	4,820		\$5,011,227	\$98,187,792
O1	INVENTORY-RESIDENTIAL	1,578		\$13,647,501	\$29,313,368
S	SPECIAL INVENTORY	73		\$0	\$22,955,077
X	EXEMPT	1,938		\$2,716,517	\$454,547,758
	Totals		366,180.3398	\$256,398,543	\$12,430,935,815

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 83,617

LTR - LATERAL ROAD
Effective Rate Assumption

6/3/2015 10:45:52AM

New Value

TOTAL NEW VALUE MARKET: **\$256,398,543**
TOTAL NEW VALUE TAXABLE: **\$247,208,502**

New Exemptions

Exemption	Description	Count		
EX-XV	Other Exemptions (including public property, r	95	2012 Market Value	\$2,530,547
EX366	HOUSE BILL 366	24	2012 Market Value	\$11,889
ABSOLUTE EXEMPTIONS VALUE LOSS				\$2,542,436

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	45	\$0
DPS	DISABLED Surviving Spouse	6	\$0
DV1	Disabled Veterans 10% - 29%	25	\$130,251
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	4	\$20,000
DV2	Disabled Veterans 30% - 49%	29	\$218,250
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	1	\$7,500
DV3	Disabled Veterans 50% - 69%	57	\$552,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	3	\$30,000
DV4	Disabled Veterans 70% - 100%	282	\$2,796,445
DV4S	Disabled Veterans Surviving Spouse 70% - 100	25	\$216,000
DVHS	Disabled Veteran Homestead	78	\$12,356,822
HS	HOMESTEAD	1,405	\$9,984,030
OV65	OVER 65	647	\$6,098,675
OV65S	OVER 65 Surviving Spouse	8	\$80,000
PARTIAL EXEMPTIONS VALUE LOSS		2,615	\$32,489,973
TOTAL EXEMPTIONS VALUE LOSS			\$35,032,409

New Ag / Timber Exemptions

2012 Market Value \$7,874
2013 Ag/Timber Use \$53
NEW AG / TIMBER VALUE LOSS \$7,821 Count: 1

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
30,914	\$157,844	\$8,423	\$149,421
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
28,592	\$158,941	\$8,441	\$150,500

GUADALUPE County

2013 CERTIFIED TOTALS

As of Certification

LTR - LATERAL ROAD
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
956	\$375,183,510.00	\$294,055,167

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:09:55AM

Land		Value			
Homesite:		799,050,210			
Non Homesite:		1,053,609,098			
Ag Market:		1,636,355,831			
Timber Market:		0		Total Land	(+) 3,489,015,139
Improvement		Value			
Homesite:		4,481,481,337			
Non Homesite:		3,194,693,834		Total Improvements	(+) 7,676,175,171
Non Real		Count	Value		
Personal Property:		3,554	1,498,019,724		
Mineral Property:		5,584	209,465,410		
Autos:		0	0	Total Non Real	(+) 1,707,485,134
				Market Value	= 12,872,675,444
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,636,325,437	30,394			
Ag Use:	32,605,706	68		Productivity Loss	(-) 1,603,719,731
Timber Use:	0	0		Appraised Value	= 11,268,955,713
Productivity Loss:	1,603,719,731	30,326		Homestead Cap	(-) 70,461,574
				Assessed Value	= 11,198,494,139
				Total Exemptions Amount	(-) 1,621,514,965
				(Breakdown on Next Page)	
				Net Taxable	= 9,576,979,174

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	154,141,911	130,533,304	375,442.00	410,447.65	1,365		
DPS	5,074,052	4,339,298	12,294.07	13,720.96	42		
OV65	1,320,560,423	1,111,447,103	3,095,866.23	3,235,000.17	8,989		
Total	1,479,776,386	1,246,319,705	3,483,602.30	3,659,168.78	10,396	Freeze Taxable	(-) 1,246,319,705
Tax Rate	0.336100						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	4,353,297	3,826,093	3,240,839	585,254	26		
Total	4,353,297	3,826,093	3,240,839	585,254	26	Transfer Adjustment	(-) 585,254
						Freeze Adjusted Taxable	= 8,330,074,215

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 31,480,981.74 = 8,330,074,215 * (0.336100 / 100) + 3,483,602.30

Tif Zone Code	Tax Increment Loss
2007 TIF	1,331,675
Tax Increment Finance Value:	1,331,675
Tax Increment Finance Levy:	4,475.76

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015

10:09:56AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	17	271,789,774	0	271,789,774
CH	1	29,114	0	29,114
CHODO	1	650,500	0	650,500
DP	1,457	0	0	0
DPS	47	0	0	0
DV1	618	0	3,239,636	3,239,636
DV1S	79	0	357,500	357,500
DV2	640	0	4,784,250	4,784,250
DV2S	34	0	250,000	250,000
DV3	786	0	7,776,000	7,776,000
DV3S	56	0	500,000	500,000
DV4	3,164	0	28,806,622	28,806,622
DV4S	317	0	2,931,308	2,931,308
DVHS	1,057	0	195,498,808	195,498,808
DVHSS	54	0	9,510,173	9,510,173
EX-XG	5	0	1,447,407	1,447,407
EX-XJ	28	0	4,280,522	4,280,522
EX-XL	12	0	2,203,705	2,203,705
EX-XR	43	0	1,940,524	1,940,524
EX-XU	2	0	20,234	20,234
EX-XV	1,691	0	429,956,602	429,956,602
EX-XV (Prorated)	15	0	779,777	779,777
EX366	92	0	24,211	24,211
FR	47	226,904,071	0	226,904,071
HS	33,257	157,427,854	0	157,427,854
LIH	2	0	3,531,150	3,531,150
MASSS	6	0	1,094,731	1,094,731
OV65	9,195	85,049,790	0	85,049,790
OV65S	700	6,601,706	0	6,601,706
PC	20	173,681,004	0	173,681,004
SO	23	447,992	0	447,992
Totals		922,581,805	698,933,160	1,621,514,965

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:09:55AM

Land		Value			
Homesite:		18,428,344			
Non Homesite:		87,585,667			
Ag Market:		33,123,683			
Timber Market:		0		Total Land	(+) 139,137,694
Improvement		Value			
Homesite:		53,992,140			
Non Homesite:		206,059,092		Total Improvements	(+) 260,051,232
Non Real		Count	Value		
Personal Property:	870	74,521,474			
Mineral Property:	15	1,383,765			
Autos:	0	0		Total Non Real	(+) 75,905,239
				Market Value	= 475,094,165
Ag	Non Exempt	Exempt			
Total Productivity Market:	33,123,683	0			
Ag Use:	451,987	0		Productivity Loss	(-) 32,671,696
Timber Use:	0	0		Appraised Value	= 442,422,469
Productivity Loss:	32,671,696	0		Homestead Cap	(-) 2,333,645
				Assessed Value	= 440,088,824
				Total Exemptions Amount (Breakdown on Next Page)	(-) 24,288,269
				Net Taxable	= 415,800,555

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	1,300,930	1,250,017	3,365.12	3,459.62	8	
OV65	12,657,048	11,924,411	25,144.74	26,003.61	35	
Total	13,957,978	13,174,428	28,509.86	29,463.23	43	Freeze Taxable (-) 13,174,428
Tax Rate	0.336100					
						Freeze Adjusted Taxable = 402,626,127

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 1,381,736.27 = 402,626,127 * (0.336100 / 100) + 28,509.86

Tif Zone Code	Tax Increment Loss
2007 TIF	15,365,734
Tax Increment Finance Value:	15,365,734
Tax Increment Finance Levy:	51,644.23

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:09:56AM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	8	0	0	0
DV1	6	0	30,000	30,000
DV2	5	0	37,500	37,500
DV3	9	0	90,000	90,000
DV3S	1	0	10,000	10,000
DV4	18	0	216,000	216,000
DV4S	3	0	36,000	36,000
DVHS	7	0	920,584	920,584
EX-XN	92	0	10,930,754	10,930,754
EX-XV	12	0	2,261,090	2,261,090
EX366	21	0	3,913	3,913
FR	3	3,510,455	0	3,510,455
HS	270	1,433,795	0	1,433,795
OV65	40	387,278	0	387,278
OV65S	6	60,000	0	60,000
PC	1	4,360,900	0	4,360,900
Totals		9,752,428	14,535,841	24,288,269

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015 10:09:55AM

Land		Value			
Homesite:		817,478,554			
Non Homesite:		1,141,194,765			
Ag Market:		1,669,479,514			
Timber Market:		0		Total Land	(+) 3,628,152,833
Improvement		Value			
Homesite:		4,535,473,477			
Non Homesite:		3,400,752,926		Total Improvements	(+) 7,936,226,403
Non Real		Count	Value		
Personal Property:	4,424	1,572,541,198			
Mineral Property:	5,599	210,849,175			
Autos:	0	0		Total Non Real	(+) 1,783,390,373
				Market Value	= 13,347,769,609
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,669,449,120	30,394			
Ag Use:	33,057,693	68		Productivity Loss	(-) 1,636,391,427
Timber Use:	0	0		Appraised Value	= 11,711,378,182
Productivity Loss:	1,636,391,427	30,326		Homestead Cap	(-) 72,795,219
				Assessed Value	= 11,638,582,963
				Total Exemptions Amount	(-) 1,645,803,234
				(Breakdown on Next Page)	
				Net Taxable	= 9,992,779,729

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	155,442,841	131,783,321	378,807.12	413,907.27	1,373		
DPS	5,074,052	4,339,298	12,294.07	13,720.96	42		
OV65	1,333,217,471	1,123,371,514	3,121,010.97	3,261,003.78	9,024		
Total	1,493,734,364	1,259,494,133	3,512,112.16	3,688,632.01	10,439	Freeze Taxable	(-) 1,259,494,133
Tax Rate	0.336100						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	4,353,297	3,826,093	3,240,839	585,254	26		
Total	4,353,297	3,826,093	3,240,839	585,254	26	Transfer Adjustment	(-) 585,254
						Freeze Adjusted Taxable	= 8,732,700,342

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 32,862,718.01 = 8,732,700,342 * (0.336100 / 100) + 3,512,112.16

Tif Zone Code	Tax Increment Loss
2007 TIF	16,697,409
Tax Increment Finance Value:	16,697,409
Tax Increment Finance Levy:	56,119.99

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:09:56AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	17	271,789,774	0	271,789,774
CH	1	29,114	0	29,114
CHODO	1	650,500	0	650,500
DP	1,465	0	0	0
DPS	47	0	0	0
DV1	624	0	3,269,636	3,269,636
DV1S	79	0	357,500	357,500
DV2	645	0	4,821,750	4,821,750
DV2S	34	0	250,000	250,000
DV3	795	0	7,866,000	7,866,000
DV3S	57	0	510,000	510,000
DV4	3,182	0	29,022,622	29,022,622
DV4S	320	0	2,967,308	2,967,308
DVHS	1,064	0	196,419,392	196,419,392
DVHSS	54	0	9,510,173	9,510,173
EX-XG	5	0	1,447,407	1,447,407
EX-XJ	28	0	4,280,522	4,280,522
EX-XL	12	0	2,203,705	2,203,705
EX-XN	92	0	10,930,754	10,930,754
EX-XR	43	0	1,940,524	1,940,524
EX-XU	2	0	20,234	20,234
EX-XV	1,703	0	432,217,692	432,217,692
EX-XV (Prorated)	15	0	779,777	779,777
EX366	113	0	28,124	28,124
FR	50	230,414,526	0	230,414,526
HS	33,527	158,861,649	0	158,861,649
LIH	2	0	3,531,150	3,531,150
MASSS	6	0	1,094,731	1,094,731
OV65	9,235	85,437,068	0	85,437,068
OV65S	706	6,661,706	0	6,661,706
PC	21	178,041,904	0	178,041,904
SO	23	447,992	0	447,992
Totals		932,334,233	713,469,001	1,645,803,234

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:09:56AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	44,204		\$165,683,668	\$6,741,191,005
B	MULTIFAMILY RESIDENCE	348		\$1,914,017	\$119,133,047
C1	VACANT LOTS AND LAND TRACTS	5,121		\$0	\$113,081,652
D1	QUALIFIED OPEN-SPACE LAND	8,816	360,815.2330	\$0	\$1,636,187,756
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	334		\$1,099,477	\$5,111,177
E	RURAL LAND, NON QUALIFIED OPEN SP	8,106	22,745.1462	\$12,199,621	\$625,779,300
F1	COMMERCIAL REAL PROPERTY	1,891		\$40,680,045	\$719,143,520
F2	INDUSTRIAL AND MANUFACTURING REA	98		\$53,657,715	\$684,183,541
G1	OIL AND GAS	5,567		\$0	\$209,438,261
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,920,013
J3	ELECTRIC COMPANY (INCLUDING CO-OP	77		\$0	\$142,057,684
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$0	\$18,799,612
J5	RAILROAD	17		\$0	\$23,425,393
J6	PIPELAND COMPANY	124		\$0	\$18,449,216
J7	CABLE TELEVISION COMPANY	16		\$316,621	\$4,790,910
L1	COMMERCIAL PERSONAL PROPERTY	2,628		\$79,392	\$402,014,882
L2	INDUSTRIAL AND MANUFACTURING PERS	428		\$53,208,147	\$788,746,595
M1	TANGIBLE OTHER PERSONAL, MOBILE H	5,083		\$4,582,104	\$102,080,212
O	RESIDENTIAL INVENTORY	1,074		\$18,247,993	\$34,696,467
S	SPECIAL INVENTORY TAX	76		\$0	\$37,514,573
X	TOTALLY EXEMPT PROPERTY	1,892		\$10,011,563	\$444,863,747
	Totals		383,560.3792	\$361,680,363	\$12,872,675,444

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015 10:09:56AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	483		\$7,228,517	\$121,488,041
B	MULTIFAMILY RESIDENCE	32		\$915,418	\$36,883,389
C1	VACANT LOTS AND LAND TRACTS	268		\$0	\$11,602,504
D1	QUALIFIED OPEN-SPACE LAND	99	4,281.0634	\$0	\$33,123,683
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	4		\$52,613	\$116,360
E	RURAL LAND, NON QUALIFIED OPEN SP	115	559.5325	\$861,905	\$17,407,810
F1	COMMERCIAL REAL PROPERTY	106		\$4,749,873	\$123,564,567
F2	INDUSTRIAL AND MANUFACTURING REA	9		\$5,359,039	\$26,917,303
G1	OIL AND GAS	15		\$0	\$1,383,765
L1	COMMERCIAL PERSONAL PROPERTY	715		\$0	\$46,833,614
L2	INDUSTRIAL AND MANUFACTURING PERE	29		\$0	\$14,187,894
M1	TANGIBLE OTHER PERSONAL, MOBILE H	44		\$361,982	\$758,725
O	RESIDENTIAL INVENTORY	1,029		\$14,093,608	\$27,268,860
S	SPECIAL INVENTORY TAX	2		\$0	\$361,893
X	TOTALLY EXEMPT PROPERTY	125		\$0	\$13,195,757
	Totals		4,840.5959	\$33,622,955	\$475,094,165

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:09:56AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	44,687		\$172,912,185	\$6,862,679,046
B	MULTIFAMILY RESIDENCE	380		\$2,829,435	\$156,016,436
C1	VACANT LOTS AND LAND TRACTS	5,389		\$0	\$124,684,156
D1	QUALIFIED OPEN-SPACE LAND	8,915	365,096.2964	\$0	\$1,669,311,439
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	338		\$1,152,090	\$5,227,537
E	RURAL LAND, NON QUALIFIED OPEN SP	8,221	23,304.6787	\$13,061,526	\$643,187,110
F1	COMMERCIAL REAL PROPERTY	1,997		\$45,429,918	\$842,708,087
F2	INDUSTRIAL AND MANUFACTURING REA	107		\$59,016,754	\$711,100,844
G1	OIL AND GAS	5,582		\$0	\$210,822,026
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,920,013
J3	ELECTRIC COMPANY (INCLUDING CO-OP	77		\$0	\$142,057,684
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$0	\$18,799,612
J5	RAILROAD	17		\$0	\$23,425,393
J6	PIPELAND COMPANY	124		\$0	\$18,449,216
J7	CABLE TELEVISION COMPANY	16		\$316,621	\$4,790,910
L1	COMMERCIAL PERSONAL PROPERTY	3,343		\$79,392	\$448,848,496
L2	INDUSTRIAL AND MANUFACTURING PERS	457		\$53,208,147	\$802,934,489
M1	TANGIBLE OTHER PERSONAL, MOBILE H	5,127		\$4,944,086	\$102,838,937
O	RESIDENTIAL INVENTORY	2,103		\$32,341,601	\$61,965,327
S	SPECIAL INVENTORY TAX	78		\$0	\$37,876,466
X	TOTALLY EXEMPT PROPERTY	2,017		\$10,011,563	\$458,059,504
	Totals		388,400.9751	\$395,303,318	\$13,347,769,609

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

GCO - GUADALUPE COUNTY
ARB Approved Totals

6/3/2015 10:09:56AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	38,118		\$162,448,841	\$6,428,056,997
A2	MOBILE HOME RESIDENTIAL	5,512		\$2,288,566	\$252,430,552
A3	SUBSTANTIAL NON-RES +\$1000	1,316		\$941,093	\$52,289,556
A4	LEASEHOLD IMPR RESIDENTIAL	159		\$5,168	\$8,413,900
B1	MULTI-FAMILY RESIDENTIAL	116		\$1,906,523	\$97,252,266
B2	DUPLEXES RESIDENTIAL	232		\$7,494	\$21,775,641
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$105,140
C1	VACANT RES & COMM LOTS	5,121		\$0	\$113,081,652
D1	ACREAGE RANCH LAND	8,816	360,815.2330	\$0	\$1,636,187,756
D2	IMPROVEMENTS ON QUALIFIED LAND	334	590.2840	\$1,099,477	\$5,111,177
D3	CULTIVATED LAND	10		\$0	\$1,829,273
D5	NATIVE PASTURE LAND	31		\$0	\$597,557
E1	REAL FARM & RANCH IMPROVEMENTS	3,630		\$9,920,222	\$471,412,969
E2	MOBILE HOMES RURAL	977		\$607,713	\$31,823,545
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,546		\$1,496,444	\$28,063,003
E4	LEASEHOLD IMPR RESIDENTIAL	42		\$50,741	\$2,452,639
E5	RURAL LAND NON-QUALIFIED	1,569		\$124,501	\$89,600,314
F1	REAL COMMERCIAL	1,856		\$40,668,923	\$714,736,284
F2	REAL INDUSTRIAL	98		\$53,657,715	\$684,183,541
F4	COMM/INDUST LEASEHOLD IMPR	36		\$11,122	\$4,407,236
G1	OIL, GAS AND MINERAL RESERVES	5,567		\$0	\$209,438,261
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS COMPANIES	11		\$0	\$1,920,013
J3	ELECTRIC COMPANIES	77		\$0	\$142,057,684
J4	TELEPHONE COMPANIES	54		\$0	\$18,799,612
J5	RAILROADS	17		\$0	\$23,425,393
J6	PIPELINES	124		\$0	\$18,449,216
J7	CABLE COMPANIES	16		\$316,621	\$4,790,910
L1	TANGIBLE COMMERCIAL PERSONAL	2,628		\$79,392	\$402,014,882
L2	INDUSTRIAL PERSONAL PROPERTY	428		\$53,208,147	\$788,746,595
M1	MOBILE HOMES	5,083		\$4,582,104	\$102,080,212
O1	INVENTORY-RESIDENTIAL	1,074		\$18,247,993	\$34,696,467
S	SPECIAL INVENTORY	76		\$0	\$37,514,573
X	EXEMPT	1,892		\$10,011,563	\$444,863,747
	Totals		361,405.5170	\$361,680,363	\$12,872,675,444

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

GCO - GUADALUPE COUNTY
Under ARB Review Totals

6/3/2015

10:09:56AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	426		\$7,141,150	\$116,874,150
A2	MOBILE HOME RESIDENTIAL	33		\$61,316	\$1,723,528
A3	SUBSTANTIAL NON-RES +\$1000	43		\$26,051	\$2,791,493
A4	LEASEHOLD IMPR RESIDENTIAL	2		\$0	\$98,870
B1	MULTI-FAMILY RESIDENTIAL	32		\$915,418	\$36,883,389
C1	VACANT RES & COMM LOTS	268		\$0	\$11,602,504
D1	ACREAGE RANCH LAND	99	4,281.0634	\$0	\$33,123,683
D2	IMPROVEMENTS ON QUALIFIED LAND	4	2.3500	\$52,613	\$116,360
D5	NATIVE PASTURE LAND	1		\$0	\$703,846
E1	REAL FARM & RANCH IMPROVEMENTS	62		\$713,398	\$8,166,923
E2	MOBILE HOMES RURAL	13		\$131,306	\$492,509
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	20		\$17,201	\$427,368
E4	LEASEHOLD IMPR RESIDENTIAL	1		\$0	\$8,118
E5	RURAL LAND NON-QUALIFIED	32		\$0	\$7,609,046
F1	REAL COMMERCIAL	106		\$4,749,873	\$123,564,567
F2	REAL INDUSTRIAL	9		\$5,359,039	\$26,917,303
G1	OIL, GAS AND MINERAL RESERVES	15		\$0	\$1,383,765
L1	TANGIBLE COMMERCIAL PERSONAL	715		\$0	\$46,833,614
L2	INDUSTRIAL PERSONAL PROPERTY	29		\$0	\$14,187,894
M1	MOBILE HOMES	44		\$361,982	\$758,725
O1	INVENTORY-RESIDENTIAL	1,029		\$14,093,608	\$27,268,860
S	SPECIAL INVENTORY	2		\$0	\$361,893
X	EXEMPT	125		\$0	\$13,195,757
	Totals		4,283.4134	\$33,622,955	\$475,094,165

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

GCO - GUADALUPE COUNTY

Grand Totals

6/3/2015

10:09:56AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	38,544		\$169,589,991	\$6,544,931,147
A2	MOBILE HOME RESIDENTIAL	5,545		\$2,349,882	\$254,154,080
A3	SUBSTANTIAL NON-RES +\$1000	1,359		\$967,144	\$55,081,049
A4	LEASEHOLD IMPR RESIDENTIAL	161		\$5,168	\$8,512,770
B1	MULTI-FAMILY RESIDENTIAL	148		\$2,821,941	\$134,135,655
B2	DUPLEXES RESIDENTIAL	232		\$7,494	\$21,775,641
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$105,140
C1	VACANT RES & COMM LOTS	5,389		\$0	\$124,684,156
D1	ACREAGE RANCH LAND	8,915	365,096.2964	\$0	\$1,669,311,439
D2	IMPROVEMENTS ON QUALIFIED LAND	338	592.6340	\$1,152,090	\$5,227,537
D3	CULTIVATED LAND	10		\$0	\$1,829,273
D5	NATIVE PASTURE LAND	32		\$0	\$1,301,403
E1	REAL FARM & RANCH IMPROVEMENTS	3,692		\$10,633,620	\$479,579,892
E2	MOBILE HOMES RURAL	990		\$739,019	\$32,316,054
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,566		\$1,513,645	\$28,490,371
E4	LEASEHOLD IMPR RESIDENTIAL	43		\$50,741	\$2,460,757
E5	RURAL LAND NON-QUALIFIED	1,601		\$124,501	\$97,209,360
F1	REAL COMMERCIAL	1,962		\$45,418,796	\$838,300,851
F2	REAL INDUSTRIAL	107		\$59,016,754	\$711,100,844
F4	COMM/INDUST LEASEHOLD IMPR	36		\$11,122	\$4,407,236
G1	OIL, GAS AND MINERAL RESERVES	5,582		\$0	\$210,822,026
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS COMPANIES	11		\$0	\$1,920,013
J3	ELECTRIC COMPANIES	77		\$0	\$142,057,684
J4	TELEPHONE COMPANIES	54		\$0	\$18,799,612
J5	RAILROADS	17		\$0	\$23,425,393
J6	PIPELINES	124		\$0	\$18,449,216
J7	CABLE COMPANIES	16		\$316,621	\$4,790,910
L1	TANGIBLE COMMERCIAL PERSONAL	3,343		\$79,392	\$448,848,496
L2	INDUSTRIAL PERSONAL PROPERTY	457		\$53,208,147	\$802,934,489
M1	MOBILE HOMES	5,127		\$4,944,086	\$102,838,937
O1	INVENTORY-RESIDENTIAL	2,103		\$32,341,601	\$61,965,327
S	SPECIAL INVENTORY	78		\$0	\$37,876,466
X	EXEMPT	2,017		\$10,011,563	\$458,059,504
	Totals		365,688.9304	\$395,303,318	\$13,347,769,609

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

GCO - GUADALUPE COUNTY
Effective Rate Assumption

6/3/2015 10:09:56AM

New Value

TOTAL NEW VALUE MARKET: **\$395,303,318**
TOTAL NEW VALUE TAXABLE: **\$336,542,120**

New Exemptions

Exemption	Description	Count		
EX-XL	11.231 Organizations Providing Economic Deve	2	2013 Market Value	\$33,558
EX-XN	11.252 Motor vehicles leased for personal use	66	2013 Market Value	\$1,528,120
EX-XV	Other Exemptions (including public property, r	33	2013 Market Value	\$1,938,271
EX366	HOUSE BILL 366	33	2013 Market Value	\$97,788
ABSOLUTE EXEMPTIONS VALUE LOSS				\$3,597,737

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	41	\$0
DPS	DISABLED Surviving Spouse	2	\$0
DV1	Disabled Veterans 10% - 29%	31	\$157,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	3	\$15,000
DV2	Disabled Veterans 30% - 49%	54	\$399,000
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	1	\$7,500
DV3	Disabled Veterans 50% - 69%	81	\$790,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	3	\$30,000
DV4	Disabled Veterans 70% - 100%	298	\$2,834,255
DV4S	Disabled Veterans Surviving Spouse 70% - 100	28	\$264,000
DVHS	Disabled Veteran Homestead	79	\$14,213,119
HS	HOMESTEAD	1,873	\$8,801,001
OV65	OVER 65	644	\$5,661,066
OV65S	OVER 65 Surviving Spouse	8	\$53,041
PARTIAL EXEMPTIONS VALUE LOSS		3,146	\$33,224,982
TOTAL EXEMPTIONS VALUE LOSS			\$36,822,719

New Ag / Timber Exemptions

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
31,625	\$167,364	\$7,067	\$160,297
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
29,253	\$168,539	\$7,042	\$161,497

GUADALUPE County

2014 CERTIFIED TOTALS
GCO - GUADALUPE COUNTY
Lower Value Used

As of Certification

Count of Protested Properties	Total Market Value	Total Value Used
3,028	\$475,094,165.00	\$341,198,688

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:09:55AM

Land		Value				
Homesite:		799,050,210				
Non Homesite:		1,053,609,098				
Ag Market:		1,636,355,831				
Timber Market:		0		Total Land	(+)	3,489,015,139
Improvement		Value				
Homesite:		4,481,481,337				
Non Homesite:		3,194,693,834		Total Improvements	(+)	7,676,175,171
Non Real		Count	Value			
Personal Property:		3,554	1,498,019,724			
Mineral Property:		5,584	209,465,410			
Autos:		0	0	Total Non Real	(+)	1,707,485,134
				Market Value	=	12,872,675,444
Ag	Non Exempt	Exempt				
Total Productivity Market:	1,636,325,437	30,394				
Ag Use:	32,605,706	68		Productivity Loss	(-)	1,603,719,731
Timber Use:	0	0		Appraised Value	=	11,268,955,713
Productivity Loss:	1,603,719,731	30,326		Homestead Cap	(-)	70,461,574
				Assessed Value	=	11,198,494,139
				Total Exemptions Amount	(-)	1,641,102,685
				(Breakdown on Next Page)		
				Net Taxable	=	9,557,391,454

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	154,141,911	126,916,750	58,817.99	64,219.33	1,365		
DPS	5,074,052	4,226,798	1,907.05	2,132.69	42		
OV65	1,320,605,207	1,111,475,986	493,462.22	514,692.19	8,988		
Total	1,479,821,170	1,242,619,534	554,187.26	581,044.21	10,395	Freeze Taxable	(-) 1,242,619,534
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	4,115,535	3,615,331	2,940,328	675,003	25		
Total	4,115,535	3,615,331	2,940,328	675,003	25	Transfer Adjustment	(-) 675,003
						Freeze Adjusted Taxable	= 8,314,096,917

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 5,376,363.47 = 8,314,096,917 * (0.058000 / 100) + 554,187.26

Tif Zone Code	Tax Increment Loss
2007 TIF	1,322,675
Tax Increment Finance Value:	1,322,675
Tax Increment Finance Levy:	767.15

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015

10:09:56AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	10	224,164,249	0	224,164,249
CH	1	29,114	0	29,114
CHODO	1	650,500	0	650,500
DP	1,457	0	0	0
DPS	47	0	0	0
DV1	618	0	3,232,344	3,232,344
DV1S	79	0	357,500	357,500
DV2	640	0	4,784,250	4,784,250
DV2S	34	0	250,000	250,000
DV3	786	0	7,762,286	7,762,286
DV3S	56	0	496,987	496,987
DV4	3,164	0	28,652,049	28,652,049
DV4S	317	0	2,910,183	2,910,183
DVHS	1,059	0	185,239,534	185,239,534
DVHSS	54	0	8,834,616	8,834,616
EX-XG	5	0	1,447,407	1,447,407
EX-XJ	28	0	4,280,522	4,280,522
EX-XL	12	0	2,203,705	2,203,705
EX-XR	43	0	1,940,524	1,940,524
EX-XU	2	0	20,234	20,234
EX-XV	1,691	0	429,956,602	429,956,602
EX-XV (Prorated)	15	0	779,777	779,777
EX366	92	0	24,211	24,211
FR	47	226,904,071	0	226,904,071
HS	33,257	162,554,182	68,612,318	231,166,500
LIH	2	0	3,531,150	3,531,150
MASSS	6	0	1,039,731	1,039,731
OV65	9,195	62,519,719	26,866,210	89,385,929
OV65S	700	4,850,465	2,079,249	6,929,714
PC	20	173,681,004	0	173,681,004
SO	23	447,992	0	447,992
Totals		855,801,296	785,301,389	1,641,102,685

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:09:55AM

Land		Value			
Homesite:		18,428,344			
Non Homesite:		87,585,667			
Ag Market:		33,123,683			
Timber Market:		0		Total Land	(+) 139,137,694
Improvement		Value			
Homesite:		53,992,140			
Non Homesite:		206,059,092		Total Improvements	(+) 260,051,232
Non Real		Count	Value		
Personal Property:	870	74,521,474			
Mineral Property:	15	1,383,765			
Autos:	0	0		Total Non Real	(+) 75,905,239
				Market Value	= 475,094,165
Ag	Non Exempt	Exempt			
Total Productivity Market:	33,123,683	0			
Ag Use:	451,987	0		Productivity Loss	(-) 32,671,696
Timber Use:	0	0		Appraised Value	= 442,422,469
Productivity Loss:	32,671,696	0		Homestead Cap	(-) 2,333,645
				Assessed Value	= 440,088,824
				Total Exemptions Amount (Breakdown on Next Page)	(-) 24,971,344
				Net Taxable	= 415,117,480

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count	
DP	1,300,930	1,226,669	527.81	543.96	8	
OV65	12,657,048	11,924,411	3,898.37	4,005.81	35	
Total	13,957,978	13,151,080	4,426.18	4,549.77	43	Freeze Taxable (-) 13,151,080
Tax Rate	0.058000					
						Freeze Adjusted Taxable = 401,966,400

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 237,566.69 = 401,966,400 * (0.058000 / 100) + 4,426.18

Tif Zone Code	Tax Increment Loss
2007 TIF	15,365,734
Tax Increment Finance Value:	15,365,734
Tax Increment Finance Levy:	8,912.13

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015

10:09:56AM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	8	0	0	0
DV1	6	0	30,000	30,000
DV2	5	0	37,500	37,500
DV3	9	0	90,000	90,000
DV3S	1	0	10,000	10,000
DV4	18	0	216,000	216,000
DV4S	3	0	36,000	36,000
DVHS	7	0	897,584	897,584
EX-XN	92	0	10,930,754	10,930,754
EX-XV	12	0	2,261,090	2,261,090
EX366	21	0	3,913	3,913
FR	3	3,510,455	0	3,510,455
HS	270	1,443,795	686,075	2,129,870
OV65	40	277,278	120,000	397,278
OV65S	6	42,000	18,000	60,000
PC	1	4,360,900	0	4,360,900
Totals		9,634,428	15,336,916	24,971,344

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:09:55AM

Land		Value			
Homesite:		817,478,554			
Non Homesite:		1,141,194,765			
Ag Market:		1,669,479,514			
Timber Market:		0		Total Land	(+) 3,628,152,833
Improvement		Value			
Homesite:		4,535,473,477			
Non Homesite:		3,400,752,926		Total Improvements	(+) 7,936,226,403
Non Real		Count	Value		
Personal Property:	4,424	1,572,541,198			
Mineral Property:	5,599	210,849,175			
Autos:	0	0		Total Non Real	(+) 1,783,390,373
				Market Value	= 13,347,769,609
Ag	Non Exempt	Exempt			
Total Productivity Market:	1,669,449,120	30,394			
Ag Use:	33,057,693	68		Productivity Loss	(-) 1,636,391,427
Timber Use:	0	0		Appraised Value	= 11,711,378,182
Productivity Loss:	1,636,391,427	30,326		Homestead Cap	(-) 72,795,219
				Assessed Value	= 11,638,582,963
				Total Exemptions Amount	(-) 1,666,074,029
				(Breakdown on Next Page)	
				Net Taxable	= 9,972,508,934

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	155,442,841	128,143,419	59,345.80	64,763.29	1,373		
DPS	5,074,052	4,226,798	1,907.05	2,132.69	42		
OV65	1,333,262,255	1,123,400,397	497,360.59	518,698.00	9,023		
Total	1,493,779,148	1,255,770,614	558,613.44	585,593.98	10,438	Freeze Taxable	(-) 1,255,770,614
Tax Rate	0.058000						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	4,115,535	3,615,331	2,940,328	675,003	25		
Total	4,115,535	3,615,331	2,940,328	675,003	25	Transfer Adjustment	(-) 675,003
						Freeze Adjusted Taxable	= 8,716,063,317

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 5,613,930.16 = 8,716,063,317 * (0.058000 / 100) + 558,613.44

Tif Zone Code	Tax Increment Loss
2007 TIF	16,688,409
Tax Increment Finance Value:	16,688,409
Tax Increment Finance Levy:	9,679.28

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

LTR - LATERAL ROAD
Grand Totals

6/3/2015

10:09:56AM

Exemption Breakdown

Exemption	Count	Local	State	Total
AB	10	224,164,249	0	224,164,249
CH	1	29,114	0	29,114
CHODO	1	650,500	0	650,500
DP	1,465	0	0	0
DPS	47	0	0	0
DV1	624	0	3,262,344	3,262,344
DV1S	79	0	357,500	357,500
DV2	645	0	4,821,750	4,821,750
DV2S	34	0	250,000	250,000
DV3	795	0	7,852,286	7,852,286
DV3S	57	0	506,987	506,987
DV4	3,182	0	28,868,049	28,868,049
DV4S	320	0	2,946,183	2,946,183
DVHS	1,066	0	186,137,118	186,137,118
DVHSS	54	0	8,834,616	8,834,616
EX-XG	5	0	1,447,407	1,447,407
EX-XJ	28	0	4,280,522	4,280,522
EX-XL	12	0	2,203,705	2,203,705
EX-XN	92	0	10,930,754	10,930,754
EX-XR	43	0	1,940,524	1,940,524
EX-XU	2	0	20,234	20,234
EX-XV	1,703	0	432,217,692	432,217,692
EX-XV (Prorated)	15	0	779,777	779,777
EX366	113	0	28,124	28,124
FR	50	230,414,526	0	230,414,526
HS	33,527	163,997,977	69,298,393	233,296,370
LIH	2	0	3,531,150	3,531,150
MASSS	6	0	1,039,731	1,039,731
OV65	9,235	62,796,997	26,986,210	89,783,207
OV65S	706	4,892,465	2,097,249	6,989,714
PC	21	178,041,904	0	178,041,904
SO	23	447,992	0	447,992
Totals		865,435,724	800,638,305	1,666,074,029

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:09:56AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	44,204		\$165,683,668	\$6,741,191,005
B	MULTIFAMILY RESIDENCE	348		\$1,914,017	\$119,133,047
C1	VACANT LOTS AND LAND TRACTS	5,121		\$0	\$113,081,652
D1	QUALIFIED OPEN-SPACE LAND	8,816	360,815.2330	\$0	\$1,636,187,756
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	334		\$1,099,477	\$5,111,177
E	RURAL LAND, NON QUALIFIED OPEN SP	8,106	22,745.1462	\$12,199,621	\$625,779,300
F1	COMMERCIAL REAL PROPERTY	1,891		\$40,680,045	\$719,143,520
F2	INDUSTRIAL AND MANUFACTURING REA	98		\$53,657,715	\$684,183,541
G1	OIL AND GAS	5,567		\$0	\$209,438,261
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,920,013
J3	ELECTRIC COMPANY (INCLUDING CO-OP	77		\$0	\$142,057,684
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$0	\$18,799,612
J5	RAILROAD	17		\$0	\$23,425,393
J6	PIPELAND COMPANY	124		\$0	\$18,449,216
J7	CABLE TELEVISION COMPANY	16		\$316,621	\$4,790,910
L1	COMMERCIAL PERSONAL PROPERTY	2,628		\$79,392	\$402,014,882
L2	INDUSTRIAL AND MANUFACTURING PERS	428		\$53,208,147	\$788,746,595
M1	TANGIBLE OTHER PERSONAL, MOBILE H	5,083		\$4,582,104	\$102,080,212
O	RESIDENTIAL INVENTORY	1,074		\$18,247,993	\$34,696,467
S	SPECIAL INVENTORY TAX	76		\$0	\$37,514,573
X	TOTALLY EXEMPT PROPERTY	1,892		\$10,011,563	\$444,863,747
	Totals		383,560.3792	\$361,680,363	\$12,872,675,444

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:09:56AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	483		\$7,228,517	\$121,488,041
B	MULTIFAMILY RESIDENCE	32		\$915,418	\$36,883,389
C1	VACANT LOTS AND LAND TRACTS	268		\$0	\$11,602,504
D1	QUALIFIED OPEN-SPACE LAND	99	4,281.0634	\$0	\$33,123,683
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	4		\$52,613	\$116,360
E	RURAL LAND, NON QUALIFIED OPEN SP	115	559.5325	\$861,905	\$17,407,810
F1	COMMERCIAL REAL PROPERTY	106		\$4,749,873	\$123,564,567
F2	INDUSTRIAL AND MANUFACTURING REA	9		\$5,359,039	\$26,917,303
G1	OIL AND GAS	15		\$0	\$1,383,765
L1	COMMERCIAL PERSONAL PROPERTY	715		\$0	\$46,833,614
L2	INDUSTRIAL AND MANUFACTURING PERE	29		\$0	\$14,187,894
M1	TANGIBLE OTHER PERSONAL, MOBILE H	44		\$361,982	\$758,725
O	RESIDENTIAL INVENTORY	1,029		\$14,093,608	\$27,268,860
S	SPECIAL INVENTORY TAX	2		\$0	\$361,893
X	TOTALLY EXEMPT PROPERTY	125		\$0	\$13,195,757
	Totals		4,840.5959	\$33,622,955	\$475,094,165

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:09:56AM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	44,687		\$172,912,185	\$6,862,679,046
B	MULTIFAMILY RESIDENCE	380		\$2,829,435	\$156,016,436
C1	VACANT LOTS AND LAND TRACTS	5,389		\$0	\$124,684,156
D1	QUALIFIED OPEN-SPACE LAND	8,915	365,096.2964	\$0	\$1,669,311,439
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	338		\$1,152,090	\$5,227,537
E	RURAL LAND, NON QUALIFIED OPEN SP	8,221	23,304.6787	\$13,061,526	\$643,187,110
F1	COMMERCIAL REAL PROPERTY	1,997		\$45,429,918	\$842,708,087
F2	INDUSTRIAL AND MANUFACTURING REA	107		\$59,016,754	\$711,100,844
G1	OIL AND GAS	5,582		\$0	\$210,822,026
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS DISTRIBUTION SYSTEM	11		\$0	\$1,920,013
J3	ELECTRIC COMPANY (INCLUDING CO-OP	77		\$0	\$142,057,684
J4	TELEPHONE COMPANY (INCLUDING CO-	54		\$0	\$18,799,612
J5	RAILROAD	17		\$0	\$23,425,393
J6	PIPELAND COMPANY	124		\$0	\$18,449,216
J7	CABLE TELEVISION COMPANY	16		\$316,621	\$4,790,910
L1	COMMERCIAL PERSONAL PROPERTY	3,343		\$79,392	\$448,848,496
L2	INDUSTRIAL AND MANUFACTURING PERS	457		\$53,208,147	\$802,934,489
M1	TANGIBLE OTHER PERSONAL, MOBILE H	5,127		\$4,944,086	\$102,838,937
O	RESIDENTIAL INVENTORY	2,103		\$32,341,601	\$61,965,327
S	SPECIAL INVENTORY TAX	78		\$0	\$37,876,466
X	TOTALLY EXEMPT PROPERTY	2,017		\$10,011,563	\$458,059,504
	Totals		388,400.9751	\$395,303,318	\$13,347,769,609

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 81,901

LTR - LATERAL ROAD
ARB Approved Totals

6/3/2015 10:09:56AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	38,118		\$162,448,841	\$6,428,056,997
A2	MOBILE HOME RESIDENTIAL	5,512		\$2,288,566	\$252,430,552
A3	SUBSTANTIAL NON-RES +\$1000	1,316		\$941,093	\$52,289,556
A4	LEASEHOLD IMPR RESIDENTIAL	159		\$5,168	\$8,413,900
B1	MULTI-FAMILY RESIDENTIAL	116		\$1,906,523	\$97,252,266
B2	DUPLEXES RESIDENTIAL	232		\$7,494	\$21,775,641
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$105,140
C1	VACANT RES & COMM LOTS	5,121		\$0	\$113,081,652
D1	ACREAGE RANCH LAND	8,816	360,815.2330	\$0	\$1,636,187,756
D2	IMPROVEMENTS ON QUALIFIED LAND	334	590.2840	\$1,099,477	\$5,111,177
D3	CULTIVATED LAND	10		\$0	\$1,829,273
D5	NATIVE PASTURE LAND	31		\$0	\$597,557
E1	REAL FARM & RANCH IMPROVEMENTS	3,630		\$9,920,222	\$471,412,969
E2	MOBILE HOMES RURAL	977		\$607,713	\$31,823,545
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,546		\$1,496,444	\$28,063,003
E4	LEASEHOLD IMPR RESIDENTIAL	42		\$50,741	\$2,452,639
E5	RURAL LAND NON-QUALIFIED	1,569		\$124,501	\$89,600,314
F1	REAL COMMERCIAL	1,856		\$40,668,923	\$714,736,284
F2	REAL INDUSTRIAL	98		\$53,657,715	\$684,183,541
F4	COMM/INDUST LEASEHOLD IMPR	36		\$11,122	\$4,407,236
G1	OIL, GAS AND MINERAL RESERVES	5,567		\$0	\$209,438,261
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS COMPANIES	11		\$0	\$1,920,013
J3	ELECTRIC COMPANIES	77		\$0	\$142,057,684
J4	TELEPHONE COMPANIES	54		\$0	\$18,799,612
J5	RAILROADS	17		\$0	\$23,425,393
J6	PIPELINES	124		\$0	\$18,449,216
J7	CABLE COMPANIES	16		\$316,621	\$4,790,910
L1	TANGIBLE COMMERCIAL PERSONAL	2,628		\$79,392	\$402,014,882
L2	INDUSTRIAL PERSONAL PROPERTY	428		\$53,208,147	\$788,746,595
M1	MOBILE HOMES	5,083		\$4,582,104	\$102,080,212
O1	INVENTORY-RESIDENTIAL	1,074		\$18,247,993	\$34,696,467
S	SPECIAL INVENTORY	76		\$0	\$37,514,573
X	EXEMPT	1,892		\$10,011,563	\$444,863,747
	Totals		361,405.5170	\$361,680,363	\$12,872,675,444

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 3,028

LTR - LATERAL ROAD
Under ARB Review Totals

6/3/2015 10:09:56AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	426		\$7,141,150	\$116,874,150
A2	MOBILE HOME RESIDENTIAL	33		\$61,316	\$1,723,528
A3	SUBSTANTIAL NON-RES +\$1000	43		\$26,051	\$2,791,493
A4	LEASEHOLD IMPR RESIDENTIAL	2		\$0	\$98,870
B1	MULTI-FAMILY RESIDENTIAL	32		\$915,418	\$36,883,389
C1	VACANT RES & COMM LOTS	268		\$0	\$11,602,504
D1	ACREAGE RANCH LAND	99	4,281.0634	\$0	\$33,123,683
D2	IMPROVEMENTS ON QUALIFIED LAND	4	2.3500	\$52,613	\$116,360
D5	NATIVE PASTURE LAND	1		\$0	\$703,846
E1	REAL FARM & RANCH IMPROVEMENTS	62		\$713,398	\$8,166,923
E2	MOBILE HOMES RURAL	13		\$131,306	\$492,509
E3	BARNS, SHEDS, SILOS & OTHER BLDGS	20		\$17,201	\$427,368
E4	LEASEHOLD IMPR RESIDENTIAL	1		\$0	\$8,118
E5	RURAL LAND NON-QUALIFIED	32		\$0	\$7,609,046
F1	REAL COMMERCIAL	106		\$4,749,873	\$123,564,567
F2	REAL INDUSTRIAL	9		\$5,359,039	\$26,917,303
G1	OIL, GAS AND MINERAL RESERVES	15		\$0	\$1,383,765
L1	TANGIBLE COMMERCIAL PERSONAL	715		\$0	\$46,833,614
L2	INDUSTRIAL PERSONAL PROPERTY	29		\$0	\$14,187,894
M1	MOBILE HOMES	44		\$361,982	\$758,725
O1	INVENTORY-RESIDENTIAL	1,029		\$14,093,608	\$27,268,860
S	SPECIAL INVENTORY	2		\$0	\$361,893
X	EXEMPT	125		\$0	\$13,195,757
	Totals		4,283.4134	\$33,622,955	\$475,094,165

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

LTR - LATERAL ROAD
Grand Totals

6/3/2015 10:09:56AM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A1	RESIDENTIAL SINGLE FAMILY	38,544		\$169,589,991	\$6,544,931,147
A2	MOBILE HOME RESIDENTIAL	5,545		\$2,349,882	\$254,154,080
A3	SUBSTANTIAL NON-RES +\$1000	1,359		\$967,144	\$55,081,049
A4	LEASEHOLD IMPR RESIDENTIAL	161		\$5,168	\$8,512,770
B1	MULTI-FAMILY RESIDENTIAL	148		\$2,821,941	\$134,135,655
B2	DUPLEXES RESIDENTIAL	232		\$7,494	\$21,775,641
B4	LEASEHOLD DUPLEX RESIDENTIAL	2		\$0	\$105,140
C1	VACANT RES & COMM LOTS	5,389		\$0	\$124,684,156
D1	ACREAGE RANCH LAND	8,915	365,096.2964	\$0	\$1,669,311,439
D2	IMPROVEMENTS ON QUALIFIED LAND	338	592.6340	\$1,152,090	\$5,227,537
D3	CULTIVATED LAND	10		\$0	\$1,829,273
D5	NATIVE PASTURE LAND	32		\$0	\$1,301,403
E1	REAL FARM & RANCH IMPROVEMENTS	3,692		\$10,633,620	\$479,579,892
E2	MOBILE HOMES RURAL	990		\$739,019	\$32,316,054
E3	BARN,SHEDS,SILOS & OTHER BLDGS	2,566		\$1,513,645	\$28,490,371
E4	LEASEHOLD IMPR RESIDENTIAL	43		\$50,741	\$2,460,757
E5	RURAL LAND NON-QUALIFIED	1,601		\$124,501	\$97,209,360
F1	REAL COMMERCIAL	1,962		\$45,418,796	\$838,300,851
F2	REAL INDUSTRIAL	107		\$59,016,754	\$711,100,844
F4	COMM/INDUST LEASEHOLD IMPR	36		\$11,122	\$4,407,236
G1	OIL, GAS AND MINERAL RESERVES	5,582		\$0	\$210,822,026
J1	WATER SYSTEMS	4		\$0	\$66,881
J2	GAS COMPANIES	11		\$0	\$1,920,013
J3	ELECTRIC COMPANIES	77		\$0	\$142,057,684
J4	TELEPHONE COMPANIES	54		\$0	\$18,799,612
J5	RAILROADS	17		\$0	\$23,425,393
J6	PIPELINES	124		\$0	\$18,449,216
J7	CABLE COMPANIES	16		\$316,621	\$4,790,910
L1	TANGIBLE COMMERCIAL PERSONAL	3,343		\$79,392	\$448,848,496
L2	INDUSTRIAL PERSONAL PROPERTY	457		\$53,208,147	\$802,934,489
M1	MOBILE HOMES	5,127		\$4,944,086	\$102,838,937
O1	INVENTORY-RESIDENTIAL	2,103		\$32,341,601	\$61,965,327
S	SPECIAL INVENTORY	78		\$0	\$37,876,466
X	EXEMPT	2,017		\$10,011,563	\$458,059,504
	Totals		365,688.9304	\$395,303,318	\$13,347,769,609

GUADALUPE County

2014 CERTIFIED TOTALS

As of Certification

Property Count: 84,929

LTR - LATERAL ROAD
Effective Rate Assumption

6/3/2015 10:09:56AM

New Value

TOTAL NEW VALUE MARKET: **\$395,303,318**
TOTAL NEW VALUE TAXABLE: **\$355,094,158**

New Exemptions

Exemption	Description	Count		
EX-XL	11.231 Organizations Providing Economic Deve	2	2013 Market Value	\$33,558
EX-XN	11.252 Motor vehicles leased for personal use	66	2013 Market Value	\$1,528,120
EX-XV	Other Exemptions (including public property, r	33	2013 Market Value	\$1,938,271
EX366	HOUSE BILL 366	33	2013 Market Value	\$97,788
ABSOLUTE EXEMPTIONS VALUE LOSS				\$3,597,737

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	41	\$0
DPS	DISABLED Surviving Spouse	2	\$0
DV1	Disabled Veterans 10% - 29%	31	\$157,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	3	\$15,000
DV2	Disabled Veterans 30% - 49%	54	\$399,000
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	1	\$7,500
DV3	Disabled Veterans 50% - 69%	81	\$790,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	3	\$30,000
DV4	Disabled Veterans 70% - 100%	298	\$2,827,985
DV4S	Disabled Veterans Surviving Spouse 70% - 100	28	\$264,000
DVHS	Disabled Veteran Homestead	79	\$13,696,637
HS	HOMESTEAD	1,873	\$13,631,506
OV65	OVER 65	644	\$6,181,067
OV65S	OVER 65 Surviving Spouse	8	\$73,042
PARTIAL EXEMPTIONS VALUE LOSS		3,146	\$38,072,737
TOTAL EXEMPTIONS VALUE LOSS			\$41,670,474

New Ag / Timber Exemptions

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
31,625	\$167,364	\$9,304	\$158,060
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
29,253	\$168,539	\$9,325	\$159,214

GUADALUPE County

2014 CERTIFIED TOTALS
LTR - LATERAL ROAD
Lower Value Used

As of Certification

Count of Protested Properties	Total Market Value	Total Value Used
3,028	\$475,094,165.00	\$340,537,860

HAYS COUNTY

Comptrollers Audit Report

6/2/2015

Page: 1

Location: Appraisal

Tax Year: 2010

As Of: Supplement 57

HAYSCAD

Taxing Units: GHA(ARB Approved)

**** BREAKDOWN OF APPRAISED VALUE ****

PROPERTY USE CATEGORY	PRIOR NO. OF UNITS OR ACCOUNTS	NO. OF UNITS OR ACCOUNTS	PRIOR APPRAISED VALUE	APPRAISED VALUE
A: REAL, RESIDENTIAL, SINGLE-FAMILY	43686	43686	\$7,095,515,799	\$7,095,515,799
B: REAL, RESIDENTIAL, MULTI-FAMILY	820	820	\$518,571,661	\$518,571,661
C: REAL, VACANT PLATTED LOTS/TRACTS	12678	12677	\$535,981,254	\$535,973,924
D: REAL, ACREAGE (LAND ONLY)	305,643.56 (ACRES)	305,643.56 (ACRES)	\$2,289,027,675	\$2,289,027,675
E: REAL, FARM AND RANCH IMPROVEMENT	4432	4432	\$645,233,739	\$645,233,739
F: REAL, COMMERCIAL AND INDUSTRIAL	1997	1997	\$1,331,700,978	\$1,331,700,978
G: REAL, OIL, GAS, AND OTHER MINERAL RESERVES	10	10	\$100	\$100
H: TANGIBLE PERSONAL, VEHICLES	0	0	\$0	\$0
I: REAL & INTANGIBLE PERSONAL, BANKS	0	0	\$0	\$0
J: REAL & INTANGIBLE PERSONAL, UTILITIES	243	243	\$379,172,412	\$379,172,412
L: TANGIBLE PERSONAL, BUSINESS	5339	5339	\$745,436,731	\$745,436,731
M: TANGIBLE PERSONAL, OTHER	2182	2182	\$46,658,459	\$46,658,459
N: INTANGIBLE PERSONAL	0	0	\$0	\$0
O: REAL, INVENTORY	2114	2114	\$71,707,410	\$71,707,410
X: EXEMPT	0	0	\$0	\$0
S: SPECIAL INVENTORY	44	44	\$20,789,870	\$20,789,870
ERROR:	0	0	\$0	\$0
TOTAL APPRAISED VALUE			\$13,681,982,656	\$13,681,975,326
TOTAL EXEMPT PROPERTY	2457	2458	\$525,988,287	\$525,995,617
TOTAL MARKET VALUE ON ROLL TOTALS PAGE				\$14,207,970,943

Comptrollers Audit Report

6/2/2015

Page: 1

Location: Appraisal

Tax Year: 2011

As Of: Supplement 44

HAYSCAD

Taxing Units: GHA(ARB Approved)

**** BREAKDOWN OF APPRAISED VALUE ****

PROPERTY USE CATEGORY	PRIOR NO. OF UNITS OR ACCOUNTS	NO. OF UNITS OR ACCOUNTS	PRIOR APPRAISED VALUE	APPRAISED VALUE
A: REAL, RESIDENTIAL, SINGLE-FAMILY	44720	44720	\$7,290,168,444	\$7,290,168,444
B: REAL, RESIDENTIAL, MULTI-FAMILY	825	825	\$550,657,831	\$550,657,831
C: REAL, VACANT PLATTED LOTS/TRACTS	11853	11852	\$517,316,092	\$517,308,762
D: REAL, ACREAGE (LAND ONLY)	303,955.69 (ACRES)	303,955.69 (ACRES)	\$2,279,150,576	\$2,279,150,576
E: REAL, FARM AND RANCH IMPROVEMENT	4540	4540	\$668,120,389	\$668,120,389
F: REAL, COMMERCIAL AND INDUSTRIAL	2059	2059	\$1,376,869,055	\$1,376,869,055
G: REAL, OIL, GAS, AND OTHER MINERAL RESERVES	10	10	\$100	\$100
H: TANGIBLE PERSONAL, VEHICLES	0	0	\$0	\$0
I: REAL & INTANGIBLE PERSONAL, BANKS	0	0	\$0	\$0
J: REAL & INTANGIBLE PERSONAL, UTILITIES	244	244	\$400,912,429	\$400,912,429
L: TANGIBLE PERSONAL, BUSINESS	5305	5305	\$757,956,340	\$757,956,340
M: TANGIBLE PERSONAL, OTHER	2187	2187	\$46,142,659	\$46,142,659
N: INTANGIBLE PERSONAL	0	0	\$0	\$0
O: REAL, INVENTORY	2164	2164	\$73,674,720	\$73,674,720
X: EXEMPT	0	0	\$0	\$0
S: SPECIAL INVENTORY	44	44	\$23,179,205	\$23,179,205
ERROR:	0	0	\$0	\$0
TOTAL APPRAISED VALUE			\$13,986,730,145	\$13,986,722,815
TOTAL EXEMPT PROPERTY	2604	2605	\$550,702,692	\$550,710,022
TOTAL MARKET VALUE ON ROLL TOTALS PAGE				\$14,537,432,837

Comptrollers Audit Report

6/2/2015

Page: 1

Location: Appraisal

Tax Year: 2012

As Of: Supplement 32

HAYSCAD

Taxing Units: GHA(ARB Approved)

**** BREAKDOWN OF APPRAISED VALUE ****

PROPERTY USE CATEGORY	PRIOR NO. OF UNITS OR ACCOUNTS	NO. OF UNITS OR ACCOUNTS	PRIOR APPRAISED VALUE	APPRAISED VALUE
A: REAL, RESIDENTIAL, SINGLE-FAMILY	45971	45971	\$7,494,676,975	\$7,494,676,975
B: REAL, RESIDENTIAL, MULTI-FAMILY	828	828	\$649,044,759	\$649,044,759
C: REAL, VACANT PLATTED LOTS/TRACTS	11588	11587	\$509,207,883	\$509,200,553
D: REAL, ACREAGE (LAND ONLY)	303,280.41 (ACRES)	303,280.41 (ACRES)	\$2,310,733,224	\$2,310,733,224
E: REAL, FARM AND RANCH IMPROVEMENT	4641	4641	\$685,999,962	\$685,999,962
F: REAL, COMMERCIAL AND INDUSTRIAL	2137	2137	\$1,467,204,791	\$1,467,204,791
G: REAL, OIL, GAS, AND OTHER MINERAL RESERVES	10	10	\$100	\$100
H: TANGIBLE PERSONAL, VEHICLES	0	0	\$0	\$0
I: REAL & INTANGIBLE PERSONAL, BANKS	0	0	\$0	\$0
J: REAL & INTANGIBLE PERSONAL, UTILITIES	230	230	\$393,961,646	\$393,961,646
L: TANGIBLE PERSONAL, BUSINESS	5559	5559	\$812,225,179	\$812,225,179
M: TANGIBLE PERSONAL, OTHER	2220	2219	\$45,766,189	\$45,758,259
N: INTANGIBLE PERSONAL	0	0	\$0	\$0
O: REAL, INVENTORY	2016	2016	\$67,855,690	\$67,855,690
X: EXEMPT	0	0	\$0	\$0
S: SPECIAL INVENTORY	52	52	\$25,545,255	\$25,545,255
ERROR:	0	0	\$0	\$0
TOTAL APPRAISED VALUE			\$14,464,857,916	\$14,464,842,656
TOTAL EXEMPT PROPERTY	2693	2694	\$562,327,375	\$562,334,705
TOTAL MARKET VALUE ON ROLL TOTALS PAGE				\$15,027,177,361

Comptrollers Audit Report

6/2/2015

Page: 1

Location: Appraisal

Tax Year: 2013

As Of: Supplement 21

HAYSCAD

Taxing Units: GHA(ARB Approved)

**** BREAKDOWN OF APPRAISED VALUE ****

PROPERTY USE CATEGORY	PRIOR NO. OF UNITS OR ACCOUNTS	NO. OF UNITS OR ACCOUNTS	PRIOR APPRAISED VALUE	APPRAISED VALUE
A: REAL, RESIDENTIAL, SINGLE-FAMILY	47242	47241	\$7,818,278,426	\$7,818,271,556
B: REAL, RESIDENTIAL, MULTI-FAMILY	835	835	\$804,285,831	\$804,285,831
C: REAL, VACANT PLATTED LOTS/TRACTS	11063	11062	\$498,633,811	\$498,626,481
D: REAL, ACREAGE (LAND ONLY)	302,119.33 (ACRES)	302,119.33 (ACRES)	\$2,324,812,010	\$2,324,812,010
E: REAL, FARM AND RANCH IMPROVEMENT	4818	4818	\$724,092,939	\$724,092,939
F: REAL, COMMERCIAL AND INDUSTRIAL	2156	2156	\$1,554,280,437	\$1,554,280,437
G: REAL, OIL, GAS, AND OTHER MINERAL RESERVES	10	10	\$100	\$100
H: TANGIBLE PERSONAL, VEHICLES	0	0	\$0	\$0
I: REAL & INTANGIBLE PERSONAL, BANKS	0	0	\$0	\$0
J: REAL & INTANGIBLE PERSONAL, UTILITIES	235	235	\$394,928,496	\$394,928,496
L: TANGIBLE PERSONAL, BUSINESS	5600	5599	\$851,902,227	\$851,898,227
M: TANGIBLE PERSONAL, OTHER	2171	2169	\$43,803,640	\$43,774,270
N: INTANGIBLE PERSONAL	0	0	\$0	\$0
O: REAL, INVENTORY	1840	1840	\$64,035,210	\$64,035,210
X: EXEMPT	12	12	\$20,424,023	\$20,424,023
S: SPECIAL INVENTORY	61	61	\$32,276,909	\$32,276,909
ERROR:	0	0	\$0	\$0
TOTAL APPRAISED VALUE			\$15,134,989,760	\$15,134,942,190
TOTAL EXEMPT PROPERTY	2738	2739	\$601,553,353	\$601,560,683
TOTAL MARKET VALUE ON ROLL TOTALS PAGE				\$15,736,502,873

Comptrollers Audit Report

6/2/2015

Page: 1

Location: Appraisal

Tax Year: 2014

As Of: Supplement 9

HAYSCAD

Taxing Units: GHA(ARB Approved)

**** BREAKDOWN OF APPRAISED VALUE ****

PROPERTY USE CATEGORY	PRIOR NO. OF UNITS OR ACCOUNTS	NO. OF UNITS OR ACCOUNTS	PRIOR APPRAISED VALUE	APPRAISED VALUE
A: REAL, RESIDENTIAL, SINGLE-FAMILY	49051	49051	\$8,648,620,064	\$8,648,580,264
B: REAL, RESIDENTIAL, MULTI-FAMILY	847	847	\$994,551,600	\$994,551,600
C: REAL, VACANT PLATTED LOTS/TRACTS	11040	11039	\$493,957,096	\$493,949,766
D: REAL, ACREAGE (LAND ONLY)	283,856.62 (ACRES)	283,856.62 (ACRES)	\$2,146,083,971	\$2,146,083,971
E: REAL, FARM AND RANCH IMPROVEMENT	5957	5957	\$939,297,135	\$939,297,135
F: REAL, COMMERCIAL AND INDUSTRIAL	2243	2243	\$1,641,145,296	\$1,641,145,296
G: REAL, OIL, GAS, AND OTHER MINERAL RESERVES	10	10	\$100	\$100
H: TANGIBLE PERSONAL, VEHICLES	0	0	\$0	\$0
I: REAL & INTANGIBLE PERSONAL, BANKS	0	0	\$0	\$0
J: REAL & INTANGIBLE PERSONAL, UTILITIES	259	259	\$412,409,736	\$412,409,736
L: TANGIBLE PERSONAL, BUSINESS	6060	6051	\$896,244,179	\$896,194,029
M: TANGIBLE PERSONAL, OTHER	2164	2163	\$46,934,050	\$46,929,130
N: INTANGIBLE PERSONAL	0	0	\$0	\$0
O: REAL, INVENTORY	1521	1521	\$56,194,360	\$56,194,360
X: EXEMPT	13	13	\$4,694,227	\$4,694,227
S: SPECIAL INVENTORY	67	67	\$36,843,705	\$36,843,705
ERROR:	0	0	\$0	\$0
TOTAL APPRAISED VALUE			\$16,320,451,130	\$16,320,348,930
TOTAL EXEMPT PROPERTY	2795	2797	\$709,916,352	\$709,930,652
TOTAL MARKET VALUE ON ROLL TOTALS PAGE				\$17,030,279,582

Part C45

Proforma

- City of Kyle Proforma
- Canyon Regional Water Authority Proforma
- City of San Marcos Proforma

CITY OF KYLE PROFORMA

Kyle - Proforma

Fiscal Year Ending 9/30				Outstanding Debt Service	Series 2015 Est. Debt Service ⁽²⁾	Total Projected Debt Service	Revenue After		Projected Coverage
	Gross Revenues ⁽¹⁾	Operating Expenses ⁽¹⁾	Net Revenues				Total	Debt Service	
2015	\$ 15,800,890	\$ 8,271,938	\$ 7,528,952	\$ -	\$ -	\$ -	\$ 7,528,952		N/A
2016	15,800,890	8,271,938	7,528,952	-	74,385	74,385	7,454,567		101.22
2017	15,800,890	8,271,938	7,528,952	-	179,180	179,180	7,349,772		42.02
2018	15,800,890	8,271,938	7,528,952	-	176,900	176,900	7,352,052		42.56
2019	15,800,890	8,271,938	7,528,952	-	179,620	179,620	7,349,332		41.92
2020	15,800,890	8,271,938	7,528,952	-	177,198	177,198	7,351,755		42.49
2021	15,800,890	8,271,938	7,528,952	-	179,775	179,775	7,349,177		41.88
2022	15,800,890	8,271,938	7,528,952	-	177,210	177,210	7,351,742		42.49
2023	15,800,890	8,271,938	7,528,952	-	179,645	179,645	7,349,307		41.91
2024	15,800,890	8,271,938	7,528,952	-	176,938	176,938	7,352,015		42.55
2025	15,800,890	8,271,938	7,528,952	-	179,230	179,230	7,349,722		42.01
2026	15,800,890	8,271,938	7,528,952	-	176,380	176,380	7,352,572		42.69
2027	15,800,890	8,271,938	7,528,952	-	178,530	178,530	7,350,422		42.17
2028	15,800,890	8,271,938	7,528,952	-	175,538	175,538	7,353,415		42.89
2029	15,800,890	8,271,938	7,528,952	-	177,545	177,545	7,351,407		42.41
2030	15,800,890	8,271,938	7,528,952	-	179,410	179,410	7,349,542		41.97
2031	15,800,890	8,271,938	7,528,952	-	176,133	176,133	7,352,820		42.75
2032	15,800,890	8,271,938	7,528,952	-	177,855	177,855	7,351,097		42.33
2033	15,800,890	8,271,938	7,528,952	-	179,435	179,435	7,349,517		41.96
2034	15,800,890	8,271,938	7,528,952	-	175,873	175,873	7,353,080		42.81
2035	15,800,890	8,271,938	7,528,952	-	177,310	177,310	7,351,642		42.46
2036	15,800,890	8,271,938	7,528,952	-	178,605	178,605	7,350,347		42.15
2037	15,800,890	8,271,938	7,528,952	-	179,758	179,758	7,349,195		41.88
2038	15,800,890	8,271,938	7,528,952	-	175,768	175,768	7,353,185		42.83
2039	15,800,890	8,271,938	7,528,952	-	176,778	176,778	7,352,175		42.59
2040	15,800,890	8,271,938	7,528,952	-	177,645	177,645	7,351,307		42.38
2041	15,800,890	8,271,938	7,528,952	-	178,370	178,370	7,350,582		42.21
2042	15,800,890	8,271,938	7,528,952	-	178,953	178,953	7,350,000		N/A
2043	15,800,890	8,271,938	7,528,952	-	179,393	179,393	7,349,560		N/A
2044	15,800,890	8,271,938	7,528,952	-	179,690	179,690	7,349,262		N/A
2045	15,800,890	8,271,938	7,528,952	-	174,845	174,845	7,354,107		N/A
				\$ -	\$ 5,233,890	\$ 5,233,890			

(1)FY 2014 Figures

(2) Par amount of \$3,655,000. Rate as of 6/2/2015 of 2.85%

CANYON REGIONAL WATER AUTHORITY PROFORMA

Canyon Regional Water Authority - Proforma

Fiscal Year Ending 9/30				Outstanding Debt Service	Series 2015 Est. Debt Service ⁽²⁾	Total Projected Debt Service	Revenue After	
	Gross Revenues ⁽¹⁾	Operating Expenses ⁽¹⁾	Net Revenues				Total Debt Service	Projected Coverage
2015	20,976,402	14,724,622	6,251,780	9,765,160	-	9,765,160	6,251,780	N/A
2016	20,976,402	14,724,622	6,251,780	9,773,002	81,546	9,854,548	(3,602,768)	0.63
2017	20,976,402	14,724,622	6,251,780	9,770,104	223,728	9,993,831	(3,742,051)	0.63
2018	20,976,402	14,724,622	6,251,780	9,775,266	220,450	9,995,716	(3,743,936)	0.63
2019	20,976,402	14,724,622	6,251,780	9,777,322	222,173	9,999,495	(3,747,715)	0.63
2020	20,976,402	14,724,622	6,251,780	9,774,130	223,753	9,997,882	(3,746,102)	0.63
2021	20,976,402	14,724,622	6,251,780	9,777,348	220,190	9,997,538	(3,745,758)	0.63
2022	20,976,402	14,724,622	6,251,780	9,765,350	221,628	9,986,978	(3,735,198)	0.63
2023	20,976,402	14,724,622	6,251,780	9,771,944	222,923	9,994,866	(3,743,086)	0.63
2024	20,976,402	14,724,622	6,251,780	9,770,899	219,075	9,989,974	(3,738,194)	0.63
2025	20,976,402	14,724,622	6,251,780	9,202,633	220,228	9,422,861	(3,171,081)	0.66
2026	20,976,402	14,724,622	6,251,780	9,207,302	221,238	9,428,539	(3,176,759)	0.66
2027	20,976,402	14,724,622	6,251,780	9,196,781	222,105	9,418,886	(3,167,106)	0.66
2028	20,976,402	14,724,622	6,251,780	9,202,633	222,830	9,425,463	(3,173,683)	0.66
2029	20,976,402	14,724,622	6,251,780	4,893,339	223,413	5,116,751	1,135,029	1.22
2030	20,976,402	14,724,622	6,251,780	4,572,801	223,853	4,796,654	1,455,126	1.30
2031	20,976,402	14,724,622	6,251,780	4,569,944	219,150	4,789,094	1,462,686	1.31
2032	20,976,402	14,724,622	6,251,780	4,573,454	219,448	4,792,902	1,458,878	1.30
2033	20,976,402	14,724,622	6,251,780	1,201,057	219,603	1,420,660	4,831,120	4.40
2034	20,976,402	14,724,622	6,251,780	1,197,472	219,615	1,417,087	4,834,693	4.41
2035	20,976,402	14,724,622	6,251,780	1,197,204	219,485	1,416,689	4,835,091	4.41
2036	20,976,402	14,724,622	6,251,780	1,199,109	224,213	1,423,322	4,828,458	4.39
2037	20,976,402	14,724,622	6,251,780	1,193,795	223,655	1,417,450	4,834,330	4.41
2038	20,976,402	14,724,622	6,251,780	1,196,517	222,955	1,419,472	4,832,308	4.40
2039	20,976,402	14,724,622	6,251,780	995,750	222,113	1,217,863	5,033,918	5.13
2040	20,976,402	14,724,622	6,251,780	997,750	221,128	1,218,878	5,032,903	5.13
2041	20,976,402	14,724,622	6,251,780	997,500	-	997,500	5,254,280	6.27
2042	20,976,402	14,724,622	6,251,780	-	-	-	6,251,780	N/A
2043	20,976,402	14,724,622	6,251,780	-	-	-	6,251,780	N/A
2044	20,976,402	14,724,622	6,251,780	-	-	-	6,251,780	N/A
2045	20,976,402	14,724,622	6,251,780	-	-	-	6,251,780	N/A
				\$ 163,315,566	\$ 5,400,491	\$ 168,716,057		

(1)FY 2014 Figures

(2) Par amount of \$4,005,000. Rate as of 6/2/2015 of 2.85%

(3) A rate increase is planned to meet any coverage shortages.

CITY OF SAN MARCOS PROFORMA

San Marcos - Proforma

Fiscal Year Ending 9/30				Outstanding Debt Service	Series 2015 Est. Debt Service ⁽²⁾	Total Projected Debt Service	Revenue After	
	Gross Revenues ⁽¹⁾	Operating Expenses ⁽¹⁾	Net Revenues				Total Debt Service	Projected Coverage
2015	\$ 32,849,241	\$ 20,028,206	\$ 12,821,035	\$ 1,249,499	\$ -	\$ 1,249,499	\$ 12,821,035	N/A
2016	32,849,241	20,028,206	12,821,035	1,283,726	94,584	1,378,310	11,442,725	9.30
2017	32,849,241	20,028,206	12,821,035	1,265,439	256,113	1,521,552	11,299,483	8.43
2018	32,849,241	20,028,206	12,821,035	681,464	257,408	938,872	11,882,163	13.66
2019	32,849,241	20,028,206	12,821,035	369,814	258,560	628,374	12,192,661	20.40
2020	32,849,241	20,028,206	12,821,035	370,614	254,570	625,184	12,195,851	20.51
2021	32,849,241	20,028,206	12,821,035	371,114	255,580	626,694	12,194,341	20.46
2022	32,849,241	20,028,206	12,821,035	366,314	256,448	622,762	12,198,273	20.59
2023	32,849,241	20,028,206	12,821,035	366,334	257,173	623,507	12,197,528	20.56
2024	32,849,241	20,028,206	12,821,035	375,980	257,755	633,735	12,187,300	20.23
2025	32,849,241	20,028,206	12,821,035	374,927	258,195	633,122	12,187,913	20.25
2026	32,849,241	20,028,206	12,821,035	328,519	258,493	587,011	12,234,024	21.84
2027	32,849,241	20,028,206	12,821,035	327,088	258,648	585,735	12,235,300	21.89
2028	32,849,241	20,028,206	12,821,035	330,268	258,660	588,928	12,232,108	21.77
2029	32,849,241	20,028,206	12,821,035	327,828	258,530	586,358	12,234,678	21.87
2030	32,849,241	20,028,206	12,821,035	330,078	258,258	588,335	12,232,700	21.79
2031	32,849,241	20,028,206	12,821,035	711,708	257,843	969,550	11,851,485	13.22
2032	32,849,241	20,028,206	12,821,035	714,740	257,285	972,025	11,849,010	13.19
2033	32,849,241	20,028,206	12,821,035	716,000	256,585	972,585	11,848,450	13.18
2034	32,849,241	20,028,206	12,821,035	715,680	255,743	971,423	11,849,613	13.20
2035	32,849,241	20,028,206	12,821,035	713,780	254,758	968,538	11,852,498	13.24
2036	32,849,241	20,028,206	12,821,035	715,300	258,630	973,930	11,847,105	13.16
2037	32,849,241	20,028,206	12,821,035	-	257,218	257,218	12,563,818	49.85
2038	32,849,241	20,028,206	12,821,035	-	255,663	255,663	12,565,373	50.15
2039	32,849,241	20,028,206	12,821,035	-	253,965	253,965	12,567,070	50.48
2040	32,849,241	20,028,206	12,821,035	-	257,125	257,125	12,563,910	49.86
2041	32,849,241	20,028,206	12,821,035	-	-	-	12,821,035	N/A
2042	32,849,241	20,028,206	12,821,035	-	-	-	12,821,035	N/A
2043	32,849,241	20,028,206	12,821,035	-	-	-	12,821,035	N/A
2044	32,849,241	20,028,206	12,821,035	-	-	-	12,821,035	N/A
2045	32,849,241	20,028,206	12,821,035	-	-	-	12,821,035	N/A
				\$ 13,006,213	\$ 6,263,784	\$ 19,269,997		

(1)FY 2014 Figures

(2) Par amount of \$4,655,000. Rate as of 6/2/2015 of 2.85%

Part C46

Five Year Comparative Operating Statement

- City of Kyle – 5-Year Comparative Operating Statement
- Canyon Regional Water Authority – 5-Year Comparative Operating Statement
- City of San Marcos – 5-Year Comparative Operating Statement
- Hays Caldwell Public Utility Agency – 5-Year Comparative Operating Statement

CITY OF KYLE - 5-YEAR COMPARATIVE OPERATING STATEMENT

CITY OF KYLE SYSTEM OPERATING STATEMENT

	For Fiscal Year Ended September 30,					
	2015 ⁽¹⁾	2014	2013	2012	2011	2010
OPERATING REVENUES:						
Water and sewer sales	\$ 9,308,605	\$ 15,523,262	\$ 12,761,147	\$ 10,553,330	\$ 7,208,355	\$ 6,092,391
Other Revenues	75,927	268,519	98,402	78,194	19,708	11,054
Total Operating Revenues	\$ 9,384,533	\$ 15,791,781	\$ 12,859,549	\$ 10,631,524	\$ 7,228,063	\$ 6,103,445
OPERATING EXPENSES ⁽²⁾:						
Salaries and wages	\$ 1,249,178	\$ 2,055,272	\$ 1,867,244	\$ 1,818,989	\$ 1,700,329	\$ 1,417,159
Purchased and Technical Services	3,686,406	5,886,128	4,841,149	5,200,055	2,505,179	2,716,101
Other Expense	209,336	330,538	733,446	411,813	753,272	631,139
Total Operating Expenses	\$ 5,144,920	\$ 8,271,938	7,441,839	7,430,857	4,958,780	4,764,399
OPERATING INCOME:	\$ 4,239,613	\$ 7,519,843	\$ 5,417,710	\$ 3,200,667	\$ 2,269,283	\$ 1,339,046
TRANSFERS AND OTHER:						
Grants Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax Revenues	-	-	-	-	-	-
Interest Income	1,404	9,109	12,201	17,221	36,957	72,358
Gain/Loss from Sale of Assets	-	-	-	-	-	-
Interest Expense	-	-	-	-	(1,119,673)	(1,141,156)
NET INCOME	<u>\$ 4,241,017</u>	<u>\$ 7,528,952</u>	<u>\$ 5,429,911</u>	<u>\$ 3,217,888</u>	<u>\$ 1,186,567</u>	<u>\$ 270,248</u>

(1) YTD as of 5/31/2015.

(2) Excludes Depreciation.

**CANYON REGIONAL WATER AUTHORITY –
5-YEAR COMPARATIVE OPERATING
STATEMENT**

CANYON REGIONAL WATER AUTHORITY OPERATING STATEMENT

	Fiscal Year Ending September 30,				
	2014	2013	2012	2011	2010
OPERATING REVENUES:					
Water sales	\$ 8,026,655	\$ 8,965,281	\$ 7,666,507	\$ 9,009,353	\$ 7,375,454
Other Revenues	277,294	223,710	274,554	303,757	371,613
Total Operating Revenues	<u>\$ 8,303,949</u>	<u>\$ 9,188,991</u>	<u>\$ 7,941,061</u>	<u>\$ 9,313,110</u>	<u>\$ 7,747,067</u>
OPERATING EXPENSES ⁽²⁾:					
Purchased Water	\$ 3,825,838	\$ 3,656,415	\$ 2,724,107	\$ 2,650,820	\$ 2,463,350
Treatment Plant Operating Expense	3,754,748	3,738,999	3,161,521	2,657,145	2,699,029
Line Use Transmission Cost	296,448	256,209	235,525	291,428	141,475
Salary & Wages	895,522	782,816	689,691	589,462	345,840
Employment Related Expenses	189,947	172,809	152,999	133,726	334,691
Professional Fees	620,964	354,959	358,173	457,529	636,929
Total Operating Expenses	<u>\$ 9,583,467</u>	<u>8,962,207</u>	<u>7,322,016</u>	<u>6,780,110</u>	<u>6,621,314</u>
OPERATING INCOME:	\$ (1,279,518)	\$ 226,784	\$ 619,045	\$ 2,533,000	\$ 1,125,753
TRANSFERS AND OTHER:					
Member Disbursements	\$ 10,031,576	\$ 8,973,685	\$ 8,193,553	\$ 8,288,260	\$ 6,585,559
Member Joint Venture Reimbursement	2,620,901	-	-	-	-
Interest Income	19,976	39,224	59,244	41,250	53,352
Bond Issue Costs	-	-	(436,815)	-	-
Interest Expense	(4,688,616)	(4,855,816)	(4,987,949)	(5,102,944)	(3,290,562)
Contribution Joint Venture	(452,539)	(396,377)	(565,440)	(825,723)	(717,594)
NET INCOME	<u>\$ 6,251,780</u>	<u>\$ 3,987,500</u>	<u>\$ 2,881,638</u>	<u>\$ 4,933,843</u>	<u>\$ 3,756,508</u>

(1) YTD

(2) Excludes Depreciation.

CITY OF SAN MARCOS - 5-YEAR COMPARATIVE OPERATING STATEMENT

CITY OF SAN MARCOS OPERATING STATEMENT

	For Fiscal Year Ended September 30,					
	2015 ⁽¹⁾	2014	2013	2012	2011	2010
OPERATING REVENUES:						
Charges for Services	\$ 15,342,112	\$ 31,697,186	\$ 28,721,993	\$ 28,095,240	\$ 26,986,572	\$ 25,241,695
Other Revenues	358,540	1,023,123	1,021,394	44,028	-	-
Total Operating Revenues	\$ 15,700,652	\$ 32,720,309	\$ 29,743,387	\$ 28,139,268	\$ 26,986,572	\$ 25,241,695
OPERATING EXPENSES ⁽²⁾:						
Personnel Services	\$ 1,487,204	\$ 3,707,893	\$ 3,681,190	\$ 3,337,286	\$ 3,280,062	\$ 3,196,825
Contracted Services	3,826,651	7,802,516	7,468,957	7,418,125	7,106,738	7,087,870
Materials & Supplies	459,879	905,069	887,207	891,174	825,192	636,184
Indirect Costs	1,952,785	3,245,110	3,209,525	3,105,034	3,082,019	3,053,905
Other Charges	395,191	686,852	680,653	590,834	580,566	655,398
Total Operating Expenses	\$ 8,121,710	\$ 16,347,440	15,927,532	15,342,453	14,874,577	14,630,182
OPERATING INCOME:	\$ 7,578,942	\$ 16,372,869	\$ 13,815,855	\$ 12,796,815	\$ 12,111,995	\$ 10,611,513
TRANSFERS AND OTHER:						
Investments	\$ 24,087	\$ 128,932	\$ 96,189	\$ 208,272	\$ 267,167	\$ 436,447
Interest & Fiscal Charges	(1,559,272)	(3,680,766)	(3,987,635)	(4,531,444)	(4,980,245)	(4,875,153)
Capital Recovery	-	-	-	-	-	852,403
Gain of sale of assests	-	-	-	-	(14,331)	12,963
Other	-	-	-	2,423,687	1,377,882	1,028,226
NET INCOME	\$ 6,043,757	\$ 12,821,035	\$ 9,924,409	\$ 10,897,330	\$ 8,762,468	\$ 8,066,399

(1) YTD May 31, 2015.

(2) Excludes Depreciation.

**HAYS CALDWELL PUBLIC UTILITY AGENCY
5-YEAR COMPARATIVE OPERATING
STATEMENT**

HAYS CALDWELL PUBLIC UTILITY AGENCY OPERATING STATEMENT

	For Fiscal Year Ended September 30,					
	2015 ⁽¹⁾	2014	2013	2012	2011	2010
OPERATING REVENUES:						
Contributions from Participating Governments	\$ 1,374,076	\$ 1,465,000	\$ 1,283,189	\$ 1,830,499	\$ 869,109	\$ 2,082,386
Changes to Amount Deferred for Project Costs	-	882,860	1,558	146,050	-	-
Interest Income	3,325	8,019	5,543	8,382	291	982
Total Operating Revenues	\$ 1,377,401	\$ 2,355,879	\$ 1,290,290	\$ 1,984,931	\$ 869,400	\$ 2,083,368
OPERATING EXPENSES:						
Legal & Professional Fees	\$ 33,117	\$ 116,556	\$ 103,429	\$ 56,182	\$ 59,349	\$ 97,156
General Management Services	-	170,784	148,604	137,197	137,836	90,939
General Engineering Services	-	-	-	-	-	-
Personnel Costs	94,781	6,218	-	-	-	-
Other Contract Services	88,231	60,000	79,208	40,000	55,000	25,000
Other Operating Expenses	4,657	3,340	865	4,386	2,562	838
Groundwater Reservation Costs	790,700	1,054,775	1,027,120	695,497	655,945	441,684
Amortization of Lease Acquisition Costs	119,472	204,810	204,810	204,810	198,054	143,802
Total Operating Expenses	\$ 1,130,958	\$ 1,616,483	\$ 1,564,036	\$ 1,138,072	\$ 1,108,746	\$ 799,419
OPERATING INCOME:	\$ 246,443	\$ 739,396	\$ (273,746)	\$ 846,859	\$ (239,346)	\$ 1,283,949
NET POSITION BEGINNING OF YEAR	\$ 4,125,018	\$ 3,385,622	\$ 3,659,368	\$ 2,812,509	\$ 3,051,855	\$ 1,767,906
NET POSITION AT END OF YEAR	\$ 4,371,461	\$ 4,125,018	\$ 3,385,622	\$ 3,659,368	\$ 2,812,509	\$ 3,051,855

(1) Unaudited YTD April 30, 2015.

Part C47

Financial Audits

- Hays Caldwell UPA – FY 2013-14 Financial Audit
- Canyon Regional Water Authority – FY 2013-14 Financial Audit
- City of Kyle – FY 2013-14 Financial Audit
- City of San Marcos – FY 2013-14 Financial Audit

**HAYS CALDWELL PUA
FY 2013-14 FINANCIAL AUDIT**



Board of Directors
Hays Caldwell Public Utility Agency
630 E. Hopkins
San Marcos, TX 78666

We have audited the financial statements of Hays Caldwell Public Utility Agency (the Agency) as of and for the year ended September 30, 2014, and have issued our report thereon dated February 19, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 11, 2014, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2014. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the estimated amortization period of lease acquisition costs.

Management's estimate of the lease acquisition costs is based on the estimated minimum lease period across all leases.

We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management are presented on an attachment to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 19, 2015.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Hays Caldwell Public Utility Agency.

Atchley & Associates, LLP

Austin, Texas
February 19, 2015

**Hays Caldwell Public Utility Agent
Year Ended September 30, 2014
Adjusting Entries**

Number	Date	Name	Account No	Debit	Credit
1	9/30/2014	Project Contribution Receivable	1500	35,606	
		Retained Earnings	3000	2,133,613	
		Accounts Payable	2000		35,556
		Accrued Costs	2010		395,663
		Deferred Contributions	2050		1,696,943
		Groundwater Reservation Costs	5005		41,057
<i>To reclassify beginning accrual balances from net assets.</i>					
2	9/30/2014	Accrued Costs	2010	15,645	
		Groundwater Reservation Costs	5005		15,645
<i>To adjust to accrual for lease payments due after year end.</i>					
3	9/30/2014	Groundwater Reservation Costs	5005	41,053	
		Landowner Bonus Payments	1201		41,053
<i>To adjust landowner bonus payments.</i>					
4	9/30/2014	Project Contribution:City of Buda	4002	19,473	
		Project Contribution Receivable	1500		19,473
<i>To record the receipt of prior period accounts receivables.</i>					
5	9/30/2014	Accounts Payable	2000	35,556	
		Retained Earnings	3000		3,100
		Legal Fees	5002		3,408
		Accounting Fees	5003		420
		Agency Mgmt Public Relations	5006		3,800
		Staff Services	5009		24,828
<i>To reverse prior period accounts payable entry.</i>					

**Hays Caldwell Public Utility Agent
Year Ended September 30, 2014
Adjusting Entries**

Number	Date	Name	Account No	Debit	Credit
6	9/30/2014	Projects in Progress	1200	45,230	
		Accounts Payable	2000		45,230
<i>To record current year payables.</i>					
7	9/30/2014	Deferred Contributions	2050	882,860	
		Contributions Contra Account	4150		882,860
<i>To reduce deferred revenue for capital costs spent in the current year.</i>					
8	9/30/2014	Projects in Progress	1200	2,192	
		Construction	1204	952	
		Accounts Payable	2000		3,144
<i>To reclassify total construction costs.</i>					
9	9/30/2014	Projects in Progress	1200	6,497	
		Projects in Progress - Engineer	1203		6,497
<i>To reclassify projects in process - engineering costs.</i>					
10	9/30/2014	Projects in Progress	1200	2,178	
		Accounts Payable	2000		2,178
<i>To reclassify projects in process.</i>					



February 19, 2015

Atchley & Associates, LLP
6850 Austin Center Blvd., Ste 180
Austin, Texas 78731

This representation letter is provided in connection with your audit of the financial statements of the Hays Caldwell Public Utility Agency (the Agency) which comprise the statement of financial position as of September 30, 2014, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of activities, and cash flows in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated November 11, 2014, for the preparation and fair presentation of the financial statements referred to above in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. We have no knowledge of any uncorrected misstatements in the financial statements.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Guarantees, whether written or oral, under which the Agency is contingently liable.
 - b. All liabilities that are subordinated to any other actual or possible liabilities of the Agency.
 - c. All leases and material amounts of rental obligations under long-term leases.

- d. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the Governmental Accounting Standards Board (GASB). Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
- e. Concentrations of credit risk.
- f. Allocations of functional expenses based on reasonable basis.
- g. Deferred revenue from exchange transactions.
- h. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the GASB.

Information Provided

9. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
15. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
16. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize, and report financial data.
18. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Agency has no significant amounts of idle property and equipment or permanent excess plant capacity.
 - b. The Agency has no plans or intentions to discontinue the operations of any subsidiary or division or to discontinue any significant product lines.
 - c. Provision has been made to reduce all assets that have permanently declined in value to their realizable values.
 - d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
20. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. For uninsured losses or loss retentions (deductibles) attributable to events occurring through September 30, 2014 and/or for expected retroactive insurance premium adjustments applicable to periods through September 30, 2014.
 - c. For pension obligations, postretirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through September 30, 2014.
 - d. For any material loss to be sustained in the fulfillment of or from the inability to fulfill any commitment, including promises to give.
21. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the GASB.
 - c. Amounts held for others under agency and/or split interest agreements.
 - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - e. Lines of credit or similar arrangements.
 - f. Security agreements in effect under the Uniform Commercial Code.
 - g. All other liens or encumbrances on assets and all other pledges of assets.

- h. Amounts of contractual obligations for construction and/or purchase of real property, equipment, other assets, and intangibles.
 - i. Reclassifications between net asset classes.
22. The Agency has satisfactory title to all owned assets.
23. We have complied with all aspects of contractual agreements, grants, and donor restrictions that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
24. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.
25. With respect to management's discussion and analysis presented as required by GASB to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
26. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through the date of this letter have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the balance sheet date and through the date of this letter that would require recognition or disclosure in the financial statements. We further represent that, as of the date of this letter, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.
27. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Hays Caldwell Public Utility Agency:



Graham Moore, Executive Director

Hays Caldwell Public Utility Agency

Annual Financial Report

September 30, 2014

**Hays Caldwell Public Utility Agency
Table of Contents**

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Position	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11



INDEPENDENT AUDITORS' REPORT

Board of Directors
Hays Caldwell Public Utility Agency
San Marcos, Texas

We have audited the accompanying financial statements of Hays Caldwell Public Utility Agency (the Agency), which comprise the statement of net position as of September 30, 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of September 30, 2014, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 to 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Attelley & Associates, LLP

Austin, Texas

February 19, 2015

**Hays Caldwell Public Utility Agency
Management's Discussion and Analysis
September 30, 2014**

Our discussion and analysis of the Hays Caldwell Public Utility Agency's (the "Agency") financial performance provide an overview of the Agency's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the Agency's financial statements.

HIGHLIGHTS

Financial Highlights

- The Agency's net position was \$4,125,018 as of September 30, 2014.
- Total operating revenues were \$-0-, while total operating expenses were \$1,616,483.

Agency Highlights

- The Agency was established in January 2007 by the cities of San Marcos, Kyle and Buda and the Canyon Regional Water Authority (the Sponsors).
- The Agency's goal is to secure and develop a long-term water supply for the Sponsors' communities.
- The Agency completed a Plumbing Plan which detailed how the Sponsors may share water prior to initiating the new supply. The Plumbing Plan also provides a baseline strategy for the implementation of the new supply.
- The Agency completed a Water Supply Contract between the Agency and its Sponsors on January 1, 2008 and Amendment #1 to the Contract on October 31, 2009.
- The Agency began the effort to acquire groundwater leases in 2008 and secured no additional long-term water supply leases in fiscal year 11-12 yielding a total leased acreage of 17,384.99 as of September 30, 2014.
- The Agency submitted applications for groundwater production and transportation (the "applications") in the amount of 10,300 acre-feet per year from the Gonzales County Underground Water Conservation District (the "District") on March 17, 2010. The District held a Public Hearing for the Agency's permit applications on November 13, 2012. The District approved the Agency's production and transportation permits on a 5-0 vote at the meeting in the amount of 10,300 acre-feet per year.
- The Agency hired its first full-time employee, Executive Director, in September 2014. The Executive Director is responsible for all aspects of the Agency and reports directly to the Board of Directors. The Agency still relies on various consultants for legal, technical and related services.

USING THIS ANNUAL REPORT

This annual report consists of two parts; Management's Discussion and Analysis and Financial Statements. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The Financial Statements of the Agency report information about the Agency using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the Agency's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the liquidity and financial flexibility of the Agency. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the Agency's operations over the past year and can be used to determine whether the Agency has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Agency's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations as "from where did the cash come?", "for what was cash used?" and "what was the change in cash balance during the reporting period?"

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency does not currently rely on Operating Revenues to support itself; instead it relies on cash contributions from the member Sponsors to meet its commitments. The Agency's net position was \$4,125,018 as described in Table 1, below.

Table 1
Hays Caldwell Public Utility Agency's
Net Position

ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$2,168,093
Contributions Receivable	16,133
<i>Total Current Assets</i>	<u>2,184,226</u>
 <i>Noncurrent Assets:</i>	
Projects in Progress	2,119,143
Ground Water Lease Acquisition Costs, net	1,067,985
<i>Total Noncurrent Assets</i>	<u>3,187,128</u>
 TOTAL ASSETS	 <u>\$5,371,354</u>
 LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable and Accrued Expenses	\$52,235
Accrued Costs – Annual Groundwater Reservation Payments	380,018
Unearned Contributions	814,083
<i>Total Current Liabilities</i>	<u>1,246,336</u>
 TOTAL LIABILITIES	 <u>\$1,246,337</u>
 NET POSITION	
Net Invested in Capital Assets	\$3,187,128
Unrestricted	937,890
 TOTAL NET POSITION	 <u>\$4,125,018</u>

Table 2 below indicates the change in net position for FY 12-13 and for FY 13-14.

The Agency does not anticipate having substantial operating revenues until water is being developed and sold. Based on current projections, this will not occur until the year 2023. Until operating revenues are in place, the Sponsors will continue to invest in the Agency. The Sponsors will either provide capital contributions directly to the Agency or the Agency will issue debt and the Sponsors will make monthly payments to cover the debt obligation.

Table 2
Hays Caldwell Public Utility Agency's
Changes in Net Position

	FY 13-14	FY 12-13
Total Operating Revenues	\$ -	\$ -
Nonoperating Revenues:		
Contributions from Participating Governments	1,465,000	1,283,189
Changes to Amount Deferred for Project Costs	882,860	1,558
Interest Income	8,019	5,543
TOTAL REVENUES	2,355,879	1,290,290
Total Operating Expenses	1,616,483	1,564,036
CHANGES IN NET POSITION	739,396	(273,746)
Net Position at Beginning of Year	3,385,622	3,659,368
NET POSITION AT END OF YEAR	\$4,125,018	\$3,385,622

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2014, the Agency had no capital assets, however had incurred costs toward engineering the alternate water source project and intangible lease acquisition costs that were capitalized. More detailed information can be found in the notes to the financial statements.

Long Term Debt

As of September 30, 2014, the Agency had no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Agency's Fiscal Year 2014-2015 operating budget of \$1,673,833 in operating expenses is an increase of approximately 11% from fiscal year 2013-2014 expenses. The increase is primarily related to the increased amount of groundwater royalty payments that are anticipated in FY 14-15 due to the anticipated approval of additional groundwater permits the Agency is seeking from the Plum Creek Conservation District.
- The Agency's Fiscal Year 2014-2015 capital budget of \$590,000 primarily represents hydrogeological and legal services to secure additional long-term groundwater supplies and engineering design for the Agency's transmission system that will connect the Kyle and Buda water systems. The FY 14-15 capital budget is an approximate 75% reduction from the amended FY 13-14 capital budget. The decrease is primarily related to the reduced engineering and construction effort anticipated in FY 14-15.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Graham Moore with the Hays Caldwell Public Utility Agency at 630 East Hopkins, San Marcos, Texas 78666, (512) 294-3214 or at gmoore@hcpua.org.

Basic Financial Statements

**Hays Caldwell Public Utility Agency
Statement of Net Position
September 30, 2014**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 2,168,093
Contributions Receivable	16,133
Total Current Assets	<u>2,184,226</u>

Noncurrent Assets

Projects in Progress	2,119,143
Groundwater Lease Acquisition Costs (Net of Amortization of \$980,113)	1,067,985
Total Noncurrent Assets	<u>3,187,128</u>

TOTAL ASSETS

5,371,354

LIABILITIES

Current Liabilities

Accounts Payable	50,552
Accrued Expenses	1,683
Accrued Costs - Annual Groundwater Reservation Payments	380,018
Unearned Contributions	814,083
Total Current Liabilities	<u>1,246,336</u>

TOTAL LIABILITIES

1,246,336

NET POSITION

Net Investment in Capital Assets	3,187,128
Unrestricted	<u>937,890</u>

TOTAL NET POSITION

\$ 4,125,018

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

Hays Caldwell Public Utility Agency
Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2014

Operating Revenue	
Application Fees	\$ -
Total Operating Revenue	<u>-</u>
Operating Expenses	
Operations & Maintenance	
Legal & Professional Fees	116,556
General Management Services	170,784
Personnel Costs	6,218
Other Contract Services	60,000
Other Operating Expenses	3,340
Total Operations & Maintenance	<u>356,898</u>
Other Operating Expenses	
Groundwater Reservation Costs	1,054,775
Amortization of Lease Acquisition Costs	204,810
Total Other Operating Expenses	<u>1,259,585</u>
Total Operating Expenses	<u>1,616,483</u>
Operating Income (Loss)	<u>(1,616,483)</u>
Other Nonoperating Income (Expenses):	
Contributions from Participating Governments	1,465,000
Changes to Amount Deferred for Project Costs	882,860
Interest Income	8,019
Total Other Nonoperating Income (Expenses)	<u>2,355,879</u>
Change in Net Position	739,396
Net Position - Beginning of Year	<u>3,385,622</u>
Net Position - End of Year	<u>\$ 4,125,018</u>

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

Hays Caldwell Public Utility Agency
Statement of Cash Flows
Year Ended September 30, 2014

Cash Flows From Operating Activities:	
Cash Received From Customers	\$ -
Cash Paid to Suppliers	(335,684)
Cash Paid for Personnel Costs	(4,535)
Cash Paid to Landowners - Annual Groundwater Reservation Costs	(1,070,420)
	<hr/>
Net Cash Flows From Operating Activities	(1,410,639)
Cash Flows From Investing Activities:	
Interest Received	8,019
	<hr/>
Net Cash Flows From Investing Activities	8,019
Cash Flows From NonCapital Financing Activities:	
Contributions From Participating Governments	1,329,473
	<hr/>
Net Cash Flows From NonCapital Financing Activities	1,329,473
Cash Flows From Capital Financing Activities:	
Contributions From Participating Governments	155,000
Payments on Project in Progress	(882,860)
	<hr/>
Net Cash Flows From Capital Financing Activities:	(727,860)
Net Change in Cash and Cash Equivalents	(801,007)
Cash and Cash Equivalents at Beginning of Period	2,969,100
	<hr/>
Cash and Cash Equivalents at End of Period	\$ 2,168,093
	<hr/> <hr/>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities:	
Operating Income (Loss)	\$ (1,616,483)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:	
Amortization of Lease Acquisition Costs	204,810
Change in Assets and Liabilities:	
Accounts Payable	14,996
Accrued Expenses	1,683
Accrued Costs - Annual Groundwater Reservation Payments	(15,645)
	<hr/>
Net Cash Flows From Operating Activities	\$ (1,410,639)
	<hr/> <hr/>

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

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

The Hays Caldwell Public Utility Agency (the Agency) was incorporated January 2007 pursuant to the provisions of Chapter 422, Texas Local Government Code, Public Utility Agencies for Provision of Water or Sewer Service. The Agency was organized to aid, assist, and act on behalf of the organizing participants, collectively and individually, to achieve economies of scale in providing essential water and sewage systems to the public, and provide environmentally sound protection of the State's future water and wastewater needs. The organizing sponsors (the Sponsors) are:

City of San Marcos
City of Kyle
City of Buda
Canyon Regional Water Authority

The Agency meets the criteria of a joint venture between the sponsors with an ongoing financial responsibility. The Sponsors have pledged revenues from existing water utility systems to finance the operations and long-term debt of the Agency, either through purchasing water from the Agency or subsidizing through direct payments (reflected as "Contributions from Participating Governments"). The Agency is actively pursuing the development of alternate water sources.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. Enterprise Fund

The Agency is an enterprise fund. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public. The activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

3. Basis of Accounting

The statements are presented on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. The accrual basis of accounting is used whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Cash and Cash Equivalents

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the Agency.

5. Investments

State statutes authorize the Agency to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d), or (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAM (or equivalent) rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. (see Note B).

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Agency's investment policy limits its authorized investments in accordance with the Public Funds Investment Act including obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas; obligations of states, agencies, contracts, cities, and other political subdivisions rated as to investment quality of not less than AAA by a nationally recognized investment firm. The U.S. Government Securities are not considered to have credit risk and do not require disclosure of credit quality.

The Agency's investment policy limits investments in Federal Agency securities to 70% of the total investment portfolio. The Agency may also invest up to 100% of its funds in government investment pools. With the exception of U.S. Treasury securities, authorized public funds investment pools, and federally insured or collateralized investments, no more than 30% of the Agency's total investment portfolio may be invested in a single security type or with a single financial institution. As of September 30, 2014, the investment in TexSTAR was rated AAAM by Standard & Poor's.

6. Groundwater Lease Acquisition Costs

Costs incurred to purchase or reserve groundwater (leases) for future consumption are capitalized. Those costs consist of incentive payments to landowners and professional fees for contract negotiations. The costs are being amortized over an estimated 10-year minimum lease term.

7. Contributions Receivable

The Agency operates under an operating and capital expense budget established by the Board of Directors at the beginning of each fiscal year. Each participant has pledged to fund their respective share (see Note E) of the resources necessary to fund operations and capital projects. Amounts still due the Agency as of the end of the year are reflected as Contributions Receivable on the Statement of Net Position. No allowance for uncollectible accounts has been reflected as management believes the receivables to be fully collected in the following fiscal year.

8. Projects in Progress

The Agency is in the process of developing an alternate water source in the Carrizo-Wilcox Aquifer region through the purchase of land, leasing of water rights, and designing and constructing infrastructure to transport and treat water to subsidize the water currently available to the participants. All costs associated with the development of the capital project are capitalized as Projects in Progress until such time as the infrastructure system is placed in service. Depreciation is not recorded on the system until placed in service.

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Unearned Revenue

Under the accrual method of accounting, revenue is recognized when the earning process is complete. The Agency recognizes contributions for capital projects as expenses for the projects are incurred. As of September 30, 2014, \$5,676,631 had been pledged from the participating governments toward the capital project, \$4,862,548 in engineering, parcel acquisition services, and lease acquisition costs had been incurred toward the capital project, leaving a balance of \$814,083 as unearned.

10. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the Agency, those revenues consist of partnership application fees and, at such time as alternate water sources are developed, charges for consumption of services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating. Contributions from sponsors to finance operations during the development stage, as well as contributions recognized as earned under the capital projects plan are classified as non-operating revenues.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Early Adoption of ASU 2014-10

As of September 30, 2014, the Agency has early adopted *Accounting Standards Update No 2014-10*. This accounting standard no longer requires developmental stage entities to show inception to date financial information as part of their basic financial statements. The adoption of the policy did not have an impact on the financial statements.

13. Subsequent Events

Management of the Agency has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE B - CASH AND INVESTMENTS

The Agency's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Agency's bank approved pledge securities in an amount sufficient to protect the Agency's funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of insurance provide by the Federal Deposit Insurance Corporation (FDIC).

Cash. As of September 30, 2014, the carrying amount of the Agency's bank deposits was \$2,204,911. Of that amount, \$250,000 was covered by FDIC insurance, and the Agency's depository had pledged securities having a par value of \$3,500,000 and a market value of \$3,799,2010 as collateral for the Agency's deposits. All of the Agency's cash was fully collateralized as of September 30, 2014.

Investments. As of September 30, 2014, the Agency had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
TexSTAR (Local Government Investment Pool)	\$ 115	0.14
	<u>\$ 115</u>	
Portfolio Weighted Average Maturity		0.14

Investment Rate Risk. This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the Agency was not exposed to interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the Agency was not exposed to credit risk.

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE C - NONCURRENT ASSETS

Noncurrent assets consist of engineering costs incurred to develop the infrastructure of an alternative water source (projects in progress), professional fees incurred to obtain groundwater reservation leases (water rights), and incentive lease payments to landowners (see Note F). Changes in projects in progress and groundwater lease acquisition costs for the period are as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Projects in Progress	\$ 1,236,283	\$ 882,860	\$ -	\$ 2,119,143
Lease Acquisition Costs	2,048,098	-	-	2,048,098
Amortization of Lease Costs	(775,303)	(204,810)	-	(980,113)
	<u>\$ 2,509,078</u>	<u>\$ 678,050</u>	<u>\$ -</u>	<u>\$ 3,187,128</u>

Projects in Progress are not depreciated until completed and placed in service. Lease acquisition costs are amortized over 10 years.

NOTE D - RISK MANAGEMENT

The Agency is exposed to risk of loss related to torts; errors and omissions; and other claims of various natures. The Agency contracts with the Texas Municipal League (TML) to provide insurance coverage for errors and omissions. The provider is a multi-employer group that provides a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by TML. Liability for the Agency is generally limited to the contributed amounts.

NOTE E - ECONOMIC DEPENDENCY

Funding for the operation of the Agency was provided by the sponsoring governments in the following proportions based on their respective estimated long-term water needs:

City of San Marcos	35.86%
Canyon Regional Water Authority	30.89%
City of Kyle	28.17%
City of Buda	5.08%
	<u>100.00%</u>

Hays Caldwell Public Utility Agency
Notes to Financial Statements
September 30, 2014

NOTE F - COMMITMENTS & CONTINGENCIES

Groundwater Lease Agreements

The Agency has entered into groundwater development agreements (leases) with various landowners for rights of development, production, transportation, and use of groundwater on the properties. In addition to incentive and acquisition costs, the leases call for annual royalty payments (groundwater reservation costs) based upon, at a minimum, the surface acreage of the property times a royalty rate base amount.

In addition, each lease agreement entitles the landowner to a one-time bonus payment equal to \$100 per surface acre leased, which is intended to compensate the landowner for the first year annual lease payment as well as provide an incentive. These payments are made in advance of the lease and the excess incentive over the initial annual payment is being amortized over 10 years (See Note C).

The Agency has the right to terminate the leases prior to the permitting process with 30 days notice. After the permitting process has begun, the Agency can terminate the leases for any reason after 5 years, or the length of the permit, whichever comes first. As long as the Agency continues the royalty payments, the leases remain in effect for up to 50 years. As of September 30, 2014, the Agency had contracted for 17,384.99 surface acres.

On November 13, 2012, the Agency was granted a permit to produce 10,300 acre-feet of groundwater out of a total 11,215 acre-feet available. At that time, the annual lease rate on permitted acreage increased from \$40 per acre to \$80 per acre-foot permitted. Estimates of minimum future commitments under the lease are \$1,065,251 for the fiscal year ending September 30, 2015 and each fiscal year thereafter.

CANYON REGIONAL WATER AUTHORITY
FY 2013-14 FINANCIAL AUDIT

CANYON REGIONAL WATER AUTHORITY

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2014**



CANYON REGIONAL WATER AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

TABLE OF CONTENTS

	PAGE
TITLE PAGE	i
TABLE OF CONTENTS	ii
 FINANCIAL SECTION 	
ANNUAL FILING AFFIDAVIT	1
INDEPENDENT AUDITOR’S REPORT	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	8
STATEMENT OF NET POSITION	9
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	11
STATEMENT OF CASH FLOWS	12
NOTES TO BASIC FINANCIAL STATEMENTS	14
REQUIRED SUPPLEMENTARY INFORMATION	24
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	25
NOTES TO SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-	26
SUPPLEMENTARY INFORMATION	27
TSI-1. SERVICES AND RATES	28
TSI-2. ENTERPRISE FUND EXPENSES	29
TSI-3. TEMPORARY INVESTMENTS	30
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS	31
TSI-6. CHANGES IN LONG-TERM BONDED DEBT	41
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES	43
TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS	45



ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS :

COUNTY OF GUADALUPE :

I, Steve Liparoto, of Canyon Regional Water Authority hereby swear, or affirm, that the Authority named above has reviewed and approved, at a meeting of the Authority's Board of Trustees on the 12th day of January, 2015, its annual audit report of the fiscal period ended September 30, 2014, and that copies of the annual audit report have been filed in the Authority's office located at 850 Lakeside Pass Dr., New Braunfels, Texas 78130.

This annual filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of the Texas Water Code Section 49.194.

Date: January 12, 2015 By: [Signature]
(Signature of District Official)

Steve Liparoto, Chairman
(Typed Name & Title of District Representative)

Sworn to and subscribed to before me this 12th day of January, 2015.



[Signature]
(Signature of Notary)

Commission expires on May 5, 2017
Notary Public in the State of Texas

SHAREHOLDERS:
Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Canyon Regional Water Authority
850 Lakeside Pass
New Braunfels, TX 78130

Report on the Financial Statements

We have audited the accompanying financial statements of the Canyon Regional Water Authority, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Canyon Regional Water Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Canyon Regional Water Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Canyon Regional Water Authority, as of September 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

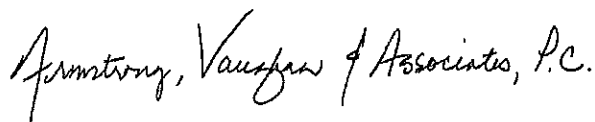
Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Canyon Regional Water Authority's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information required by the Texas Commission on Environmental Quality is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Armstrong, Vaughan & Associates, P.C.

December 02, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Canyon Regional Water Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended September 30, 2014. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total net position was \$17.9 million at September 30, 2014.
- During the year, the Authority's operating expenses were \$1.3 million more than the \$8.3 million in operating revenues. After depreciation, operating income was a loss of \$4.0 million.
- Operating revenues decreased 10% and operating expenses increased 7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), *the basic financial statements, required supplementary information*, and *supplementary information required by the Texas Commission on Environmental Quality*. The basic financial statements consist of the following statements:

- The *Statement of Net Position* shows the financial standing of the authority as of the end of the year, including all assets and liabilities.
- The *Statement of Revenues, Expenses and Changes in Net Position* provides information about the activity of the Authority during the fiscal year. It reports revenues when incurred, regardless of when they are received, and expenses when incurred, regardless of when they are paid.
- The *Statement of Cash Flows* reports the sources and uses of cash during the fiscal year.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The final section of supplementary information provides even more information required by TCEQ.

Figure A-2 summarizes the major features of the Authority's financial statements, including the portion of the Authority government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position—the difference between the Authority's assets and liabilities—is one way to measure the Authority's financial health or *position*.

- Over time, increases or decreases in the Authority's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The Authority's combined net position was \$17.9 million at September 30, 2014. Of this amount, \$6.0 million is unrestricted, representing resources available to fund the operations of the Authority next year. (See Table A-1).

Table A-1
Authority's Net Position
(In thousands dollars)

	2014	2013	Percentage Change
<i>Assets:</i>			
Cash and Investments	\$ 3,939	\$ 4,997	-21%
Other Current Assets	1,257	1,553	-19%
Other Assets	7,411	8,756	-15%
Capital Assets (Net)	<u>115,391</u>	<u>112,783</u>	2%
<i>Total Assets</i>	<u>127,998</u>	<u>128,089</u>	0%
<i>Liabilities:</i>			
Accounts Payable and Accruals	1,924	1,260	53%
Long Term Debt	<u>108,180</u>	<u>112,470</u>	-4%
<i>Total Liabilities</i>	<u>110,104</u>	<u>113,730</u>	-3%
<i>Net Position:</i>			
Net Investment in Capital Assets	8,261	5,622	47%
Restricted	3,645	3,516	4%
Unrestricted	<u>5,988</u>	<u>5,221</u>	15%
<i>Total Net Position</i>	<u>\$ 17,894</u>	<u>\$ 14,359</u>	25%

The Authority's total operating revenues were \$8.3 million, a decrease of 10%. Water sales fluctuate with the environmental conditions and the ability of member entities to take water. The operating expenses were \$12.3 million, an increase of 7%. (See Table A-2)

Table A-2
Changes in Authority Net Position
(In thousands dollars)

	2014	2013	Percentage Change
Operating Revenues	\$ 8,304	\$ 9,189	-10%
Operating Expenses	<u>(12,300)</u>	<u>(11,478)</u>	7%
Operating Income (Loss)	(3,996)	(2,289)	75%
Nonoperating Income (Expense)	<u>7,531</u>	<u>3,761</u>	100%
Change in Net Position	<u>3,535</u>	<u>1,472</u>	140%

BUDGETARY HIGHLIGHTS

The Authority budgets on a modified accrual basis so that the billings to the members result in funds available to pay obligations of the Authority as they come due. The Authority began the year with expectations of lower water sales than actually occurred. This also led to higher than anticipated expenses. The Authority ended the year with less net income (on a budgetary basis) than was budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2014 the Authority had invested \$137 million in a broad range of capital assets, including land, buildings, equipment, treatment plants, and distribution systems. (See Table A-3.) More detailed information about the Authority's capital assets is presented in the notes to the financial statements.

Table A-3
Authority's Capital Assets
(In thousands of dollars)

	2014	2013	Percentage Change
Land	\$ 1,751	\$ 1,751	0%
Water Rights	3,146	3,146	0%
Building and Improvements	791	791	0%
Plant and Distribution System	126,507	115,490	10%
Machinery and Equipment	674	648	4%
Construction in Progress	4,178	9,897	-58%
Totals at Historical Cost	<u>137,047</u>	<u>131,723</u>	<u>4%</u>
Total Accumulated Depreciation	<u>(21,656)</u>	<u>(18,940)</u>	<u>14%</u>
Net Capital Assets	<u>\$ 115,391</u>	<u>\$ 112,783</u>	<u>2%</u>

Long-Term Debt

At year-end, the Authority had \$108 million in principal outstanding on bonded debt. The Authority did not issue any new debt this year. More detailed information about the Authority's debt is presented in the notes to the financial statements.

Table A-4
Authority's Long Term Debt
(In thousands of dollars)

	2014	2013	Percentage Change
Bonds Payable	\$ 108,180	\$ 112,470	-3.81%
Total Long-Term Debt	<u>\$ 108,180</u>	<u>\$ 112,470</u>	<u>-3.81%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the fiscal year ending September 30, 2015, the Authority has budgeted \$20,855,064 in total revenues and \$20,855,064 in total expenses. The Authority expected a 5.5% increase in water sales in preparing the 2014/2015 budget based on discussions with member entities.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at Canyon Regional Water Authority, 850 Lakeside Pass, New Braunfels, Texas 78130-8233.



BASIC FINANCIAL STATEMENTS

The basic financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

ASSETS*Current Assets:*

Cash and Cash Equivalents	\$ 3,939,428
Receivables - Member Entities	<u>1,257,358</u>
<i>Total Current Assets</i>	<u>5,196,786</u>

Other Assets:

Long-term Receivables - Member Entities	2,620,901
Restricted Cash for Construction	1,087,812
Restricted Cash for Debt Service	<u>3,702,323</u>
<i>Total Other Assets</i>	<u>7,411,036</u>

Capital Assets:

Land and Land Rights	1,750,976
Water Rights and Permits	3,145,604
Construction in Progress	4,177,728
Plant and Equipment (net)	<u>106,316,578</u>
<i>Total Capital Assets</i>	<u>115,390,886</u>
TOTAL ASSETS	<u>127,998,708</u>

LIABILITIES*Current Liabilities:*

Accounts Payable	969,909
Salaries Payable	37,220
Accrued Leave	34,812
Accrued Interest, Payable from Restricted Assets	<u>882,527</u>
<i>Total Current Liabilities</i>	<u>1,924,468</u>

Long-term Debt:

Bonds Payable within One Year	4,470,000
Bonds Payable in more than One Year	<u>103,709,733</u>
<i>Total Long-term Debt</i>	<u>108,179,733</u>
TOTAL LIABILITIES	<u>110,104,201</u>

NET POSITION

Net Investment in Capital Assets	8,261,458
Restricted, Expendable:	
Debt Service	2,819,796
Membrane Replacement	825,317
Unrestricted	<u>5,987,936</u>
TOTAL NET POSITION	<u>\$ 17,894,507</u>

CANYON REGIONAL WATER AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

Operating Revenues:	
Water Sales	\$ 8,026,655
Miscellaneous Income	277,294
Total Operating Revenues	<u>8,303,949</u>
Operating Expenses:	
Water Purchases	3,825,838
Treatment Plant Operating Expenses	3,754,748
Salaries and Wages	895,522
Professional Fees	620,964
Line Use and Transmission Costs	296,448
Employment Related Expenses	189,947
Total Operating Expenses	<u>9,583,467</u>
Operating Income (Loss) Before Depreciation	(1,279,518)
Depreciation	<u>2,716,603</u>
Operating Income (Loss)	(3,996,121)
Non-Operating Revenues (Expenses):	
Member Entity Debt Reimbursements	10,031,576
Member Entity Joint Venture Reimbursements	2,620,901
Interest Income	19,976
Interest Expense	(4,688,616)
Contribution to Joint Venture	(452,539)
Total Non-Operating Revenues (Expenses)	<u>7,531,298</u>
Change in Net Assets	3,535,177
Net Position at Beginning of Year	<u>14,359,330</u>
Net Position at End of Year	<u>\$ 17,894,507</u>

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Cash Flows from Operating Activities	
Cash Received from Customers	\$ 8,590,122
Cash Payments to Suppliers for Goods and Services	(8,017,958)
Cash Payments to Employees for Services	<u>(860,122)</u>
Net Cash Provided (Used) by Operating Activities	<u>(287,958)</u>
Cash Flows from Noncapital Financing Activities	
Member Entity Debt Reimbursements	<u>10,031,576</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>10,031,576</u>
Cash Flows from Capital and Related Financing Activities	
Bond Principal Payments	(4,200,000)
Interest Paid	(5,485,114)
Purchase of Property, Plant and Equipment	<u>(4,649,913)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,335,027)</u>
Cash Flows from Investing Activities	
Interest and Investment Income	19,976
Contribution to Joint Venture	(452,539)
(Increase) Decrease in Restricted Cash	<u>3,966,084</u>
Net Cash Provided (Used) by Investing Activities	<u>3,533,521</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,057,888)
Beginning Cash and Cash Equivalents	<u>4,997,316</u>
Ending Cash and Cash Equivalents	<u>\$ 3,939,428</u>

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Reconciliation of Operating Income to Net Cash Provided (Used)	
by Operating Activities	
Operating Income (Loss)	\$ (3,996,121)
Adjustments to Reconcile Income from Operations to Net Cash	
Provided by Operating Activities:	
Depreciation	2,716,603
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	286,173
(Increase) Decrease in Inventory	9,307
Increase (Decrease) in Accounts Payable	660,680
Increase (Decrease) in Salaries Payable	588
Increase (Decrease) in Accrued Leave	34,812
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (287,958)</u></u>

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Canyon Regional Water Authority (the "Authority") was created by the Texas Legislature on August 28, 1989 under Article XVI, Section 59 of the Texas Constitution. The Authority operates under Chapter 65 of the Texas Water Code. The Authority was created to purchase, own, hold, lease and otherwise acquire sources of potable water; build, operate and maintain facilities for the treatment and transportation of water; sell potable water to local governments, water supply corporations and other persons in this state; and to protect, preserve and restore the purity and sanitary condition of water in the area. The Authority may not levy or collect ad valorem taxes, but does have the power of eminent domain and may issue bonds.

The Authority is comprised of ten member entities, and the governing board consists of two voting members from each entity. The member entities consist of Crystal Clear Special Utility District, East Central Special Utility District, Springs Hill Water Supply Corporation, Green Valley Special Utility District, County Line Special Utility District, Maxwell Water Supply Corporation, Martindale Water Supply Corporation and the cities of Marion, Cibolo, and La Vernia.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

I. REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity" and GASB Statement 39 "Determining Whether Certain Organizations are Component Units". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The Authority has no component units.

2. ENTERPRISE FUND

The Authority is an enterprise fund. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public or other governmental entities. The activities are financed by charges to member entities and the measurement of financial activity focuses on net income similar to the private sector. Revenues are recognized when earned, and expenses are recognized when incurred.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Revenues are classified as *operating* and *non-operating*. Operating revenues include charges to member entities for water pumpage pursuant to their contractual agreements. Non-operating revenues are expense reimbursements from member entities, interest income, and other revenues not related to the sale of wholesale water.

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

4. CASH AND INVESTMENTS

State statutes authorize the Authority to invest in (a) obligations of the United States or its agencies, and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) – (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost, which approximates fair value.

The Authority considers cash and cash equivalents to be amounts in checking accounts, savings accounts, money market accounts, local government investment pools and certificates of deposit with a maturity date within three months or less from the date of purchase.

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due from member entities. Management considers all outstanding amounts to be collectible and has not recorded an allowance for doubtful accounts.

6. PREPAID EXPENSES

Expenses paid during the year that have a benefit beyond the current fiscal year are recorded on the balance sheet as prepaid expenses.

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2014

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, water rights, and water plant and distribution systems, are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest has been capitalized during the construction periods on water plant and distribution systems. Purchases in excess of \$5,000 with a useful life in excess of one year are capitalized and depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 50 years
Equipment	3 to 50 years
Water Plants and Distribution Systems	10 to 50 years

8. LONG-TERM OBLIGATIONS

Bonds, notes and capital leases are recorded as liabilities on the statement of net position. Bond issue costs and premiums are expensed in the period they are incurred. Bonds payable are reported net of the applicable bond premium or discount.

9. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When expenses qualify for restricted and unrestricted resources, the Authority's policy is to use restricted resources first.

10. BUDGET

An operating budget is adopted each fiscal year for the Authority. The budget is adopted on a modified accrual basis of accounting. Additional budgetary information is provided in the required supplementary information.

11. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2014

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. RECLASSIFICATIONS

Certain transactions are classified differently on the September 30, 2014 financial statements than previous fiscal years. These reclassifications had no effect on net income.

NOTE B -- CASH AND INVESTMENTS

The Authority's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledge securities in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash and Cash Equivalents

At September 30, 2014, the Authority's bank deposits were covered by a combination of federal deposit insurance and pledged securities. All of the Authority's deposits were fully collateralized.

2. Investments

The Authority is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that the Authority's investment practices, management reports and establishment of appropriate policies adhered to the requirements of the Act.

The Act determines the types of investments which are allowable for the Authority. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

As of September 30, 2014, the Authority had \$1,087,812 in LOGIC, a AAA rated local government investment pool. The pool strives to maintain a \$1 per share market value and is included in cash and cash equivalents.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE C -- LONG-TERM RECEIVABLE/ REIMBURSEMENT FOR JOINT VENTURE

During the year, the Authority assigned 69.81% of its interest in Hays Caldwell Public Utility Agency (a joint venture) to three member entities. In exchange, the member entities agreed to reimburse the Authority for the related portion of all prior payments and they will assume responsibility for all future payments to Hays Caldwell Public Utility Agency. As of September 30, 2014, this amounted to \$2,620,901. No repayment terms have been established. See Note H.

NOTE D -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Balances at			Balances at
	10/1/13	Additions	Disposals	9/30/2014
Land	\$ 1,750,976	\$ -	\$ -	\$ 1,750,976
Water Rights	3,145,604	-	-	3,145,604
Building and Improvements	791,035	-	-	791,035
Plant and Distribution System	115,490,232	-	11,017,137	126,507,369
Machinery and Equipment	647,632	26,688	-	674,320
Construction in Progress	9,896,592	5,298,273	(11,017,137)	4,177,728
	<u>131,722,071</u>	<u>5,324,961</u>	<u>-</u>	<u>137,047,032</u>
<i>Less Accumulated Depreciation</i>				
Building and Improvements	(221,541)	(21,523)	-	(243,064)
Plant and Distribution System	(18,381,369)	(2,668,795)	-	(21,050,164)
Machinery and Equipment	(336,633)	(26,285)	-	(362,918)
	<u>(18,939,543)</u>	<u>(2,716,603)</u>	<u>-</u>	<u>(21,656,146)</u>
Capital Assets, Net	<u>\$ 112,782,528</u>	<u>\$ 2,608,358</u>	<u>\$ -</u>	<u>\$ 115,390,886</u>

Land, Water Rights and Construction in Progress are not depreciated.
During the year ended September 30, 2014, \$675,048 in interest was capitalized in construction in progress.

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2014

NOTE E -- LONG-TERM DEBT

The Authority's long-term debt consists of bonds with interest payable on February 1 and interest and principal payable on August 1 of each year. The Bonds consist of the following issues:

Series Name	Original Issue		Interest Rate	Maturity Date
	Amount	Date		
<i>Project Hays/Caldwell:</i>				
Taxable Contract Revenue Bonds, 2003	\$ 2,000,000	6/1/2003	2.9-5.9%	2028
Taxable Revenue Refunding Bonds, 2005	5,845,000	10/26/2005	6.4%	2024
<i>Project Lake Dunlap:</i>				
Tax-Exempt Contract Revenue Refunding Bonds, 2006	21,130,000	5/1/2006	4-5%	2028
Taxable Contract Revenue Refunding Bonds, 2006	5,245,000	5/1/2006	5.4-6.3%	2028
<i>Project Mid-Cities:</i>				
Tax-Exempt Contract Revenue Refunding Bonds, 2006	27,910,000	5/1/2006	4-5.1%	2028
<i>Project Wells Ranch:</i>				
Tax-Exempt Contract Revenue Bonds, 2007	43,360,000	8/1/2007	4-5.1%	2032
Tax-Exempt Contract Revenue Bonds, 2009	3,695,000	7/14/2009	2-5.5%	2029
Tax-Exempt Contract Revenue Bonds, 2011	15,575,000	12/22/2011	2.5-5%	2041
<i>Project San Marcos River Rights:</i>				
Taxable Contract Revenue Bonds, 2008	3,200,000	1/1/2008	5.1%	2038

The Authority's long-term debt activity as of and for the year ending September 30, 2014 is as follows:

Bonds Payable, Series	Balance			Balance	
	Outstanding 10/1/2013	Additions	Retirements	Outstanding 9/30/2014	Due Within One Year
2003, Hays Caldwell	\$ 1,525,000	\$ -	\$ (65,000)	\$ 1,460,000	\$ 70,000
2005, Hays Caldwell	4,365,000	-	(280,000)	4,085,000	300,000
2006, Dunlap	16,730,000	-	(795,000)	15,935,000	830,000
2006, Dunlap Taxable	4,355,000	-	(185,000)	4,170,000	195,000
2006, Mid-Cities	22,115,000	-	(1,050,000)	21,065,000	1,095,000
2007, Wells Ranch	40,745,000	-	(1,365,000)	39,380,000	1,425,000
2008, San Marcos River	2,795,000	-	(60,000)	2,735,000	60,000
2009, Wells Ranch	3,400,000	-	(80,000)	3,320,000	160,000
2011, Wells Ranch	15,575,000	-	(320,000)	15,255,000	335,000
Premiums & Discounts	864,524	-	(89,791)	774,733	-
Totals	\$ 112,469,524	\$ -	\$ (4,289,791)	\$ 108,179,733	\$ 4,470,000

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE E -- LONG-TERM DEBT (Continued)

The annual requirements to amortize all debt outstanding as of September 30, 2014, including interest payments, are as follows:

Year End September 30,	Principal Payments	Interest Payments	Total
2015	\$ 4,470,000	\$ 5,295,160	\$ 9,765,160
2016	4,685,000	5,088,002	9,773,002
2017	4,900,000	4,870,104	9,770,104
2018	5,130,000	4,645,265	9,775,265
2019	5,375,000	4,402,322	9,777,322
2020-2024	31,095,000	17,764,668	48,859,668
2025-2029	32,265,000	9,440,681	41,705,681
2030-2034	13,005,000	3,109,727	16,114,727
2035-2039	4,625,000	1,157,375	5,782,375
2040-2041	1,855,000	140,250	1,995,250
Total	<u>\$ 107,405,000</u>	<u>\$ 55,913,554</u>	<u>\$ 163,318,554</u>

NOTE F – WATER CONTRACTS

The Authority has contracted to purchase water from Guadalupe Blanco River Authority (GBRA) to sell to member entities. The contract has a term of forty years with renewal options upon the agreement of both parties. In addition, the Authority has water lease agreements with several landowners in the region. The schedule below summarizes the minimum lease payments for the next five years on the Authority's water leases, calculated at rates currently in effect.

Year End September 30,	GBRA					Total
	Lake Dunlap	San Marcos River	Hays Caldwell	Wells Ranch	Others	
2015	\$ 1,505,299	\$ 254,750	\$ 24,000	\$ 1,954,064	\$ 7,600	\$ 3,745,713
2016	1,505,299	254,750	24,000	1,954,064	7,600	3,745,713
2017	1,505,299	254,750	24,000	1,954,064	7,600	3,745,713
2018	1,505,299	254,750	24,000	1,954,064	7,600	3,745,713
2019	1,505,299	254,750	24,000	1,954,064	7,600	3,745,713
Total	<u>\$ 7,526,495</u>	<u>\$ 1,273,750</u>	<u>\$ 120,000</u>	<u>\$ 9,770,320</u>	<u>\$ 38,000</u>	<u>\$ 18,728,565</u>
Acre Feet	<u>10,575</u>	<u>2,038</u>	<u>320</u>	<u>19,258</u>	<u>152</u>	<u>32,343</u>

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2014

NOTE F – WATER CONTRACTS (Continued)

The Authority also has contracts with its member entities in which the members agree to pay for the right to receive water from the Authority and the Authority agrees to sell its treated water to the members. A few member entities have leased their shares to other members. The following schedule summarizes the contracts in acre-feet commitments for each entity not taking into account any member to member agreements or any allocations of excess water capacity.

Member Entity	Lake Dunlap	Hays Caldwell	Wells Ranch	Total
City of Cibolo	1,230	-	700	1,930
City of Marion	100	-	100	200
East Central SUD	1,400	-	500	1,900
Green Valley SUD	1,800	-	700	2,500
Springs Hill WSC	1,950	-	100	2,050
San Antonio Water System	4,000	-	2,800	6,800
Crystal Clear WSC	500	500	300	1,300
Maxwell WSC	-	900	-	900
County Line SUD	-	1,308	-	1,308
Martindale WSC	-	200	-	200
Total	<u>10,980</u>	<u>2,908</u>	<u>5,200</u>	<u>19,088</u>

NOTE G – PROFIT SHARING PLAN

The Authority participates in a defined contribution profit sharing plan for eligible employees. The Authority contributes a percentage of eligible employees' wages annually. Employees may contribute at their discretion. The plan is administered by Retirement Horizons Incorporated as a 401K profit sharing plan. Employees who have attained the age of 21 years, have completed one year of service, and have been credited 1,000 hours of service may participate in the plan. Annual contributions were \$49,372, \$50,811, and \$43,257 for the years ending September 30, 2014, 2013, and 2012, respectively.

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2014

NOTE H – JOINT VENTURE - HAYS CALDWELL PUBLIC UTILITY AGENCY

The Authority entered into a joint venture with three other entities in 2007, creating Hays Caldwell Public Utility Agency (the Agency). The Agency was created to design, construct, maintain and operate a project to deliver water to the participating entities and other purchasers in the region. The participating entities are contractually obligated to fund a pro-rated portion of the Agency's operations and project costs. The Authority has pledged its system revenues to fund its share (30.89%) of the Agency's operations. For the year ending September 30, 2014, the Agency's budgeted expenses totaled \$2,180,000, of which \$452,539 was the Authority's share. The Agency has not issued any debt as of September 30, 2014. The Authority does not have an equity interest in the Agency and records funding payments as a nonoperating expense each year. Annual, audited financial statements for the Agency may be obtained by writing to Hays Caldwell Public Utility Agency, C/O Lockwood Andrews & Newnam, Inc., 400 West Hopkins, Suite 203, San Marcos, Texas 78666.

Beginning in 2014, the Authority has assigned a portion of its interest in the Agency to member entities. These member entities will reimburse the Authority for their share of the Agency costs. Contracts in place as of September 30, 2014 allocated the Authority's share in the Agency as follows:

Responsible Entity	Authority Share Allocation
Green Valley SUD	33.33%
Crystal Clear WSC	33.33%
Martindale WSC	3.14%
Canyon Regional	30.20%
Total	100%

NOTE I -- LITIGATION

Management and legal counsel are not aware of any pending or threatened litigation that may have a material effect on the Authority's financial position.

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2014

NOTE J -- RISK MANAGEMENT

The Authority has identified possible risk of losses related to torts; theft of, damage to, or destruction of assets; business interruption; errors and omissions; job-related illnesses or injuries to employees; and other claims of various natures. The Authority contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Annual contributions for the year ended September 30, 2014, were \$52,483. Liability by the Authority is generally limited to the contributed amounts up to coverage limits as follows:

	Limits of Coverage
General Liability	\$ 5,000,000
Errors and Omissions	5,000,000
Automobile Liability	5,000,000
Real and Personal Property	58,471,871
Mobile Equipment	56,180
Boiler and Machinery	58,321,871

NOTE K -- SUBSEQUENT EVENT

In October 2014, the Authority signed a contract with a member to assign another 20.191% of its 30.89% interest in Hays Caldwell Public Utility Agency. The member entity will reimburse the Authority for the related past costs, which as of September 30, 2014 were \$758,049.

NOTE L -- COMMITMENT

As of September 30, 2014, the Authority had open contracts for construction projects related to the Wells Ranch Project as follows:

	Total Commitment	Expended to Date	Estimated Remaining
Engineering	\$ 370,824	\$ 347,173	\$ 23,651
Construction	2,414,101	2,379,801	34,300
	<u>\$ 2,784,925</u>	<u>\$ 2,726,974</u>	<u>\$ 57,951</u>



REQUIRED SUPPLEMENTARY INFORMATION

CANYON REGIONAL WATER AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Results (Budgetary Basis)	Final Budget- Positive (Negative)
Operating Revenues:				
Water Sales	\$ 8,667,309	\$ 8,667,309	\$ 8,026,655	\$ (640,654)
Miscellaneous Income	220,704	220,704	277,294	56,590
Total Operating Revenues	<u>8,888,013</u>	<u>8,888,013</u>	<u>8,303,949</u>	<u>(584,064)</u>
Operating Expenses:				
Water Purchases	3,525,869	3,525,869	3,825,838	(299,969)
Treatment Plant Operating Expenses	3,815,978	3,815,978	3,754,748	61,230
Line Use and Transmission Costs	220,704	220,704	296,448	(75,744)
Salaries and Wages	822,262	822,262	895,522	(73,260)
Employment Related Expenses	194,535	194,535	189,947	4,588
Professional Fees	308,665	308,665	620,964	(312,299)
Total Operating Expenses	<u>8,888,013</u>	<u>8,888,013</u>	<u>9,583,467</u>	<u>(695,454)</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>(1,279,518)</u>	<u>(1,279,518)</u>
Non-Operating Revenues (Expenses)				
Member Entity Debt				
Reimbursements	10,031,977	10,031,977	10,031,576	(401)
Interest Income	-	-	19,976	19,976
Principal and Interest Payments	(10,031,977)	(10,031,977)	(9,685,114)	346,863
Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>366,438</u>	<u>366,438</u>
Net Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (913,080)</u>	<u>\$ (913,080)</u>

CANYON REGIONAL WATER AUTHORITY
 NOTES TO SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 SEPTEMBER 30, 2014

Budgetary Information -- The budget is prepared on a modified accrual basis of accounting. The Authority maintains strict budgetary controls. The annually adopted budget is not a legally binding document, but is used as a planning tool. The Authority does not use encumbrance accounting.

The following schedule reconciles the budgetary basis to generally accepted accounting principles.

Net Income (Budgetary Basis)	\$ (913,080)
Amortization of Bond Premiums	89,791
Bond Principal Payments	4,200,000
Interest Capitalized	675,048
Changes in Interest Accrual	31,659
Sale of Joint Venture	2,620,901
Contribution to Joint Venture	(452,539)
Depreciation Expense	<u>(2,716,603)</u>
Change in Net Position (GAAP Basis)	<u>\$ 3,535,177</u>



SUPPLEMENTARY INFORMATION

The following Supplementary Information is required to be included as additional information by the Texas Commission on Environmental Quality (TCEQ).

CANYON REGIONAL WATER AUTHORITY
TSI-1. SERVICES AND RATES
FISCAL YEAR ENDING SEPTEMBER 30, 2014

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

- Checkboxes for services: Retail Water, Wholesale Water, Drainage, Retail Wastewater, Wholesale Wastewater, Irrigation, Parks/Recreation, Fire Protection, Security, Solid Waste/Garbage, Flood Control, Roads, Participates in joint venture..., Other (specify):

2. Retail Service Providers

(This information is omitted since the Authority does not provide retail services)

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

Table with 3 columns: Description, Value, and Water Accountability Ratio. Row 1: Gallons pumped into system 3,581,986. Row 2: Gallons billed to customers: 3,517,218. Row 3: Water Accountability Ratio: (Gallons billed/Gallons pumped) 98.5%

4. Standby Fees (authorized only under TWC Section 49.231):

- Does the District have Debt Service standby Fees? Yes [] No [X]
If yes, Date of the most recent Commission Order:
Does the District have Operation and Maintenance standby fees? Yes [] No [X]
If yes, Date of the most recent Commission Order:

5. Location of District:

- Counties in which the District is located: Guadalupe, Comal, Caldwell, Hays, Wilson and Bexar
Is the District located entirely within one county? Yes [] No [X]
Is the District located within a city? Entirely [X] Partly [X] Not at all []
Cities in which the District is located: Entirely Within: Marion, Cibolo, La Vernia, Santa Clara, and New Berlin; Partly Within: Martindale, Seguin, San Antonio, San Marcos, and New Braunfels
Is the District located within a city's extra territorial jurisdiction (ETJ)? Entirely [X] Partly [X] Not at all []
ETJs in which the District is located: Entirely Within: Marion and Cibolo; Partly Within: Martindale, Seguin, San Antonio, San Marcos, and New Braunfels
Are Board members appointed by an office outside the district? Yes [] No [X]
If Yes, by whom?

CANYON REGIONAL WATER AUTHORITY
 TSI-2. ENTERPRISE FUND EXPENSES
 FISCAL YEAR ENDING SEPTEMBER 30, 2014

Personnel Expenditures (including benefits)	\$ 1,085,469
Professional Fees:	
Legal	139,602
Engineering	458,915
Accounting and Audit	13,600
Other	8,847
Water and Transmission Costs	4,122,286
Utilities	1,487,795
Repairs and Maintenance	2,128,683
Administrative Expenses	138,270
Depreciation and Amortization	2,716,603
Interest	4,688,616
Contribution to Joint Venture	<u>452,539</u>
Total Expenses	<u><u>\$ 17,441,225</u></u>
Total number of persons employed by the District	
	Full-Time
	<u>14</u>
	Part-Time
	<u>0</u>

CANYON REGIONAL WATER AUTHORITY
TSI-3. TEMPORARY INVESTMENTS
FISCAL YEAR ENDING SEPTEMBER 30, 2014

<u>Funds</u>	<u>Identification of Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
None				\$ -	\$ -
Total				\$ -	\$ -

The following section has been omitted since it does not pertain to this entity:

TSI-4. Taxes Levied and Receivable

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS
 SEPTEMBER 30, 2014

Hays/Caldwell Projects Taxable Contract Revenue Bonds Series 2003			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 70,000	\$ 84,006	\$ 154,006
2016	75,000	80,282	155,282
2017	80,000	76,217	156,217
2018	85,000	71,801	156,801
2019	90,000	67,024	157,024
2020	95,000	61,903	156,903
2021	100,000	56,450	156,450
2022	105,000	50,680	155,680
2023	110,000	44,548	154,548
2024	115,000	38,124	153,124
2025	125,000	31,408	156,408
2026	130,000	24,108	154,108
2027	135,000	16,464	151,464
2028	145,000	8,526	153,526
	\$ 1,460,000	\$ 711,541	\$ 2,171,541

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Hays/Caldwell Projects Taxable Revenue Refunding Bonds Series 2005			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 300,000	\$ 263,074	\$ 563,074
2016	320,000	243,754	563,754
2017	345,000	223,146	568,146
2018	365,000	200,928	565,928
2019	390,000	177,422	567,422
2020	415,000	152,306	567,306
2021	445,000	125,580	570,580
2022	470,000	96,922	566,922
2023	500,000	66,654	566,654
2024	535,000	34,454	569,454
	\$ 4,085,000	\$ 1,584,240	\$ 5,669,240

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Lake Dunlap Refunding Tax-Exempt Contract Revenue
 Refunding Bonds Series 2006

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 830,000	\$ 750,819	\$ 1,580,819
2016	870,000	713,469	1,583,469
2017	910,000	674,319	1,584,319
2018	950,000	635,189	1,585,189
2019	990,000	593,389	1,583,389
2020	1,040,000	543,889	1,583,889
2021	1,090,000	491,889	1,581,889
2022	1,145,000	437,389	1,582,389
2023	1,205,000	380,139	1,585,139
2024	1,260,000	324,407	1,584,407
2025	1,315,000	266,132	1,581,132
2026	1,380,000	204,985	1,584,985
2027	1,440,000	140,125	1,580,125
2028	1,510,000	71,725	1,581,725
	<u>\$ 15,935,000</u>	<u>\$ 6,227,865</u>	<u>\$ 22,162,865</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Lake Dunlap Taxable Contract Revenue Refunding Bonds Series 2006			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 195,000	\$ 257,333	\$ 452,333
2016	210,000	245,828	455,828
2017	220,000	233,437	453,437
2018	235,000	220,017	455,017
2019	250,000	205,683	455,683
2020	265,000	190,432	455,432
2021	280,000	174,268	454,268
2022	295,000	157,188	452,188
2023	315,000	138,750	453,750
2024	335,000	119,062	454,062
2025	355,000	98,124	453,124
2026	380,000	75,936	455,936
2027	405,000	52,187	457,187
2028	430,000	26,875	456,875
	\$ 4,170,000	\$ 2,195,120	\$ 6,365,120

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Mid-Cities Refunding Tax-Exempt Contract Revenue
 Refunding Bonds Series 2006

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 1,095,000	\$ 1,022,136	\$ 2,117,136
2016	1,150,000	970,124	2,120,124
2017	1,200,000	915,499	2,115,499
2018	1,260,000	855,499	2,115,499
2019	1,315,000	800,059	2,115,059
2020	1,375,000	740,884	2,115,884
2021	1,440,000	679,009	2,119,009
2022	1,505,000	612,769	2,117,769
2023	1,580,000	537,519	2,117,519
2024	1,655,000	464,444	2,119,444
2025	1,735,000	381,694	2,116,694
2026	1,825,000	294,944	2,119,944
2027	1,915,000	201,412	2,116,412
2028	2,015,000	103,269	2,118,269
	<u>\$ 21,065,000</u>	<u>\$ 8,579,261</u>	<u>\$ 29,644,261</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Wells Ranch Project Tax-Exempt Contract Revenue
 Bonds Series 2007

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 1,425,000	\$ 1,950,519	\$ 3,375,519
2016	1,485,000	1,889,956	3,374,956
2017	1,550,000	1,826,844	3,376,844
2018	1,615,000	1,760,969	3,375,969
2019	1,695,000	1,680,219	3,375,219
2020	1,780,000	1,595,469	3,375,469
2021	1,870,000	1,506,469	3,376,469
2022	1,960,000	1,412,969	3,372,969
2023	2,060,000	1,314,969	3,374,969
2024	2,160,000	1,211,969	3,371,969
2025	2,275,000	1,101,268	3,376,268
2026	2,390,000	984,675	3,374,675
2027	2,510,000	865,188	3,375,188
2028	2,640,000	733,550	3,373,550
2029	2,775,000	598,250	3,373,250
2030	2,915,000	459,500	3,374,500
2031	3,060,000	313,750	3,373,750
2032	3,215,000	160,750	3,375,750
	<u>\$ 39,380,000</u>	<u>\$ 21,367,283</u>	<u>\$ 60,747,283</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

San Marcos River Rights Project Taxable Contract
 Revenue Bonds Series 2008

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 60,000	\$ 140,591	\$ 200,591
2016	65,000	137,507	202,507
2017	65,000	134,166	199,166
2018	70,000	130,824	200,824
2019	75,000	127,226	202,226
2020	80,000	123,371	203,371
2021	80,000	119,258	199,258
2022	85,000	115,146	200,146
2023	90,000	110,777	200,777
2024	95,000	106,150	201,150
2025	100,000	101,267	201,267
2026	105,000	96,126	201,126
2027	110,000	90,729	200,729
2028	115,000	85,074	200,074
2029	120,000	79,163	199,163
2030	130,000	72,994	202,994
2031	135,000	66,312	201,312
2032	140,000	59,372	199,372
2033	150,000	52,176	202,176
2034	155,000	44,465	199,465
2035	165,000	36,497	201,497
2036	175,000	28,015	203,015
2037	180,000	19,020	199,020
2038	190,000	9,767	199,767
	<u>\$ 2,735,000</u>	<u>\$ 2,085,993</u>	<u>\$ 4,820,993</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Wells Ranch Project Tax-Exempt Contract Revenue			
Bonds Series 2009			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 160,000	\$ 162,300	\$ 322,300
2016	165,000	156,100	321,100
2017	170,000	149,294	319,294
2018	180,000	141,856	321,856
2019	190,000	133,756	323,756
2020	195,000	124,731	319,731
2021	205,000	115,956	320,956
2022	215,000	106,475	321,475
2023	225,000	96,263	321,263
2024	235,000	85,013	320,013
2025	250,000	73,262	323,262
2026	260,000	60,450	320,450
2027	275,000	46,800	321,800
2028	290,000	32,362	322,362
2029	305,000	16,775	321,775
	\$ 3,320,000	\$ 1,501,393	\$ 4,821,393

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Wells Ranch Project Tax-Exempt Contract Revenue			
Bonds Series 2011			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 335,000	\$ 664,382	\$ 999,382
2016	345,000	650,982	995,982
2017	360,000	637,182	997,182
2018	370,000	628,182	998,182
2019	380,000	617,544	997,544
2020	390,000	606,142	996,142
2021	405,000	593,468	998,468
2022	415,000	580,812	995,812
2023	430,000	567,326	997,326
2024	445,000	552,276	997,276
2025	460,000	534,476	994,476
2026	480,000	516,076	996,076
2027	500,000	496,876	996,876
2028	520,000	476,250	996,250
2029	545,000	454,150	999,150
2030	565,000	430,306	995,306
2031	590,000	404,882	994,882
2032	620,000	378,332	998,332
2033	650,000	348,882	998,882
2034	680,000	318,006	998,006
2035	710,000	285,706	995,706
2036	745,000	251,094	996,094
2037	780,000	214,776	994,776
2038	820,000	176,750	996,750
2039	860,000	135,750	995,750
2040	905,000	92,750	997,750
2041	950,000	47,500	997,500
	\$ 15,255,000	\$ 11,660,858	\$ 26,915,858

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2014

Annual Requirements for all Series			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2015	\$ 4,470,000	\$ 5,295,160	\$ 9,765,160
2016	4,685,000	5,088,002	9,773,002
2017	4,900,000	4,870,104	9,770,104
2018	5,130,000	4,645,265	9,775,265
2019	5,375,000	4,402,322	9,777,322
2020	5,635,000	4,139,127	9,774,127
2021	5,915,000	3,862,347	9,777,347
2022	6,195,000	3,570,350	9,765,350
2023	6,515,000	3,256,945	9,771,945
2024	6,835,000	2,935,899	9,770,899
2025	6,615,000	2,587,631	9,202,631
2026	6,950,000	2,257,300	9,207,300
2027	7,290,000	1,909,781	9,199,781
2028	7,665,000	1,537,631	9,202,631
2029	3,745,000	1,148,338	4,893,338
2030	3,610,000	962,800	4,572,800
2031	3,785,000	784,944	4,569,944
2032	3,975,000	598,454	4,573,454
2033	800,000	401,058	1,201,058
2034	835,000	362,471	1,197,471
2035	875,000	322,203	1,197,203
2036	920,000	279,109	1,199,109
2037	960,000	233,796	1,193,796
2038	1,010,000	186,517	1,196,517
2039	860,000	135,750	995,750
2040	905,000	92,750	997,750
2041	950,000	47,500	997,500
	\$ 107,405,000	\$ 55,913,554	\$ 163,318,554



CANYON REGIONAL WATER AUTHORITY
 TSI-6. CHANGES IN LONG-TERM BONDED DEBT
 FISCAL YEAR ENDING SEPTEMBER 30, 2014

	Hays/Caldwell Taxable Bonds Series 2003	Hays/Caldwell Taxable Bonds Series 2005	Lake Dunlap Tax-Exempt Bonds Series 2006	Lake Dunlap Taxable Bonds Series 2006
Interest Rate	2.94-5.88%	6.44%	4-5%	5.4-6.29%
Dates Interest Payable	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1
Maturity Dates	August 2028	August 2024	August 2028	August 2028
Beginning Bonds				
Outstanding	\$ 1,525,000	\$ 4,365,000	\$ 16,730,000	\$ 4,355,000
Bonds Sold During The Fiscal Year	-	-	-	-
Bonds Retired During The Fiscal Year	(65,000)	(280,000)	(795,000)	(185,000)
Ending Bonds				
Outstanding	<u>\$ 1,460,000</u>	<u>\$ 4,085,000</u>	<u>\$ 15,935,000</u>	<u>\$ 4,170,000</u>
Interest Paid During The Fiscal Year	<u>\$ 90,708</u>	<u>\$ 297,850</u>	<u>\$ 818,113</u>	<u>\$ 278,573</u>
Paying Agent's Name and City	Bank of New York Dallas, TX	Bank of America Dallas, TX	Wells Fargo Bank, NA Austin, TX	Wells Fargo Bank, NA Austin, TX
<i>Bond Authority</i>				
Amount Authorized by The Board of Trustees	\$ 2,000,000	\$ 5,845,000	\$ 21,130,000	\$ 5,245,000
Amount Issued	<u>2,000,000</u>	<u>5,845,000</u>	<u>21,130,000</u>	<u>5,245,000</u>
Remaining to be Issued	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Debt Service Fund Cash and Temporary Investments as of September 30

Average Annual Debt Service payment (principal & interest) for remaining term of debt

Mid-Cities Tax-Exempt Bonds Series 2006	Wells Ranch Tax-Exempt Bonds Series 2007	San Marcos River Rights Taxable Bonds Series 2008	Wells Ranch Tax-Exempt Bonds Series 2009	Wells Ranch Tax-Exempt Bonds Series 2011	Total
4-5.125% Feb 1, Aug 1 August 2028	4-5.125% Feb 1, Aug 1 August 2032	5.14% Feb 1, Aug 1 August 2038	2.5-5.5% Feb 1, Aug 1 August 2029	2.5-5% Feb 1, Aug 1 August 2041	August 2041
\$ 22,115,000	\$ 40,745,000	\$ 2,795,000	\$ 3,400,000	\$ 15,575,000	\$ 111,605,000
-	-	-	-	-	-
<u>(1,050,000)</u>	<u>(1,365,000)</u>	<u>(60,000)</u>	<u>(80,000)</u>	<u>(320,000)</u>	<u>(4,200,000)</u>
<u>\$ 21,065,000</u>	<u>\$ 39,380,000</u>	<u>\$ 2,735,000</u>	<u>\$ 3,320,000</u>	<u>\$ 15,255,000</u>	<u>\$ 107,405,000</u>
<u>\$ 1,110,786</u>	<u>\$ 2,061,131</u>	<u>\$ 146,503</u>	<u>\$ 168,000</u>	<u>\$ 677,182</u>	<u>\$ 5,648,846</u>
Wells Fargo Bank, NA Austin, TX	Wells Fargo Bank, NA Austin, TX	Wells Fargo Bank, NA Austin, TX	Wells Fargo Bank, NA Austin, TX	Bank of Texas Austin, TX	
\$ 27,910,000	\$ 43,360,000	\$ 3,200,000	\$ 3,695,000	\$ 15,575,000	\$ 127,960,000
27,910,000	43,360,000	3,200,000	3,695,000	15,575,000	127,960,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
					<u>\$ 3,702,323</u>
					<u>\$ 6,048,835</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
 FISCAL YEAR ENDING SEPTEMBER 30, 2014

	Fiscal Year				
	2010	2011	2012	2013	2014
Operating Revenues:					
Water Sales	\$7,375,454	\$9,009,353	\$7,666,507	\$8,965,281	\$8,026,655
Miscellaneous Income	371,613	303,757	274,554	223,710	277,294
Total Operating Revenues	<u>7,747,067</u>	<u>9,313,110</u>	<u>7,941,061</u>	<u>9,188,991</u>	<u>8,303,949</u>
Operating Expenses:					
Purchase of Water	2,463,350	2,650,820	2,724,107	3,656,415	3,825,838
Treatment Plant Operating Expenses	2,699,029	2,657,145	3,161,521	3,738,999	3,754,748
Line Use and Transmission Costs	141,475	291,428	235,525	256,209	296,448
Salary and Wages	345,840	589,462	689,691	782,816	895,522
Employment Related Expenses	334,691	133,726	152,999	172,809	189,947
Professional Fees	636,929	457,529	358,173	354,959	620,964
Total Operating Expenses	<u>6,621,314</u>	<u>6,780,110</u>	<u>7,322,016</u>	<u>8,962,207</u>	<u>9,583,467</u>
Operating Income (Loss)					
Before Depreciation	1,125,753	2,533,000	619,045	226,784	(1,279,518)
Depreciation	<u>1,796,613</u>	<u>2,531,566</u>	<u>2,526,848</u>	<u>2,515,935</u>	<u>2,716,603</u>
Operating Income (Loss)	(670,860)	1,434	(1,907,803)	(2,289,151)	(3,996,121)
Non-Operating Revenues					
(Expenses)					
Member Debt Reimbursements	6,585,559	8,288,260	8,193,553	8,973,685	10,031,576
Member Joint Venture Reimb.	-	-	-	-	2,620,901
Interest Income	53,352	41,250	59,244	39,224	19,976
Bond Issue Costs	-	-	(436,815)	-	-
Interest Expense	(3,290,562)	(5,102,944)	(4,987,949)	(4,855,816)	(4,688,616)
Contribution to Joint Venture	(717,594)	(825,723)	(565,440)	(396,377)	(452,539)
Total Non-Operating Revenues (Expenses)	<u>2,630,755</u>	<u>2,400,843</u>	<u>2,262,593</u>	<u>3,760,716</u>	<u>7,531,298</u>
Change in Net Position	<u>\$1,959,895</u>	<u>\$2,402,277</u>	<u>\$ 354,790</u>	<u>\$1,471,565</u>	<u>\$3,535,177</u>

Percent of Fund Total Revenues				
2010	2011	2012	2013	2014
95.2%	96.7%	96.5%	97.6%	96.7%
4.8%	3.3%	3.5%	2.4%	3.3%
100.0%	100.0%	100.0%	100.0%	100.0%
31.8%	28.5%	34.3%	39.8%	46.1%
34.8%	28.5%	39.8%	40.7%	45.2%
1.8%	3.1%	3.0%	2.8%	3.6%
4.5%	6.3%	8.7%	8.5%	10.8%
4.3%	1.4%	1.9%	1.9%	2.3%
8.2%	4.9%	4.5%	3.9%	7.5%
85.5%	72.8%	92.2%	97.5%	115.4%
14.5%	27.2%	7.8%	2.5%	-15.4%
23.2%	27.2%	31.8%	27.4%	32.7%
-8.7%	0.0%	-24.0%	-24.9%	-48.1%
85.0%	89.0%	103.2%	97.7%	120.8%
0.0%	0.0%	0.0%	0.0%	31.6%
0.7%	0.4%	0.7%	0.4%	0.2%
0.0%	0.0%	-5.5%	0.0%	0.0%
-42.5%	-54.8%	-62.8%	-52.8%	-56.5%
-9.3%	-8.9%	-7.1%	-4.3%	-5.4%
34.0%	25.8%	28.5%	40.9%	90.7%
25.3%	25.8%	4.5%	16.0%	42.6%

CANYON REGIONAL WATER AUTHORITY
TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FISCAL YEAR ENDING SEPTEMBER 30, 2014

Complete Entity Mailing Address: 850 Lakeside Pass, New Braunfels, Texas 78130

Entity Business Telephone Number: 830-609-0543

Submission Date of the most recent Registration Form: November 8, 2003

Limit of Fees of Office that a Trustee may receive during a fiscal year: \$0

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* 9/30/14	Expense Reimbursements 9/30/14	Title at Year End
Board of Trustees:				
Albert Strzelczyk	5/11-5/15	---	---	Vice-Chairman
Charles Olds	5/11-5/15	---	---	Trustee
James Robinson	5/06-5/15	---	---	Trustee
Dennis Dreyer	5/12-5/16	---	---	Trustee
Jennifer Moczygamba	5/14-5/16	---	---	Trustee
Gabriel Castro	5/11-5/15	---	---	Trustee
James Pederson	5/11-5/16	---	---	Trustee
Ann Smith	5/10-5/16	---	---	Trustee
Phillip David Wuest	5/12-5/16	---	---	Trustee
Bill Seiler	5/14-5/15	---	---	Trustee
Robert Gregory	5/13-5/15	---	---	Trustee
Steve Liparoto	5/07-5/16	---	---	Chairman
Scott Smith	5/14-5/16	---	---	Trustee
Doug Spillmann	5/13-5/15	---	---	Trustee
Randy Schwenn	5/12-5/16	---	---	Treasurer
Jeanne Schnuriger	5/13-5/15	---	---	Trustee
Elizabeth Wells	5/08-5/16	---	---	Trustee
Barbara Ilse	5/10-5/15	---	---	Trustee
Jack Carson	5/09-5/15	---	---	Trustee
Mike Taylor	5/14-5/16	---	---	Secretary

Administrative Personnel:

David Davenport	8/29/1989	\$ 92,826	\$ 1,115	Gen. Manager
-----------------	-----------	-----------	----------	--------------

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

CANYON REGIONAL WATER AUTHORITY
 TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS (CONTINUED)
 FISCAL YEAR ENDING SEPTEMBER 30, 2014

Names:	Fees Paid 9/30/14	Service
Consultants:		
River City Engineering	\$ 377,200	Engineer
Texas Land and Right of Way Company	\$ 270,097	ROW Agent
Hierholzer Engineering	\$ 134,939	Engineer
R.W. Harden & Assoc. Inc.	\$ 110,631	Engineer
Louis T. Rosenberg	\$ 91,484	Attorney
Hohn & Janssen	\$ 17,560	Attorney
Armstrong, Vaughan & Associates, PC	\$ 13,600	Auditor
Law Offices of Robert L. Wilson III, P.C.	\$ 9,008	Attorney
Lou Portillo & Associates, PLLC	\$ 3,300	Engineer
Gallegos Engineering, Inc.	\$ 2,360	Engineer



CITY OF KYLE
FY 2013-14 FINANCIAL AUDIT

THE CITY OF KYLE, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT



FOR THE YEAR ENDED
SEPTEMBER 30, 2014

THE CITY OF KYLE, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT



City Manager
J. Scott Sellers

Director of Finance
Perwez A. Moheet, CPA

FOR THE YEAR ENDED
SEPTEMBER 30, 2014

Prepared by Financial Services Department



Elected Officials

Mayor
R. Todd Webster

Mayor Pro Tem
Diane Hervol, District 1

Council Member, District 2
Becky Selbera

Council Member, District 3
Shane Arabie

Council Member, District 4
David Wilson

Council Member, District 5
Samantha Bellows-LeMense

Council Member, District 6
Tammy Swaton

**CITY OF KYLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

TABLE OF CONTENTS

	Exhibit	Page
INTRODUCTORY SECTION		
Letter of Transmittal		i
City of Kyle - Organizational Chart		vi
Elected Officials and Executive Management Team		vii
GFOA CAFR Certificate		viii
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis		3
<u>Basic Financial Statements</u>		
Government Wide Statements:		
Statement of Net Position	A-1	18
Statement of Activities	B-1	19
Governmental Fund Financial Statements:		
Balance Sheet	C-1	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balance	C-3	24
Reconciliation of the Governmental Ffunds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	C-4	26
Proprietary Fund Financial Statements:		
Statement of Net Position	D-1	27
Statement of Revenues, Expenses, and Changes in Fund Net Position	D-2	28
Statement of Cash Flows	D-3	29
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	E-1	31
Notes to the Financial Statements		
I. Summary of Significant Accounting Policies		32
II. Reconciliation of Government-Wide and Fund Financial Statements		39
III. Stewardship, Compliance and Accountability		41
IV. Detailed Notes on All Funds		42
V. Other Information		49
<u>Required Supplementary Information (Unaudited)</u>		
Budgetary Comparison Schedule - General Fund	G-1	58
Schedule of Funding Progress for the Retirement Plan and the Schedule of Funding Progress for the Other Post-Employment Benefits		59
<u>Combining Financial Statements</u>		
Nonmajor Governmental Funds:		
Combining Balance Sheet	H-1	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	62
Combining Statement of Changes of Assets & Liabilities - Agency Fund	H-9	64

**CITY OF KYLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

TABLE OF CONTENTS (continued)

	Table	Page
STATISTICAL SECTION (Unaudited)		
Net Position by Component	1	65
Changes in Net Position	2	66
Fund Balances - Governmental Funds	3	68
Changes in Fund Balances - Governmental Funds	4	69
Assessed Value and Estimated Actual Value of Taxable Property	5	71
Water Utility Rate Comparison	6	72
Water Utility - Annual Billed Amount Comparison	7	73
Water Utility - Total Gallon Per Year Comparison	8	74
Wastewater Rate Comparison	9	75
Wastewater Utility - Annual Billed Amount Comparison	10	76
Ten Largest Water Customers	11	77
Sales Tax Collection by Month	12	78
Direct and Overlapping Property Tax Rates	13	79
Principal Property Taxpayers	14	80
Property Tax Levies and Collections	15	81
Ratios of Outstanding Debt by Type	16	82
Ratios of Net General Bonded Debt Outstanding	17	83
Legal Debt Margin Information	18	84
Demographic and Economic Statistics	19	85
Principal Employers	20	86
Fulltime Equivalent City Government Employees	21	87
Operating Indicators by Function/Program	22	88
Capital Asset Statistics by Function/Program	23	89



INTRODUCTORY SECTION





CITY OF KYLE

100 West Center Street
Tel (512) 262-1010

P.O. Box 40
Fax (512) 262-3800

Kyle, Texas 78640

January 30, 2015

Honorable Mayor, Mayor Pro Tem, and Council Members
City of Kyle, Texas

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Kyle, Texas for the year ended September 30, 2014. The CAFR provides detailed information regarding the City's financial condition and activities to City Council, Boards and Commissions, citizens of Kyle, City management and staff, bondholders, and other interested parties.

City management is responsible for both the accuracy of the financial information presented and the completeness and fairness of the presentations including all disclosures. We believe the financial information, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City of Kyle. These financial statements have been prepared by the Financial Services Department in accordance with generally accepted accounting principles (GAAP) for local governments.

The basic financial statements and accompanying notes to the financial statements have been audited by the independent firm of Padgett, Stratemann & Co., LLP, Certified Public Accountants. This audit satisfies Article VIII, Section 8.13 of the City Charter which requires an annual audit of all accounts of the City by an independent Certified Public Accountant.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY

This CAFR includes all funds of the City of Kyle. The City provides a full range of municipal services including general government, public safety, emergency management, planning and zoning, code enforcement, public recreation and culture, economic development, solid waste collection and recycling, and water and wastewater services.

KYLE'S GOVERNMENT, ECONOMY, AND OUTLOOK

General Information

The City of Kyle is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the State including the City's Home Rule Charter, initially adopted by the voters in the year 2000.

The City operates as a Home Rule City under a Council-Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Council appoints the City Manager who is the chief executive officer responsible for executing the laws and administering the government. The City Manager serves at the pleasure of the City Council of the City of Kyle.

The City covers approximately nineteen square miles and had an estimated population of 32,000 in 2014. Kyle is a thriving community with easy access to major highways and roadways including Interstate Highway 35. Kyle is strategically located eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio. Kyle is the second largest city in Hays County and enjoys a south central location convenient to most major population and employment centers in Texas.

Local Economy

The City of Kyle residents enjoy a vibrant local economy and an excellent quality of life. Among the many factors attributing to the vibrancy of Kyle include a high per capita household income, low unemployment rate, educated workforce, employment growth, and the continued addition of new businesses in the consumer, medical, and light manufacturing sectors.

Among the major indicators of a stable yet an expanding local economy include growth in population, building permits, taxable valuations, property tax collection rate, and the trend for sales tax collections. We are pleased to report that the annual increase in building permits increased by 58.0%, increase in taxable valuations totaled 9.2% compared to the prior year, annual property tax collection rate has continued to surpass the 98.8% mark, and sales tax collections increased by 15.0% compared to the prior year as well. Total population in the City of Kyle is projected to increase 4.2% annually from 2013 through 2018; to an estimated population of 37,000 residents in 2018.

Long-term Planning

Following an extensive public involvement process, the City adopted a Comprehensive Plan. This Plan provides a clear understanding of the community's goals and visions and supplies guidance for future municipal decisions. Kyle is experiencing rapid growth which in turn applies significant impact on all systems within the City, including financial, tax structure, transportation systems, provision of utilities, and access to goods and services.

In order to ensure adequate provision of basic services while fostering a high quality of life and preserving Kyle's unique community, it is necessary for the City to be proactive in planning for the future. This Comprehensive Plan for the City of Kyle provides guidance for ad valorem tax revenue to fund service provisions, protecting sensitive cultural and natural features representative of Kyle's history and character, directing growth in key locations, and ensuring a high quality of life. The planning horizon of this Comprehensive Plan is through the year 2040, when it is projected that approximately 90,000 residents will live in Kyle.

Major Initiatives

The City Council adopted a number of policy based priorities to not only maintain but also enhance the City of Kyle as a vibrant, healthy, family-friendly, and safe community. These policy based priorities included but not limited to the following:

- Public Safety Program Initiatives
- Street Maintenance & Reconstruction Program

- Park Improvement Program
- Water and Wastewater Infrastructure Improvement & Expansion Program
- Downtown Revitalization Grant Program
- Downtown Beautification Plan
- Annexation Plan
- Tourism Plan

A number of major programs were initiated and completed in the City of Kyle during fiscal year 2014. These included the following:

- Design and right-of-way acquisition initiated for the \$36 million bond package approved by the citizens for the five major roadways. This program when completed will increase commercial and industrial development.
- Completion of major improvements at the City's Greg-Clark Park and Lake Kyle.
- Streamlining of the City's development and permitting process.
- Reconstruction and widening of Dacy Lane and RM 150

FINANCIAL INFORMATION

Budgetary Information

The fiscal year 2015 Approved Budget totals \$55.0 million and includes \$16.8 million for the General Fund to provide public safety, code enforcement, parks, street maintenance, library, and other municipal services to the citizens of Kyle.

The budget development and adoption process was based on the City's commitment and dedication to complete transparency, openness, and inclusiveness in government. The City included an extensive public participation process including twenty (20) public hearings and eight (8) City Council workshops and public meetings throughout the budget development, deliberations, and adoption process. The City's budget development process incorporates financial resource allocation planning with performance measurement for service delivery and public input.

The fiscal year 2015 Approved Budget was adopted with a property tax rate decrease of \$0.0100 to \$0.5383 per \$100 of assessed valuation. The budget provides for an average 3.5% pay increase for City employees, compliance with the meet and confer requirements for civil service employees, addition of positions for police officers, library, public works, animal control, and emergency dispatch operations.

The Approved Budget for fiscal year 2015 did not include any rate increase for water, wastewater, or fees and charges for city services. A 4.83% rate increase is included for solid waste collection service based on the contract terms entered by the City with Texas Disposal Systems.

Bond Rating

The City's bond rating was upgraded to AA- from A+ by Standard and Poor's rating agency based on the City's strong liquidity and financial position, stable economic growth outlook in Kyle, and the City's strong financial management conditions due largely to its financial management practices.

Financial Policies

The City has adopted a comprehensive set of Financial Policies to ensure that the City's financial resources are prudently managed and safeguarded against misuse or loss. The City has established and maintains its goal for a balanced budget to achieve long-term financial stability and viability for the citizens of Kyle.

Internal Controls

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable assurance, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

As required under the City Charter, the annual operating budget is proposed by the City Manager and approved by the City Council after holding many public discussions, deliberations, workshops, and hearings. Primary responsibility for budget variance analysis of actual expense or revenue and overall programs rests with the City department operating the program. As evidenced in the financial statements, notes, and schedules included in the CAFR, the City of Kyle continues to meet its responsibility for sound financial management, transparency, and accountability.

Risk Management

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool. The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a municipal government. The City pays annual premiums to the Pool for liability, property and worker's compensation coverage. An independent insurance brokerage firm underwrites surety bonds for selected city officials and staff.

Transparency in Financial Reporting

The City is fully committed to actively pursuing transparency in its policy-making, administration, budgeting, management oversight, and financial reporting. The City's Financial Services Department has streamlined its website to facilitate user-friendly access to the City's financial documents including annual budgets, financial performance reports, annual financial reports, capital improvements plan, check registers, financial policies, and other financial reports.

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes a Comprehensive Annual Financial Report (CAFR) that meets the GFOA program standards.

Financial Reporting by the GFOA for its Comprehensive Annual Financial Report issued for fiscal year ended September 30, 2013.

For the fifth consecutive year, the City of Kyle has received the highest Leadership Circle Award from the Texas Comptroller's Office for meeting and exceeding government transparency standards set by the state. This year's award to the City of Kyle is even more special as the Comptroller's Office has created and awarded the Platinum Star Award in recognition of the City's efforts of being "above and beyond" in providing for financial transparency.


Acknowledgments

The compilation and issuance of the City's Comprehensive Annual Financial Report was made possible with the dedication and contributions of the entire staff of the Financial Services Department. We would like to express our appreciation to all members of the department who assisted and contributed in the preparation of this report.


We also want to acknowledge the thorough, professional, and timely manner in which the City's independent auditor, Padgett, Stratemann & Co., LLP, conducted the audit.

In closing, we want to express our appreciation and gratitude for the City Council's guidance, policy directives, and continued support in all aspects of City's financial management.

Respectfully submitted,

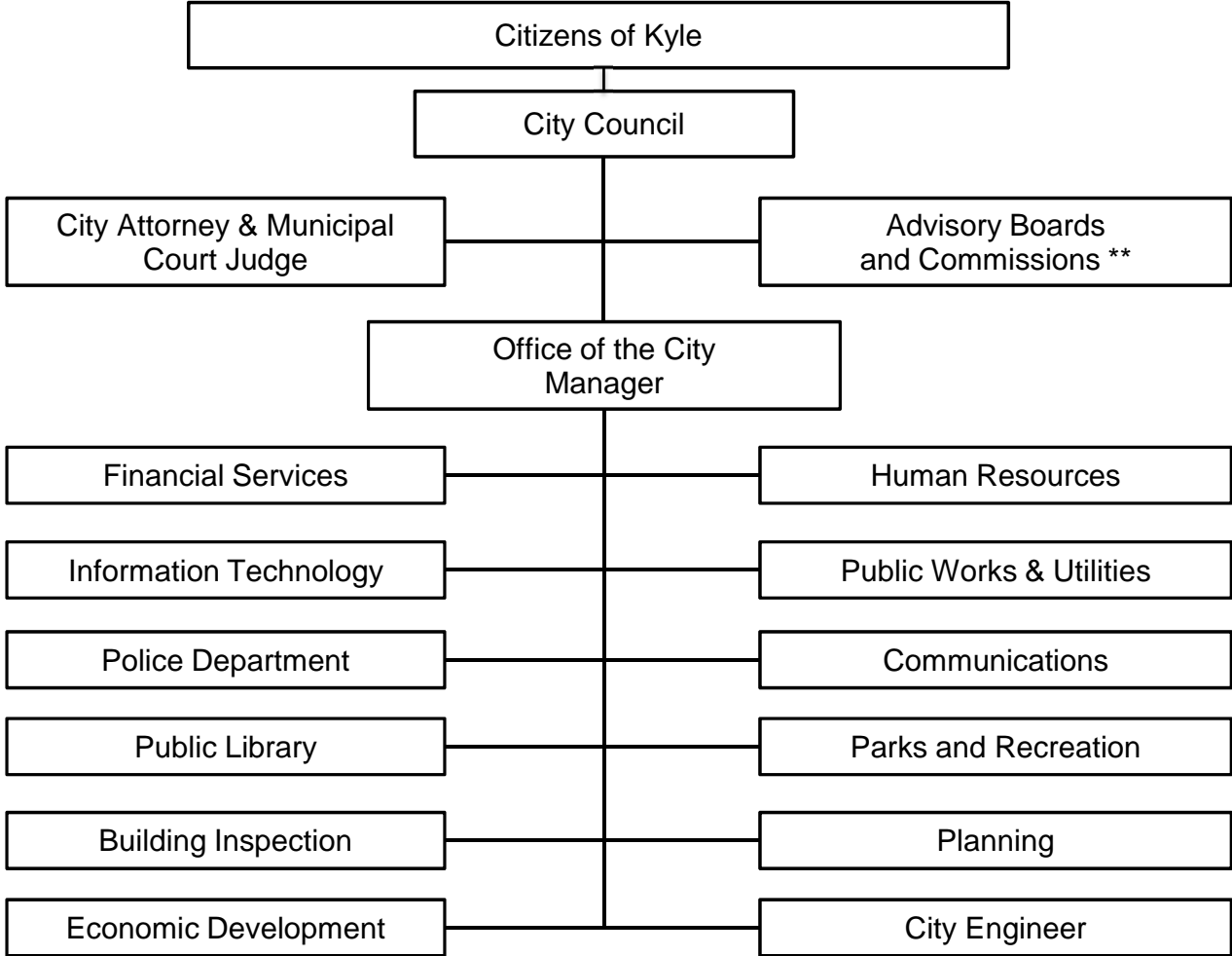


J. Scott Sellers
City Manager



Perwez A. Moheet, CPA
Director of Finance

City of Kyle - Organization Chart



** List of Advisory Boards and Commissions

- Board of Adjustments
- Charter Review Commission
- Civil Service Commission
- Community Relations Committee
- Economic Development & Tourism Committee
- Ethics Committee
- Library Board
- Long Range Planning Committee

- Mobility Committee
- Parks and Recreation Committee
- Planning and Zoning Commission
- Public Works & Service Committee
- Safety and Emergency Services Committee
- Strategic Planning and Finance Committee
- Tax Increment Reinvestment Zone Committee
- Train Depot Board



Elected Officials and Executive Management Team

City Council

- R. Todd Webster..... Mayor
- Diane Hervol..... Mayor Pro-Tem, District 1
- Becky Selbera..... District 2
- Shane Arabie..... District 3
- David Wilson..... District 4
- Samantha Bellows-LeMense..... District 5
- Tammy Swaton..... District 6

Executive Management Team

- J. Scott Sellers..... City Manager
- James R. Earp, CPM..... Assistant City Manager
- Mario Perez..... Building Official
- Ken Johnson..... Attorney
- Leon Barba, P.E..... City Engineer
- Amelia Sanchez..... City Secretary
- Jerry Hendrix..... Chief of Staff
- Diana Blank-Torres..... Director of Economic Development
- Perwez A. Moheet, CPA..... Director of Financial Services
- Sandra Duran..... Director of Human Resources
- Andy Cable..... Municipal Court Judge
- Kerry Urbanowicz..... Director of Parks and Recreation
- Vacant..... Director of Planning
- Jeff Barnett..... Chief of Police
- Connie Brooks..... Library Director
- Harper Wilder..... Director of Public Works



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Kyle
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Financial Services Department
City of Kyle, Texas



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date September 3, 2014



FINANCIAL SECTION





Padgett Stratemann

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Kyle, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kyle, Texas (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kyle, Texas as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

AUSTIN

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Emphasis of Matters

As described in Note I to the financial statements, in 2014 the City adopted the new accounting guidance contained in Governmental Accounting Standards Board (“GASB”) Statement No. 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement No. 66, *Technical Corrections – 2012*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. As described in Note V to the financial statements, the beginning net position has been restated for the adoption of GASB Statement No. 65. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the Schedule of Funding Progress for the Retirement Plan, and the Schedule of Funding Progress for the Other Post-Employment Benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Combining Financial Statements, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Combining Financial Statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Financial Statements, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Padgett, Stratemann + Co., L.L.P.

Austin, Texas
February 19, 2015

The City management is pleased to present the City of Kyle's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014.

The Management's Discussion and Analysis (MD&A) section of the CAFR presents a narrative overview and analysis of the financial activities of the City of Kyle for the year ended September 30, 2014. The analysis is intended to assist readers in focusing on key financial issues and changes in the City's financial position and in identifying any significant variances from the approved budget.

We encourage our readers to consider the information presented in this section of the annual report in conjunction with additional information that we have provided in our letter of transmittal and the financial statements furnished in this report.

FINANCIAL HIGHLIGHTS

- The City's total assets and deferred outflows exceeded total liabilities at the end of fiscal year 2014 resulting in a net position of \$105.3 million as of September 30, 2014. Of the total \$105.3 million net position, \$24.5 million remained unrestricted and is available to meet any future obligations of the City.
- Net position for all governmental activities totaled \$42.2 million and \$63.1 million for business-type activities at September 30, 2014.
- \$1.5 million or 8.0% increase in the combined fund balance totaling \$20.2 million for all governmental funds at September 30, 2014 as compared to the prior fiscal year.
- \$3.2 million or 52.2% increase in the ending balance of the City's General Fund totaling \$9.2 million at September 30, 2014 as compared to the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City of Kyle's basic financial statements, consisting of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements, including information on individual funds.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner comparable to a private-sector business. The two government-wide statements are as follows:

- The **Statement of Net Position** presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Kyle is improving or deteriorating.
- The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the

underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement including items that will only result in cash flows in future fiscal periods, such as revenue for uncollected taxes and expenditures for earned but unused vacation leave. This statement includes the annual depreciation for infrastructure and governmental assets.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, planning, economic development, street maintenance, code enforcement, recreation and culture, and solid waste and recycling services. The business-type activities of the City include services provided by the water and wastewater utility system.

Fund Financial Statements

The fund financial statements are intended to report financial information in groupings of related accounts used to account for and manage resources that have been designated for specific activities or objectives. The City of Kyle, like other local governments, utilizes a fund accounting system to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. These funds focus on current sources and uses of resources and on the balances of available resources at the end of the fiscal year. This information may be useful in evaluating what financial resources are available in the near term to finance the City's future obligations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City's General Fund is reported as a major fund and information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. In addition, the City maintains several governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for each major fund which is first shown on the Balance Sheet for Governmental Funds.

A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the annual budget appropriations and is presented as required supplementary information. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

Proprietary Funds – are generally used to account for services for which the City charges customers. Proprietary fund statements provide the same type of information shown in government-wide financial statements, only in more detail.

The City maintains one type of proprietary fund, an Enterprise Fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise fund to account for its water and wastewater utility operations.

Fiduciary Funds – are used to account for resources held in a trust or agency capacity. These funds cannot be used to support governmental activities. The City uses an Other Post Employment Benefit Trust Fund to account for and report resources that are required to be held in trust for members of the city-paid retiree health insurance benefit plan.

Basis of Reporting – The government-wide statements and fund-level proprietary statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements.

Other Information

The Required Supplementary Information (RSI) section immediately follows the basic financial statements and accompanying notes to the financial statements section of this annual report. The City adopts an annual appropriated budget for the General Fund. The RSI section provides a comparison of revenues, expenditures, and other financing sources and uses of budgetary resources and demonstrates budgetary compliance for the General Fund and this section also provides a schedule of funding process for the retirement plan.

In addition, following the RSI section are other statements and schedules, including the combining statements for non-major governmental funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. For the fiscal year ending September 30, 2014, the City's total assets exceeded total liabilities by \$105.3 million.

Below are summary highlights of the City's Net Position as of the end of fiscal year 2014 at September 30, 2014:

- Governmental Activities:
 - ❖ Current and Other Assets increased by \$0.2 million or 0.9% primarily from the net results of operations.
 - ❖ Capital Assets increased by a net \$8.9 million or 10.6% at fiscal year-end. Contributed capital was higher than the previous year by approximately \$2.3 million.
 - ❖ Liabilities increased by a net \$0.7 million or .1% which included new debt issuance during FY 2012-13.

- Business-type Activities:
 - ❖ Current and Other Assets increased by a \$5.4 million or 47.5% primarily from the net results of operations and rate increases implemented during the year.
 - ❖ Capital Assets decreased by a net \$0.2 million or 0.4%.
 - ❖ Total liabilities increased by a net \$0.2 million or 5.1% resulting from the increase in the total amount accumulated for the Aqua Texas billing dispute associated with the wastewater treatment plant operations and maintenance.

The following table reflects a condensed summary of Statement of Net Position compared to prior year:

City of Kyle, Texas						
Net Position						
For the Fiscal Year Ended September 30, 2014						
(With Comparative Totals for September 30, 2013)						
	Government Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current & other assets	\$ 22,886,963	\$ 22,661,660	\$ 16,839,388	\$ 11,415,628	\$ 39,726,351	\$ 34,077,288
Capital assets	93,251,482	84,330,863	50,935,923	51,119,129	144,187,405	135,449,992
Total assets	\$ 116,138,445	\$ 106,992,523	\$ 67,775,311	\$ 62,534,757	\$ 183,913,756	\$ 169,527,280
Total Deferred Outflow of Resources	\$ 403,540	\$ -	\$ -	\$ -	\$ 403,540	\$ -
Total Deferred	\$ 403,540	\$ -	\$ -	\$ -	\$ 403,540	\$ -
Liabilities	\$ 2,992,940	\$ 2,322,924	\$ 1,848,326	\$ 1,517,748	\$ 4,841,266	\$ 3,840,672
Non-current liabilities	71,251,623	71,237,841	2,850,115	2,952,894	74,101,738	74,190,735
Total liabilities	\$ 74,244,563	\$ 73,560,765	\$ 4,698,441	\$ 4,470,642	\$ 78,943,004	\$ 78,031,407
Net Position						
Net investment in capital assets	\$ 22,888,184	\$ 14,671,989	\$ 48,085,808	\$ 48,166,235	\$ 70,973,992	\$ 62,838,224
Restricted	1,387,728	12,634,224	8,470,600	6,513,500	9,858,328	19,147,724
Unrestricted	18,021,510	6,125,545	6,520,462	3,384,380	24,541,972	9,509,925
Total of Net Position	\$ 42,297,422	\$ 33,431,758	\$ 63,076,870	\$ 58,064,115	\$ 105,374,292	\$ 91,495,873

The largest portion of the City's \$105.3 million net position includes \$70.9 million or 67.4% is its investment in capital assets (e.g., land, buildings, machinery, and equipment); less depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of depreciation and related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another major portion of the City's \$105.3 million net position is its restricted resources totaling \$19.4 million or 9.3% to be used for capital improvements. The City's \$105.3 million net position also includes

resources restricted for special purposes such as for the municipal court and law enforcement in the amount of \$.6 million or .6% and \$.8 million or .7% for debt service. The remaining balance of the City's \$105.3 million net position comprised of unrestricted resources totaling \$24.5 million or 23.2% which may be used to meet future obligations of the City of Kyle.

Changes in Net Position

The following table provides a summary of activities that resulted in the changes to the City's Net Position during the fiscal year 2014.

This section intentionally left blank.

City of Kyle, Texas Changes in Net Position For the Fiscal Year Ended September 30, 2014 (With Comparative Totals for September 30, 2013)						
	Government Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenue						
Program Revenue						
Charges for services	\$ 4,056,143	\$ 3,625,377	\$ 15,523,262	\$ 12,761,147	\$ 19,579,405	\$ 16,386,524
Operating grants and contributions	271,053	99,722	-	-	271,053	99,722
Capital grants and contributions	-	6,537,651	1,563,847	2,660,316	1,563,847	9,197,967
General Revenue						
Property taxes	8,919,432	8,013,734	-	-	8,919,432	8,013,734
Sales tax	4,611,401	4,008,733	-	-	4,611,401	4,008,733
Franchise tax	1,042,212	973,391	-	-	1,042,212	973,391
Other taxes	200,753	175,615	-	-	200,753	175,615
Contributions						
not restricted	9,241,337	311,942	-	-	9,241,337	311,942
Investment earnings	19,760	65,014	9,109	12,201	28,869	77,215
Miscellaneous	1,391,064	828,499	268,519	98,402	1,659,583	926,901
Total Revenue	\$ 29,753,155	\$ 24,639,678	\$ 17,364,737	\$ 15,532,066	\$ 47,117,892	\$ 40,171,744
Expense						
General government	\$ 5,939,271	\$ 4,995,983	\$ -	\$ -	\$ 5,939,271	\$ 4,995,983
Public safety	5,052,323	4,918,997	-	-	5,052,323	4,918,997
Public works	5,363,579	4,820,247	-	-	5,363,579	4,820,247
Culture/Recreation	2,095,111	2,032,591	-	-	2,095,111	2,032,591
Interest on long term debt	2,873,587	2,194,889	-	-	2,873,587	2,194,889
Other debt service	(3,842)	122,958	-	-	(3,842)	122,958
Water/Wastewater	-	-	10,340,478	9,417,798	10,340,478	9,417,798
Total Expenses	\$ 21,320,029	\$ 19,085,665	\$ 10,340,478	\$ 9,417,798	\$ 31,660,507	\$ 28,503,463
Change in net position before State Infrastructure						
Payment & Transfers	\$ 8,433,126	\$ 5,554,013	\$ 7,024,259	\$ 6,114,268	\$ 15,457,385	\$ 11,668,281
State infrastructure pmt	-	(11,209,801)	-	-	-	(11,209,801)
Transfers (net)	2,011,505	2,267,055	(2,011,505)	(2,267,055)	-	-
Change in net position	10,444,631	(3,388,733)	5,012,754	3,847,213	15,457,385	458,480
Net position - beginning - as restated	31,852,791	36,820,491	58,064,116	54,216,902	89,916,907	91,037,393
Net position - ending	\$ 42,297,422	\$ 33,431,758	\$ 63,076,870	\$ 58,064,115	\$ 105,374,292	\$ 91,495,873

Governmental Activities – Government-wide Statements

Governmental activities increased the City's net position by \$10.4 million. Key elements of this change in net position are explained below:

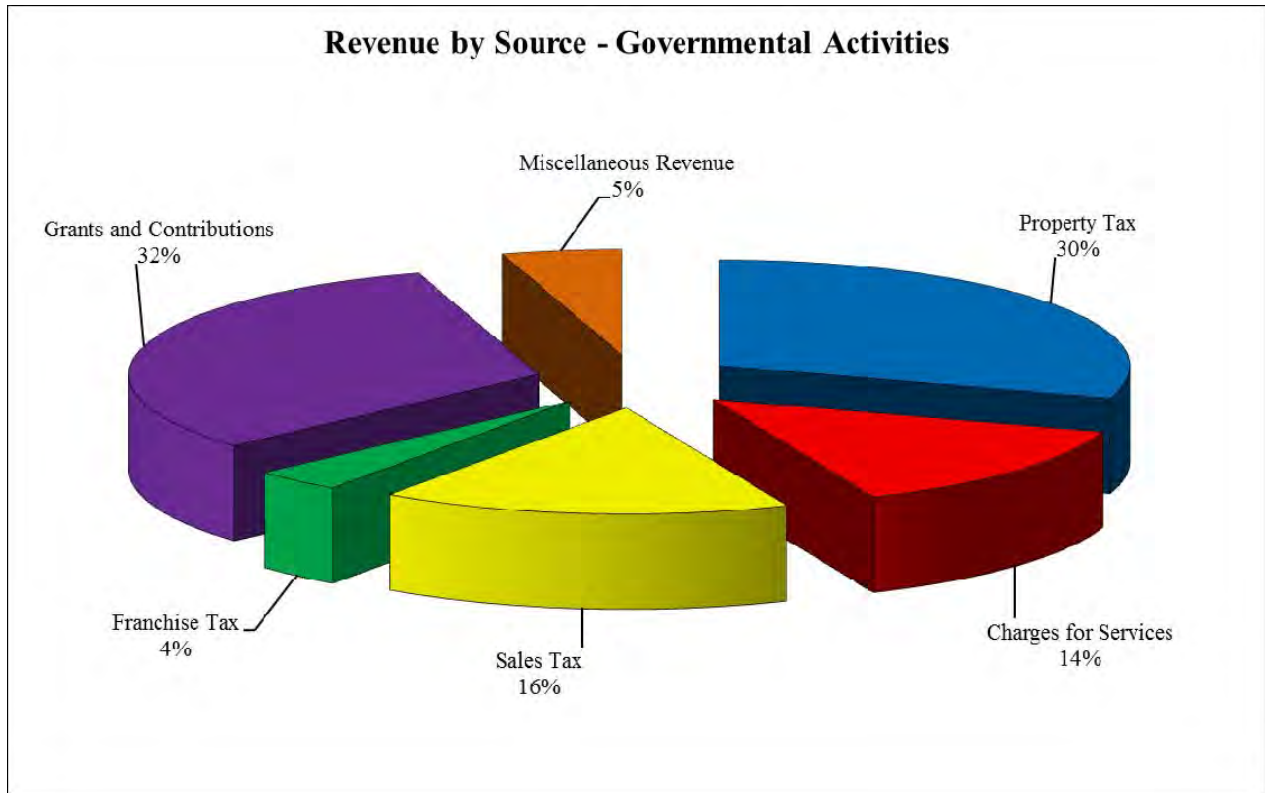
Program Revenue. Total program revenue, which are charges for services, operating grants/contributions and capital grants/contributions decreased by approximately \$5.9 million from the prior year due mainly to net increase in charges for services of \$0.4 million and net decrease in capital grants/contributions of \$6.5 million.

General Revenue. Property taxes, sales tax and franchise fees increased by \$0.9 million or 11.3%, \$0.6 million or 15.0%, and \$0.07 million or 7.1% respectively over the prior fiscal year. The increase in sales tax is due to the addition of new businesses within Kyle. Investment earnings decreased by \$0.05 million or 69.6% over the previous year.

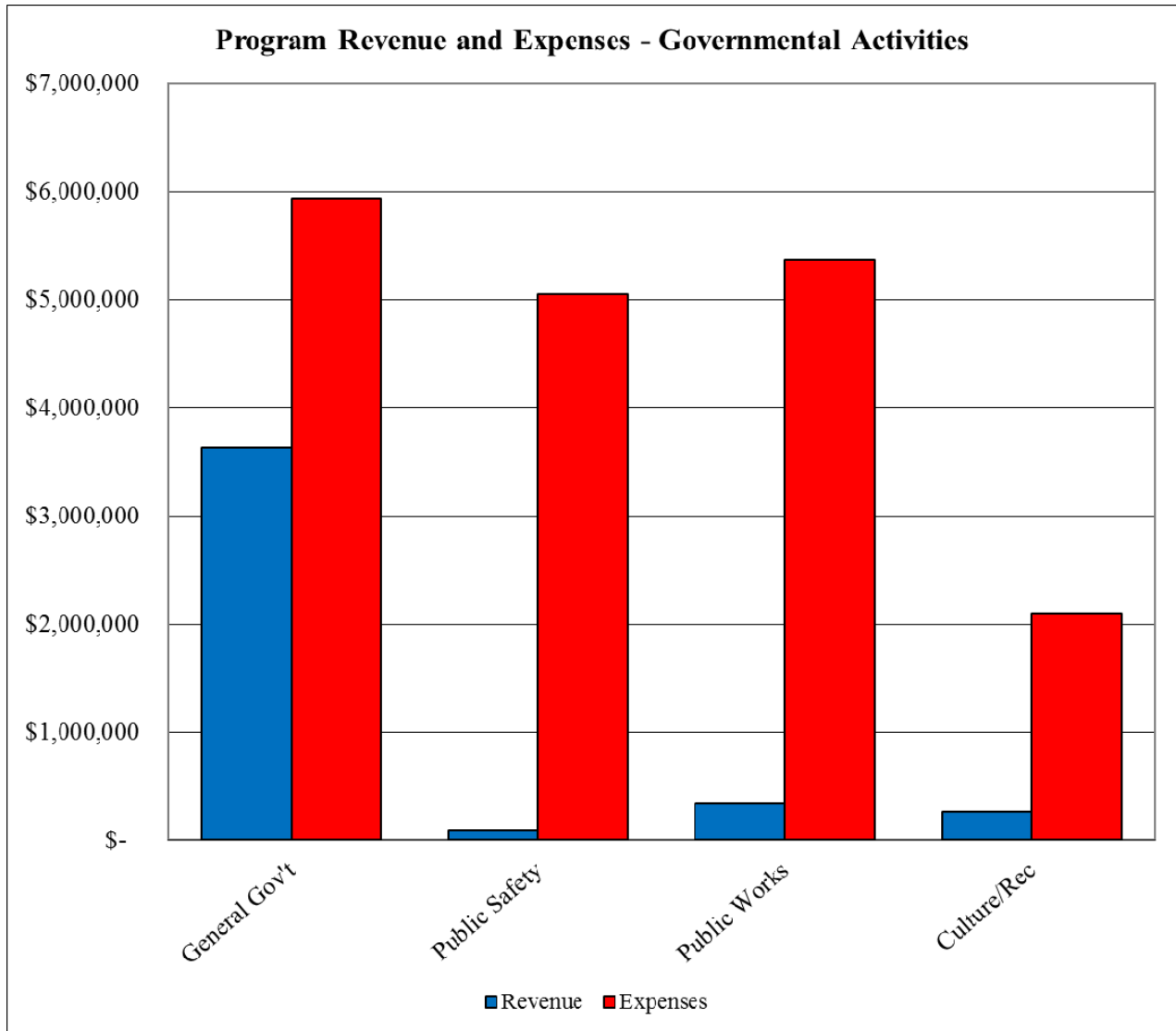
Expenses. Governmental expenses resulted in an overall increase of \$2.2 million or 11.7% compared to the prior year. Following are the main reasons for the increase in expenditures:

- General Government increased by \$0.9 million or 18.9%. This is due to the increase in the City's incentive obligations under Texas Local Government Local chapter 380 agreements and increased operating costs.
- Public Safety increased by \$0.1 million or 2.7%. This increase is due to the increase in EMS funding, higher operating costs and the Meet & Confer negotiations that were approved for the City's civil service officers.
- Public Works increased by \$0.5 million or 11.3%. This increase is the result of increase in operating costs associated with sanitation and recycling services.
- Culture and Recreation increased by \$0.06 million or 3.1% and Bond Interest increase by \$0.6 million or 30.9%.
- Other Debt Service Expense, which includes fiscal agent fees and issuance costs, decreased by \$0.1 million or 103.1%.
- Water & Wastewater increased by \$0.9 million or 9.8%.
- The legal level of budgetary control is maintained at the function level.

Budget Variances. All expenditures for the City's General Fund functions and activities were within adopted budget appropriations for fiscal year 2014. The following two charts illustrate first, a breakdown of general governmental activity revenue by source and second, a comparison of program revenue and expenditures by function.



- As shown in the above chart, the primary sources of revenue for governmental activities are from property taxes (\$8.9 million or 30%), charges for services (\$4.1 million or 14%), and sales tax (\$4.6 million or 16%).
- Charges for services include revenue sources such as fees for building inspections, plan review, recreational program fees, trash collection charges, etc.
- Revenue from property taxes increased by \$0.9 million or 11.3% between 2013 and 2014. This increase is due to the increase in the property tax rate and in the certified tax roll for taxable assessed valuations from \$1.46 billion in 2013 to \$1.68 billion in 2014. The property tax rate adopted effective October 2012 (fiscal year 2013) was \$0.5483 per \$100 of assessed valuation which is an increase of \$0.0399 from the previous year.
- Sales taxes which represented \$4.6 million or 16% of total revenue for governmental activities also increased significantly over the prior year.

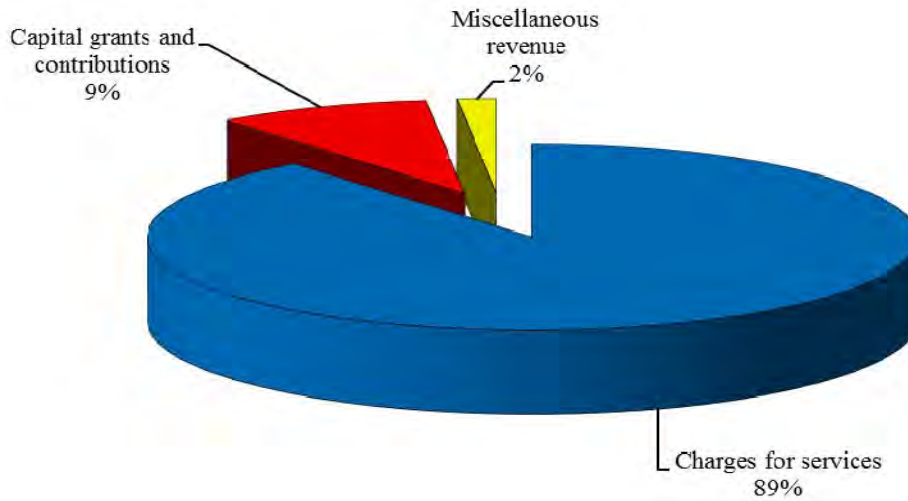


- Based on the chart above General Government is the largest expenses function (\$6.0 million or 27.8%), which includes all administrative and support functions including non-departmental expenses. This is followed by Public Works (\$5.3 million or 25.1%), closely followed by Public Safety (\$5.1 million or 23.6%), and Culture/Recreation (\$2.1 million or 9.8%).
- Interest on Debt and Other Debt Fees do not have a source of program revenue so they are not included in the above chart. The balance of funding for all of the above activities comes from property, sales and other taxes, investment income and transfers from other funds.

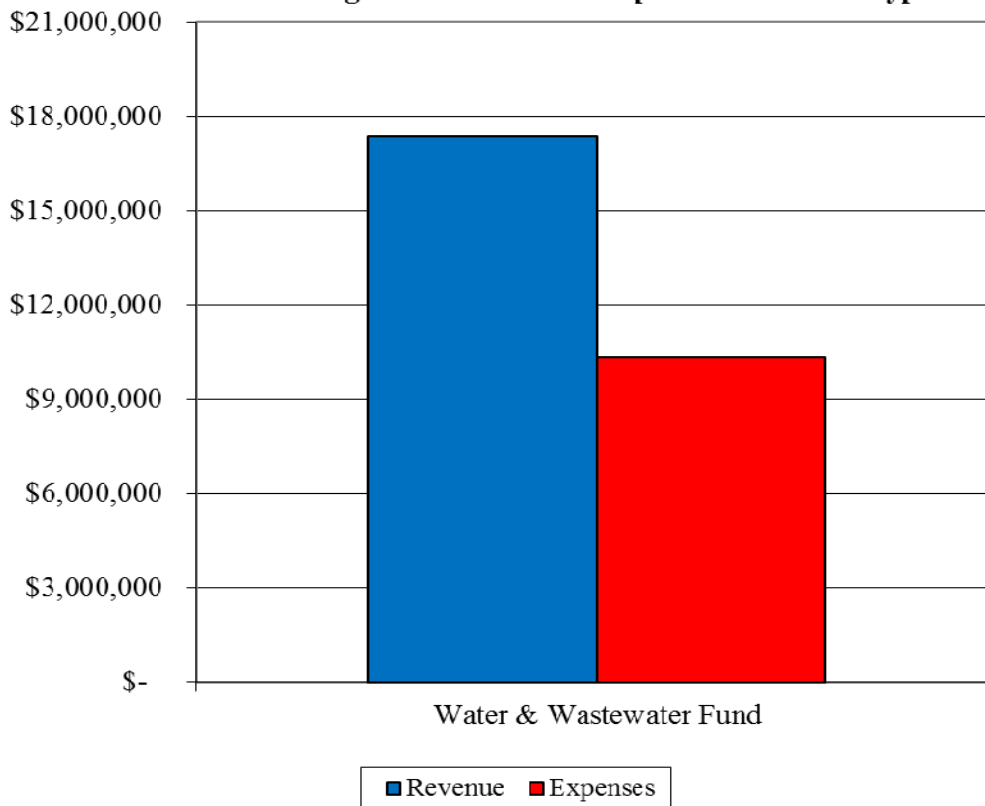
Business-Type Activities – Government-wide Statements

Business-type activities increased the City’s net position by \$5.0 million in fiscal year 2014. This was the net result of \$17.4 million in revenue, \$10.3 million in expenses, and \$2.0 million in transfers out. The two charts below provide similar information as shown previously but only for business-type activities instead of governmental activities.

Revenue by Source - Business-Type Activities



Direct Program Revenue and Expenses - Business-Type Activities



Revenue. Charges for services revenue for business-type activities include City's Water and Wastewater Utility operations which increased from the prior year. Revenue from charges for services increased by \$2.8 million or 21.6% from the prior year due to the addition new customers and implementation of a 20% and 10% rate increase for water and wastewater services respectively. Contributions for capital grants decreased by \$1.1 million as compared to the previous year. Investment earnings decreased by \$0.03 million or 25.4% due to the use of cash and investments to pay for operating and capital activities.

Expenses. Business-type expenses totaled \$10.3 million, an overall increase of \$.9 million or 9.8% from the prior fiscal year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

In comparison to the government-wide statements, the fund-level statements focus on the key funds of the City. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The City reports the following types of governmental funds: the general fund, special revenue funds, debt service funds, and capital projects funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available at the end of the fiscal year.

As of September 30, 2014, the City's governmental funds reported combined ending fund balance of \$20.2 million. Of this amount \$11.0 million is restricted and the remaining \$9.2 million is unassigned fund balance available for future obligations.

General Fund – The General Fund is the primary operating fund of the City. On September 30, 2014, the unassigned fund balance totaled \$9.2 million. The unassigned General Fund Balance increased by \$3.2 million or 52% at September 30, 2014 as compared to the prior fiscal year primarily due a combination of increase in revenue and reduction in budgeted expenditures. The current year tax collection rate was 99% of the levy.

Overall, total General Fund revenue increased by \$2.1 million or 16.0% and actual expenditures increased by approximately \$.5 million or 3.6% during fiscal year 2014 as compared to the prior fiscal year 2013. General government functions, which serves as a roll-up for non-specific activities, increased by \$0.09 million or 2.0% over the prior year. Public Safety increased by \$0.08 million or 1.9%, Culture/Recreation increased by \$0.09 million or 6.1% and Public Works increased by \$0.2 million or 10.8%. The increase was mainly due to increases in personnel costs and operating costs.

Other Governmental Funds – In addition to the General Fund, Governmental Funds include Special Revenue Funds, Debt Service Fund and Capital Projects Funds. As of September 30, 2014, the all Other Governmental Funds reported combined ending fund balance of \$11.0 million. Please refer to Exhibit C-3 on pages 24 and 25 and Exhibit H-2 on pages 61 through 62 of the financial statements for detailed information pending to changes in fund balances for Governmental Funds.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The City accounts for its Water and Wastewater Utility operations in an Enterprise Fund within the Proprietary Fund category for business-type activities.

Overall, operating revenue for the Utility showed a \$2.9 million or 22.8% increase from the prior year. This is primarily due to a rate increase implemented, growth in customer base, and the continuing drought conditions during the year. Factors that contributed to the increase in net position are discussed in the business-type activities section of the government-wide statements.

CAPITAL ASSET AND DEBT MANAGEMENT

Capital Assets

The City of Kyle's investment in capital assets for its governmental and business type activities as of September 30, 2014, totaled \$144.2 million (net of accumulated depreciation). This investment in capital assets include land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the City of Kyle's investment in capital assets for the fiscal year ended September 30, 2014 was \$8.7 million or 6.5%.

The following table summarizes the City of Kyle's investment in capital assets:

City of Kyle, Texas Investment in Capital Assets For the Fiscal Year Ended September 30, 2014 (With Comparative Totals for September 30, 2013)						
	Government Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,282,742	\$ 3,249,722	\$ 691,935	\$ 691,935	\$ 3,974,677	\$ 3,941,657
Buildings	16,018,140	15,897,146	5,434,442	5,434,442	21,452,582	21,331,588
Improvements other than buildings	2,871,004	2,625,908	62,600,877	61,037,030	65,471,881	63,662,938
Machinery and equipment	3,634,308	3,344,175	1,245,896	1,288,896	4,880,204	4,633,071
Infrastructure	94,749,561	81,885,829	-	-	94,749,561	81,885,829
Construction in Progress	2,242,931	3,225,992	1,484,647	1,163,160	3,727,578	4,389,152
Less: Accumulated depreciation	(29,547,204)	(25,897,911)	(20,521,874)	(18,496,334)	(50,069,078)	(44,394,245)
Total	\$ 93,251,482	\$ 84,330,861	\$ 50,935,923	\$ 51,119,129	\$ 144,187,405	\$ 135,449,990

Significant changes in capital asset balances during the fiscal year resulted from the following events:

- The Public Works projects for which expenditures were completed during the year included the ACC/Plum Creek, the Bunton Creek Wastewater Interceptor – Phase 3, wastewater line and general water and wastewater system improvements.
- Park improvements totaled approximately \$0.1 million for the year.
- Restoration improvement costs for the Kyle Train Depot project totaled approximately \$0.2 million for the year.
- Contributed capital for the year totaled \$9.2 million.

Detailed information on capital asset activity for the fiscal year ended September 30, 2014 is provided in Note D to the Financial Statements on pages 44 to 45.

Debt Management

At September 30, 2014, the City's net outstanding debt totaled \$73.2 million. This is a decrease of approximately \$0.9 million.

The City's bond rating was upgraded to AA- from A+ by Standard & Poor's rating agency based on the City's strong liquidity and financial position, stable economic growth outlook in Kyle, and the City's strong financial management conditions due largely to its financial management practices.

The City of Kyle currently does not have any outstanding debt associated with special assessments such as for Public Improvement District bonds.

The table below summarizes the status of the City's outstanding debt (principal amount only) as of September 30, 2014, with a comparison of outstanding debt from the prior year. In addition, please refer to Note F – Long-Term Debt on page 46 in the Notes to the Financial Statement for detailed information on the changes in long-term debt.

City of Kyle, Texas Outstanding Debt For the Fiscal Year Ended September 30, 2014 (With Comparative Totals for September 30, 2013)						
	Government Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Debt obligations	\$ 39,530,000	\$ 39,410,000	\$ -	\$ -	\$ 39,530,000	\$ 39,410,000
Premium on bonds	681,261	642,976	-	-	681,261	642,976
Refunding bonds	30,160,000	31,140,000	-	-	30,160,000	31,140,000
Capital Lease - Vehicles	-	44,865	-	-	-	44,865
Capital lease - plant	-	-	2,850,115	2,952,894	2,850,115	2,952,894
Total	\$ 70,371,261	\$ 71,237,841	\$ 2,850,115	\$ 2,952,894	\$ 73,221,376	\$ 74,190,735

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local Economy and Outlook

The City of Kyle residents enjoy a vibrant local economy and an excellent quality of life. Among the many factors attributing to the vibrancy of Kyle include a high per capita household income, low unemployment rate, educated workforce, employment growth, and the continued addition of new businesses in the consumer, medical, and light manufacturing sectors.

All leading indicators during fiscal year 2014 showed that the City of Kyle's local economy has fully recovered and the outlook over the next year's budget development cycle is that of continued growth.

Among the major indicators of a stable yet an expanding local economy include growth in population, building permits, taxable valuations, property tax collection rate, and the trend for sales tax collections. Accordingly, we are pleased to report the following trends in the economic indicators for the fiscal year ended September 30, 2014:

- 58.1% increase in building permits from the prior year.
- 9.2% increase in taxable assessed property valuations from the prior year.
- 98.8% annual property tax collection rate.
- 14.5% average annual increase in sales tax collections over last year.
- 4.2% projected increase in population in the City of Kyle annually through the year 2018.
- Design and right-of-way acquisition initiated for the \$36 million bond package approved by the citizens for the five major roadways. This program when completed will increase commercial and industrial development.
- Completion of major improvements at the City's Greg-Clarke park and Lake Kyle.
- Streamlining of the City's development and permitting process.
- Reconstruction and widening of Dacy Lane and RM 150.
- Planning discussions and review underway for the Lone Star Rail project for commuter travel between Georgetown to San Antonio.
- Public Safety Program Initiatives.
- Street Maintenance & Reconstruction Program.
- Park Improvement Program.
- Water and Wastewater Infrastructure Improvement & Expansion Program.
- Downtown Revitalization Grant Program.
- Downtown Beautification Plan.
- Annexation Plan.
- Tourism Plan.

Next Year's Budget

The fiscal year 2014-15 Approved Budget totals \$55.0 million and includes \$18.9 million for the General Fund to provide public safety, code enforcement, parks, street maintenance, library, and other municipal services to the citizens of Kyle.

The fiscal year 2014-15 Budget was adopted with a property tax rate decrease of \$0.0100 to \$0.5383 per \$100 of assessed taxable valuation. The budget provides for an average 3.5% pay increase for City employees, compliance with the meet and confer requirements for civil service employees, addition of positions for police officers, library, public works, animal control, and emergency dispatch operations.

The Approved Budget for fiscal year 2015 did not include any rate increase for water, wastewater, or fees and charges for city services. A 4.83% rate increase is included for solid waste collection service based on the contract terms entered by the City with Texas Disposal Systems.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Kyle's Director of Finance, P.O. Box 40, 100 West Center St., Kyle, Texas 78640.



BASIC FINANCIAL STATEMENTS



CITY OF KYLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 20,766,074	\$ 7,592,715	\$ 28,358,789
Restricted Cash and Cash Equivalents	-	8,251,876	8,251,876
Restricted Investments	193,582	218,724	412,306
Receivables (net of allowance for uncollectibles)	1,786,020	915,817	2,701,837
Internal Balances	139,744	(139,744)	-
Prepaid Items & Other Assets	1,543	-	1,543
Capital Assets:			
Nondepreciable Capital Assets	5,525,673	2,176,581	7,702,254
Capital Assets, net	87,725,809	48,759,342	136,485,151
Total Assets	<u>116,138,445</u>	<u>67,775,311</u>	<u>183,913,756</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Resource Outflow-Loss on Bond Refunding	\$ 403,540	\$ -	\$ 403,540
Total Deferred Outflows of Resources	<u>403,540</u>	<u>-</u>	<u>403,540</u>
LIABILITIES			
Accounts Payable	2,766,701	945,078	3,711,779
OPEB Liability	880,362	-	880,362
AquaTexas Disputed Amount	-	903,248	903,248
Other Current Liabilities	6,822	-	6,822
Developer Accounts Liability	219,417	-	219,417
Noncurrent Liabilities			
Due Within One Year	3,320,000	199,624	3,519,624
Due in More Than One Year	67,051,261	2,650,491	69,701,752
Total Liabilities	<u>74,244,563</u>	<u>4,698,441</u>	<u>78,943,004</u>
NET POSITION			
Net Investment in Capital Assets	22,888,184	48,085,808	70,973,992
Restricted for:			
Restricted for Capital Improvements	-	8,470,600	8,470,600
Restricted for Special Revenue Purposes	625,460	-	625,460
Restricted for Debt Service	762,268	-	762,268
Unrestricted Net Position	18,021,510	6,520,462	24,541,972
Total Net Position	<u>\$ 42,297,422</u>	<u>\$ 63,076,870</u>	<u>\$ 105,374,292</u>

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

CITY OF KYLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 5,939,271	\$ 3,628,935	\$ -	\$ -
Public Safety	5,052,323	-	89,061	-
Public Works	5,363,579	163,715	175,232	-
Sanitation	-	-	6,760	-
Culture and Recreation	2,095,112	263,493	-	-
Bond Interest	2,869,744	-	-	-
Total Governmental Activities:	21,320,029	4,056,143	271,053	-
BUSINESS-TYPE ACTIVITIES:				
Water & Wastewater Fund	10,340,478	15,523,262	-	1,563,847
Total Business-Type Activities:	10,340,478	15,523,262	-	1,563,847
TOTAL PRIMARY GOVERNMENT:	\$ 31,660,507	\$ 19,579,405	\$ 271,053	\$ 1,563,847

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Sales Taxes

Franchise Taxes

Other Taxes

Contributions Not Restricted

Miscellaneous Revenue

Investment Earnings

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning (as restated)

Net Position--Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,310,336)	\$ -	\$ (2,310,336)
(4,963,262)	-	(4,963,262)
(5,024,632)	-	(5,024,632)
6,760	-	6,760
(1,831,619)	-	(1,831,619)
(2,869,744)	-	(2,869,744)
<u>(16,992,833)</u>	<u>-</u>	<u>(16,992,833)</u>
-	6,746,631	6,746,631
-	6,746,631	6,746,631
<u>(16,992,833)</u>	<u>6,746,631</u>	<u>(10,246,202)</u>
4,223,646	-	4,223,646
4,695,786	-	4,695,786
4,611,401	-	4,611,401
1,042,212	-	1,042,212
200,753	-	200,753
9,241,337	-	9,241,337
1,391,064	268,519	1,659,583
19,760	9,109	28,869
2,011,505	(2,011,505)	-
<u>27,437,464</u>	<u>(1,733,877)</u>	<u>25,703,587</u>
10,444,631	5,012,754	15,457,385
31,852,791	58,064,116	89,916,907
<u>\$ 42,297,422</u>	<u>\$ 63,076,870</u>	<u>\$ 105,374,292</u>

CITY OF KYLE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Debt Service Fund	Capital Projects Funds
ASSETS			
Cash and Cash Equivalents	\$ 9,183,580	\$ 834,929	\$ 9,635,095
Investments	-	-	193,582
Receivables (Net)	1,752,374	-	-
Due from Other Funds	139,744	-	-
Prepaid Items	1,543	-	-
Total Assets	<u>\$ 11,077,241</u>	<u>\$ 834,929</u>	<u>\$ 9,828,677</u>
LIABILITIES			
Accounts Payable	\$ 818,338	\$ 72,661	\$ 677,734
Wages and Salaries Payable	659,273	-	1,462
Contracts Payable	163,766	-	-
Deposits Payable	10,643	-	-
Other Current Liabilities	6,822	-	-
Developer Accounts Liability	219,417	-	-
Total Liabilities	<u>1,878,259</u>	<u>72,661</u>	<u>679,196</u>
FUND BALANCES			
Nonspendable Fund Balance:			
Prepaid	1,543	-	-
Restricted Fund Balance:			
Restricted Fund Balance - Special Revenue	-	-	-
Restricted Fund Balance - Capital Projects	-	-	9,149,481
Restricted Fund Balance - Debt Service	-	762,268	-
Unassigned Fund Balance	9,197,439	-	-
Total Fund Balances	<u>9,198,982</u>	<u>762,268</u>	<u>9,149,481</u>
Total Liabilities and Fund Balances	<u>\$ 11,077,241</u>	<u>\$ 834,929</u>	<u>\$ 9,828,677</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,112,470	\$ 20,766,074
-	193,582
33,646	1,786,020
-	139,744
-	1,543
\$ 1,146,116	\$ 22,886,963
\$ 42,717	\$ 1,611,450
-	660,735
-	163,766
-	10,643
-	6,822
-	219,417
42,717	2,672,833
-	1,543
1,103,399	1,103,399
-	9,149,481
-	762,268
-	9,197,439
1,103,399	20,214,130
\$ 1,146,116	\$ 22,886,963

CITY OF KYLE
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2014

Total Fund Balances - Governmental Funds	\$	20,214,130
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$110,228,722 and the accumulated depreciation was \$25,897,910. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		13,496,561
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2014 capital outlays and debt principal payments is to increase (decrease) net position.		6,604,549
The 2014 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(3,829,936)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned revenue as revenue, eliminating interfund transactions, reclassifying the loss on bond sales as an increase in deferred outflow of resources, recognizing the liability associated with other post employment benefits, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		5,812,118
Net Position of Governmental Activities	\$	42,297,422

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund	Debt Service Fund	Capital Projects Funds
REVENUES:			
Taxes:			
Property Taxes	\$ 4,223,646	\$ 4,695,786	\$ -
General Sales and Use Taxes	4,611,401	-	-
Franchise Tax	1,042,212	-	-
Other Taxes	32,236	-	-
Licenses and Permits	1,133,789	-	-
Intergovernmental Revenue and Grants	172,535	-	-
Charges for Services	2,996,470	-	-
Fines	900,574	-	-
Special Assessments	-	-	-
Investment Earnings	3,997	2,890	12,369
Rents and Royalties	9,541	-	-
Contributions & Donations from Private Sources	66,600	-	-
Other Revenue	180,447	-	-
Total Revenues	<u>15,373,448</u>	<u>4,698,676</u>	<u>12,369</u>
EXPENDITURES:			
Current:			
General Government	4,707,055	-	56,959
Public Safety	4,565,713	-	-
Public Works	2,516,122	-	-
Culture and Recreation	1,639,397	-	4,700
Debt Service:			
Bond Principal	-	2,735,000	-
Bond Interest	-	2,907,943	-
Issuance Costs	-	-	(3,842)
Capital Outlay:			
Capital Outlay	90,551	-	2,331,109
Total Expenditures	<u>13,518,838</u>	<u>5,642,943</u>	<u>2,388,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,854,610</u>	<u>(944,267)</u>	<u>(2,376,557)</u>
OTHER FINANCING SOURCES (USES):			
Capital-related Debt Issued (Regular Bonds)	-	-	1,875,000
Transfers In	1,771,246	2,633,443	-
Premium or Discount on Issuance of Bonds	-	-	72,641
Transfers Out (Use)	(468,987)	(1,394,059)	(425,000)
Total Other Financing Sources (Uses)	<u>1,302,259</u>	<u>1,239,384</u>	<u>1,522,641</u>
Net Change in Fund Balances	3,156,869	295,117	(853,916)
Fund Balance - October 1 (Beginning)	<u>6,042,113</u>	<u>467,151</u>	<u>10,003,397</u>
Fund Balance - September 30 (Ending)	<u>\$ 9,198,982</u>	<u>\$ 762,268</u>	<u>\$ 9,149,481</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 8,919,432
-	4,611,401
-	1,042,212
168,517	200,753
-	1,133,789
98,519	271,054
60,581	3,057,051
-	900,574
163,715	163,715
505	19,761
-	9,541
204,000	270,600
2,090	182,537
<u>697,927</u>	<u>20,782,420</u>
11,566	4,775,580
122,600	4,688,313
-	2,516,122
115,875	1,759,972
-	2,735,000
-	2,907,943
-	(3,842)
<u>1,403,024</u>	<u>3,824,684</u>
<u>1,653,065</u>	<u>23,203,772</u>
<u>(955,138)</u>	<u>(2,421,352)</u>
-	1,875,000
24,387	4,429,076
-	72,641
<u>(129,525)</u>	<u>(2,417,571)</u>
<u>(105,138)</u>	<u>3,959,146</u>
<u>(1,060,276)</u>	<u>1,537,794</u>
<u>2,163,675</u>	<u>18,676,336</u>
<u>\$ 1,103,399</u>	<u>\$ 20,214,130</u>

CITY OF KYLE
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

Total Net Change in Fund Balances - Governmental Funds	\$	1,537,794
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2014 capital outlays and debt principal payments is to increase (decrease) the change in net position.		6,604,549
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(3,829,936)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the loss on bond sales as a deferred outflow of resources, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		6,132,224
Change in Net Position of Governmental Activities	<u>\$</u>	<u>10,444,631</u>

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

CITY OF KYLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Business Type Activities
	Water & Wastewater Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 7,592,715
Restricted Investment	218,724
Accounts Receivable-Net of Uncollectible Allowance	915,817
Total Current Assets	<u>8,727,256</u>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	8,251,876
Capital Assets:	
Nondepreciable capital assets	2,176,581
Capital Assets - Net of Accumulated Depreciation	48,759,342
Total Noncurrent Assets	<u>59,187,799</u>
Total Assets	<u>67,915,055</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	256,928
Wages/Compensated Absences Payable	117,435
Customer Deposits	570,715
Due to Other Funds	139,744
AquaTexas Disputed Amount	903,248
Capital Leases Payable - Current	199,624
Total Current Liabilities	<u>2,187,694</u>
NonCurrent Liabilities:	
Capital Lease Payable - Noncurrent	2,650,491
Total Noncurrent Liabilities	<u>2,650,491</u>
Total Liabilities	<u>4,838,185</u>
NET POSITION	
Net Investment in Capital Assets	48,085,808
Restricted for Capital Improvements - Impact Fees	8,470,600
Unrestricted Net Position	6,520,462
Total Net Position	<u>\$ 63,076,870</u>

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business Type Activities Water & Wastewater Fund
OPERATING REVENUES:	
Charges for Services	\$ 578
Charges for Water Services	9,056,163
Charges for Wastewater Services	6,466,521
Other Revenue	268,519
Total Operating Revenues	15,791,781
OPERATING EXPENSES:	
Personnel Services - Salaries and Wages	
Water	584,705
Wastewater	282,985
Administration	1,187,582
Total Personnel Services - Salaries and Wages	2,055,272
Purchased Professional & Technical Services	
Water	3,520,873
Wastewater	1,842,084
Administration	523,171
Total Purchased Professional & Technical Services	5,886,128
Other Operating Expenses	
Water	174,585
Wastewater	33,176
Administration	122,777
Total Other Operating Expenses	330,538
Depreciation	2,068,540
Total Operating Expenses	10,340,478
Operating Income	5,451,303
NON-OPERATING REVENUES (EXPENSES):	
Investment Earnings	9,109
Total Non-operating Revenue (Expenses)	9,109
Income Before Contributions & Transfers	5,460,412
Capital Contributions	1,563,847
Transfers In	321,487
Transfers Out	(2,332,992)
Change in Net Position	5,012,754
Total Net Position -October 1 (Beginning)	58,064,116
Total Net Position September 30 (Ending)	\$ 63,076,870

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

CITY OF KYLE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-Type Activities Water & Wastewater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 16,113,782
Payments to suppliers	(5,866,936)
Payment to employees	(2,056,386)
Net cash provided (used) by operating activities	\$ 8,190,460
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers In	\$ 321,487
Transfers Out	(2,332,992)
Net cash provided (used) by non-capital financing activities	(2,011,505)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	\$ (321,488)
Payments on capital leases	(102,779)
Net cash provided (used) by capital and related financing activities	\$ (424,267)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment revenue received	\$ 9,108
Net cash provided (used) by investing activities	\$ 9,108
Net increase in cash and cash equivalents	\$ 5,763,796
Cash and cash equivalents - beginning of year	\$ 10,299,519
Cash and cash equivalents - end of year	\$ 16,063,315

The notes to the Financial Statements are an integral part of this statement.

CITY OF KYLE, TEXAS
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-Type Activities Water & Wastewater Fund
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income/loss	\$ 5,451,303
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	\$ 2,068,540
Changes in assets and liabilities	
Accounts receivable	\$ 275,318
Accounts payable	(33,791)
Wages and salaries payable	(1,885)
Customer deposits	46,583
Due to other funds	64,715
Aqua Texas disputed amount	319,677
Net cash provided (used) by operating activities	<u>\$ 8,190,460</u>

The notes to the Financial Statements are an integral part of this statement.

CITY OF KYLE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 596,822
Total Assets	<u>\$ 596,822</u>
LIABILITIES	
Other Noncurrent Liabilities	\$ 596,822
Total Liabilities	<u>\$ 596,822</u>

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

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kyle, Texas (the City) adopted a City Charter in October 2000. As a home rule form of government, the City Council determines policy. The City Manager is the Chief Administrator of the City and is appointed by the City Council. The City provides the following services: Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Community Development, Public Improvements, Water and Wastewater Services and General Administrative Services.

A. Reporting Entity

The Mayor and Council are elected by the public and they have the authority to make decisions, appoint administrators and managers, and significantly influence operations. They also have the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity, and Statement No. 61, *The Financial Reporting Entity: Omnibus*" The accompanying financial statements comply with the provisions of GASB Statement No. 14 and 61. There are no component units which satisfy requirements for blending within the City's financial statements or for discrete presentation.

Current Year GASB Statement Implementations

Effective September 1, 2013, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources certain items that were previously recognized as assets and liabilities. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in GASB Concepts Statement 4, Elements of Financial Statements. The Statement also provides other financial reporting guidance related to the impact of the financial statement element changes to include changes in the determination of the major fund calculations and limiting the use of the term "deferred" in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The City's adoption of this Statement in current period allowed for a restatement of beginning net position.

GASB Statement No. 66, *Technical Corrections—2012* (an amendment of GASB Statements No. 10 and No. 62), improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities the general fund and the internal service fund type. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments, (2) investments of purchased loan or group of loans, and (3) service fees related to mortgage loans. These changes clarify how to apply GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The City adopted this Statement in the current period and no changes were identified as a result of the guidance provided by this Statement.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Reporting Entity (Cont'd)

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units, and requires new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of GASB Statement No. 70 are effective for reporting periods beginning after June 15, 2013. The City adopted this Statement in the current period and no changes were identified as a result of the guidance provided by this Statement.

Future GASB Statement Implementations

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (an amendment of GASB Statement No. 27) will improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014. The City will implement this Statement in fiscal year 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for financial statements for fiscal years beginning after December 15, 2013. The City will implement this Statement in fiscal year 2015.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (an amendment of GASB Statement No. 68), addresses the issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB Statement 68, as amended, requires that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014. The City will implement this Statement in fiscal year 2015, simultaneously with the provisions of Statement 68.

The City has not fully determined the effects that implementation of these statements will have on the City's financial statements.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates how other entities that participate in programs the City operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. The "grants and contributions" columns include amounts paid by organizations outside the city to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the City's functions. Taxes are always general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental and fiduciary funds and between proprietary funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Net Position.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for City operations, they are not included in the government-wide statements. The City considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues as soon as they are both measurable and available. Revenues are considered to be available by the City when they are received and thus available to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes and sales taxes. Property and other tax revenues, court fines and fees, and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The City considers them "available" when received. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

The Proprietary Funds and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted for capital improvements, and unrestricted net position.

D. Fund Accounting

The City reports the following major governmental funds:

The General Fund - is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund - is used to account for debt service on bonded obligations of the City.

The Capital Projects Fund - is used to pay for professional services to plan, design, the acquisition for rights-of-way and the construction and improvement of the following City Streets: Bunton Creek Road, North Burlison Street, Goforth Road, Lehman Road, and Marketplace Avenue funded by issuance of 2013 General Obligation, and 2007 Certificate of Obligation Fund, and 2008 Certificate of Obligation Fund.

The City reports the following major proprietary fund:

The Water and Wastewater Fund - is used to account for the activities necessary for the provision of water and wastewater services.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Fund Accounting (Cont'd)

In addition, the City reports the following fund types:

Governmental Funds:

Special Revenue Funds - are used to account for funds restricted to, or designated for, special purposes by the City or a grantor.

Agency Funds - are used to account for resources held for others in a custodial capacity. The City's agency fund is the Other Post Employment Benefits Fund (Retiree Health Insurance).

E. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

For purpose of presenting the proprietary fund cash flow statement, cash and cash equivalents include cash demand and time deposits and investments with a maturity date within three months of the date acquired by the City.

Investments

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or, (b) secured by obligations that are described by (1); (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third-party selected or approved by the City, and placed through a primary government securities dealer. Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value or net asset value (which approximates fair value), which is based on quoted market prices.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Restricted Assets

Certain assets of the Enterprise Fund are classified as restricted assets because their use is restricted for capital improvements.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Liabilities and Net Position or Equity (Cont'd)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 to 40
Waterworks and wastewater systems	10 to 50
Infrastructure	20 to 33
Machinery and equipment	5 to 10

Compensated Absences

The City permits employees to accumulate earned but unused vacation pay benefits. Certain employees have carried forward unused sick leave benefits. Unused sick leave shall be not paid upon termination of employment, except as specifically provided as follows:

1. An employee that terminates employment for any reason other than death, or being granted a retirement or disability allowance by the Texas Municipal Retirement System (TMRS) or the Social Security Administration (SSA), shall not be paid for unused sick leave.
2. An employee having at least 10 years of service with the City who is granted a retirement or a disability allowance by TMRS or SSA, or who dies, is entitled to a partial payment for up to 480 hours of unused sick leave accrued to such employee. The partial payment to the employee or the employee's beneficiary shall be as follows: (A) an amount equal to thirty percent (30%) of the value of such accrued, unused sick leave will be paid for 10 years of service; and (B) the amount to be paid for such unused sick leave shall increase by 2% for each year of service as an employee of the City, if any, in excess of 10 years.
3. An employee covered under the agreement between the City of Kyle and the Kyle Police Association may be paid for their unused sick leave, in accordance with the agreement.

No liability is reported for unpaid accumulated sick leave for the remaining employees. Vacation pay and certain sick leave benefits are accrued when incurred in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Liabilities and Net Position or Equity (Cont'd)

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures.

Fund Equity

The City classifies governmental fund balances in the governmental fund financial statements as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the City Council.

Unassigned - includes positive fund balances within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

At September 30, 2014, the City does not have any non-spendable, committed, or assigned fund balances.

The City requires restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City Charter has a formal minimum fund balance policy. Equal to at least 25% of operating budget.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**E. Assets, Liabilities and Net Position or Equity (Cont'd)****Net Position**

Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governmental units.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government****Statement of Net Position**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value Beginning of Year</u>	<u>Change in Net Position</u>
Deferred Outflow of Resources - Unamortized Loss			\$ 403,540	\$ 403,540
<u>Capital Assets - Beginning of Year</u>				
Non-Depreciable Assets	\$ 6,475,714		\$ 6,475,714	
Depreciable Assets	<u>103,753,058</u>	<u>25,897,910</u>	<u>77,855,148</u>	
Change in Net Position	<u>\$ 110,228,772</u>	<u>\$ 25,897,910</u>	<u>\$ 84,330,862</u>	84,330,862
<u>Long-term Debt - Beginning of Year</u>				
Bonds Payable			<u>\$ 71,237,841</u>	
Change in Net Position			<u>\$ 71,237,841</u>	(71,237,841)
Net Adjustment to Net Position				<u>\$ 13,496,561</u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Cont'd)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net assets. The details of this adjustment are as follows:

	Amount	Adjustment to	
		Change in Net Position	Net Position
<u>Current Year Capital Outlay Amount</u>			
Depreciable Assets	\$ 3,824,684		
Non-Depreciable Assets	-		
Total Capital Outlay	\$ 3,824,684	\$ 3,824,684	\$ 3,824,684
<u>Debt Principal Payments</u>			
Bond Principal	\$ 2,735,000		
Loan Principal	44,865		
Total Principal Payments	\$ 2,779,865	2,779,865	2,779,865
Total Adjustment to Net Position		\$ 6,604,549	\$ 6,604,549

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Cont'd)

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	Amount	Adjustment to	
		Net Position	Change in Net Position
Reclassify Proceeds of 2014 Tax Notes	1,875,000	(1,875,000)	(1,875,000)
Compensated Absences Payable - GF Only	320,107	(320,107)	(320,107)
Principal portion of lease payments for police vehicles	44,865	(44,865)	-
Record Amortization of Bond Premium, Net	27,734	27,734	-
Unamortized Premium	681,261	-	681,261
GF Contributed Capital	8,974,578	8,974,578	8,974,578
OPEB Liability	880,362	(880,362)	(880,362)
Misc other adjustments	-	(69,860)	(448,146)
		<u>\$ 5,812,118</u>	<u>\$ 6,132,224</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The Council adopts an "appropriated budget" for the General Fund. The City is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)
Budgetary Data (Continued)

1. Sixty days prior to October 1st, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to the third Tuesday of September, the budget is legally enacted through passage of a resolution by the Council. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Council. Amendments are presented to the Council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Council, and are not made after fiscal year end. Because the City has a policy of careful budgetary control, several amendments were necessary during the year.
4. The legal level of budgetary control is at the function level. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Council. All budget appropriations lapse at year end. Amounts encumbered prior to year end will lapse 3 months after year end.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2014, the City had the following investments:

Investment Type	Fair Value			Total	Weighted Average Maturity
	Governmental Activities	Business-Type Activities	Fiduciary Funds		
TexPool	\$ 10,200,501	\$ 11,346,153	\$ -	\$ 21,546,654	41
TexStar	12,545,803	-	-	12,545,803	52
VSR Evergreen MM	187,704	215,538	-	403,242	1
Total Investments	22,934,008	11,561,691	-	34,495,699	
Cash in Bank	2,527,272	-	596,822	3,124,094	
Total Cash, Cash Equivalents & Investments	<u>\$ 25,461,280</u>	<u>\$ 11,561,691</u>	<u>\$ 596,822</u>	<u>\$ 37,619,793</u>	

The City's investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All of the City's investments in investment pools are short term and liquid and therefore are included in Cash and Cash Equivalents.

Interest Rate Risk In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting the weighted average maturity of its investment portfolio to a maximum of 180 days.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (Continued)**A. Deposits and Investments (Continued)**

Custodial Credit Risk In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2014, any deposit balance exceeding the \$250,000 covered by FDIC insurance was collateralized with securities held by the pledging financial institution in the City's name.

Credit Risk It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investment pools were rated AAAM by Standard & Poor's Investors Service and government securities were rated AAA by Standard & Poor's Investors Service.

B. Receivables

Receivable as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Funds		Enterprise Fund	Total
	General	Other	Water and Wastewater	
Receivables:				
Accounts:				
Customers	\$ 904,497	\$ -	\$ 1,338,249	\$ 2,242,746
Court Warrants Receivable	4,384,779	-	-	4,384,779
Developers	277,238	-	-	277,238
Other	10,823	33,646	-	44,469
Gross Receivables	<u>\$ 5,577,337</u>	<u>\$ 33,646</u>	<u>\$ 1,338,249</u>	<u>\$ 6,949,232</u>
Less: Allowance for Uncollectibles	<u>(3,824,963)</u>	<u>-</u>	<u>(422,432)</u>	<u>(4,247,395)</u>
Net Total Receivables	<u><u>\$ 1,752,374</u></u>	<u><u>\$ 33,646</u></u>	<u><u>\$ 915,817</u></u>	<u><u>\$ 2,701,837</u></u>

C. Property Taxes

Property taxes are levied on October 1 on assessed values as of January 1 for all real and personal property located in the City. Taxes are due in January of the following year and become delinquent on February 1. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The appraisal of property within the City is the responsibility of the Hays County Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the city limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (Continued)**D. Capital Assets**

Capital asset activity for the year ended September 30, 2014, was as follows:

	Balance 10/1/2013	Additions	Disposals/ Transfers	Balance 9/30/2014
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 3,249,722	\$ 33,020	\$ -	\$ 3,282,742
Construction in progress	3,225,992	902,541	(1,885,602)	2,242,931
Total capital assets not being depreciated	<u>\$ 6,475,714</u>	<u>\$ 935,561</u>	<u>\$ (1,885,602)</u>	<u>\$ 5,525,673</u>
Capital assets being depreciated:				
Buildings	\$ 15,897,146	\$ 120,994	\$ -	\$ 16,018,140
Improvements other than buildings	2,625,908	245,096	-	2,871,004
Infrastructure	81,885,829	10,978,131	1,885,602	94,749,561
Machinery and equipment	3,344,175	509,093	(218,961)	3,634,308
Total capital assets being depreciated	<u>\$ 103,753,058</u>	<u>\$ 11,853,314</u>	<u>\$ 1,666,641</u>	<u>\$ 117,273,013</u>
Accumulated depreciation:				
Buildings	\$ (1,856,185)	\$ (429,062)	\$ -	\$ (2,285,247)
Improvements other than buildings	(1,312,617)	(253,477)	-	(1,566,094)
Infrastructure	(20,849,122)	(2,813,601)	-	(23,662,723)
Machinery and equipment	(1,879,987)	(333,795)	180,642	(2,033,140)
Total accumulated depreciation	<u>\$ (25,897,911)</u>	<u>\$ (3,829,935)</u>	<u>\$ 180,642</u>	<u>\$ (29,547,204)</u>
Total capital assets being depreciated (net)	<u>\$ 77,855,147</u>	<u>\$ 8,023,379</u>	<u>\$ 1,847,283</u>	<u>\$ 87,725,809</u>
Governmental activities capital assets (net)	<u><u>\$ 84,330,861</u></u>	<u><u>\$ 8,958,940</u></u>	<u><u>\$ (38,319)</u></u>	<u><u>\$ 93,251,482</u></u>
	Balance 10/1/2013	Additions	Disposals/ Transfers	Balance 9/30/2014
<u>Business Type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 691,935	\$ -	\$ -	\$ 691,935
Construction in progress	1,163,160	321,487	-	1,484,647
Total capital assets not being depreciated	<u>\$ 1,855,095</u>	<u>\$ 321,487</u>	<u>\$ -</u>	<u>\$ 2,176,582</u>
Capital assets being depreciated:				
Buildings	\$ 5,434,442	\$ -	\$ -	\$ 5,434,442
Improvements other than buildings	61,037,030	1,563,847	-	62,600,877
Machinery and equipment	1,288,896	-	(43,000)	1,245,896
Total capital assets being depreciated	<u>\$ 67,760,368</u>	<u>\$ 1,563,847</u>	<u>\$ (43,000)</u>	<u>\$ 69,281,215</u>
Accumulated depreciation:				
Buildings	\$ (1,683,748)	\$ (161,139)	\$ -	\$ (1,844,887)
Improvements other than buildings	(15,858,517)	(1,819,804)	-	(17,678,321)
Machinery and equipment	(954,069)	(87,597)	43,000	(998,666)
Total accumulated depreciation	<u>\$ (18,496,334)</u>	<u>\$ (2,068,540)</u>	<u>\$ 43,000</u>	<u>\$ (20,521,874)</u>
Total capital assets being depreciated (net)	<u>\$ 49,264,034</u>	<u>\$ (504,693)</u>	<u>\$ -</u>	<u>\$ 48,759,341</u>
Business type activities capital assets (net)	<u><u>\$ 51,119,129</u></u>	<u><u>\$ (183,206)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,935,923</u></u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (Continued)**D. Capital Assets (Cont'd)**

Depreciation expense was charged to functions/programs of the government as follows:

Governmental Activities:		
General government	\$	283,329
Public safety		335,140
Public works		2,847,457
Culture and recreation		<u>364,010</u>
Total depreciation expense - governmental activities	\$	<u><u>3,829,935</u></u>
Business Type activities:		
Water and Wastewater	\$	<u>2,068,540</u>
Total depreciation expense - business type activities	\$	<u><u>2,068,540</u></u>

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and wastewater	<u>\$ 139,744</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenses occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers during the year ended September 30, 2013, are as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Fund	Water and wastewater	\$ 1,300,000
Debt service	Water and wastewater	<u>711,505</u>
		<u><u>\$ 2,011,505</u></u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (Continued)**F. Long-term Debt****Changes in Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Balance 10/1/2013	Additions	Reduction	Balance 9/30/2014	Due Within One Year
<u>Governmental Activities:</u>					
Bonded Indebtedness	\$ 39,410,000	\$ 1,875,000	\$ 1,755,000	\$ 39,530,000	\$ 2,075,000
Premium on Bond Issuance	642,976	72,641	34,356	681,261	-
Refunding Bonds	31,140,000	-	980,000	30,160,000	1,245,000
Lease Purchase Vehicles	44,865	-	44,865	-	-
Total Governmental Activities	<u>\$ 71,237,841</u>	<u>\$ 1,947,641</u>	<u>\$ 2,814,221</u>	<u>\$ 70,371,261</u>	<u>\$ 3,320,000</u>
<u>Business Type Activities:</u>					
Capital Lease Obligation	\$ 2,952,894	\$ -	\$ 102,779	\$ 2,850,115	\$ 199,624
Total Business Type Activities	<u>\$ 2,952,894</u>	<u>\$ -</u>	<u>\$ 102,779</u>	<u>\$ 2,850,115</u>	<u>\$ 199,624</u>

Bonded Indebtedness

The City has issued general obligation bonds whereby the proceeds were used to purchase capital assets reported in the Water and Wastewater Funds. All general obligation debt is expected to be service by the governmental activities and the Water and Wastewater Funds are not expected to service the general obligation debt. Accordingly, all of the City's general obligation debt is reported in the governmental activities column.

The City issues certificates of obligation and tax notes to provide funds for the acquisition and construction of major capital facilities and equipment and to refund previous issues. Bonded indebtedness of the City is as follows:

Governmental Activities:

\$9,910,000 Combination Tax and Revenue Certificates of Obligation - Series 2007, principal due annually in series through 2027, interest due semi-annually at 4.00%.	6,825,000
\$22,800,000 Combination Tax and Revenue Certificates of Obligation - Series 2008, principal due annually in series through 2033, interest due semi-annually at 3.50% to 5.00%.	19,765,000

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (Continued)**F. Long-term Debt (Continued)****Bonded Indebtedness (Continued)**

\$5,600,000 Tax Notes - Series 2009 principal due annually in series through 2016, interest due semi-annually at 2.50% to 3.50%.	1,730,000
\$15,315,000 General Obligation Refunding Bonds - Series 2009, principal due annually in series through 2025, interest due semi-annually at 2.00% to 4.125%.	13,370,000
\$4,290,000 Combination Tax and Revenue Certificates of Obligation - Series 2010, principal due annually in series through 2030, interest due semi-annually at 3.00% to 4.05%.	3,955,000
\$3,390,000 General Obligation Refunding Bonds - Series 2011, principal due annually in series through 2024, interest due semi-annually at 1.4% to 3.40%.	3,070,000
\$13,720,000 General Obligation Refunding Bonds - Series 2013, principal due annually in series through 2033, interest due semi-annually at 2.0% to 3.4%	13,720,000
\$5,520,000 General Obligation Bonds - Series 2013, principal due annually in series through 2033, interest due semi-annually at 1.75% to 4.0%	5,380,000
\$1,875,000 Tax Notes - Series 2014, principal due annually in series through 2021, interest due semi-annually at 2.0% to 3.0%	1,875,000
	<u>1,875,000</u>
	<u><u>\$ 69,690,000</u></u>

Capital Lease Obligation

On February 15, 1999, the City entered into an agreement with AquaSource Services and Technologies, Inc. to finance, design, construct, operate, maintain and manage a new wastewater collection and treatment facility. The City would bear the cost of right-of-way acquisitions for the transmission lines and 50 percent of the costs to secure the necessary permits from the TNRCC. AquaSource's compensation consists of a monthly fee ranging from \$20,758 to \$56,150. This fee will be determined by multiplying the number of 1,000 gallon units of wastewater effluent treated during the calendar month by the applicable costs per 1,000 gallons. At the end of 23 years of payments, the facilities will become the property of the City without any additional payments. The City will recoup its costs through user charges. The City is treating the agreement as a capital lease and has imputed interest of 10%. The City had previously reported this obligation as a note payable. During 2008, the obligation was reclassified as a capital lease obligation to more accurately reflect the nature of the transaction.

Effective October 1, 2013, the City assessed its debt service commitment under its capital leases. The assessment resulted in an increase in the net present value or purchase option price by approximately \$161,000 for fiscal year 2013. The change resulted in total lease payment of \$493,000 being expensed under the lease term.

During the year ended September 30, 2011, the City entered into a lease-purchase contract with Acme Auto Leasing, LLC for the lease of three police department vehicles. The lease includes a bargain purchase option at the end of the 36 month lease. Total monthly payments for the three vehicles are \$4,698.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (Continued)**F. Long-term Debt (Continued)****Debt Service Requirements**

Annual debt service requirements to maturity for certificates of obligation and tax notes are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2015	\$ 3,320,000	\$ 2,401,045	\$ 5,721,045
2016	3,630,000	2,273,906	5,903,906
2017	3,820,000	2,438,893	6,258,893
2018	3,970,000	2,305,643	6,275,643
2019	4,115,000	2,164,380	6,279,380
2020-2024	22,175,000	8,481,358	30,656,358
2025-2029	17,435,000	4,238,410	21,673,410
2030-2033	11,225,000	1,179,071	12,404,071
	<u>\$ 69,690,000</u>	<u>\$ 25,482,706</u>	<u>\$ 95,172,706</u>

Annual debt service requirements to maturity for capital leases are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2015	\$ 199,624	\$ 294,175	\$ 493,799
2016	222,049	271,828	493,877
2017	247,055	246,966	494,021
2018	274,860	219,305	494,165
2019	305,778	188,532	494,310
2020-2023	1,600,749	371,104	1,971,853
	<u>\$ 2,850,115</u>	<u>\$ 1,591,910</u>	<u>\$ 4,442,025</u>

G. Contingent Arbitrage Liabilities

The City has invested a portion of GO bond proceeds as a reserve for the retirement of the bonds. Any excess of interest revenue earned on invested proceeds over interest paid on the bonds must be rebated to the federal government every five years.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool. As an insured, the City is not obligated to reimburse the pool for losses. The City has not had any significant reductions in insurance coverage, nor have insurance settlements for the last three fiscal years exceeded insurance coverage. Any losses reported, but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements.

B. Commitments and Contingencies

The City is a defendant in lawsuits occurring in the normal course of business. Although the outcome of these matters is not presently determinable, in the opinion of the City's attorney, their resolution will not have a material adverse effect on the financial condition of the City. Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Benefit Plans

1. Retirement Plan

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TMRS. This report may be obtained by writing to TMRS, P. O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS website at www.TMRS.com.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)

C. Benefit Plans (Continued)

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%) of the employee's accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2013, valuation is effective for rates beginning January 2014).

Under the state law governing Texas Municipal Retirement System, the contribution rate for the City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases as well as future increases in salary. The employer contribution rate cannot exceed a statutory maximum rate, which is a function of the employee contribution rate and the city matching percentage. There is an optional higher maximum that may be applied in certain circumstances if elected by the City, or a City may elect to remove the maximum rate.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)**C. Benefit Plans (Continued)****Assumptions and Schedule of Actuarial Liabilities and Funding Progress**

A. Plan Provisions	<u>2014</u>	<u>2013</u>	<u>2012</u>
Employee Deposit Rate	7.00%	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	10	10	10
Service Retirement eligibility (Expressed as age/years of service)	60/10,0/20	60/10,0/20	60/10,0/20
Updated service credit	100% Repeating	100% Repeating	100% Repeating
	Transfers	Transfers	Transfers
Annually repeating (Y/N)	Y	Y	Y
Annuity increases to retirees	70%	70%	70%
Annually repeating (Y/N)	Y	Y	Y

B. Funding Policy

Cities are required to contribute at an actuarially determined rate; these rates are provided to the City on an annual basis, following the completion of the actuarial valuation. Note that there is a time delay in the valuation and when the rate becomes effective - for example, the January 1, 2014 contribution rate is based on the 12/31/2013 valuation results; if a change in plan provisions is elected by the City, this rate can change. The actuary determines contribution rates on a calendar-year basis; the City discloses the annual pension costs (which equal the required contributions) based on the calculated rate(s) for the City's fiscal year.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)**C. Benefit Plans (Continued)****Assumptions and Schedule of Actuarial Liabilities and Funding Progress As of December 31, 2013****C. Actuarial Information**

	<u>2013</u>
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization	30.0 Years Closed Period
Asset Valuation Method	10-yr Smoothed Market
Investment Rate of Return	7.0%
Projected Salary Increases	Varies by Age and Service
Includes Inflation at Cost of Living Adjustments	3.00% 2.1% (3.0% CPI)
Specific City Assumptions Payroll Growth Assumption	3.00%

D. Schedule of Funding Information

	<u>2013</u>
Actuarial Valuation of Assets	\$ 9,661,197
Actuarial Valuation of Liabilities	<u>13,118,001</u>
Percentage Funded	<u>73.6%</u>
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	\$ 3,456,804
Annual Covered Payroll	<u>7,550,582</u>
UAAL as a Percentage of Covered Payroll	<u>45.8%</u>

The schedule of funding progress, presented as RSI, presents multiyear trend information about whether the Actuarial value of plan assets is increasing or decreasing relative to the Actuarial accrued liability for benefits over time.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)**C. Benefit Plans (Continued)****1. Retirement Plan (Continued)****Assumptions and Schedule of Actuarial Liabilities and Funding Progress (Continued)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Pension Obligation (NPO)			
at the Beginning of the Period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual Required Contribution (ARC)	627,943	532,591	524,649
Contribution Made	<u>627,943</u>	<u>532,591</u>	<u>524,649</u>
NPO at the End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2. Supplemental Death Benefits Fund**Plan Description**

The City participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the SDBF. The City elected to provide group-term life insurance coverage to both current and retired employees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). Retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2014, 2013, and 2012 were \$7,849, \$8,264, and \$9,986, respectively, which equaled the required contributions each year.

TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial and supplementary information for the SDBF. That report may be obtained from the TMRS website at www.TMRS.com.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)

C. Benefit Plans (Continued)

3. Post Retirement Health Insurance Plan

Implementation of GASB 45: Other Post Employment Benefits

Effective October 1, 2012, the City adopted the accounting guidance contained in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The adoption of this statement requires for the City to assess the measurement, and financial reporting for its other postemployment benefits.

Since 1997, the City of Kyle has offered health insurance coverage for its retirees who have completed twenty-five (25) years or more of continuous service as a full-time employee. In 2009, the City amended its health insurance coverage benefits plan and as a result, three groups of employees for purposes of eligibility were established with different benefit coverage.

The adoption of this standard requires for the City to adhere to the parameters for the measurement and financial reporting of the related other postemployment benefits. As of September 30, 2013, the City has not taken all the steps necessary to establish a dedicated trust.

The adoption of this standard required for the City to establish a dedicated trust (City's agency type OPEB Fund) to account for assets and associated estimated accrued liability. Plan assets (accumulated cash balance) in the City's OPEB Fund totaled \$596,822 as of September 30, 2014.

As a small employer with less than 200 plan members, GASB 45 requires an actuarial valuation of the City of Kyle's OPEB Plan every three years. The City's OPEB Plan was established by City Ordinance No. 281-4 effective March 2, 1997.

Due to the requirements outlined within the standard for measurement of the liability, the accrued actuarial liability does not take into account the dedicated Plan assets totaling \$596,822 held in the City's OPEB Fund at September 30, 2014 primarily because these funds were not held in an irrevocable trust.

Plan Description

The City maintains a single-employer defined benefit health insurance plan for retirees through the Texas Municipal League Intergovernmental Employee Benefits Pool (TML). The City elected to provide health insurance coverage to certain retired employees. Former full time employees who have retired after 25 years of service and all full time employees who have completed 5 years or more of continuous service by April 1, 2009, and who complete a total of 25 years or more of continuous service are entitled to the same group health insurance coverage provided to active employees. This coverage is completely paid by the City. Employees who have completed less than 5 years of continuous service as of April 1, 2009, and who complete 25 years or more of continuous service are entitled to the same group health insurance coverage provided to active employees. The City will pay \$300 (adjusted annually based on the CPI) toward this coverage. The employee is responsible for the balance. Any employee hired after April 1, 2009, is not entitled to group health insurance coverage after retirement. This plan is an "other postemployment benefit," or OPEB.

Other Post Employment Benefits (OPEB)

The following is the participant summary as of September 30, 2013 (the most recent actuarial valuation date):

Active Employees	66
Retired Employees	1
Total	<u>67</u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)**C. Benefit Plans (Continued)****3. Post Retirement Health Insurance Plan (Continued)**Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City has funded all obligations arising under this plan on a pay-as-you-go basis. In the fiscal year 2014 the City intends to establish the OPEB Trust. Funds in the Trust must be used for the exclusive purpose of providing benefits to eligible retirees and their dependents. The City intends to make subsequent annual contributions to the OPEB Trust in accordance with a plan that results in fully funding the actuarially determined annual required contributions for those benefits over a period of time.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contributions of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a 30 year period. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan and changes in the net OPEB obligation for the year ended September 30, 2013.

	2014
Annual Required Contribution (ARC)	\$ 121,565
Adjustment to ARC	-
Annual OPEB Costs	121,565
Contributions made	(4,636)
Increase in net OPEB obligation	\$ 116,929
Net OPEB obligation at transition	979,908
Net OPEB obligation at end of year	<u>\$ 1,096,837</u>

The City's annual OPEB cost and the percentage cost contributed to the plan for fiscal year ended September 30, 2014:

Year Ended September 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 116,929	4,591	\$ 979,908
2014	121,565	4,636	1,096,837

Funded Status

Although the City contributed 596,822 to the OPEB benefits as of September 30, 2014, no contributions had been made to a trust. The funded status of the City's OPEB plan as of the last actuarial valuation performed on September 30, 2013 is as follows:

Actuarial Valuation Date	Value of Assets (a)	Liability (AAL) (b)	AAL (UAAL) (b-a)	Fund Ratio (a/b)	Payroll (c)	Percent of Covered Payroll ((b-a)/c)
September 30, 2013	\$ -	\$ 979,909	\$ 979,909	0.00%	\$ 7,333,897	13.36%

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)

C. Benefit Plans (Continued)

3. Post Retirement Health Insurance Plan (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. In accordance with GASB 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, the City will obtain new actuarial valuations for its OPEB plan at least every three years.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for the City's OPEB plan.

Actuarial Methods and Assumptions

Actuarial Valuation Date	September 30, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	30 Years - Open
Actuarial Assumptions	
Discount Rate	4.50%
Healthcare trends and Contributions increases	4.62 in 2013 Graded to 4.87% in 2060
Acceptance note - medical	100%
Mortality	RP 200p
Turnover and retirement rates	Municipal experience

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

V. OTHER INFORMATION (Continued)

D. Prior Period Adjustment

In 2014, the City implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Upon adoption, debt issue costs will now be expensed when incurred instead of capitalized and expensed over the life of the debt. The implementation resulted in a restatement, which decreased net position by \$1,578,967.

Governmental Activities

Net position, as previously reported	\$ 33,431,758
Implementation of Statement No. 65	<u>(1,578,697)</u>
Net Position, as restated	<u><u>\$ 31,852,791</u></u>

E. Subsequent Event

On November 18, 2014, the Kyle City Council approved an Ordinance authorizing the issuance of General Obligation Refunding Bonds, Series 2014 within certain parameters. The authorization parameters for the refunding bonds included a total par amount of the bonds not to exceed \$7,750,000 and the maximum maturity of the bonds not to exceed August 15, 2028.

The proceeds from the bonds and any premium received will be applied to refund a portion or \$7,075,000 of the outstanding City of Kyle Combination Tax and Revenue Certificates of Obligation, Series 2008 and to pay for the cost of issuance. The City of Kyle will realize annual debt service savings as a result of refunding a portion of its outstanding Combination Tax and Revenue Certificates of Obligation, Series 2008.



**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**



CITY OF KYLE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 3,986,111	\$ 3,986,111	\$ 4,223,646	\$ 237,535
General Sales and Use Taxes	4,315,100	4,315,100	4,611,401	296,301
Franchise Tax	935,795	935,795	1,042,212	106,417
Other Taxes	20,000	20,000	32,236	12,236
Licenses and Permits	472,200	472,200	1,133,789	661,589
Intergovernmental Revenue and Grants	200,000	200,000	172,535	(27,465)
Charges for Services	2,734,068	2,734,068	2,996,470	262,402
Fines	725,000	725,000	900,574	175,574
Investment Earnings	7,500	7,500	3,997	(3,503)
Rents and Royalties	2,500	2,500	9,541	7,041
Contributions & Donations from Private Sources	55,800	55,800	66,600	10,800
Other Revenue	25,000	25,000	180,447	155,447
Total Revenues	<u>13,479,074</u>	<u>13,479,074</u>	<u>15,373,448</u>	<u>1,894,374</u>
EXPENDITURES:				
Current:				
General Government	4,722,859	5,207,700	4,707,055	500,645
Public Safety	4,769,693	4,749,459	4,565,713	183,746
Public Works	2,603,478	2,623,673	2,516,122	107,551
Culture and Recreation	1,781,020	1,830,020	1,639,397	190,623
Capital Outlay:				
Capital Outlay	17,255	127,522	90,551	36,971
Total Expenditures	<u>13,894,305</u>	<u>14,538,374</u>	<u>13,518,838</u>	<u>1,019,536</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(415,231)</u>	<u>(1,059,300)</u>	<u>1,854,610</u>	<u>2,913,910</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,762,100	1,762,100	1,771,246	9,146
Transfers Out (Use)	(468,987)	(468,987)	(468,987)	-
Total Other Financing Sources (Uses)	<u>1,293,113</u>	<u>1,293,113</u>	<u>1,302,259</u>	<u>9,146</u>
Net Change	877,882	233,813	3,156,869	2,923,056
Fund Balance - October 1 (Beginning)	-	6,042,113	6,042,113	-
Fund Balance - September 30 (Ending)	<u>\$ 877,882</u>	<u>\$ 6,275,926</u>	<u>\$ 9,198,982</u>	<u>\$ 2,923,056</u>

**Schedule of Funding Progress for the Retirement Plans
and the Schedule of Funding Progress for the Other Post-Employment Benefits
for the Employees of City of Kyle**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability ("AAL")	(3) Unfunded AAL ("UAAL") (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll*	(6) UAAL as a % of Covered Payroll ((2)-(1))/(5)
Retirement Plan - Trend Information:						
12/31/2011	\$ 6,834,887	\$ 8,653,722	\$ 1,818,835	78.98%	\$ 6,165,072	29.50%
12/31/2012	8,154,041	9,829,064	1,675,023	82.96%	6,665,732	25.13%
12/31/2013	9,661,197	13,118,001	3,456,804	73.65%	7,226,036	47.84%
Other Post Employment Benefit Plan:						
9/30/2013	\$ -	\$ 979,908	\$ 979,908	0.00%	\$ 7,333,897	13.36%



COMBINING STATEMENTS



CITY OF KYLE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2014

	Police Forfeiture Fund	Police Special Revenue	Court Special Revenue	Library Building Fund
ASSETS				
Cash and Cash Equivalents	\$ 6,838	\$ 7,717	\$ 210,749	\$ -
Total Assets	<u>\$ 6,838</u>	<u>\$ 7,717</u>	<u>\$ 210,749</u>	<u>\$ -</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Resource Outflow	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Resource Outflows	<u>\$ 6,838</u>	<u>\$ 7,717</u>	<u>\$ 210,749</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,804	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,804</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Other Restricted Fund Balance	6,838	7,717	208,945	-
Total Fund Balances	<u>6,838</u>	<u>7,717</u>	<u>208,945</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 6,838</u>	<u>\$ 7,717</u>	<u>\$ 210,749</u>	<u>\$ -</u>

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

General Government Grants	Hotel Occupancy Fund	Total Nonmajor Special Revenue Funds	2009 Tax Notes Fund	2010 CO Bond Fund	CIP Park Development Fund	Road Improvement Fund	Total Nonmajor Governmental Funds
\$ 248,697	\$ 155,595	\$ 629,596	\$ 22,457	\$ -	\$ 23,616	\$ 436,801	\$ 1,112,470
<u>\$ 248,697</u>	<u>\$ 155,595</u>	<u>\$ 629,596</u>	<u>\$ 22,457</u>	<u>\$ -</u>	<u>\$ 23,616</u>	<u>\$ 436,801</u>	<u>\$ 1,112,470</u>
33,646	-	33,646	-	-	-	-	33,646
<u>33,646</u>	<u>-</u>	<u>33,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,646</u>
<u>\$ 282,343</u>	<u>\$ 155,595</u>	<u>\$ 663,242</u>	<u>\$ 22,457</u>	<u>\$ -</u>	<u>\$ 23,616</u>	<u>\$ 436,801</u>	<u>\$ 1,146,116</u>
\$ 5,453	\$ 30,525	\$ 37,782	\$ -	\$ -	\$ 4,934	\$ -	\$ 42,716
<u>5,453</u>	<u>30,525</u>	<u>37,782</u>	<u>-</u>	<u>-</u>	<u>4,934</u>	<u>-</u>	<u>42,716</u>
276,891	125,070	625,461	22,456	-	18,682	436,801	1,103,400
<u>276,891</u>	<u>125,070</u>	<u>625,461</u>	<u>22,456</u>	<u>-</u>	<u>18,682</u>	<u>436,801</u>	<u>1,103,400</u>
<u>\$ 282,344</u>	<u>\$ 155,595</u>	<u>\$ 663,243</u>	<u>\$ 22,456</u>	<u>\$ -</u>	<u>\$ 23,616</u>	<u>\$ 436,801</u>	<u>\$ 1,146,116</u>

CITY OF KYLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Police Forfeiture Fund	Police Special Revenue	Court Special Revenue	Library Building Fund
REVENUES:				
Taxes:				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	2,966	-	-
Charges for Services	-	-	60,581	-
Special Assessments	-	-	-	-
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	2,090	-	-	-
Total Revenues	<u>2,090</u>	<u>2,966</u>	<u>60,581</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government	-	-	7,132	-
Public Safety	-	1,744	-	-
Culture and Recreation	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,744</u>	<u>7,132</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,090</u>	<u>1,222</u>	<u>53,449</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out (Use)	-	-	(17,500)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(17,500)</u>	<u>-</u>
Net Change in Fund Balance	2,090	1,222	35,949	-
Fund Balance - October 1 (Beginning)	<u>4,748</u>	<u>6,495</u>	<u>172,996</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 6,838</u>	<u>\$ 7,717</u>	<u>\$ 208,945</u>	<u>\$ -</u>

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

General Government Grants	Hotel Occupancy Fund	Total Nonmajor Special Revenue Funds	2009 Tax Notes Fund	2010 CO Bond Fund	CIP Park Development Fund	Road Improvement Fund	Total Nonmajor Governmental Funds
\$ -	\$ 168,517	\$ 168,517	\$ -	\$ -	\$ -	\$ -	\$ 168,517
95,553	-	98,519	-	-	-	-	98,519
-	-	60,581	-	-	-	-	60,581
-	-	-	-	-	-	163,715	163,715
-	41	41	34	17	-	413	505
204,000	-	204,000	-	-	-	-	204,000
-	-	2,090	-	-	-	-	2,090
<u>299,553</u>	<u>168,558</u>	<u>533,748</u>	<u>34</u>	<u>17</u>	<u>-</u>	<u>164,128</u>	<u>697,927</u>
4,434	-	11,566	-	-	-	-	11,566
120,856	-	122,600	-	-	-	-	122,600
5,696	110,178	115,874	-	-	-	-	115,874
20,876	-	20,876	100,700	-	68,941	1,212,507	1,403,024
<u>151,862</u>	<u>110,178</u>	<u>270,916</u>	<u>100,700</u>	<u>-</u>	<u>68,941</u>	<u>1,212,507</u>	<u>1,653,064</u>
<u>147,691</u>	<u>58,380</u>	<u>262,832</u>	<u>(100,666)</u>	<u>17</u>	<u>(68,941)</u>	<u>(1,048,379)</u>	<u>(955,137)</u>
24,387	-	24,387	-	-	-	-	24,387
(9,146)	(36,892)	(63,538)	-	(65,987)	-	-	(129,525)
<u>15,241</u>	<u>(36,892)</u>	<u>(39,151)</u>	<u>-</u>	<u>(65,987)</u>	<u>-</u>	<u>-</u>	<u>(105,138)</u>
162,932	21,488	223,681	(100,666)	(65,970)	(68,941)	(1,048,379)	(1,060,275)
<u>113,959</u>	<u>103,581</u>	<u>401,779</u>	<u>123,122</u>	<u>65,970</u>	<u>87,623</u>	<u>1,485,181</u>	<u>2,163,675</u>
<u>\$ 276,891</u>	<u>\$ 125,069</u>	<u>\$ 625,460</u>	<u>\$ 22,456</u>	<u>\$ -</u>	<u>\$ 18,682</u>	<u>\$ 436,802</u>	<u>\$ 1,103,400</u>

CITY OF KYLE
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BALANCE OCTOBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2014
AGENCY FUND				
Assets:				
Cash and Cash Equivalents	\$ 521,458	\$ 80,000	\$ 4,636	\$ 596,822
Liabilities:				
Other Noncurrent Liabilities	\$ 521,458	\$ 80,000	\$ 4,636	\$ 596,822
 TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 521,458	\$ 80,000	\$ 4,636	\$ 596,822
Liabilities:				
Other Noncurrent Liabilities	\$ 521,458	\$ 80,000	\$ 4,636	\$ 596,822

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



STATISTICAL SECTION



STATISTICAL SECTION (Unaudited)

This part of the City of Kyle, Texas' comprehensive annual financial report presents multiple years of data to provide a historical perspective for understanding the information available in the financial statements, note, disclosures, and required supplementary information and for assessing the City's overall financial condition.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain trend information to help the reader assess the City's most significant local revenue resources. Property tax, sales tax and charges for services are the largest revenue sources for governmental activities. Water and wastewater charges are the largest sources for business-type activities

Debt Capacity

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Indicators

These schedules contain economic and demographic data to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services and activities performed by the City.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial report or comprehensive annual financial report for the relevant year.

**CITY OF KYLE, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net Investment in Capital Assets	\$ 11,238,699	\$ 16,261,740	\$ 5,517,430	\$ 4,424,922	\$ 22,793,304	\$ 22,165,260	\$ 19,916,516	\$ 23,683,097	\$ 14,671,989	\$ 22,888,184
Restricted	1,490,511	1,542,012	1,412,009	1,164,038	14,885,094	7,675,097	8,732,402	9,356,577	12,634,224	11,015,147
Unrestricted	(10,941,450)	(10,921,237)	1,848,511	2,526,906	(2,145,906)	2,755,182	5,623,227	3,780,819	6,125,545	8,394,091
Total governmental activities net assets	\$ 1,787,760	\$ 6,882,515	\$ 8,777,950	\$ 8,115,866	\$ 35,532,492	\$ 32,595,539	\$ 34,272,145	\$ 36,820,493	\$ 33,431,758	\$ 42,297,422
Business-type activities:										
Net Investment in Capital Assets	\$ 11,264,001	\$ 15,135,831	\$ 19,086,953	\$ 21,821,334	\$ 46,381,859	\$ 47,161,919	\$ 47,325,520	\$ 46,132,410	\$ 47,840,753	\$ 48,085,808
Restricted	11,500,615	14,295,599	11,461,408	6,313,624	5,172,176	4,392,111	6,019,545	6,491,073	6,513,500	8,470,600
Unrestricted	5,540,042	3,089,328	2,698,333	6,430,049	6,559,611	5,509,710	2,397,371	1,490,060	3,384,379	6,520,462
Total business-type activities net assets	\$ 28,304,658	\$ 32,520,758	\$ 33,246,694	\$ 34,565,007	\$ 58,113,646	\$ 57,063,740	\$ 55,742,436	\$ 54,113,543	\$ 57,738,632	\$ 63,076,870.00
Primary government:										
Net Investment in Capital Assets	\$ 22,502,700	\$ 31,397,571	\$ 24,604,383	\$ 26,246,256	\$ 69,175,163	\$ 69,327,179	\$ 67,242,036	\$ 69,815,507	\$ 62,512,742	\$ 70,973,992
Restricted	12,991,126	15,837,611	12,873,507	7,477,662	20,057,270	12,067,208	14,751,947	15,847,650	19,147,724	9,858,328
Unrestricted	(5,401,408)	(7,831,909)	4,546,844	8,956,955	4,413,705	8,264,892	8,020,598	5,270,879	9,509,924	24,541,972
Total primary government net position	\$ 30,092,418	\$ 39,403,273	\$ 42,024,734	\$ 42,680,873	\$ 93,646,138	\$ 89,659,279	\$ 90,014,581	\$ 90,934,036	\$ 91,170,390	\$ 105,374,292

Source: Annual Financial Reports

* GASB 34 implemented 2004

* Statement of Net Assets on Audit Report

* Reported as Net Position beginning 2013

CITY OF KYLE, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities:										
General government	\$ 1,960,806	\$ 2,877,175	\$ 3,955,568	\$ 4,403,797	\$ 3,908,523	\$ 4,394,186	\$ 3,904,284	\$ 4,538,616	\$ 4,995,981	\$ 5,939,271
Public safety	1,514,895	1,824,283	2,105,733	2,980,223	3,002,585	3,551,788	3,982,409	4,282,402	4,918,997	5,052,323
Public Works	14,035,339	1,081,442	988,707	1,176,879	3,781,337	4,571,021	4,820,597	4,622,523	4,820,247	5,363,579
Transportation	N/A	N/A	N/A	N/A	11,792	14,556	-	-	-	-
Culture and Recreation/ Community services	959,297	1,427,826	1,621,687	1,537,534	1,618,947	1,613,611	1,711,714	1,873,292	2,032,591	2,095,111
Term Debt	1,474,952	917,749	687,860	1,363,409	2,648,190	2,900,787	2,735,822	2,916,954	2,194,889	2,873,587
Other Debt Service Fees	N/A	N/A	N/A	23,672	60,525	150,630	163,138	73,507	122,958	(3,842)
Total governmental activities expenses	\$ 19,945,289	\$ 8,128,475	\$ 9,359,555	\$ 11,485,514	\$ 15,031,899	\$ 17,196,579	\$ 17,317,964	\$ 18,307,294	\$ 19,085,663	\$ 21,320,029
Business-type activities:										
Water & Sewer	3,230,499	3,844,883	4,689,867	4,775,204	7,164,119	7,709,085	7,986,821	7,986,821	9,743,280	10,340,478
Total business-type activities expenses	3,230,499	3,844,883	4,689,867	4,775,204	7,164,119	7,709,085	7,986,821	7,986,821	9,743,280	10,340,478
Total primary government program expenses	\$ 23,175,788	\$ 11,973,358	\$ 14,049,422	\$ 16,260,718	\$ 22,196,018	\$ 24,905,664	\$ 25,304,785	\$ 27,740,468	\$ 28,828,943	\$ 31,660,507
PROGRAM REVENUES										
Governmental activities:										
Charges for services:	\$ 1,007,358	\$ 1,219,497	\$ 1,315,568	\$ 2,152,923	\$ 2,626,500	\$ 2,366,033	\$ 2,533,733	\$ 3,398,356	\$ 3,243,742	\$ 3,628,935
General Government	96,961	34,685	38,142	3,844	-	-	-	-	-	-
Public Safety	1,074,015	1,240,524	846,010	699,252	-	-	-	85,006	100,154	163,715
Culture and Recreation/ Community services	227,274	260,454	327,743	367,110	353,948	298,203	494,822	297,231	281,481	263,493
Operating grants and contributions	256,619	131,940	68,617	112,761	7,972	73,623	44,987	179,766	99,722	271,053
Capital grants and contributions	11,561,017	4,815,777	1,482,413	0	6,661,522	1,225,852	3,264,029	564,882	6,537,651	-
Total governmental activities program revenues	14,223,244	7,702,877	4,078,493	3,335,890	9,649,942	3,963,711	6,337,571	4,525,241	\$ 10,262,750	\$ 4,327,196
Business-type activities:										
Charges for services:	3,732,825	4,509,997	4,482,197	6,263,208	6,403,308	6,092,391	7,208,355	10,533,330	12,761,147	15,523,262
Water & Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Operating grants and contributions	7,121,087	3,743,406	1,647,156	1,256,918	3,249,687	1,117,699	1,504,003	357,518	2,660,316	1,563,847
Capital grants and contributions	10,853,912	8,253,403	6,129,353	7,520,126	9,652,995	7,210,090	8,712,358	10,890,848	15,421,463	17,087,109
Total business-type activities program revenues	\$ 25,077,156	\$ 15,956,280	\$ 10,207,846	\$ 10,856,016	\$ 19,302,937	\$ 11,173,801	\$ 15,049,929	\$ 15,416,089	\$ 25,684,213	\$ 21,414,305

Part C47 - Financial Audits

* GASB 34 implemented 2004

* Statement of Net Assets on Audit Report

* Reported as Net Position beginning 2013

CITY OF KYLE, TEXAS
CHANGES IN NET POSITION
 (Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2008	2008	2009	2010	2011	2012	2013	2014
NET (EXPENSE) REVENUES										
Governmental activities	\$ (5,722,045)	\$ (425,598)	\$ (5,281,062)	\$ (5,281,062)	\$ (5,381,957)	\$ (13,232,868)	\$ (10,980,399)	\$ (13,782,063)	\$ (8,822,913)	\$ (16,992,833)
Business-type activities	7,623,413	4,408,520	1,439,486	1,439,486	2,488,876	(498,995)	725,537	1,477,674	5,678,183	6,746,631
Total primary government net expense	1,901,368	3,982,922	(3,841,576)	(3,841,576)	(2,893,081)	(13,731,863)	(10,254,856)	(12,304,379)	(3,144,730)	(10,246,202)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property	1,787,916	2,245,943	2,672,547	2,672,547	4,740,009	6,020,859	6,198,567	7,280,721	8,013,734	8,919,432
Sales Taxes	1,194,337	1,512,432	1,916,203	1,916,203	2,641,752	2,462,043	3,160,944	3,540,287	4,008,733	4,611,401
Occupancy Tax/ Other	158,750	75,923	82,172	82,172	131,950	95,351	132,580	142,301	175,615	200,753
Franchise Taxes	272,457	369,503	382,440	382,440	636,961	701,786	764,347	912,112	973,391	1,042,212
Grants and Contributions Not Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	534	311,942	9,241,337
Miscellaneous Revenue	630,025	31,195	57,883	57,883	387,510	261,351	182,388	142,433	828,499	1,391,064
Investment Earnings	1,022,075	420,438	619,830	619,830	472,503	258,120	87,766	33,008	65,014	19,761
Transfers In (Out)	5,350,819	864,919	1,354,860	1,354,860	1,046,255	634,323	1,046,255	2,542,575	2,267,055	2,011,505
Total Governmental Activities	\$ 10,416,379	\$ 5,520,353	\$ 7,085,935	\$ 7,085,935	\$ 10,056,940	\$ 10,397,833	\$ 11,572,847	\$ 14,593,971	\$ 16,643,983	\$ 27,437,465
Business-type activities:										
Investment earnings	295,577	672,499	641,310	641,310	297,500	72,358	36,957	17,221	12,201	9,109
Miscellaneous Revenue	(630,025)	-	-	-	-	11,054	19,708	78,194	98,402	268,519
Transfers	(334,448)	(864,919)	(1,354,860)	(1,354,860)	(1,046,225)	(634,323)	(1,653,506)	(2,542,575)	(2,267,055)	(2,011,505)
Total business-type activities	(668,896)	(192,420)	(713,550)	(713,550)	(748,725)	(550,911)	(1,596,841)	(2,447,160)	(2,156,452)	(1,733,877)
Total primary government	\$ 9,747,483	\$ 5,327,933	\$ 6,372,385	\$ 6,372,385	\$ 9,308,215	\$ 9,846,922	\$ 9,976,006	\$ 12,146,811	\$ 14,487,531	\$ 25,703,588
CHANGE IN NET POSITION										
Governmental activities	(371,226)	5,094,755	1,804,873	1,804,873	4,674,983	(2,835,035)	1,226,606	811,918	(3,388,731)	10,444,631
Business-type activities	7,288,965	4,216,100	725,936	725,936	1,740,121	(1,049,906)	(871,304)	(969,486)	3,521,731	5,012,753
Total primary government	\$ 6,917,739	\$ 9,310,855	\$ 2,530,809	\$ 2,530,809	\$ 6,415,104	\$ (3,884,941)	\$ 355,302	\$ (157,568)	\$ 133,000	\$ 15,457,385

* GASB 34 implemented 2004

* Statement of Activities - Audit Report

* Reported as Net Position beginning 2013

**CITY OF KYLE, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	84,940	84,940	-	-	-	-	-	-	-	1,543
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,149,094	3,889,862	2,864,378	3,117,139	3,215,956	2,395,901	2,987,923	4,499,032	6,042,113	9,197,439
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	3,234,034	3,974,802	2,864,378	3,117,139	3,215,956	2,395,901	2,987,923	4,499,032	6,042,113	9,198,982
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	123,963	473,496	560,561	716,698	-	-	8,732,402	9,068,035	10,470,548	9,911,757
Committed	-	-	-	-	-	-	-	-	-	-
Assigned, reported in:										
Special revenue funds	1,648,329	1,304,399	9,595,402	617,224	247,978	(457,142)	-	-	2,163,676	1,103,400
Capital projects funds	1,626,334	(484,867)	(825,133)	13,728,465	14,885,084	7,463,344	-	-	-	-
Debt service funds	-	-	-	-	(10,863)	211,753	-	288,540	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,398,626	\$ 1,293,028	\$ 9,330,830	\$ 15,062,387	\$ 15,122,199	\$ 7,217,955	\$ 8,732,402	\$ 9,356,575	\$ 12,634,224	\$ 11,015,157

CITY OF KYLE, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	\$ 3,402,780	\$ 4,192,078	\$ 5,042,524	\$ 5,914,126	\$ 8,180,272	\$ 9,324,804	\$ 10,256,438	\$ 11,875,421	\$ 13,171,473	\$ 14,773,798
Licenses and permits	989,089	1,239,221	843,800	661,828	535,815	385,522	433,095	490,914	658,889	1,133,789
Charges for services	936,087	1,010,607	1,202,839	1,600,513	1,532,085	1,672,470	2,080,721	2,526,263	2,877,317	3,057,051
Fines	480,432	505,332	480,824	923,903	912,548	606,244	514,739	708,864	708,003	900,574
Intergovernmental	150,697	126,042	57,793	112,761	666,474	47,301	1,668,149	438,887	-	-
Claims and Reimbursements	-	-	-	-	183,319	-	-	-	-	-
Impact Fees	434,006	1,115,612	687,017	37,424	-	-	-	-	-	-
Investment Earnings	285,259	420,438	619,830	618,253	472,503	258,120	87,766	33,008	65,014	19,761
Rents and Royalties	-	-	-	-	-	55,964	103,230	77,020	10,170	9,541
Contributions	104,704	5,039	202,762	-	150	26,322	26,900	354,746	196,974	270,600
Grants	-	-	-	-	-	-	-	-	154,391	271,054
Special Assessments	-	-	-	-	-	-	-	85,005	100,154	163,715
Other revenues	7,687	32,054	57,883	243,893	204,197	205,387	79,158	34,960	99,343	182,537
Total revenues	6,790,741	8,646,423	9,195,272	10,112,701	12,687,363	12,582,134	15,250,196	16,625,088	18,041,728	20,782,420
EXPENDITURES										
General government	1,919,184	2,504,147	3,978,837	4,237,304	3,833,254	4,128,677	3,483,039	4,164,638	4,625,183	4,775,580
Public Safety	1,456,469	1,734,290	2,019,279	2,460,281	2,844,383	3,381,478	3,747,172	4,032,622	4,585,521	4,688,313
Public Works	13,772,340	825,582	907,296	1,176,879	2,052,671	2,277,370	2,309,052	2,078,689	2,271,857	2,516,122
Planning	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	11,792	14,556	-	-	-	-
Culture and Recreation	878,591	1,358,450	1,264,682	1,427,982	1,481,231	1,469,421	1,529,912	1,652,530	1,635,161	1,759,972
Other - Non Departmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	764,177	3,629,801	4,454,382	14,955,670	5,100,327	7,442,027	4,363,776	1,818,360	2,444,921	3,824,684
Debt service	-	-	-	-	-	-	-	-	-	-
Interest	1,540,279	353,903	601,591	1,556,971	2,739,522	2,225,634	2,275,777	2,439,260	2,214,346	2,907,943
Principal	455,000	470,000	485,000	1,093,894	1,605,688	2,145,000	2,390,000	2,630,000	3,045,000	2,735,000
Other Fees	-	-	-	882,995	2,071	85,300	1,990	3,000	494,036	(3,842)
Total expenditures	\$ 20,786,040	\$ 10,876,173	\$ 13,711,067	\$ 27,791,976	\$ 19,670,939	\$ 23,169,463	\$ 20,100,718	\$ 18,819,099	\$ 21,316,025	\$ 23,203,772

**CITY OF KYLE, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (13,995,299)	\$ (2,229,750)	\$ (4,515,795)	\$ (17,679,275)	\$ (6,983,582)	\$ (10,587,329)	\$ (4,850,522)	\$ (2,194,011)	\$ (3,274,297)	\$ (2,421,351)
OTHER FINANCING SOURCES (USES)										
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Bond sales	14,000,000	-	9,910,000	22,800,000	5,600,000	-	4,290,000	-	19,240,000	1,875,000
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	-
Premium or Discount on debt issued	-	-	87,661	25,604	-	-	-	-	511,683	72,641
Payment to refunded bond escrow agen	-	-	-	-	-	-	-	-	-	-
Transfers in	889,935	875,534	2,093,271	2,806,506	2,009,695	3,673,032	3,108,550	3,573,832	3,854,840	4,429,076
Transfers out	(259,910)	(10,615)	738,411	(932,556)	(963,440)	(1,212,128)	(1,455,044)	(1,031,257)	(1,587,765)	(2,417,571)
Other (Uses)	-	-	-	-	-	-	-	-	(13,923,709)	-
Total other financing sources (uses)	14,630,025	864,919	11,352,521	24,699,554	6,646,255	2,460,904	5,943,506	2,542,575	8,095,029	3,959,146
NET CHANGES IN FUND BALANCES	\$ 634,726	\$ (1,364,831)	\$ 6,836,726	\$ 7,020,279	\$ (337,327)	\$ (8,126,425)	\$ 1,092,984	\$ 348,564	\$ 4,820,732	\$ 1,537,795
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	10%	11%	12%	28%	30%	28%	30%	30%	30%	26%

CITY OF KYLE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR	Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Collected
2004	N/A	N/A	N/A	\$ 302,600,981	\$ 0.319000	\$ 965,297
2005	\$ 614,051,580	\$ 20,820,450	\$ 30,384,390	\$ 604,487,640	\$ 0.287100	\$ 1,735,484
2006	\$ 794,837,155	\$ 23,480,984	\$ 36,063,458	\$ 782,254,681	\$ 0.277700	\$ 2,172,321
2007	\$ 905,927,940	\$ 30,486,826	\$ 38,234,100	\$ 898,180,666	\$ 0.272400	\$ 2,446,644
2008	\$ 1,118,790,278	\$ 37,347,727	\$ 57,621,607	\$ 1,079,609,015	\$ 0.270700	\$ 2,922,502
2009	\$ 1,289,040,523	\$ 54,271,922	\$ 81,818,725	\$ 1,240,437,167	\$ 0.373100	\$ 4,628,071
2010	\$ 1,360,483,304	\$ 45,995,398	\$ 119,010,849	\$ 1,287,467,853	\$ 0.424000	\$ 5,458,864
2011	\$ 1,453,209,263	\$ 90,011,627	\$ 196,362,851	\$ 1,346,858,039	\$ 0.415399	\$ 5,594,835
2012	\$ 1,485,776,573	\$ 92,074,324	\$ 194,548,307	\$ 1,383,302,590	\$ 0.484500	\$ 6,702,101
2013	\$ 1,561,358,772	\$ 96,042,503	\$ 224,334,342	\$ 1,433,066,933	\$ 0.524400	\$ 7,515,003
2014	\$ 1,628,227,793	\$ 99,641,364	\$ 227,393,506	\$ 1,500,475,651	\$ 0.548300	\$ 8,227,108

Source: Hays County Appraisal District/ Assessment Roll Grand Totals Approved; City of Kyle Financial Services Department

**CITY OF KYLE, TEXAS
WATER UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential (5/8" and 3/4")		Multi-Family/ Commercial (2")		Irrigation (1 1/2")		Construction (3")	
	Base Charge	1000 gallon	Base Charge	1000 gallon	Base Charge	1000 gallon	Charge	1000 gallon
2005	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	N/A	\$ 3.12
2006	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	N/A	\$ 3.12
2007	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	N/A	\$ 3.12
2008	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	N/A	\$ 3.12
2009	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60	N/A	\$ 3.12
2010	\$ 17.75	\$ 2.35	\$ 88.73	\$ 4.24	\$ 44.36	\$ 4.95	\$ 141.96	\$ 4.24
2011	\$ 17.75	\$ 2.35	\$ 88.73	\$ 4.24	\$ 44.36	\$ 4.95	\$ 141.96	\$ 4.24
2012	\$ 23.08	\$ 3.06	\$ 115.35	\$ 5.51	\$ 57.76	\$ 6.44	\$ 184.55	\$ 5.51
2013	\$ 27.69	\$ 3.67	\$ 138.42	\$ 6.61	\$ 69.20	\$ 7.72	\$ 221.46	\$ 6.61
2014	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94

CITY OF KYLE, TEXAS
WATER UTILITY
ANNUAL BILLED AMOUNT COMPARISON
LAST TEN FISCAL YEARS

FISCAL YEAR	Residential	Commercial	Total Billed
2005	\$ 1,939,399	\$ 107,497	\$ 2,046,896
2006	\$ 1,380,895	\$ 110,317	\$ 1,491,212
2007	\$ 1,321,424	\$ 128,378	\$ 1,449,802
2008	\$ 2,534,102	\$ 692,774	\$ 3,226,876
2009	\$ 2,857,468	\$ 740,075	\$ 3,597,543
2010	\$ 2,711,226	\$ 746,337	\$ 3,457,563
2011	\$ 3,348,985	\$ 1,082,257	\$ 4,431,242
2012	\$ 4,142,899	\$ 1,321,486	\$ 5,464,385
2013	\$ 4,041,171	\$ 1,583,061	\$ 5,624,231
2014	\$ 2,683,000	\$ 1,625,286	\$ 4,308,286

CITY OF KYLE, TEXAS
WATER UTILITY
TOTAL BILLED CONSUMPTION COMPARISON
LAST TEN FISCAL YEARS
(Totals in Gallons)

FISCAL YEAR	Residential	Commercial	Total Billed Consumption
2005	7,139,762	533,979	7,673,741
2006	35,299,931	555,722	35,855,653
2007	11,430,218	625,758	12,055,976
2008	437,364,754	167,554,289	604,919,043
2009	565,634,600	195,042,170	760,676,770
2010	492,748,500	178,422,903	671,171,403
2011	540,554,250	211,750,300	752,304,550
2012	523,772,450	207,926,400	731,698,850
2013	537,766,800	206,600,100	744,366,900
2014	511,808,500	189,038,400	700,846,900

**CITY OF KYLE, TEXAS
WASTEWATER UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential		Multi-Family/ Commercial	
	Base Charge	Wastewater per 1000 gallon	Base Charge	Wastewater per 1000 gallon
2005	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60
2006	\$ 8.25	\$ 1.60	\$ 8.25	\$ 1.60
2007	\$ 9.08	\$ 1.76	\$ 9.08	\$ 1.98
2008	\$ 9.08	\$ 1.76	\$ 9.08	\$ 1.98
2009	\$ 9.08	\$ 1.76	\$ 9.08	\$ 1.98
2010	\$ 9.08	\$ 1.76	\$ 9.08	\$ 1.98
2011	\$ 10.90	\$ 2.11	\$ 10.90	\$ 2.11
2012	\$ 13.63	\$ 2.64	\$ 13.63	\$ 2.98
2013	\$ 16.35	\$ 3.17	\$ 16.35	\$ 3.57
2014	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93

**CITY OF KYLE, TEXAS
WASTEWATER UTILITY
ANNUAL BILLED AMOUNT COMPARISON
LAST TEN FISCAL YEARS**

FISCAL YEAR	Residential	Commercial	Total Billed
2005	\$ 1,762,631	\$ 83,419	\$ 1,846,050
2006	\$ 1,288,212	\$ 94,570	\$ 1,382,782
2007	\$ 1,386,736	\$ 110,492	\$ 1,497,228
2008	\$ 1,713,192	\$ 268,675	\$ 1,981,867
2009	\$ 1,912,803	\$ 223,424	\$ 2,136,227
2010	\$ 1,922,014	\$ 213,776	\$ 2,135,789
2011	\$ 2,006,249	\$ 322,319	\$ 2,328,568
2012	\$ 2,268,508	\$ 512,167	\$ 2,780,675
2013	\$ 3,164,765	\$ 615,426	\$ 3,780,191
2014	\$ 2,571,502	\$ 675,661	\$ 3,247,163

CITY OF KYLE, TEXAS
TEN LARGEST WATER CUSTOMERS
September 30, 2013

Customer	Consumption (in gallons)	Amount Billed	% of Total Consumption
KYLE CORRECTIONAL CENTER	28,981,200	\$ 230,111	4.14%
SETON MEDICAL CENTER - HAYS	14,783,900	\$ 117,384	2.11%
AZTEC VILLAGE/OAKHILL COMM.	9,665,600	\$ 76,745	1.38%
VISTA AT PLUM CREEK	8,991,300	\$ 71,391	1.28%
BLUEBONNET ESTATES	7,614,900	\$ 60,462	1.09%
SADDLECREEK APARTMENTS	5,445,700	\$ 43,239	0.78%
HCISD-LEHMAN HS	4,211,800	\$ 33,442	0.60%
HOMETOWN KYLE HOA	3,860,200	\$ 30,650	0.55%
HEB GROCERY CO.	3,260,800	\$ 25,891	0.47%
LEGEND OAKS HEALTHCARE & REHABILITATION	2,720,800	\$ 21,603	0.39%

CITY OF KYLE, TEXAS
SALES TAX COLLECTIONS BY MONTH
LAST TEN FISCAL YEARS

Fiscal Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
2005	\$ 74,336	\$ 102,325	\$ 60,264	\$ 59,616	\$ 69,632	\$ 105,392	\$ 74,903	\$ 123,354	\$ 109,019	\$ 86,750	\$ 137,925	\$ 114,103	\$ 1,117,619
2006	\$ 98,840	\$ 153,856	\$ 105,582	\$ 101,570	\$ 141,751	\$ 107,744	\$ 99,459	\$ 154,556	\$ 121,679	\$ 108,383	\$ 158,174	\$ 139,791	\$ 1,491,383
2007	\$ 123,391	\$ 149,643	\$ 131,032	\$ 117,783	\$ 151,746	\$ 116,440	\$ 140,560	\$ 185,877	\$ 146,027	\$ 146,272	\$ 219,894	\$ 162,659	\$ 1,791,324
2008	\$ 175,097	\$ 220,841	\$ 178,492	\$ 158,377	\$ 219,687	\$ 164,544	\$ 141,720	\$ 222,905	\$ 181,993	\$ 170,570	\$ 206,162	\$ 180,536	\$ 2,220,923
2009	\$ 152,824	\$ 293,362	\$ 202,720	\$ 163,713	\$ 244,361	\$ 194,190	\$ 175,689	\$ 291,357	\$ 191,341	\$ 189,912	\$ 293,591	\$ 212,424	\$ 2,605,483
2010	\$ 190,866	\$ 287,557	\$ 193,086	\$ 198,193	\$ 329,379	\$ 183,839	\$ 186,005	\$ 307,208	\$ 227,390	\$ 250,891	\$ 322,535	\$ 224,068	\$ 2,901,017
2011	\$ 216,921	\$ 333,590	\$ 216,162	\$ 226,155	\$ 377,557	\$ 199,597	\$ 179,339	\$ 316,730	\$ 257,077	\$ 249,528	\$ 380,685	\$ 202,592	\$ 3,155,933
2012	\$ 269,861	\$ 334,179	\$ 237,532	\$ 245,372	\$ 393,544	\$ 224,751	\$ 237,156	\$ 368,315	\$ 269,170	\$ 295,375	\$ 377,378	\$ 287,654	\$ 3,540,287
2013	\$ 304,269	\$ 366,291	\$ 299,073	\$ 286,436	\$ 440,059	\$ 275,360	\$ 270,778	\$ 413,730	\$ 302,670	\$ 318,477	\$ 418,723	\$ 312,867	\$ 4,008,733
2014	\$ 306,735	\$ 439,337	\$ 321,293	\$ 334,830	\$ 492,820	\$ 299,643	\$ 320,355	\$ 505,339	\$ 405,019	\$ 315,129	\$ 496,713	\$ 374,188	\$ 5,016,420

**CITY OF KYLE, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

FISCAL YEAR	City Direct Rates				Overlapping Rates							Total Direct & Overlapping Rate
	Operating	Debt Service	Total	School District	County	Special Road	Emergency Services	ACC	Plum Creek Conservation	Plum Creek Groundwater		
2005	0.149200	0.137900	0.287100	1.794500	0.392000	0.071000	0.045000	0.000000	0.017200	0.018900	2.625700	
2006	0.169700	0.108000	0.277700	1.876300	0.384400	0.071000	0.050300	0.000000	0.017200	0.017500	2.694400	
2007	0.179000	0.093400	0.272400	1.778000	0.037900	0.071000	0.077000	0.000000	0.017800	0.018000	2.272100	
2008	0.120000	0.150700	0.270700	1.461300	0.371400	0.086000	0.077000	0.000000	0.018000	0.018000	2.302400	
2009	0.173100	0.200000	0.373100	1.461300	0.374900	0.080100	0.085000	0.000000	0.019500	0.095000	2.488900	
2010	0.183000	0.241000	0.424000	1.461300	0.418100	0.051100	0.092500	0.000000	0.018500	0.018500	2.484000	
2011	0.216073	0.199326	0.425399	1.461300	0.424800	0.044400	0.095300	0.094800	0.020000	0.020000	2.585999	
2012	0.236100	0.248400	0.484500	1.461300	0.425100	0.044000	0.100000	0.094800	0.020000	0.020000	2.649700	
2013	0.270000	0.254400	0.524400	1.461300	0.425200	0.043800	0.100000	0.094900	0.022000	0.022000	2.693600	
2014	0.270300	0.278000	0.548300	1.537700	0.425200	0.043800	0.100000	0.094200	0.220000	0.022000	2.991200	

**CITY OF KYLE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FIVE YEARS AGO**

2014		Percentage of
Taxpayer	Taxable Assessed Value	Total City Taxable Assessed Value
SETTLEMENT BRES LLC &	\$ 26,990,410	1.88%
DDR DB KYLE LP	\$ 22,377,600	1.56%
COLE MT KYLE TX LLC	\$ 21,447,380	1.50%
SCC KYLE PARTNERS LTD	\$ 13,889,650	0.97%
AOH- VANTAGE AT PLUM CREEK LLC	\$ 8,369,481	0.58%
TARGET CORPORATION	\$ 7,945,510	0.55%
LOWE'S HOME CENTERS INC	\$ 7,614,450	0.53%
BREMNER, DUKE	\$ 7,179,411	0.50%
TST KYLE MOB LLC	\$ 5,829,970	0.41%
KOHL'S ILLINOIS INC	\$ 5,814,390	0.41%
Total	<u>\$ 127,458,252</u>	<u>8.89%</u>
2009		Percentage of
Taxpayer	Taxable Assessed Value	Total City Taxable Assessed Value
KYLE MARKETPLACE LTD	\$ 20,163,910	1.84%
DDR DB KYLE LP	\$ 16,020,500	1.46%
SCC KYLE PARTNERS LTD	\$ 14,678,800	1.34%
LOWE'S HOME CENTERS INC	\$ 8,611,470	0.78%
HEB FOOD STORE #014	\$ 7,810,217	0.71%
HD DEVELOPMENT PROPERTIES LP	\$ 6,945,520	0.63%
KOHL'S ILLINOIS INC	\$ 5,362,970	0.49%
HOME DEPOT	\$ 4,924,452	0.45%
STERLING/BABCOKCK & BROWN LP	\$ 3,589,260	0.33%
PLUM CREEK DEVELOPMENT PARTNERS LTD	\$ 3,372,900	0.31%
Total	<u>\$ 91,479,999</u>	<u>8.47%</u>

CITY OF KYLE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Taxes Levied for the Fiscal year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 1,736,772.10	\$ 1,691,691.74	97.40%	\$ 37,724.69	\$ 1,729,416.43	99.58%
2006	\$ 2,175,118.49	\$ 2,138,652.20	98.32%	\$ 34,472.31	\$ 2,173,124.51	99.91%
2007	\$ 2,540,651.14	\$ 2,501,095.92	98.44%	\$ 37,369.89	\$ 2,538,465.81	99.91%
2008	\$ 2,972,355.89	\$ 2,936,623.44	98.80%	\$ 32,265.29	\$ 2,968,888.73	99.88%
2009	\$ 4,706,354.87	\$ 4,659,479.95	99.00%	\$ 40,185.28	\$ 4,699,665.23	99.86%
2010	\$ 5,657,998.02	\$ 5,602,149.59	99.01%	\$ 48,000.85	\$ 5,650,150.44	99.86%
2011	\$ 5,782,063.25	\$ 5,728,465.59	99.07%	\$ 42,067.15	\$ 5,770,532.74	99.80%
2012	\$ 6,928,118.28	\$ 6,881,454.44	99.33%	\$ 23,851.83	\$ 6,905,306.27	99.67%
2013	\$ 7,710,301.90	\$ 7,614,186.51	98.75%	\$ 7,733.64	\$ 7,621,920.15	98.85%
2014	\$ 8,468,076.05	\$ 8,418,435.10	99.41%	\$ 0.00	\$ 8,418,435.10	99.41%

Source: City of Kyle Internal Reports

Note: Subsequent years includes penalties

**CITY OF KYLE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Certificates of Obligation		Governmental Activities			State Infrastructure			Deferred Interest Payable		Business-type Activities			Total	
		General Obligation Bonds	Capital Leases	State Infrastructure Loan	Deferred Interest Payable	Capital Leases	Capital Leases	Compensated Absences	Capital Leases	Compensated Absences	Total Government	Per Capita			
2005	\$ 8,205,000	\$ 95,000	\$ -	\$ 14,000,000	\$ -	\$ -	\$ 2,432,560	\$ -	\$ -	\$ -	\$ 24,732,560	\$ 1,950.36			
2006	\$ 7,755,000	\$ 75,000	\$ -	\$ 14,000,000	\$ 637,000	\$ -	\$ 2,366,017	\$ 8,396	\$ -	\$ -	\$ 24,941,448	\$ 1,652.85			
2007	\$ 17,287,661	\$ 55,000	\$ -	\$ 14,000,000	\$ 826,276	\$ -	\$ 2,294,316	\$ 8,396	\$ -	\$ -	\$ 34,587,892	\$ 1,926.04			
2008	\$ 39,628,882	\$ 30,000	\$ -	\$ 13,446,441	\$ 790,941	\$ -	\$ 3,850,775	\$ 12,851	\$ -	\$ -	\$ 57,911,980	\$ 2,709.97			
2009	\$ 44,263,475	\$ -	\$ -	\$ 12,867,693	\$ 754,001	\$ -	\$ 3,704,028	\$ 29,232	\$ -	\$ -	\$ 61,589,197	\$ 2,421.91			
2010	\$ 41,073,068	\$ 15,290,000	\$ -	\$ 11,000,000	\$ 175,300	\$ -	\$ 3,548,230	\$ 66,792	\$ -	\$ -	\$ 71,086,598	\$ 2,537.36			
2011	\$ 40,105,425	\$ 18,430,000	\$ -	\$ 11,000,000	\$ 642,000	\$ -	\$ 3,259,467	\$ 78,799	\$ -	\$ -	\$ 73,437,692	\$ 1,838.15			
2012	\$ 37,885,750	\$ 18,010,000	\$ 93,950	\$ 11,000,000	\$ 1,130,169	\$ -	\$ 2,952,895	\$ 93,124	\$ -	\$ -	\$ 71,165,888	\$ 2,099.29			
2013	\$ 33,890,000	\$ 36,660,000	\$ 44,865	\$ -	\$ -	\$ -	\$ 2,952,895	\$ 64,514	\$ -	\$ -	\$ 73,612,274	\$ 2,165.07			
2014	\$ 34,150,000	\$ 35,540,000	\$ -	\$ -	\$ -	\$ -	\$ 2,850,115	\$ -	\$ -	\$ -	\$ 72,540,115	\$ 2,133.53			

Note: Certificates of Obligation Premium On Bond Issuance are combined
Source: Notes to Financial Statements - Long Term Debt

CITY OF KYLE, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding		
	Gross Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2005	\$ 5,970,000	0.99%	\$ 470.78
2006	\$ 5,625,050	0.72%	\$ 372.77
2007	\$ 19,095,853	2.13%	\$ 1,063.36
2008	\$ 53,237,400	4.93%	\$ 2,491.22
2009	\$ 60,921,157	4.91%	\$ 2,395.64
2010	\$ 61,860,798	4.80%	\$ 2,208.05
2011	\$ 70,837,951	5.26%	\$ 2,299.93
2012	\$ 68,207,951	4.93%	\$ 2,012.03
2013	\$ 70,550,000	4.92%	\$ 2,075.00
2014	\$ 69,690,000	4.86%	\$ 2,049.71

**CITY OF KYLE, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$	1,500,475,651
Debt limit (6% of assessed value)	\$	90,028,539
Debt applicable to limit:		
Total Bonded Debt	\$	69,690,000
Less: Amount set aside for repayment of general obligation debt	\$	1,430,000
Total net debt applicable to limit	\$	68,260,000
Legal debt margin	\$	21,768,539

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 36,269,258	\$ 46,935,281	\$ 53,890,840	\$65,910,984	\$ 75,689,623	\$ 77,248,071	\$ 80,811,482	\$ 82,998,155	\$ 85,984,016	\$ 90,028,539
Net Debt Applicable to Limit	\$ 8,300,000	\$ 7,830,000	\$ 17,342,661	\$39,658,882	\$ 44,262,475	\$ 56,363,068	\$ 58,535,425	\$ 55,895,750	\$ 70,082,849	\$ 68,260,000
Legal Debt Margin	\$ 27,969,258	\$ 39,105,281	\$ 36,548,179	\$26,252,102	\$ 31,427,148	\$ 20,885,003	\$ 22,276,057	\$ 27,102,405	\$ 15,901,167	\$ 21,768,539

Net Debt as a % of Debt Limit 23% 17% 32% 60% 58% 73% 72% 67% 82% 76%

Note: Assessed Value is City Limits only. TIRZ not included. The City adopted a formal Debt Management Policy in FY 2010.

Source: Debt Service Fund Balance Sheet (Governmental Funds Balance Sheet)
Gross Bonded Debt
Assessed Value - Taxable Value

CITY OF KYLE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Average Household Income</u>	<u>Unemployment Rate</u>
2005	12,681	\$ 59,817	3.8%
2006	15,090	\$ 61,133	3.5%
2007	17,958	\$ 62,478	3.2%
2008	21,370	\$ 63,852	3.9%
2009	25,430	\$ 65,257	5.3%
2010	28,016	\$ 65,100	5.5%
2011	30,800	\$ 65,100	5.3%
2012	33,900	\$ 65,100	4.9%
2013	34,000	\$ 65,100	4.2%
2014	38,297	\$ 71,063	5.4%

Sources: Unemployment Rates: <http://www.tracer2.com/cgi/dataAnalysis/LabForceReport.ε>
Population: https://www.census.gov/popest/data/cities/totals/2013/files/SUB-EST2013_48.csv

**CITY OF KYLE, TEXAS
PRINCIPAL EMPLOYERS
CURRENT**

Employer	2014	
	Employees	Percentage of Total City Employment
Hays County Independent School District	2,383	17.48%
Seton Medical Center Hays	582	4.27%
HEB Plus*	400	2.93%
City of Kyle	153	1.12%
Kyle Correctional Facility	151	1.11%
Younicos	119	0.87%
Lowes*	108	0.79%
Home Depot*	100	0.73%
Target	81	0.59%
Austin Community College at Hays	80	0.59%
Kohl's	69	0.51%
Construction Metal Products	52	0.38%
RSI, Inc	45	0.33%
Total	<u>4,323</u>	<u>32%</u>
Total Employed within Kyle, Texas	13,633	

* Employer Counts are from 2012 CAFR. Current Counts not available.

CITY OF KYLE, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	8.83	8.83	8.33	8.00	8.00	7.00	6.00	5.00	5.00	5.00
Human Resources	0.00	0.00	0.00	0.00	2.00	2.75	2.75	3.50	3.50	3.50
Finance	2.00	3.00	3.00	3.00	4.00	4.00	5.50	5.50	5.50	6.50
Municipal Court	2.50	2.50	3.50	3.50	3.50	3.50	4.00	4.50	4.50	4.50
IT	0.00	0.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00
Planning	0.00	0.00	1.00	2.50	4.50	3.00	3.00	3.00	3.00	3.00
Economic Development	0.00	0.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Building	8.00	8.00	8.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Street Department	11.67	11.67	4.67	4.00	6.35	7.35	6.00	6.75	6.00	6.00
Police										
Administration	5.00	5.00	6.00	6.00	9.00	9.00	12.00	12.00	14.50	14.50
Operations	22.00	22.00	22.00	27.00	33.00	37.00	35.50	38.00	38.50	38.50
Public Works										
Administration	0.00	3.00	1.67	0.00	8.65	9.65	8.75	8.25	8.25	8.00
Water	0.00	3.00	5.00	9.00	5.00	7.00	14.00	14.50	12.50	12.50
Wastewater	0.00	2.00	2.00	4.00	6.00	7.00	5.00	5.50	5.50	5.50
Engineering	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.50
Parks and Recreation										
Administration	2.00	5.00	5.00	0.00	3.00	3.00	5.00	4.00	4.00	4.50
Parks Maintenance	7.00	4.00	6.00	10.00	10.50	12.00	12.00	12.00	12.00	12.00
Facilities Maintenance	0.00	0.00	4.00	5.00	3.00	3.00	3.50	4.00	4.00	4.00
Library	4.50	4.50	5.00	5.00	6.00	7.00	8.00	7.00	7.00	7.00
Utility Billing	0.00	0.00	0.00	4.00	4.00	5.00	5.00	5.00	7.00	7.00
Total	73.50	82.50	87.17	100.00	127.50	138.25	147.00	150.50	152.75	153.50

Part C - Financial Audits

CITY OF KYLE, TEXAS
OPERATING INDICATORS BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS

Function Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building permits issued	975	961	653	534	328	431	289	244	324	372
Police										
Violations	6,539	5,856	3,672	3,130	3,640	4,709	4,360	6,961	8,670	10,111
Citations	4,891	4,452	2,803	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Public Works										
Street resurfacing (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	672	718	926	1,053
Street Sweeping - Miles	N/A	N/A	N/A	574	4,037	2,623	2,613	343	1,898	1,970
Parks and Recreation										
Facility Rental Bookings (Guests)	16,444	18,281	18,992	26,375	28,902	13,786	15,512	42,791	36,092	45,602
Summer Camp	1,100	1,215	1,881	1,964	1,652	3,255	6,105	5,275	5,500	5,800
Pool (patron count)	32,749	29,837	17,283	33,909	36,508	30,254	32,078	36,511	37,000	37,000
Library										
Circulation Count	31,143	36,744	39,233	50,103	86,611	99,129	100,121	125,715	144,904	145,000
Patron Count	47,349	52,658	42,342	83,627	81,019	95,371	91,207	119,194	126,824	112,000
Library Cards Issued	1,616	1,657	1,912	1,974	2,021	1,799	1,746	3,730	2,218	200
Water										
New Connections	2,673	3,109	2,929	2,478	2,272	2,007	1,900	2,188	2,402	2,773
Water leaks	N/A	N/A	61	82	88	70	117	80	91	126
Average Daily Consumption (millions of gallons)	1,6414	1,7579	1,7221	2,1575	N/A	2,0891	1,6391	2,1225	2,443	1,9200
Wastewater										
Average Daily Sewage Treatment (millions of gallons)	1,4742	1,6102	1,3748	1,5012	N/A	1,5626	2,2684	1,7207	1,838	1,6950

Part C47 - Financial Audits

Source: City of Kyle
 Departmental Reports, City of Kyle

Note: New Connections are by Calendar Year not Fiscal Year

CITY OF KYLE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations/ Sub-Stations	1	1	1	1	1	1	1	1	1	2
Patrol Units	7	11	12	16	17	18	24	29	27	27
Fire										
Stations	1	1	1	1	1	1	2	2	2	2
Parks and Recreation										
Acreage	119	191	283	355	412	462	466	466	569	577
Streets										
Streets - Linear Feet	499,556	526,073	541,873	567,888	576,448	580,748	591,248	595,248	610,518	623,170
Water										
Fire Hydrants	636	698	750	783	829	833	847	859	891	905
New Water Lines - Linear Feet	31,932	37,730	28,730	15,084	35,592	7,142	2,653	1,894	6,703	9,963
Ground Water Storage	3	4	4	6	8	8	8	8	8	8
Elevated Water Storage	N/A	4	4	5	5	6	6	6	6	6
Wastewater										
New Wastewater Lines - Linear Ft	31,195	32,150	14,059	20,737	19,574	7,770	3,890	1,555	20,059	13,286
Storm Sewers (miles)	24,589	24,227	1,721	29,369	38,948	2,945	3,937	423	14,245	7,334
Lift Stations	N/A	11	11	10	10	10	10	9	9	9
Treatment Capacity (millions of gallons)	N/A	N/A	N/A	N/A	3	3	3	3	3	3

CITY OF SAN MARCOS
FY 2013-14 FINANCIAL AUDIT

CITY OF SAN MARCOS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED
SEPTEMBER 30, 2014

Issued by the
City of San Marcos
Finance Department

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C O N T E N T S

	<u>PAGE NUMBER</u>
<u>INTRODUCTORY SECTION</u>	
Principal Public Officials	ix
GFOA Certificate of Achievement	x
Letter of Transmittal	xi
Organization Chart	xix
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	3
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Notes to Basic Financial Statements	23
Required Supplementary Information	
Required Supplementary Information – Texas Municipal Retirement System – Schedule of Funding Progress	52
Required Supplementary Information – Schedule of Funding Progress for Retiree Health Plans for the Employees of the City of San Marcos, Texas	53

C O N T E N T S

	<u>PAGE NUMBER</u>
<u>FINANCIAL SECTION (CONTINUED)</u>	
Combining and Individual Fund Statements and Schedules	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	59
Nonmajor Governmental Funds	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Development Block Grant	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Public Education	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Police Grant	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – WIC Project	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel Occupancy	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Municipal Court Technology	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Seized Assets	81
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Municipal Court Security Fee	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Juvenile Case Manager Fee	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – TIRZ #2	84

C O N T E N T S

<u>FINANCIAL SECTION (CONTINUED)</u>	<u>TABLE</u>	<u>PAGE NUMBER</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – TIRZ #3		85
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – TIRZ #5		86
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Miscellaneous Grants		87
 Nonmajor Enterprise Funds		
Combining Statement of Net Position		89
Combining Statement of Revenues, Expenses and Changes in Fund Net Position		90
Combining Statement of Cash Flows		91
 <u>STATISTICAL SECTION (UNAUDITED)</u>		
Net Position, by Component	1	94
Changes in Net Position	2	95
Fund Balances, Governmental Funds	3	97
Changes in Fund Balance, Governmental Funds	4	98
Assessed Value and Estimated Actual Value of Taxable Property	5	100
Electric Utility Rate Comparison	6	101
Total Average kWh Per Year Comparison	7	102
Total kWh Per Year Comparison	8	103
Ten Largest Electric Customers	9	104
Direct and Overlapping Property Tax Rates	10	105
Principal Property Taxpayers	11	106
Property Tax Levies and Collections	12	107
Top Ten Water Customers	13	108
Water/Wastewater Customer Counts	14	109
Water and Sewer Rates	15	110
Ratios of Outstanding Debt by Type	16	112
Ratios of Net General Bonded Debt Outstanding	17	113

C O N T E N T S

	<u>TABLE</u>	<u>PAGE NUMBER</u>
<u>STATISTICAL SECTION (UNAUDITED) (CONTINUED)</u>		
Direct and Overlapping Governmental Activities Debt	18	114
Legal Debt Margin Information	19	116
Pledged Revenue Coverage	20	118
Demographic and Economic Statistics	21	119
Principal Employers	22	120
Full-Time Equivalent City Government Employees	23	121
Operating Indicators by Function/Program	24	122
Capital Asset Statistics by Function/Program	25	123

INTRODUCTORY SECTION

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CITY OF SAN MARCOS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2014

CITY COUNCIL

Daniel Guerrero – Mayor

Lisa Prewitt – Place 1

Jude Prather – Place 2

John Thomaides – Place 3

Jane Hughson – Place 4

Ryan Thomason – Place 5

Shane Scott – Place 6

ADMINISTRATION

Jared Miller – City Manager
Collette Jamison – Assistant City Manager
Steve Parker – Assistant City Manager/CFO

Heather Hurlbert – Director of Finance

Presented by
The Finance Department



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of San Marcos
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO



Transmittal Letter

For the Fiscal Year
Ended
September 30,
2014

City of San Marcos
San Marcos,
Texas

April 21, 2015

To the Honorable Mayor, Members of the City Council,
And Citizens of the City of San Marcos, Texas:

The Finance Department and City Manager's office are pleased to submit the Comprehensive Annual Financial Report (the CAFR) of the City of San Marcos, Texas (the City) for the fiscal year ended September 30, 2014. This report is submitted in accordance with Section 3.16 of the City Charter. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and have been audited by independent auditors in accordance with generally accepted auditing standards. ABIP, P.C., have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2014. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

The CAFR includes all funds of the City. The City provides a full range of services, which include police and fire protection; construction and maintenance of streets and other infrastructure; recreational activities and cultural events. In addition to general government activities, the City also provides electric, water, wastewater, storm water drainage, solid waste, WIC, and airport services which are included in the reporting entity.

Management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a comprehensive framework of internal control that it established for this purpose. Because the cost of internal controls should not outweigh their anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. The disclosures included in this report are intended to provide the reader a good understanding of the City's financial activities.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit report.

CITY OF SAN MARCOS PROFILE

San Marcos is located on the IH-35 corridor 15 miles south of Austin and 30 miles north of San Antonio. The greater San Marcos region is situated between two of the fastest growing MSAs (Metropolitan Statistical Area) in the United States. The City has a 2010 census population of 44,894 with a daytime service population of 66,116. The City covers a total of 32.21 square miles within its city limits.

The City operates under a council-manager form of government as provided by its Charter. The Mayor and six City Council members are elected “at large” on a non-partisan ballot. All members of the City Council, except the Mayor, are elected to staggered three-year terms. The Mayor is elected for a two-year term. The City Council appoints the City Manager, City Clerk, City Attorney, and Municipal Court Judge. The City Council also appoints members to certain boards, committees and commissions, as it deems necessary for the operation of the City.

The City Manager is the chief executive officer for the City and has full responsibility for carrying out Council policies and administering City operations, including hiring department Directors and all other City employees. City service departments provide a full range of services including police and fire protection, health and social services, sanitation services, construction and maintenance of highways, streets and infrastructure, planning and zoning, recreational activities and cultural events, and general administrative services.

The City is the home of Texas State University which has over 36,000 enrolled students and is the 5th largest university in the state of Texas. Academically, it is composed of 10 colleges and about 50 schools and departments across multiple disciplines, including nationally recognized programs in Geography, Criminal Justice and Music. In 2011, Texas State was granted the designation of Emerging Research University with over 400 doctoral students and \$33.5 million in research spending. The university became the first in the country to offer a PhD in Materials Science, Engineering, and Commercialization and the City is home to the new Science, Technology and Advanced Research (STAR) Park which opened in 2012. This partnership between Texas State University and the City is made possible through a \$1.85 million award from the U.S. Economic Development Administration. This grant funded the construction of a state-of-the-art research and commercialization center that will serve as a technology accelerator for start-up and early-stage businesses with green and bio-technology focus.

The San Marcos River originates at San Marcos Springs, where approximately 200 springs emerge from the Edwards Aquifer, to fill Spring Lake. Archaeological research indicates that the area surrounding the springs has been inhabited for some 12,000 years. The springs provide an environment for eight federally listed endangered or threatened species. The river is a constant 72 degrees F and is used year round for recreational activities.

Economic Outlook and Financial Condition

San Marcos is ranked as the fastest growing city in the U.S. for the second year in a row and the Greater San Marcos Region is one of the fastest growing areas in the country. Texas has been ranked as the No. 1 state in the country for job growth over the past five years

Additionally, San Marcos is the oldest continually inhabited location in North America with more parkland per capita than any other city in Central Texas. Other accolades the city has received include:

- Top 4 “Charming” College Town by Better Homes and Gardens Magazine;
- 9th Most Exciting Small City in America by movoto.com;
- One of ten Most Beautiful Cities in the Country by Travel + Leisure Magazine; and
- One of the top ten cities in America for raising kids by BusinessWeek.
- One of the top Cities in America to retire by Forbes.

Tourism, retail and construction activities have continued to show sign of growth and prosperity. The City continues to benefit from other favorable conditions associated with San Marcos, including a stable, diversified economic base and a desirable location for work, destination, and living

Property Values

Current low mortgage interest rates and new residential developments within San Marcos continue to bring in residential growth and commercial development. This continuing growth contributed to the increase of taxable value on new improvements of \$140 million, or a 4.58% increase for the tax roll in FY2014 and an additional \$208 million value increase in existing valuation. The City expects this trend to continue as a result of the City's commitment to targeted economic development efforts that focus on industry segments that complement the existing business mix.

Retail Sales

The City's largest General Fund revenue source is sales tax generated from a well-balanced variety of business categories including automotive, construction, food stores, hotels/motels, department stores, retail stores, restaurants, utilities and rentals. The City of San Marcos recognized a 5.12% increase in sales tax collections in FY 2014. This increase is better than some cities in the region and in line with others. The City has seen a steady growth in sales tax revenues in recent years. The City is perhaps best known for its Outlet Malls – Premium and Tanger – which have made San Marcos a popular tourist destination in Texas. The Outlet Malls provide access to hundreds of stores in the 1.2 million square feet complex and attracts shoppers from all over the United States and internationally. The sales from the outlet mall make up 38% of the total sales tax revenue received by the City.

Employment

San Marcos enjoyed a relatively low unemployment rate in 2014 of 3%. This rate was lower than the state rate of 4% and the national rate of 6%. As a result of this low rate, San Marcos residents have greater job opportunities locally.

Tourism

Tourism is one of San Marcos' largest industries and contributes significantly to the City's economy. The City offers numerous tourist attractions, including the beautiful San Marcos River and the San Marcos Outlets which is one of Texas most visited destinations. San Marcos is known as a great destination for outdoor enthusiasts who like to standup paddle, surf the falls, bird watch or hike and bike in town trails. The City of San Marcos Conference Center hosts 98,000 guests per year. The City's soccer, softball, baseball and tennis facilities host 100,000 youth and adult participants, coaches, family members and fans. In addition to traditional sport fans, our well-kept natural area trails and rolling hills draw runners for 5K, 10-mile and half marathon races. Hotels and bed and breakfasts in the area provide more than 1,900 guest rooms with an average annual occupancy of 65%. More than 1,200 retail shops and boutiques are located throughout the City and a selection of over 175 restaurants is available. These services and facilities, complemented by the mild winter, have made San Marcos a popular vacation spot for more than fourteen million tourists.

Hotel/motel occupancy tax receipts increased 4.78% in FY2014 over the previous year – reflecting consistent growth trend. The current forecast is that tourism will continue to experience positive gains, reflected by continued increases in occupancy, available rooms and room rates. The City expects to add 500 hotel rooms over the next two years with the construction of five planned hotels.

CITY INITIATIVES

In January 2013, the San Marcos City Council held a Visioning Workshop to explore important policy issues facing the City. At that meeting, five primary strategic initiatives were developed that became City Management's guiding principles. These initiatives include:

Economic Vitality and Responsible Finances
 Quality of Life and Place
 Enhance the Image of San Marcos

Responsible Finances

Responsible Finances has been a top priority and the main focus for the past several fiscal years. During this time the City has put policies in place to ensure the City continues being financially responsible and sound.

- Creation of Self-Financed Capital Funds through various funding sources to provide a cash funding source for improvements to streets, parks, city facilities, and technology infrastructure.
- Reprioritization of the City's planned capital projects which resulted in the deferral of bond issuance in both FY 2012 and FY 2013. This created more capacity in General Fund Operations and in the FY2014 budget the tax rate was split 50/50 between debt service and operations.
- Creation of Self-Financed Capital Funds through various funding sources to provide a cash funding source for improvements to streets, parks, city facilities, and technology infrastructure. For example, through this process, the City has increased street maintenance from an annual amount of \$300,000 to over \$900,000 over the previous two fiscal years.
- Reduction in the General Fund's reliance on the Enterprise Funds' franchise fee revenue by lowering the fee from 9% of gross revenues to 7% over a period of four years. This reduction also lessens pressure on the utility rates.
- Transition of Engineering/Capital Improvements Departmental operating expenses from bond proceeds to General Fund appropriations over a six-year period. This department has also moved to using City engineers instead of consultants to manage projects.
- Creation of rate stabilization funds in both the Water/Wastewater and Electric Utility Funds. These funds will help the City alleviate future rate increases that are needed due to fluctuations in seasonal weather patterns.
- Completion and implementation of a General Fund Fee study. Many fees had not been changed in over a decade.

Water/Wastewater Rates

The City of San Marcos completed a Water\Wastewater Rate Study in FY2013 and the results showed increases in Water and Wastewater are needed over the next several years. These rate increases are primarily driven by standard operating cost increases and annual contract obligations along with plans to secure future water suppliers.

The City is continuing to explore future water supplies through the Hays County Public Utility Agency (HCPUA). This is a joint venture between San Marcos, Kyle, Buda, and some regional water corporations to firm up future water supplies through the year 2060. In 2012, the HCPUA reached a major milestone in developing a sustainable long-term water supply, they were granted a permit for

over 10,000 acre feet of underground water supply from the Gonzales Underground Water Conservation District. The City of San Marcos' share of the total construction cost related to Phase 1 of the project is \$41.3 Million and is anticipated for the year 2022. The City is still exploring water supply alternatives in hopes that this future expense can be reduced as much as possible.

Comprehensive Master Plan

The City is involved in a year-long public process to update the Comprehensive Master Plan. The Comprehensive Plan Steering Committee and Citizen's Advisory Committee along with consultants and city staff are finalizing a visionary planning document for the City of San Marcos. The purpose of this plan is to guide the growth and development in appropriate areas of the city and identify land for preservation.

The process for creation of this document has revolved around the public. The visioning process involved web-based crowd sourcing and workshops. Goal setting was the task of the Citizen's Advisory Committee. The preferred scenario that will drive this plan was derived from public input during workshops and the week-long design rodeo. Consultants were utilized for technical analysis; however their direction also came from the input from workshops and the design rodeo.

The plan is divided into six focus areas which are linked to the Vision Statements for Economic Development; Environment and Resource Protection; Land Use; Neighborhoods and Housing; Parks, Public Spaces and Facilities and Transportation. A Citizens Advisory Subcommittee has been assigned for each topic throughout the process.

Changes presented in this plan will ultimately result in a necessary revision to the Land Development Code (LDC) in order to ensure development aligns with the intent of the plan. A preferred scenario map was created during the design rodeo that illustrates locations where residents of San Marcos wish to see growth and development. The Land Use Intensity Matrix outlines general uses for the various development areas and should be utilized as a guide in updating the LDC.

Finally, the plan will recommend changes to current policy and city operations. It is recommended that Land Use Amendments only be considered twice a year and that the plan be utilized for ranking and scoring Capital Improvement Plan (CIP) projects. The CIP projects will further align the community vision and the implementation of the plan. An annual review schedule is also provided to ensure that evaluation of the plan continues.

This plan was developed with passion and clear intentions by the community the next steps of adoption and implementation are critical to create the future of San Marcos. The plan was formally adopted in April 2013.

FINANCIAL INFORMATION

Financial policies approved by the City Council guide the City's financial management in planning for the future. Sufficient resources and adequate reserve levels will protect the City in the event of revenue shortfalls or increased expenditure needs. Fiscal integrity is the cornerstone upon which the City plans, monitors, and reports its financial activities. Particular emphasis is placed on maintaining the financial stability of the City. Each fiscal year, the budget is developed with this objective. Goals for financial stability enable the City to manage revenue shortfalls and cash flows to ensure continued operations, and to provide for unforeseen contingencies without impairing the level of quality service needed to respond to the community.

Internal Controls

The Finance Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles for local governments as prescribed by GASB and the American Institute of Certified Public Accountants (AICPA). The internal controls

structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Financial Rating

The City of San Marcos had its underlying credit rating confirmed from Standard & Poor's in March 2014. The City's bond rating for Moody's Investor Service and Standard & Poor's is as follows:

	<u>Moody's Investor Service</u>	<u>Standard & Poor's</u>
General Obligation Bonds and Certificates of Obligation	A1	AA
Revenue Bonds	A1	AA

Financial Reporting

The City utilizes a computerized financial accounting system to capture all financial transactions and provide data for the preparation of this CAFR, including the audited financial statements. These statements present information on the financial position of the City and whether resources were adequate to cover the costs of providing services during the reporting period. The City's award-winning CAFR is distributed to the City Council, executive management, federal and state agencies, bond rating agencies, and financial institutions, as well as others throughout the general public.

Budgeting Process

The annual budget serves as the foundation for the City's financial planning and control. The City Council formally adopts the budget and legally allocates, or appropriates, available monies for the City's various funds. Therefore, these funds have appropriated budgets, and budget to actual information is presented. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following October 1st. The budget includes proposed expenditures and the means of financing them. A public hearing is held prior to the budget's final adoption in order to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. The ordinance sets the limit for expenditures during the fiscal year.

The expenditure appropriations in the adopted budget are by department. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. Expenditure appropriations may be amended during the year. Upon the recommendation of the City Manager, and with the approval of the City Council: (1) transfers may be made from the appropriations for contingencies to departments; (2) transfers from fund balance accounts to departments or capital improvement program accounts; and (3) transfers from capital improvement program accounts to departments. Management control of budgets is further maintained through the use of an encumbrance accounting system. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as

to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2014, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the books, accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditor's report by ABIP, PC, Certified Public Accountants, has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2013. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. That report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. This report will once again be submitted to the GFOA for this annual reward.

The City was awarded the Texas Comptroller Leadership Circle Award. This program was launched in December 2009 to recognize local governments across Texas that are striving to meet a high standard for financial transparency online. This award spotlights local governments that are opening their books to the public, providing clear, consistent pictures or spending, and sharing information in a user friendly format that lets taxpayers easily drill down for more information. The City earned the highest designation of Gold.

We are also proud to report that the GFOA has presented the Distinguished Budget Presentation Award to the City of San Marcos for each of the past 30 years.

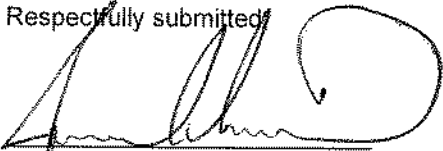
Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the members of the City Council and the citizens of the City of San Marcos for their interest and

support in planning and conducting the financial operations of the City in a responsible and progressive manner.

In conclusion, we would like to thank the City's auditing firm, ABIP, P.C., for their ongoing efforts, not only in the performance of the City's annual audit, but for their close working relationship in advising the City when questions arise throughout the year. They have been an excellent source of information for preparation of the report.

Respectfully submitted,

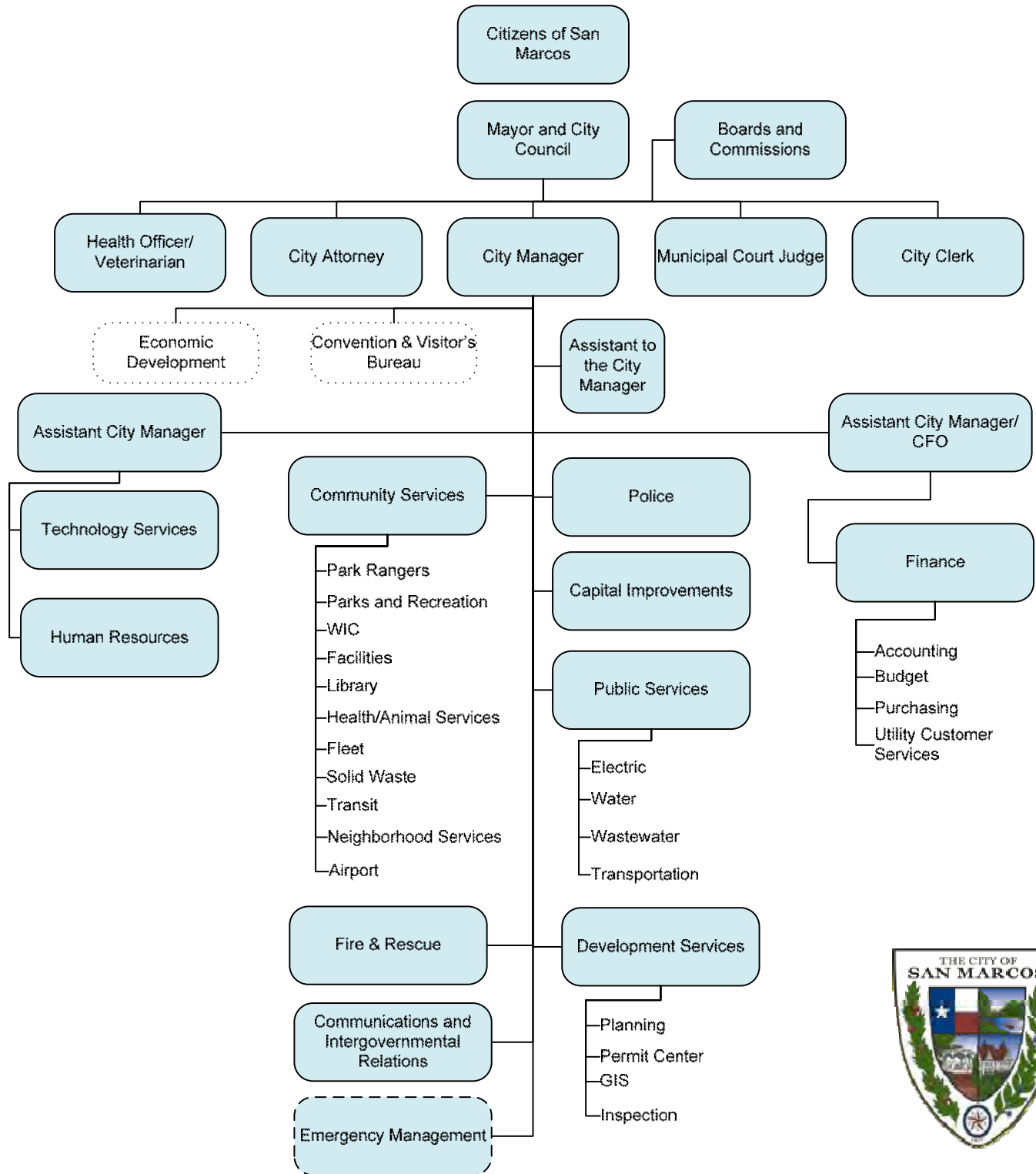


Jared Miller
City Manager



Steve Parker
Asst. City Manager/CFO

City of San Marcos 2013-14 ANNUAL BUDGET ORGANIZATION CHART



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FINANCIAL SECTION

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Independent Auditor's Report

To Honorable Mayor and
Members of the City Council
San Marcos, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of San Marcos, Texas (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Marcos, Texas as of September 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 5J and schedules of funding progress as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2015, on our consideration of the City of San Marcos, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants
San Antonio, Texas

April 21, 2015

CITY OF SAN MARCOS, TEXAS
Management's Discussion and Analysis (MD & A)

As management of the City of San Marcos, we offer readers of the City of San Marcos' financial statements this narrative overview and analysis of the financial activities for the City of San Marcos for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages xi – xviii of this report.

Financial Highlights

- The assets of the City of San Marcos exceeded its liabilities at the close of the fiscal year ending September 30, 2014, by \$254.9 million (net position). Of this amount, \$60.9 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2014, the City of San Marcos' governmental funds reported combined ending fund balances of \$50.5 million, a decrease of \$9.9 million in comparison with the prior fiscal year. The decrease was due to the use of fund balance in the debt service fund for a City cash contribution in the FY 2014 debt refunding; also use of capital project funds in ongoing project construction.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15.5 million, or 32.72% of total general fund expenditures.
- The City's total debt decreased by \$5.2 million during the current fiscal year. The City issued \$27.7 million in general obligation refunding bonds and \$13.7 in combination tax and revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of San Marcos' basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The comprehensive annual financial report (CAFR) also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, using accounting methods similar to a private-sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

The *statement of net position* and the *statement of activities* are prepared utilizing the accrual basis of accounting.

In the *statement of net position* and the *statement of activities*, the City's operations are divided into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police, fire, libraries, planning and development, transportation, parks and recreation, and general administration. Property tax, sales tax and franchise fee revenues finance most of these activities.
- **Business-type Activities** – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric, water and wastewater, airport, transit, drainage and waste collection funds are reported here.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of San Marcos, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds are more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of San Marcos maintains 21 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the CAFR.

The basic governmental fund financial statements can be found on pages 12 – 16 of this report.

Proprietary funds. The City charges customers for certain services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.

The City of San Marcos maintains six individual enterprise funds: Electric, Water and Wastewater, Airport, Transit, Drainage, and Waste Collection. The fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water and Wastewater, and Stormwater Drainage Funds, all of which are considered to be major funds of the City. Data from the other three enterprise funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in the CAFR.

The basic proprietary funds financial statements can be found on pages 17 – 20 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 – 50 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents the combining statements referred to earlier in connection with nonmajor governmental and enterprise funds, comparative information for the General Fund and budgetary information to demonstrate the City's budgetary compliance. Combining and individual fund statements and schedules can be found on pages 65 – 91 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was \$254.9 million as of September 30, 2014. Analyzing the net position and net expenses of governmental and business-type activities separately, the business-type activities net position is \$135.0 million. This analysis focuses on the net position (Table 1) and changes in net position of the City's governmental and business-type activities (Table 2).

By far, the largest portion of the City's net position (71.95%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position \$60.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of San Marcos is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

TABLE 1
CITY OF SAN MARCOS' NET POSITION

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 66,694,877	\$ 73,994,124	\$ 94,093,637	\$ 99,454,342	\$ 160,788,514	\$ 173,448,466
Capital Assets	<u>198,473,503</u>	<u>190,739,479</u>	<u>206,690,832</u>	<u>194,296,016</u>	<u>405,164,335</u>	<u>385,035,495</u>
TOTAL ASSETS	<u>265,168,380</u>	<u>264,733,603</u>	<u>300,784,469</u>	<u>293,750,358</u>	<u>565,952,849</u>	<u>558,483,961</u>
Long-Term Liabilities	126,941,945	127,880,791	146,175,771	142,080,666	273,117,716	269,961,457
Other Liabilities	<u>18,374,822</u>	<u>17,751,525</u>	<u>19,598,103</u>	<u>20,864,227</u>	<u>37,972,925</u>	<u>38,615,752</u>
TOTAL LIABILITIES	<u>145,316,767</u>	<u>145,632,316</u>	<u>165,773,874</u>	<u>162,944,893</u>	<u>311,090,641</u>	<u>308,577,209</u>
Net Position						
Net Investment in Capital Assets	94,693,282	88,391,028	88,667,413	85,172,984	183,360,695	173,564,012
Restricted	10,636,613	19,474,094	-	-	10,636,613	19,474,094
Unrestricted	<u>14,521,718</u>	<u>11,236,165</u>	<u>46,343,182</u>	<u>45,632,481</u>	<u>60,864,900</u>	<u>56,868,646</u>
TOTAL NET POSITION	<u>\$ 119,851,613</u>	<u>\$ 119,101,287</u>	<u>\$ 135,010,595</u>	<u>\$ 130,805,465</u>	<u>\$ 254,862,208</u>	<u>\$ 249,906,752</u>

Governmental activities. The City's governmental revenues increased when compared to the prior year by 6% or \$3,497,253. This increase is due to several factors including increases in sales tax revenue and building permit revenues.

The most significant governmental expense for the City was in providing for public safety, which incurred expenses of \$26.2 million. The public safety expense increase was primarily due to the funding of the second year of the meet and confirm contract entered into in 2013, routine step increases, and additional staffing.

Business-type activities. Revenues of the City's business-type activities were \$95.3 million for the fiscal year ending September 30, 2014. Expenses for the City's business-type activities were \$83.3 million for the year, resulting in a net increase in net assets of \$6.8 million. The net revenues are the result of several factors, including the following:

- The City's Water and Wastewater System recorded charges for services of \$32.7 million, which exceeded expenses of \$28.5 million. The most significant expenses of the Water and Wastewater Fund are \$7.8 million for contracted services for the operation of the surface water treatment plant, and \$3.7 million in salaries and benefits.
- The City's electric distribution system recorded charges for services of \$55.4 million, which exceeded expenses \$48.8 million. The most significant expense of the electric fund was \$38.2 million for the purchase of power.
- The increase in net position from business-type activities was primarily due to increased revenue from water, sewer, and electric sales due to the unseasonably hot and dry spring and summer weather and capital contributions of water and sewer infrastructure as new construction activity continues in the City.

Governmental and business-type activities increased the City's net position (Table 2) by \$9.5 million.

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TABLE 2
CITY OF SAN MARCOS' CHANGES IN NET POSITION

	CHANGES IN NET POSITION					
	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	ACTIVITIES		ACTIVITIES			
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues						
Charges for Services	\$ 8,882,485	\$ 9,493,513	\$ 93,968,005	\$ 84,695,472	\$ 102,850,490	\$ 94,188,985
Operating Grants and Contributions	8,738,278	6,005,044	-	-	8,738,278	6,005,044
Capital Grants and Contributions	1,054,196	1,792,500	1,117,888	1,599,863	2,172,084	3,392,363
General Revenues						
Property Taxes, Levied for General Purposes	17,493,449	16,453,797	-	-	17,493,449	16,453,797
Sales Taxes	24,020,619	22,852,364	-	-	24,020,619	22,852,364
Franchise Taxes	1,626,077	1,612,147	-	-	1,626,077	1,612,147
Hotel/Motel Taxes	2,939,387	2,805,274	-	-	2,939,387	2,805,274
Investment Earnings	95,989	331,996	187,380	160,760	283,369	492,756
Other	728,678	735,270	46,822	-	775,500	735,270
Total Revenues	<u>65,579,158</u>	<u>62,081,905</u>	<u>95,320,095</u>	<u>86,456,095</u>	<u>160,899,253</u>	<u>148,538,000</u>
EXPENSES						
General Government	22,321,387	17,295,573	-	-	22,321,387	17,295,573
Public Safety	26,179,672	24,117,348	-	-	26,179,672	24,117,348
Community Service	14,192,299	13,360,590	-	-	14,192,299	13,360,590
Interest and Fiscal Charges	5,433,836	5,932,338	-	-	5,433,836	5,932,338
Electric	-	-	48,780,157	44,265,224	48,780,157	44,265,224
Water and Sewer	-	-	28,549,309	28,152,501	28,549,309	28,152,501
Airport	-	-	948,444	895,001	948,444	895,001
Drainage	-	-	2,398,250	2,355,020	2,398,250	2,355,020
Waste Collection	-	-	2,624,743	2,421,522	2,624,743	2,421,522
Total Expenses	<u>68,127,194</u>	<u>60,705,849</u>	<u>83,300,903</u>	<u>78,089,268</u>	<u>151,428,097</u>	<u>138,795,117</u>
Increases (Decreases) in Net Position before Transfers	(2,548,036)	1,376,056	12,019,192	8,366,827	9,471,156	9,742,883
Transfers	<u>5,265,193</u>	<u>5,428,042</u>	<u>(5,265,193)</u>	<u>(5,428,042)</u>	<u>-</u>	<u>-</u>
Increase in Net Position	2,717,157	6,804,098	6,753,999	2,938,785	9,471,156	9,742,883
NET POSITION - BEGINNING, AS RESTATED	<u>117,134,456</u>	<u>112,297,189</u>	<u>128,256,596</u>	<u>127,866,680</u>	<u>245,391,052</u>	<u>240,163,869</u>
NET POSITION - ENDING	<u>\$ 119,851,613</u>	<u>\$ 119,101,287</u>	<u>\$ 135,010,595</u>	<u>\$ 130,805,465</u>	<u>\$ 254,862,208</u>	<u>\$ 249,906,752</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of San Marcos uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of San Marcos' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of San Marcos's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of San Marcos' governmental funds reported combined fund balances of \$50.5 million, a decrease of \$9.9 million in comparison with the prior year. Approximately 31.3% of this total amount constitutes unassigned fund balance, which is available for use within the City's fund designation and fiscal policies. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase prepaid expenses of the prior period, 2) to pay debt service, 3) for capital projects, 4) to generate income to pay for the perpetual care of the municipal cemetery, 5) to be used for general government, or 6) to be used for community services.

The general fund is the main operating fund of the City of San Marcos. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15.5 million, while total fund balance reached \$16 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.72% of total general fund expenditures.

In the general fund, the City budgeted for a fund balance decrease in the current year of \$2,584,667. It is one of the City's financial policies to maintain fund balance in the general fund equal to 90 days' expenditures or 25%. Even though use of fund balance of \$2,584,667 was budgeted, only \$954,112 was subtracted from fund balance at year-end. This is primarily attributable to a transfer in from the electric and water/wastewater funds and actual expenditures being less than originally budgeted. The debt service fund balance decreased by \$3,464,037 from 2013 to 2014. This decrease was primarily due to a \$3.5 million cash payment made when the debt related to the San Marcos Convention Center was refunded. The payment was possible due to tax revenue exceeding initial tax projections. Increases in the general fund, and other governmental fund balances offset by the decrease in capital projects funds of \$5.9 million due to progress on construction contributed to the net change in fund balances of \$9,937,945.

TABLE 3
GOVERNMENTAL TAX REVENUES

	<u>2014</u>	<u>2013</u>	<u>INCREASE (DECREASE)</u>
Property	\$ 16,748,644	\$ 15,271,649	\$ 1,476,995
Sales	24,020,619	22,852,364	1,168,255
Franchise	1,626,077	1,703,869	(77,792)
Hotel/Motel	2,939,387	2,805,274	134,113
Mixed Drink	<u>360,903</u>	<u>292,544</u>	<u>68,359</u>
	<u>\$ 45,695,630</u>	<u>\$ 42,925,700</u>	<u>\$ 2,769,930</u>

Other factors concerning the finances of governmental funds have already been addressed in the discussion of the City's governmental activities in the government-wide financial statements.

Proprietary funds. The City of San Marcos' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of Water and Wastewater Fund at the end of the year amounted to \$33.0 million, and those for the Electric Fund amounted to \$10.3 million. Other factors concerning the finances of these two funds have already been discussed in the discussion of the City of San Marcos' business-type activities in the government-wide financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

For FY2014, actual expenditures on a budgetary basis were \$47.4 million compared to the budget amount of \$48.5 million. The \$1.1 million positive variance was due to savings achieved through salary vacancy savings and conservative spending.

For FY2014, actual revenues on a budgetary basis were \$44.5 million as compared to the budget amount of \$44.2 million.

The City of San Marcos has a General Fund balance of \$16 million as of the fiscal year-end, compared to the budgeted fund balance of \$14.4 million. The variance in fund balance is primarily due to cost containment measures implemented by management and conservative budgetary practices and increased sales tax revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At the end of the fiscal year 2014, the City had \$405 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and wastewater lines (See Table 4). For more detailed information on capital assets, please refer to the accompanying notes pages 34 – 36.

TABLE 4
CITY OF SAN MARCOS' CAPITAL ASSETS AT YEAR-END
(Net of Accumulated Depreciation)

	<u>CAPITAL ASSETS</u> (Net of Depreciation)					
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
Land	\$ 14,438,124	\$ 14,044,667	\$ 3,096,977	\$ 3,092,657	\$ 17,535,101	\$ 17,137,324
Buildings	28,207,067	28,960,107	2,709,599	2,830,572	30,916,666	31,790,679
Improvements Other than Buildings	69,365,474	74,838,688	90,612,383	92,646,996	159,977,857	167,485,684
Equipment	7,105,216	5,195,054	2,878,312	2,410,969	9,983,528	7,606,023
Construction in Progress	55,566,786	43,633,388	107,393,561	93,314,822	162,960,347	136,948,210
Infrastructure	23,790,836	24,067,575	-	-	23,790,836	24,067,575
TOTAL CAPITAL ASSETS	<u>\$ 198,473,503</u>	<u>\$ 190,739,479</u>	<u>\$ 206,690,832</u>	<u>\$ 194,296,016</u>	<u>\$ 405,164,335</u>	<u>\$ 385,035,495</u>

Long-term Debt. At year-end, the City had \$270.4 million in general obligation bonds, combination tax and revenue certificates of obligations and revenue bonds outstanding as compared to \$275.6 million at the end of the prior fiscal year, a decrease of 1.2%. For more detailed information on long term debt, please refer to the accompanying notes on pages 38-41.

TABLE 5
CITY OF SAN MARCOS' OUTSTANDING DEBT AT YEAR-END

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 49,940,000	\$ 32,980,000	\$ -	\$ -	\$ 49,940,000	\$ 32,980,000
Discount on Bonds	(477,366)	(515,389)	(234,415)	(250,322)	(711,781)	(765,711)
Premium on Bonds	4,845,270	2,122,283	3,799,543	3,300,564	8,644,813	5,422,847
Deferred Amounts on Refundings	(3,821,649)	(1,431,750)	(4,537,678)	(4,283,219)	(8,359,327)	(5,714,969)
Certificates of Obligations	70,740,000	92,800,000	-	-	70,740,000	92,800,000
Capital Leases	468,225	321,407	359,196	-	827,421	321,407
Revenue Bonds	-	-	149,670,000	149,785,000	149,670,000	149,785,000
TOTAL DEBT	\$ 121,694,480	\$ 126,276,551	\$ 149,056,646	\$ 148,552,023	\$ 270,751,126	\$ 274,828,574

During this fiscal year, general obligation refunding totaling \$27.7 were issued to refund some previous debt issues.

The City has been upgraded to AA rating from Standard & Poor's Corporation, and its A1 rating from Moody's Investor Services on its tax supported debt. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of net tax-supported debt to assessed value of all taxable property is 2.85%.

The City sponsors an employee benefit plan that provides partially self-insured medical and self-insured dental coverage to employees and voluntary coverage to their participating dependents. The plan is designed to provide a specified level of coverage, with excess insurance coverage provided by specific and aggregate reinsurance. The City's maximum medical claim exposure is limited to \$150,000 in claims per covered person and a dental benefit of \$1,250 per covered person per year. Aggregate coverage based on a monthly enrollment limits the medical claims exposure. Claim liability was \$709,853 at September 30, 2014, compared to \$658,150 at September 30, 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic projections remain strong for San Marcos and the region. San Marcos was recognized as the fastest growing city in the United States for the second year in a row. Property tax appraisals are up 11 percent for Fiscal Year 2015 and the City is seeing indications of continued new growth for the future. General Fund revenue has increased \$10 million over the past 5 years due to strong retail and commercial growth in the City. The increases in permit and development activity, generated by new construction combined with sound financial policies, have put San Marcos in a strong financial position.

The FY2014-15 adopted budget of \$173,012,416 is an increase of \$6.3 million or 3.76% from the adopted fiscal year 2014 budget. Increases in recurring expenses are attributable to

numerous issues related to contract obligations in water and electric supply agreements, CPI adjustments to existing contracts, commitments to adopted merit increases increased health insurance costs, and additional adopted personnel as well as debt service increases. The decrease in one-time expenses is primarily related to the reduction in the transfer in capital reserves in the utility funds.

The budget provides for additional positions to support the City's growth and City Council goals including police officers, fire fighters, permit staff, information technology staff, animal shelter staff, parks and transportation/streets maintenance workers. In addition to personnel, the budget provides for increased funding for street and sidewalk maintenance, citizen satisfaction survey, increased mowing in neighborhood parks, a downtown sign and façade enhancement program, and other line item increases to support department operations.

The adopted property tax rate for 2015 is at 53.02 cents per \$100 valuation, the same as the current rate. The taxable property base increased by 11.4%, or \$3.4 billion, for 2015 budget. This budget will raise more total property tax revenue than last year's budget by \$1,848,158. The operations and maintenance tax rate will pay operations and maintenance (O&M) costs in the General Fund, producing revenues of \$10,023,342. The debt service rate is allocated to repay tax supported debt in the Debt Service Fund. The debt service revenue of \$8,098,192 will be used to pay long-term debt.

Sales taxes represent 46.41% of total General Fund revenue projected for fiscal year 2015. Sales tax receipts are the largest single revenue source supporting general governmental services in San Marcos. Consistent retail sales have kept this revenue stream steady for the past several years. Per the budget policy statement that was adopted by City Council, a conservative estimate of 3% was used to estimate the \$24,817,740 in 2015.

A Water/Wastewater Rate Study has been conducted every year for the last several years including 2014. For the 2015 budget, the CUAB recommends a 3% rate adjustment in water and a 1% rate adjustment in wastewater. The CUAB spent several months looking at the updated rate study modeling, the impacts of the newly implemented rate structure, and the long range plans on the water/wastewater utility including the effect of the Hays County Public Utility Agency (HCPUA).

Historically, the Electric Utility paid a 9% franchise fee on Gross Electric Revenue to the General Fund. A reduction from 9% to 7% over 4 years began in fiscal year 2012 and is budgeted at 7% for fiscal year 2015. For the 2015 budget, the CUAB recommends no rate adjustment. The CUAB spent several months looking at the updated rate study modeling and the results indicated that no rate adjustment was necessary in fiscal year 2015 but there is a possibility of small increases in fiscal year 2016 and 2017.

The FY2014-15 adopted budget with a healthy fund balance represents sound fiscal management and measures our capacity to sustain current and future operations. Overall, the budget will bring our fund balances to a total of \$41.9 million, or 24.2% of total expenses. The percentage in 2014 was 25.3%. The change in Fund Balance is primarily due to increased budgeted expenses and use of general fund balance in this budget year. The budget continues our commitment of maintaining appropriate fund balances while meeting City Council priorities.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the City of San Marcos, 630 East Hopkins, San Marcos, Texas 78666.

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BASIC FINANCIAL STATEMENTS

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CITY OF SAN MARCOS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 5,167,883	\$ 19,716,458	\$ 24,884,341
Investments	40,693,573	62,647,246	103,340,819
Receivables - Net of Allowances for Uncollectibles:			
Taxes	3,593,746	-	3,593,746
Accounts	4,158,919	13,086,489	17,245,408
Other	27,903	-	27,903
Due from Other Governments	1,229,322	30,714	1,260,036
Internal Balances	7,369,298	(7,369,298)	-
Inventories	377,086	1,366,794	1,743,880
Prepaid Items	255,498	77,556	333,054
Capital Assets			
Land	14,438,124	3,096,977	17,535,101
Construction in Progress	55,566,786	107,393,561	162,960,347
Buildings	36,554,153	6,369,767	42,923,920
Improvements Other than Building	102,378,027	187,028,588	289,406,615
Equipment	27,370,655	9,759,585	37,130,240
Infrastructure	35,605,632	-	35,605,632
Less: Accumulated Depreciation	<u>(73,439,874)</u>	<u>(106,957,646)</u>	<u>(180,397,520)</u>
Total Assets	<u>261,346,731</u>	<u>296,246,791</u>	<u>557,593,522</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Bond Refunding	<u>3,821,649</u>	<u>4,537,678</u>	<u>8,359,327</u>
<u>LIABILITIES</u>			
Accounts Payable	3,436,635	6,066,316	9,502,951
Accrued Liabilities	2,916,278	380,351	3,296,629
Unearned Revenues	2,876,621	-	2,876,621
Customer Deposits	27,559	3,406,028	3,433,587
Accrued Interest Payable	674,374	984,343	1,658,717
Noncurrent Liabilities			
Due Within One Year	8,443,355	8,761,065	17,204,420
Due in More than One Year	<u>126,941,945</u>	<u>146,175,771</u>	<u>273,117,716</u>
Total Liabilities	<u>145,316,767</u>	<u>165,773,874</u>	<u>311,090,641</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	94,693,282	88,667,413	183,360,695
Restricted for:			
Community Services	905,523	-	905,523
Public Safety	394,235	-	394,235
Debt Service	6,940,500	-	6,940,500
Future Convention Center	1,336,880	-	1,336,880
Park and Cemetery Trust			
Nonexpendable	1,059,475	-	1,059,475
Unrestricted	<u>14,521,718</u>	<u>46,343,182</u>	<u>60,864,900</u>
Total Net Position	<u>\$ 119,851,613</u>	<u>\$ 135,010,595</u>	<u>\$ 254,862,208</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<u>Primary Government</u>				
Governmental Activities				
General Government	\$ 22,321,387	\$ 6,009,496	\$ 5,819,356	\$ 1,054,196
Public Safety	26,179,672	1,846,293	215,425	-
Community Service	14,192,299	1,026,696	2,703,497	-
Interest and Other Fees	5,433,836	-	-	-
Total Governmental Activities	<u>68,127,194</u>	<u>8,882,485</u>	<u>8,738,278</u>	<u>1,054,196</u>
Business-Type Activities				
Electric	48,780,157	55,440,398	-	1,117,888
Water and Wastewater	28,549,309	32,720,309	-	-
Airport	948,444	292,432	-	-
Drainage	2,398,250	2,885,937	-	-
Waste Collection	<u>2,624,743</u>	<u>2,628,929</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>83,300,903</u>	<u>93,968,005</u>	<u>-</u>	<u>1,117,888</u>
TOTAL GOVERNMENT	<u>\$151,428,097</u>	<u>\$102,850,490</u>	<u>\$ 8,738,278</u>	<u>\$ 2,172,084</u>

General Revenues

Taxes:

Property Taxes
Sales Taxes
Franchise Taxes
Hotel/Motel Taxes
Other Taxes
Investment Earnings
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION - BEGINNING, AS RESTATED

NET POSITION - ENDING

(The Accompanying Notes are an Integral part of these Financial Statements)

<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u>		
<u>PRIMARY GOVERNMENT</u>		
<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-</u> <u>TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (9,438,339)	\$ -	\$ (9,438,339)
(24,117,954)	-	(24,117,954)
(10,462,106)	-	(10,462,106)
<u>(5,433,836)</u>	<u>-</u>	<u>(5,433,836)</u>
<u>(49,452,235)</u>	<u>-</u>	<u>(49,452,235)</u>
-	7,778,129	7,778,129
-	4,171,000	4,171,000
-	(656,012)	(656,012)
-	487,687	487,687
<u>-</u>	<u>4,186</u>	<u>4,186</u>
<u>-</u>	<u>11,784,990</u>	<u>11,784,990</u>
<u>(49,452,235)</u>	<u>11,784,990</u>	<u>(37,667,245)</u>
17,493,449	-	17,493,449
24,020,619	-	24,020,619
1,626,077	-	1,626,077
2,939,387	-	2,939,387
360,903	-	360,903
95,989	187,380	283,369
367,775	46,822	414,597
<u>5,265,193</u>	<u>(5,265,193)</u>	<u>-</u>
<u>52,169,392</u>	<u>(5,030,991)</u>	<u>47,138,401</u>
2,717,157	6,753,999	9,471,156
<u>117,134,456</u>	<u>128,256,596</u>	<u>245,391,052</u>
<u>\$ 119,851,613</u>	<u>\$ 135,010,595</u>	<u>\$ 254,862,208</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 37,770	\$ 588,793	\$ 51,127	\$ 3,504,401	\$ 4,182,091
Investments	10,867,683	17,284,305	10,509,183	2,032,402	40,693,573
Receivables - Net of Allowances for Uncollectibles					
Taxes, Net	2,963,803	-	391,708	238,235	3,593,746
Accounts	1,452,429	-	167,662	233,287	1,853,378
Loans	-	-	-	27,903	27,903
Due from Other Funds	10,498,151	7,877,293	1,007,786	1,170,441	20,553,671
Due from Other Governments	-	-	-	1,229,322	1,229,322
Inventories	377,086	-	-	-	377,086
Prepays	<u>130,448</u>	<u>11,483</u>	<u>-</u>	<u>113,567</u>	<u>255,498</u>
 TOTAL ASSETS	 <u>\$ 26,327,370</u>	 <u>\$ 25,761,874</u>	 <u>\$ 12,127,466</u>	 <u>\$ 8,549,558</u>	 <u>\$ 72,766,268</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,314,628	\$ 1,323,695	\$ 1,273	\$ 388,480	\$ 3,028,076
Accrued Liabilities	2,139,192	15,431	-	51,802	2,206,425
Unearned Revenue	1,622,007	-	-	1,618,556	3,240,563
Customer Deposits	25,428	-	-	2,131	27,559
Due to Other Funds	<u>4,840,959</u>	<u>693,952</u>	<u>4,804,830</u>	<u>2,681,741</u>	<u>13,021,482</u>
Total Liabilities	<u>9,942,214</u>	<u>2,033,078</u>	<u>4,806,103</u>	<u>4,742,710</u>	<u>21,524,105</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Revenue - Property Taxes	<u>363,942</u>	<u>-</u>	<u>380,863</u>	<u>-</u>	<u>744,805</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventories	377,086	-	-	-	377,086
Prepays	130,448	11,483	-	110,735	252,666
Restricted for:					
Public Safety	-	-	-	394,235	394,235
Community Services	-	-	-	2,242,403	2,242,403
Cemetery Memorial	-	-	-	1,059,475	1,059,475
Capital Projects	-	23,717,313	-	-	23,717,313
Debt Service	-	-	6,940,500	-	6,940,500
Unassigned	<u>15,513,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,513,680</u>
Total Fund Balances	<u>16,021,214</u>	<u>23,728,796</u>	<u>6,940,500</u>	<u>3,806,848</u>	<u>50,497,358</u>
 TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES	 <u>\$ 26,327,370</u>	 <u>\$ 25,761,874</u>	 <u>\$ 12,127,466</u>	 <u>\$ 8,549,558</u>	 <u>\$ 72,766,268</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
RECONCILIATION OF BALANCE SHEET –
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

<u>TOTAL FUND BALANCES – TOTAL GOVERNMENTAL FUNDS</u>	\$ 50,497,358
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position.	198,473,503
Certain other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position.	3,030,287
The assets and liabilities of the internal service fund are not included in the fund financial statement, but is included in the governmental activities of the statement of net position.	450,090
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(132,599,625)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	<u>\$119,851,613</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>					
Taxes	\$34,168,316	\$ -	\$ 8,311,002	\$ 3,216,312	\$ 45,695,630
Licenses and Permits	2,280,529	-	-	-	2,280,529
Fees and Penalties	1,323,552	-	-	107,867	1,431,419
Charges for Services	5,219,304	-	-	222,788	5,442,092
Intergovernmental	210,804	-	2,232,609	8,140,514	10,583,927
Interest on Investments	28,124	22,636	35,518	9,711	95,989
Contributions and Donations	80,000	4,121	-	-	84,121
Miscellaneous	<u>1,140,531</u>	<u>651,872</u>	<u>130,918</u>	<u>404,602</u>	<u>2,327,923</u>
Total Revenues	<u>44,451,160</u>	<u>678,629</u>	<u>10,710,047</u>	<u>12,101,794</u>	<u>67,941,630</u>
<u>EXPENDITURES</u>					
Current					
General Government	14,055,589	1,509,107	-	3,329,506	18,894,202
Public Safety	24,243,217	-	-	311,765	24,554,982
Community Service	9,111,163	-	-	4,092,868	13,204,031
Capital Outlay	-	13,807,439	-	2,836,476	16,643,915
Debt Service					
Principal	-	39,799	7,000,000	-	7,039,799
Interest and Fiscal Charges	-	15,398	5,205,778	-	5,221,176
Bond Issuance Cost	-	46,826	253,477	-	300,303
Total Expenditures	<u>47,409,969</u>	<u>15,418,569</u>	<u>12,459,255</u>	<u>10,570,615</u>	<u>85,858,408</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,958,809)</u>	<u>(14,739,940)</u>	<u>(1,749,208)</u>	<u>1,531,179</u>	<u>(17,916,778)</u>
<u>OTHER FINANCING SOURCES</u>					
Transfers In	6,025,591	2,900,356	2,136,580	458,897	11,521,424
Transfers Out	(4,051,548)	(425,462)	(171,132)	(1,608,089)	(6,256,231)
Insurance Recoveries	-	175,184	-	-	175,184
Capital Lease	-	220,916	-	-	220,916
Sale of Capital Assets	30,654	-	-	-	30,654
Issuance of Debt	-	5,940,000	20,570,000	-	26,510,000
Payment to Refunded Bond Escrow Agent	-	-	(27,274,606)	-	(27,274,606)
Premium on Debt Issued	-	27,163	3,024,329	-	3,051,492
Total Other Financing Sources	<u>2,004,697</u>	<u>8,838,157</u>	<u>(1,714,829)</u>	<u>(1,149,192)</u>	<u>7,978,833</u>
Net Change in Fund Balances	(954,112)	(5,901,783)	(3,464,037)	381,987	(9,937,945)
<u>FUND BALANCES - BEGINNING</u>	<u>16,975,326</u>	<u>29,630,579</u>	<u>10,404,537</u>	<u>3,424,861</u>	<u>60,435,303</u>
FUND BALANCES - ENDING	<u>\$16,021,214</u>	<u>\$ 23,728,796</u>	<u>\$ 6,940,500</u>	<u>\$ 3,806,848</u>	<u>\$ 50,497,358</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (9,937,945)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital capital outlay exceeded depreciation expense. 6,679,828

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,799,001

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 3,953,622

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 165,779

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) is reported with governmental activities. 56,872

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,717,157

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<u>REVENUES</u>				
Taxes	\$ 33,591,692	\$ 33,591,692	\$ 34,168,316	\$ 576,624
Licenses and Permits	1,721,648	1,721,648	2,280,529	558,881
Fines and Penalties	1,859,442	1,859,442	1,323,552	(535,890)
Charges for Services	5,447,532	5,447,532	5,219,304	(228,228)
Intergovernmental	432,119	432,119	210,804	(221,315)
Interest on Investments	61,000	61,000	28,124	(32,876)
Miscellaneous	<u>1,081,105</u>	<u>1,081,105</u>	<u>1,220,531</u>	<u>139,426</u>
Total Revenues	<u>44,194,538</u>	<u>44,194,538</u>	<u>44,451,160</u>	<u>256,622</u>
<u>EXPENDITURES</u>				
Current				
General Government	18,384,459	15,005,725	14,055,589	950,136
Public Safety	23,570,133	24,252,351	24,243,217	9,134
Community Service	<u>9,192,507</u>	<u>9,269,407</u>	<u>9,111,163</u>	<u>158,244</u>
Total Expenditures	<u>51,147,099</u>	<u>48,527,483</u>	<u>47,409,969</u>	<u>1,117,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,952,561)</u>	<u>(4,332,945)</u>	<u>(2,958,809)</u>	<u>1,374,136</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	5,984,055	5,984,055	6,025,591	41,536
Transfers Out	(1,550,093)	(4,235,777)	(4,051,548)	184,229
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>30,654</u>	<u>30,654</u>
Total Other Financing Sources (Uses)	<u>4,433,962</u>	<u>1,748,278</u>	<u>2,004,697</u>	<u>256,419</u>
Net Change in Fund Balances	(2,518,599)	(2,584,667)	(954,112)	1,630,555
<u>FUND BALANCES - BEGINNING</u>	<u>16,975,326</u>	<u>16,975,326</u>	<u>16,975,326</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 14,456,727</u>	<u>\$ 14,390,659</u>	<u>\$ 16,021,214</u>	<u>\$ 1,630,555</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					GOVERNMENTAL
	ELECTRIC	WATER AND WASTEWATER	STORMWATER DRAINAGE	OTHER ENTERPRISE	TOTAL	INTERNAL SERVICE
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>						
<u>CURRENT ASSETS</u>						
Cash and Cash Equivalents	\$ 1,900,383	\$ 11,251,089	\$ 5,360,522	\$ 1,204,464	\$ 19,716,458	\$ 985,792
Investments	17,238,317	41,990,105	3,418,824	-	62,647,246	-
Receivables - Net of Allowances for Uncollectibles	8,641,443	3,668,547	355,323	421,176	13,086,489	20,059
Due from Other Funds	444,089	289,639	21,835	197,878	953,441	2,518,250
Due from Other Governments	-	-	-	30,714	30,714	-
Inventories	921,801	444,993	-	-	1,366,794	-
Prepaid Items	53,141	24,415	-	-	77,556	-
Total Current Assets	<u>29,199,174</u>	<u>57,668,788</u>	<u>9,156,504</u>	<u>1,854,232</u>	<u>97,878,698</u>	<u>3,524,101</u>
<u>NONCURRENT ASSETS</u>						
Capital Assets:						
Land	31,695	2,377,298	34,844	653,140	3,096,977	-
Buildings	472,092	1,557,930	-	4,339,745	6,369,767	-
Improvements Other than Buildings	18,848,110	151,375,113	8,463,294	8,342,071	187,028,588	-
Furnishings and Equipment	3,224,014	6,059,982	456,126	19,463	9,759,585	-
Construction in Progress	44,489,478	51,317,283	10,177,470	1,409,330	107,393,561	-
Totals	67,065,389	212,687,606	19,131,734	14,763,749	313,648,478	-
Less: Accumulated Depreciation	(15,210,110)	(79,042,912)	(2,909,182)	(9,795,442)	(106,957,646)	-
Total Capital Assets - Net of Accumulated Depreciation	<u>51,855,279</u>	<u>133,644,694</u>	<u>16,222,552</u>	<u>4,968,307</u>	<u>206,690,832</u>	<u>-</u>
Total Noncurrent Assets	<u>51,855,279</u>	<u>133,644,694</u>	<u>16,222,552</u>	<u>4,968,307</u>	<u>206,690,832</u>	<u>-</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Charge on Refunding	479,534	3,769,145	288,999	-	4,537,678	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 81,533,987</u>	<u>\$ 195,082,627</u>	<u>\$ 25,668,055</u>	<u>\$ 6,822,539</u>	<u>\$ 309,107,208</u>	<u>\$ 3,524,101</u>
<u>LIABILITIES AND NET POSITION</u>						
<u>CURRENT LIABILITIES</u>						
Accounts Payable	\$ 4,613,159	\$ 722,621	\$ 416,363	\$ 314,173	\$ 6,066,316	\$ 46,959
Accrued Liabilities	197,875	163,887	7,768	10,821	380,351	-
Due to Other Funds	1,668,919	6,495,560	15,007	143,253	8,322,739	2,317,199
Claims Payable	-	-	-	-	-	709,853
Customer Deposits	2,462,628	788,653	1,179	153,568	3,406,028	-
Accrued Interest Payable	427,185	456,007	101,151	-	984,343	-
Compensated Absences	95,395	126,506	6,424	-	228,325	-
Current Maturities of Long-term Debt	878,410	6,674,667	979,663	-	8,532,740	-
Total Current Liabilities	<u>10,343,571</u>	<u>15,427,901</u>	<u>1,527,555</u>	<u>621,815</u>	<u>27,920,842</u>	<u>3,074,011</u>
<u>NONCURRENT LIABILITIES</u>						
Compensated Absences	82,304	23,079	4,215	-	109,598	-
Long-Term Debt	37,277,803	90,833,775	17,938,688	15,907	146,066,173	-
Total Noncurrent Liabilities	<u>37,360,107</u>	<u>90,856,854</u>	<u>17,942,903</u>	<u>15,907</u>	<u>146,175,771</u>	<u>-</u>
<u>NET POSITION</u>						
Net Investment in Capital Assets	23,493,423	55,804,308	4,401,375	4,968,307	88,667,413	-
Unrestricted	10,336,886	32,993,564	1,796,222	1,480,015	46,606,687	450,090
Total Net Position	<u>33,830,309</u>	<u>88,797,872</u>	<u>6,197,597</u>	<u>6,184,817</u>	<u>135,010,595</u>	<u>450,090</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 81,533,987</u>	<u>\$ 195,082,627</u>	<u>\$ 25,668,055</u>	<u>\$ 6,822,539</u>	<u>\$ 309,107,208</u>	<u>\$ 3,524,101</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				TOTAL	GOVERNMENTAL
	ELECTRIC	WATER AND WASTEWATER	STORMWATER DRAINAGE	OTHER ENTERPRISE		INTERNAL SERVICE
OPERATING REVENUES						
Charges for Services	\$ 55,112,586	\$ 31,697,186	\$ 2,842,321	\$ 2,917,041	\$ 92,569,134	\$ -
Intergovernmental	-	-	-	4,320	4,320	-
Employer Contributions	-	-	-	-	-	3,901,480
Employee Contributions	-	-	-	-	-	1,077,345
Retiree Contributions	-	-	-	-	-	201,892
Pharmacy Rebates	-	-	-	-	-	24,022
Miscellaneous	327,812	1,023,123	43,616	-	1,394,551	-
Total Operating Revenues	<u>55,440,398</u>	<u>32,720,309</u>	<u>2,885,937</u>	<u>2,921,361</u>	<u>93,968,005</u>	<u>5,204,739</u>
OPERATING EXPENSES						
Purchased Power	38,220,969	-	-	-	38,220,969	-
Personnel Services	4,133,395	3,707,893	228,426	112,169	8,181,883	-
Contracted Services	1,327,476	7,802,516	659,159	3,086,894	12,876,045	-
Materials and Supplies	1,492,714	905,069	20,933	50,548	2,469,264	-
Indirect Costs	724,834	3,245,110	134,928	-	4,104,872	-
Claims	-	-	-	-	-	4,444,675
Other Charges	986,794	686,852	10,903	60,100	1,744,649	703,668
Depreciation	508,973	8,521,103	564,400	263,476	9,857,952	-
Total Operating Expenses	<u>47,395,155</u>	<u>24,868,543</u>	<u>1,618,749</u>	<u>3,573,187</u>	<u>77,455,634</u>	<u>5,148,343</u>
Operating Income	<u>8,045,243</u>	<u>7,851,766</u>	<u>1,267,188</u>	<u>(651,826)</u>	<u>16,512,371</u>	<u>56,396</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Earnings	44,796	128,932	13,652	-	187,380	-
Interest and Fiscal Charges	(1,385,002)	(3,680,766)	(779,501)	-	(5,845,269)	476
Grants	-	-	-	46,822	46,822	-
Total Nonoperating Revenues (Expenses)	<u>(1,340,206)</u>	<u>(3,551,834)</u>	<u>(765,849)</u>	<u>46,822</u>	<u>(5,611,067)</u>	<u>476</u>
Income (Loss) before Transfers	6,705,037	4,299,932	501,339	(605,004)	10,901,304	56,872
Capital Contributions	1,117,888	-	-	-	1,117,888	-
Transfers In	-	425,462	-	359,936	785,398	-
Transfers Out	(4,007,492)	(2,043,099)	-	-	(6,050,591)	-
Change in Net Position	3,815,433	2,682,295	501,339	(245,068)	6,753,999	56,872
TOTAL NET POSITION - BEGINNING, AS RESTATED	<u>30,014,876</u>	<u>86,115,577</u>	<u>5,696,258</u>	<u>6,429,885</u>	<u>128,256,596</u>	<u>393,218</u>
TOTAL NET POSITION - ENDING	<u>\$ 33,830,309</u>	<u>\$ 88,797,872</u>	<u>\$ 6,197,597</u>	<u>\$ 6,184,817</u>	<u>\$ 135,010,595</u>	<u>\$ 450,090</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				TOTALS	GOVERNMENTAL
	ELECTRIC	WATER AND WASTEWATER	STORMWATER DRAINAGE	OTHER FUNDS		INTERNAL SERVICE
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
Cash Received from Customers	\$ 53,013,675	\$ 32,489,151	\$ 2,838,761	\$ 3,478,695	\$ 91,820,282	\$ 5,316,292
Cash Paid to Suppliers	(43,651,836)	(14,376,495)	(845,825)	(3,340,080)	(62,214,236)	(5,131,678)
Cash Paid to Employees	(4,075,990)	(3,962,576)	(223,666)	(110,986)	(8,373,218)	-
Receipts (Payments) to Other Funds	3,922,894	9,725,285	869,553	(25,697)	14,492,035	275,675
Net Cash Provided by (Used in) Operating Activities	<u>9,208,743</u>	<u>23,875,365</u>	<u>2,638,823</u>	<u>1,932</u>	<u>35,724,863</u>	<u>460,289</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>						
Transfers from Other Funds	-	425,462	-	359,936	785,398	-
Transfers to Other Funds	(4,007,492)	(2,043,099)	-	-	(6,050,591)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(4,007,492)</u>	<u>(1,617,637)</u>	<u>-</u>	<u>359,936</u>	<u>(5,265,193)</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>						
Proceeds from Capital Debt	2,175,501	11,264,523	2,600,025	-	16,040,049	-
Capital Contributions	1,117,888	-	-	-	1,117,888	-
Capital Grants	-	-	-	46,822	46,822	-
Principal Paid on Debt	(1,000,000)	(12,330,000)	(1,720,000)	-	(15,050,000)	-
Interest and Fiscal Charges Paid on Debt	(1,194,952)	(3,962,861)	(884,829)	-	(6,042,642)	-
Acquisition of Capital Assets	(7,642,997)	(11,874,511)	(2,453,349)	(281,913)	(22,252,770)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(6,544,560)</u>	<u>(16,902,849)</u>	<u>(2,458,153)</u>	<u>(235,091)</u>	<u>(26,140,653)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Sale (Purchase) of Investment Securities	(5,023,281)	(7,000,429)	411,176	-	(11,612,534)	-
Interest Received	44,796	128,932	13,652	-	187,380	476
Net Cash Provided by (Used in) Investing Activities	<u>(4,978,485)</u>	<u>(6,871,497)</u>	<u>424,828</u>	<u>-</u>	<u>(11,425,154)</u>	<u>476</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,321,794)	(1,516,618)	605,498	126,777	(7,106,137)	460,765
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	<u>8,222,177</u>	<u>12,767,707</u>	<u>4,755,024</u>	<u>1,077,687</u>	<u>26,822,595</u>	<u>525,027</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,900,383</u>	<u>\$ 11,251,089</u>	<u>\$ 5,360,522</u>	<u>\$ 1,204,464</u>	<u>\$ 19,716,458</u>	<u>\$ 985,792</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

CITY OF SAN MARCOS, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				TOTALS	GOVERNMENTAL
	ELECTRIC	WATER AND WASTEWATER	STORMWATER DRAINAGE	OTHER FUNDS		INTERNAL SERVICE
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>						
Operating Income (Loss)	\$ 8,045,243	\$ 7,851,766	\$ 1,267,188	\$ (651,826)	\$ 16,512,371	\$ 56,396
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Depreciation	508,973	8,521,103	564,400	263,476	9,857,952	-
Changes in Assets and Liabilities						
Decrease (Increase) in Assets						
Accounts Receivable	(2,614,558)	(279,913)	(47,176)	(123)	(2,941,770)	111,553
Due from Other Funds	2,832,948	4,288,550	1,026,869	182,716	8,331,083	(2,041,524)
Due from Other Governments	-	-	-	545,854	545,854	-
Inventories	(307,568)	71,524	-	-	(236,044)	-
Prepaid Items	1,425	3,648	-	-	5,073	-
Increase (Decrease) in Liabilities						
Accounts Payable	(592,906)	(1,812,120)	(19,902)	(142,538)	(2,567,466)	(35,038)
Accrued Liabilities	(273)	(294,868)	1,639	244	(293,258)	-
Due to Other Funds	1,089,946	5,436,735	(157,316)	(208,413)	6,160,952	2,317,199
Claims Payable	-	-	-	-	-	51,703
OPEB Liability	29,462	34,175	1,818	939	66,394	-
Compensated Absences	28,216	6,010	1,303	-	35,529	-
Customer Deposits	187,835	48,755	-	11,603	248,193	-
 NET CASH PROVIDED BY (USED IN) OPERATIONS	 <u>\$ 9,208,743</u>	 <u>\$ 23,875,365</u>	 <u>\$ 2,638,823</u>	 <u>\$ 1,932</u>	 <u>\$ 35,724,863</u>	 <u>\$ 460,289</u>

(The Accompanying Notes are an Integral part of these Financial Statements)

NOTES TO BASIC FINANCIAL STATEMENTS

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CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of San Marcos, Texas (the City) was incorporated July 11, 1877, while the City's home rule charter was adopted by election in 1967. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, general and administrative, electric, water and wastewater services.

The accompanying financial statements comply with the provisions of the GASB Statement No. 14, 39, and 61, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City. There are no component units which satisfy requirements for blending within the City's financial statements or for discrete presentation.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 30 days of the end of the current fiscal period. Property taxes availability period is considered to be 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by other funds.

The Debt Service Fund accounts for the accumulation of resources for the payment of long-term debt principal, interest, and related costs.

The City reports the following major proprietary funds:

The Electric Fund accounts for the activities necessary for the provision of electric services.

The Water and Wastewater Fund accounts for the activities necessary for the provision of water and sewer services.

The Stormwater Drainage Fund was created to address the need for improvements in drainage channels throughout the City. The fund obtains revenue through the assessment of a monthly drainage utility fee to both residential and commercial customers.

Additionally, the City reports the following fund type:

Internal Service Fund accounts for benefits provided to other departments or agencies of the City on a cost-reimbursement basis.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, certificates of deposit, investment securities with a maturity of three months or less from the date of purchase.

Statutes authorize the City to invest in obligations of U. S. Treasury or its agencies and instrumentalities, obligations of the state or its agencies, other investments guaranteed by the U.S. Treasury or the State of Texas, or investments rated by a national rating company at "A" or better. The City is also authorized to invest in fully collateralized repurchase agreements, local government investment pools, and in certificates of deposit issued by banks domiciled in Texas that are FDIC insured or have securities (of aforementioned quality) pledged to secure these deposits. The investment of idle funds has been restricted to U. S. Government Treasury and agency securities and time deposits with the City's depository banks.

Investments for the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 15 percent of outstanding property taxes at September 30, 2014.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Inventories and Prepaid Items

Inventory is valued at cost using the average cost method of accounting. Inventory in the general fund consists of expendable supplies held for consumption. The cost of inventory is recorded as an expenditure at the time individual inventory items are consumed (consumption method). Inventory reported in the general fund is offset by a fund balance reserve which indicates that it does not represent "available spendable resources" even though it is a component of net current assets. Inventory in the water and wastewater and electric funds consists of parts and maintenance items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>ASSET</u>	<u>YEARS</u>
Buildings	20-50 Years
Improvements other than Buildings	10-40 Years
Infrastructure (Streets and Drainage)	35-125 Years
Equipment	5-10 Years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability for these amounts is reported in the applicable governmental funds and business-type funds as it is due to the employees at the time of resignation or retirement. The liability is recorded as follows: All employees are entitled to be paid up to 30 days (90 days with 20 years of continuous service) of accumulated vacation; in addition Civil Service-Police are entitled to be paid up to 90 days of sick and Civil Service-Fire are entitled to 90 days of sick at 1,080 hours for 12-hour days.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity (Continued)

Fund Balance Classification (Continued)

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by court resolution of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- **Unassigned:** This classification includes the residual fund balance for the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity (Continued)

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in the financial position and operations. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

Change in Accounting Policy

During fiscal year 2014 the City adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB 65 establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes as outflows of resources or inflows of resources, certain items that were previously recorded as assets and liabilities.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(132,599,625) difference are as follows:

General Obligation Bonds	\$(120,680,000)
Capital Lease	(468,225)
Discounts on Bonds	477,366
Premiums on Bonds	(4,845,270)
Accrued Interest Payable	(674,374)
Compensated Absences	(5,104,198)
Deferred Loss on Refunding	3,821,649
Retainage Payable	(361,600)
TMRS Net Pension Obligation	(3,639,628)
OPEB Net Pension Obligation	<u>(1,125,345)</u>
NET ADJUSTMENT TO REDUCE FUND BALANCE – TOTAL GOVERNMENTAL FUNDS TO ARRIVE AT NET POSITION – GOVERNMENTAL ACTIVITIES	<u>\$(132,599,625)</u>

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental fund and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The detail of this \$6,679,828 difference is as follows:

Capital Outlay	\$16,643,915
Depreciation Expense	<u>(9,964,087)</u>
NET ADJUSTMENT TO INCREASE NET CHANGES IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS TO ARRIVE AT CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,679,828</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.” The detail of this \$1,799,001 difference is as follows:

Capital Contribution	\$ 1,054,196
Property Taxes	<u>744,805</u>
NET ADJUSTMENT TO INCREASE NET CHANGES IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS TO ARRIVE AT CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,799,001</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$3,953,622 difference are as follows:

Debt Issued or Incurred:	
Issuance of General Obligation Bonds	\$ (26,510,000)
Capital Lease	(220,916)
Premium on Bond Issuance	(3,051,492)
TMRS Net Pension Obligation	(275,912)
OPEB Net Pension Obligation	(302,463)
Principal Repayments:	
General Obligation Bonds Refunded	24,610,000
Capital Lease	39,799
Deferred Loss on Refunding	2,664,606
General Obligation Debt	<u>7,000,000</u>
NET ADJUSTMENT TO DECREASE NET CHANGES IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS TO ARRIVE AT CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,953,622</u>

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(165,779) difference are as follows:

Compensated Absences	\$ 78,136
Accrued Interest	71,868
Amortization of Deferred Charge on Refunding	(274,707)
Amortization of Bond Discounts	(38,023)
Amortization of Bond Premiums	<u>328,505</u>
NET ADJUSTMENT TO DECREASE NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS TO ARRIVE AT CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 165,779</u>

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City Charter prescribes certain requirements for adoption of an annual operating budget by the City Council. The Council must have a public hearing on the budget and may not adopt the budget until after 14 days after the hearing. The budget is to be adopted at least 15 days before the beginning of the fiscal year to which it applies.

The amounts of proposed expenditures become appropriated to the objects and purposes named in the budget upon the effective date after adoption. The total estimated expenditures of the general fund shall not exceed the total estimated resources of the fund (prospective income plus cash on hand).

The City budget may be amended and appropriations may be altered in cases of public necessity, as declared by the City Council. The City Manager has the ability to reallocate funds from one line item to another within the various budget categories within departments in the same fund (i.e., personnel services, other charges, contracted services, etc.), but City Council approval is required for budget adjustments between funds.

The budget ordinance states that expenditures should not exceed the budget in the various departments (general government, human resources, finance, etc.) within an individual fund. The City's appropriation ordinance approves items as detailed in the approved budget. Budgeted amounts reported are based on the budget ordinance originally adopted and as amended by the City Council throughout the year.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

Formal budgetary accounting is employed for all funds of the City, excluding Grants and Special Entitlements, PARD Recreation Programs, Library Memorial, Parks and Recreation, Capital Projects and the Cemetery Perpetual Permanent Fund. Annual operating budgets are prepared and presented for the general fund, debt service fund, and all other special revenue funds. All annual appropriations lapse at fiscal year-end.

Budgets for the governmental fund types are prepared and adopted on the GAAP basis. Budgets for expenses used for managerial control have been prepared for the enterprise funds on a non-GAAP basis, which excludes depreciation, but includes capital outlay and total debt service.

The City Council made several supplemental budgetary appropriations throughout the year. The supplemental budgetary appropriations were not considered material.

NOTE 4: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable investments, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local parties.

In compliance with the Public Fund Investment Act, the City has adopted a deposit and investment policy. That policy does address the following risks:

1. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government Obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2014, the City’s bank balance was fully collateralized with securities held by independent third party financial institutions.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)A. Deposits and Investments (Continued)

2. Credit Risk – It is the City’s policy to limit investments to investment types with an investment quality rating no lower than AAA (regular funds) and A (reserved funds) or an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 360 days for regular funds and 18 months for reserved funds. The City’s investment pool was rated AAAM by Standard & Poor’s Investors Services.
3. Interest Rate Risk: In accordance with the City’s investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 360 days or less for regular funds and 18 months for reserved funds, dependent on market conditions.
4. Concentration of Credit Risk: The government’s investment policy states the maximum percentage allowed for each different investment instrument that can be used to make up the portfolio.

The City’s cash and investments at September 30, 2014, are shown below:

DESCRIPTION	RATING	RATING ORGANIZATION	FAIR VALUE	WEIGHTED AVERAGE MATURITY (DAYS)
Well Fargo Cash and Cash on Hand	NR	N/A	\$ 15,427,017	-
TexStar	AAAm	Standard & Poor's	9,024,389	-
TexPool	AAAm	Standard & Poor's	507,182	-
TexasTERM	AAAm	Standard & Poor's	410,786	-
Lonestar	AAAm	Standard & Poor's	6,006,094	-
LOGIC	AAAm	Standard & Poor's	18,701,883	-
Wells Fargo Money Market Mutual Funds	AAAm	Standard & Poor's	30,633,978	-
FHLMC	AA+	Standard & Poor's	10,013,590	169
United States Treasuries	AA+	Standard & Poor's	<u>37,500,241</u>	237
TOTAL FAIR VALUE			<u>\$ 128,225,160</u>	
Portfolio Weighted Average Maturity (Days)				82.51

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)**B. Receivables**

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	GENERAL	OTHER GOVERNMENTAL	DEBT SERVICE	ELECTRIC	WATER/ WASTEWATER	STORMWATER DRAINAGE	NONMAJOR ENTERPRISE	INTERNAL SERVICE	TOTAL
Receivables									
Taxes	\$ 2,993,150	\$ 238,235	\$ 424,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,655,391
Accounts	1,452,429	233,287	167,662	9,209,906	3,982,107	398,156	509,625	20,059	15,973,231
Due from Other Governments	-	1,229,322	-	-	-	-	30,714	-	1,260,036
Loans	-	27,903	-	-	-	-	-	-	27,903
Gross Receivables	4,445,579	1,728,747	591,668	9,209,906	3,982,107	398,156	540,339	20,059	20,916,561
Less: Allowance for Uncollectibles	(29,347)	-	(32,298)	(568,463)	(313,560)	(42,833)	(88,449)	-	(1,074,950)
NET TOTAL RECEIVABLES	\$ 4,416,232	\$ 1,728,747	\$ 559,370	\$ 8,641,443	\$ 3,668,547	\$ 355,323	\$ 451,890	\$ 20,059	\$ 19,841,611

Governmental funds report deferred inflows of revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of revenue and unearned revenue reported in the governmental funds were as follows:

	DEFERRED INFLOWS	UNEARNED
Delinquent Property Taxes Receivable (General Fund)	\$ 363,942	\$ -
Activity Center (General Fund)	-	164,927
Grant Drawdown (General Fund)	-	1,093,138
Delinquent Property Taxes Receivable (Debt Service)	380,863	-
Hotel Occupancy (Nonmajor Governmental)	-	205
Grant Drawdowns (Nonmajor Governmental)	-	1,618,351
TOTAL DEFERRED/UNEARNED REVENUE FOR GOVERNMENTAL FUNDS	\$ 744,805	\$ 2,876,621

C. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities</u>				
Capital Assets not being Depreciated				
Land	\$ 14,044,667	\$ 393,457	\$ -	\$ 14,438,124
Construction in Progress	<u>43,633,388</u>	<u>15,274,055</u>	<u>(3,340,657)</u>	<u>55,566,786</u>
Total Capital Asset not being Depreciated	<u>57,678,055</u>	<u>15,667,512</u>	<u>(3,340,657)</u>	<u>70,004,910</u>
Capital Assets being Depreciated				
Buildings	36,554,153	-	-	36,554,153
Machinery and Equipment	23,901,142	3,489,523	(20,010)	27,370,655
Improvements other than Buildings	101,550,490	827,537	-	102,378,027
Infrastructure	<u>34,551,436</u>	<u>1,054,196</u>	<u>-</u>	<u>35,605,632</u>
Total Capital Asset being Depreciated	<u>196,557,221</u>	<u>5,371,256</u>	<u>(20,010)</u>	<u>201,908,467</u>
Less Accumulated Depreciation:				
Buildings	(7,594,046)	(753,040)	-	(8,347,086)
Machinery and Equipment	(18,706,088)	(1,579,361)	20,010	(20,265,439)
Improvements Other than Buildings	(26,711,802)	(6,300,751)	-	(33,012,553)
Infrastructure	<u>(10,483,861)</u>	<u>(1,330,935)</u>	<u>-</u>	<u>(11,814,796)</u>
Total Accumulated Depreciation	<u>(63,495,797)</u>	<u>(9,964,087)</u>	<u>20,010</u>	<u>(73,439,874)</u>
Total Capital Assets being Depreciated - Net	<u>133,061,424</u>	<u>(4,592,831)</u>	<u>-</u>	<u>128,468,593</u>
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	 <u>\$ 190,739,479</u>	 <u>\$ 11,074,681</u>	 <u>\$ (3,340,657)</u>	 <u>\$ 198,473,503</u>
<u>Business-Type Activities</u>				
Capital Assets not being Depreciated				
Land	\$ 3,092,657	\$ 4,320	\$ -	\$ 3,096,977
Construction in Progress	<u>93,314,822</u>	<u>21,294,019</u>	<u>(7,215,280)</u>	<u>107,393,561</u>
Total Assets not being Depreciated	<u>96,407,479</u>	<u>21,298,339</u>	<u>(7,215,280)</u>	<u>110,490,538</u>
Capital Assets being Depreciated				
Buildings	6,369,767	-	-	6,369,767
Machinery and Equipment	8,800,834	958,751	-	9,759,585
Improvements other than Buildings	<u>179,817,630</u>	<u>7,210,958</u>	<u>-</u>	<u>187,028,588</u>
Total Capital Assets being Depreciated	<u>194,988,231</u>	<u>8,169,709</u>	<u>-</u>	<u>203,157,940</u>
Less Accumulated Depreciation:				
Buildings	(3,539,195)	(120,973)	-	(3,660,168)
Machinery and Equipment	(6,389,865)	(491,408)	-	(6,881,273)
Improvements other than Buildings	<u>(87,170,634)</u>	<u>(9,245,571)</u>	<u>-</u>	<u>(96,416,205)</u>
Total Accumulated Depreciation	<u>(97,099,694)</u>	<u>(9,857,952)</u>	<u>-</u>	<u>(106,957,646)</u>
Total Capital Assets being Depreciated - Net	<u>97,888,537</u>	<u>(1,688,243)</u>	<u>-</u>	<u>96,200,294</u>
 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	 <u>\$ 194,296,016</u>	 <u>\$ 19,610,096</u>	 <u>\$ (7,215,280)</u>	 <u>\$ 206,690,832</u>

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)C. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General Government	\$ 7,719,544
Public Safety	1,373,412
Community Services	<u>871,131</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 9,964,087

Business-Type Activities

Electric	\$ 508,973
Water and Wastewater	8,521,103
Airport	263,476
Stormwater Drainage	<u>564,400</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 9,857,952

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2014, is as follows:

Due to/from Other Funds:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General	Capital Projects	\$ 161,123
	Debt Service	4,485,645
	Nonmajor Governmental	1,831,290
	Water and Wastewater	522,494
	Electric	1,640,373
	Stormwater Drainage	68
	Nonmajor Enterprise	123,727
Capital Projects	Internal Service	1,733,431
	General	1,809,330
	Nonmajor Governmental	142,485
	Water and Wastewater	5,920,337
Debt Service	Nonmajor Enterprise	5,141
	General	229,372
	Nonmajor Governmental	679,963
	Water and Wastewater	79,176
	Electric	6,306
Nonmajor Governmental	Stormwater Drainage	12,969
	General	281,963
	Debt Service	200,026
	Water and Wastewater	6,234
	Nonmajor Enterprise	5,485
	Capital Projects	86,071
	Nonmajor Governmental	6,894
Internal Service	583,768	

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)D. Interfund Receivables, Payables and Transfers (Continued)**Due to/from Other Funds (Continued):**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Electric	General	\$ 53,318
	Debt Service	15,254
	Water and Wastewater	356,181
	Capital Projects	19,336
Water and Wastewater	General	205,892
	Capital Projects	882
	Nonmajor Governmental	425
	Debt Service	82,109
	Stormwater Drainage	331
Stormwater Drainage	Capital Projects	39
	Debt Service	21,796
Nonmajor Enterprise	General	168,812
	Water and Wastewater	10,417
	Nonmajor Enterprise	18,649
Internal Service - Insurance	General	2,456,214
	Capital Projects	1,039
	Nonmajor Governmental	10,683
	Electric	22,240
	Water and Wastewater	26,183
	Stormwater Drainage	1,640
	Nonmajor Enterprise	251

Balances resulted from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

	<u>TRANSFERS IN</u>						<u>TOTAL</u>
	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>WATER/ WASTEWATER</u>	<u>NONMAJOR ENTERPRISE</u>	
<u>Transfers Out</u>							
General	\$ -	\$2,878,356	\$ 550,491	\$ 287,765	\$ -	\$ 334,936	\$ 4,051,548
Debt Service	-	-	-	171,132	-	-	171,132
Nonmajor Governmental	-	22,000	1,586,089	-	-	-	1,608,089
Capital Projects	-	-	-	-	425,462	-	425,462
Electric	4,007,492	-	-	-	-	-	4,007,492
Water and Wastewater	<u>2,018,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>2,043,099</u>
TOTALS	<u>\$ 6,025,591</u>	<u>\$2,900,356</u>	<u>\$ 2,136,580</u>	<u>\$ 458,897</u>	<u>\$ 425,462</u>	<u>\$ 359,936</u>	<u>\$ 12,306,822</u>

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)D. Interfund Receivables, Payables and Transfers (Continued)**Interfund Transfers (Continued)**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

The City has various capital leases for equipment in the capital projects fund and the water/wastewater funds.

Principal and interest requirements to maturity as of September 30, 2014 are as follows:

<u>FISCAL YEAR</u>	<u>GOVERNMENTAL ACTIVITIES</u>			<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	\$ 47,456	\$ 11,451	\$ 58,907	\$ 48,700	\$ 9,393	\$ 58,093
2016	48,644	10,263	58,907	49,898	8,195	58,093
2017	49,862	9,046	58,908	40,746	6,934	47,680
2018	51,111	7,797	58,908	31,265	6,002	37,267
2019	52,392	6,516	58,908	32,157	5,111	37,268
2020 - 2024	<u>218,760</u>	<u>12,769</u>	<u>231,529</u>	<u>156,430</u>	<u>11,275</u>	<u>167,705</u>
	<u>\$ 468,225</u>	<u>\$ 57,842</u>	<u>\$ 526,067</u>	<u>\$ 359,196</u>	<u>\$ 46,910</u>	<u>\$ 406,106</u>

F. Long-Term Debt**General Obligation Bonds and Combination Tax and Revenue Bonds**

The government issues general obligation bonds and combination tax and revenue bonds to provide funds for the acquisition and construction of major capital facilities. These debt issues have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue. During the year, the City issued \$13,725,000 of Combination Tax and Revenue Certificates of Obligation, Series 2014 with a 2-3.375% interest rate that mature August 15, 2026.

Bond Refunding

On June 15, 2014, the City issued \$27,720,000 of General Obligation Refunding Bonds, Series 2014. The net proceeds from the issuance of the bonds were used to purchase U.S. Government Securities and those securities were deposited into an irrevocable trust with an escrow agent to provide future debt service payments. A deposit of \$35,491,407 was made to an escrow agent to provide the refunding of \$315,000 of Series 2005 Combination Tax and Revenue Certificates of Obligation, \$12,075,000 of Series 2007 Combination Tax and Revenue Certificates of Obligation, \$945,000 of Series 2007 General Obligation Bonds, \$6,275,000 of Series 2007B Combination Tax and Revenue Certificates of Obligation, \$6,275,000 of Series 2008 Pass Through Toll Revenue and Limited Tax Bonds, \$370,000 of Series 2004 Waterworks and Wastewater System Revenue Bonds,

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Bond Refunding (Continued)

\$195,000 of Series 2005A Water works and Wastewater System Revenue Bonds, and \$5,635,000 of Series 2007 Waterworks and Wastewater System Revenue Bonds. As of September 30, 2014, the outstanding balance of these defeased is \$31,205,000. The refunded bonds are considered legally defeased and the liability for these bonds has been removed. The City refunded these bonds to reduce its total debt service payments by \$6,748,664 and to obtain an economic gain of \$5,855,539 (present value).

General Obligation Bonds and Combination Tax and Revenue Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the government. Combination tax and revenue bonds constitute direct obligations of the City and are payable from a combination of the levy of ad valorem taxes and a limited pledge of surplus revenues of the City's water and wastewater system. Both bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. Bonds currently outstanding are as follows:

<u>PURPOSE</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Governmental Activities	3.50 - 4.61%	\$ 77,080,000
Governmental Activities - Refunding	2.00 - 5.375%	43,600,000
Business-Type Activities	3.50 - 5.00%	91,565,000
Business-Type Activities - Refunding	2.00 - 5.00%	<u>58,105,000</u>
		<u>\$ 270,350,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>YEAR ENDING SEPTEMBER 30,</u>	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2015	\$ 7,330,000	\$ 5,347,492
2016	7,180,000	5,050,645
2017	7,445,000	4,781,910
2018	7,570,000	4,502,954
2019	7,365,000	4,210,633
2020-2024	37,165,000	16,397,749
2025-2029	34,320,000	7,680,903
2030-2034	<u>12,305,000</u>	<u>1,041,422</u>
	<u>\$ 120,680,000</u>	<u>\$ 49,013,708</u>

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Revenue Bonds

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>YEAR ENDING</u> <u>SEPTEMBER 30,</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2015	\$ 8,185,000	\$ 5,603,951
2016	8,880,000	5,335,189
2017	9,430,000	5,102,565
2018	9,745,000	4,789,592
2019	10,020,000	4,495,812
2020-2024	43,045,000	18,110,282
2025-2029	39,285,000	9,281,514
2030-2034	19,755,000	2,567,875
2035-2036	<u>1,325,000</u>	<u>104,080</u>
	<u>\$ 149,670,000</u>	<u>\$ 55,390,860</u>

Defeasance of Bonds

The City placed the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trusts' assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2014, the outstanding balance of the defeased bonds is \$50,835,000.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2014, was as follows:

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)F. Long-Term Debt (Continued)**Changes in Long-Term Liabilities (Continued)**

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>	<u>DUE WITHIN ONE YEAR</u>
<u>Governmental Activities</u>					
General Obligation Bonds	\$ 125,780,000	\$ 26,510,000	\$ (31,610,000)	\$ 120,680,000	\$ 7,330,000
Discount on Bonds	(515,389)	-	38,023	(477,366)	(28,236)
Premium on Bonds	2,122,283	3,051,492	(328,505)	4,845,270	328,505
Capital Leases	321,407	220,916	(74,098)	468,225	47,456
Compensated Absences	5,182,334	699,214	(777,350)	5,104,198	765,630
TMRS Net Pension Obligation	3,363,716	275,912	-	3,639,628	-
OPEB Net Pension Obligation	<u>822,882</u>	<u>302,463</u>	<u>-</u>	<u>1,125,345</u>	<u>-</u>
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	<u>\$ 137,077,233</u>	<u>\$ 31,059,997</u>	<u>\$ (32,751,930)</u>	<u>\$ 135,385,300</u>	<u>\$ 8,443,355</u>
<u>Business-Type Activities</u>					
Bonds Payable					
Revenue Bonds	\$ 149,785,000	\$ 14,935,000	\$ (15,050,000)	\$ 149,670,000	\$ 8,185,000
Premium on Bonds	3,300,564	1,105,048	(606,069)	3,799,543	314,947
Discount on Bonds	(250,322)	15,907	-	(234,415)	(15,907)
Capital Leases	-	387,862	(28,666)	359,196	48,700
TMRS Net Pension Obligation	701,940	60,566	-	762,506	-
OPEB Net Pension Obligation	<u>175,689</u>	<u>66,394</u>	<u>-</u>	<u>242,083</u>	<u>-</u>
Total Bonds Payable	153,712,871	16,570,777	(15,684,735)	154,598,913	8,532,740
Compensated Absences	<u>302,394</u>	<u>285,605</u>	<u>(250,076)</u>	<u>337,923</u>	<u>228,325</u>
BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	<u>\$ 154,015,265</u>	<u>\$ 16,856,382</u>	<u>\$ (15,934,811)</u>	<u>\$ 154,936,836</u>	<u>\$ 8,761,065</u>

For governmental activities, TMRS net pension obligation, OPEB liability, and compensated absences are, and were in prior years, generally liquidated by the general fund.

G. Other Information**Benefits Management**

The City offers a medical and dental plan to eligible employees and qualified dependents. Plan benefits are designed to provide a competitive plan to attract and retain a qualified workforce.

The medical plan is funded by contributions of the City and employees. The City and our employees' contributions go into a fund which pays claims and associated plan costs such as the plan administrator, network expenses, insurance and programs and services to provide an effective program. Excess insurance is purchased to cover claims in excess of the \$150,000 attachment point as well as aggregate insurance. Excess insurance covers medical and

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Information (Continued)

Benefits Management

pharmacy claims. Features of the medical plan include a preferred provider network, specialty networks and a pharmacy benefit which includes a tiered co-pay structure and various techniques to provide incentives to utilize lower cost drugs, over the counter alternatives and to manage utilization based on therapeutic equivalencies. The stop-loss contract establishes the aggregate attachment point based on census and aggregate factors defined in the contract. Funding levels are based on maximum plan exposure as calculated and recommended by an employee benefits specialty firm. Projected claim costs are based on claims experience, lag studies, industry trends, census, aggregate factors and insurance and other fixed costs. A liability for claims is established based on estimated incurred but not recorded claims outstanding and anticipated associated insurance and administrative costs.

Employees are given premium incentive to participate in annual health risk assessment. This informs employees about the state of their health and provides a roadmap for both employees and the City to develop programs and services to improve our health, mitigating future claims and developing a focus on early detection and prevention. An annual benefit and wellness fair is hosted to increase employee awareness.

The City continues to identify and implement features to look for best cost alternatives and minimize the need for healthcare to provide a sustainable benefit program.

A reconciliation of changes in the aggregate liabilities of the prior and current year is presented below:

<u>YEAR ENDED SEPTEMBER 30,</u>	<u>BEGINNING LIABILITY</u>	<u>CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATE</u>	<u>CLAIM PAYMENTS</u>	<u>ENDING LIABILITY</u>
2012	\$ 897,277	\$ 5,222,174	\$ 5,059,501	\$1,059,950
2013	1,059,950	4,539,177	4,940,977	658,150
2014	658,150	4,755,194	4,703,491	709,853

Risk and Safety Management

The City of San Marcos maintains a risk management program to prevent and mitigate financial loss. Components of the program include the identification of exposure to loss and the selection, implementation and monitoring of risk management techniques. Prevention measures include activities such as training, annual review of assets and exposures, driving and drug testing programs, safety awareness events and the "Safety Coach" Safety Leadership Development Program. Post incident measures designed to mitigate losses include incident investigation and management of all claims through final disposition. A cornerstone of our commitment to managing workers compensation claims is a return to work program. In rating a worker's compensation program, an underwriter begins at 100% which represents an average employer. This is 'modified' based on a specific employer's claims history. During this reporting period the City has achieved a .28% premium modifier. Collectively, risk management programs have resulted in direct savings in excess of a million dollars while improving the health, safety, and well-being of City Employees.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Information (Continued)

Risk and Safety Management (Continued)

The City's Safety Program has been recognized by awards from the National Safety Council (NSC). The City participates in the National Safety Council Annual Awards Program which presents awards for occupational safety and health, safe worker and safe drivers. Eighteen departments were recognized for maintaining a perfect record or a reduction in frequency of lost time injuries.

In October the City held the Annual Benefits and Safety Expo. The event includes over 55 Health and Safety vendors including safety demonstrations. Over 350 employees participate in the Expo.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

There are currently several claims and lawsuits pending against the City. It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that, if decided against the City, would have a material adverse effect upon the operations of the City or that would exceed the contingency amounts set aside for such purpose.

Commitments

The City purchases electric power at wholesale rates from The Lower Colorado River Authority for its own use to resell to customers of its electric distribution system. The initial term of the purchased-power agreement ends in 2041, with successive renewal periods of 10 years.

Estimated costs to complete construction in progress at year-end totals approximately \$17,914,259 for governmental capital assets, \$15,104,489 for water and wastewater, \$8,781,600 for electric, and \$6,787,942 for drainage.

H. Pension Plans – Primary Government

Defined Benefit Plan – Texas Municipal Retirement System (TMRS)

Plan Description. The City provides pension benefits for all employees working a thousand hours or more annually through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, Post Office Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plans – Primary Government (Continued)

Defined Benefit Plan – Texas Municipal Retirement System (TMRS) (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the City were as follows:

	<u>PLAN YEAR 2012</u>	<u>PLAN YEAR 2013</u>	<u>PLAN YEAR 2014</u>
Deposit Rate	7%	7%	7%
Matching Ratio (City to Employee)	2 to 1	2 to 1	2 to 1
A Member is Vested After	5 Years	5 Years	5 Years
Service Retirement Eligibility (Expressed as Age/Years of Service)	60/5; 0/20	60/5; 0/20	60/5; 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increases (to Retirees)	70% of CPI Repeating	70% of CPI Repeating	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

Annual Required Contribution (ARC)	\$ 6,008,031
Interest on Net Pension Obligation	284,596
Adjustment to the ARC	<u>(255,911)</u>
Annual Pension Cost	6,036,716
Contributions Made	<u>(5,700,238)</u>
Increase (Decrease) in Net Pension Obligation	336,478
Net Pension Obligation/(Asset), Beginning of Year	<u>4,065,656</u>
 NET PENSION OBLIGATION/(ASSET), END OF YEAR	 <u>\$ 4,402,134</u>

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plans – Primary Government (Continued)

Contributions (Continued)

<u>THREE-YEAR TREND INFORMATION</u>				
<u>ACCOUNTING YEAR ENDING</u>	<u>ANNUAL PENSION COST (APC)</u>	<u>ACTUAL CONTRIBUTION MADE</u>	<u>PERCENTAGE OF APC CONTRIBUTED</u>	<u>NET PENSION OBLIGATION</u>
9/30/2012	\$ 5,418,556	\$ 4,752,162	87.70%	\$ 3,619,010
9/30/2013	5,639,367	5,192,723	92.08%	4,065,656
9/30/2014	6,036,716	5,700,238	94.43%	4,402,134

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

<u>ACTUARIAL VALUATION DATE</u>	<u>12/31/2011</u>	<u>12/31/2012</u>	<u>12/31/2013</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	26.2 Years; Closed Period	25.2 Years; Closed Period	23.0 Years; Closed Period
Amortization Period for New Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method	10-Year Smoothed Market	10-Year Smoothed Market	10-Year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by Age and Service	Varies by Age and Service	Varies by Age and Service
*Includes Inflation at Cost-of-Living Adjustments	3.0% 2.1%	3.0% 2.1%	3.0% 2.1%

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)H. Pension Plans – Primary Government (Continued)**Contributions (Continued)**1. Funded Status and Funding Progress

The funded status as of December 31, 2013, the most recent actuarial valuation date, is as follows:

<u>ACTUARIAL VALUATION DATE</u>	<u>ACTUARIAL VALUE OF ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>PERCENTAGE FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY AS A PERCENTAGE OF COVERED PAYROLL</u>
12/31/2013	\$ 120,326,557	\$ 160,723,959	74.9%	\$ 40,397,402	\$ 30,820,467	131.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

I. Other Postemployment Benefits1. Post-Retirement Health Care Benefits

The City provides certain health care and life insurance benefits through a single employer defined benefit OPEB plan, under City ordinance, for all full time and part-time employees in an eligible class. Retired employees who have satisfied the requirement as defined by the Texas Municipal Retirement System and their dependents that were covered prior to retirement are in the eligible class. The requirement as defined by the Texas Municipal Retirement System is any age with 20 years of service or 5 years of service for age 60 and above. Currently, the City has 521 active employees and 38 retirees and beneficiaries eligible to participate in the plan.

Retirees pay premiums for coverage in the OPEB programs. There is not a maximum employer paid premium amount (capped benefit). Active employees do not contribute to the retiree health care plan.

Retirees are eligible for medical, dental, prescription and life insurance benefits until death of employee in service. Once death of employee in service, spouse is eligible for dependents through COBRA only.

Retirees are eligible for benefits immediately upon retirement. If retiree opts out of coverage, retiree is not eligible for re-enrollment.

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed 30 years. The City's annual OPEB cost for the fiscal year ending September 30, 2014 is as follows:

Annual Required Contribution (ARC)	\$ 427,624
Interest on OPEB Obligation	44,936
Adjustment to ARC	<u>(41,632)</u>
OPEB Cost (Expense) End of Year	430,928
Net Estimated Employer Contributions	<u>(62,071)</u>
Increase in Net OPEB Obligation	368,857
Net OPEB Obligation, as of Beginning of Year	<u>998,571</u>
 NET OPEB OBLIGATION, AS OF END OF YEAR	 <u>\$1,367,428</u>

The City's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2014 and the preceding two fiscal years were as follows:

FISCAL YEAR ENDED	ANNUAL OPEB COST	EMPLOYER CONTRIBUTION	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
9/30/2012	\$ 340,373	\$ 315,131	92.6%	\$ 634,107
9/30/2013	417,266	52,802	12.7%	998,571
9/30/2014	430,928	62,071	14.4%	1,367,428

3. Funding Status

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2012 is as follows:

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) (b)	UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	ANNUAL COVERED PAYROLL (c)	RATIO OF UAAI TO ANNUAL COVERED PAYROLL (b-a)/c
12/31/2012	\$ -	\$ 4,418,979	\$ 4,418,979	0.0%	\$ 29,096,429	15.2%

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

3. Funding Status (Continued)

Under the reporting parameters, the City's retiree health care plan is 0.0% funded with an estimated actuarial liability exceeding actuarial assets by \$4,418,979 at December 31, 2012. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 15.2%.

4. Actuarial Methods and Assumptions

The Projected Unit Credit Cost Method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Actuarial Valuation Date	12/31/2012
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level as a Percentage of Employee Payroll
Amortization Period	30 Years; Open Amortization
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.5% per annum, net of expenses
Payroll Growth Rate	3.0% per annum
Inflation Rate	3.0% per annum
Medical Trend Rate	Initial Rate of 7.5%, declining to an ultimate rate of 4.5% after 9 years

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Supplemental Death Benefits Plan (SDBF)

Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

K. Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SBDF for the years ended 2014, 2013 and 2012, were \$49,963, 42,413 and \$44,833, respectively, which equaled the required contributions each year.

SCHEDULE OF CONTRIBUTION RATES
(Retiree-only portion of the rate)

<u>PLAN/ CALENDAR YEAR</u>	<u>ANNUAL REQUIRED CONTRIBUTION (RATE)</u>	<u>ACTUAL CONTRIBUTION MADE (RATE)</u>	<u>PERCENTAGE OF ARC CONTRIBUTED</u>
2010	0.02%	0.02%	100.00%
2011	0.02%	0.02%	100.00%
2012	0.02%	0.02%	100.00%
2013	0.02%	0.02%	100.00%
2014	0.02%	0.02%	100.00%
2015	0.02%	0.02%	100.00%

CITY OF SAN MARCOS, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4: DETAILED NOTES ON ALL FUNDS (CONTINUED)

L. Restatement of Net Position

The adoption of GASB Statement of #65 required a retroactive adjustment on the statement of activities and the statement of revenues, expenses and changes in fund net position, to recognize the costs associated with bond issuances that were previously amortized using the straight line method over the life of the bonds. The table below reflects the change that was made.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	ELECTRIC FUND	WATER WASTEWATER FUND	STORMWATER DRAINAGE FUND
Net Position, beginning, as previously reported	\$ 119,101,287	\$ 130,805,465	\$ 30,666,534	\$ 87,746,324	\$ 5,962,722
Deferred Charge on Bond Issue Costs	<u>(1,966,831)</u>	<u>(2,539,632)</u>	<u>(651,658)</u>	<u>(1,630,747)</u>	<u>(266,464)</u>
Net Position, beginning, as restated	<u>\$ 117,134,456</u>	<u>\$ 128,265,833</u>	<u>\$ 30,014,876</u>	<u>\$ 86,115,577</u>	<u>\$ 5,696,258</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) (b)	UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	ANNUAL COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
12/31/2013	\$120,326,557	\$160,723,959	\$40,397,402	74.9%	\$ 30,820,467	131.1%
12/31/2012	108,603,384	141,224,081	32,620,697	76.9%	29,096,429	112.1%
12/31/2011	97,843,592	131,900,915	34,057,323	74.2%	28,202,003	120.8%

CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLANS
FOR THE EMPLOYEES OF THE CITY OF SAN MARCOS, TEXAS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED AAL (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
12/31/2012	\$ -	\$ 4,418,979	\$ 4,418,979	0.0%	\$ 29,096,429	15.2%
12/31/2010	-	3,420,429	3,420,429	0.0%	26,691,575	12.8%
12/31/2008	-	3,373,453	3,373,453	0.0%	23,938,024	14.1%

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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GENERAL FUND

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CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET -</u>	<u>2013</u> <u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE</u> <u>(NEGATIVE)</u>	
<u>REVENUES</u>					
Taxes					
Property Taxes					
Current Ad Valorem Taxes	\$ 8,152,707	\$ 8,152,707	8,108,898	\$ (43,809)	\$ 7,382,129
Delinquent Ad Valorem Taxes	108,148	108,148	90,655	(17,493)	47,825
Penalty and Interest on					
Delinquent Taxes	58,234	58,234	51,750	(6,484)	48,666
Franchise	1,457,604	1,457,604	1,535,491	77,887	1,612,147
Sales	23,508,267	23,508,267	24,020,619	512,352	22,852,364
Mixed Drink	306,732	306,732	360,903	54,171	292,544
Total Taxes	<u>33,591,692</u>	<u>33,591,692</u>	<u>34,168,316</u>	<u>576,624</u>	<u>32,235,675</u>
Licenses and Permits					
Professional and Occupational	56,158	56,158	47,200	(8,958)	50,160
Building	834,136	834,136	1,151,365	317,229	1,112,787
Development	158,206	158,206	125,993	(32,213)	153,682
Plumbing	58,653	58,653	50,925	(7,728)	60,119
Food	165,917	165,917	183,274	17,357	214,382
Cemetery	15,000	15,000	61,270	46,270	65,468
Other	433,578	433,578	660,502	226,924	538,190
Total Licenses and Permits	<u>1,721,648</u>	<u>1,721,648</u>	<u>2,280,529</u>	<u>558,881</u>	<u>2,194,788</u>
Fines and Penalties					
Parking	156,824	156,824	129,699	(27,125)	80,759
Traffic	577,530	577,530	393,380	(184,150)	460,590
Complaints	284,946	284,946	272,523	(12,423)	325,209
Library	80,984	80,984	62,765	(18,219)	63,009
Other	759,158	759,158	465,185	(293,973)	574,077
Total Fines and Penalties	<u>1,859,442</u>	<u>1,859,442</u>	<u>1,323,552</u>	<u>(535,890)</u>	<u>1,503,644</u>
Charges for Services					
Vital Statistics	37,203	37,203	43,794	6,591	39,822
Pound Charges	198,288	198,288	87,979	(110,309)	89,634
Charges to Other Funds	4,502,868	4,502,868	4,423,238	(79,630)	4,347,782
Building Rental	131,047	131,047	145,604	14,557	163,448
Recreation Program	459,218	459,218	406,639	(52,579)	428,851
Other Services	118,908	118,908	112,050	(6,858)	102,098
Total Charges for Services	<u>5,447,532</u>	<u>5,447,532</u>	<u>5,219,304</u>	<u>(228,228)</u>	<u>5,171,635</u>

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CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET -</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>	<u>2013</u> <u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>REVENUES (CONTINUED)</u>					
Intergovernmental	<u>\$ 432,119</u>	<u>\$ 432,119</u>	<u>\$ 210,804</u>	<u>\$ (221,315)</u>	<u>\$ 219,382</u>
Investment Earnings	<u>61,000</u>	<u>61,000</u>	<u>28,124</u>	<u>(32,876)</u>	<u>64,411</u>
Other					
Donations	<u>85,696</u>	<u>85,696</u>	<u>80,000</u>	<u>(5,696)</u>	<u>80,000</u>
Miscellaneous	<u>995,409</u>	<u>995,409</u>	<u>1,140,531</u>	<u>145,122</u>	<u>999,751</u>
Total Other	<u>1,081,105</u>	<u>1,081,105</u>	<u>1,220,531</u>	<u>139,426</u>	<u>1,079,751</u>
Total Revenues	<u>44,194,538</u>	<u>44,194,538</u>	<u>44,451,160</u>	<u>256,622</u>	<u>42,469,286</u>
<u>EXPENDITURES</u>					
Current					
General Government					
Personal Services	<u>2,113,891</u>	<u>2,233,328</u>	<u>2,229,375</u>	<u>3,953</u>	<u>1,833,813</u>
Contracted Services	<u>172,805</u>	<u>174,616</u>	<u>163,023</u>	<u>11,593</u>	<u>139,197</u>
Materials and Supplies	<u>97,300</u>	<u>75,328</u>	<u>69,855</u>	<u>5,473</u>	<u>53,621</u>
Other Charges	<u>368,991</u>	<u>316,139</u>	<u>285,848</u>	<u>30,291</u>	<u>306,233</u>
Total General Government	<u>2,752,987</u>	<u>2,799,411</u>	<u>2,748,101</u>	<u>51,310</u>	<u>2,332,864</u>
Human Resources					
Personnel Services	<u>797,808</u>	<u>874,424</u>	<u>874,424</u>	<u>-</u>	<u>770,436</u>
Contracted Services	<u>110,950</u>	<u>62,989</u>	<u>62,989</u>	<u>-</u>	<u>74,625</u>
Materials and Supplies	<u>20,500</u>	<u>15,202</u>	<u>15,202</u>	<u>-</u>	<u>20,257</u>
Other Charges	<u>29,725</u>	<u>22,378</u>	<u>22,378</u>	<u>-</u>	<u>16,998</u>
Total Human Resources	<u>958,983</u>	<u>974,993</u>	<u>974,993</u>	<u>-</u>	<u>882,316</u>
Finance					
Personnel Services	<u>1,216,957</u>	<u>1,235,522</u>	<u>1,235,522</u>	<u>-</u>	<u>1,283,310</u>
Contracted Services	<u>56,500</u>	<u>66,245</u>	<u>66,245</u>	<u>-</u>	<u>53,016</u>
Materials and Supplies	<u>32,464</u>	<u>42,472</u>	<u>42,472</u>	<u>-</u>	<u>30,686</u>
Other Charges	<u>33,487</u>	<u>25,474</u>	<u>25,474</u>	<u>-</u>	<u>29,464</u>
Total Finance	<u>1,339,408</u>	<u>1,369,713</u>	<u>1,369,713</u>	<u>-</u>	<u>1,396,476</u>

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET -</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>	<u>2013</u> <u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>EXPENDITURES (CONTINUED)</u>					
Municipal Court					
Personal Services	\$ 630,646	\$ 661,263	\$ 661,263	\$ -	\$ 636,253
Contracted Services	57,210	55,259	55,161	98	59,520
Materials and Supplies	31,016	22,990	22,893	97	16,318
Other Charges	14,715	7,016	6,450	566	5,808
Total Municipal Court	<u>733,587</u>	<u>746,528</u>	<u>745,767</u>	<u>761</u>	<u>717,899</u>
Technology Services					
Personnel Services	1,137,016	1,105,697	1,098,718	6,979	829,824
Contracted Services	177,070	178,143	178,143	-	142,727
Materials and Supplies	34,689	40,140	37,330	2,810	33,658
Other Charges	63,124	76,346	75,236	1,110	45,137
Capital Outlay	-	-	-	-	3,310
Total Technology Services	<u>1,411,899</u>	<u>1,400,326</u>	<u>1,389,427</u>	<u>10,899</u>	<u>1,054,656</u>
Development Services					
Personnel Services	1,687,817	1,655,138	1,655,138	-	1,493,179
Contracted Services	320,320	159,683	158,936	747	205,403
Materials and Supplies	47,505	46,694	46,694	-	37,244
Other Charges	90,475	73,210	73,210	-	58,690
Total Development Services	<u>2,146,117</u>	<u>1,934,725</u>	<u>1,933,978</u>	<u>747</u>	<u>1,794,516</u>
Capital Improvements					
Personnel Services	477,931	392,259	392,152	107	123,395
Contracted Services	142,459	136,977	124,878	12,099	46,697
Materials and Supplies	58,029	42,211	42,211	-	11,254
Other Charges	64,500	20,922	20,922	-	-
Total Engineering	<u>742,919</u>	<u>592,369</u>	<u>580,163</u>	<u>12,206</u>	<u>181,346</u>
Fire					
Personnel Services	6,482,026	6,761,369	6,761,369	-	6,320,156
Contracted Services	110,577	99,660	99,660	-	80,436
Materials and Supplies	315,512	320,133	320,133	-	344,710
Other Charges	90,783	89,405	89,405	-	65,708
Total Fire	<u>6,998,898</u>	<u>7,270,567</u>	<u>7,270,567</u>	<u>-</u>	<u>6,811,010</u>

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>	<u>2013 ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>EXPENDITURES (CONTINUED)</u>					
Police					
Personnel Services	\$ 11,966,307	\$ 12,346,827	\$12,343,498	\$ 3,329	\$ 11,325,065
Contracted Services	364,310	381,447	381,447	-	209,350
Materials and Supplies	840,327	810,533	810,533	-	782,982
Other Charges	<u>102,782</u>	<u>81,484</u>	<u>81,484</u>	<u>-</u>	<u>78,811</u>
Total Police	<u>13,273,726</u>	<u>13,620,291</u>	<u>13,616,962</u>	<u>3,329</u>	<u>12,396,208</u>
Public Services					
Personnel Services	1,712,442	1,753,012	1,752,291	721	1,618,534
Contracted Services	161,954	177,846	163,527	14,319	117,769
Materials and Supplies	1,255,987	1,274,162	1,283,670	(9,508)	998,524
Other Charges	<u>167,126</u>	<u>156,473</u>	<u>156,200</u>	<u>273</u>	<u>130,076</u>
Total Public Services	<u>3,297,509</u>	<u>3,361,493</u>	<u>3,355,688</u>	<u>5,805</u>	<u>2,864,903</u>
Community Services					
Neighborhood Services					
Personnel Services	632,627	512,126	510,900	1,226	525,295
Contracted Services	68,823	81,703	79,515	2,188	56,693
Materials and Supplies	72,659	72,384	70,745	1,639	64,649
Other Charges	<u>10,571</u>	<u>10,571</u>	<u>9,517</u>	<u>1,054</u>	<u>10,306</u>
Total Neighborhood Services	<u>784,680</u>	<u>676,784</u>	<u>670,677</u>	<u>6,107</u>	<u>656,943</u>
Library					
Personnel Services	1,270,130	1,320,868	1,320,868	-	1,189,540
Contracted Services	47,669	47,182	47,182	-	34,658
Materials and Supplies	32,580	30,968	30,968	-	31,851
Other Charges	<u>17,283</u>	<u>143,968</u>	<u>143,968</u>	<u>-</u>	<u>140,076</u>
Total Library	<u>1,367,662</u>	<u>1,542,986</u>	<u>1,542,986</u>	<u>-</u>	<u>1,396,125</u>

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET -</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>	<u>2013</u> <u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>EXPENDITURES (CONTINUED)</u>					
Parks and Recreation					
Personnel Services	\$ 2,754,466	\$ 2,719,009	\$ 2,712,794	\$ 6,215	\$ 2,527,564
Contracted Services	1,243,056	1,118,711	1,090,363	28,348	1,093,702
Materials and Supplies	557,404	718,161	706,799	11,362	570,995
Other Charges	29,284	31,784	29,316	2,468	19,039
Total Parks and Recreation	<u>4,584,210</u>	<u>4,587,665</u>	<u>4,539,272</u>	<u>48,393</u>	<u>4,211,300</u>
Environmental Health					
Personnel Services	349,628	392,284	392,284	-	387,454
Contracted Services	28,180	17,572	18,276	(704)	21,794
Materials and Supplies	20,943	17,378	16,674	704	17,921
Other Charges	4,685	2,595	2,043	552	2,485
Total Environmental Services	<u>403,436</u>	<u>429,829</u>	<u>429,277</u>	<u>552</u>	<u>429,654</u>
Animal Services					
Personnel Services	724,865	699,833	682,106	17,727	659,565
Contracted Services	102,393	82,305	78,969	3,336	73,386
Materials and Supplies	150,761	125,664	123,453	2,211	90,295
Other Charges	12,450	12,450	9,616	2,834	4,004
Capital Outlay	-	-	-	-	1,477
Total Animal Services	<u>990,469</u>	<u>920,252</u>	<u>894,144</u>	<u>26,108</u>	<u>828,727</u>
Fleet Services					
Personnel Services	428,079	390,050	349,530	40,520	337,959
Contracted Services	11,141	11,141	5,167	5,974	6,710
Materials and Supplies	48,387	48,387	35,231	13,156	38,650
Other Charges	15,387	15,387	1,134	14,253	3,409
Total Fleet Services	<u>502,994</u>	<u>464,965</u>	<u>391,062</u>	<u>73,903</u>	<u>386,728</u>
Administration					
Personnel Services	553,631	641,372	641,372	-	561,565
Contracted Services	900	900	850	50	800
Materials and Supplies	1,200	1,329	516	813	927
Other Charges	3,325	3,325	1,007	2,318	580
Total Administration	<u>559,056</u>	<u>646,926</u>	<u>643,745</u>	<u>3,181</u>	<u>563,872</u>
Total Community Services	<u>9,192,507</u>	<u>9,269,407</u>	<u>9,111,163</u>	<u>158,244</u>	<u>8,473,349</u>

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>	<u>2013 ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>EXPENDITURES (CONTINUED)</u>					
General Services					
Social Services					
Other Charges	\$ 410,000	\$ 410,000	\$ 410,000	\$ -	\$ 400,742
Total Social Services	410,000	410,000	410,000	-	400,742
Special Services					
Personnel Services	547,844	174,629	5,592	169,037	25,315
Contracted Services	2,400,636	2,434,749	1,986,998	447,751	2,030,385
Materials and Supplies	5,100	10,595	10,595	-	7,496
Other Charges	1,155,321	1,164,457	1,764,300	(599,843)	1,529,487
Economic Development Incentives	900,000	827,609	-	827,609	-
Capital Outlay and Maintenance	2,716,803	-	-	-	-
Total Special Services	7,725,704	4,612,039	3,767,485	844,554	3,592,683
Total General Services	8,135,704	5,022,039	4,177,485	844,554	3,993,425
Cemetery					
Contracted Services	160,855	158,387	135,726	22,661	132,645
Materials and Supplies	2,000	2,040	236	1,804	1,674
Other Charges	-	5,194	-	5,194	5,137
Total Cemetery	162,855	165,621	135,962	29,659	139,456
Total Expenditures	51,147,099	48,527,483	47,409,969	1,117,514	43,038,424
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	(6,952,561)	(4,332,945)	(2,958,809)	1,374,136	(569,138)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	5,984,055	5,984,055	6,025,591	41,536	5,690,276
Transfers Out	(1,550,093)	(4,235,777)	(4,051,548)	184,229	(3,222,663)
Sale of Capital Assets	-	-	30,654	30,654	151,966
Total Other Financing Sources (Uses)	4,433,962	1,748,278	2,004,697	256,419	2,619,579
Net Change in Fund Balance	(2,518,599)	(2,584,667)	(954,112)	1,630,555	2,050,441
<u>FUND BALANCE - BEGINNING</u>					
	16,975,326	16,975,326	16,975,326	-	14,924,885
<u>FUND BALANCE - ENDING</u>					
	\$ 14,456,727	\$ 14,390,659	\$ 16,021,214	\$ 1,630,555	\$ 16,975,326

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, special assessments, or major capital projects) that are legally restricted to expenditures for specific purposes.

Grants and Special Entitlements

Community Development Block Grant

Public Education

Police Grant

WIC Project

PARC Recreation Programs

Hotel Occupancy

Municipal Court Technology

Seized Assets

Library Memorial

Municipal Court Security Fee

Juvenile Case Manager Fee

Parks and Recreation

TIRZ #2

TIRZ #3

TIRZ #5

Miscellaneous Grants

NONMAJOR PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Cemetery Perpetual

CITY OF SAN MARCOS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	SPECIAL		
	GRANT AND SPECIAL ENTITLEMENTS	COMMUNITY DEVELOPMENT BLOCK GRANT	PUBLIC EDUCATION
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 311,636	\$ 72,903	\$ 383,033
Investments			
Receivables - Net of Allowances for Uncollectibles			
Accounts	-	16,208	22,747
Taxes	-	-	-
Loans	27,903	-	-
Due from Other Funds	-	4,056	14,745
Due from Other Governments	-	-	-
Prepaid Items	-	2,832	-
TOTAL ASSETS	<u>\$ 339,539</u>	<u>\$ 95,999</u>	<u>\$ 420,525</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ -	\$ 10,026	\$ -
Accrued Liabilities	-	3,628	-
Unearned Revenue	277,240	10,892	-
Customer Deposits	-	-	-
Due to Other Funds	-	59,595	-
Total Liabilities	<u>277,240</u>	<u>84,141</u>	<u>\$ -</u>
Fund Balances			
Nonspendable for Prepaid Items	-	-	-
Restricted for			
Public Safety	-	-	-
Community Services	62,299	11,858	420,525
Endowment	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>62,299</u>	<u>11,858</u>	<u>420,525</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 339,539</u>	<u>\$ 95,999</u>	<u>\$ 420,525</u>

REVENUE

<u>POLICE GRANT</u>	<u>WIC PROJECT</u>	<u>PARD RECREATION PROGRAMS</u>	<u>HOTEL OCCUPANCY</u>	<u>MUNICIPAL COURT TECHNOLOGY</u>	<u>SEIZED ASSETS</u>	<u>LIBRARY MEMORIAL</u>
\$ 566,957	\$ 257,361	\$ 81,571	\$ 1,351,473	\$ 170,308	\$ 73,195	\$ 34,188
-	-	-	-	-	-	-
-	-	-	238,235	-	-	-
-	-	-	-	-	-	-
18	36	6,894	603,345	-	-	-
74,275	452,139	-	-	-	-	-
-	11,128	-	99,607	-	-	-
<u>\$ 641,250</u>	<u>\$ 720,664</u>	<u>\$ 88,465</u>	<u>\$ 2,292,660</u>	<u>\$ 170,308</u>	<u>\$ 73,195</u>	<u>\$ 34,188</u>
\$ -	\$ 68,677	\$ 11,334	\$ 200,479	\$ -	\$ 1,502	\$ -
-	42,551	-	5,615	-	-	-
6,608	-	2,603	205	-	-	-
-	-	-	-	-	-	-
628,401	609,436	1,425	649,874	-	-	-
<u>635,009</u>	<u>720,664</u>	<u>15,362</u>	<u>856,173</u>	<u>-</u>	<u>1,502</u>	<u>-</u>
-	11,128	-	99,607	-	-	-
6,241	-	-	-	170,308	71,693	-
-	(11,128)	73,103	1,336,880	-	-	34,188
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,241</u>	<u>-</u>	<u>73,103</u>	<u>1,436,487</u>	<u>170,308</u>	<u>71,693</u>	<u>34,188</u>
<u>\$ 641,250</u>	<u>\$ 720,664</u>	<u>\$ 88,465</u>	<u>\$ 2,292,660</u>	<u>\$ 170,308</u>	<u>\$ 73,195</u>	<u>\$ 34,188</u>

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2014

	SPECIAL		
	MUNICIPAL COURT SECURITY FEE	JUVENILE CASE MANAGER FEE	PARKS AND RECREATION
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 119,641	\$ 25,953	\$ 6,269
Investments	-	-	-
Receivables - Net of Allowances for Uncollectibles			
Accounts	-	-	-
Taxes	-	-	-
Loans	-	-	-
Due from Other Funds	755	1,318	-
Due from Other Governments	-	-	-
Prepaid Items	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 120,396</u>	<u>\$ 27,271</u>	<u>\$ 6,269</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Liabilities	-	8	-
Deferred Revenue	-	-	-
Customer Deposits	-	-	-
Due to Other Funds	-	1,666	-
Total Liabilities	<u> </u>	<u>1,674</u>	<u> </u>
Fund Balances			
Nonspendable for Prepaid Items	-	-	-
Restricted for			
Public Safety	120,396	25,597	-
Community Services	-	-	6,269
Endowment	-	-	-
Total Fund Balances	<u>120,396</u>	<u>25,597</u>	<u>6,269</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 120,396</u>	<u>\$ 27,271</u>	<u>\$ 6,269</u>

REVENUE				PERMANENT	
TIRZ #2	TIRZ #3	TIRZ #5	MISCELLANEOUS GRANTS	CEMETERY PERPETUAL	TOTALS
\$ -	\$ -	\$ 10,437	\$ -	\$ 39,476	\$ 3,504,401
-	-	-	1,020,396	1,012,006	2,032,402
81,668	69,709	34,962	-	7,993	233,287
-	-	-	-	-	238,235
-	-	-	-	-	27,903
178,559	158,775	43,472	158,468	-	1,170,441
-	-	-	702,908	-	1,229,322
-	-	-	-	-	113,567
<u>\$ 260,227</u>	<u>\$ 228,484</u>	<u>\$ 88,871</u>	<u>\$ 1,881,772</u>	<u>\$1,059,475</u>	<u>\$ 8,549,558</u>
\$ -	\$ -	\$ -	\$ 96,462	\$ -	388,480
-	-	-	-	-	51,802
-	-	-	1,321,008	-	1,618,556
2,131	-	-	-	-	2,131
<u>258,126</u>	<u>225,484</u>	<u>-</u>	<u>247,734</u>	<u>-</u>	<u>2,681,741</u>
<u>260,257</u>	<u>225,484</u>	<u>-</u>	<u>1,665,204</u>	<u>-</u>	<u>4,742,710</u>
-	-	-	-	-	110,735
-	-	-	-	-	394,235
(30)	3,000	88,871	216,568	-	2,242,403
-	-	-	-	1,059,475	1,059,475
<u>(30)</u>	<u>3,000</u>	<u>88,871</u>	<u>216,568</u>	<u>1,059,475</u>	<u>3,806,848</u>
<u>\$ 260,227</u>	<u>\$ 228,484</u>	<u>\$ 88,871</u>	<u>\$ 1,881,772</u>	<u>\$1,059,475</u>	<u>\$ 8,549,558</u>

CITY OF SAN MARCOS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>SPECIAL</u>		
	<u>GRANT AND SPECIAL ENTITLEMENTS</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>PUBLIC EDUCATION</u>
<u>REVENUES</u>			
Taxes	\$ -	\$ -	\$ 90,586
Fines and Penalties	-	-	-
Intergovernmental	11,748	665,163	-
Charges for Services	-	-	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>11,748</u>	<u>665,163</u>	<u>90,586</u>
<u>EXPENDITURES</u>			
Current			
General Government	-	-	4,745
Public Safety	-	-	-
Community Service	-	713,305	-
Capital Outlay	<u>11,748</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,748</u>	<u>713,305</u>	<u>4,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(48,142)</u>	<u>85,841</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	60,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	-	11,858	85,841
<u>FUND BALANCES - BEGINNING</u>	<u>62,299</u>	<u>-</u>	<u>334,684</u>
FUND BALANCES - ENDING	<u>\$ 62,299</u>	<u>\$ 11,858</u>	<u>\$ 420,525</u>

REVENUE

<u>POLICE GRANT</u>	<u>WIC PROJECT</u>	<u>PARD RECREATION PROGRAMS</u>	<u>HOTEL OCCUPANCY</u>	<u>MUNICIPAL COURT TECHNOLOGY</u>	<u>SEIZED ASSETS</u>	<u>LIBRARY MEMORIAL</u>
\$ -	\$ -	\$ -	\$2,939,387	\$ -	\$ -	\$ -
-	-	-	-	26,126	25,303	-
215,425	1,651,374	-	-	-	-	-
-	-	222,788	-	-	-	-
-	-	-	537	-	-	-
<u>-</u>	<u>-</u>	<u>2,151</u>	<u>6,748</u>	<u>-</u>	<u>-</u>	<u>300</u>
<u>215,425</u>	<u>1,651,374</u>	<u>224,939</u>	<u>2,946,672</u>	<u>26,126</u>	<u>25,303</u>	<u>300</u>
-	6,440	-	-	-	-	-
213,185	-	-	-	8,020	35,359	-
-	1,619,418	194,897	1,565,248	-	-	-
<u>-</u>	<u>25,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>213,185</u>	<u>1,651,374</u>	<u>194,897</u>	<u>1,565,248</u>	<u>8,020</u>	<u>35,359</u>	<u>-</u>
<u>2,240</u>	<u>-</u>	<u>30,042</u>	<u>1,381,424</u>	<u>18,106</u>	<u>(10,056)</u>	<u>300</u>
-	-	-	46,985	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,386,499)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,339,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,240	-	30,042	41,910	18,106	(10,056)	300
<u>4,001</u>	<u>-</u>	<u>43,061</u>	<u>1,394,577</u>	<u>152,202</u>	<u>81,749</u>	<u>33,888</u>
<u>\$ 6,241</u>	<u>\$ -</u>	<u>\$ 73,103</u>	<u>\$1,436,487</u>	<u>\$ 170,308</u>	<u>\$71,693</u>	<u>\$ 34,188</u>

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>SPECIAL</u>		
	<u>MUNICIPAL</u>	<u>JUVENILE</u>	
	<u>COURT</u>	<u>CASE</u>	
	<u>SECURITY</u>	<u>MANAGER</u>	<u>PARKS AND</u>
	<u>FEE</u>	<u>FEE</u>	<u>RECREATION</u>
<u>REVENUES</u>			
Taxes	\$ -	\$ -	\$ -
Fines and Penalties	20,589	35,849	
Intergovernmental	-	-	
Charges for Services	-	-	
Investment Earnings	-	-	
Miscellaneous	-	-	849
Total Revenues	<u>20,589</u>	<u>35,849</u>	<u>849</u>
<u>EXPENDITURES</u>			
Current			
General Government	-	-	-
Public Safety	28,985	26,216	-
Community Service	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>28,985</u>	<u>26,216</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,396)</u>	<u>9,633</u>	<u>849</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(8,396)	9,633	849
<u>FUND BALANCES - BEGINNING</u>	<u>128,792</u>	<u>15,964</u>	<u>5,420</u>
FUND BALANCES - ENDING	<u>\$ 120,396</u>	<u>\$ 25,597</u>	<u>\$ 6,269</u>

REVENUE				PERMANENT	
TIRZ #2	TIRZ #3	TIRZ #5	MISCELLANEOUS GRANTS	CEMETERY PERPETUAL	TOTALS
\$ 81,668	\$ 69,709	\$ 34,962	\$ -	\$ -	\$ 3,216,312
-	-	-	-	-	107,867
-	-	-	5,596,804	-	8,140,514
-	-	-	-	-	222,788
-	-	-	610	8,564	9,711
-	-	-	392,040	2,514	404,602
<u>81,668</u>	<u>69,709</u>	<u>34,962</u>	<u>5,989,454</u>	<u>11,078</u>	<u>12,101,794</u>
260,257	-	-	3,058,064	-	3,329,506
-	-	-	-	-	311,765
-	-	-	-	-	4,092,868
-	-	-	2,799,212	-	2,836,476
<u>260,257</u>	<u>-</u>	<u>-</u>	<u>5,857,276</u>	<u>-</u>	<u>10,570,615</u>
<u>(178,589)</u>	<u>69,709</u>	<u>34,962</u>	<u>132,178</u>	<u>11,078</u>	<u>1,531,179</u>
178,559	129,881	43,472	-	-	458,897
-	(199,590)	-	(22,000)	-	(1,608,089)
<u>178,559</u>	<u>(69,709)</u>	<u>43,472</u>	<u>(22,000)</u>	<u>-</u>	<u>(1,149,192)</u>
(30)	-	78,434	110,178	11,078	381,987
-	3,000	10,437	106,390	1,048,397	3,424,861
<u>\$ (30)</u>	<u>\$ 3,000</u>	<u>\$ 88,871</u>	<u>\$ 216,568</u>	<u>\$ 1,059,475</u>	<u>\$ 3,806,848</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$ 7,892,828	\$ 7,892,828	\$ 8,311,002	\$ 418,174
Intergovernmental	3,030,000	3,030,000	2,232,609	(797,391)
Interest on Investments	26,000	26,000	35,518	9,518
Miscellaneous	<u>118,712</u>	<u>118,712</u>	<u>130,918</u>	<u>12,206</u>
Total Revenues	<u>11,067,540</u>	<u>11,067,540</u>	<u>10,710,047</u>	<u>(357,493)</u>
<u>EXPENDITURES</u>				
Debt Service				
Principal	7,000,000	7,000,000	7,000,000	-
Interest and Fiscal Charges	5,693,588	5,693,588	5,205,778	487,810
Bond Issuance Cost	<u>-</u>	<u>-</u>	<u>253,477</u>	<u>(253,477)</u>
Total Expenditures	<u>12,693,588</u>	<u>12,693,588</u>	<u>12,459,255</u>	<u>234,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,626,048)</u>	<u>(1,626,048)</u>	<u>(1,749,208)</u>	<u>(123,160)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	2,153,383	2,153,383	2,136,580	(16,803)
Transfers Out	-	-	(171,132)	(171,132)
Payment to Refunded Bond Escrow Agent	-	-	(27,274,606)	(27,274,606)
Premium on Debt Issued	-	-	3,024,329	3,024,329
Refunding Bonds Issued	<u>-</u>	<u>-</u>	<u>20,570,000</u>	<u>20,570,000</u>
Total Other Financing Sources (Uses)	<u>2,153,383</u>	<u>2,153,383</u>	<u>(1,714,829)</u>	<u>(3,868,212)</u>
Net Change in Fund Balances	527,335	527,335	(3,464,037)	3,991,372
<u>FUND BALANCES - BEGINNING</u>	<u>10,404,537</u>	<u>10,404,537</u>	<u>10,404,537</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 10,931,872</u>	<u>\$ 10,931,872</u>	<u>\$ 6,940,500</u>	<u>\$ (3,991,372)</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 453,665	\$ 657,355	\$ 665,163	\$ 7,808
<u>EXPENDITURES</u>				
Current				
Community Service	513,665	1,064,899	713,305	351,594
Capital Outlay	-	-	-	-
Total Expenditures	<u>513,665</u>	<u>1,064,899</u>	<u>713,305</u>	<u>351,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,000)</u>	<u>(407,544)</u>	<u>(48,142)</u>	<u>(343,786)</u>
<u>OTHER FINANCIING SOURCES (USES)</u>				
Transfers In	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	-	(347,544)	11,858	359,402
<u>FUND BALANCES - BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (695,088)</u>	<u>\$ 11,858</u>	<u>\$ 359,402</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PUBLIC EDUCATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,586</u>	<u>\$ 586</u>
<u>EXPENDITURES</u>				
Current				
General Government	<u>250,000</u>	<u>250,000</u>	<u>4,745</u>	<u>245,255</u>
Net Change in Fund Balance	(160,000)	(160,000)	85,841	245,841
<u>FUND BALANCES - BEGINNING</u>	<u>334,684</u>	<u>334,684</u>	<u>334,684</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 174,684</u>	<u>\$ 174,684</u>	<u>\$ 420,525</u>	<u>\$ 245,841</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
POLICE GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 330,188	\$ 363,068	\$ 215,425	\$ (147,643)
<u>EXPENDITURES</u>				
Current				
Public Safety	<u>331,002</u>	<u>360,881</u>	<u>213,185</u>	<u>147,696</u>
Net Change in Fund Balance	(814)	2,187	2,240	53
<u>FUND BALANCES - BEGINNING</u>	<u>4,001</u>	<u>4,001</u>	<u>4,001</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,187</u>	<u>\$ 6,188</u>	<u>\$ 6,241</u>	<u>\$ 53</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WIC PROJECT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 1,998,528	\$ 1,998,528	\$ 1,651,374	\$ (347,154)
<u>EXPENDITURES</u>				
Current				
General Government	-	6,440	6,440	-
Community Service	1,998,528	1,966,572	1,619,418	347,154
Capital Outlay	-	25,516	25,516	-
Total Expenditures	1,998,528	1,998,528	1,651,374	347,154
Net Change in Fund Balance	-	-	-	-
<u>FUND BALANCES - BEGINNING</u>				
	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HOTEL OCCUPANCY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$ 2,927,288	\$ 2,927,288	\$ 2,939,387	\$ 12,099
Interest on Investments	1,000	1,000	537	(463)
Other	<u>-</u>	<u>-</u>	<u>6,748</u>	<u>6,748</u>
Total Revenues	<u>2,928,288</u>	<u>2,928,288</u>	<u>2,946,672</u>	<u>18,384</u>
<u>EXPENDITURES</u>				
Current				
Community Service	<u>2,030,575</u>	<u>2,237,321</u>	<u>1,565,248</u>	<u>672,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>897,713</u>	<u>690,967</u>	<u>1,381,424</u>	<u>690,457</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	46,985	4,685	46,985	-
Transfers Out	<u>(1,374,408)</u>	<u>(1,374,408)</u>	<u>(1,386,499)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,327,423)</u>	<u>(1,369,723)</u>	<u>(1,339,514)</u>	<u>-</u>
Net Change in Fund Balance	(429,710)	(678,756)	41,910	720,666
<u>FUND BALANCES - BEGINNING</u>	<u>1,394,577</u>	<u>1,394,577</u>	<u>1,394,577</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 964,867</u>	<u>\$ 715,821</u>	<u>\$ 1,436,487</u>	<u>\$ 720,666</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines and Penalties	\$ 34,025	\$ 34,025	\$ 26,126	\$ (7,899)
<u>EXPENDITURES</u>				
Current				
Public Safety	5,000	92,966	8,020	84,946
Capital Outlay	<u>25,000</u>	<u>21,665</u>	<u>-</u>	<u>21,665</u>
Total Expenditures	<u>30,000</u>	<u>114,631</u>	<u>8,020</u>	<u>106,611</u>
Net Change in Fund Balance	4,025	(80,606)	18,106	98,712
<u>FUND BALANCES - BEGINNING</u>	<u>152,202</u>	<u>152,202</u>	<u>152,202</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 156,227</u>	<u>\$ 71,596</u>	<u>\$ 170,308</u>	<u>\$ 98,712</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SEIZED ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines and Penalties	\$ 5,100	\$ 5,100	\$ 25,303	\$ 20,203
<u>EXPENDITURES</u>				
Current				
Public Safety	1,500	35,359	35,359	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,500</u>	<u>35,359</u>	<u>35,359</u>	<u>-</u>
Net Change in Fund Balance	3,600	(30,259)	(10,056)	20,203
<u>FUND BALANCES - BEGINNING</u>	<u>81,749</u>	<u>81,749</u>	<u>81,749</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 85,349</u>	<u>\$ 51,490</u>	<u>\$ 71,693</u>	<u>\$ 20,203</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
MUNICIPAL COURT SECURITY FEE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines and Penalties	\$ 26,012	\$ 26,012	\$ 20,589	\$ (5,423)
<u>EXPENDITURES</u>				
Current				
Public Safety	11,611	41,611	28,985	12,626
Net Change in Fund Balance	14,401	(15,599)	(8,396)	7,203
<u>FUND BALANCES - BEGINNING</u>	<u>128,792</u>	<u>128,792</u>	<u>128,792</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 143,193</u>	<u>\$ 113,193</u>	<u>\$ 120,396</u>	<u>\$ 7,203</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
JUVENILE CASE MANAGER FEE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines and Penalties	\$ 41,000	\$ 41,000	\$ 35,849	\$ (5,151)
<u>EXPENDITURES</u>				
Current				
Public Safety	49,409	49,409	26,216	23,193
Net Change in Fund Balance	(8,409)	(8,409)	9,633	18,042
<u>FUND BALANCES - BEGINNING</u>	<u>15,964</u>	<u>15,964</u>	<u>15,964</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 7,555</u>	<u>\$ 7,555</u>	<u>\$ 25,597</u>	<u>\$ 18,042</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIRZ #2
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$ 92,435	\$ 92,435	\$ 81,668	\$ (10,767)
<u>EXPENDITURES</u>				
Current				
General Government	290,622	290,622	260,257	30,365
Excess (Deficiency) of Revenues Over (Under) Expenditures	(198,187)	(198,187)	(178,589)	19,598
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	198,187	198,187	178,559	(19,628)
Net Change in Fund Balance	-	-	(30)	(30)
<u>FUND BALANCES - BEGINNING</u>	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ (30)	\$ (30)

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIRZ #3
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$ 98,603	\$ 98,603	\$ 69,709	\$ (28,894)
<u>EXPENDITURES</u>				
Current				
General Government	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,603	98,603	69,709	(28,894)
<u>OTHER FINANCIING SOURCES (USES)</u>				
Transfer In	129,881	129,881	129,881	
Transfer Out	(228,484)	(228,484)	(199,590)	28,894
Total Other Financing Sources (Uses)	(98,603)	(98,603)	(69,709)	
Net Change in Fund Balance	-	-	-	-
<u>FUND BALANCES - BEGINNING</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIRZ #5
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$ 14,645	\$ 14,645	\$ 34,962	\$ 20,317
<u>EXPENDITURES</u>				
Current				
General Government	60,876	60,876	-	60,876
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,231)	(46,231)	34,962	81,193
<u>OTHER FINANCIING SOURCES (USES)</u>				
Transfer In	18,278	18,278	43,472	25,194
Net Change in Fund Balance	(27,953)	(27,953)	78,434	106,387
<u>FUND BALANCES - BEGINNING</u>	<u>10,437</u>	<u>10,437</u>	<u>10,437</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ (17,516)</u>	<u>\$ (17,516)</u>	<u>\$ 88,871</u>	<u>\$ 106,387</u>

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MISCELLANEOUS GRANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 6,105,868	\$ 5,596,804	\$ (509,064)
Investment Earnings	-	-	610	610
Miscellaneous	-	392,040	392,040	-
Total Revenues	-	6,497,908	5,989,454	(508,454)
<u>EXPENDITURES</u>				
Current				
General Government	-	-	3,058,064	(3,058,064)
Capital Outlay	-	8,279,327	2,799,212	5,480,115
Total Expenditures	-	8,279,327	5,857,276	2,422,051
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,781,419)	132,178	1,913,597
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	-	(22,000)	(22,000)	-
Net Change in Fund Balance	-	(1,803,419)	110,178	1,913,597
<u>FUND BALANCES - BEGINNING</u>	<u>106,390</u>	<u>106,390</u>	<u>106,390</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 106,390</u>	<u>\$ (1,697,029)</u>	<u>\$ 216,568</u>	<u>\$ 1,913,597</u>

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operations and maintenance of a City's facilities and services which are entirely or predominantly supported by user charges of those for which the City had decided that periodic determination of the revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations and maintenance. Debt service is also included.

Airport Fund – This fund was established to account for all revenues and expenses of every nature derived by the City from its ownership and operation of the airport.

Transit Fund – This fund was created to account for all revenues and expenses related to the public transit system within the City.

Waste Collection Fund – This fund was created to account for waste collection and disposal services provided to residents of the City.

CITY OF SAN MARCOS, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2014

<u>ASSETS</u>	<u>ENTERPRISE</u>			<u>TOTAL</u>
	<u>AIRPORT</u>	<u>TRANSIT</u>	<u>WASTE COLLECTION</u>	
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents	\$ 31,720	\$ -	\$ 1,172,744	\$ 1,204,464
Accounts Receivable - Net	46,691	-	374,485	421,176
Due from Other Funds	32,931	135,881	29,066	197,878
Due from Other Governments	30,714	-	-	30,714
Total Current Assets	<u>142,056</u>	<u>135,881</u>	<u>1,576,295</u>	<u>1,854,232</u>
<u>NONCURRENT ASSETS</u>				
Capital Assets:				
Land	653,140	-	-	653,140
Buildings	4,339,745	-	-	4,339,745
Improvements Other than Buildings	8,342,071	-	-	8,342,071
Furnishings and Equipment	19,463	-	-	19,463
Construction in Progress	1,409,330	-	-	1,409,330
Totals	14,763,749	-	-	14,763,749
Less: Accumulated Depreciation	<u>(9,795,442)</u>	-	-	<u>(9,795,442)</u>
Total Capital Assets	<u>4,968,307</u>	-	-	<u>4,968,307</u>
Total Noncurrent Assets	<u>4,968,307</u>	-	-	<u>4,968,307</u>
TOTAL ASSETS	<u>\$ 5,110,363</u>	<u>\$ 135,881</u>	<u>\$ 1,576,295</u>	<u>\$ 6,822,539</u>
<u>LIABILITIES AND NET POSITION</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable	\$ 35,853	\$ 25,000	\$ 253,320	\$ 314,173
Accrued Liabilities	-	-	10,821	10,821
Due to Other Funds	45,141	39,986	58,126	143,253
Customer Deposits	6,434	-	147,134	153,568
Total Current Liabilities	<u>87,428</u>	<u>64,986</u>	<u>469,401</u>	<u>621,815</u>
<u>NONCURRENT LIABILITIES</u>				
Long-Term Debt	<u>11,622</u>	<u>811</u>	<u>3,474</u>	<u>15,907</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	4,968,307	-	-	4,968,307
Unrestricted	<u>43,006</u>	<u>70,084</u>	<u>1,103,420</u>	<u>1,216,510</u>
Total Net Position	<u>5,011,313</u>	<u>70,084</u>	<u>1,103,420</u>	<u>6,184,817</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,110,363</u>	<u>\$ 135,881</u>	<u>\$ 1,576,295</u>	<u>\$ 6,822,539</u>

CITY OF SAN MARCOS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ENTERPRISE			TOTAL
	AIRPORT	TRANSIT	WASTE COLLECTION	
<u>OPERATING REVENUES</u>				
Charges for Services	\$ 288,112	\$ -	\$ 2,628,929	\$ 2,917,041
Intergovernmental	4,320	-	-	4,320
Miscellaneous	-	-	-	-
Total Operating Revenues	<u>292,432</u>	<u>-</u>	<u>2,628,929</u>	<u>2,921,361</u>
<u>OPERATING EXPENSES</u>				
Personnel Services	-	106	112,063	112,169
Contracted Services	337,853	300,000	2,449,041	3,086,894
Materials and Supplies	32,983	685	16,880	50,548
Other Charges	13,341	-	46,759	60,100
Depreciation	<u>263,476</u>	<u>-</u>	<u>-</u>	<u>263,476</u>
Total Operating Expenses	<u>647,653</u>	<u>300,791</u>	<u>2,624,743</u>	<u>3,573,187</u>
Operating Income (Loss)	<u>(355,221)</u>	<u>(300,791)</u>	<u>4,186</u>	<u>(651,826)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Transfer In	38,822	296,114	25,000	359,936
Grants	<u>46,822</u>	<u>-</u>	<u>-</u>	<u>46,822</u>
Total Non-Operating Revenue (Expenses)	<u>85,644</u>	<u>296,114</u>	<u>25,000</u>	<u>406,758</u>
Change in Net Position	(269,577)	(4,677)	29,186	(245,068)
<u>TOTAL NET POSITION - BEGINNING</u>	<u>5,280,890</u>	<u>74,761</u>	<u>1,074,234</u>	<u>6,429,885</u>
TOTAL NET POSITION - ENDING	<u>\$ 5,011,313</u>	<u>\$ 70,084</u>	<u>\$ 1,103,420</u>	<u>\$ 6,184,817</u>

CITY OF SAN MARCOS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ENTERPRISE			TOTAL
	AIRPORT	TRANSIT	WASTE COLLECTION	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 843,180	\$ -	\$ 2,635,515	\$ 3,478,695
Cash Paid to Suppliers for Goods and Services	(381,304)	(275,832)	(2,682,944)	(3,340,080)
Cash Paid to Employees for Services	-	(1,436)	(109,550)	(110,986)
Receipts (Payments) to Other Funds	(233,887)	(95,956)	304,146	(25,697)
Net Cash Provided by (Used in) Operating Activities	<u>227,989</u>	<u>(373,224)</u>	<u>147,167</u>	<u>1,932</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers to Other Funds	-	-	-	-
Transfers from Other Funds	38,822	296,114	25,000	359,936
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>38,822</u>	<u>296,114</u>	<u>25,000</u>	<u>359,936</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of Capital Assets	(281,913)	-	-	(281,913)
Capital Grants	46,822	-	-	46,822
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(235,091)</u>	<u>-</u>	<u>-</u>	<u>(235,091)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Received	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	31,720	(77,110)	172,167	126,777
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>				
	-	77,110	1,000,577	1,077,687
<u>CASH AND CASH EQUIVALENTS - ENDING</u>				
	<u>\$ 31,720</u>	<u>\$ -</u>	<u>\$ 1,172,744</u>	<u>\$ 1,204,464</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
Operating Income (Loss)	\$ (355,221)	\$(300,791)	\$ 4,186	\$ (651,826)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation	263,476	-	-	263,476
Changes in Assets and Liabilities				
Decrease (Increase) in Assets				
Accounts Receivable	4,452	-	(4,575)	(123)
Due from Other Funds	72,175	(135,881)	246,422	182,716
Due from Other Governments	545,854	-	-	545,854
Increase (Decrease) in Liabilities				
Accounts Payable	2,873	24,853	(170,264)	(142,538)
Accrued Liabilities	-	(1,330)	1,574	244
Due to Other Funds	(306,062)	39,925	57,724	(208,413)
Customer Deposits	442	-	11,161	11,603
Net Pension Obligation	-	-	939	939
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 227,989</u>	<u>\$(373,224)</u>	<u>\$ 147,167</u>	<u>\$ 1,932</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of San Marcos, Texas' comprehensive annual financial report presents multiple years of data to provide a historical perspective for understanding the information available in the financial statements, note disclosures, and required supplementary information and for assessing the City's overall financial health.

Contents

Schedules

Financial Trends

1 through 4

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

5 through 15

These schedules contain trend information to help the reader assess the City's most significant local revenue sources. Although electric charges are the City's most significant local revenue source, information about revenue payers is confidential under Texas statutes. Trend information about electric charges is provided in Table 6. Additionally, information about property tax revenue is provided.

Debt Capacity

16 through 19

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Indicators

20 through 22

These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.

Operating Information

23 through 25

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SAN MARCOS, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

TABLE 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>GOVERNMENTAL ACTIVITIES</u>										
Net Investment in Capital Assets	\$44,394,312	\$ 50,982,992	\$ 34,026,741	\$ 52,331,211	\$ 69,504,636	\$ 66,361,134	\$ 74,247,634	\$ 82,639,548	\$ 88,391,028	\$ 94,693,282
Restricted	3,295,738	4,096,953	7,178,953	13,656,718	11,771,448	11,086,463	9,972,700	20,848,878	19,474,094	10,636,613
Unrestricted	<u>10,150,795</u>	<u>14,345,393</u>	<u>38,892,946</u>	<u>21,549,724</u>	<u>19,093,354</u>	<u>22,795,807</u>	<u>18,807,912</u>	<u>8,808,763</u>	<u>11,236,165</u>	<u>14,521,718</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 57,840,845</u>	<u>\$ 69,425,338</u>	<u>\$ 80,098,640</u>	<u>\$ 87,537,653</u>	<u>\$ 100,369,438</u>	<u>\$ 100,243,404</u>	<u>\$ 103,028,246</u>	<u>\$ 112,297,189</u>	<u>\$ 119,101,287</u>	<u>\$ 119,851,613</u>
<u>BUSINESS-TYPE ACTIVITIES</u>										
Net Investment in Capital Assets	\$27,837,167	\$ 31,937,728	\$ 37,167,271	\$ 63,950,063	\$ 76,798,160	\$ 84,316,321	\$ 76,737,408	\$ 77,417,956	\$ 85,172,984	\$ 88,667,413
Restricted	1,776,852	-	-	-	-	-	-	-	-	-
Unrestricted	<u>57,935,375</u>	<u>65,067,633</u>	<u>71,918,198</u>	<u>55,197,775</u>	<u>45,845,181</u>	<u>36,486,413</u>	<u>46,484,731</u>	<u>50,448,724</u>	<u>45,632,481</u>	<u>46,343,182</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 87,549,394</u>	<u>\$ 97,005,361</u>	<u>\$ 109,085,469</u>	<u>\$ 119,147,838</u>	<u>\$ 122,643,341</u>	<u>\$ 120,802,734</u>	<u>\$ 123,222,139</u>	<u>\$ 127,866,680</u>	<u>\$ 130,805,465</u>	<u>\$ 135,010,595</u>
<u>PRIMARY GOVERNMENT</u>										
Net Investment in Capital Assets	\$72,231,479	\$ 82,920,720	\$ 71,194,012	\$ 116,281,274	\$ 146,302,796	\$ 150,677,455	\$ 150,985,042	\$ 160,057,504	\$ 173,564,012	\$ 183,360,695
Restricted	5,072,590	4,096,953	7,178,953	13,656,718	11,771,448	11,086,463	9,972,700	20,848,878	19,474,094	10,636,613
Unrestricted	<u>68,086,170</u>	<u>79,413,026</u>	<u>110,811,144</u>	<u>76,747,499</u>	<u>64,938,535</u>	<u>59,282,220</u>	<u>65,292,643</u>	<u>59,257,487</u>	<u>56,868,646</u>	<u>60,864,900</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$145,390,239</u>	<u>\$ 166,430,699</u>	<u>\$ 189,184,109</u>	<u>\$ 206,685,491</u>	<u>\$ 223,012,779</u>	<u>\$ 221,046,138</u>	<u>\$ 226,250,385</u>	<u>\$ 240,163,869</u>	<u>\$ 249,906,752</u>	<u>\$ 254,862,208</u>

CITY OF SAN MARCOS, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

TABLE 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
<u>Governmental Activities</u>										
General Government	\$11,113,362	\$ 9,416,555	\$ 13,769,853	\$ 12,565,540	\$ 11,789,804	\$ 14,811,677	\$ 15,419,706	\$ 17,452,471	\$ 17,295,573	\$ 22,321,387
Public Safety	11,873,017	12,896,427	13,537,545	16,406,242	18,223,349	22,337,053	18,040,389	19,367,969	24,117,348	26,179,672
Community Service	7,448,224	8,032,845	9,077,477	9,114,632	9,120,980	10,463,722	10,092,399	10,399,904	13,360,590	14,192,299
Interest and Fiscal Charges	1,816,987	1,887,770	2,769,146	4,784,896	7,008,392	6,525,172	6,412,611	6,255,072	5,932,338	5,433,836
Total Governmental Activities	32,251,590	32,233,597	39,154,021	42,871,310	46,142,525	54,137,624	49,965,105	53,475,416	60,705,849	68,127,194
<u>Business-Type Activities</u>										
Water/Wastewater	17,239,651	19,702,909	21,657,804	23,872,986	24,443,838	25,878,300	26,701,908	27,890,126	28,152,501	28,549,309
Electric	36,201,717	44,786,544	40,539,638	49,224,186	46,068,424	45,746,937	43,413,456	45,590,881	44,265,224	48,780,157
Airport	689,330	689,406	739,316	768,419	733,621	694,070	710,558	601,781	895,001	948,444
Drainage	615,424	374,013	577,461	811,057	1,482,765	1,959,180	1,897,978	2,491,018	2,355,020	2,398,250
Waste Collection	1,049,390	1,410,264	1,503,213	1,703,744	1,228,122	1,463,780	1,773,160	2,110,375	2,421,522	2,624,743
Total Business-Type Activities	55,795,512	66,963,136	65,017,432	76,380,392	73,956,770	75,742,267	74,497,060	78,684,181	78,089,268	83,300,903
Total Primary Government Expenses	88,047,102	99,196,733	104,171,453	119,251,702	120,099,295	129,879,891	124,462,165	132,159,597	138,795,117	151,428,097
PROGRAM REVENUES										
<u>Governmental Activities</u>										
Charges for Services										
General Government	1,191,152	1,299,438	901,028	1,252,334	1,076,738	1,010,309	1,283,941	1,246,616	6,724,853	6,009,496
Public Safety	1,295,340	1,339,698	1,401,176	1,455,835	1,716,212	1,807,346	1,653,099	1,682,378	1,739,043	1,846,293
Community Service	787,342	721,441	575,622	626,210	653,368	574,537	639,534	769,467	1,029,617	1,026,696
Operating Grants and Contributions	2,248,473	2,149,913	6,128,665	3,452,451	9,981,272	3,145,119	2,619,600	3,250,996	6,005,044	8,738,278
Capital Grants and Contributions	488,227	638,048	3,921,368	836,384	2,104,303	2,373,110	1,149,409	8,244,456	1,792,500	1,054,196
Total Governmental Activities	6,010,534	6,148,538	12,927,859	7,623,214	15,531,893	8,910,421	7,345,583	15,193,913	17,291,057	18,674,959
<u>Business-Type Activities</u>										
Charges for Services										
Electric	39,412,677	45,564,818	45,038,579	49,787,885	49,461,030	48,768,174	48,453,727	51,783,661	48,848,992	55,440,398
Water and Wastewater	21,415,438	26,318,349	24,138,588	28,352,029	26,279,549	25,241,695	26,986,572	28,139,268	29,743,387	32,720,309
Airport	185,508	209,512	210,224	203,780	273,788	178,432	256,710	580,554	913,152	292,432
Drainage	878,012	1,068,407	1,424,761	1,379,198	1,390,465	1,478,191	2,108,913	2,553,844	2,673,393	2,885,937
Waste Collection	1,102,707	1,180,485	1,272,014	1,307,481	1,392,717	1,595,550	1,909,152	2,298,847	2,516,548	2,628,929
Operating Grants and Contributions	21,496	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	551,553	1,122,112	309,307	1,649,020	1,214,327	852,403	1,085,830	1,274,418	1,599,863	1,117,888
Total Business-Type Activities	63,567,391	75,463,683	72,393,473	82,679,393	80,011,876	78,114,445	80,800,904	86,630,592	86,295,335	95,085,893
Total Primary Government	69,577,925	81,612,221	85,321,332	90,302,607	95,543,769	87,024,866	88,146,487	101,824,505	103,586,392	113,760,852

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

TABLE 2 (CONTINUED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Net (Expense) Revenues</u>										
Governmental Activities	\$ (26,241,056)	\$ (26,085,059)	\$ (26,226,162)	\$ (35,248,096)	\$ (30,610,632)	\$ (45,227,203)	\$ (42,619,522)	\$ (38,281,503)	\$ (43,414,792)	\$ (49,452,235)
Business-Type Activities	<u>7,771,879</u>	<u>8,500,547</u>	<u>7,376,041</u>	<u>6,299,001</u>	<u>6,055,106</u>	<u>2,372,178</u>	<u>6,303,844</u>	<u>7,946,411</u>	<u>8,206,067</u>	<u>11,784,990</u>
Total Primary Government Net Expenses	<u>(18,469,177)</u>	<u>(17,584,512)</u>	<u>(18,850,121)</u>	<u>(28,949,095)</u>	<u>(24,555,526)</u>	<u>(42,855,025)</u>	<u>(36,315,678)</u>	<u>(30,335,092)</u>	<u>(35,208,725)</u>	<u>(37,667,245)</u>
<u>GOVERNMENTAL REVENUES AND OTHER CHANGES IN NET POSITION</u>										
<u>Governmental Activities</u>										
Taxes										
Property Taxes	8,668,066	8,912,647	9,558,703	11,696,800	12,401,892	14,332,003	14,236,642	14,448,102	16,453,797	17,493,449
Franchise Taxes	6,242,627	6,999,442	6,927,867	7,695,811	1,281,674	1,477,463	1,447,569	1,436,152	1,612,147	1,626,077
Sales Taxes	14,062,454	16,377,390	16,018,106	18,347,135	17,989,392	18,398,707	19,854,399	21,079,582	22,852,364	24,020,619
Other Taxes	1,206,769	1,358,869	1,519,896	1,698,905	2,030,247	2,266,391	2,381,483	2,601,079	3,097,818	3,300,290
Investment Earnings	828,558	1,603,021	2,745,676	2,590,329	3,571,867	587,646	319,091	261,704	331,996	95,989
Miscellaneous	1,021,738	163,646	508,716	572,276	1,963,080	1,854,367	753,366	1,337,721	442,726	367,775
Gain on Sale of Capital Assets	-	-	-	-	-	64,974	121,129	-	-	-
Transfers	<u>831,723</u>	<u>2,479,810</u>	<u>(379,500)</u>	<u>85,853</u>	<u>5,759,854</u>	<u>6,119,618</u>	<u>6,290,865</u>	<u>6,386,106</u>	<u>5,428,042</u>	<u>5,265,193</u>
Total Governmental Activities	<u>32,861,935</u>	<u>37,894,825</u>	<u>36,899,464</u>	<u>42,687,109</u>	<u>44,998,006</u>	<u>45,101,169</u>	<u>45,404,544</u>	<u>47,550,446</u>	<u>50,218,890</u>	<u>52,169,392</u>
<u>Business-Type Activities</u>										
Investment Earnings	1,856,552	3,182,034	4,063,644	2,801,982	2,098,305	569,393	376,915	303,932	160,760	187,380
Other	15,551	27,620	260,923	618,072	1,101,946	1,337,440	2,029,511	2,780,304	-	46,822
Transfers	<u>(831,723)</u>	<u>(2,479,810)</u>	<u>379,500</u>	<u>(85,853)</u>	<u>(5,759,854)</u>	<u>(6,119,618)</u>	<u>(6,290,865)</u>	<u>(6,386,106)</u>	<u>(5,428,042)</u>	<u>(5,265,193)</u>
Total Business-Type Activities	<u>1,040,380</u>	<u>729,844</u>	<u>4,704,067</u>	<u>3,334,201</u>	<u>(2,559,603)</u>	<u>(4,212,785)</u>	<u>(3,884,439)</u>	<u>(3,301,870)</u>	<u>(5,267,282)</u>	<u>(5,030,991)</u>
Total Primary Government	<u>33,902,315</u>	<u>38,624,669</u>	<u>41,603,531</u>	<u>46,021,310</u>	<u>42,438,403</u>	<u>40,888,384</u>	<u>41,520,105</u>	<u>44,248,576</u>	<u>44,951,608</u>	<u>47,138,401</u>
<u>CHANGES IN NET POSITION</u>										
Governmental Activities	6,620,879	11,809,766	10,673,302	7,439,013	14,387,374	(126,034)	2,785,022	9,268,943	6,804,098	2,717,157
Business-Type Activities	<u>8,812,259</u>	<u>9,230,391</u>	<u>12,080,108</u>	<u>9,633,202</u>	<u>3,495,503</u>	<u>(1,840,607)</u>	<u>2,419,405</u>	<u>4,644,541</u>	<u>2,938,785</u>	<u>6,753,999</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 15,433,138</u>	<u>\$ 21,040,157</u>	<u>\$ 22,753,410</u>	<u>\$ 17,072,215</u>	<u>\$ 17,882,877</u>	<u>\$ (1,966,641)</u>	<u>\$ 5,204,427</u>	<u>\$ 13,913,484</u>	<u>\$ 9,742,883</u>	<u>\$ 9,471,156</u>

NOTE: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF SAN MARCOS, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 3

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>GENERAL FUND</u>										
Reserved	\$ 174,017	\$ 153,597	\$ 134,113	\$ 129,929	\$ 97,494	\$ 228,870	\$ -	\$ -	\$ -	\$ -
Unreserved	9,952,272	14,011,908	14,593,062	13,476,666	12,804,776	13,148,100	-	-	-	-
Nonspendable	-	-	-	-	-	-	214,915	385,498	545,006	507,534
Restricted	-	-	-	-	-	-	-	980,103	-	-
Unassigned	-	-	-	-	-	-	13,588,909	13,559,284	16,430,320	15,513,680
TOTAL GENERAL FUND	<u>\$ 10,126,289</u>	<u>\$ 14,165,505</u>	<u>\$ 14,727,175</u>	<u>\$ 13,606,595</u>	<u>\$ 12,902,270</u>	<u>\$ 13,376,970</u>	<u>\$ 13,803,824</u>	<u>\$ 14,924,885</u>	<u>\$ 16,975,326</u>	<u>\$ 16,021,214</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>										
Reserved	\$ 930,722	\$ 1,155,404	\$ 1,303,282	\$ 1,315,807	\$ 2,365,271	\$ 1,744,662	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Funds	760,917	844,368	1,087,186	1,879,330	1,111,235	1,174,555	-	-	-	-
Capital Project Funds	13,108,298	18,428,409	40,897,216	76,612,241	74,318,614	55,426,183	-	-	-	-
Debt Service Funds	1,531,736	2,232,229	5,764,165	10,494,115	8,544,491	8,879,062	-	-	-	-
Nonspendable	-	-	-	-	-	-	12,527	10,985	11,177	122,218
Restricted	-	-	-	-	-	-	52,216,441	49,888,108	43,339,895	34,353,926
Unassigned	-	-	-	-	-	-	(120,908)	116,111	108,905	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 16,331,673</u>	<u>\$ 22,660,410</u>	<u>\$ 49,051,849</u>	<u>\$ 90,301,493</u>	<u>\$ 86,339,611</u>	<u>\$ 67,224,462</u>	<u>\$ 52,108,060</u>	<u>\$ 50,015,204</u>	<u>\$ 43,459,977</u>	<u>\$ 34,476,144</u>

NOTE: The City implemented GASB 54 in 2011, which changed the fund balance classifications reported in governmental funds. See the Fund Balance Classification note in the Summary of Significant Accounting Policies in the notes to the financial statements for descriptive information on the new classifications.

CITY OF SAN MARCOS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 4

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	\$ 30,109,095	\$ 33,532,369	\$ 35,610,380	\$ 39,303,487	\$ 33,617,042	\$ 36,401,012	\$ 37,858,603	\$ 39,630,897	\$ 42,925,701	\$ 45,695,630
Licenses and Permits	854,818	930,496	688,943	813,976	847,678	821,853	994,123	1,039,855	2,194,788	2,280,529
Fees and Penalties	1,331,391	1,404,734	1,450,558	1,504,429	1,722,705	1,851,308	1,720,669	1,738,142	1,641,420	1,431,419
Charges for Services	4,413,393	4,539,296	4,673,630	4,941,970	4,978,075	4,954,980	5,021,489	5,235,552	5,333,670	5,442,092
Intergovernmental	1,989,677	2,942,569	10,050,033	4,168,351	10,925,601	5,254,713	3,354,206	11,443,228	9,002,953	10,583,927
Investment Earnings	-	1,603,021	2,745,676	2,590,329	2,431,751	587,645	319,093	261,704	331,996	95,989
Contributions	-	-	-	-	918,930	-	-	30,000	80,000	84,121
Other Revenues	2,109,693	355,039	508,716	955,223	1,579,752	2,139,993	1,291,858	1,427,583	1,701,482	2,327,923
Total Revenues	40,808,067	45,307,524	55,727,936	54,277,765	57,021,534	52,011,504	50,560,041	60,806,961	63,212,010	67,941,630
EXPENDITURES										
General Government	12,971,819	11,095,617	17,011,106	15,663,181	14,983,807	14,548,005	15,750,709	16,595,158	16,234,004	18,894,202
Public Safety	12,057,544	12,558,996	13,355,986	15,833,503	16,962,418	18,997,394	20,291,056	20,527,494	22,636,788	24,554,982
Community Service	6,876,302	7,410,044	8,362,801	8,542,826	8,071,623	9,549,374	9,453,846	9,305,394	12,507,187	13,204,031
Capital Outlay	8,588,886	7,394,546	17,832,454	26,710,357	27,655,480	30,093,216	15,259,308	9,225,694	13,091,604	16,643,915
Debt Service										
Interest	1,813,982	2,061,346	3,273,903	4,907,332	7,414,683	6,450,663	6,504,097	6,152,503	5,854,923	5,521,479
Principal	2,954,906	3,123,832	2,749,077	4,749,496	4,594,059	4,780,000	5,870,000	6,620,000	6,890,920	7,039,799
Total Expenditures	45,263,439	43,644,381	62,585,327	76,406,695	79,682,070	84,418,652	73,129,016	68,426,243	77,215,426	85,858,408
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,455,372)	1,663,143	(6,857,391)	(22,128,930)	(22,660,536)	(32,407,148)	(22,568,975)	(7,619,282)	(14,003,416)	(17,916,778)

CITY OF SAN MARCOS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS

TABLE 4 (CONTINUED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>OTHER FINANCING SOURCES (USES)</u>										
Bond Issuance Costs	\$ (60,102)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Sales	2,650,000	6,225,000	34,190,000	62,695,000	22,895,000	8,625,000	11,245,000	5,520,000	8,825,000	26,510,000
Proceeds from Capital Leases	-	-	-	-	-	-	-	-	337,327	220,916
Discount on Debt Issued	-	-	-	(522,859.00)	(63,173)	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	487,099	-	590,248	576,210	805,797	3,051,492
Other	-	-	-	-	708,611	71,163	121,129	35,245	287,629	205,838
Payment to Refunded Bond Escrow Agent	-	-	-	-	(9,875,296)	-	(11,680,362)	(6,016,992)	(5,885,165)	(27,274,606)
Transfers In	2,381,096	7,021,831	5,875,970	4,375,113.00	9,084,781	9,434,616	11,149,525	9,807,734	9,587,514	11,521,424
Transfers Out	(1,549,373)	(4,542,021)	(6,255,470)	(4,289,260)	(3,687,104)	(4,364,080)	(3,546,113)	(3,274,710)	(4,459,472)	(6,256,231)
Total Other Financing Sources (Uses)	<u>3,421,621</u>	<u>8,704,810</u>	<u>33,810,500</u>	<u>62,257,994</u>	<u>19,549,918</u>	<u>13,766,699</u>	<u>7,879,427</u>	<u>6,647,487</u>	<u>9,498,630</u>	<u>7,978,833</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,033,751)</u>	<u>\$ 10,367,953</u>	<u>\$ 26,953,109</u>	<u>\$ 40,129,064</u>	<u>\$ (3,110,618)</u>	<u>\$ (18,640,449)</u>	<u>\$ (14,689,548)</u>	<u>\$ (971,795)</u>	<u>\$ (4,504,786)</u>	<u>\$ (9,937,945)</u>
Debt Service as a Percentage of Noncapital Expenditures	13.0%	14.3%	13.5%	18.4%	23.7%	20.2%	22.8%	23.1%	19.8%	17.1%

CITY OF SAN MARCOS, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 5

FISCAL YEAR	REAL PROPERTY ASSESSED VALUE	REAL PROPERTY ESTIMATED ACTUAL VALUE	PERSONAL PROPERTY ASSESSED VALUE	PERSONAL PROPERTY ESTIMATED ACTUAL VALUE	LESS: TAX-EXEMPT PROPERTY	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE
2005	\$1,388,279,224	\$1,388,279,224	\$418,678,715	\$418,678,715	\$372,839,529	\$1,434,118,410	\$0.4702	\$1,424,118,410
2006	1,939,132,089	1,939,132,089	441,477,940	441,477,940	340,976,008	2,039,634,021	0.4702	2,039,634,021
2007	1,989,713,898	1,989,713,898	440,441,736	440,441,736	263,175,949	2,166,979,685	0.5302	2,166,979,685
2008	2,179,929,050	2,179,929,050	477,501,560	477,501,560	380,495,763	2,276,934,847	0.5302	2,276,934,847
2009	2,508,719,271	2,508,719,271	499,821,131	499,821,131	385,175,216	2,623,365,186	0.5302	2,623,365,185
2010	2,401,078,222	2,401,078,222	538,901,712	538,901,712	435,944,478	2,504,035,456	0.5302	2,504,035,456
2011	2,452,170,753	2,452,170,753	548,200,983	548,200,983	367,414,019	2,452,170,753	0.5302	2,632,957,717
2012	2,456,366,767	2,456,366,767	595,247,414	595,247,414	205,308,589	2,846,305,592	0.5302	2,846,305,592
2013	2,676,859,874	2,676,859,874	631,435,988	631,435,988	214,525,982	3,093,769,880	0.5302	3,093,769,880
2014	3,579,469,064	3,579,469,064	617,783,622	617,783,622	249,391,769	3,947,860,917	0.5302	3,947,860,917

Source: Hays County Appraisal District

Notes: Property in Hays County is reassessed once every three years on average. The County assesses property at approximately 100 percent of actual value for commercial and industrial property and 100 percent for residential property. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$100 of assessed value.

CITY OF SAN MARCOS, TEXAS
ELECTRIC UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS

TABLE 6

FISCAL YEAR	RESIDENTIAL		SMALL GEN SERV		MEDIUM GEN SERV			LARGE GEN SERV - SECONDARY			LARGE GEN SERV - PRIMARY		
	CUSTOMER CHARGE	ENERGY CHARGE PER kwh	CUSTOMER CHARGE	ENERGY CHARGE PER kwh	CUSTOMER CHARGE	ENERGY CHARGE PER kwh	DEMAND PER kw	CUSTOMER CHARGE	ENERGY CHARGE PER kwh	DEMAND PER kw	CUSTOMER CHARGE	ENERGY CHARGE PER kwh	DEMAND PER kw
2014	\$ 9.29	\$ 0.0208	\$ 10.92	\$ 0.0208	\$ 49.14	\$ 0.0010	\$ 3.61	\$ 218.40	\$ 0.0102	\$ 3.41	\$ 764.80	\$ 0.0081	\$ 3.17
2013	8.93	0.0200	10.50	0.0200	47.25	0.0098	3.47	210.00	0.0098	3.31	735.00	0.0078	3.05
2012	8.93	0.0200	10.50	0.0200	47.25	0.0098	3.47	210.00	0.0098	3.31	735.00	0.0078	3.05
2011	8.93	0.0200	10.50	0.0200	47.25	0.0098	3.47	210.00	0.0098	3.31	735.00	0.0078	3.05
2010	8.50	0.0190	10.00	0.0190	45.00	0.0093	3.30	200.00	0.0093	3.15	700.00	0.0074	2.90
2009	8.50	0.0190	10.00	0.0190	45.00	0.0093	3.30	200.00	0.0093	3.15	700.00	0.0074	2.90
2008	8.50	0.0190	10.00	0.0190	45.00	0.0093	3.30	200.00	0.0093	3.15	700.00	0.0074	2.90
2007	8.50	0.0190	10.00	0.0190	45.00	0.0093	3.30	200.00	0.0093	3.15	700.00	0.0074	2.90
2006	8.50	0.0190	10.00	0.0190	45.00	0.0093	3.30	200.00	0.0093	3.15	700.00	0.0074	2.90
2005	8.50	0.0190	10.00	0.0190	45.00	0.0093	3.30	200.00	0.0093	3.15	700.00	0.0074	2.90

CITY OF SAN MARCOS, TEXAS
TOTAL AVERAGE kWh PER YEAR COMPARISON
LAST TEN FISCAL YEARS

TABLE 7

<u>YEAR</u>	<u>COMMERCIAL</u>	<u>RESIDENTIAL</u>	<u>TOTAL USAGE</u>
2005	24,023,825	14,849,650	38,873,475
2006	25,993,916	15,420,114	41,414,030
2007	26,358,702	15,889,148	42,247,850
2008	28,517,068	15,836,725	44,353,793
2009	28,942,450	15,648,779	44,591,229
2010	29,518,678	16,420,286	45,938,964
2011	30,148,212	17,354,788	47,503,000
2012	30,094,586	16,692,706	46,787,292
2013	29,427,490	16,787,702	46,215,192
2014	30,142,333	19,040,143	49,182,476

CITY OF SAN MARCOS, TEXAS
TOTAL kWh PER YEAR COMPARISON
LAST TEN FISCAL YEARS

TABLE 8

<u>YEAR</u>	<u>COMMERCIAL</u>	<u>RESIDENTIAL</u>	<u>TOTAL USAGE</u>	<u>TOTAL PURCHASED</u>	<u>LOSS %</u>
2005	297,082,190	178,405,368	475,487,558	N/A	N/A
2006	311,926,699	185,040,610	496,967,309	524,152,775	5.19%
2007	316,304,431	190,669,778	506,974,209	522,933,027	3.05%
2008	342,204,187	190,040,702	532,244,889	565,300,166	5.85%
2009	347,308,566	187,785,353	535,093,919	568,397,378	5.86%
2010	354,224,141	197,043,431	551,267,572	583,284,525	5.49%
2011	361,778,549	208,257,452	570,036,001	603,401,092	5.53%
2012	361,131,427	200,312,476	561,443,903	602,102,557	6.75%
2013	353,129,880	201,452,419	554,582,299	588,222,155	5.72%
2014	361,707,994	228,481,721	590,189,715	620,207,502	4.84%

CITY OF SAN MARCOS, TEXAS
TEN LARGEST ELECTRIC CUSTOMERS
SEPTEMBER 30, 2014

TABLE 9

<u>CUSTOMER</u>	<u>CONSUMPTION (kWh)</u>	<u>AMOUNT BILLED</u>	<u>% OF TOTAL kWh</u>
Texas State University, COGEN	99,542,359	\$ 7,701,737	16.87%
H E Butt Grocery	23,309,208	2,029,157	3.95%
Texas State University	12,715,469	1,126,859	2.15%
City of San Marcos	9,556,729	873,955	1.62%
CTMC	9,134,124	760,213	1.55%
SMCISD	8,565,213	778,378	1.45%
Hays County Government Center	7,123,885	616,276	1.21%
Embassy Suites San Marcos	6,732,847	605,789	1.14%
Walmart-Super Store	6,378,556	566,387	1.08%
Thermon Manufacturing	5,368,472	466,228	0.91%

Note: % of consumption based on total kWh of: 590,197,059

CITY OF SAN MARCOS, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

TABLE 10

<u>FISCAL YEAR</u>	<u>BASIC RATE</u>	<u>SCHOOL DISTRICT</u>	<u>COUNTY</u>	<u>OTHER SPECIAL ROAD</u>	<u>TOTAL DIRECT RATE</u>
2005	0.4710	1.7300	0.3844	0.0710	2.6564
2006	0.4702	1.7000	0.3790	0.0710	2.6202
2007	0.5302	1.3700	0.3714	0.0860	2.3576
2008	0.5302	1.3700	0.3749	0.0801	2.3552
2009	0.5302	1.3700	0.4181	0.0511	2.3694
2010	0.5302	1.3500	0.4248	0.0444	2.3494
2011	0.5302	1.3500	0.4248	0.0444	2.3494
2012	0.5302	1.3500	0.4252	0.0438	2.3492
2013	0.5302	1.4141	0.4252	0.0438	2.4133
2014	0.5302	1.4141	0.4252	0.0438	2.4133

Information provided by Hays County Tax Office /393-5545

CITY OF SAN MARCOS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 11

<u>TAXPAYER</u>	<u>2014</u>	
	<u>TAXABLE ASSESSED VALUE</u>	<u>PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE</u>
Hays Energy Ltd. Partnership	\$ 212,004,904	5.37%
HEB Warehouse	114,843,078	2.91%
Tanger Properties	49,893,814	1.26%
Prime Outlets	37,645,040	0.95%
Park 7 San Marcos owner	36,405,885	0.92%
D Delta	33,916,824	0.86%
Copper Beech Townhomes	31,745,945	0.80%
Retreat San Marcos	30,307,997	0.77%
Breckenridge Group	29,339,495	0.74%
Purgatory Creek	<u>27,412,674</u>	0.69%
TOTAL	<u>\$ 603,515,656</u>	<u>15.27%</u>
<u>TAXPAYER</u>	<u>2005</u>	
	<u>TAXABLE ASSESSED VALUE</u>	<u>PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE</u>
HEB Warehouse	\$ 64,556,684	4.50%
HEB Grocery Store	26,532,786	1.85%
San Marcos Factory Shops	25,036,667	1.75%
Tanger Properties	23,685,473	1.65%
Grande Communications	22,033,900	1.54%
M&A UH Madison, LLC	21,730,238	1.52%
HRA Zone, LLC	18,474,206	1.29%
Century Telephone	18,148,590	1.27%
CFAN	17,338,499	1.21%
Humpty Dumpty SSM, Ltd	<u>12,953,350</u>	0.90%
TOTAL	<u>\$ 250,490,393</u>	<u>17.48%</u>

Information provided by Hays County Tax Office.

CITY OF SAN MARCOS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 12

FISCAL YEAR ENDED	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2005	\$ 8,503,149	\$ 8,363,474	98.36%	\$ 125,604	\$ 8,489,078	99.83%
2006	8,796,101	8,620,179	98.00%	160,552	8,780,731	99.83%
2007	9,590,359	9,455,292	98.59%	117,077	9,572,369	99.81%
2008	11,451,045	11,291,991	98.61%	133,681	11,425,672	99.78%
2009	12,147,748	11,964,114	98.49%	161,450	12,125,564	99.82%
2010	14,099,916	13,907,121	98.63%	160,613	14,067,734	99.77%
2011	13,970,763	13,809,687	98.85%	129,148	13,938,835	99.77%
2012	14,396,631	14,265,714	99.09%	82,405	14,348,119	99.66%
2013	15,105,625	14,978,410	99.16%	93,465	15,071,875	99.78%
2014	16,358,498	16,280,315	99.52%	-	16,280,315	99.52%

CITY OF SAN MARCOS, TEXAS
TOP TEN WATER CUSTOMERS
SEPTEMBER 30, 2014

TABLE 13

<u>RANK</u>	<u>NAME</u>	<u>REVENUE</u>	<u>GALLONS</u>
1	City of San Marcos, Texas	\$ 316,777	37,699,495
2	MTC Gary Job Corps	275,550	32,283,541
3	The Retreat at San Marcos	214,725	31,308,921
4	HRA Zone, LLC	198,323	28,510,566
5	Copper Beech Townhomes	178,363	25,273,751
6	HRA Edge, LLC	166,708	24,001,961
7	Texas State University	163,062	19,720,252
8	Embassy Suites San Marcos	162,802	23,405,240
9	NRP Contractors, LLC	161,652	23,365,011
10	San Marcos CISD	157,959	19,386,323

CITY OF SAN MARCOS, TEXAS
WATER/WASTEWATER CUSTOMER COUNTS
LAST EIGHT FISCAL YEARS

TABLE 14

<u>FISCAL YEAR</u>	<u>WASTEWATER</u>	<u>WATER</u>
2007	7,524	8,995
2008	7,657	9,231
2009	7,707	9,323
2010	7,949	9,620
2011	8,289	9,918
2012	8,392	10,144
2013	9,060	11,317
2014	9,382	11,707

CITY OF SAN MARCOS, TEXAS
WATER AND SEWER RATES
SEPTEMBER 30, 2014

TABLE 15

WATER RATES

(All water rates are based per 1,000 gallons)

INSIDE-CITY WATER RATES		OUTSIDE-CITY WATER RATES	
<u>LIFELINE RATE</u>	<u>RATE</u>	<u>LIFELINE RATE</u>	<u>RATE</u>
First 6,000 Gallons - Minimum	19.06	First 6,000 Gallons - Minimum	23.82
6,001 - 9,000 Gallons	5.59	6,001 - 9,000 Gallons	6.98
9,001- 12,000 Gallons	6.39	9,001- 12,000 Gallons	7.98
12,001- 20,000 Gallons	7.19	12,001- 20,000 Gallons	8.98
20,001- 50,000 Gallons	7.98	20,001- 50,000 Gallons	9.98
Over 50,000 Gallons	9.58	Over 50,000 Gallons	11.98
<u>5/8" - 3/4" Water Meter</u>		<u>5/8" - 3/4" Water Meter</u>	
	<u>RATE</u>		<u>RATE</u>
Minimum Charge	19.06	Minimum Charge	23.82
0 - 6,000 Gallons	3.19	0 - 6,000 Gallons	4.00
6,001 - 9,000 Gallons	5.59	6,001 - 9,000 Gallons	6.98
9,001- 12,000 Gallons	6.39	9,001- 12,000 Gallons	7.98
12,001- 20,000 Gallons	7.19	12,001- 20,000 Gallons	8.98
20,001- 50,000 Gallons	7.98	20,001- 50,000 Gallons	9.98
Over 50,000 Gallons	9.58	Over 50,000 Gallons	11.98
<u>1" Water Meter</u>		<u>1" Water Meter</u>	
	<u>RATE</u>		<u>RATE</u>
Minimum Charge	47.64	Minimum Charge	59.54
0 - 4,000 Gallons	2.06	0 - 4,000 Gallons	2.58
4,001 - 10,000 Gallons	2.47	4,001 - 10,000 Gallons	3.09
10,001- 25,000 Gallons	6.18	10,001- 25,000 Gallons	7.73
Over 25,000 Gallons	7.00	Over 25,000 Gallons	8.76
<u>1 1/2" Water Meter</u>		<u>1 1/2" Water Meter</u>	
	<u>RATE</u>		<u>RATE</u>
Minimum Charge	95.28	Minimum Charge	119.10
0 - 8,000 Gallons	2.06	0 - 8,000 Gallons	2.58
8,001 - 10,000 Gallons	2.47	8,001 - 10,000 Gallons	3.09
10,001- 25,000 Gallons	6.18	10,001- 25,000 Gallons	7.73
Over 25,000 Gallons	7.00	Over 25,000 Gallons	8.76
<u>2" Water Meter</u>		<u>2" Water Meter</u>	
	<u>RATE</u>		<u>RATE</u>
Minimum Charge	152.44	Minimum Charge	190.55
0 - 13,000 Gallons	2.06	0 - 13,000 Gallons	2.58
13,001- 25,000 Gallons	6.18	13,001- 25,000 Gallons	7.73
Over 25,000 Gallons	7.00	Over 25,000 Gallons	8.76

(CONTINUED)

CITY OF SAN MARCOS, TEXAS
WATER AND SEWER RATES (CONTINUED)
SEPTEMBER 30, 2014

TABLE 15 (CONTINUED)

INSIDE-CITY SEWER RATES		OUTSIDE-CITY SEWER RATES	
<u>Lifeline Rate*</u>		<u>Lifeline Rate*</u>	
Maximum	23.80	Maximum	29.75
<u>5/8" - 3/4" Water Meter*</u>		<u>5/8" - 3/4" Water Meter*</u>	
	<u>RATE</u>		<u>RATE</u>
First 2,000 Gallons - Minimum	23.80	First 2,000 Gallons - Minimum	29.75
Over 2,000 Gallons	6.86	Over 2,000 Gallons	8.56
<u>1" Water Meter*</u>		<u>1" Water Meter*</u>	
	<u>RATE</u>		<u>RATE</u>
First 4,000 Gallons - Minimum	47.53	First 4,000 Gallons - Minimum	59.41
Over 4,000 Gallons	6.86	Over 4,000 Gallons	8.56
<u>1 1/2" Water Meter*</u>		<u>1 1/2" Water Meter*</u>	
	<u>RATE</u>		<u>RATE</u>
First 8,000 Gallons - Minimum	95.04	First 8,000 Gallons - Minimum	118.81
Over 8,000 Gallons	6.86	Over 8,000 Gallons	8.56
<u>2" Water Meter</u>		<u>2" Water Meter</u>	
	<u>RATE</u>		<u>RATE</u>
First 13,000 Gallons - Minimum	152.10	First 13,000 Gallons - Minimum	190.11
Over 13,000 Gallons	6.86	Over 13,000 Gallons	8.56

*Winter Average Residential Sewer Rates for 5/8-3/4", 1", and 1 1/2" water meters. Residential Sewer Rates for 5/8-3/4", 1", and 1 1/2" water meters are based on the average water consumption for the bills dated the previous December, January, and February. Accounts that do not have water usage history for December, January, or February are set at 5,000 gallons. The winter average rate is set for a 12 month period. No additional charge is charged is applied to single-family residential customers for wastewater volumes in excess of 9,000 gallons for 5/8-3/4", 1", and 1 1/2" water meters.

CITY OF SAN MARCOS, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 16

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	REVENUE AND LIMITED TAX BONDS	CAPITAL LEASES	WATER REVENUE BONDS	ELECTRIC REVENUE BONDS	DRAINAGE CERTIFICATE OF OBLIGATION	CAPITAL LEASES			
2005	\$14,835,000	\$22,385,000	\$ -	\$ 464,427	\$78,595,000	\$10,500,000	\$ 6,670,000	\$92,907	\$133,542,334	4.53%	3,035
2006	1,230,000	28,115,000	-	140,044	78,595,000	10,500,000	6,500,000	38,490	136,188,534	4.36%	2,893
2007	12,925,000	58,485,000	-	393,426	86,125,000	10,430,000	8,025,000	75,804	176,459,230	5.32%	3,672
2008	15,200,000	114,210,000	-	14,059	96,420,000	9,605,000	12,315,000	-	247,764,059	5.93%	3,890
2009	19,815,000	58,145,000	-	-	102,010,000	8,740,000	16,900,000	-	205,610,000	5.70%	3,814
2010	17,480,000	64,325,000	-	-	106,265,000	9,480,000	19,080,000	-	216,630,000	0.00%	4,018
2011	15,975,000	60,865,000	-	-	102,590,000	16,490,000	18,440,000	-	214,460,000	5.10%	3,800
2012	27,180,000	44,800,000	-	-	96,810,000	15,395,000	17,545,000	-	201,730,000	5.75%	4,315
2013	32,980,000	58,380,000	34,420,000	321,407	96,265,000	35,845,000	17,675,000	-	275,886,407	3.43%	5,518
2014	49,940,000	44,110,000	26,630,000	468,225	94,305,000	36,955,000	18,410,000	359,196	271,177,421	3.08%	5,015

CITY OF SAN MARCOS, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 17

<u>FISCAL YEAR</u>	<u>GROSS BONDED DEBT</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>	<u>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</u>	<u>PER CAPITA</u>
2005	40,030,000	1,531,736	38,498,264	2.13%	875
2006	40,415,000	1,557,638	38,857,362	2.06%	776
2007	48,930,000	5,764,165	43,165,835	2.00%	862
2008	77,010,000	6,003,239	71,006,761	3.12%	1,411
2009	77,960,000	7,199,004	70,760,996	3.11%	1,313
2010	81,805,000	6,428,387	75,376,613	2.87%	1,333
2011	76,840,000	7,913,022	68,926,978	2.55%	1,476
2012	71,980,000	10,973,198	61,006,802	2.49%	1,305
2013	70,580,000	10,404,537	60,175,463	2.45%	1,203
2014	70,995,000	6,940,500	64,054,500	1.89%	1,185

NOTE: Gross bonded debt includes only the debt to be repaid with property taxes.

CITY OF SAN MARCOS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2014

TABLE 18

<u>GOVERNMENT UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF DIRECT AND OVERLAPPING DEBT</u>
Debt Repaid with Property Taxes			
City of San Marcos - City Direct Debt	\$ 70,580,000	100.000%	<u>\$ 70,995,000</u>
Hays County	307,125,333	100.000%	<u>307,125,333</u>
Subtotal Overlapping Debt			<u>307,125,333</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 378,120,333</u>

Sources: Information for Hays County provided by Hays County Auditor's office.

NOTE: Overlapping rates are those of local and county governments that apply to property owners within the City of San Marcos. Not all overlapping rates apply to all City of San Marcos property owners (i.e. the rates for counties apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of that county.)

Direct debt includes only the debt to be repaid with property taxes.

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CITY OF SAN MARCOS, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 180,695,794	\$ 203,963,402	\$ 215,975,954	\$ 227,693,485
Total Net Debt Applicable to Limit	<u>38,498,264</u>	<u>35,688,262</u>	<u>43,165,835</u>	<u>71,006,761</u>
LEGAL DEBT MARGIN	<u>\$ 142,197,530</u>	<u>\$ 168,275,140</u>	<u>\$ 172,810,119</u>	<u>\$ 156,686,724</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.77%	2.13%	1.75%	2.00%

TABLE 19

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2014

Assessed Value	\$ 3,394,045,225
Debt Limit (10% of Assessed Value)	339,404,523
Debt Applicable to Limit	
General Obligation Bonds (Debt to be Repaid with Property Taxes)	70,995,000
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>7,321,362</u>
Total Net Debt Applicable to Limit	<u>63,673,638</u>
LEGAL DEBT MARGIN	<u>\$ 275,730,885</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 227,693,485	\$ 259,260,471	\$ 269,982,028	\$ 284,630,559	\$ 309,376,988	\$ 339,404,523
<u>70,760,996</u>	<u>73,240,069</u>	<u>76,840,000</u>	<u>71,980,000</u>	<u>70,580,000</u>	<u>70,995,000</u>
<u>\$ 156,932,489</u>	<u>\$ 186,020,402</u>	<u>\$ 193,142,028</u>	<u>\$ 212,650,559</u>	<u>\$ 238,796,988</u>	<u>\$ 268,409,523</u>
3.12%	3.11%	2.82%	2.53%	2.28%	2.09%

CITY OF SAN MARCOS, TEXAS
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

TABLE 20

WATER REVENUE BONDS						
FISCAL YEAR	GROSS REVENUE	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
2005	21,415,438	11,677,318	9,738,120	3,507,750	1,578,546	1.91
2006	26,318,349	12,782,882	13,535,467	3,140,000	3,045,435	2.19
2007	24,138,588	17,796,700	6,341,888	3,195,000	3,633,942	0.93
2008	28,352,029	19,568,829	8,783,200	3,620,000	3,383,614	1.25
2009	26,279,549	19,637,393	6,642,156	4,065,000	4,531,610	0.77
2010	25,241,695	14,630,182	10,611,513	4,585,000	4,626,338	1.15
2011	26,986,572	14,874,577	12,111,995	4,895,000	5,034,288	1.22
2012	28,139,268	15,342,453	12,796,815	5,655,000	4,336,835	1.28
2013	29,743,387	15,927,532	13,815,855	5,825,000	3,930,199	1.42
2014	32,720,309	16,347,440	16,372,869	6,130,000	3,660,102	1.67
ELECTRIC						
FISCAL YEAR	GROSS REVENUE	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
2005	39,412,677	35,068,455	4,344,222	924,231	279,315	3.61
2006	45,564,818	43,679,087	1,885,731	770,000	437,183	1.56
2007	45,038,579	40,134,868	4,903,711	790,000	414,457	4.07
2008	49,787,885	48,713,986	1,073,899	825,000	451,891	0.84
2009	49,461,030	45,689,134	3,771,896	865,000	394,994	2.99
2010	48,768,174	44,500,751	4,267,423	900,000	364,006	3.38
2011	48,453,727	42,144,555	6,309,172	980,000	438,706	4.45
2012	51,783,661	44,236,219	7,547,442	1,035,000	560,859	4.73
2013	48,848,992	43,237,059	5,611,933	1,180,000	596,376	3.16
2014	55,440,398	46,886,182	8,554,216	625,000	1,241,193	4.58
DRAINAGE						
FISCAL YEAR	GROSS REVENUE	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
2005	\$ 878,012	\$ 313,785	\$ 564,227	\$ 70,000	\$ 267,658	\$ 1.67
2006	1,068,207	338,748	729,459	170,000	274,973	1.64
2007	1,424,761	577,461	847,300	175,000	266,998	1.92
2008	1,373,094	811,057	562,037	315,000	349,000	0.85
2009	1,390,465	866,427	524,038	350,000	957,806	0.40
2010	1,478,191	871,308	606,883	595,000	786,466	0.44
2011	2,108,913	771,837	1,337,076	730,000	892,251	0.82
2012	2,553,844	1,113,528	1,440,316	775,000	822,308	0.90
2013	2,673,393	1,059,148	1,614,245	800,000	785,000	1.02
2014	2,885,937	1,054,349	1,831,588	820,000	768,987	1.15

CITY OF SAN MARCOS, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 21

<u>CALENDAR YEAR</u>	<u>POPULATION</u>	<u>PERSONAL INCOME</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2005	43,994	\$ 697,326,193	\$ 32,604	4.0%
2006	47,069	747,576,687	42,095	4.2%
2007	50,049	779,770,400	41,960	3.4%
2008	50,317	802,392,217	44,317	3.4%
2009	50,913	861,466,554	45,646	4.7%
2010	53,913	718,793,973	45,259	5.4%
2011	47,505	762,122,715	16,043	6.0%
2012	46,750	750,337,500	16,050	4.7%
2013	50,001	803,016,060	16,060	4.7%
2014	54,076	879,762,444	16,269	4.7%

The City of San Marcos estimates a higher population than was documented by the 2010 Census. For reporting purposes, we are using 2010 Census numbers.

CITY OF SAN MARCOS, TEXAS
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

TABLE 22

<u>EMPLOYER</u>	<u>2014</u>	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Texas State University	3,201	4.26%
Prime Outlets San Marcos	1,600	2.13%
Tanger Factory Outlet Center	1,540	2.05%
San Marcos CISD	1,200	1.60%
Hays County	732	0.98%
Central Texas Medical Center	700	0.93%
H.E.B. Distribution Center	680	0.91%
City of San Marcos	567	0.76%
H.E.B. Retail Stores	510	0.68%
Gary Job Corps	<u>500</u>	<u>0.67%</u>
 TOTAL	 <u>11,230</u>	 <u>14.97%</u>
 TOTAL CITY/COUNTY EMPLOYEES	 <u>75,067</u>	
	 <u>2005</u>	
<u>EMPLOYER</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Southwest Texas State University	2,200	*
Prime Outlets San Marcos	400	*
Tanger Factory Outlet Center	300	*
San Marcos CISD	290	*
Grande Communications	290	*
Hays County	270	*
Hunter Industry	250	*
Central Texas Medical Center	240	*
Gary Job Corps	220	*
H.E.B. Distribution Center	<u>210</u>	*
 TOTAL	 <u>4,670</u>	

Source: Chamber of Commerce website (sanmarcostexas.com/Area Demographics/Business Resources)

* Information not available

CITY OF SAN MARCOS, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 23

<u>FUNCTION/PROGRAM</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
Administration	19.00	19.00	19.00	19.00	19.00	19.50	20.38	18.00	20.00	21.00
Human Resources	9.00	9.00	9.00	10.00	9.00	9.00	10.00	11.00	10.00	11.00
Finance	31.64	31.64	32.64	32.64	15.54	15.54	15.54	17.54	18.00	19.00
Municipal Court	-	-	-	-	9.60	9.98	10.48	10.48	12.00	13.00
Technology Services	-	-	-	-	10.00	10.00	10.00	11.00	13.00	19.00
Development Services	9.50	8.50	10.00	10.00	10.50	10.50	9.50	23.50	22.00	21.00
Permit Center	6.00	7.50	9.50	9.50	5.50	5.50	10.50	-	-	-
Police										
Operations	75.00	74.00	81.00	86.00	88.00	85.00	85.00	87.00	91.00	145.00
Fire										
Firefighters and Officers	48.00	48.00	52.00	55.00	60.50	64.00	65.00	66.00	70.00	73.00
Main Street	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	2.00	2.00
Public Services	32.00	32.50	32.50	32.50	35.00	35.00	35.00	30.00	28.00	33.00
CIP/Engineering	12.48	12.98	12.98	12.98	9.48	9.48	12.48	18.00	10.00	12.50
Community Services	45.98	48.55	49.04	49.62	53.14	51.64	52.57	55.73	119.00	185.34
Capital Improvements Fund	-	-	-	-	-	-	-	-	-	8.00
Water/Wastewater	41.50	51.00	52.50	54.00	51.50	51.50	51.50	48.50	49.00	56.00
Electric	50.00	49.50	50.50	50.50	49.00	49.00	49.00	52.00	56.00	61.00
Drainage	-	-	-	-	2.00	2.00	2.00	2.00	3.00	6.00
Solid Waste	-	-	-	-	-	-	-	1.33	2.34	1.33
Transit	-	-	-	-	-	-	-	0.83	1.33	1.33
WIC	20.00	22.00	23.00	24.00	26.00	26.00	28.00	26.00	23.00	26.00
Hotel Occupancy Tax Fund	-	-	-	-	-	-	-	-	-	2.00
CDBG	-	-	-	-	-	-	-	-	-	2.00
TOTAL	<u>401.58</u>	<u>415.65</u>	<u>435.14</u>	<u>447.22</u>	<u>455.24</u>	<u>455.12</u>	<u>468.43</u>	<u>480.39</u>	<u>549.67</u>	<u>718.50</u>

CITY OF SAN MARCOS, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 24

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building Permits Issued	2,220	3,426	2,326	2,205	2,200	2,200	2,400	2,600	2,600	2,700
Police										
Physical Arrests	1,450	1,480	1,500	2,126	2,698	2,602	2,647	2,943	2,281	2,309
Parking Violations	5,022	2,500	3,100	5,260	4,484	6,185	5,799	4,883	3,504	6,540
Traffic Violations	9,587	9,500	9,950	9,683	12,486	10,135	10,325	7,849	6,615	6,645
Fire										
Emergency Responses	2,158	2,468	3,700	3,550	3,125	3,000	3,308	2,648	4,424	4,303
Fires Extinguished	142	175	190	201	145	122	210	210	155	165
Prevention/Safety Education	10,396	10,820	12,000	10,000	15,000	15,000	10,000	10,000	10,250	10,500
Other Public Works										
Street Resurfacing (Miles)	8	8	8	8	8	8	6	13	18	18
Potholes Repaired	486	530	230	220	175	200	223	250	220	220
Parks and Recreation										
Facility Rental Bookings	2,956	2,900	1,452	1,400	5,500	5,500	5,500	5,500	5,500	5,600
Community Center Admissions	1,980	2,300	2,900	2,600	2,450	2,500	150,000	150,000	150,000	155,000
Library										
Volumes in Collection	132,435	136,000	142,000	143,000	148,900	149,500	154,500	156,000	157,000	162,500
Total Volumes Borrowed	390,567	398,000	384,200	404,300	449,000	471,800	481,000	486,000	469,000	467,500
Water										
New Connections	110	150	110	100	100	224	200	300	300	400
Water Main Breaks	7	10	10	10	300	100	200	350	350	300
Average Daily Consumption (thousands of gallons)	6,236	6,141	5,810	6,447	6,667	7,091	7,221	6,954	6,792	6,663
Peak Daily Consumption (thousands of gallons)	9,387	10,061	8,916	10,153	10,652	11,383	10,268	10,994	9,298	9,361
Wastewater										
Average Daily Sewage Treatment (samples collected/tested)	4,960	5,070	5,600	5,600	5,700	5,700	5,700	5,700	5,700	6,000

Source: Various City Departments

CITY OF SAN MARCOS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 25

<u>FUNCTION/PROGRAM</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	1	1	1	1
Patrol Units	63	63	66	84	118	117	118	118	118	118
Fire										
Stations	4	4	4	4	4	5	5	5	5	5
Other Public Works										
Streets (Miles)	263	277	282	292	309	309	302	302	311	311
Streetlights	1,540	1,546	3,500	3,591	3,517	3,518	3,559	3,575	3,575	3,575
Traffic Signals	5	5	5	49	52	54	48	48	48	48
Parks and Recreation										
Acreage	120	120	120	1,154	1,178	1,699	1,699	1,806	1,826	2,120
Playgrounds	30	36	36	39	39	50	59	59	60	60
Baseball/Softball Diamonds	9	9	9	9	9	9	9	13	13	13
Soccer/Football Fields	3	3	3	9	9	10	10	10	10	10
Community Centers	2	2	2	2	2	2	2	2	2	2
Water										
Fire Hydrants	1,133	1,324	1,565	1,484	1,727	1,775	1,551	1,611	1,691	1,750
Wastewater										
Sanitary Sewers (Miles)	N/A	N/A	N/A	196	198	205	206	209	215	209
Storm Sewers (Miles)	N/A	N/A	N/A	41	43	52	55	55	61	56
Treatment Capacity (thousands of gallons)	9 MGD*	9 MGD*	9 MGD*	9 MGD*	9 MGD*	9 MGD*	9 MGD*	9 MGD*	9 MGD*	9 MGD*

* MGD - Million Gallons per day
Source: Various City Departments

Part C52

Water Contracts

- Regional Water Supply Contract – dated January 9, 2008
- Amendment #1 to the Regional Water Supply Contract – effective October 31, 2009
- Water Sharing Plan Rules & Procedures – dated April 23, 2014

REGIONAL WATER SUPPLY CONTRACT
January 9, 2008

CERTIFICATE OF BOARD SECRETARY

THE STATE OF TEXAS §
 §
 COUNTY OF HAYS §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 9th day of January, 2008, the Board of Directors (the *Board*) of the Hays Caldwell Public Utility Agency (the *Agency*) convened in a regular meeting at the City Train Depot in Kyle, Texas (the *Meeting*), the duly constituted members of the Board being as follows:

Mayor Susan Narvaiz	Chair
Mark Speed	Director
Councilman Mike Moore	Vice Chair
Robert Camareno	Director
Collette Jamison	Director
Jesse Shanks	Director
Tom Mattis	Treasurer
Tom Taggart	Director
Chris Betz	Secretary
Alan McPherson	Director
Laurie Anderson	Director
David Davenport	Director
Rosie Vela	Director

and all of such persons were present at the Meeting, except for Mr. Moore and Mr. McPherson, who were absent, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY APPROVING A REVISED REGIONAL WATER SUPPLY CONTRACT BETWEEN THE AGENCY AND THE CANYON REGIONAL WATER AUTHORITY, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CITY OF SAN MARCOS; AND DECLARING AN EFFECTIVE DATE

was introduced and submitted to the Board for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Mr. Taggart that the Resolution be finally passed and adopted in accordance with the Agency's Bylaws. The motion was seconded by Mr. Shanks and carried by the following vote:

11 voted "For" **None** voted "Against" **None** abstained

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the Agency; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Agency, this 9th day of January, 2008.



Chris Betz
Board Secretary

(AGENCY SEAL)

RESOLUTION NO. 20080109-001

A RESOLUTION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY BOARD OF DIRECTORS APPROVING A REVISED REGIONAL WATER SUPPLY CONTRACT BETWEEN THE AGENCY AND THE CANYON REGIONAL WATER AUTHORITY, THE CITY OF BUDA, THE CITY OF KYLE, AND THE CITY OF SAN MARCOS, AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. The Hays Caldwell Public Utility Agency (the "Agency") was formed by the Canyon Regional Water Authority, the City of Buda, the City of Kyle, and the City of San Marcos (the "Sponsoring Public Entities") for the purpose of developing a water supply project (the "Project") in the Carrizo-Wilcox Aquifer.

2. The Agency's bond counsel and financial advisors have recommended that the Agency enter into a water supply contract with the Sponsoring Public Entities to serve as the primary mechanism for financing Agency activities and the development of the Project, and to serve as the basis for issuance of debt obligations by the Agency.

3. The Agency Board of Directors (the "Agency Board"), at its meeting on September 26, 2007, approved a Regional Water Supply Contract. Since that time, the Agency's financial advisors suggested that the Agency and Sponsoring Public Entities consider revising the contract to allow the Agency to issue bonds in four separate series, one for each Sponsor. This would allow each Sponsor to structure its portion of the debt in a manner best suited to its circumstances. On November 14, 2007, the Executive Committee of the Agency Board recommended that the contract be revised to provide for the issuance of Agency bonds in separate series for each Sponsor. At its meeting on December 12, 2007, the Agency Board directed the Agency's bond attorneys and general counsel to draft the needed revisions to the contract.

4. The Agency's bond attorneys and general counsel have revised the Regional Water Supply Contract to provide for the issuance of Agency bonds in separate series for each Sponsor, and the Agency Board wishes to approve the Regional Water Supply Contract as revised.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY:

SECTION 1. The attached Regional Water Supply Contract, as revised, between the Agency and the Canyon Regional Water Authority, the City of Buda, the City of Kyle, and the City of San Marcos is approved.

SECTION 2. The Chair of the Agency's Board of Directors, Susan Narvaiz, is authorized to execute the attached contract on behalf of the Agency.

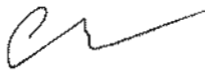
SECTION 3. This Resolution shall be in full force and effect immediately upon its passage.

ADOPTED: January 9, 2008



Susan Narvaiz
Chair, Board of Directors

ATTEST:



Chris Betz
Secretary, Board of Directors

REGIONAL WATER SUPPLY CONTRACT

THIS REGIONAL WATER SUPPLY CONTRACT (the "Contract") is dated and entered into as of the 9th day of January, 2008, by and among the Hays Caldwell Public Utility Agency (the "Agency"), a non-profit constituted authority and instrumentality and political subdivision of the State of Texas (the "State"), created and existing under the laws of the State, including Chapter 422 as amended, Texas Local Government Code, and the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, municipalities and political subdivisions of the State, and the Canyon Regional Water Authority, a conservation and reclamation district and political subdivision of the State of Texas, created and existing pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State. The City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority are referred to in this Contract collectively as the "Sponsoring Public Entities" and singularly each as a "Sponsoring Public Entity."

RECITALS

WHEREAS, Chapter 422 of the Texas Local Government Code, as amended (the "Act") authorizes public entities to create a public utility agency to plan, finance, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and wastewater, including plant sites, rights-of-way, and property, equipment, or rights of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and wastewater; and

WHEREAS, the City Councils of the City of Buda, Texas, the City of Kyle, Texas, and the City of San Marcos, Texas and the Board of Trustees of the Canyon Regional Water Authority (collectively, the "Governing Bodies") have collectively determined to authorize and approve the creation of the Agency as their constituted authority and instrumentality to accomplish the specific public purpose to plan, finance, construct, acquire, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and wastewater, including plant sites, rights-of-way, and property, equipment, or rights of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and wastewater, pursuant to the provisions of the Act, and other applicable law; and

WHEREAS, the Sponsoring Public Entities, pursuant to the Act and other applicable law, have authorized the creation of the Agency for the purposes set forth in the Agency's Bylaws, including the issuance of bonds to finance the costs of the Project, as hereinafter defined; and

WHEREAS, the Agency intends to own, design, construct, acquire, maintain, and operate the Project in a manner that will allow the Agency to deliver its water to the Sponsoring Public Entities and other potential purchasers on a regional basis; and

WHEREAS, the Sponsoring Public Entities and the Agency, exercising their mutual authority and furthering their mutual and urgent interests, wish to enter into this Contract in order

to most efficiently and quickly obtain the capability to deliver the water to the Sponsoring Public Entities; and

WHEREAS, it is necessary that facilities, wells, storage tanks, lines, booster pumps, treatment facilities, and other appurtenances sufficient to deliver the water to which the Sponsoring Public Entities are entitled under this Contract and additional water which the Sponsoring Public Entities may acquire (the "Facilities") be constructed and that the easements, rights-of-way, and other interests in land necessary for the production, withdrawal or diversion of and the acquisition, construction, maintenance, and operation of the Facilities (collectively, the "Land Interests") be purchased (the "Land Interests" and the "Facilities," together the "Project"); and

WHEREAS, it is expected by the Agency and the Sponsoring Public Entities that as soon as practicable after the execution of this Contract the Agency will issue its Bonds (as hereinafter defined) in series for each Sponsoring Public Entity requesting financing through the Agency, payable from and secured solely by payments under this Contract to be made by such Sponsoring Public Entity for which the series of Bonds are issued for the acquisition and construction of the Project; and

WHEREAS, the Agency, to the best of its ability, shall in general do or cause to be done all such things as may be required for the proper acquisition, construction and operation of the Project; and

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions. In addition to the terms defined above, the following terms shall have the meanings assigned to them below wherever they are used in this Contract, unless the context clearly requires otherwise:

(a) "Accountant" means a nationally recognized independent certified public accountant, or an independent firm of certified public accountants, selected by the Agency.

(b) "Additional Bonds" means one or more series of additional Bonds which are issued by the Agency to finance the completion of the Project pursuant to Section 2.9 hereof or for any other lawful purpose.

(c) "Agency" means the Hays Caldwell Public Utility Agency and its lawful successors and assigns.

(d) "Annual Payment Amounts" means the amount of money, constituting the Operation and Maintenance Expenses, Overhead Expenses and, to the extent the Agency issues a series of Bonds on behalf of a Sponsoring Public Entity, the Bond Payment, to be paid to the Agency by each Sponsoring Public Entity, on a several and not a joint basis as described in

Section 3.1, Section 3.5, and Section 5.2 hereof from the revenues of the Sponsoring Public Entities' Systems as an operating and maintenance expense of the Sponsoring Public Entities' Systems (or any other lawfully available revenues of the Sponsoring Public Entities), at the times and in the amounts required by Sections 3.5 and 5.2 of this Contract.

(e) "Approval Certificate" means the certificate or certificates, if any, of the Chair, Board of Directors or Authorized Representative of the Agency approving certain terms of a series of Bonds.

(f) "Authorized Representative" means any person at the time delegated authority to act on behalf of a Sponsoring Public Entity or the Agency, as the case may be, and designated as such in a written certificate, containing a specimen signature of such person, which, for a Sponsoring Public Entity shall be the City Manager, City Administrator, or General Manager, as appropriate, of the Sponsoring Public Entity or such other officers or employees of the Sponsoring Public Entity authorized to act on behalf of the Sponsoring Public Entity during the respective City Manager's, City Administrator's, or General Manager's absence or incapacity, and for the Agency shall be the Chair, Board of Directors of the Agency or such other officer or employee of the Agency authorized to act on behalf of the Agency during the absence or incapacity of the Chair, Board of Directors, unless a party notifies the other parties in writing of a change in its Authorized Representative.

(g) "Bond Payment(s)" means the amount of money to be paid to the Agency by a Sponsoring Public Entity, for the debt service or to fund or replenish any debt service reserve fund or other special or contingency fund on one or more series of Bonds issued for that respective Sponsoring Public Entity, from the revenues of such Sponsoring Public Entity's System as an operating and maintenance expense of the System at the times and in the amounts required by Sections 3.5 and 5.2 of this Contract. A Sponsoring Public Entity is responsible for paying debt service on only the series of Bonds issued for that Sponsoring Public Entity.

(h) "Bond Resolution" means any resolution and/or trust indenture of the Agency, authorizing the issuance of and securing a series of Bonds and all amendments and supplements thereto and including the Approval Certificate, if any, authorized by such resolution to establish certain of the terms of the Bonds authorized by such resolution. Since separate series of Bonds will be issued for each Sponsoring Public Entity requesting financing, any reference in this Contract means the Bond Resolution related to the Sponsoring Public Entity for which such series of Bonds were issued.

(i) "Bonds" means all bonds, notes, or other obligations hereafter issued by the Agency in multiple series with a separate series for each Sponsoring Public Entity requesting financing the proceeds of which are used to pay Project Costs (including any Additional Bonds) or to refund any Bonds or to refund any such refunding Bonds.

(j) "Claim," as used in Section 8.13 of this Contract, means claims, demands, and expenses, including reasonable attorney's fees.

(k) "Code" means the Internal Revenue Code of 1986, and any amendments thereto, as in force and effect on the date of delivery of any series of Bonds.

(l) "Completion Date" means such term as it is defined in Section 2.9 of this Contract.

(m) “Credit Agreement” means any bond insurance policy or other credit agreement, as defined in and authorized by the provisions of Chapter 1371, as amended, Texas Government Code, which the Agency enters into relating to its obligations with respect to the Bonds.

(n) “Delivery Point” means the place, whether one or more, to which the Agency will deliver water to each Sponsoring Public Entity pursuant to this Contract.

(o) “Engineer of Record” means the Engineer of Record for a Sponsoring Public Entity so designated by the governing body of the Sponsoring Public Entity with notice to the Agency.

(p) “Engineering Report” means the “Final Report of the Plumbing Plan,” prepared by Lockwood, Andrews & Newnam, Inc., dated September 21, 2007, as such report may be amended, modified and changed and superseded with the approval of the Agency and Sponsoring Public Entities, at any time prior to the execution of construction contracts for the Project or as modified and changed by change orders issued after the execution of such construction contracts; provided, however, no such change orders shall adversely affect any of the Sponsoring Public Entities without the consent of the Sponsoring Public Entities.

(q) “Fiscal Year” means the Sponsoring Public Entities’ fiscal years, which currently begin on October 1 of each year, as they may be changed from time to time with notice to the Agency.

(r) “Force Majeure” means such term as it is defined in Section 8.3 of this Contract.

(s) “Facilities” means the facilities, wells, diversion structures, treatment plants, storage tanks, capacity rights, lines, booster pumps, and other appurtenances sufficient to produce, divert, treat and deliver the water to which the Sponsoring Public Entities are entitled under this Contract and any improvements, additions, or extensions to such Facilities hereafter acquired or constructed to deliver water between such places.

(t) “Land Interests” means the easements, right-of-way, and other interests in real property necessary for the acquisition, construction, and operation of the Facilities and the Water Rights for the Project.

(u) “MSRB” means the Municipal Securities Rulemaking Board and any successor to its duties.

(v) “NRMSIR” means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

(w) “Operation and Maintenance Expenses” means all direct costs and expenses incurred by the Agency for its operation and maintenance, including but not limited to, the operation and maintenance of the Project, including (for greater certainty but without limiting the generality of the foregoing) amounts payable under any contract with any person, including, but not limited to any federal, state, or local agency for the right to produce, withdraw or divert and use water, any contribution or payment in lieu of taxes or any fee or charge by any government authority relating to the Agency’s production, withdrawal or diversion of or sale of treated water hereunder, the costs of utilities, supervision, engineering, accounting, auditing, legal services, insurance premiums, supplies, services, and administration of the Project, Overhead Expenses, any required costs of mitigation and land management incidental to Project operation, and costs

of operating, repairing, maintaining, and replacing equipment for proper operation and maintenance of the Project. The term "Operation and Maintenance Expenses" does not include depreciation charges or such portion of the above-described costs to the extent such costs are paid pursuant to an agreement other than this Contract.

(x) "Overhead Expenses" means the Agency's reasonable and necessary costs and expenses incurred at any time directly related to the issuance and servicing of the Bonds, the acquisition of Land Interests required for the Project, the design, permitting, financing, acquisition, construction, and ownership of the Project and any other activities required of or involving the Agency in connection with or attributable to the Project or the Bonds, including, but not limited to: (i) per diem and reimbursable expenses incurred by the Directors of the Agency for special meetings of the Agency's Board of Directors related to the Project; (ii) services of the professional, technical skilled and unskilled persons and firms engaged by or associated with the Agency, other than Agency staff personnel, together with their reimbursable expenses paid or required to be paid by the Agency; (iii) salaries of the Agency's staff attributable to the Project or the Bonds based on time expended, as documented or reasonably estimated by the President, Board of Directors of the Agency; (iv) the costs of preparing applications for and obtaining all approvals and authorizations required for the Project or the Bonds from the regulatory authorities having jurisdiction; (v) the cost of property casualty and public liability insurance incurred prior to the Completion Date; including any insurance deductible charged to or required to be paid by the Agency; provided that if the Agency is unable to obtain such insurance on an occurrence basis, then any expense incurred by the Agency from and after the Completion Date for casualty and public liability insurance, including any insurance deductible, shall be paid by the Sponsoring Public Entities; (vi) all costs incurred in litigation involving or relating to the Project; and (vii) any and all other costs and expenses, including out-of-pocket expenses, incurred by the Agency attributable to the Project or the Bonds, whether enumerated above or not, and whether or not included in the definition or as a part of Project Costs.

(y) "Permitted Liens" means: (i) minor irregularities, charges, liens, encumbrances, defects, easements, licenses, rights-of-way, servitudes, restrictions, mineral rights, and clouds on title which, in the opinion of counsel to the Agency, a copy of which shall be forwarded to each of the Sponsoring Public Entities, do not materially impair the use of the Project for the purposes for which it is designed; (ii) easements for roads (as used in this Contract, the term "roads" shall include, without limitation, streets, curbs, gutters, drains, ditches, sewers, conduits, canals, mains, aqueducts, aerators, connections, ramps, docks, viaducts, alleys, driveways, parking areas, walkways, and trackage), utilities (which for purposes of this Contract shall include, without limitation, water, sewer, electricity, gas, telephone, pipeline, railroad, and other collection, transportation, light, heat, power, and communication systems) and similar easements and other easements, rights-of-way, rights of flowage, flooding, diversion or outfall, licenses, restrictions, and obligations relating to the operation of the Project which, in the opinion of counsel to the Agency, a copy of which shall be forwarded to each of the Sponsoring Public Entities, do not materially impair the use of the Project for the purposes for which it is designed; (iii) rights of the United States or any state or political subdivision thereof, or other public or governmental authority or agency or any other entity vested with the power of eminent domain to take or control property or to terminate any right, power, franchise, grant, license, or permit previously in force.

(z) "Plans and Specifications" means the plans and specifications prepared for the Project by the Project Engineer, as the same may be revised from time to time in accordance with this Contract.

(aa) "Project" means, collectively, the Land Interests and the Facilities as described in the recitals to this Contract and in the Engineering Report, and as those terms are defined in this Section.

(bb) "Project Costs" means and includes, without limitation, the following costs incurred for the Project by or on behalf of the Agency or the Sponsoring Public Entities: (i) the cost of acquisition of the Land Interests, including appraisals, closing costs and title insurance policies; (ii) the cost of acquisition, construction, repair, replacement, improvement or decommissioning of the Facilities, and any structure, item of equipment, or other item, used for, or in connection with, the Project; (iii) the cost of site preparation of the Land Interests, including demolition or removal of structures and improvements as necessary or incident to accomplishing the Project; (iv) the cost of engineering, legal, architectural or other related services; (v) the preparation cost of plans, specifications, studies, surveys, cost estimates, and other expenses necessary or incident to planning, providing, or financing the Project; (vi) the cost of machinery, equipment, furnishings, and facilities necessary or incident to placing the Project in operation; (vii) finance charges and interest before, during, and after construction as permitted by the laws of the State; (viii) costs incurred in connection with financing the project, including, without limitation: (1) financing, legal, accounting, financial advisory, rating agency, and auditing fees, expenses and disbursements; (2) the cost of printing, engraving, and reproduction services; and (3) the cost of a trustee's or paying agent's initial or acceptance fee and subsequent fees; (ix) all costs, fees and expenses of litigation of all kinds; (x) the cost of property casualty and public liability insurance; (xi) the fees and costs of the underwriters as the anticipated purchasers of the Bonds; (xii) reimbursement of the costs previously incurred by the Sponsoring Public Entities with respect to the Project; and (xiii) other costs generally recognized as a part of Project construction costs.

(cc) "Project Engineer" means such engineering firm or firms as may be selected by the Agency.

(dd) "Prudent Utility Practice" means any of the practices, methods, and acts, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the public utility industry prior thereto, known at the time the decision was made, that would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act at the exclusion of all others, but rather is a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. In the case of any facility included in a Sponsoring Public Entity's System which is owned in common with one or more other entities, the term "Prudent Utility Practice," as applied to such facility, shall have the meaning set forth in the agreement governing the operation of such facility.

(ee) "Rule" means SEC Rule 15c2-12, as amended from time to time.

(ff) "Sale and Offering Documents" means any official notice of sale, official bid form, preliminary official statement, official statement, or other offering document for a series of Bonds.

(gg) "SEC" means the United States Securities and Exchange Commission and any successor to its duties.

(hh) "SID" means any entity designated by the State or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

(ii) "Sponsoring Public Entities" means collectively the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas and Canyon Regional Water Authority. "Sponsoring Public Entity" means respectively, the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas or the Canyon Regional Water Authority.

(jj) "Sponsoring Public Entities' Systems" or "Systems" means collectively the Sponsoring Public Entity's System of all of the Sponsoring Public Entities.

(kk) "Sponsoring Public Entity's System" or "System" means and includes the existing combined waterworks and wastewater disposal system of each of the Sponsoring Public Entities, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage and/or reclaimed water systems which are integrated with the waterworks or wastewater disposal system, and all replacements thereof. Provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the terms "Sponsoring Public Entity's System" or "System" shall not include any waterworks or wastewater facilities which are declared by the respective Sponsoring Public Entity not to be a part of that Sponsoring Public Entity's System, and which are hereafter acquired or constructed by that Sponsoring Public Entity with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of that Sponsoring Public Entity which are not secured by or payable from the net revenues of that Sponsoring Public Entity's System, but which are secured by and are payable solely from special contract revenues, or payments received from that Sponsoring Public Entity or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute gross revenues of that Sponsoring Public Entity's System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such "Special Facilities Bonds".

(ll) "Sponsoring Public Entity's Utility Bonds" or "Utility Bonds" means the bonds, notes and other obligations of a Sponsoring Public Entity outstanding from time to time secured by a lien on and pledge of the net revenues of that Sponsoring Public Entity's System or any part thereof, regardless of lien priority.

(mm) "State" means the State of Texas.

(mn) "TCEQ" means the Texas Commission on Environmental Quality or its successors or assigns.

(oo) "Trustee" means any trustee named under a trust indenture or the paying agent/registrar named in a paying agent/registrar agreement entered into by the Agency securing the payment of a series of Bonds and authorized by a Bond Resolution.

(pp) "TWDB" means the Texas Water Development Board or any successor entity thereto.

(qq) "TWDB Program" means TWDB's State Participation Account as authorized pursuant to Article III, Sections 49-d, 49-d-2, and 49-d-8 of the Texas Constitution and Chapter 16, Subchapters E and F, Texas Water Code or other applicable TWDB program.

(rr) "Water Rights" means the right to produce, withdraw or divert water, and transport the water from the location where it is produced, withdrawn, or diverted into Caldwell County, Guadalupe County, Hays County, and the surrounding counties. "Water Rights" are a component of "Land Interests".

Section 1.2 Interpretation. The table of contents and caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa. This Contract and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Contract.

ARTICLE II

ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.1 General. Subject to the remaining terms and provisions of this Contract, the Agency agrees to issue the Bonds and to acquire and construct the Project as generally described in the Engineering Report. It is estimated that the Project will be placed in operation on or before December 31, 2018, or as soon thereafter as practicable. The Authorized Representative of the Agency hereby represents that he is not aware of any reason that the Project, as contemplated, cannot be completed on or before December 31, 2018. It is expressly understood and agreed that any obligations on the part of the Agency to finance, acquire, construct, and complete the Project and to provide the water to the Sponsoring Public Entities shall be (i) conditioned upon the Agency's ability to obtain all necessary permits, Land Interests, material, labor, and equipment, and upon the ability of the Agency to finance the cost of the Project through the actual sale of the Bonds, including any Bonds needed to complete the Project, and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State, and any regulatory body having jurisdiction. The Project shall be acquired and constructed by the Agency with all reasonable dispatch, and the Agency will diligently pursue such acquisition and construction in order that it may be completed as soon as practicable, delays incident to events of Force Majeure only excepted; but if for any reason there should be delays in or the entire failure of such acquisition, construction, and improvement, there shall be no diminution in or postponement of the Annual Payment Amounts to be made by the Sponsoring Public Entities hereunder and no resulting liability on the part of the Agency; provided, however, that the Sponsoring Public Entities retain the right to pursue any legal remedy to the extent that delays in the Project are the result of negligence on the part of the Agency.

Section 2.2 Location of Project; Acquisition of Land Interests. The Facilities will be constructed and located on, across, within, and through the Land Interests. The Agency (or one or more of the Sponsoring Public Entities acting on behalf of the Agency) shall, as soon as possible after the delivery of this Contract, and subject to the receipt of the Bond proceeds or

funds from one or more of the Sponsoring Public Entities, undertake the acquisition of the Land Interests. The Agency shall be responsible for ensuring that proper filings of each such portion of the Land Interests are made in the deed records of the appropriate counties to ensure that all interested parties have proper notice of the Agency's interests in the Land Interests. As each deed, easement, or other evidence of an interest in real property comprising a portion of the Land Interests is acquired by the Agency, a copy of such instrument, together with evidence of its filing in the deed records of the counties in which such portion lies, shall, upon the written request of a Sponsoring Public Entity, be given to that Sponsoring Public Entity.

The Agency shall acquire a title insurance policy or a title opinion showing good and indefeasible title with respect to each Land Interest acquired. A copy of each such title insurance policy or title opinion shall be retained in the Agency's official records.

Section 2.3 **Construction.** The Agency shall, as soon as possible, and in accordance with the Engineering Report, undertake to make, execute, deliver, and prosecute all contracts, orders, receipts, writings, and instructions with or to other persons, and in general do or cause to be done all such other things, as may be required for the proper acquisition and construction of the Facilities.

Section 2.4 **Selection of Project Engineer; Plans and Specifications; Bidding.** The Agency shall cause the Project Engineer to complete the Plans and Specifications and the other materials to be used in construction of the Facilities and to perform such other engineering tasks as shall be necessary for construction of the Facilities. The bid documents may include appropriate alternatives to assure the most advantageous price consistent with expeditious completion. The specifications for the Project may include as an owner cost any or all insurance coverages either required by law or deemed necessary or advisable by the Agency. Upon obtaining the approval of the Board of Directors of the Agency of the Plans and Specifications and bid documents, the Agency, through its Project Engineer, will promptly advertise for bids for the Project to the extent and as required by law. The Agency may break the construction of the Facilities into several contracts or phases as it determines is best for the timely acquisition and construction of the Facilities. After the receipt of bids, the Agency shall identify the lowest responsible bidder(s) and award the contract(s). If all bids are rejected, bids will again be solicited, following the procedure outlined above in this Section, until such time as bids satisfactory to the Agency have been received. The Agency shall not be obligated to award a construction contract unless the proceeds from the Bonds are available to pay the contract(s).

Section 2.5 **Alternative Method for Construction Procurement.** If authorized under applicable laws, the Agency may procure the design and construction services for the Facilities using an alternative procurement method, such as design-build or construction manager-at-risk. If so authorized, and if the Agency Board of Directors approves the use of an alternative procurement method, the Agency shall proceed to select the contractor and contract for the design and construction of the Facilities in compliance with all applicable laws.

Section 2.6 **Liens.** Neither the Sponsoring Public Entities nor the Agency will create or permit or suffer to exist any lien, encumbrance, or charge upon the Project or any interest therein at any time, except Permitted Liens.

Section 2.7 **Revisions of Plans.** The Plans and Specifications may be revised prior to the Completion Date.

Section 2.8 **Approvals.** Unless otherwise required by law, each consent, approval, or other official action required of the Sponsoring Public Entities or the Agency by any provision of this Contract shall be deemed in compliance with this Contract when written evidence of such action, signed by the respective Authorized Representative, is delivered to the party who is to receive evidence of such action. All contracts to be entered into by the Agency shall be authorized by the Agency's Board of Directors. The Sponsoring Public Entities will cooperate with the Agency in the design, financing, acquisition, and construction of the Project and, following the adoption of the Bond Resolution by the Agency's Board of Directors, will not take any action or fail to take any action (including, without limitation, any exercise or denial of its consent or approval of any action proposed to be taken by the Agency or any of its agents hereunder), if taking or failing to take such action, respectively, would unreasonably delay or obstruct the completion of the Project by the Agency.

Section 2.9 **Completion.**

(a) Except as otherwise provided in subsection (b) of this Section, when the Facilities have been substantially completed, the Agency shall deliver to the Sponsoring Public Entities a certificate of the Agency and the Project Engineer stating that, as of a specified date, the Project has been substantially completed and is ready to be placed in service (the date specified in such certificate being herein called the "Completion Date").

(b) The Sponsoring Public Entities and the Agency acknowledge that the proceeds of the initial series of Bonds will be insufficient to complete the acquisition and construction of the Project, and accordingly agree to use their best efforts to issue Additional Bonds, or to secure financing pursuant to the TWDB Program or a similar State or Federal Program (e.g., the USEPA Revolving Fund), in an amount sufficient to complete the Project.

Section 2.10 **Title to Water.** Title to the water shall be in the Agency until it passes through the meter or meters installed pursuant to this Contract at or near the Delivery Point, following which it shall be in the respective Sponsoring Public Entities that take delivery of the water at that point. Each of the parties hereto hereby agrees, with respect to water to which the party has title, to save and hold each other party hereto harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation and delivery of the water while title to the water is in such party.

Section 2.11 **Access to Property of Sponsoring Public Entities.** Should any facilities, pipelines, or appurtenances owned by the Agency be installed in any street, alley, or public way within the boundaries of any of the Sponsoring Public Entities, as same are now constituted or as may hereafter be revised, the respective Sponsoring Public Entity hereby grants to the Agency the right, privilege and franchise of using such streets, alleys and public ways for the purposes of maintaining, operating, laying, repairing, or removing such facilities, pipelines, and appurtenances, subject to compliance by the Agency with the franchise and right-of-way management ordinances and other applicable laws and regulations of the respective Sponsoring Public Entity, and the payment of applicable franchise or right-of-way use fees.

Section 2.12 **Easements.** Each of the Sponsoring Public Entities hereby agrees to grant to the Agency such easements as may be reasonably necessary for the purposes of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocated, and removing Facilities upon, over, across and through the property of the respective Sponsoring Public Entity and giving to the Agency, and its successors and assigns, all of the rights and benefits necessary

or appropriate for the full enjoyment and use of the easement, including but without limiting the same to, the free right of ingress and egress to and from the property of the respective Sponsoring Public Entity.

Section 2.13 **Cross-Utilization of Lines.**

(a) Each Sponsoring Public Entity acknowledges that it may be necessary for the Agency to use excess capacity in transmission lines of the Sponsoring Public Entity to transport treated water to another Sponsoring Public Entity or other entity on a temporary or long-term basis. The Sponsoring Public Entity with the transmission lines hereby agrees to permit the Agency to so utilize the lines in accordance with this section and with Section 2.11 and Section 2.12. In such case, the Agency will execute an agreement with the Sponsoring Public Entity with the transmission lines describing their respective rights and obligations. This agreement may include, among other matters, the payment of reasonable fees for the Agency's use of the lines, conditions placed by the Sponsoring Public Entity on the use of its lines (including any improvements needed to facilitate Agency use of the lines), provision for cessation of Agency use of a line if the Sponsoring Public Entity determines that there is no excess capacity in the line, and any special requirements with respect to pressure or other matters relating to the lines.

(b) The Agency will furnish, install, operate, and maintain meters at the point of exit from the Sponsoring Public Entity's transmission lines to maintain accurate measurements of the quantity of water being delivered by the Agency to another Sponsoring Public Entity or other entity through the lines. Such meters shall be subject to inspection and examination by both the Sponsoring Public Entity with the transmission lines and the Agency in accordance with the provisions of Section 4.2.

(c) In the event that repairs are required to be made to any lines or appurtenances of a Sponsoring Public Entity which the Agency utilizes for the transmission of treated water to another Sponsoring Public Entity or other entity, the Agency shall participate in the cost of such repairs as may be agreed from time to time.

(d) Nothing in this Contract will prohibit two Sponsoring Public Entities from entering into an agreement related to the use by one Sponsoring Public Entity of the transmission lines of the other Sponsoring Public Entity.

Section 2.14 **Points of Delivery.** The Project will include the Facilities and Land Interests required to deliver water to the Point of Delivery for each Sponsoring Public Entity at the location depicted in the Engineering Report. However, the Project will include improvements to the transmission lines of a Sponsoring Public Entity needed to facilitate Agency use of the lines under Section 2.13 only to the extent provided for in the agreement entered into by the Agency and the Sponsoring Public Entity under that section. After completion of the Project, each Sponsoring Public Entity shall have the sole responsibility, at its own cost and expense, for providing additional pipelines and other facilities required for transporting its share of the water from the Project to new or additional Points of Delivery, but additional or alternative points of delivery will be allowed only with the consent of the Sponsoring Public Entities.

Section 2.15 **Quantity.** The Sponsoring Public Entities' proportionate share of the treated water produced by the Project is as follows:

City of Buda, Texas	5.60%
City of Kyle, Texas	20.50%
City of San Marcos, Texas	39.70%
Canyon Regional Water Authority	34.20%

Section 2.16 Other Contracts. The Agency shall not enter into contracts with persons or entities other than the Sponsoring Public Entities for the supply of water without the prior consent of all of the Sponsoring Public Entities, and any Sponsoring Public Entity may withhold its consent. Before offering to supply any quantity of water to an entity other than the Sponsoring Public Entities, the Agency shall first offer the water to the Sponsoring Public Entities, and confirm that none of the Sponsoring Public Entities wishes to contract with the Agency for the water. The sale of water by a Sponsoring Public Entity to a retail customer which, in turn, provides water through submeters to tenants is permitted.

Section 2.17 Quality. The water to be delivered by the Agency and received by the Sponsoring Public Entities shall be from sources identified generally in the Engineering Report and treated using the Facilities and equipment described generally in the Engineering Report. Each of the Sponsoring Public Entities has satisfied itself that such water is suitable for its needs. With respect to groundwater supply sources, the Agency and each of the Sponsoring Public Entities shall cooperate, each within its legal powers, in preventing possible pollution and contamination of the formation from which the water is obtained.

Section 2.18 Operation. The Agency covenants to operate the Project in accordance with Prudent Utility Practices and in accordance with applicable regulatory requirements. With respect to groundwater supply sources, the Agency and the Sponsoring Public Entities agree that the Agency shall endeavor to operate groundwater wells in a manner that avoids overdrafting of the formation from which the water is obtained, and they also agree that the Agency shall endeavor to reasonably mitigate the effects of operation of Agency groundwater wells on existing wells in the vicinity.

Section 2.19 Excess Capacity. In the event the Project is constructed so that there is excess capacity in all or any portion of the Facilities, such excess capacity shall be owned by the Agency. Any such excess capacity may be used only with the written consent of the Agency Board of Directors, which may include conditions deemed appropriate by the Board.

ARTICLE III

FINANCING OF THE PROJECT

Section 3.1 Issuance of Bonds.

(a) The Agency's acquisition and construction of the Project and improvements to the Project will be financed by (i) receipt of cash from a Sponsoring Public Entity, (ii) the Agency through the issuance of one or more series or issues of its Bonds by the Agency for a Sponsoring Public Entity, which Bonds are payable from and secured, in part, by an assignment of the Annual Payment Amounts made under this Contract by the designated Sponsoring Public Entity for which such series of Bonds are issued or (iii) any combination of (i) and (ii). It is expressly understood and agreed by the Agency and the Sponsoring Public Entities that any Bonds issued by the Agency shall be issued as separate series of each Sponsoring Public Entity requesting financing by the Agency. Each Sponsoring Public Entity shall be responsible solely for the Bond

Payments on its series of Bonds. No Sponsoring Public Entity shall have any liability or responsibility for any Bond Payments on a series of Bonds issued for another Sponsoring Public Entity. In consideration of the covenants and agreements set forth in this Contract, and to enable the Agency to issue the Bonds to carry out the intents and purposes hereof, this Contract is executed to assure the issuance of the Bonds and to provide for and ensure the due and punctual payment to the Agency or to the Trustee by each Sponsoring Public Entity for which the Agency has issued a series of Bonds, of amounts not less than the Annual Payment Amounts on a series of Bonds issued for a particular Sponsoring Public Entity. Each of the Sponsoring Public Entities hereby agrees to make, or cause to be made, its respective Annual Payment Amount, as and when due, for the benefit of the owners of the Bonds, as provided in the Bonds and the Bond Resolution.

(b) The proceeds from the sale of the Bonds, together with any cash received from a Sponsoring Public Entity, will be used for the payment of the Project Costs. The Bonds will be issued by the Agency in the amount anticipated to be required to acquire and construct the Project, including payment of all Project Costs advanced by one or more of the Sponsoring Public Entities and incurred by the Agency prior to the date of issuance of the Bonds, and to fund, to the extent deemed advisable by the Agency, a debt service reserve fund and interest on the Bonds during construction and for up to one year after the Completion Date. However, each Sponsoring Public Entity reserves the right to pay cash to the Agency for its share of the Project Costs rather than have the Agency issue Bonds on its behalf.

(c)

(i) Each Bond Resolution of the Agency shall specify the maximum principal amount of the Bonds to be issued thereunder. The Bonds shall mature not more than forty (40) years from the date of such Bonds and shall bear interest at not to exceed the maximum legal rate then permitted by law, and the Bond Resolution may create and provide for the maintenance of a revenue fund, an interest and sinking fund, a debt service reserve fund, and any other funds deemed prudent by the Agency, all in the manner and amounts as provided in such Bond Resolution.

(ii) Prior to the final adoption of a Bond Resolution or any amendment of a Bond Resolution by the Agency's Board of Directors or the execution of an Approval Certificate by the Agency, a substantially final copy of the proposed Bond Resolution for the applicable Sponsoring Public Entity, the Approval Certificate, if any, any Credit Agreements and the Sale and Offering Documents shall be presented to the applicable Sponsoring Public Entity for review and approval.

(iii) Upon approval by the Sponsoring Public Entity for which the Agency issues a series of Bonds of (i) a Bond Resolution hereafter adopted by the Agency for the applicable Sponsoring Public Entity, including any Credit Agreements, (ii) any amendments to any Bond Resolution, (iii) an Approval Certificate authorized by a Bond Resolution, and (iv) the Sale and Offering Documents, and the delivery to the Agency of a certification signed by the Authorized Representative of the respective Sponsoring Public Entity to the effect that the Bond Resolution, including any Approval Certificate, and the Sale and

Offering Documents comply with this Contract, then upon the adoption and approval of the Bond Resolution and the Approval Certificate, if any, in such final form by the Agency's Board of Directors or Authorized Representative, as the case may be, and the issuance and delivery of the Bonds to the purchaser thereof, the Bond Resolution shall for all purposes be considered approved by the respective Sponsoring Public Entity and deemed to be in compliance with this Contract in all respects, and the Bonds issued thereunder will constitute Bonds as defined in this Contract for all purposes. Any owner of Bonds is entitled to rely fully and unconditionally on any such approval.

(iv) All covenants and provisions in the Bond Resolution affecting, or purporting to bind, a Sponsoring Public Entity, shall, upon the delivery of the Bonds, become absolute, unconditional, valid, and binding covenants and obligations of the Sponsoring Public Entities so long as the Bonds and interest thereon are outstanding and unpaid, and may be enforced as provided in this Contract and the Bond Resolution. Particularly, the obligation of the respective Sponsoring Public Entity to make, promptly when due, all payments specified in this Contract shall be absolute and unconditional, and said obligation may be enforced as provided in this Contract. In addition, subject to the approval of the affected Sponsoring Public Entity, the Agency may enter into Credit Agreements for the purpose of achieving the lowest financing costs for the Project.

Section 3.2 **Proceeds of Bonds and Cash Contribution.** Subject to the terms and provisions of this Contract, the proceeds of the Bonds shall be used by the Agency for the purpose of financing and funding the Agency's acquisition and construction of the Project as provided in Section 3.1 and improvements to the Project. The Agency shall use its best efforts to issue its Bonds, in one or more separate series for each Sponsoring Public Entity requesting financing, in amounts which will be sufficient, together with any cash contributions, to accomplish such purpose. The proceeds of the Bonds shall be deposited in a construction fund established pursuant to the terms of each Bond Resolution. A trust indenture may be entered into between the Agency and a corporate trustee for the purpose of securing the payment of the Bonds. The trust indenture or the Bond Resolution, as appropriate, will establish procedures for the payment of Project Costs out of the construction fund. It is anticipated that a series of Bonds will be issued pursuant to a Bond Resolution and that a paying agent/registrars agreement will be executed between the Agency and the Trustee concerning the payment procedures with respect to such series of Bonds.

Any cash contribution made by a Sponsoring Public Entity for its share of Project Costs shall be deposited into a subaccount of the construction fund of the Agency: (i) prior to the pricing of any series of Bonds for a Sponsoring Public Entity or (ii) simultaneous with the delivery of the proceeds of any series of Bonds so long as sufficient evidence is provided to the Agency and other Sponsoring Public Entities prior to the pricing of the Bonds that their cash contribution will be available at the closing of the Bonds.

Section 3.3 **Refunding of Bonds.** The Agency reserves the right to issue refunding bonds in accordance with the laws of the State and will provide notice to each applicable Sponsoring Public Entity of the redetermined Annual Payment Amounts in accordance with Section 5.2 of this Contract.

Section 3.4 **Redemption of Bonds.** The Agency, in its sole discretion or upon the written request of a Sponsoring Public Entity (and provided that the affected series of Bonds for such Sponsoring Public Entity are subject to redemption or prepayment prior to maturity at the option of the Agency, and provided that such request is received in sufficient time prior to the date upon which such redemption or prepayment is proposed), forthwith shall take or cause to be taken all action that may be necessary under the applicable redemption provisions of such series of Bonds to redeem the Bonds or any part thereof, to the full extent of funds that are either made available for such purpose by the applicable Sponsoring Public Entity or already on deposit under the Bond Resolution and available for such purpose. The redemption of any outstanding Bonds prior to maturity at any time shall not relieve the applicable Sponsoring Public Entity of their absolute and unconditional obligation to pay each remaining Annual Payment Amount with respect to any outstanding Bonds, as specified in the Bond Resolution.

Section 3.5 **Debt Service on Bonds and Other Bond Funding Requirements.** The parties acknowledge and agree that payments to be made under this Contract will be the primary source available to the Agency to provide the money necessary for the Agency to meet its obligations with respect to a series of Bonds and any Credit Agreements. Each Sponsoring Public Entity therefore agrees to pay the Bond Payments related to the series of Bonds issued for such Sponsoring Public Entity, as outlined in subsections (a) through (c) below, in full when due as provided in this Contract. Bond Payments shall be due by the close of business on the business day prior to each date on which any of the following payments or deposits shall be due and shall be in an amount equal to all such payments and deposits due on such date:

(a) debt service on its related series of Bonds and related payments and deposits, as follows:

(i) principal of, redemption premium, if any, and interest on, its related series of Bonds, less interest to be paid out of Bond proceeds or from other sources if permitted by any Bond Resolution, and the redemption price of any Bonds to be redeemed prior to maturity when and as provided in any Bond Resolution plus the fees, expenses, and, to the extent permitted by law, indemnities of the Trustee, if any, for the Bonds, and those of the paying agent/registrars for paying the principal of and interest on the Bonds and for authenticating, registering, and transferring Bonds on the registration books; and

(ii) deposits required to be made to any special, contingency, or reserve fund by the provisions of any Bond Resolution; and

(iii) any deposit in addition thereto required to restore any deficiency in any of such funds by the provisions of any Bond Resolution,

(b) amounts payable by the Agency under a Credit Agreement; and

(c) the fees, expenses, and indemnities (to the extent permitted by law) of the remarketing agent, rate setting agent, authentication agent, arbitrage rebate compliance firm, and tender agent, if any, for the Bonds.

Section 3.6 **Billing.** The Agency will render bills to each of the Sponsoring Public Entities not more than once each month, commencing in April, 2008, for the current payments required by this Contract. Except as otherwise provided in this Contract, the monthly bill for each Sponsoring Public Entity shall be one-twelfth (1/12) of the amount of that Sponsoring

Public Entity's Annual Payment Amount for the current fiscal year of the Agency. The Agency shall, until further notice, render such bills on or before the 5th day of each month and such bills shall be due and payable on the 26th day of each month or twenty-one (21) days after such bill is deposited into the United States mail, properly stamped and addressed to each Sponsoring Public Entity, whichever is later, and thereafter, to the extent permitted by law, interest shall accrue thereon at the rate of ten per cent (10%) per annum until paid in full. The Agency may, however, from time to time by sixty (60) days' written notice, change the date by which it shall render bills, and all bills shall thereafter be due and payable twenty-one (21) days after such dates as herein provided. Each Sponsoring Public Entity shall make all payments in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and shall make payment to the Agency at its office in Hays County, Texas or at such other place as the Agency may from time to time designate by sixty (60) days' written notice.

Section 3.7 **Delinquency in Payment.** If a Sponsoring Public Entity fails to pay any bills when due and payable, the Agency may give written notice of such delinquency to the Sponsoring Public Entity and if all bills due and unpaid, including interest thereon, are not paid within forty-five (45) days after delivery of such notice, then the Sponsoring Public Entity agrees that the Agency shall be authorized, as its option, to institute suit for collection thereof and to collect any amounts due and unpaid, together with interest thereon and reasonable attorneys' fees, and the Sponsoring Public Entity further agrees that the Agency may, as its option, discontinue providing water to the Sponsoring Public Entity until all amounts due and unpaid are paid in full with interest as herein specified. Any such discontinuation of service shall not, however, relieve the Sponsoring Public Entity of its unconditional obligations to make the payments required by this Contract.

Section 3.8 **Agency's Rights Assigned to Trustee.** The Sponsoring Public Entities are advised and recognize that as security for payment of a series of Bonds issued for a Sponsoring Public Entity, the Agency may assign to the Trustee, pursuant to one or more trust indentures (or paying agent/registrars agreements) to be authorized by the Bond Resolution, the Agency's rights under this Contract, including the right to receive payments due from the Sponsoring Public Entities hereunder (but not the right to receive payments, if any, under Section 8.13 hereof). The Sponsoring Public Entities herewith assent to such assignment and will make the payments due from them hereunder directly to the Trustee without defense or set-off by reason of any dispute between one or more of the Sponsoring Public Entities and the Agency or the Trustee. All rights against the Sponsoring Public Entities arising under this Contract or the Bond Resolution and assigned to the Trustee may be enforced by the Trustee, or the owners of the Bonds, to the extent provided in the Bond Resolution, and the Trustee, or the owners of the Bonds, shall be entitled to bring any suit, action, or proceeding against the Sponsoring Public Entities, to the extent provided in the Bond Resolution, for the enforcement of this Contract, and it shall not be necessary in any such suit, action, or proceeding to make the Agency a party thereto.

Section 3.9 **Tax-Exempt Bonds.** The parties hereto understand and agree that the Agency will use its best efforts to provide for, but will not be liable for a failure to produce, the lowest overall debt service cost for any series of Bonds to be issued for the Project. In connection therewith, the parties understand that the Agency intends to issue Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax

purposes, except that the parties recognize the series of Bonds issued for the Canyon Regional Water Authority will likely be taxable pursuant to the provisions of the Code. The parties hereto acknowledge their understanding that the federal income tax laws impose certain restrictions on the use and investment of proceeds of such tax-exempt bonds and on the use of the property financed therewith and the output produced therefrom. Accordingly, the parties agree and covenant that if any series of Bonds are offered to investors with the understanding that the interest will be exempt from federal income taxation, then the parties, their assigns and agents, will take such action to assure, and refrain from such action which will adversely affect, the treatment of such Bonds as obligations described in section 103 of the Code. Should any party fail to comply with such covenant, the effect of which being that the Bonds no longer qualify as obligations described in the Code, such defaulting party shall be liable for all costs resulting from the loss of the tax-exempt status of the Bonds. The parties hereby agree and covenant to comply with all of the representations and covenants relating to such exemption which are set out in any Bond Resolution. The parties further agree and covenant that in the event any series of Bonds issued are to be tax-exempt, they will modify such agreements, make such filings, restrict the yield on investments, and take such other action necessary to fulfill the applicable provisions of the Code. For these purposes, the parties may rely on the respective opinion of any firm of nationally-recognized bond attorneys selected by them. In the event that a conflict arises in the opinions of the respective firms of the parties, the parties will identify a different firm that is mutually acceptable to all parties in order to resolve the conflict of opinion.

Section 3.10 **Payment to Rebate Fund.** In the event that tax-exempt Bonds are issued as provided in Section 3.9, the Agency hereby covenants and agrees to make the determinations and to pay any deficiency into a rebate fund, at the times and as described in the Bond Resolution to comply with the provisions of section 148(f)(2) of the Code. In any event, if the amount of cash held in the rebate fund shall be insufficient to permit the Trustee to make payment to the United States of America of any amount due on any date under section 148(f)(2) of the Code, each of the Sponsoring Public Entity forthwith shall pay the amount of such insufficiency for the series of Bonds issued for such Sponsoring Public Entity on such date to the Trustee in immediately available funds for such purpose. The obligations of the Sponsoring Public Entities under this Section 3.10 are direct obligations of each Sponsoring Public Entity, acting under the authorization of, and on behalf of, the Agency and the Agency shall have no further obligation or duty with respect to the rebate fund.

Section 3.11 **Sponsoring Public Entities' Obligations.** In the event the Project is not completed for any of the reasons contemplated herein or otherwise, or any proceeds from issuance of a series of Bonds are not used for completion of the Project for any reason, any Bond proceeds and earnings thereon for such series not used for completion of the Project shall be utilized to satisfy amounts due and owing on the related series of Bonds as described in the Bond Resolution, and herein, so as to reduce the Annual Payment Amounts which would otherwise be due hereunder, or be applied for the benefit of the Sponsoring Public Entity for which a series of Bonds are being issued as provided in the Bond Resolution. Each of the Sponsoring Public Entities has covenanted absolutely and unconditionally, in accordance with all other terms of this Contract, to make payment of the Annual Payment Amounts, as provided herein, in consideration for such application of the money as well as the other covenants and obligations of the Agency and others set forth or contemplated herein.

Section 3.12 **Interest on Money.** All legally available money respecting a series of Bonds shall be invested in the manner set forth in the Bond Resolution. Any interest earnings on the Bond proceeds may be used to pay principal of and interest on the related series of Bonds or for the payment of any Project Costs or other costs related to the Project approved by the Sponsoring Public Entity for which such Bonds were issued, subject to Section 3.9.

Section 3.13 **Sale and Offering Documents.** At the request of the Agency, each of the Sponsoring Public Entities for which a series of Bonds are being issued shall provide to the Agency current and historical information concerning such Sponsoring Public Entity's System, the financial conditions, results, and prospects of the Sponsoring Public Entity, and such other information concerning such Sponsoring Public Entity as the Agency shall deem advisable for inclusion in the Sale and Offering Documents for the series of Bonds of to be issued for such Sponsoring Public Entity, and shall certify to the Agency and the underwriters of any offering of Bonds to be made by means of such Sale and Offering Documents when and if the Sponsoring Public Entity deems such Sale and Offering Documents to be complete and final for purposes of the Rule. Each of the Sponsoring Public Entities represents and warrants that all statements concerning it (including, without limitation, its financial condition, results, and prospects, its System, and any demographic and economic information concerning the area served by its System) that are contained in any Sale and Offering Document approved by the Sponsoring Public Entities pursuant to Section 3.1 hereof shall be true in all material respects and shall not omit to state any material fact necessary to make the statements made in such Sale and Offering Document, in the light of the circumstances in which they are made, not misleading.

Section 3.14 **Right of Sponsoring Public Entities to Prepay.** Each of the Sponsoring Public Entities shall have the right at any time to prepay all or any portion of the Annual Payment Amounts. Subject to the provisions of Section 3.9, such prepaid Annual Payment Amounts shall be used and invested by the Agency as directed by the Sponsoring Public Entity which paid (i) as a credit against future Annual Payment Amount obligations of such Sponsoring Public Entity, (ii) to redeem Bonds issued for such Sponsoring Public Entity pursuant to the provisions of Section 3.4, or (iii) to provide for the defeasance of the Bonds pursuant to the provisions of the Bond Resolution. Any such prepayment will not cause a termination of this Contract until all other amounts owed or to be incurred by the Agency or any other person under the provisions of the Bond Resolution (including the charge for water pursuant to Section 8.5 hereof) have been paid in full or waived by such person.

ARTICLE IV

METERING AND MEASUREMENT

Section 4.1 **Unit of Measurement.** The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

Section 4.2 **Measuring Equipment.**

(a) The Agency shall furnish, install, operate and maintain at its own expense for each Delivery Point the necessary electronic or other equipment and devices of standard type for measuring properly the quantity of water delivered under this Contract. Such meter or meters and other equipment so installed shall remain the property of the Agency. The Sponsoring Public Entities shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of the

Agency. For the purpose of this Contract the original record or reading of the meter or meters shall be the journal or other record book of Agency in its office in which the records of the employees or agents of the Agency who take readings are or may be transcribed. Upon written request of a Sponsoring Public Entity, the Agency will give the Sponsoring Public Entity a copy of such journal or record book, or permit the Sponsoring Public Entity to have access to the same in the office of the Agency during reasonable business hours.

(b) The Agency shall calibrate its meters periodically, but at least once each year. Each Sponsoring Public Entity shall be entitled to have a representative present during each calibration, and the parties shall jointly observe any needed adjustments which are made to the meters. If the check meters hereinafter provided for have been installed, the same shall also be calibrated by the Sponsoring Public Entities in the presence of a representative of the Agency, and the parties shall jointly observe any needed adjustment. If the Sponsoring Public Entities in writing request the Agency to calibrate its meters, and the Agency gives the Sponsoring Public Entities notice of the time when the calibration is to be made, and a representative of any Sponsoring Public Entity is not present at the time set, the Agency may proceed with calibration and adjustment in the absence of a representative of that Sponsoring Public Entity.

(c) If any party at any time observes a variation of one percent (1%) or more between the delivery meter or meters and the check meter or meters (if any such check meter or meters are installed), such party will promptly notify the other parties, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment, and the said delivery and check meter or meters shall then be tested and adjusted to accuracy. Each party shall give the other parties forty-eight (48) hours' notice of the time of all tests of meters so that the other parties may conveniently have a representative present.

(d) If upon any test, the percentage of inaccuracy of any 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 ($\frac{1}{2}$) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the 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 or meters were registering accurately.

(e) One or more of the Sponsoring Public Entities may, at their option and their own expense, install and operate a check meter to check each delivery meter installed by the Agency, but the measurement of water for the purpose of this Contract shall be solely by the Agency's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Agency. The reading, calibration and adjustment thereof, however, shall be made only by the respective Sponsoring Public Entity or Entities,

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 the Agency with like effect as if such check meter or meters had been furnished or installed by the Agency.

ARTICLE V

ANNUAL PAYMENT AMOUNTS, SPONSORING PUBLIC ENTITY COVENANTS

Section 5.1 **Annual Estimate of Annual Payment Amounts.** Not less than ninety (90) days prior to the beginning of each Fiscal Year, the Agency shall furnish to the Agency Board of Directors, and to each of the Sponsoring Public Entities, a proposed budget that includes an estimate of the Annual Payment Amounts for that Fiscal Year from each Sponsoring Public Entity, and a schedule of the monthly payments required to be paid by each Sponsoring Public Entity in such Fiscal Year. The Annual Payment Amount for each Sponsoring Public Entity shall include the Entity's Bond Payment and the anticipated proportionate share of the Operation and Maintenance Expenses and Overhead Expenses of the Agency. The Agency Board shall review the proposed budget, and after making any adjustments which are reasonable and necessary, shall approve the budget not later than ten (10) days before the beginning of the Fiscal Year. The Agency Board shall ensure that each approved budget includes appropriate amounts for making of all Bond Payments by the Agency.

Section 5.2 **Payments by the Sponsoring Public Entities.**

(a) Each of the Sponsoring Public Entities hereby agrees that it will make payment of its Bond Payment, to the extent the Agency issues a series of Bonds for such Sponsoring Public Entity, and its proportionate share of the Operation and Maintenance Expenses and Overhead Expenses to the Agency, or to the Trustee on behalf of the Agency, as provided in the Bond Resolution, and in accordance with the procedures established in Section 3.6 hereof. If a Sponsoring Public Entity at any time disputes the amount to be paid by it to the Agency, such Sponsoring Public Entity shall nevertheless promptly make such payment or payments, but if it is subsequently determined by agreement or court decision that such disputed payments made by the Sponsoring Public Entity should have been less, or more, the Agency shall promptly revise the charges for such Sponsoring Public Entity in such manner that the Sponsoring Public Entity will recover its overpayment or the Agency will recover the amount due it. The Agency shall pursue all legal remedies against the Sponsoring Public Entities to enforce and protect the rights of the Agency and the owners of the Bonds, and the Sponsoring Public Entities shall not be relieved of the liability to the Agency for the payment of all amounts which are due by them hereunder.

(b) Except to the extent otherwise provided by the Bond Resolution, all amounts due under this Contract shall be paid and are due in Hays County, Texas, which is the County in which the principal administrative offices of the Agency are located.

(c) The Agency shall redetermine the estimate and schedule of Annual Payment Amounts due in any Fiscal Year at any time during such Fiscal Year, as and to the extent deemed necessary or advisable by the Agency to accurately forecast the Annual Payment Amounts and the dates of payments to be made by each of the Sponsoring Public Entities, if (i) the Agency issues Bonds to complete the Project or to refund any Bonds or enters into, amends, or terminates a Credit Agreement, (ii) actual interest rates on any variable interest rate Bonds differ from those

projected by the Agency, or (iii) any other event occurs which results in an increase or decrease in the Annual Payment Amounts required to be made by the Sponsoring Public Entities in such Fiscal Year.

(d) If, during any Fiscal Year, the Annual Payment Amount is redetermined in any manner as provided or required in this Section, the Agency will promptly furnish each of the Sponsoring Public Entities with an updated schedule of payments reflecting such redetermination.

(e) Notwithstanding anything herein to the contrary, no failure of the Agency to estimate, and no mistake by the Agency in any estimate of, the amount of or schedule for payments due from the Sponsoring Public Entities in any Fiscal Year shall relieve the Sponsoring Public Entities from (or defer) their absolute and unconditional obligation to pay all Annual Payment Amounts in full when due.

(f) The Agency shall, to the extent permitted by law, suspend the delivery of services or water from the Project to any Sponsoring Public Entity which remains delinquent in any payments due under the preceding paragraphs for a period of thirty (30) days, and shall not resume delivery of services or water while such Sponsoring Public Entity is so delinquent. The Agency also retains the right to charge a reconnection fee or other appropriate charges prior to commencing utility service to the delinquent Sponsoring Public Entity. It is further provided and agreed that if any Sponsoring Public Entity should remain delinquent in any payments due hereunder for a period of one hundred twenty days, and if such delinquency continues during any period thereafter, such Sponsoring Public Entity's proportionate share specified in Section 2.15 shall be deemed to have been zero percent during all periods of such delinquency, for the purpose of calculating and redetermining the percentage of Operation and Maintenance Expenses and Overhead Expenses to be paid by the non-delinquent Sponsoring Public Entities and the Agency, and the Agency shall redetermine such percentage of Operation and Maintenance Expenses and Overhead Expenses on that basis in such event so that the non-delinquent Sponsoring Public Entity and the Agency collectively shall be required to pay all of the Operation and Maintenance Expenses and Overhead Expenses. However, the Agency shall pursue all legal remedies against any such delinquent Sponsoring Public Entity to enforce and protect the rights of the Agency and the other Sponsoring Public Entities, and any non-delinquent Sponsoring Public Entity may also pursue remedies against the delinquent Sponsoring Public Entity in coordination with the Agency. The delinquent Sponsoring Public Entity shall not be relieved of the liability to the Agency for the payment of all Operation and Maintenance Expenses and Overhead Expenses which would have been due hereunder had no default occurred or the percentage had not been redetermined as provided in this Section. If any amount of Operation and Maintenance Expenses and Overhead Expenses due and owing the Agency by any Sponsoring Public Entity is placed with an attorney for collection, such Sponsoring Public Entity shall pay to the Agency, and to the non-delinquent Sponsoring Public Entities, as appropriate, all attorneys' fees, in addition to all other payments provided for herein, including interest. In the event the Agency redetermines the percentages of the Operation and Maintenance Expenses and Overhead Expenses to be made by the non-delinquent Sponsoring Public Entities under this subsection then the Agency shall also redetermine each non-delinquent Sponsoring Public Entity's pro rata share of treated water from the Project for the period of the delinquency, and the non-delinquent Sponsoring Public Entities shall be entitled to use of their respective redetermined shares during the period of delinquency.

Section 5.3 **Source of Payment.**

(a) Each of the Sponsoring Public Entities represents and covenants that all payments to be made by them under this Contract shall constitute reasonable and necessary "operating expenses," as defined in Chapter 1502, as amended, Texas Government Code, of its System, but only to the extent of the Annual Payment Amount. A Sponsoring Public Entity shall not be obligated to make its payments under this Contract from any source other than the gross revenues of its System. Each of the Sponsoring Public Entities further represents that its Governing Body has determined that the services to be provided by the Project are absolutely necessary and essential to provide water to that Sponsoring Public Entity.

(b) Each of the Sponsoring Public Entities agrees throughout the term of this Contract to fix and collect such rates and charges for services to be supplied by its System as will produce gross revenues at all times during the term of this Contract in an amount at least equal to (i) all of the expenses of operation and maintenance of the Sponsoring Public Entity's System, including specifically its payments under this Contract and (ii) all other amounts as required by law and the provisions of the ordinances or resolutions authorizing the Sponsoring Public Entity's Utility Bonds or other obligations now or hereafter outstanding payable, in whole or in part, from the net revenues of the Sponsoring Public Entity's System, including the amounts required to pay all principal of and interest on such Sponsoring Public Entity's Utility Bonds and other obligations.

(c) No ad valorem tax revenues of any of the Sponsoring Public Entities shall be pledged to the payment of any amounts to be paid by the Sponsoring Public Entities to the Agency under this Contract, nor shall the Agency have the right to demand payment of any amounts to be paid by the Sponsoring Public Entities under this Contract be paid from funds raised or to be raised from ad valorem taxation from the Sponsoring Public Entities. The obligations under this Contract shall never be construed to be a debt or pecuniary obligation of any of the Sponsoring Public Entities of such kind as to require any of the Sponsoring Public Entities to levy and collect an ad valorem tax to discharge their obligations.

Section 5.4 **Agency's Operation and Maintenance Expenses and Overhead Expenses.** To the extent not paid out of the proceeds of the Bonds, or otherwise, each of the Sponsoring Public Entities shall pay and reimburse the Agency for all of its proportionate share of Operation and Maintenance Expenses and Overhead Expenses incurred by the Agency throughout the term of this Contract within thirty (30) days of receipt of documentation therefor from the Agency. The Sponsoring Public Entities also agree, with the consent of the Agency, to enter into an interlocal agreement among themselves and with the Agency to provide for, among other matters, an annual adjustment of the Operation and Maintenance Expenses and Overhead Expenses paid by each Sponsoring Public Entity based upon certain formulas and taking into account the quantity of water actually utilized by each Sponsoring Public Entity.

Section 5.5 **Annual Budgeting by the Sponsoring Public Entities.** Each Sponsoring Public Entity shall make provision in its annual budgets and shall appropriate an amount sufficient, at a minimum, for the payment of all amounts required to be paid by the Sponsoring Public Entity from the sources specified under this Contract.

Section 5.6 **Revenue Sources Pledged.** Each of the Sponsoring Public Entities hereby pledges the gross revenues of its System to the payment of its obligations under this Contract, and recognizes that the Agency will, and authorizes the Agency to, pledge the Annual Payment Amounts owing to the Agency by the Sponsoring Public Entities under this Contract to

the payment of the Bonds and Credit Agreements. The Agency agrees to make the payments for the Bonds and Credit Agreements when and as required by the Bond Resolution, the Credit Agreements, and this Contract, from and to the extent of capitalized interest, proceeds of the Bonds not expended for the Project, and payments made by the Sponsoring Public Entities.

Section 5.7 **General Covenants.** Each Sponsoring Public Entity further represents, covenants and agrees that in accordance with and to the extent permitted by law:

(a) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each ordinance or resolution authorizing the issuance of its Sponsoring Public Entity's Utility Bonds; and it will, at the time and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the fund and accounts created by said ordinances, but only from and to the extent of the sources of funds and after satisfaction of all prior obligations described therein.

(b) Sponsoring Public Entities' Legal Agency. It is a duly created and existing municipality of the State, or a conservation and reclamation district and political subdivision of the State, as applicable, and is duly authorized under the laws of the State to enter into this Contract, and that all action on its part for the execution and delivery of this Contract has been duly and effectively taken; and that this Contract is a valid and enforceable special obligation of the Sponsoring Public Entities in accordance with its terms.

(c) Acquisition and Construction; Operation and Maintenance. (1) It shall use its best efforts in accordance with Prudent Utility Practice to acquire and construct, or cause to be acquired and constructed, any capital improvements to its System needed for it to secure delivery of its proportionate share of treated water from the Project at the agreed Delivery Points, which shall mean and include any capital extensions, improvements, and betterments, in accordance with the plans and specifications therefor, as modified from time to time with due diligence and in a sound and economical manner; and (2) it shall at all times use its best efforts to operate or cause to be operated its System properly and in an efficient manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacement, and renewals so that at all times the operation of its System may be properly and advantageously conducted.

(d) Title. It has or will obtain lawful title, whether such title is in fee or lesser interest, to the lands, buildings, structures, and facilities constituting its System; it will defend the title to all the aforesaid lands, buildings, structures, and facilities, and every part thereof, for the benefit of the Agency and the owners of the Bonds, against the claims and demands of all persons whomsoever; and it is lawfully qualified to pledge the gross revenues of its System to the payment of the payments required by this Contract in the manner prescribed herein, and has lawfully exercised such rights.

(e) Liens. It will from time to time, and before the same become delinquent, pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon its System; it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the lien granted hereunder

shall be fully preserved in the manner provided herein; and it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the lien hereof might or could be impaired; provided however, that no such tax, assessment, or charge, and no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Sponsoring Public Entity.

(f) Books, Records, and Accounts. It shall keep proper books, records, and accounts separate and apart from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to its System, the Bonds, and the Sponsoring Public Entities, and it shall cause said books and accounts to be audited annually as of the close of each Fiscal Year by the Accountant. At the request of the Agency, the Sponsoring Public Entity shall allow the Agency to audit such books, records, and accounts at any reasonable time and from time to time.

(g) Insurance.

(i) Except as otherwise permitted in clause (ii) below, it shall cause to be insured such parts of its System as would usually be insured by public entities operating like properties, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by public entities operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the legal counsel for the Sponsoring Public Entity gives a written opinion to the effect that the Sponsoring Public Entity is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Sponsoring Public Entities shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Agency at all reasonable times.

(ii) In lieu of obtaining policies for insurance as provided above, the Sponsoring Public Entities may self-insure against risks, accidents, claims, or casualties described in clause (i) above.

(iii) The annual audit hereinafter required shall contain a section commenting on whether or not the Sponsoring Public Entity has complied with the requirements of this Section with respect to the maintenance of insurance, and listing the areas of insurance for which the Sponsoring Public Entity is self-insuring, all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(h) Audits. After the close of each Fiscal Year while this Contract is in effect, it shall cause an audit to be made of the books and accounts relating to its System and of the revenues and expenses of its System by the Accountant. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to the Sponsoring Public Entity, a copy of such audit for the preceding Fiscal Year shall be mailed to the Agency.

Such annual audit reports shall be open to the inspection of the Agency, its agents and representatives, the Trustee, and the owners of the Bonds at all reasonable times at the Agency's office.

(i) Governmental Agencies. It will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to its System, and which have been obtained from any governmental agency; and the Sponsoring Public Entities have or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of its Sponsoring Public Entity's System.

(j) No Competition. To the extent it legally may, it will not grant any franchise or permit for the acquisition, construction, or operation of any competing facilities which might be used as a substitute for its System's facilities, and, to the extent that it legally may, each Sponsoring Public Entity will prohibit any such competing facilities.

(k) Rights of Inspection. The Agency, the Trustee, and the owners of 10% or more in principal amount of the Bonds of any series shall have the right at all reasonable times to inspect its System and all records, accounts, and data of the Sponsoring Public Entity relating thereto, and upon request the Sponsoring Public Entity shall furnish to the Agency, the Trustee, and such owners of Bonds such financial statements, reports, and other information relating to the Sponsoring Public Entity and its System as any such person may from time to time reasonably request.

(l) Sale, Lease, or Disposal of Property by the Sponsoring Public Entities. A Sponsoring Public Entity shall not sell, lease, mortgage, demolish, remove, or otherwise dispose of any part of its System, except as follows:

(i) To the extent permitted by law, a Sponsoring Public Entity may sell or exchange at any time and from time to time any property or facilities constituting a part of its System only if (a) it shall determine such property or facilities are not useful in the operation of its System, (b) the proceeds of such sale are \$250,000 or less, or it shall have received a certificate executed by the Sponsoring Public Entity's Engineer of Record and Authorized Representative stating, in their opinion, that the fair market value of the property or facilities exchanged is \$250,000 or less, (c) if such proceeds or fair market value exceeds \$250,000, it shall have received a certificate executed by the Sponsoring Public Entity's Engineer of Record and Authorized Representative stating, in their opinion, that the sale or exchange of such property or facilities will not impair the ability of the Sponsoring Public Entity to comply during the current or any future year with the provisions of Section 5.3(b) of this Contract, or (d) the sale or exchange will not adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the Sponsoring Public Entity's System shall forthwith, at the option of the Sponsoring Public Entity, be used as provided in the ordinances of the Sponsoring Public Entity authorizing its Utility Bonds.

(ii) To the extent permitted by law, the Sponsoring Public Entity may lease or make contracts or grant licenses for the operation of, or make

arrangements for the use of, or grant easements or other rights with respect to, any part of its System, provided that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by the Sponsoring Public Entity of the System, (ii) does not in any manner impair or adversely affect the rights or security of the Agency under this Contract; and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement, or other right is in excess of \$500,000, the Sponsoring Public Entity shall have received a certificate executed by the Sponsoring Public Entity's Engineer of Record and Authorized Representative that the action of the Sponsoring Public Entity with respect thereto does not result in a breach of the conditions under this subsection (2), and (iii) does not adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof. Any payments received by the Sponsoring Public Entity under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the Sponsoring Public Entity's System or any part thereof shall constitute gross revenues of the System.

ARTICLE VI

CONTINUING DISCLOSURE

Section 6.1 Annual Reports.

(a) Following the issuance of Bonds of any series by the Agency for the benefit of the appropriate Sponsoring Public Entity, the offer or sale of which is not exempt from the Rule and, until the Sponsoring Public Entities are no longer obligated, contingently or otherwise, to pay the Annual Payment Amounts in respect of the Bonds of such series, each Sponsoring Public Entity undertakes to and shall provide annually to each NRMSIR and any SID, within six months after the end of each Fiscal Year, (1) financial information and operating data of the general type included in the Sale and Offering Documents for the Bonds of such series, as specified in the Sponsoring Public Entities' approval of such Sale and Offering Documents pursuant to Section 3.1 hereof and (2) audited general purpose financial statements of the Sponsoring Public Entity, if then available. Any financial statements so to be provided shall be (1) prepared in accordance with generally accepted accounting principles for governmental agencies or such other accounting principles as the Sponsoring Public Entity may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Sponsoring Public Entity commissions an audit of such statements and the audit is completed within the period during which it must be provided. If the audit of such financial statements is not complete within such period, then the Sponsoring Public Entity shall provide unaudited financial statements within the required period, and shall provide audited financial statements for the applicable Fiscal Year to each NRMSIR and any SID, when and if the audit report on such statements become available.

(b) If a Sponsoring Public Entity changes its Fiscal Year, it will notify the Trustee, each NRMSIR, and any SID in writing of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Sponsoring Public Entity otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be incorporated by specific

reference to any document or specific part thereby (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC. Copies of such information and operating data shall be furnished to the Agency at the same time the information and data are furnished to any NRMSIR or SID.

Section 6.2 **Material Event Notices.** (a) The following are the events with respect to the Bonds which the Agency must agree to disclose in a timely manner pursuant to the Rule, if “material” under applicable federal securities laws and regulations promulgated thereunder.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (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 or events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of holders of the Bonds;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds; and
- (11) Rating changes.

(b) A Sponsoring Public Entity shall, promptly after obtaining actual knowledge of the occurrence of any of the events enumerated in (a) above with respect to such Sponsoring Public Entity, notify the Agency of such event and provide all information in the format required to satisfy the requirements of the Rule. Further, the Sponsoring Public Entity shall provide, in a timely manner, notice of any failure by the Sponsoring Public Entity to provide audited financial statements, financial information, and operating data in accordance with Section 6.1 hereof to each NRMSIR and each SID.

Section 6.3 **Limitations, Disclaimers, and Amendments.**

(a) Each Sponsoring Public Entity shall be obligated to observe and perform the covenants specified in this Article in respect of its Bonds of any series for so long as, but only for so long as, the Sponsoring Public Entity remains an “obligated person” with respect to the Bonds of such series within the meaning of the Rule, except that a Sponsoring Public Entity in any event will give notice of any deposit made in accordance with the Bond Resolution that causes Bonds of such series no longer to be outstanding.

(b) The provisions of this Article are for the sole benefit of (and may be enforced by) the owners and beneficial owners of the Bonds of such Sponsoring Public Entity, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Sponsoring Public Entities undertake to provide only the financial information, operating data, financial statements, and notices which they have expressly agreed to provide pursuant to this Article and they do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of their respective financial results, condition, or prospects, nor do they hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Sponsoring Public Entities make no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(c) UNDER NO CIRCUMSTANCES SHALL ANY SPONSORING PUBLIC ENTITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE SPONSORING PUBLIC ENTITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(d) No default by a Sponsoring Public Entity in observing or performing its obligations under this Article shall comprise a breach of or default under this Contract for purposes of any other provision of this Contract.

(e) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Agency or the Sponsoring Public Entities under federal and state securities laws.

(f) The provisions of this Article may be amended by the Agency and the appropriate Sponsoring Public Entities 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 Agency or the appropriate Sponsoring Public Entities, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds of the applicable series in the primary offering of the Bonds of such series in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Contract that authorizes such an amendment) of the outstanding Bonds of each such series affected consent to such amendment or (b) an entity that is unaffiliated with the Agency or the appropriate Sponsoring Public Entities (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the owners and beneficial owners of the Bonds of such series and is permitted by the terms of the Article. If the Agency and the appropriate Sponsoring Public Entities so amend the provisions of this Article in connection with the financial or operating data which the Sponsoring Public Entities are required to disclose under Section 6.1 hereof, the appropriate Sponsoring Public Entities shall provide a notice of such amendment to be filed in accordance with Section 6.2(b) hereof, together with an explanation, in narrative form, of the reason for the amendment and the impact of any change in the type of financial information or operating data to be so provided. The Agency and the

appropriate Sponsoring Public Entities may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provision 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.

ARTICLE VII

COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

Section 7.1 **Compliance with Federal, State and Local Laws.** In addition to the provisions of Section 8.8 hereof, this Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders and regulations of any local, state or federal government authority having or asserting jurisdiction. The Contract is specifically subject to the rules of the TCEQ, and the Agency shall have the right to terminate this Contract with respect to a Sponsoring Public Entity upon the Sponsoring Public Entity's non-compliance with the rules promulgated by the TCEQ. Pursuant to those rules the parties will comply with all of the applicable requirements in Section 7.2 hereof.

Section 7.2 **Recordkeeping and Reporting.** The Sponsoring Public Entities and the Agency shall maintain records relating to the Agency on site for a period of five (5) years.

(a) Records to be maintained by the Agency include:

- (i) copies of notifications made to the TCEQ concerning water projects;
- (ii) as applicable, copies of contracts made with each water user;
- (iii) records of volume of water delivered to each water user per delivery, and
- (iv) water quality analyses.

(b) Records to be maintained by each Sponsoring Public Entity include:

- (i) records of volume of water delivered to the Sponsoring Public Entity by the Agency;
- (ii) records of water quality analysis of the Sponsoring Public Entity's distribution system;
- (iii) calibration records for any check meters (as described in Section 4.2(e) above) owned, maintained, or controlled by the Sponsoring Public Entity; and
- (iv) maintenance records pertinent to each Agency delivery point to the Sponsoring Public Entity.

(c) The Agency shall report to the TCEQ on a monthly basis the following information on forms furnished by the Executive Director of the TCEQ:

- (i) volume of water delivered to each Sponsoring Public Entity.

(ii) quality of water delivered to the Sponsoring Public Entities reported as a monthly average for each quality criteria except those listed as "not to exceed," which shall be reported as individual analyses.

Such reports are due to the TCEQ by the 20th day of the month following the reporting period.

The foregoing requirements of this Article VII shall be amended as necessary to comply with the rules of the TCEQ.

All costs of compliance with the rules of the TCEQ shall be paid by the Agency, but such costs shall be considered an Operation and Maintenance Expense.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 **Participation by the Parties.** Each party represents to the other parties that it is empowered by law to participate in the acquisition, construction, and financing of the Project, and to execute this Contract and other agreements and documents as are or may hereafter be required to accomplish the same; and that its participation in the Project and execution of this Contract have been duly authorized by action of its Governing Body at a meeting conducted in accordance with the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code. Each party agrees to furnish to the other parties such documentation or evidence of its authority to so participate and execute this Contract and other agreements and documents as the other parties may reasonably request, and to take and perform such other and further actions and execute such other agreements and documents as may be reasonably required to carry out the provisions of this Contract.

Section 8.2 **Insurance.**

(a) The Agency agrees to carry public liability insurance and environmental pollution insurance on the Project for purposes and in amounts which ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the Agency shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the Agency's legal counsel, be potentially liable considering relevant governmental immunities of the Sponsoring Public Entities and the Agency. The Agency shall also carry property casualty insurance in the amount of the replacement value of all improvements and personal property connected with the Project (less a deductible comparable to the deductible on the Sponsoring Public Entities' property insurance for their respective properties generally). All premiums for such insurance shall constitute an expense of the Project but may be paid out of the proceeds of the Bonds to the extent that such proceeds are available. In the event the Agency is required to pay a deductible with respect to a claim under any such policy, the amount of such deductible shall constitute an expense and shall be paid by the Sponsoring Public Entities.

(b) The Agency shall require the contractor or contractors employed for construction of the Project to carry insurance and bond coverages throughout the construction period in at least the following amounts: (1) workers' compensation: State law limits; (2) general liability (including contractual liability) and automobile liability: one million dollars (\$1,000,000) per

person and two million dollars (\$2,000,000) per occurrence for bodily injury, and one million dollars (\$1,000,000) for property damage; (3) builder's risk: full replacement value of improvements; (4) performance and payment bond: full value of contract; (5) cost overrun insurance; and (6) timely completion insurance. The Agency shall secure from the contractor or contractors a certified copy of such effective policy of insurance, and original bonds, prior to commencement of construction, and the Agency shall furnish a copy of the policy and bonds to a Sponsoring Public Entity upon request. Such insurance policies shall name the Agency and the Sponsoring Public Entities as additional insureds, and the Agency shall require the contractor to provide a certificate of insurance to the Agency showing the required coverages, and providing that the policies may not be canceled, changed, or not renewed until the Agency has been given thirty (30) days prior written notice of such event.

(c) The insurance required by this section may be modified by written agreement of the Sponsoring Public Entities and the Agency, in accordance with good business practice. Any questions about the scope of coverage required hereunder shall be resolved by written agreement between the Sponsoring Public Entities and the Agency. The parties can agree to substitute an owner controlled insurance program for any of the above specified insurance requirements.

Section 8.3 **Force Majeure.** If by reason of Force Majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of each of the Sponsoring Public Entities to make the payments required under Sections 3.5, and 5.2 of this Contract, then if such party shall give notice and full particulars of such Force Majeure in writing to the other parties within a reasonable time after the 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" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, blue northers, 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, inability on the part of the Agency to deliver water for any reason, or any other causes not reasonably within the control of the party claiming such inability.

Section 8.4 **Unconditional Obligation to Make Payment.** Recognizing the fact that the Sponsoring Public Entities urgently require the facilities and services of the Project, and that such facilities and services are essential and necessary for actual use and for standby utility system purposes, and recognizing the fact that the payments to be received from each of the Sponsoring Public Entities will be the primary source of funds available to the Agency and the Trustee to pay the Bonds and other Project Costs, and recognizing the fact that purchasers of the Bonds will rely on the obligation of the Sponsoring Public Entities to pay the Annual Payment Amounts with respect to their series of Bonds in accordance with the provisions of this Contract, each of the Sponsoring Public Entities hereby waives all rights of set-off, recoupment, counterclaim, suspension, deferment, reduction, and amendment against the Agency, the Trustee, and any other direct or indirect recipients of payments with respect to making the Annual Payment Amounts. Each of the Sponsoring Public Entities agrees that it shall make its appropriate Annual Payment Amounts even if no Bonds are issued for its benefit by the Agency

and, if any Bonds are issued, it shall be unconditionally obligated to pay the Annual Payment Amounts as provided and determined by this Contract, regardless of whether or not the Agency actually acquires, constructs, or completes the Project, or breaches any obligation on the Agency's part hereunder, and whether or not the Sponsoring Public Entity actually uses the Project, whether due to Force Majeure or any other reason whatsoever, regardless of any other provisions of this Contract, or any other contract or agreement between any of the parties hereto. This covenant by each of the Sponsoring Public Entities shall be for the benefit of and enforceable by the owners of the Bonds and/or by the Agency.

By entering into this Contract and performing their obligations under any Section of this Contract, the Sponsoring Public Entities do not release any persons from or waive any claims against such persons that the Sponsoring Public Entities may have resulting from actions by such persons contrary to that person's legal obligations.

Section 8.5 **Term of Contract.** This Contract shall be effective from and after its date, and this Contract shall continue in force and effect until the principal of and interest on all Bonds shall have been paid or provision for the payment of all of the Bonds has been made in accordance with the terms of each Bond Resolution and thereafter continue in force and effect during the entire useful life of the Project. When the principal of and interest on all Bonds shall have been paid or provision for the payment of all of the Bonds has been made in accordance with the terms of the Bond Resolution and all amounts owed to the Agency, the Trustee, or any other person hereunder have been paid, all money held by the Trustee or the Agency pursuant to the terms of the Bond Resolution shall be paid to the Agency. Upon the termination of this Contract, the Agency will charge each of the Sponsoring Public Entities a unit based charge (or other published rate) for water delivered to the Sponsoring Public Entities in accordance with the Agency's then existing rate schedule.

Section 8.6 **Modification.** No change, amendment, or modification of this Contract shall be made or be effective which will affect adversely the prompt payment when due of all money required to be paid by each of the Sponsoring Public Entities under the terms of this Contract, and no such change, amendment, or modification shall be made or be effective which would cause a violation of any provisions of any Bond Resolution.

Section 8.7 **Addresses and Notice.** Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to the other parties must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the Agency:

Chair, Board of Directors

Hays Caldwell Public Utility Agency
121 West Center Street
Kyle, Texas 78640

If to one or more of the Sponsoring Public Entities:

City Administrator
City of Buda, Texas
121 North Main Street
Buda, Texas 78610

City Manager
City of Kyle, Texas
100 West Center Street
Kyle, Texas 78640

City Manager
City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

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

The Agency and each Sponsoring Public Entity shall have the right from time to time and at any time to change its respective address and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other parties.

Section 8.8 **State or Federal Laws, Rules, Orders, or Regulations.** This Contract is subject to all applicable federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction. Each of the parties represents to the other parties that, to the best of its knowledge, no provisions of any applicable federal, State, or local law, including any Home Rule Charter of a Sponsoring Public Entity, nor any permit, ordinance, rule, order, or regulation of any party will limit or restrict its ability to carry out its respective obligations under or contemplated by this Contract.

Section 8.9 **Severability.** The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the

application of such actions, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 8.10 Remedies Upon Default. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination) existing at law or in equity may be availed of by any party hereto and shall be cumulative. Recognizing that failure in the performance of the Sponsoring Public Entities' obligations hereunder could not be adequately compensated in money damages alone, each of the Sponsoring Public Entities agrees in the event of any default on its part that the Agency and the owners of the Bonds as third-party beneficiaries shall have available to them the remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available to them. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of the Agency to receive the Annual Payment Amounts and the provision of Section 3.9 hereof, which shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years plus one (1) day after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of the performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 8.11 Venue. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Hays County, Texas, which is the County in which the principal administrative offices of the Agency are located. It is specifically agreed among the parties to this Contract that Hays County, Texas, is the place of performance of this Contract; and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Hays County, Texas.

Section 8.12 Statutory Authority. In entering into this Contract and performing all duties and obligations hereunder, the Sponsoring Public Entities and the Agency exercise their authority under and in accordance with the State Constitution and laws including, but not limited to, the Act; Chapter 1502, as amended, Texas Government Code; any Home Rule Charter of a Sponsoring Public Entity; Chapter 1371, as amended, Texas Government Code; and all other laws which may authorize this Contract, all of which provisions and laws, cited or not cited herein, shall cumulatively provide the authority for this Contract.

Section 8.13 Indemnification. FOR SO LONG AS THE BONDS ARE OUTSTANDING AND UNPAID, AND ALSO WITH RESPECT TO ANY CLAIM THAT MAY ARISE OUT OF THE OFFER AND SALE OF THE BONDS OF ANY SERIES OR THE ALLEGED MISSTATEMENT OR OMISSION OF A MATERIAL FACT IN OR FROM ANY SALE AND OFFERING DOCUMENT RELATING TO ANY OF THE SPONSORING PUBLIC ENTITIES USED IN CONNECTION THEREWITH, TO THE EXTENT PERMITTED BY LAW, EACH OF THE SPONSORING PUBLIC ENTITIES AGREES TO INDEMNIFY AND SAVE AND HOLD HARMLESS THE AGENCY, AND THE OTHER

SPONSORING PUBLIC ENTITIES, THEIR OFFICERS, DIRECTORS, AGENTS, FINANCIAL ADVISORS, ATTORNEYS, AND EMPLOYEES, AND THE UNDERWRITERS OF ANY SUCH OFFERING AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS, AND ALL PERSONS WHO CONTROL THE SAME WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS, FROM AND AGAINST ALL CLAIMS THAT MAY ARISE AS A RESULT OF ANY UNDERTAKING, ACT, OR OMISSION, WHETHER NEGLIGENT OR NOT, WHICH IS DONE OR OMITTED TO BE DONE BY THAT SPONSORING PUBLIC ENTITY OR ANY OF ITS OFFICERS, COUNCIL MEMBERS, AGENTS, ATTORNEYS, OR EMPLOYEES, RELATING TO THE PROJECT OR PROVIDING INFORMATION FOR INCLUSION IN THE SALE AND OFFERING DOCUMENTS. IF ANY SUCH CLAIM IS BROUGHT AGAINST ANY SUCH INDEMNIFIED PERSON, THE INDEMNIFYING SPONSORING PUBLIC ENTITY SHALL PAY ALL COSTS INCURRED BY SUCH PERSON IN DEFENDING AGAINST THE CLAIM, AND (SUBJECT TO APPLICABLE RULES OF ATTORNEY CONDUCT) MAY CONTROL THE DEFENSE OF SUCH CLAIM.

Section 8.14 **Contract not for Benefit of Third Parties.** This Contract is made for the exclusive benefit of the Sponsoring Public Entities, the Agency, the Trustee, the owners of the Bonds, the parties to any Credit Agreements, the underwriters of any offering of and remarketing agent and tender agent, if any, for any Bonds, and their respective successors and assigns herein permitted, and not for any third party or parties other than the Agency (including its officers, directors, employees, agents, and attorneys), the Trustee, the owners of the Bonds, the Sponsoring Public Entities, and the parties to any Credit Agreements, the underwriters of any offering of and remarketing agent and tender agent, if any, for any Bonds, the other persons indemnified by Section 8.13 hereof, and their respective successors and assigns herein permitted, any rights or remedies under or by reason of this Contract.

Section 8.15 **Succession and Assignment.** This Contract is binding on and inures to the benefit of the parties hereto and their respective successors, representatives, and assigns. This Contract may not be assigned by any party hereto without (i) complying with any provisions relating to the right of the parties to assign this Contract contained in the Bond Resolution and (ii) prior written notice to and approval by the other parties, which consent may be withheld without cause. The provisions of this Section do not affect the assignment of the Agency's rights under this Contract to the Trustee pursuant to Section 3.8.

Section 8.16 **Incorporation of Preamble Recitals.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Contract for all purposes and are adopted as a part of the judgment and findings of the Agency and the Sponsoring Public Entities.

Section 8.17 **Independent Contractor.** As among the parties, the Agency shall be solely responsible for the operation of the Project to produce, withdraw, or divert and treat water and to transport the water to the Sponsoring Public Entities pursuant to this Contract (except to the extent the Agency and a Sponsoring Public Entity enter into agreements for the Sponsoring Public Entity to operate parts of the Project); and the Agency shall be an independent contractor in the operation of the Project.

Section 8.18 **Financing Statement.** To the extent required by law, each of the Sponsoring Public Entities agrees it shall execute, at the request of the Agency or the Trustee, a

financing statement in a form satisfactory to the Agency or the Trustee and meeting the requirements of the Texas Uniform Commercial Code to perfect any security interest created hereby. To the extent required by law, each Sponsoring Public Entity further agrees to execute such continuation statements or other documents as may be necessary to maintain any such security interest.

Section 8.19 **Entire Agreement.** This Contract constitutes the entire agreement among the parties with respect to the matters described herein.

Section 8.20 **Applicable Law.** This Contract shall be governed by and construed in accordance with the laws of the State, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without reference to the laws of any other state or jurisdiction, except for applicable federal laws, rules, and regulations.

Section 8.21 **Counterparts.** This Contract may be executed in counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 8.22 **Reservation of Rights to Utilize the Texas Water Development Board's State Participation Account Program.** The Sponsoring Public Entities and the Agency hereby agree that the Agency may file an application with the TWDB to seek financial assistance pursuant to the TWDB Program. To the extent the Agency utilizes the TWDB Program to access funds to complete the Project, the TWDB Program's rules and regulations require that the TWDB take an undivided ownership interest in up to 50% of the infrastructure improvements comprising the Project. This undivided ownership interest is represented by a master agreement and other documents to be executed between the Agency and the TWDB to effectuate the Agency's financial participation in the TWDB Program. Under the TWDB Program, the Agency will be obligated (and the Sponsoring Public Entities will be obligated to pay the Annual Payment Amounts to reflect this financial obligation) to make lease or other rental payments to the TWDB to repay the TWDB's financial assistance which enabled the Agency to construct the Project in a manner in which excess capacity in the Project was implemented on a regional basis.

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IN WITNESS WHEREOF, the parties hereto acting under authority of their respective Governing Bodies have caused this Contract to be duly executed as of the day and year first above written.

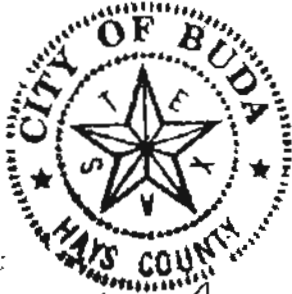
HAYS CALDWELL PUBLIC UTILITY AGENCY

Attest:

By: 
Chair, Board of Directors

By: 
Secretary, Board of Directors

ADOPTED on January 15, 2008.



Attest:


Toni Milam, City Secretary


Bobby Lane, Mayor Pro Tem

CITY OF KYLE, TEXAS

By: *Miguel Sosa*
Mayor

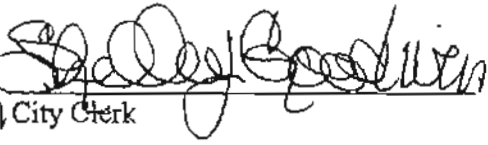
Attest:

By: *Amelia Sanchez*
City Secretary

CITY OF SAN MARCOS, TEXAS

By: 
City Manager

Attest:

By: 
City Clerk

CANYON REGIONAL WATER AUTHORITY

By: Melvin E. Stray
President, Board of Trustees

Attest:

By: Mar Speed
Secretary, Board of Trustees

**AMENDMENT #1 TO THE REGIONAL WATER
SUPPLY CONTRACT
October 31, 2009**

**AMENDMENT NO. 1 TO
REGIONAL WATER SUPPLY CONTRACT**

This is Amendment No. 1 to the Regional Water Supply Contract (the "Contract") by and among the Hays Caldwell Public Utility Agency (the "Agency"), and the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority. The Contract was dated and effective as of January 1, 2008. This Amendment is dated and effective as of October 31, 2009. The City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas, and the Canyon Regional Water Authority are referred to in this Amendment collectively as the "Sponsoring Public Entities" and singularly each as a "Sponsoring Public Entity".

RECITALS:

1. The Sponsoring Public Entities formed the Agency as a public utility agency pursuant to Chapter 572 of the Local Government Code, and executed the Contract in order to jointly plan, finance, construct, own, operate, or maintain facilities necessary for the conservation, storage, transportation, treatment, or distribution of water and wastewater, including plant sites, rights-of-way, and property, equipment, or rights of any kind useful in connection with the conservation, storage, transportation, treatment, or distribution of water and wastewater.

2. The Sponsoring Public Entities have decided to postpone the issuance of Bonds by the Agency, and they are financing the activities of the Agency through cash contributions until the time the Agency issues Bonds.

3. The Sponsoring Public Entities wish to revise the Contract to describe the Project more definitively, to modify the scope of the Project and the shares in the capacity of the Project to which each of them is entitled, to allow for future modifications to the scope and phasing of the Project, and to make other clarifying revisions to the Contract.

AMENDMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the Sponsoring Public Entities and the Agency mutually undertake, promise, and agree that the Contract is amended as follows:

1. **Section 2.1 of the Agreement is amended as follows** (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 2.1. General; Project Description.

(a) The Project will have a total capacity of 33.212 acre-feet/year. The Facilities will be constructed in two phases as described in the Engineering Report, the first phase having a capacity of 15,000 acre-feet/year, and the second phase having a capacity of 18.212 acre-feet/year. Prior to the issuance of Bonds by the Agency for each phase of construction of the Facilities, the Parties may, by written amendment to this Contract approved by all of the Parties, agree to revise the total capacity of the Project,

the phasing of the Project, or the capacity of each phase of the Project. After the Agency issues Bonds in connection with a phase of the construction of the Facilities, any revision to the capacity of that phase of the Facilities will be limited by, and subject to, the terms and provisions of the Bonds issued for that phase of the Facilities.

(b) Subject to the remaining terms and provisions of this Contract, the Agency agrees to issue the Bonds and to acquire and construct the Project as generally described in the Engineering Report. It is estimated that the first phase of the Project will be placed in operation on or before December 31, 2018, or as soon thereafter as practicable. The Authorized Representative of the Agency hereby represents that he is not aware of any reason that the first phase of the Project, as contemplated, cannot be completed on or before December 31, 2018. It is expressly understood and agreed that any obligations on the part of the Agency to finance, acquire, construct, and complete the Project and to provide the water to the Sponsoring Public Entities shall be (i) conditioned upon the Agency's ability to obtain all necessary permits, Land Interests, material, labor, and equipment, and upon the ability of the Agency to finance the cost of the Project through the actual sale of the Bonds, including any Bonds needed to complete the Project, and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State, and any regulatory body having jurisdiction. The Project shall be acquired and constructed by the Agency with all reasonable dispatch, and the Agency will diligently pursue such acquisition and construction in order that it may be completed as soon as practicable, delays incident to events of Force Majeure only excepted; but if for any reason there should be delays in or the entire failure of such acquisition, construction, and improvement, there shall be no diminution in or postponement of the Annual Payment Amounts to be made by the Sponsoring Public Entities hereunder and no resulting liability on the part of the Agency; provided, however, that the Sponsoring Public Entities retain the right to pursue any legal remedy to the extent that delays in the Project are the result of negligence on the part of the Agency.

(c) The provisions of this Article II shall apply to each phase of the construction of the Facilities.

2. Section 2.15 of the Agreement is amended as follows (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 2.15. Shares of Treated Water and Project Cost Quantity. The Sponsoring Public Entities' proportionate shares of the Project Costs and of the treated water produced by each phase of the Facilities constructed for the Project will be based on the capacity for each Sponsoring Public Entity out of the total Project capacity. The proportionate shares of Project Costs and treated water produced, and the capacity for each Sponsoring Public Entity out of the total Project capacity, are ~~is~~ as follows:

Sponsoring Public Entity	<u>Project Share of Project Costs and Treated Water</u>	<u>Acre-feet/year out of Total Project Capacity</u>
City of Buda, Texas	5.60 <u>5.08%</u>	<u>1,687</u>
City of Kyle, Texas	20.50 <u>28.17%</u>	<u>9,355</u>

City of San Marcos, Texas	39.70 <u>35.86%</u>	<u>11,910</u>
Canyon Regional Water Authority	34.20 <u>30.89%</u>	<u>10,260</u>

Prior to the issuance of Bonds by the Agency for each phase of construction of the Facilities, the Parties may, by written amendment to this Contract approved by all of the Parties, agree to revise the proportionate shares of the treated water to be produced by, and the proportionate shares of Project Costs for, that phase of the Facilities. After the Agency issues Bonds in connection with a phase of construction of the Facilities, any revision to the proportionate shares of the treated water to be produced by, and the proportionate shares of Project Costs for, that phase of the Facilities will be limited by, and subject to, the terms and provisions of the Bonds issued for that phase of the Facilities.

3. Section 2.19 of the Agreement is amended as follows (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 2.19. Excess Capacity. With prior approval of all of the Parties, the Agency may acquire Water Rights and Land Interests, and may construct the Facilities, so that the capacity of the Project exceeds the total Project capacity as stated in Section 2.1(a). In the event the Project is constructed so that there is excess capacity in all or any portion of the Facilities, such excess capacity shall be owned by the Agency. Any such excess capacity may be used only with the written consent of the Agency Board of Directors, which may include conditions deemed appropriate by the Board.

4. Section 3.1 of the Agreement is amended as follows (underlining indicates added text; ~~overstrike~~ indicates deleted text):

Section 3.1. Issuance of Bonds.

(a) The Agency's acquisition of the Water Rights for the Project will be financed by the receipt of cash contributions from the Sponsoring Public Entities (which, as to a particular Sponsoring Public Entity, may be proceeds of a loan, bonds or other debt issued by that entity). The Agency's acquisition of other Land Interests needed for the Project, and the Agency's acquisition and construction of each phase of the Facilities Project and any other substantial improvements to the Facilities Project will be financed by (i) receipt of cash from a Sponsoring Public Entity, (ii) the Agency through the issuance of one or more series or issues of its Bonds by the Agency for a Sponsoring Public Entity, which Bonds are payable from and secured, in part, by an assignment of the Annual Payment Amounts made under this Contract by the designated Sponsoring Public Entity for which such series of Bonds are issued or (iii) any combination of (i) and (ii). It is expressly understood and agreed by the Agency and the Sponsoring Public Entities that any Bonds issued by the Agency shall be issued as separate series of each Sponsoring Public Entity requesting financing by the Agency. Each Sponsoring Public Entity shall be responsible solely for the Bond Payments on its series of Bonds. No Sponsoring Public Entity shall have any liability or responsibility for any Bond Payments on a series of Bonds issued for another Sponsoring Public Entity. In consideration of the covenants and agreements set forth in this Contract, and to enable the Agency to issue the Bonds to carry out the intents and purposes hereof, this Contract is executed to assure the

issuance of the Bonds and to provide for and ensure the due and punctual payment to the Agency or to the Trustee by each Sponsoring Public Entity for which the Agency has issued a series of Bonds, of amounts not less than the Annual Payment Amounts on a series of Bonds issued for a particular Sponsoring Public Entity. Each of the Sponsoring Public Entities hereby agrees to make, or cause to be made, its respective Annual Payment Amount, as and when due, for the benefit of the owners of the Bonds, as provided in the Bonds and the Bond Resolution.

(b) The proceeds from the sale of the Bonds, together with any cash received from a Sponsoring Public Entity, will be used for the payment of the Project Costs. The Bonds will be issued by the Agency in the amount anticipated to be required to acquire and construct the Project, including payment of all Project Costs advanced by one or more of the Sponsoring Public Entities and incurred by the Agency prior to the date of issuance of the Bonds, and to fund, to the extent deemed advisable by the Agency, a debt service reserve fund and interest on the Bonds during construction and for up to one year after the Completion Date. However, each Sponsoring Public Entity reserves the right to pay cash to the Agency for its share of the Project Costs rather than have the Agency issue Bonds on its behalf.

(c)

(i) Each Bond Resolution of the Agency shall specify the maximum principal amount of the Bonds to be issued thereunder. The Bonds shall mature not more than forty (40) years from the date of such Bonds and shall bear interest at not to exceed the maximum legal rate then permitted by law, and the Bond Resolution may create and provide for the maintenance of a revenue fund, an interest and sinking fund, a debt service reserve fund, and any other funds deemed prudent by the Agency, all in the manner and amounts as provided in such Bond Resolution.

(ii) Prior to the final adoption of a Bond Resolution or any amendment of a Bond Resolution by the Agency's Board of Directors or the execution of an Approval Certificate by the Agency, a substantially final copy of the proposed Bond Resolution for the applicable Sponsoring Public Entity, the Approval Certificate, if any, any Credit Agreements and the Sale and Offering Documents shall be presented to the applicable Sponsoring Public Entity for review and approval.

(iii) Upon approval by the Sponsoring Public Entity for which the Agency issues a series of Bonds of (i) a Bond Resolution hereafter adopted by the Agency for the applicable Sponsoring Public Entity, including any Credit Agreements, (ii) any amendments to any Bond Resolution, (iii) an Approval Certificate authorized by a Bond Resolution, and (iv) the Sale and Offering Documents, and the delivery to the Agency of a certification signed by the Authorized Representative of the respective Sponsoring Public Entity to the effect that the Bond Resolution, including any Approval Certificate, and the Sale and Offering Documents comply with this Contract, then upon the adoption and approval of the Bond Resolution and the Approval Certificate, if any, in such final form by the Agency's Board of Directors or Authorized Representative, as the

case may be, and the issuance and delivery of the Bonds to the purchaser thereof, the Bond Resolution shall for all purposes be considered approved by the respective Sponsoring Public Entity and deemed to be in compliance with this Contract in all respects, and the Bonds issued thereunder will constitute Bonds as defined in this Contract for all purposes. Any owner of Bonds is entitled to rely fully and unconditionally on any such approval.

(iv) All covenants and provisions in the Bond Resolution affecting, or purporting to bind, a Sponsoring Public Entity, shall, upon the delivery of the Bonds, become absolute, unconditional, valid, and binding covenants and obligations of the Sponsoring Public Entities so long as the Bonds and interest thereon are outstanding and unpaid, and may be enforced as provided in this Contract and the Bond Resolution. Particularly, the obligation of the respective Sponsoring Public Entity to make, promptly when due, all payments specified in this Contract shall be absolute and unconditional, and said obligation may be enforced as provided in this Contract. In addition, subject to the approval of the affected Sponsoring Public Entity, the Agency may enter into Credit Agreements for the purpose of achieving the lowest financing costs for the Project.

(d) The provisions of this Article III shall apply to the Bonds issued by the Agency with respect to each phase of the construction of the Facilities.

5. Defined Terms. All terms that are defined in the Contract will have those same definitions in this Amendment.

6. Remaining Provisions. All other provisions of the Contract remain in full force and effect.

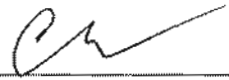
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IN WITNESS WHEREOF, the parties hereto acting under authority of their respective Governing Bodies have caused this Contract to be duly executed as of the day and year first above written.

HAYS CALDWELL PUBLIC UTILITY AGENCY

Attest:

By: 
Chair, Board of Directors

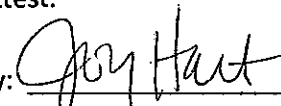
By: 
Secretary, Board of Directors

CITY OF BUDA, TEXAS

By: 
City Manager

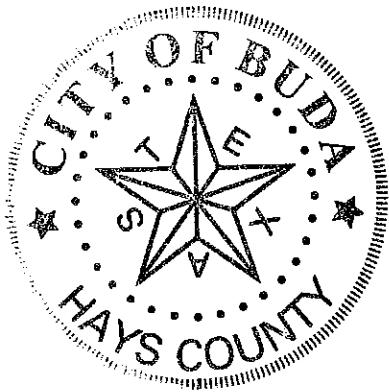
****Original Missing – Executed pursuant to City Council action on September 15, 2009. Effective Date October 31, 2009.**

Attest:

By: 
City Secretary

I hereby certify that this agreement was passed by a majority of the City Council of the City of Buda on September 15, 2009, and further certify that the City has operated under the terms of this agreement since that date.

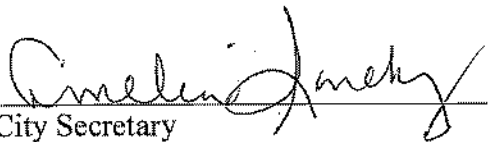

Joy Hart, City Secretary



CITY OF KYLE, TEXAS

By:  _____
Mayor

Attest:

By:  _____
City Secretary

CITY OF SAN MARCOS, TEXAS

By: *Fred Anderson*
City Manager

Attest:

By: *Sherry Washburn*
City Clerk

CANYON REGIONAL WATER AUTHORITY

By: Melvin E. Strey
President, Board of Trustees

Attest:

By: Mark Spaf
Secretary, Board of Trustees

WATER SHARING PLAN RULES & PROCEDURES

April 23, 2014



RESOLUTION NO. 20140423-003

A RESOLUTION OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY BOARD OF DIRECTORS APPROVING THE WATER SHARING RULES AND PROCEDURES FOR THE AGENCY, AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. The Hays Caldwell Public Utility Agency wishes to approve and adopt the Water Sharing Rules and Procedures to establish a process for the Hays Caldwell Public Utility Agency to facilitate the sharing of water supplies among the Agency's Sponsors and other entities approved by the Agency Board.
2. In order for a Sponsor to participate in this Sharing Plan, the governing body of the Sponsor must adopt these Rules and the Sponsor must execute an agreement with the Agency under which the Sponsor agrees to abide by these Rules.
3. The Executive Committee, at its April 9, 2014 meeting, unanimously voted to recommend that the Agency Board approve and adopt the attached Water Sharing Rules Plan and Procedures.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY:

PART 1. The attached Water Sharing Rules Plan and Procedures are approved and adopted by the Agency.

PART 2. This Resolution shall be in full force and effect immediately upon its passage.

ADOPTED: April 23, 2014



David Wilson
Chair, Board of Directors

ATTEST:



Chris Betz
Secretary, Board of Directors

Hays Caldwell Public Utility Agency Water Sharing Plan Rules and Procedures

These Water Sharing Plan Rules and Procedures establish a process for the Hays Caldwell Public Utility Agency to facilitate the sharing of water supplies among the Agency's Sponsors and other entities approved by the Agency Board. These Rules have been adopted by the Agency's Board of Directors. In order for a Sponsor to participate in this Sharing Plan, the governing body of the Sponsor must adopt these Rules and the Sponsor must execute an agreement with the Agency under which the Sponsor agrees to abide by these Rules.

Section 1. Definitions. In these Rules:

Agency means the Hays Caldwell Public Utility Agency.

Agency Board means the Board of Directors of the Agency.

Agency Purchase Rate means the rate to be paid by the Agency to a Seller for purchase of water that is either a) delivered by the Seller to the Agency at a delivery point, or b) transferred by the Seller to the Agency as a Paper Transfer.

Agency Sale Rate means the rate to be paid by a Buyer to the Agency for sale of water that is either a) delivered by the Agency to a Buyer at a delivery point, or b) transferred by the Agency to the Buyer as a Paper Transfer.

Buyer means a Sponsor that anticipates needing water during the Deferral Period, and is willing to purchase water from the Agency to meet the anticipated need.

CRWA means the Canyon Regional Water Authority.

Deferral Period means the period of time in which the Agency's construction of the Project is deferred in connection with the Sharing Plan. Initially, the Deferral Period begins on January 1, 2014 and ends on December 31, 2028. The term of the Deferral Period may be revised with the approval of the Agency Board.

Paper Transfer means a transfer of a permit right issued by a regulatory agency, under which water is withdrawn by a Sponsor through its own wells rather than being physically delivered to the Sponsor.

Project means the project to be constructed by the Agency to produce, treat and transport groundwater from the Carrizo-Wilcox aquifer to the Sponsors.

Reserved Rate means the rate charged by a Seller to commit water to the Agency for possible future use by a Buyer, and the rate charged by the Agency to the Buyer for that commitment of water.

Reserved Water means water committed by a Seller to the Agency, and in turn by the Agency to a Buyer, for possible future use by the Buyer.

Rules means these Water Sharing Plan Rules and Procedures.

Seller means a Sponsor that anticipates having surplus water during the Deferral Period and is willing to sell all or a portion of this surplus water to the Agency for use by another Sponsor or Sponsors.

Sharing Plan means the plan for sharing of water supplies among the Sponsors described in these Rules.

Sponsor includes the City of Buda, the City of Kyle, the City of San Marcos, CRWA, each member entity of CRWA that CRWA designates under Section 3 as a participant in the Project, and any other entity approved by the Agency Board for participation in the Sharing Plan.

Will is mandatory, not permissive.

Section 2. Background and Purposes.

A. The Agency was formed under Texas Local Government Code Chapter 572 by the City of Buda (Buda), the City of Kyle (Kyle), the City of San Marcos (San Marcos), and CRWA for the purpose of acquiring groundwater rights and constructing, operating and maintaining the Project.

B. The Sponsors each have sources of water supply separate from the supply being developed through the Project. For some of the Sponsors, their available water supplies exceed their current needs, and for certain periods of time, their projected future needs.

C. The Sponsors wish to defer the construction of the Project until a time when further growth has occurred in their service areas and the Project costs can be spread over more customers. In this respect, the Sharing Plan benefits all of the Sponsors, whether or not they participate in the Sharing Plan.

D. The construction of the Project can be deferred if the Sponsors share their existing water supplies under the Sharing Plan, so that a Sponsor in need of water during the Deferral Period can contract with the Agency to meet the Sponsor's needs from surplus supplies available from other Sponsors, while allowing Sponsors with surplus supplies to contract with the Agency to achieve revenue on water they would otherwise hold in reserve.

E. The sharing of water under these Rules may be accomplished by physical delivery of the water, or by a Paper Transfer of water rights, or by a combination of both of these methods.

F. These Rules are not intended to limit the water supply options available to the Sponsors during the Deferral Period. Participation by a Sponsor in the Sharing Plan is voluntary. Whether a Sponsor participates does not affect a Sponsor's rights and obligations under the Agency's Bylaws or any water supply contract to which the Agency and the Sponsor are parties. Each Sponsor is free to pursue other sources of water supply to meet its needs during the Deferral Period, and a Sponsor with surplus supplies is free to manage or make those supplies available to others during the Deferral Period.

Section 3. CRWA Addition or Removal of Sponsors. CRWA is initially participating in the Project on behalf of its member entities Crystal Clear Water Supply Corporation, County Line Special Utility District, Maxwell Water Supply Corporation, and Martindale Water Supply Corporation. Each of these entities is a Sponsor and may participate in the Sharing Plan. CRWA, by written notice to the Agency, may add or remove an entity as a Sponsor of the Project based on whether the entity is contracting with CRWA for water supply from the Project. A notice from CRWA adding a new entity as a Sponsor must specify the amount of water supply capacity in the Project for which the entity has contracted with CRWA.

Section 4. Delivery Points. When the sharing of water under these Rules involves physical delivery of the water, the Agency Manager will determine delivery points for the sale of water to

the Agency and for purchase of water from the Agency, subject to approval of the delivery points by the relevant Sponsor(s). The Agency Manager will issue a written designation of each delivery point. Once a delivery point is designated, it can be changed only with the consent of both the Agency and the relevant Sponsor(s). If any capital costs are associated with a change in a delivery point, the Agency and the relevant Sponsor(s) will execute a written agreement describing the apportionment of those costs before any of the costs are incurred.

Section 5. Wheeling. When the sharing of water under these Rules involves physical delivery of the water, the Agency Manager will work with the Sponsors to determine whether water sold by a Seller to the Agency will be wheeled, i.e., delivered to a Buyer through facilities owned or controlled by a Sponsor other than the Seller. For the purposes of these Rules, wheeling will not include the use of a Seller's facilities to transport water to a delivery point on the boundary of the Seller's water system, since the cost for this use of the Seller's system will be included in the Agency Purchase Rate for purchase of water by the Agency from that Seller. If the Agency Manager determines that a wheeling arrangement is feasible and acceptable to the Sponsor whose system is proposed for use, that Sponsor will provide the Agency Manager with the wheeling cost the Sponsor proposes to charge. If a wheeling arrangement and cost is acceptable to the Seller, the Buyer and the wheeling Sponsor, the Agency Manager will issue a written confirmation to the Seller, the Buyer and the wheeling Sponsor. The confirmation will identify the point at which water is delivered to the wheeling Sponsor's system and the point at which the wheeling Sponsor delivers water, and will include the wheeling cost, and any limitations or restrictions on the wheeling arrangement. If any capital costs are associated with a wheeling arrangement, the Agency and the relevant Sponsors will execute a written agreement describing the apportionment of those costs before any of the costs are incurred.

Section 6. Operation and Maintenance of Facilities and Equipment.

A. The Agency and each Sponsor that owns facilities or equipment to be used in connection with the Sharing Plan will be responsible for operation and maintenance of its own facilities and equipment. The Agency and the Sponsors may each perform its own operation and maintenance, or they may contract among themselves or with third parties for this operation and maintenance.

B. All costs to the Agency or to a Sponsor associated with use of facilities or equipment in the Sharing Plan will be incorporated into the Agency Purchase Rate, the Agency Sale Rate, or the cost of wheeling as described in these Rules.

Section 7. Annual Process – Reserved Water. The Agency and the Sponsors will use the following procedure each year during the Deferral Period:

A. By March 31st – Each Sponsor will provide updated supply and demand projections for each year remaining in the Deferral Period to the Agency Manager. The projections will take into account amounts of Reserved Water previously reserved by Sellers to the Agency, and by the Agency to Buyers.

B. By April 30th – The Agency Manager will refine the updated supply and demand projections in coordination with the Sponsors, and will make recommendations to the Sponsors on amounts of Reserved Water to be newly reserved by Sellers to the Agency, and by the Agency to Buyers.

C. By May 31st – The Agency Manager will solicit offers from Sellers to commit Reserved Water to the Agency, and from Buyers to reserve Reserved Water from the Agency for possible

future use. Offers will specify annual amounts, and the calendar year or years for which the offers are made, which may be future periods of time that begin in a year other than the following calendar year.

D. By June 30th – The Agency Manager will analyze the offers and the supply and demand projections, and will make a recommendation on the amounts of Reserved Water to be committed by Sellers and reserved by Buyers, using the following criteria.

1. The recommendation will take into account whether water offered by a Seller will be capable of delivery by the Agency to a Buyer, through Paper Transfers, interconnections, or wheeling, during the period in which the water is to be reserved;

2. If there is more water offered by Sellers than is requested by Buyers for any period, the Agency will pro-rate the offered water from Sellers based on their percentages of the total water offered by all of the Sellers;

3. If there is less water offered by Sellers than is requested by Buyers for any period, the Agency will pro-rate the offered water to the Buyers based on their percentages of the total water requested by all of the Buyers; and

4. The total amount of a Buyer's reservations of Reserved Water may not exceed the Buyer's proportionate share of the treated water out of the total Project capacity as described in the Agency's Regional Water Supply Contract. For a Buyer that is a CRWA member entity, the total amount of the Buyer's reservations of Reserved Water may not exceed the amount of water supply capacity in the Project for which the Buyer has contracted with CRWA.

E. By July 31st – The Agency Board will set the Reserved Rate (see Section 8 below). The Agency Manager will prepare and distribute confirmations from Sellers to commit Reserved Water to the Agency, and from Buyers to reserve Reserved Water from the Agency for possible future use.

F. By August 31st – The Agency Board, the Sellers, and the Buyers approve and execute confirmations of Reserved Water. For an amount of Reserved Water that is to be covered by a Paper Transfer of permit rights, the Agency, the Seller and the Buyer will execute all documents (e.g., leases and transfer applications) needed by the Agency Manager to register the transferred permit rights with the applicable regulatory agency and to record the transfer (if for more than one year) in official public records.

Section 8. Reserved Rate. The Reserved Rate will reflect the regional market rate for reserving water for possible future use. Not later than July 1st of each year, the Agency Manager will perform an annual analysis of the regional market and make a recommendation to the Agency Board on the Reserved Rate to be used for the following year. The Reserved Rate will be set by the Agency Board by July 31st of each year for the following year.

Section 9. Obligations Related to Reserved Water

A. Once a confirmation of Reserved Water is executed by the Agency and a Seller:

1. The Seller will be obligated to make water available to the Agency in the reserved amount for each year of the reservation period, and the Seller will not be able to reduce the reserved amount for any year without approval of the Agency; and

2. The Agency will be obligated to pay the Seller at the Reserved Rate for the reserved amount for each year of the reservation period, regardless of whether the water is actually supplied by the Seller to the Agency.

B. Once a confirmation of Reserved Water is executed by the Agency and a Buyer:

1. The Buyer will be entitled to purchase Reserved Water from the Agency in an amount not to exceed the reserved amount in each year of the reservation period, and the Buyer will not be able to reduce the reserved amount without approval of the Agency; and

2. The Buyer will be obligated to pay the Agency at the Reserved Rate for the reserved amount for each year of the reservation period, regardless of whether the water is actually supplied to the Buyer.

3. A Buyer to which a Paper Transfer of permit rights is made will be obligated to pay all fees, and comply with all permit conditions, rules and orders, associated with the transferred rights during the reservation period.

Section 10. Annual Schedule and Criteria for Matching Water Purchases and Sales. The Agency and the Sponsors will use the following procedure in each year that precedes a year in which Reserved Water has been committed by a Seller and reserved by a Buyer:

A. By May 31st –

1. Each Buyer will provide to the Agency Manager a schedule for estimated monthly purchase needs for the following year;

2. Each Seller will provide the Agency Manager with updated data for determining the Seller's cost of water for each Buyer with which the Seller may be matched, including any transport costs to a delivery point on the boundary of the Seller's water system; and

3. Each Sponsor whose facilities are used for wheeling will provide the Agency Manager updated data to determine the wheeling cost for each Buyer whose purchases involve use of the Sponsor's facilities.

B. By June 30th – The Agency Manager will review the Buyers' purchase schedules in coordination with the Sellers and any Sponsors whose facilities will be used for wheeling the water, and will make recommendations to the Buyers, Sellers and wheeling Sponsors to match purchased water amounts using the following criteria:

1. Prefer Paper Transfers of permit rights to sales of water that require delivery of water by a Seller to the Agency and from the Agency to a Buyer;

2. Prefer sharing between neighboring entities and avoiding wheeling costs;

3. Prefer use of existing facilities rather than constructing new facilities for delivery of water;

4. Prefer Sellers that have a lower Agency Purchase Rate; and

5. A Buyer may not purchase from a Seller, through the Agency, more than the amount of water for which the Buyer has been matched with the Seller for Reserved Water.

By July 31st – The Agency Manager will determine the Agency Purchase Rate for each Seller, the wheeling cost to be charged by a Sponsor to each Buyer for which wheeling is needed, and the Agency Sale Rate, and will provide this information to the Sponsors.

D. By August 31st – The Agency Board, the Sellers, and the Buyers will approve and execute confirmations of sales and purchases of water to be supplied for the following year; and the Agency Manager will provide a report to the Agency Board on the Agency Purchase Rate for each Seller, and the wheeling rate for each wheeling Sponsor.

Section 11. Agency Purchase Rate; Amounts of Payments by Agency to Sellers.

A. The Agency Manager will determine the Agency Purchase Rate (for purchase of water by the Agency from a Seller) for each Seller annually on a cost recovery basis.

B. The Agency Manager will use the same cost recovery basis for all Sellers. The Agency Manager will secure approval from the Agency Board for the cost recovery basis to be used.

C. Each Seller will submit data to the Agency Manager annually to determine the Agency Purchase Rate for that Seller. The Agency Manager will determine the Agency Purchase Rate for each Seller, and provide written confirmation of that amount to the Seller. The amounts to be paid by the Agency to a Seller for water supplied by the Seller will be calculated using the Agency Purchase Rate for that Seller. With approval of the Agency Board, the Agency Manager may use an independent utility rate consultant to verify the cost recovery calculations for Sellers.

D. If any of a Seller's facilities or equipment is used to transport water to the Seller's delivery point to the Agency, the Agency Purchase Rate for the Seller will include an amount for use of the Seller's transmission facilities and equipment determined by the Agency Manager using the cost recovery basis approved by the Agency Board.

E. If the Agency has paid a Seller the Reserved Rate to reserve an amount of water for possible use, the amount paid by the Agency to that Seller for water supplied by the Seller will be calculated by crediting the amount paid at the Reserved Rate against the amounts owed at the Agency Purchase Rate until the full amount paid to the Seller at the Reserved Rate has been credited.

Section 12. Agency Sale Rate; Amounts of Payments by Buyers to Agency.

A. The Agency Manager will determine the Agency Sale Rate (the rate for the sale of water by the Agency to a Buyer) for each Buyer using the methodology described above in Section 11, using a cost recovery basis for the Agency that includes operation and maintenance costs for any Agency facilities used.

B. The Agency Manager will calculate the amounts to be paid by a Buyer to the Agency for water supplied to the Buyer using the Agency Sale Rate, together with any wheeling costs that apply to that Buyer. With approval of the Agency Board, the Agency Manager may use an independent utility rate consultant to verify the cost recovery calculations for the Agency.

C. If a Buyer has paid the Reserved Rate to the Agency to reserve an amount of water for possible use, the amount paid by the Buyer to the Agency for water supplied to the Buyer will be calculated by crediting the amount paid at the Reserved Rate against the amount owed at the Agency Purchase Rate until the full amount paid by the Buyer at the Reserved Rate has been credited.

Section 13. Emergency Sales and Purchases of Water.

A. If a Buyer determines that it will need to purchase an amount of water in a year in excess of the amounts of the Buyer's purchase confirmations for that year, the Buyer may request an emergency purchase using the following procedure:

1. The Buyer will submit a request to the Agency Manager for an emergency purchase of water from the Agency, specifying the amount needed and the timeframe for delivery.

2. As soon as practicable after the Buyer submits the request, the Agency Manager will solicit offers from Sellers to sell water to the Agency to meet the Buyer's emergency needs. The Agency Manager may set a deadline for offers to sell. A Seller that submits an offer to sell will specify the quantity and price of the water offered, and if the sale would involve physical delivery of the water rather than a Paper Transfer, the proposed delivery point.

3. The Agency Manager will review the Sellers' offers in coordination with the Buyer, and will make recommendations to the Buyer and Sellers to match amounts available from the Sellers and the needs of the Buyer.

4. The Agency Board, the applicable Sellers and the Buyer will approve and execute confirmations of sale and purchase of water to meet the Buyer's emergency needs. In appropriate circumstances, Agency Board approval can be by ratification after the fact.

B. If a Seller determines that it may be unable to supply an amount (the "Shortfall Amount") of water for which the Buyer has executed a sale confirmation for a year, the Seller may request emergency relief from its obligation to supply the Shortfall Amount using the following procedure:

1. The Seller will submit a request to the Agency Manager for relief from the obligation to supply the Shortfall Amount, specifying the amount involved and the reason for the shortfall.

2. As soon as practicable after the Seller submits the request, the Agency Manager will determine whether the Buyer's needs for that year will be met without the Shortfall Amount.

3. If the Buyer's needs will be met without the Shortfall Amount, the Agency Manager will approve the request.

4. If the Buyer will need all or part of the Shortfall Amount, the request will be subject to approval by the Buyer. With the Buyer's consent, which may be conditioned on the Seller's agreement to bear any increase in cost, the Agency may use the following procedure to determine whether the Shortfall Amount can be secured from other Sellers:

a. The Agency Manager will solicit offers from Sellers to sell water to the Agency to meet the Buyer's needs. The Agency Manager may set a deadline for offers to sell. A Seller that submits an offer to sell will specify the quantity and price of the water offered, and if the sale would involve physical delivery of the water rather than a Paper Transfer, the proposed delivery point.

b. The Agency Manager will review the Sellers' offers in coordination with the Buyer, and will make recommendations to the Buyer and Sellers to match amounts available from the Sellers and the needs of the Buyer.

c. The Agency Board, the applicable Sellers and the Buyer will approve and execute confirmations of sale and purchase of water to meet the Buyer's needs. In appropriate circumstances, Agency Board approval can be by ratification after the fact.

5. If a request is approved, the Seller will refund to the Buyer within 15 days any payment received by the Seller from the Agency at the Reserved Rate for the Shortfall Amount.

Section 14. Billing and Payments.

A. Payments (by the Agency to a Seller, and by a Buyer to the Agency) for Reserved Water will be made in a lump sum no later than December 31st for the following year.

B. Payments (by the Agency to a Seller, and by a Buyer to the Agency) for supplied water will be made monthly based on the measured amount of water supplied during the month preceding an invoice.

C. The entity selling supplied water (be it a Seller or the Agency) will bill the Buyer on or before the 15th day of each month for water supplied the preceding month. Bills will be due and payable 30 days after the date of the bill. Payments will be made at the primary office of the entity to which payment is due. To the extent permitted by law, interest will accrue on the unpaid portion of all bills at the rate of 10% per annum until paid in full. If a Buyer fails to pay any bill when due and payable, the selling entity may give the Buyer written notice of the delinquency, and if all amounts due and unpaid, including interest, are not paid within 45 days after delivery of the notice, then the Buyer agrees that the selling entity may, as its option, discontinue supplying or reserving of Reserved Water to the Buyer until all amounts due and unpaid are paid in full with interest. Any such discontinuation will not, however, relieve the Buyer of its obligation to make payments required under these Rules.

Section 15. Drinking Water Standards. Each Seller that physically delivers water under these Rules will ensure that the water meets all applicable standards for drinking water under state and federal law.

Section 16. Metering.

A. The unit of measurement for water supplied under this Rules will be 1,000 gallons of water, U. S. Standard Liquid Measure.

B. For each sale and purchase of water under these Rules that involves physical delivery of the water, the Seller will be the "Metering Sponsor". For each sale and purchase of water under these Rules that involves a Paper Transfer, the Buyer will be the "Metering Sponsor".

C. Each Metering Sponsor will furnish, install, operate and maintain the necessary equipment and devices of standard type for measuring the quantity of water supplied.

D. The Agency and the Buyer (for water physically delivered) or the Seller (for water subject to a Paper Transfer) will have access to the Metering Sponsor's metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof will be done only by the employees or agents of the Metering Sponsor.

E. Each Metering Sponsor will calibrate its metering equipment periodically, but at least once each year. The Agency and the Buyer (for water physically delivered) or the Seller (for water subject to a Paper Transfer) will be entitled to have a representative present during each

calibration, and to jointly observe any needed adjustments which are made to the metering equipment.

F. If upon any test, inaccuracy of a Metering Sponsor's metering equipment is found to be in excess of 2%, registration thereof will 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 of the time elapsed since the last date of calibration, but in no event further back than a period of six months. If for any reason any metering equipment is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period the metering equipment is out of service or out of repair will be estimated and agreed upon by the Metering Sponsor, the Agency and the Buyer (for water physically delivered) or the Seller (for water subject to a Paper Transfer) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

G. A Buyer (for water physically delivered) or Seller (for water subject to a Paper Transfer) may, at its option and expense, install and operate a check meter to as a basis for checking the accuracy of the Metering Sponsor's metering equipment, but the measurement of water for the purpose of these Rules will be solely by the Metering Sponsor's meters, except in the case of an adjustment under Subsection E above. Each check meter will be of standard make and will be subject at all reasonable times to inspection and examination by an employee or agent of the Metering Sponsor or the Agency. The reading, calibration and adjustment of a check meter, however, will be made only by the employees or agents of the Buyer (for water physically delivered) or the Seller (for water subject to a Paper Transfer).

Section 17. Registration of Transferred Permit Rights.

The Agency Manager will make any filings needed to record Paper Transfers of permit rights in connection with these Rules.

Section 18. Respecting CCNs.

A. Buyers are prohibited from using Reserved Water to establish the ability to provide water service in any portion of the water service area (as described in the State-approved certificate of convenience and necessity) of another Sponsor without the prior written consent of that Sponsor.

B. Sponsors are prohibited from selling water to a wholesale or retail customer in any portion of the service area of another Sponsor without the prior written consent of that Sponsor.

Section 19. Miscellaneous Terms.

A. Any notices under these Rules will be in writing and delivered by certified mail, personal delivery, confirmed facsimile, or confirmed email to the address on file with the Agency Manager for the Agency or a Sponsor. Notice will be deemed effective upon the date of delivery on the return receipt for certified mail, and on the date of delivery for personal deliveries, confirmed facsimiles and confirmed emails.

B. These Rules are for the exclusive benefit of the Agency and the Sponsors, and not for any third party. These Rules will not be construed to create any rights in any third party.

C. All amounts due under these Rules, including, but not limited to, payments due under these Rules, will be due and payable in Hays County, Texas, which is the County in which the principal administrative offices of the Agency are located. Hays County, Texas, is the place of performance of these Rules, and any legal proceeding to enforce these Rules will be brought in Hays County, Texas.

D. If a party is rendered unable wholly or in part to carry out its obligations under these Rules by reason of Force Majeure, and the party gives notice and full particulars of the Force Majeure in writing to the other parties within a reasonable time, the obligation of the party giving the notice will be suspended during the period of the Force Majeure event, but for no longer period, and the affected party will endeavor to remove or overcome the 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, civil disturbances, explosions, unforeseeable breakage or accidents to machinery, pipelines or canals, or any other cause not reasonably within the control of the party claiming the inability.

E. Each change, amendment, or modification of these Rules will be in writing and will be effective upon approval by the Agency Board and by all Sponsors.

F. If one or more of the sections, subsections, provisions, clauses, or words of these Rules is held to be invalid for any reason, the invalidity will not affect any other sections, subsections, provisions, clauses, or words of these Rules, and it is intended that these Rules will be severable and will be construed and applied as if any invalid section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the Agency and the Sponsors will be construed and remain in force accordingly.

G. These Rules will be governed by and construed in accordance with the laws of the State of Texas.

PART D – PROJECT INFORMATION

Question 54: Description of Project

Description of Project

The Hays Caldwell Public Utility Agency (Agency) intends to design and construct its Phase 1A infrastructure that will interconnect the City of Kyle and City of Buda water systems, two of the Agency’s member entities. The facilities will allow interim water to be sold between Kyle and Buda until such time as the Agency’s Carrizo project is online. The Agency’s Carrizo project will use the facilities constructed in Phase 1A to deliver the Carrizo water into the Buda system; this is projected to occur in 2023.

The pipeline will be designed to provide an ultimate average daily demand of approximately 4.9 million gallons per day (MGD) delivered at a maximum rate of 1.5 times the average daily demand which is projected to be needed by Buda in 2060. The pump station facilities (pumps and tanks) will be phased to accommodate a range of flows up to the ultimate flow rates.

Project Need

Table 1 on the following page summarizes the projected water shortages for the Agency’s Sponsors as developed by the Region K and L regional water planning groups. The table provides the projected water needs in the 2020 and 2060 decades according to the approved 2011 regional water plans and according to the 2016 initially prepared plans.

The Sponsors maintain their own water projections separately from the state water planning process. Based on their own projections, the Sponsors collectively do not project a water need prior to 2023. However, as demonstrated in Part D 59, Buda projects a water shortage beginning in 2018. In 2018 this demand is approximately 152 acre-feet per year, rising to 1,041 acre-feet per year in 2023.

The Agency’s Phase 1A project will allow surplus water from Kyle and San Marcos to be provided to Buda between 2018 and 2023. Water will be produced within Kyle’s system, delivered at pressure to the Agency’s Phase 1A pump station, where it will be pumped to the Buda water system through the Phase 1A pipeline. Starting in 2023 the same Phase 1A facilities will be used to deliver the Carrizo water to Buda.

The 4.9 MGD average daily pipeline and pump station capacity noted above under the “Project Description” is projected to satisfy Buda’s water demands through 2060.

TABLE 1 – PROJECTED WATER SHORTAGES

Entity	2011 Approved Regional Plan Data			2016 Initially Prepared Regional Plan Data		
	2020 Shortage in acre/feet per year	2060 Shortage in acre/feet per year	Reference	2020 Shortage in acre/feet per year	2060 Shortage in acre/feet per year	Reference
City of Buda	0	1,869	2011 Lower Colorado Regional Water Plan, Vol. I, pp. 4-7.	0	2,749	2016 Initially Prepared Lower Colorado Regional Water Plan, Vol. I, pp. 4-8
City of Kyle	436	1,699	2011 South Central Texas Regional Water Plan, Vol. I, pp. 4B.2-123.	0	2,783	2016 South Central Texas Regional Water Initially Prepared Plan, Vol. I, pp. 5.3-99
City of San Marcos	0	11,387	2011 South Central Texas Regional Water Plan, Vol. I, pp. 4B.2-123.	0	7,891	2016 South Central Texas Regional Water Initially Prepared Plan, Vol. I, pp. 5.3-99
County Line SUD	1,049	2,386	2011 South Central Texas Regional Water Plan, Vol. I, pp. 4B.2-123.	0	641	2016 South Central Texas Regional Water Initially Prepared Plan, Vol. I, pp. 5.3-87
Martindale WSC	70	182	2011 South Central Texas Regional Water Plan, Vol. I, pp. 4B.2-55.	0	177	2016 South Central Texas Regional Water Initially Prepared Plan, Vol. I, pp. 5.3-41.
Crystal Clear WSC	0	2,716	2011 South Central Texas Regional Water Plan, Vol. I, pp. 4B.2-119.	0	2,032	2016 South Central Texas Regional Water Initially Prepared Plan, Vol. I, pp. 5.3-87
Green Valley SUD	0	547	2011 South Central Texas Regional Water Plan, Vol. I, pp. 4B.2-119.	82	1,391	2016 South Central Texas Regional Water Initially Prepared Plan, Vol. I, pp. 5.3-87

List of Project Elements/Components

The Phase 1A Infrastructure is expected to include the following elements/components:

- 19,000 linear feet of 18-24 pipeline with isolation valves
- Trenchless pipeline installation under Onion Creek
- Metering station at point of delivery in Buda
- 20-foot wide permanent water line easement and 15-foot wide temporary easement
- 2.5 acre pump station site complete with the following:
 - Vertical turbine pumps
 - Ground storage tank(s)
 - Electrical system
 - Controls and SCADA
 - Chlorination facilities including analyzers, tanks & injectors
 - Electrical and chemical building
 - Metering station for storage tank inflow
 - Detention and water quality ponds, heavy duty pavement, fencing, site security, lighting and screening.

Alternatives Considered

The City of Buda currently has two existing water resources: Edwards groundwater regulated by the Barton Springs/Edwards Aquifer Conservation District (BSEACD) and surface water from Canyon Lake purchased from the Guadalupe-Blanco River Authority (GBRA). There is no additional water available from these two sources as the BSEACD is not issuing any new non-conditional permits and the Canyon Lake water rights are fully allocated. Therefore Buda joined the Agency to access the Carrizo project that was in the early stages of being developed by its neighbors (Kyle and San Marcos, among others).

The development of the Carrizo groundwater project from eastern Caldwell County necessitated the construction of new facilities to deliver the new supply to Buda. Buda currently pays GBRA for capacity in the IH-35 pipeline that delivers the treated Canyon Lake water to Buda, but based on discussions with GBRA, this pipeline is also fully committed, and therefore, could not serve as a long-term delivery pipeline for the Carrizo water.

Once it was determined that new delivery infrastructure was required, the Agency coordinated with Buda to determine the optimal water delivery location for their system which they determined to be on the west side of the system approximately at the intersection of FM1626 and Old Black Colony Road.

Part D56

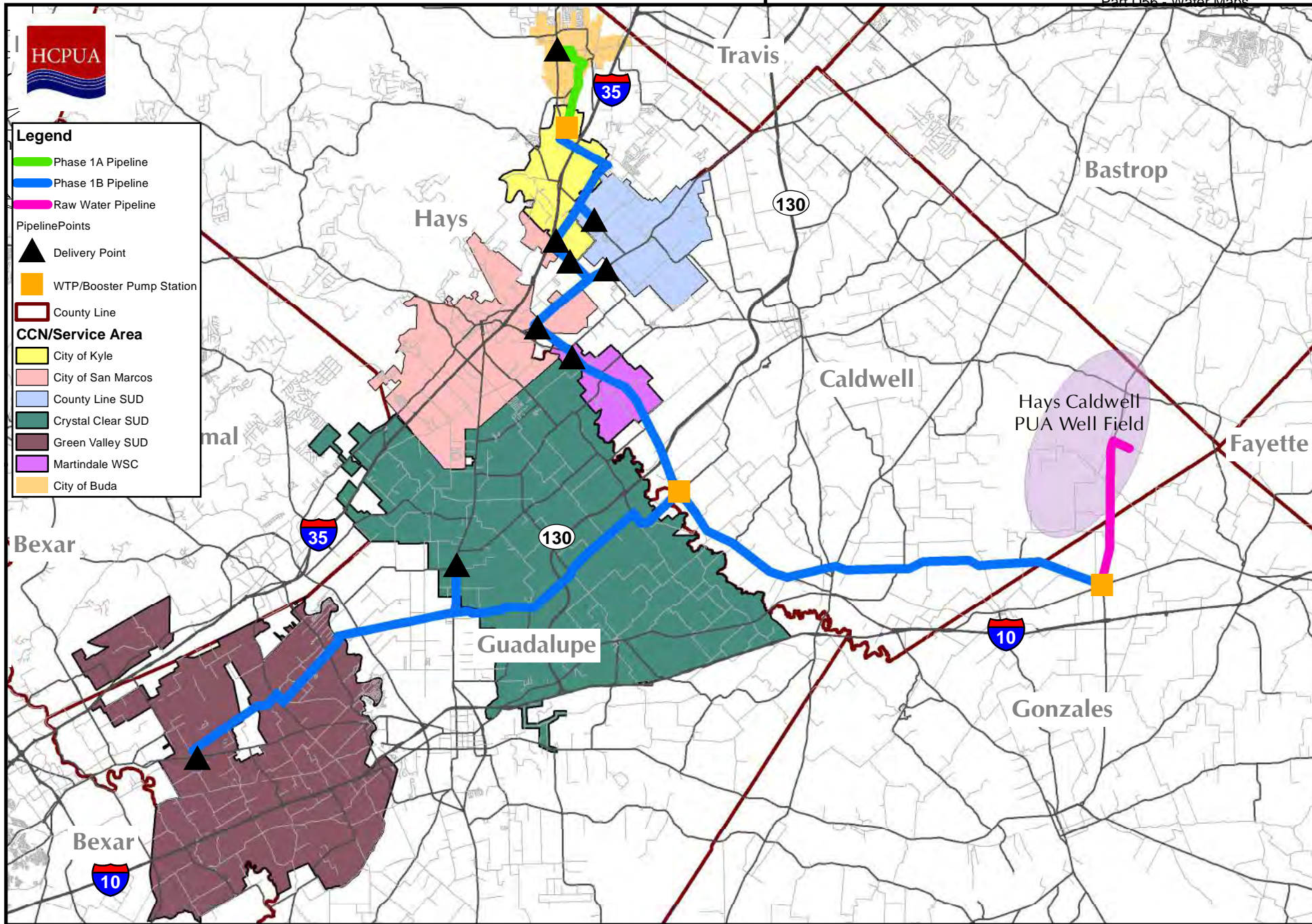
Water Maps

- HCPUA Service Area Map
- HCPUA Phase 1A Service Area Map
- HCPUA Booster Pump Station #2

HCPUA SERVICE AREA MAP

HCPUA Service Area Map

Part D56 - Water Maps



HCPUA PHASE 1A SERVICE AREA MAP

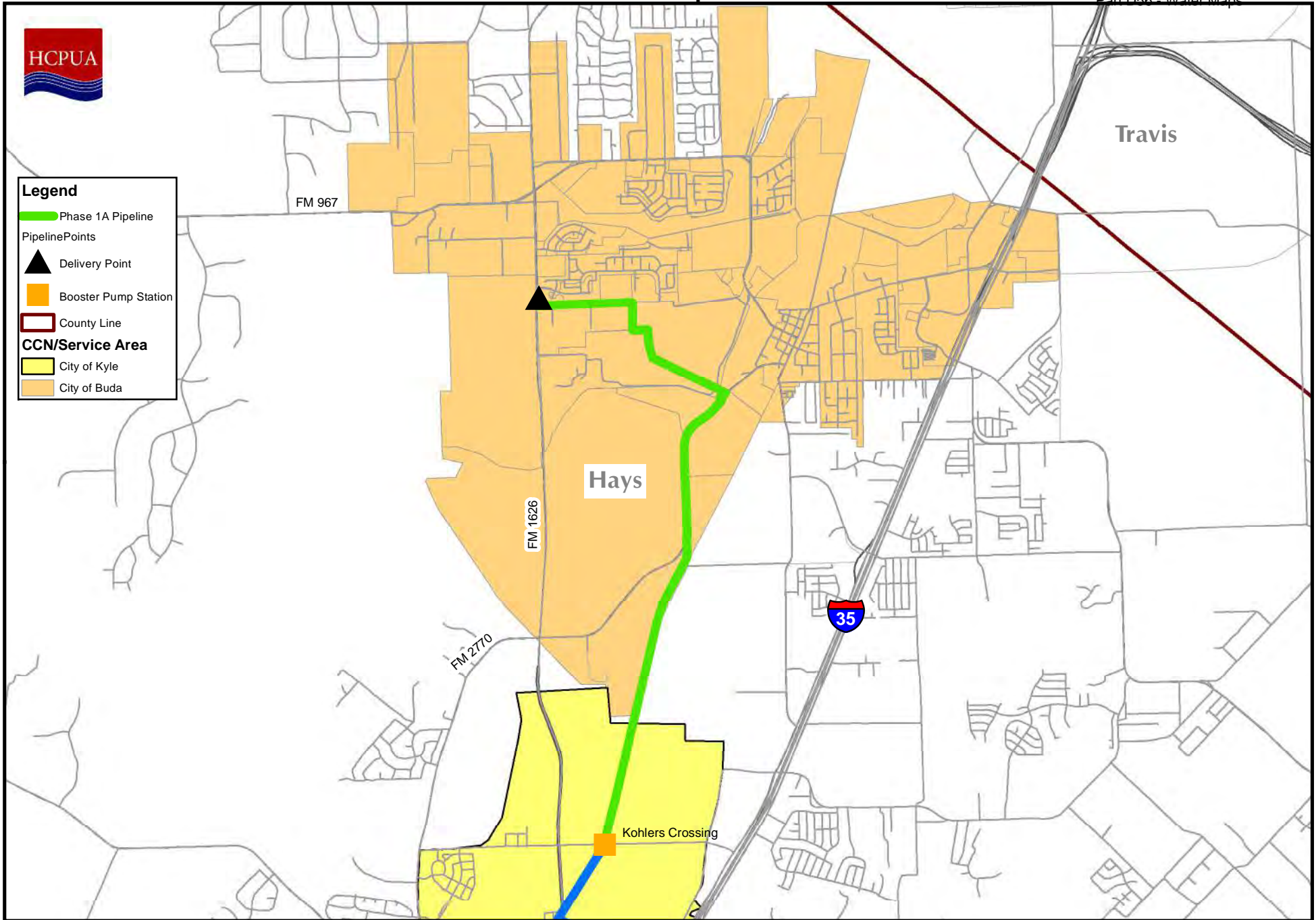
HCPUA Service Area Map - Phase 1A

Part D56 - Water Maps





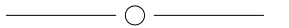

Legend







- Phase 1A Pipeline
- PipelinePoints
 - Delivery Point
 - Booster Pump Station
- County Line
- CCN/Service Area
 - City of Kyle
 - City of Buda

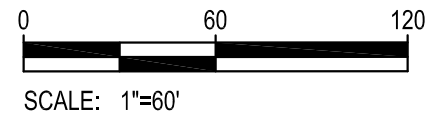
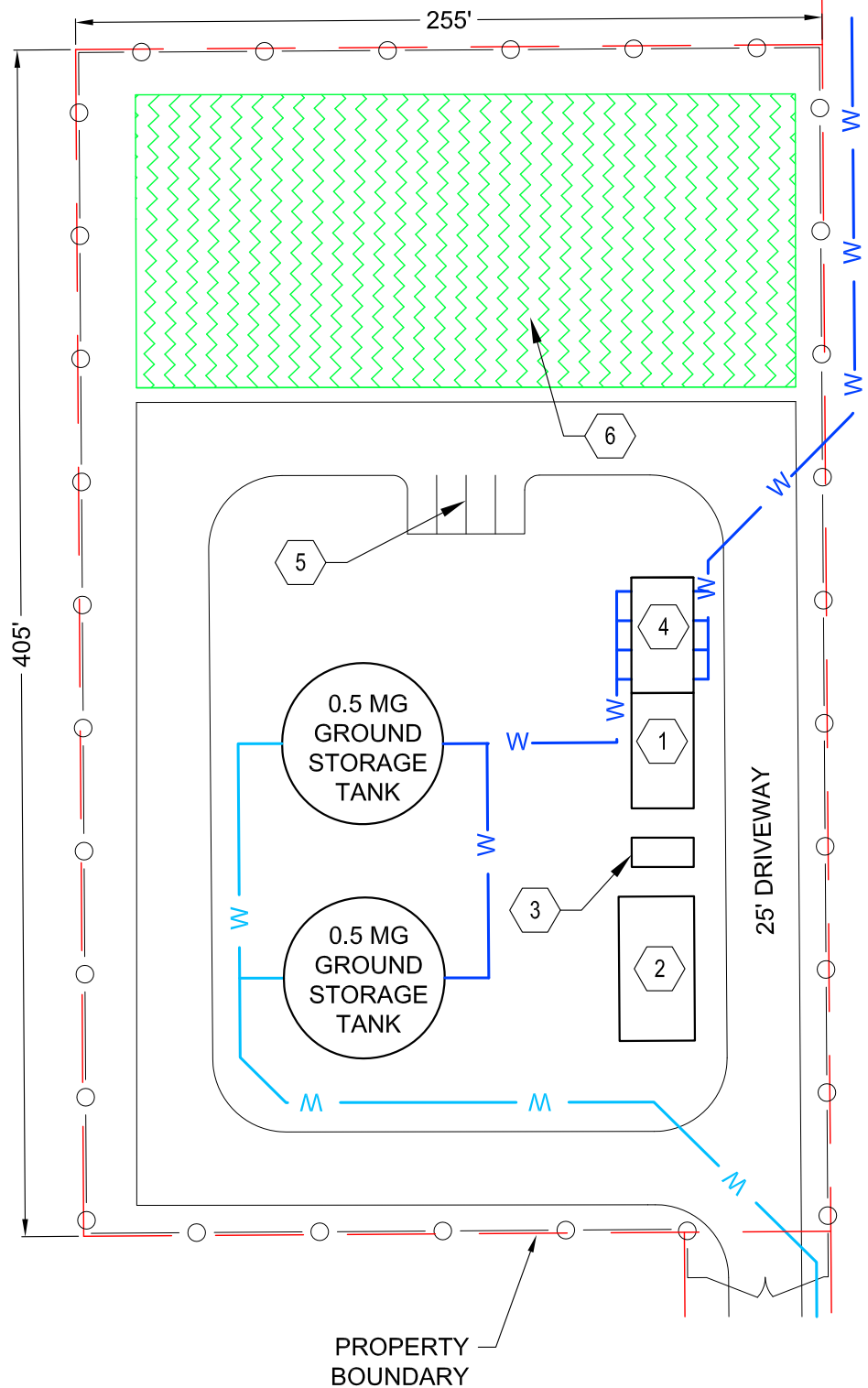


HCPUA BOOSTER PUMP STATION #2

LEGEND

-  HCPUA PIPELINE (TO CITY OF BUDA)
-  HCPUA PIPELINE (FROM HCPUA/KYLE)
-  SECURITY FENCE
-  EASEMENT

-  40' x 20' ELECTRIC ROOM
-  50' x 25' CHEMICAL FEED SYSTEM
-  20' X 10' BACK-UP POWER SUPPLY
-  40' x 20' PUMP PAD
-  PARKING AREA
-  WATER QUALITY & DETENTION POND



HCPUA BOOSTER PUMP STATION #2

Kyle, Texas

HCPUA
630 E. Hopkins
San Marcos, TX 78666

 **Lockwood, Andrews & Newnam, Inc.**
A LEO A DALY COMPANY
102 Wonder World
Suite 303
San Marcos, TX 78666
Tel 512-396-4040 www.lan-inc.com

Job No. 160-10709-000 May 20, 2015

Site Plan Schematic

Part D57

Census Tracts

- Buda Census Tracts
- Kyle Census Tracts
- San Marcos Census Tracts
- Umland (County Line SUD) Census Tracts
- Martindale (Martindale WSC) Census Tracts
- Guadalupe County (Crystal Clear SUD & Green Valley SUD)

BUDA CENSUS TRACTS



H13 HOUSEHOLD SIZE

Universe: Occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

	Census Tract 109.01 (part), Hays County (part), Buda city, Texas	Census Tract 109.02 (part), Hays County (part), Buda city, Texas	Census Tract 109.08 (part), Hays County (part), Buda city, Texas
Total:	80	1,916	505
1-person household	9	267	84
2-person household	36	593	173
3-person household	18	405	111
4-person household	11	396	78
5-person household	5	170	24
6-person household	0	56	23
7-or-more-person household	1	29	12

Source: U.S. Census Bureau, 2010 Census.

KYLE CENSUS TRACTS



H13 HOUSEHOLD SIZE

Universe: Occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

	Census Tract 109.02 (part), Hays County (part), Kyle city, Texas	Census Tract 109.05 (part), Hays County (part), Kyle city, Texas	Census Tract 109.06 (part), Hays County (part), Kyle city, Texas	Census Tract 109.07 (part), Hays County (part), Kyle city, Texas	Census Tract 109.08 (part), Hays County (part), Kyle city, Texas
Total:	3	1,224	2,471	852	5
1-person household	1	203	334	99	0
2-person household	1	349	636	227	4
3-person household	0	233	524	185	0
4-person household	1	215	476	167	1
5-person household	0	133	292	103	0
6-person household	0	54	130	37	0
7-or-more-person household	0	37	79	34	0

	Census Tract 109.09, Hays County (part), Kyle city, Texas	Census Tract 109.10 (part), Hays County (part), Kyle city, Texas
Total:	1,755	2,449
1-person household	298	333
2-person household	482	607
3-person household	347	510
4-person household	376	508
5-person household	172	288
6-person household	57	118
7-or-more-person household	23	85

Source: U.S. Census Bureau, 2010 Census.

SAN MARCOS CENSUS TRACTS



H13 HOUSEHOLD SIZE

Universe: Occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

	Census Tract 9605 (part), Caldwell County (part), San Marcos city, Texas	Census Tract 2105.05 (part), Guadalupe County (part), San Marcos city, Texas	Census Tract 101, Hays County (part), San Marcos city, Texas	Census Tract 102, Hays County (part), San Marcos city, Texas	Census Tract 103.02 (part), Hays County (part), San Marcos city, Texas
Total:	1	0	1,110	775	1,585
1-person household	0	0	464	376	364
2-person household	0	0	404	288	500
3-person household	1	0	94	78	294
4-person household	0	0	114	23	208
5-person household	0	0	21	6	124
6-person household	0	0	8	2	54
7-or-more-person household	0	0	5	2	41

	Census Tract 103.03 (part), Hays County (part), San Marcos city, Texas	Census Tract 103.04 (part), Hays County (part), San Marcos city, Texas	Census Tract 104 (part), Hays County (part), San Marcos city, Texas	Census Tract 105 (part), Hays County (part), San Marcos city, Texas	Census Tract 106 (part), Hays County (part), San Marcos city, Texas
Total:	2,221	2,132	2,422	1,307	2,089
1-person household	643	992	757	415	459
2-person household	745	626	760	399	787
3-person household	408	259	393	211	457
4-person household	311	158	325	131	234
5-person household	67	54	92	76	96
6-person household	28	22	58	36	39
7-or-more-person household	19	21	37	39	17

	Census Tract 107.01 (part), Hays County (part), San Marcos city, Texas	Census Tract 107.02 (part), Hays County (part), San Marcos city, Texas	Census Tract 109.05 (part), Hays County (part), San Marcos city, Texas
Total:	2,955	385	49
1-person household	1,057	95	8
2-person household	1,128	128	19
3-person household	522	101	9
4-person household	190	51	11
5-person household	37	7	2
6-person household	9	1	0
7-or-more-person household	12	2	0

Source: U.S. Census Bureau, 2010 Census.

UHLAND (COUNTY LINE SUD) CENSUS TRACTS



H13 HOUSEHOLD SIZE

Universe: Occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

	Census Tract 9601.01 (part), Caldwell County (part), Uhland city, Texas	Census Tract 109.06 (part), Hays County (part), Uhland city, Texas	Census Tract 109.07 (part), Hays County (part), Uhland city, Texas
Total:	137	162	4
1-person household	20	35	1
2-person household	37	36	1
3-person household	12	30	1
4-person household	23	23	0
5-person household	23	23	1
6-person household	10	9	0
7-or-more-person household	12	6	0

Source: U.S. Census Bureau, 2010 Census.

MARTINDALE (MARTINDALE WSC) CENSUS TRACTS



H13 HOUSEHOLD SIZE

Universe: Occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

	Census Tract 9605 (part), Caldwell County (part), Martindale city, Texas
Total:	416
1-person household	101
2-person household	132
3-person household	77
4-person household	56
5-person household	26
6-person household	10
7-or-more-person household	14

Source: U.S. Census Bureau, 2010 Census.

GUADALUPE COUNTY (CRYSTAL CLEAR SUD & GREEN VALLEY SUD) CENSUS TRACTS



B11016

HOUSEHOLD TYPE BY HOUSEHOLD SIZE

Universe: Households
2009-2013 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Census Tract 2101, Guadalupe County, Texas		Census Tract 2102, Guadalupe County, Texas		Census Tract 2103, Guadalupe County, Texas
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Total:	1,473	+/-122	1,383	+/-133	2,108
Family households:	1,063	+/-134	961	+/-125	1,375
2-person household	424	+/-124	270	+/-91	558
3-person household	282	+/-89	316	+/-96	330
4-person household	231	+/-106	182	+/-82	239
5-person household	63	+/-41	101	+/-58	92
6-person household	28	+/-27	61	+/-41	18
7-or-more person household	35	+/-29	31	+/-32	138
Nonfamily households:	410	+/-122	422	+/-102	733
1-person household	330	+/-113	359	+/-92	717
2-person household	80	+/-64	36	+/-29	16
3-person household	0	+/-13	27	+/-31	0
4-person household	0	+/-13	0	+/-13	0
5-person household	0	+/-13	0	+/-13	0
6-person household	0	+/-13	0	+/-13	0
7-or-more person household	0	+/-13	0	+/-13	0

	Census Tract 2103, Guadalupe County, Texas	Census Tract 2104, Guadalupe County, Texas		Census Tract 2105.04, Guadalupe County, Texas Part D57 - Census Tracts	
	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	+/-191	1,607	+/-142	1,985	+/-182
Family households:	+/-194	1,079	+/-129	1,531	+/-178
2-person household	+/-193	447	+/-94	592	+/-139
3-person household	+/-161	284	+/-98	429	+/-132
4-person household	+/-117	198	+/-93	241	+/-146
5-person household	+/-64	57	+/-41	237	+/-92
6-person household	+/-34	93	+/-78	32	+/-36
7-or-more person household	+/-106	0	+/-13	0	+/-18
Nonfamily households:	+/-176	528	+/-120	454	+/-169
1-person household	+/-178	506	+/-119	394	+/-170
2-person household	+/-27	22	+/-28	60	+/-53
3-person household	+/-18	0	+/-13	0	+/-18
4-person household	+/-18	0	+/-13	0	+/-18
5-person household	+/-18	0	+/-13	0	+/-18
6-person household	+/-18	0	+/-13	0	+/-18
7-or-more person household	+/-18	0	+/-13	0	+/-18

	Census Tract 2105.05, Guadalupe County, Texas		Census Tract 2105.06, Guadalupe County, Texas Part D57 - Census Tract 2105.06, Guadalupe County, Texas		Census Tract 2105.07, Guadalupe County, Texas
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Total:	1,243	+/-124	1,152	+/-92	1,704
Family households:	1,065	+/-125	790	+/-100	1,319
2-person household	354	+/-120	359	+/-101	654
3-person household	181	+/-99	207	+/-91	243
4-person household	294	+/-105	125	+/-50	239
5-person household	93	+/-55	35	+/-31	102
6-person household	94	+/-70	54	+/-54	49
7-or-more person household	49	+/-38	10	+/-11	32
Nonfamily households:	178	+/-93	362	+/-122	385
1-person household	98	+/-74	240	+/-97	272
2-person household	80	+/-61	122	+/-85	56
3-person household	0	+/-13	0	+/-13	57
4-person household	0	+/-13	0	+/-13	0
5-person household	0	+/-13	0	+/-13	0
6-person household	0	+/-13	0	+/-13	0
7-or-more person household	0	+/-13	0	+/-13	0

	Census Tract 2105.07, Guadalupe County, Texas	Census Tract 2105.08, Guadalupe County, Texas		Census Tract 2106.03, Guadalupe County, Texas Part D57 - Census Tracts	
	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	+/-117	733	+/-98	685	+/-59
Family households:	+/-97	587	+/-73	518	+/-56
2-person household	+/-99	147	+/-58	174	+/-41
3-person household	+/-94	256	+/-91	161	+/-48
4-person household	+/-94	77	+/-58	117	+/-40
5-person household	+/-58	42	+/-33	35	+/-21
6-person household	+/-35	7	+/-11	12	+/-12
7-or-more person household	+/-36	58	+/-42	19	+/-18
Nonfamily households:	+/-127	146	+/-64	167	+/-41
1-person household	+/-118	122	+/-60	148	+/-37
2-person household	+/-45	24	+/-28	11	+/-12
3-person household	+/-59	0	+/-13	0	+/-13
4-person household	+/-13	0	+/-13	8	+/-13
5-person household	+/-13	0	+/-13	0	+/-13
6-person household	+/-13	0	+/-13	0	+/-13
7-or-more person household	+/-13	0	+/-13	0	+/-13

	Census Tract 2106.04, Guadalupe County, Texas		Census Tract 2106.06, Guadalupe County, Texas Part D57 - Census Tract 2106.04, Guadalupe County, Texas		Census Tract 2106.07, Guadalupe County, Texas
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Total:	2,987	+/-162	1,345	+/-141	2,645
Family households:	2,505	+/-183	945	+/-126	2,240
2-person household	949	+/-190	313	+/-78	682
3-person household	439	+/-113	348	+/-118	624
4-person household	536	+/-136	220	+/-102	582
5-person household	503	+/-172	33	+/-23	295
6-person household	47	+/-40	31	+/-50	47
7-or-more person household	31	+/-28	0	+/-13	10
Nonfamily households:	482	+/-117	400	+/-120	405
1-person household	429	+/-113	367	+/-111	273
2-person household	53	+/-40	17	+/-20	109
3-person household	0	+/-18	16	+/-24	23
4-person household	0	+/-18	0	+/-13	0
5-person household	0	+/-18	0	+/-13	0
6-person household	0	+/-18	0	+/-13	0
7-or-more person household	0	+/-18	0	+/-13	0

	Census Tract 2106.07, Guadalupe County, Texas	Census Tract 2106.08, Guadalupe County, Texas		Census Tract 2107.05, Guadalupe County, Texas Part D57 - Census Tracts	
	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	+/-184	1,195	+/-140	1,306	+/-105
Family households:	+/-157	1,018	+/-140	910	+/-106
2-person household	+/-131	382	+/-93	481	+/-102
3-person household	+/-148	318	+/-155	283	+/-98
4-person household	+/-179	202	+/-108	110	+/-52
5-person household	+/-131	69	+/-69	32	+/-27
6-person household	+/-37	4	+/-8	4	+/-10
7-or-more person household	+/-19	43	+/-52	0	+/-13
Nonfamily households:	+/-160	177	+/-95	396	+/-89
1-person household	+/-123	123	+/-79	367	+/-92
2-person household	+/-105	47	+/-48	29	+/-28
3-person household	+/-36	7	+/-11	0	+/-13
4-person household	+/-18	0	+/-13	0	+/-13
5-person household	+/-18	0	+/-13	0	+/-13
6-person household	+/-18	0	+/-13	0	+/-13
7-or-more person household	+/-18	0	+/-13	0	+/-13

	Census Tract 2107.06, Guadalupe County, Texas		Census Tract 2107.07, Guadalupe County, Texas Part D57 - Census Tract 2107.07, Guadalupe County, Texas		Census Tract 2107.08, Guadalupe County, Texas
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Total:	1,955	+/-98	1,666	+/-140	1,834
Family households:	1,371	+/-136	1,238	+/-139	1,595
2-person household	600	+/-129	462	+/-95	547
3-person household	404	+/-108	341	+/-103	309
4-person household	187	+/-89	313	+/-99	500
5-person household	100	+/-55	82	+/-52	133
6-person household	49	+/-48	10	+/-16	97
7-or-more person household	31	+/-38	30	+/-33	9
Nonfamily households:	584	+/-133	428	+/-158	239
1-person household	482	+/-110	390	+/-159	215
2-person household	96	+/-68	38	+/-40	24
3-person household	0	+/-18	0	+/-13	0
4-person household	6	+/-11	0	+/-13	0
5-person household	0	+/-18	0	+/-13	0
6-person household	0	+/-18	0	+/-13	0
7-or-more person household	0	+/-18	0	+/-13	0

	Census Tract 2107.08, Guadalupe County, Texas	Census Tract 2107.09, Guadalupe County, Texas		Census Tract 2107.10, Guadalupe County, Texas Part D57 - Census Tracts	
	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	+/-117	1,537	+/-75	1,171	+/-83
Family households:	+/-123	1,315	+/-118	914	+/-106
2-person household	+/-110	506	+/-122	342	+/-84
3-person household	+/-111	304	+/-95	213	+/-75
4-person household	+/-136	299	+/-107	237	+/-81
5-person household	+/-77	154	+/-76	62	+/-46
6-person household	+/-65	5	+/-8	18	+/-28
7-or-more person household	+/-15	47	+/-48	42	+/-29
Nonfamily households:	+/-85	222	+/-97	257	+/-88
1-person household	+/-80	188	+/-89	217	+/-85
2-person household	+/-35	0	+/-13	40	+/-41
3-person household	+/-18	0	+/-13	0	+/-13
4-person household	+/-18	34	+/-53	0	+/-13
5-person household	+/-18	0	+/-13	0	+/-13
6-person household	+/-18	0	+/-13	0	+/-13
7-or-more person household	+/-18	0	+/-13	0	+/-13

	Census Tract 2107.11, Guadalupe County, Texas		Census Tract 2107.12, Guadalupe County, Texas Part D57 - Census Tract 2107.12, Guadalupe County, Texas		Census Tract 2107.13, Guadalupe County, Texas
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Total:	1,065	+/-69	1,407	+/-91	1,345
Family households:	844	+/-92	1,290	+/-92	1,201
2-person household	242	+/-83	496	+/-100	394
3-person household	219	+/-94	229	+/-106	230
4-person household	287	+/-89	287	+/-88	404
5-person household	86	+/-56	200	+/-66	114
6-person household	10	+/-17	60	+/-50	48
7-or-more person household	0	+/-13	18	+/-22	11
Nonfamily households:	221	+/-96	117	+/-63	144
1-person household	213	+/-94	102	+/-61	134
2-person household	8	+/-14	15	+/-19	10
3-person household	0	+/-13	0	+/-13	0
4-person household	0	+/-13	0	+/-13	0
5-person household	0	+/-13	0	+/-13	0
6-person household	0	+/-13	0	+/-13	0
7-or-more person household	0	+/-13	0	+/-13	0

	Census Tract 2107.13, Guadalupe County, Texas	Census Tract 2107.14, Guadalupe County, Texas		Census Tract 2108.01, Guadalupe County, Texas Part D57 - Census Tracts	
	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	+/-121	2,251	+/-192	2,225	+/-195
Family households:	+/-140	1,649	+/-166	1,448	+/-200
2-person household	+/-114	449	+/-166	629	+/-183
3-person household	+/-91	457	+/-176	320	+/-134
4-person household	+/-101	455	+/-134	309	+/-159
5-person household	+/-53	211	+/-110	111	+/-106
6-person household	+/-46	23	+/-25	59	+/-60
7-or-more person household	+/-15	54	+/-73	20	+/-30
Nonfamily households:	+/-85	602	+/-206	777	+/-176
1-person household	+/-85	562	+/-199	695	+/-177
2-person household	+/-16	40	+/-42	64	+/-54
3-person household	+/-13	0	+/-18	0	+/-18
4-person household	+/-13	0	+/-18	0	+/-18
5-person household	+/-13	0	+/-18	18	+/-27
6-person household	+/-13	0	+/-18	0	+/-18
7-or-more person household	+/-13	0	+/-18	0	+/-18

	Census Tract 2108.03, Guadalupe County, Texas		Census Tract 2108.04, Guadalupe County, Texas Part D57 - Census Tract 2108.04, Guadalupe County, Texas		Census Tract 2109.01, Guadalupe County, Texas
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Total:	1,427	+/-118	1,538	+/-117	2,077
Family households:	1,181	+/-138	1,051	+/-149	1,463
2-person household	607	+/-134	582	+/-164	796
3-person household	239	+/-113	188	+/-107	261
4-person household	151	+/-87	176	+/-80	232
5-person household	99	+/-56	56	+/-41	79
6-person household	52	+/-55	20	+/-26	63
7-or-more person household	33	+/-52	29	+/-32	32
Nonfamily households:	246	+/-111	487	+/-124	614
1-person household	246	+/-111	364	+/-101	485
2-person household	0	+/-13	63	+/-66	66
3-person household	0	+/-13	53	+/-76	7
4-person household	0	+/-13	7	+/-13	56
5-person household	0	+/-13	0	+/-13	0
6-person household	0	+/-13	0	+/-13	0
7-or-more person household	0	+/-13	0	+/-13	0

	Census Tract 2109.01, Guadalupe County, Texas	Census Tract 2109.02, Guadalupe County, Texas	
	Margin of Error	Estimate	Margin of Error
Total:	+/-178	1,360	+/-149
Family households:	+/-202	953	+/-93
2-person household	+/-197	539	+/-90
3-person household	+/-101	131	+/-60
4-person household	+/-106	152	+/-55
5-person household	+/-62	109	+/-54
6-person household	+/-68	0	+/-13
7-or-more person household	+/-35	22	+/-25
Nonfamily households:	+/-185	407	+/-131
1-person household	+/-160	339	+/-113
2-person household	+/-49	68	+/-59
3-person household	+/-15	0	+/-13
4-person household	+/-80	0	+/-13
5-person household	+/-18	0	+/-13
6-person household	+/-18	0	+/-13
7-or-more person household	+/-18	0	+/-13

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

While the 2009-2013 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '****' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

**City of Buda
Water Demand Projections
2-Apr-15**

Year	Average Day Water Demand						Water Supply (Avg. Day) Requirements		
	Connections	Population	Usage Per Connection (gpd/conn)	Water Usage from Connections (MGD)	Large User Usage (MGD)	Total Water Usage / Demand (MGD)	Existing Water Supply (MGD)	Average Daily Supply Surplus/Deficit (MGD)	Annual Supply Surplus/Deficit (ac-ft)
2007				0.58		0.58	2		
2008				0.87		0.87	2		
2009	2,168	6,374	436	0.87		0.87	2.03	1.15	1292
2010	2,325	6,836	462	0.95		0.95	2.03	1.08	1206
2011	2,611	7,676	453	1.05		1.05	2.03	0.98	1093
2012	2,821	8,294	382	1.03		1.03	2.03	1.00	1122
2013	3,345	9,834	345	1.13		1.13	2.03	0.90	1004
2014	3,660	10,760	351	1.29		1.29	2.03	0.74	831
2015	4,080	11,995	405	1.65		1.65	2.03	0.37	420
2016	4,500	13,230	405	1.82		1.82	2.03	0.20	229
2017	4,920	14,465	405	1.99		1.99	2.03	0.03	39
2018	5,340	15,700	405	2.16		2.16	2.03	(0.14)	(152)
2019	5,760	16,934	405	2.33		2.33	2.03	(0.31)	(342)
2020	6,145	18,066	405	2.49		2.49	2.03	(0.46)	(517)
2021	6,530	19,198	405	2.64		2.64	2.03	(0.62)	(691)
2022	6,915	20,330	405	2.80		2.80	2.03	(0.77)	(866)
2023	7,300	21,462	405	2.96		2.96	2.03	(0.93)	(1041)
2024	7,685	22,594	405	3.11		3.11	2.03	(1.09)	(1215)
2025	8,045	23,652	405	3.26		3.26	2.03	(1.23)	(1379)
2026	8,405	24,711	405	3.40		3.40	2.03	(1.38)	(1542)
2027	8,765	25,769	405	3.55		3.55	2.03	(1.52)	(1705)
2028	9,125	26,828	405	3.70	0.60	4.30	2.03	(2.27)	(2541)
2029	9,485	27,886	405	3.84	0.60	4.44	2.03	(2.41)	(2704)
2030	9,789	28,780	405	3.96	0.60	4.56	2.03	(2.54)	(2842)
2031	9,990	29,371	405	4.05	0.60	4.65	2.03	(2.62)	(2933)
2032	10,184	29,941	405	4.12	0.60	4.72	2.03	(2.70)	(3021)
2033	10,356	30,447	405	4.19	0.60	4.79	2.03	(2.77)	(3099)
2034	10,526	30,946	405	4.26	0.60	4.86	2.03	(2.84)	(3176)
2035	10,694	31,440	405	4.33	0.60	4.93	2.03	(2.90)	(3253)
2036	10,818	31,805	405	4.38	0.60	4.98	2.03	(2.95)	(3309)
2037	10,941	32,167	405	4.43	0.60	5.03	2.03	(3.00)	(3365)
2038	11,063	32,525	405	4.48	0.60	5.08	2.03	(3.05)	(3420)
2039	11,184	32,881	405	4.53	0.60	5.13	2.03	(3.10)	(3475)
2040	11,305	33,237	405	4.58	0.60	5.18	2.03	(3.15)	(3530)
2041	11,395	33,501	405	4.61	0.60	5.21	2.03	(3.19)	(3571)
2042	11,485	33,766	405	4.65	0.60	5.25	2.03	(3.22)	(3611)
2043	11,574	34,028	405	4.69	0.60	5.29	2.03	(3.26)	(3652)
2044	11,663	34,289	405	4.72	0.60	5.32	2.03	(3.30)	(3692)
2045	11,752	34,551	405	4.76	0.60	5.36	2.03	(3.33)	(3732)
2046	11,819	34,748	405	4.79	0.60	5.39	2.03	(3.36)	(3763)
2047	11,886	34,945	405	4.81	0.60	5.41	2.03	(3.39)	(3793)
2048	11,953	35,142	405	4.84	0.60	5.44	2.03	(3.41)	(3824)
2049	12,019	35,336	405	4.87	0.60	5.47	2.03	(3.44)	(3854)
2050	12,085	35,530	405	4.89	0.60	5.49	2.03	(3.47)	(3884)
2051	12,140	35,690	405	4.92	0.60	5.52	2.03	(3.49)	(3908)
2052	12,194	35,851	405	4.94	0.60	5.54	2.03	(3.51)	(3933)
2053	12,249	36,012	405	4.96	0.60	5.56	2.03	(3.53)	(3958)
2054	12,304	36,172	405	4.98	0.60	5.58	2.03	(3.56)	(3983)
2055	12,358	36,333	405	5.01	0.60	5.61	2.03	(3.58)	(4008)
2056	12,400	36,457	405	5.02	0.60	5.62	2.03	(3.59)	(4027)
2057	12,430	36,545	405	5.03	0.60	5.63	2.03	(3.61)	(4040)
2058	12,458	36,627	405	5.05	0.60	5.65	2.03	(3.62)	(4053)
2059	12,478	36,686	405	5.05	0.60	5.65	2.03	(3.63)	(4062)
2060	12,490	36,721	405	5.06	0.60	5.66	2.03	(3.63)	(4067)

Note: Population based on average household size of 2.94 persons per connection from the 2010 census.

PROJECT BUDGET - Hays Caldwell Public Utility Agency						
Uses	TWDB Funds Series 1	TWDB Funds Series 2	TWDB Funds Series 3	Total TWDB Cost	Other Funds	Total Cost
Construction						
Construction	\$7,403,760	\$0	\$0	\$7,403,760	\$396,240	\$7,800,000
Subtotal Construction	\$7,403,760	\$0	\$0	\$7,403,760	\$396,240	\$7,800,000
Basic Engineering Fees						
Planning +	\$87,326	\$0	\$0	\$87,326	\$4,674	\$92,000
Design	\$620,777	\$0	\$0	\$620,777	\$33,223	\$654,000
Construction Engineering	\$332,220	\$0	\$0	\$332,220	\$17,780	\$350,000
Basic Engineering Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Basic Engineering Fees	\$1,040,323	\$0	\$0	\$1,040,323	\$55,677	\$1,096,000
Special Services						
Application	\$0	\$0	\$0	\$0	\$0	\$0
Environmental	\$93,781	\$0	\$0	\$93,781	\$5,019	\$98,800
Water Conservation Plan	\$0	\$0	\$0	\$0	\$0	\$0
I/I Studies/Sewer Evaluation	\$0	\$0	\$0	\$0	\$0	\$0
Surveying	\$50,260	\$0	\$0	\$50,260	\$2,690	\$52,950
Geotechnical	\$47,650	\$0	\$0	\$47,650	\$2,550	\$50,200
Testing	\$56,952	\$0	\$0	\$56,952	\$3,048	\$60,000
Permits	\$7,119	\$0	\$0	\$7,119	\$381	\$7,500
Inspection	\$0	\$0	\$0	\$0	\$0	\$0
O&M Manual	\$0	\$0	\$0	\$0	\$0	\$0
Project Management (by engineer)	\$37,968	\$0	\$0	\$37,968	\$2,032	\$40,000
Pilot Testing	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution Modeling	\$0	\$0	\$0	\$0	\$0	\$0
Special Services Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Special Services	\$293,730	\$0	\$0	\$293,730	\$15,720	\$309,450
Other						
Administration	\$0	\$0	\$0	\$0	\$0	\$0
Land/Easements Acquisition	\$1,777,519	\$0	\$0	\$1,777,519	\$95,131	\$1,872,650
Water Rights Purchase (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Capacity Buy-In (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Project Legal Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Other Services	\$1,777,519	\$0	\$0	\$1,777,519	\$95,131	\$1,872,650
Fiscal Services						
Financial Advisor	\$149,313	\$0	\$0	\$149,313	\$11,430	\$160,743
Bond Counsel	\$104,170	\$0	\$0	\$104,170	\$9,144	\$113,314
Issuance Cost	\$125,000	\$0	\$0	\$125,000	\$16,510	\$141,510
Bond Insurance/Surety	\$0	\$0	\$0	\$0	\$0	\$0
Fiscal/Legal	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	\$569,520	\$0	\$0	\$569,520	\$30,480	\$600,000
Loan Origination Fee	\$0	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Fiscal Services	\$948,003	\$0	\$0	\$948,003	\$67,564	\$1,015,567
Contingency						
Contingency	\$1,036,665	\$0	\$0	\$1,036,665	\$45,661	\$1,082,326
Subtotal Contingency	\$1,036,665	\$0	\$0	\$1,036,665	\$45,661	\$1,082,326
TOTAL COSTS	\$12,500,000	\$0	\$0	\$12,500,000	\$675,992	\$13,175,992

Other ** description must be entered

+ For Planning applications under the EDAP Program, please break down Planning costs as follows:

Category A			0
Category B			0
Category C			0
Category D			0
Total Planning Costs		0	0

Part D61

Water Project Information Form

Texas Water Development Board Water Project Information							
A. Project Name		B. Project No.		C. County		D. Regional Planning Group (A-P)	
E. Program(s)		F. Loan <input type="checkbox"/> / Grant <input type="checkbox"/> Amount:		G. Loan Term:			
H. Water Project Description: (Multiphase project, new or expansion; plant, well, storage, pump station, distribution system, etc)							
Attach map of service area affected by Project or other documentation.							
I. Is an Inter Basin Transfer potentially involved? Yes <input type="checkbox"/> No <input type="checkbox"/>				J. Is project located in a Groundwater District (If yes, identify District by name)? Yes <input type="checkbox"/> No <input type="checkbox"/>			
K. Projected Population from application for at least a 20 year period. Attach justification and list service area populations if different from Planning Area.	Year	Reference Year	2010	2020	2030	2040	
	Population Projection						
Project Design Year			Design Population				
L. Is the proposed project included in a current Regional Water Plan? Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know <input type="checkbox"/> (If Yes, please specify on what page in the Regional Water Plan - Regional Water Plan Page Number: _____)							
M. What type of water source is associated directly with the proposed project ? Surface Water <input type="checkbox"/> Groundwater <input type="checkbox"/> Reuse <input type="checkbox"/>							
N. Will the project increase the volume of water supply? Yes <input type="checkbox"/> No <input type="checkbox"/>							
O. What volume of water is the project anticipated to deliver/ treat per year? _____ Acre-Feet/Year							
P. Current Water Supply Information							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
Groundwater Source Aquifer		Well Field location		Source County		Annual Volume and Unit	
Q. Proposed Water Supply Associated Directly with the Proposed Project							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
Groundwater Source Aquifer		Well Field location:		Source County		Annual Volume and Unit	
R. Consulting Engineer Name			Telephone No.		E-mail address		
S. Applicant Contact Name, Title			Telephone No.		E-mail address		

Part E71

Proposed Bond Ordinance

RESOLUTION NO. _____

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL
PUBLIC UTILITY AGENCY AUTHORIZING THE ISSUANCE OF HAYS CALDWELL
PUBLIC UTILITY AGENCY CONTRACT REVENUE BONDS (REGIONAL WATER
SUPPLY CONTRACT PROJECT), SERIES 2015; AND RESOLVING OTHER
MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT,
SECURITY, SALE AND DELIVERY OF SUCH BONDS**

ADOPTED _____, 2015

RESOLUTION NO. _____

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY AUTHORIZING THE ISSUANCE OF HAYS CALDWELL PUBLIC UTILITY AGENCY CONTRACT REVENUE BONDS (REGIONAL WATER SUPPLY CONTRACT PROJECT), SERIES 2015; AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SUCH BONDS

TABLE OF CONTENTS

	Page
PREAMBLE	1
Section 1. DEFINITIONS.....	2
Section 2. AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS	2
(a) Amount and Designation.....	2
(b) Purpose.....	2
Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES, AND TERMS OF BONDS.....	3
(a) Terms of Bonds	3
(b) In General.....	3
Section 4. INTEREST.....	3
Section 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION	3
(a) Paying Agent/Registrar	3
(b) Registration Books	4
(c) Ownership of Bonds	4
(d) Payment of Bonds and Interest.....	4
(e) Authentication	4
(f) Transfer, Exchange or Replacement.....	5
(g) Substitute Paying Agent/Registrar	6
(h) Notice of Redemption	6
Section 6. FORM OF BOND.....	7
Section 7. PLEDGE OF BOND PAYMENTS	7
(a) Pledge	7
(b) Perfection of Pledge	7
Section 8. RATES AND CHARGES.....	7
Section 9. DEBT SERVICE FUND AND CONSTRUCTION FUND	8
(a) Debt Service Fund	8
(b) Project Fund	8
Section 10. DEFICIENCIES - EXCESS BOND PAYMENTS.....	9
(a) Deficiencies	9
(b) Excess bond Payments	9
Section 11. PAYMENT OF BONDS	9
Section 12. INVESTMENTS.....	9

Section 13.	ISSUANCE OF ADDITIONAL BONDS	9
Section 14.	SPECIAL PROJECT BONDS	10
Section 15.	MAINTENANCE OF PROJECT - INSURANCE	10
Section 16.	RECORDS AND ACCOUNTS - ANNUAL AUDIT	11
Section 17.	SALE OR ENCUMBRANCE OF PROJECT	11
Section 18.	SPECIAL COVENANTS	11
	(a) Title.....	11
	(b) Liens	12
	(c) Performance.....	12
	(d) Legal Authority	12
	(e) Budget.....	12
	(f) Permits	12
Section 19.	LIMITED OBLIGATIONS OF THE AGENCY	12
Section 20.	DEFAULT AND REMEDIES.....	13
	(a) Events of Default.....	13
	(b) Remedies for Event of Default.....	13
	(c) Remedies Not Exclusive.....	13
Section 21.	AMENDMENT OF RESOLUTION	14
	(a) Amendments Without Consent.....	14
	(b) Amendments With Consent	15
	(c) Notice	15
	(d) Receipt of Consents.....	15
	(e) Effect of Amendments.....	16
	(f) Consent Irrevocable	16
	(g) Ownership	16
	(h) Insurer Consent	16
Section 22.	COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS	16
	(a) Covenants	16
	(b) Rebate Fund.....	18
	(c) Proceeds.....	18
	(d) Allocation Of, and Limitation On, Expenditures for the Project	18
	(e) Disposition of Project.....	19
	(f) Reimbursement	19
Section 23.	RESOLUTION TO CONSTITUTE A CONTRACT; EQUAL SECURITY.....	19
Section 24.	SEVERABILITY OF INVALID PROVISIONS.....	19
Section 25.	PAYMENT AND PERFORMANCE ON BUSINESS DAYS	19
Section 26.	LIMITATION OF BENEFITS WITH RESPECT TO THE RESOLUTION	20
Section 27.	CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE	20
Section 28.	CONTINUING DISCLOSURE UNDERTAKING.....	20
	(a) Annual Reports.....	20
	(b) Event Notices	21
	(c) Limitations, Disclaimers, and Amendments	22

Section 29.	APPLICATION OF BOND PROCEEDS	23
Section 30.	DEFEASANCE PROVISIONS	24
Section 31.	SALE OF BONDS; USE OF PROCEEDS.....	25
	(a) Sale to the Texas Water Development Board ("TWDB").....	25
	(b) Notice from TWDB of Sale of Bonds.....	25
	(c) Proceeds.....	25
	(d) Payment of Wire Transfer	25
	(e) Escrow Fund.....	26
	(f) Investment of Bond Proceeds	26
Section 32.	FURTHER PROCEDURES	26
Section 33.	REPEAL OF CONFLICTING RESOLUTIONS	26
Section 34.	PUBLIC NOTICE.....	26
Section 35.	NO PERSONAL LIABILITY	26
Section 36.	CREDIT AGREEMENTS	26
Section 37.	ADDITIONAL COVENANTS	27
	(a) Compliance with the TWDB's Rules and Regulations.....	27
	(b) Audits	27
	(c) Final Accounting	27
	(d) Defeasance	27
	(e) Segregation of Funds.....	27
	(f) Environmental Indemnity	27
	(g) Environmental Determination.....	27
	(h) Insurance	28
	(i) Water Conservation Program.....	28
	(j) No Purchase of TWDB Bonds	28
	(k) Compliance with Federal Contracting Law	28
	(l) Compliance with State Contracting Law	28
Section 38.	APPROVAL CERTIFICATE.....	28
EXHIBIT A	DEFINITIONS.....	A-1
EXHIBIT B	FORM OF BOND.....	B-1
EXHIBIT C	FORM OF CONSTRUCTION FUND REQUISITION	C-1
EXHIBIT D	CONTINUING DISCLOSURE.....	D-1
EXHIBIT E	REGIONAL WATER SUPPLY CONTRACT	E-1
EXHIBIT F	APPROVAL CERTIFICATE	

RESOLUTION NO. _____

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY AUTHORIZING THE ISSUANCE OF HAYS CALDWELL PUBLIC UTILITY AGENCY CONTRACT REVENUE BONDS (REGIONAL WATER SUPPLY CONTRACT PROJECT), SERIES 2015; AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SUCH BONDS

WHEREAS, the Hays Caldwell Public Utility Agency (the "Agency") is a separate agency, constituted authority and instrumentality and political subdivision of the State of Texas (the "State"), created by the Cities of Buda ("Buda"), Kyle ("Kyle") and San Marcos, Texas ("San Marcos") and the Canyon Regional Water Authority ("Canyon Regional"), a conservation and reclamation district and political subdivision of the State created and existing pursuant to Article XVI, Section 59 of the Texas Constitution (collectively, the "Sponsoring Public Entities" or singularly, a "Sponsoring Public Entity") and existing under the laws of the State, including Chapter 572, as amended, Texas Local Government Code (formerly Chapter 422, Texas Local Government Code, the "Agency Act"); and

WHEREAS, pursuant to the Agency Act, the Agency, is empowered to acquire and construct water facilities including water conservation, storage, transportation, treatment and distribution facilities and to deliver this water to the Sponsoring Public Entities; and

WHEREAS, the Agency Act also authorizes the Agency acting through its Board of Directors (the "Board") to issue revenue bonds to finance such water projects, payable solely from the revenues derived from payments to be made to the Agency by one or more of the respective Sponsoring Public Entities for which a series of bonds are issued for the purpose of defraying such Sponsoring Public Entity's share of the cost of financing, acquiring, and constructing the Project (as hereinafter defined); and

WHEREAS, the Agency initially expects to issue a series of such revenue bonds for Canyon Regional, Kyle and San Marcos to finance their share of the Phase IA Project (as hereafter defined) costs, with such series payable from and secured solely by payments made by Canyon Regional, Kyle and San Marcos under the Contract (as hereinafter defined); and

WHEREAS, Buda is financing their share of the Phase IA Project through a cash contribution to the Agency due to bank qualified limitations during calendar year 2015; and

WHEREAS, pursuant to the Agency Act, the Agency and the Sponsoring Public Entities have entered into a "Regional Water Supply Contract" dated as of January 15, 2008, as amended by Amendment No.1 and as may be further amended (collectively, the "Contract") pursuant to which the Agency has agreed to design, finance, construct, own, acquire, maintain and operate the Project in a manner that will allow the Agency to deliver water to the Sponsoring Public

Entities on a regional basis and under which each of the Sponsoring Public Entities agree to pay their share of the Project Costs and to make payments to or on behalf of the Agency in amounts sufficient to meet all of the Agency's obligations under the Contract including those relating to a Sponsoring Public Entity's bonds issued to finance and refinance a Sponsoring Public Entity's share of the Project Costs and to own, operate and maintain the Project; and

WHEREAS, Canyon Regional, Kyle and San Marcos have requested that the Agency issue a single series of revenue bonds in an aggregate principal amount of \$12,370,000 pursuant to the Contract to finance their share of the Phase IA Project costs (the "Bonds"); and

WHEREAS, Buda is expected to pay cash to the Agency for their share of the Phase IA Project Costs; and

WHEREAS, the Sponsoring Public Entities and the Agency have approved the Contract; and

WHEREAS, this Resolution constitutes a Bond Resolution as that term is defined in the Contract; and

WHEREAS, the principal of the Bonds and the interest thereon are and shall be solely payable from and secured by a lien on and pledge of the portion of the Annual Payments designated as "Bond Payments" to be made by Canyon Regional, Kyle and San Marcos pursuant to the Contract in amounts sufficient to pay and redeem, and provide for the payment of the principal of, premium, if any, and interest on the Bonds, when due, and the fees and expenses of the Paying Agent/Registrar for the Bonds, all as required by this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAYS CALDWELL PUBLIC UTILITY AGENCY THAT:

Section 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Resolution, the terms used in this Resolution (except as may be otherwise indicated in the FORM OF BOND) and not otherwise defined shall have the meanings given in Exhibit "A" to this Resolution attached hereto and made a part hereof.

Section 2. AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. (a) **Amount and Designation.** The Agency's bonds issued pursuant to this Resolution shall each be entitled "HAYS CALDWELL PUBLIC UTILITY AGENCY CONTRACT REVENUE BONDS (Regional Water Supply Contract Project), Series 2015" and are hereby authorized to be issued in the aggregate principal amount of \$12,370,000.

(b) **Purpose.** The Bonds are to be issued for the following purposes: (i) FOR CONSTRUCTING, ACQUIRING, IMPROVING AND/OR EXPANDING THE PROJECT INCLUDING BUT NOT LIMITED TO THE PAYMENT OF PROJECT COSTS FOR THE PHASE IA PROJECT AND (ii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS. (a) *Terms of Bonds.* The Bonds shall initially be issued, sold, and delivered hereunder as fully registered bonds, without interest coupons, numbered consecutively from R-1 upward (except the initial Bond delivered to the Attorney General of the State which shall be numbered T-1), payable to the respective initial Registered Owners thereof in an Authorized Denomination, serially on _____, in the years and in the principal amounts set forth below:

<u>YEARS</u>	<u>PRINCIPAL AMOUNTS</u>	<u>YEARS</u>	<u>PRINCIPAL AMOUNTS</u>
	\$		\$

(b) *In General.* The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND set forth in Exhibit "B" to this Resolution.

Section 4. INTEREST. The Bonds shall bear interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery at the rates set forth below:

<u>YEARS</u>	<u>RATES</u>	<u>YEARS</u>	<u>RATES</u>
	%		%

Interest shall be payable to the Registered Owner of any such Bond in the manner provided and on the dates stated in the FORM OF BOND set forth in Exhibit "B" to this Resolution.

Section 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION. (a) *Paying Agent/Registrar.* _____ is hereby appointed the Paying Agent/Registrar for the Bonds. The Agency Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form and substance presented to the Board in connection with the approval of this Resolution with such changes as are acceptable to the Agency Representative.

(b) *Registration Books.* The Board shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar in _____, Texas (the "Designated Trust Office") the Registration Books and the Board hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Board and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Board shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. A copy of the Registration Books shall be maintained in the State.

(c) *Ownership of Bonds.* The entity or person in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and, to the extent permitted by law, the Board and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such Registered Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) *Payment of Bonds and Interest.* The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Resolution. The Paying Agent/ Registrar shall keep proper records of all payments made by the Board and the Paying Agent/Registrar with respect to the Bonds.

(e) *Authentication.* The Bonds initially issued and delivered pursuant to this Resolution shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State and registered by the Comptroller of Public Accounts of the State, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the

Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BOND in Exhibit "B" attached hereto.

(f) ***Transfer, Exchange, or Replacement.*** Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the Registered Owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the Registered Owner or such assignee or assignees, as appropriate, be exchanged for fully registered Bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BOND set forth in Exhibit "B" to this Resolution, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same Series and have a single stated maturity date), as requested in writing by such Registered Owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate Registered Owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same Series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same Series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed an Authentication Certificate, in the form set forth in Exhibit "B" to this Resolution. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Board or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by the Agency Representative. Pursuant to Subtitle D, Texas Government Code and particularly Section 1201.063, thereof, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication

Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Resolution. The Board shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (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 interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the Registered Owner or assignee of the Registered Owner not more than three business days after the receipt of the Bonds to be canceled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Board covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Board will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Board reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than ninety (90) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Board. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(h) ***Notice of Redemption.*** In addition to the method of providing a notice of redemption set forth in the FORM OF BOND, the Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Registered Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date. Each notice of redemption, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate or rates, the maturity date, the CUSIP number, a reference to the certificate numbers and the

amounts called of each certificate, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number. All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such Registered Owner.

Section 6. FORM OF BOND. The form of the Bond, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State, with respect to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "B", with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

Section 7. PLEDGE OF BOND PAYMENTS. (a) *Pledge.* The Agency hereby covenants and agrees that the Bond Payments are hereby irrevocably pledged to the payment and security of the Bonds Similarly Secured including the establishment and maintenance of the special funds or accounts created and established on the books and records of the Agency for the payment and security thereof, all as hereinafter provided; and it is hereby resolved that the Bonds Similarly Secured, and the interest thereon, shall constitute a lien on and pledge of the Bond Payments and be valid and binding without any physical delivery thereof or further act by the Agency, and the lien created hereby on the Bond Payments for the payment and security of the Bonds Similarly Secured shall be prior in right and claim as to any other indebtedness, liability, or obligation of the Agency or the Project payable pursuant to the terms of the Contract. The Agency shall deposit the Bond Payments, as collected and received, into the Debt Service Fund (hereinafter defined), to be utilized pursuant to Section 9 hereof to pay the Bonds.

(b) *Perfection of Pledge.* Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the lien on and pledge of Bond Payments granted by the Agency under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If State law is amended at any time while the Bonds Similarly Secured are outstanding and unpaid such that the pledge of the Bond Payments granted by the Agency is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds Similarly Secured the perfection of the security interest in this pledge, the Board agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

Section 8. RATES AND CHARGES. For the benefit of the Registered Owners of the Bonds Similarly Secured and in addition to all provisions and covenants in the laws of the State and in this Resolution, the Contract between the Agency and the Participating Entities expressly stipulates and agrees, while any of the Bonds Similarly Secured are Outstanding, the Participating Entities will fix and collect such rates and charges for services to be supplied by the Participating Entities respective systems that will produce gross revenues at all times during the

term of the Contract in an amount equal to pay all of the expenses of operation and maintenance of the respective systems including Annual Payments and Bond Payments under the Contract and all other amounts required by the laws and the provisions of the ordinances or resolutions authorizing the Participating Entities Outstanding System Obligations now or hereafter outstanding payable, in whole or in part, from the net revenues of the Participating Entities respective systems, including the amounts required to pay all principal of and interest on such Participating Entities outstanding System bonds and other obligations. The Agency hereby expressly stipulates and agrees that it will take all appropriate action to enforce such terms of the Contract while any of the Bonds Similarly Secured are Outstanding.

The Registered Owner shall never have the right to demand payment for the Bonds out of any funds raised or to be raised from taxation by the Participating Entities or the Agency.

Section 9. DEBT SERVICE FUND AND PROJECT FUND. (a) *Debt Service Fund.* For purposes of providing funds to pay the principal of and interest on the Bonds Similarly Secured as the same become due and payable, the Agency agrees to maintain, at a Depository, a separate and special fund or account to be created and known as the "Hays Caldwell Public Utility Agency Contract Revenue Bonds (Regional Water Supply Contract Project), Debt Service Fund" (the "Debt Service Fund"). The Agency covenants that there shall be deposited into the Debt Service Fund prior to each principal and interest payment date solely from the available Bond Payments an amount equal to one hundred per cent (100%) of the amount required to fully pay the interest on and the principal of the Bonds Similarly Secured then falling due and payable.

Any accrued interest received from the Purchaser of any Bonds shall be deposited into the subaccount of the Debt Service Fund. In addition, any surplus proceeds from the sale of the Bonds, including investment income therefrom, not expended for authorized purposes shall be deposited into the Debt Service Fund, and such amounts (i.e., accrued and investment interest) so deposited shall reduce the sum otherwise required to be deposited in the Debt Service Fund from Bond Payments.

(b) *Project Fund.* The Agency hereby creates and establishes and shall maintain on the books and records of the Agency a separate fund or account to be entitled the "Hays Caldwell Public Utility Agency Contract Revenue Bonds (Regional Water Supply Contract Project), Project Fund" for use by the Agency for payment of Canyon Regional's share of the Project Costs. The Agency shall deposit the net proceeds from the sale of the Bonds into the Project Fund as provided in this Resolution. Funds in the Project Fund shall be requisitioned for payment of a Participating Entities' share of Project Costs in accordance with a requisition in substantially the form set forth in Exhibit "C" attached hereto with such changes as approved by the Agency Representative. Upon payment of all such costs, any moneys remaining on deposit in the Project Fund shall be transferred to the Debt Service Fund.

In the event the Project is not completed for any reasons contemplated in the Contract or otherwise or any proceeds from the Bonds are not used for completion of the Project for any

reason, any Bond proceeds and earnings therein not used for completion of the Project shall be utilized to pay principal and/or interest on the Bonds so as to reduce the Bond Payment.

Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Project Fund, from the Bonds remaining on deposit in the Project Fund after completing the Project and upon the completion of the final accounting as described in Section 37(c) hereof, shall be transferred to the Debt Service Fund to redeem, in inverse order of maturity, the Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible Project costs by funding projects that are a part of the State Water Plan.

Section 10. DEFICIENCIES - EXCESS BOND PAYMENTS. (a) *Deficiencies.* If on any occasion there shall not be sufficient Bond Payments to make the required deposits into the Debt Service Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Bond Payments and such payments shall be in addition to the amounts required to be paid into these Funds or accounts during such month or months.

(b) *Excess Bond Payments* Subject to making the required deposits to the Debt Service Fund when and as required by this Resolution or any resolution authorizing the issuance of Additional Bonds, any excess Bond Payments may be used by the Agency for any lawful purpose including, but not limited to, the redemption of any Bonds Similarly Secured.

Section 11. PAYMENT OF BONDS. While any of the Bonds Similarly Secured are Outstanding, the Executive Director or other authorized Agency official, shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Debt Service Fund, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Bonds Similarly Secured as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date a debt service payment is due on the Bonds Similarly Secured.

Section 12. INVESTMENTS. Funds held in any fund or account created, established, or maintained pursuant to this Resolution shall, at the option of the Agency, be invested in time deposits, certificates of deposit, guaranteed investment contracts, or similar contracting arrangements and/or as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, or any other law, and secured (to the extent not insured by the Federal Deposit Insurance Corporation) to the fullest extent required by the Public Funds Collateral Act, as amended, Chapter 2257, Texas Government Code. All interest and income derived from deposits and investments in any fund shall immediately be credited to, and any losses debited from, the fund from which such funds were derived. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 13. ISSUANCE OF ADDITIONAL BONDS. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Agency reserves the right

hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a lien on and pledge of the Bond Payments in the same manner and to the same extent as the Bonds and the Bonds Similarly Secured, and shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more Series provided, however, that no Additional Bonds, shall be issued unless and until the following conditions have been met:

(i) Except for a refunding to cure a default, the Agency is not then in default as to any covenant, condition or obligation prescribed in the resolutions authorizing the issuance of the Bonds Similarly Secured or the Contract (including any amendment or supplement thereto) and the funds under the resolution authorizing the same contains the amounts then required to be therein;

(ii) The Participating Entities shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from the Bond Payments to be made to the Agency under and pursuant to the Contract;

(iii) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Debt Service Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due; and

(iv) Based upon an opinion of legal counsel to the Agency that there are legal, valid and bindings contracts then in effect pursuant to which the Participating Entities, which are parties to such contracts are obligated to make payments to the Agency during each fiscal year (including periods when services of the Project may not be available to such contracting parties and others) in such amounts as shall be necessary to provide to the Agency sufficient funds to pay when due all principal and interest on all Bonds and Additional Bonds to be outstanding after the issuance of the proposed Additional Bonds.

The Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the Board of the Agency may deem to be in the best interest of the Agency; provided, however, such refunding bonds do not have to comply with paragraph (ii) hereof.

Section 14. SPECIAL PROJECT BONDS. The Agency further reserves the right to issue bonds in one or more installments for the purchase, construction, improvement, extension, replacement, enlargement or repair of utility facilities necessary under a contract or contracts with persons, corporations, municipal corporations, political subdivisions, or entities including the Participating Entities, such bonds to be payable from and secured by the proceeds of such contract or contracts (other than the Contract). The Agency further reserves the right to refund such bonds and secure the payment of the debt service requirements on the refunding bonds in the same manner or as otherwise permitted by the laws of the State.

Section 15. MAINTENANCE OF PROJECT - INSURANCE. The Agency covenants, agrees, and affirms its covenants that while the Bonds Similarly Secured remain outstanding it will maintain and operate the Project with all possible efficiency and maintain casualty and other insurance on the properties of the Project and its operations of a kind and in such amounts customarily carried by municipal corporations in the State engaged in a similar type of business (which may include an adequate program of self insurance); and that it will faithfully and punctually perform all duties with reference to the Project required by the laws of the State. All money received from losses under such insurance policies, other than public liability policies, shall be retained for the benefit of the Registered Owners of the Bonds Similarly Secured until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses of the Project. Nothing in this Resolution shall be construed as: (i) requiring the Agency to expend any funds which are derived from sources other than the operation of the Project but nothing herein shall be construed as preventing the Agency from doing so or (ii) requiring the purchase of insurance until Facilities are constructed.

Section 16. RECORDS AND ACCOUNTS - ANNUAL AUDIT. The Agency covenants, agrees, and affirms its covenants that so long as any of the Bonds Similarly Secured remain outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the Project in which complete and correct entries shall be made of all transactions relating thereto as provided by applicable law. The Registered Owners of any Bonds or any duly authorized agent or agents of such Registered Owners shall have the right to inspect the Project and all properties comprising the same. The Agency further agrees that following (and in no event later than six (6) months after) the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Expenses incurred in making the annual audit of the operations of the Project are to be regarded as Operation and Maintenance Expenses of the Project.

Section 17. SALE OR ENCUMBRANCE OF SYSTEM. While any Bonds remain Outstanding, the Agency will not sell, dispose of or further encumber the Project or any substantial part thereof; provided, however, that this provision shall not prevent the Agency from (i) pledging the Bond Payments and Funds to Additional Bonds or Special Project Bonds as set forth in Sections 13 and 14 of this Resolution or (ii) disposing of any part of the Project which is being replaced or is deemed by the Agency to be obsolete, worn out, surplus or no longer needed for the proper operation of the Project. Any agreement pursuant to which the Agency contracts with a person, corporation, municipal corporation or political subdivision to operate the Project or to lease and/or operate all or part of the Project shall not be considered as an encumbrance of the Project; provided, however, no such agreement shall impair the pledge and lien on the Bond Payments and Funds.

Section 18. SPECIAL COVENANTS. The Agency further covenants and agrees that:

(a) **Title.** The Agency lawfully owns or will own and is or will be lawfully possessed of the lands, easements or other property rights (including leasehold interests) upon which its Project is and will be located, and has or will purchase good and indefeasible estate in such lands in fee simple, or has or will lawfully obtain any necessary easements or has or will lawfully obtain property rights (including leasehold interests to operate the Project, and it warrants that it has or will obtain and will defend, the title to all the aforesaid lands, easements and property rights for the benefit of the Registered Owners of the Bonds against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Bond Payments to the payment of the Bonds Similarly Secured, in the manner prescribed herein, and that it has lawfully exercised such rights.

(b) **Liens.** The Agency will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or its Project, and it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge upon its Project, provided, however, that no such tax, assessment, or charge, and that no such claims which might be or other lien or charge, shall be required to be paid while the validity of the same shall be contested in good faith by the Agency.

(c) **Performance.** The Agency will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the resolutions authorizing the issuance of Bonds Similarly Secured, and in each and every Bond Similarly Secured and pay from the Bond Payments the principal of and interest on every Bond Similarly Secured on the dates and in the places and manner prescribed in such resolutions and Bonds Similarly Secured; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Bond Payments the amounts required to be deposited into the Debt Service Fund; and the Registered Owner of the Bonds Similarly Secured may require the Agency, its officials, agents, and employees to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of Bonds Similarly Secured including, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Agency, its officials, agents, and employees.

(d) **Legal Authority.** The Agency is duly authorized under the laws of the State to issue the Bonds Similarly Secured; that all action on its part for the authorization and issuance of the Bonds Similarly Secured has been duly and effectively taken, and the Bonds Similarly Secured in the hands of the Registered Owners thereof are and will be valid and enforceable special obligations of the Agency in accordance with their terms payable solely from the Bond Payments.

(e) **Budget.** The Agency will prepare, adopt, and place into effect an annual budget (the "Annual Budget") for Operation and Maintenance Expenses of the Project for each Fiscal Year, including in each Annual Budget such items as are customarily and reasonably contained in a utility Project budget under generally accepted accounting procedures.

(f) *Permits*. The Agency will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the Project and which have been obtained from any governmental agency; and the Agency has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the Project.

Section 19. LIMITED OBLIGATIONS OF THE AGENCY. The Bonds Similarly Secured are limited, special obligations of the Agency payable from and equally and ratably secured solely by a lien on and pledge of the Bond Payments, and the Registered Owners thereof shall never have the right to demand payment of the principal or interest on the Bonds Similarly Secured from any funds raised or to be raised through taxation by the Participating Entities or the Agency.

Section 20. DEFAULT AND REMEDIES. (a) *Events of Default*. Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Agency, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and, if such default is capable of cure, the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the Agency; or

(iii) a default by a Participating Entity under its respective Contract.

(b) *Remedies for Event of Default*.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Agency, or any official, officer or employee of the Agency in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies. The Registered Owners are third party beneficiaries to the Contract with the ability to enforce the provisions of the Contract for such period that a default exists under the Contract.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then Outstanding.

(iii) As long as any Insurer is not in payment default on the related Insurance Policy for the Bonds, the Insurer shall be deemed to be the sole Registered Owner of such Bonds issued by it for purposes of enforcing remedies in the Event of Default under this Resolution.

(c) ***Remedies Not Exclusive.***

(i) No remedy herein conferred or reserved 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 given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Resolution, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Resolution.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Resolution, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Resolution do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Agency or the Board.

(iv) None of the members of the Board of Directors, nor any other official or officer, agent, or employee of the Agency, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Resolution, or because of any Event of Default or alleged Event of Default under this Resolution.

Section 21. AMENDMENT OF RESOLUTION. (a) ***Amendments Without Consent.*** This Resolution and the rights and obligations of the Board and of the Registered Owners of the Bonds may be modified or amended at any time without notice to or the consent of any Registered Owner of the Bonds or any Bond similarly secured, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Resolution, upon receipt by the Board of an opinion of counsel, that the same is needed for such purpose, and will more clearly express the intent of this Resolution;

(iii) To supplement the security for the Bonds, replace or provide additional Credit Agreement, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(v) To make such changes, modifications or amendments as are permitted by Section 30(c) (v) of this Resolution;

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds; or

(vii) To assign the Contract to a trustee.

(b) ***Amendments With Consent.*** Subject to the other provisions of this Resolution, the Registered Owners of Outstanding Bonds aggregating 51% in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Subsection (a) of this Section, to this Resolution which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Resolution or in the Bonds so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by the Outstanding Bonds;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) **Notice.** (i) If at any time the Board shall desire to amend this Resolution other than pursuant to (a) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York or the State including in the Texas Bond Reporter once during each calendar week for at least two (2) successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each Registered Owner of Bonds.

(ii) Copies of any modification or amendment to this Resolution shall be sent to Standard & Poor's Ratings Services and Moody's Investors Service, Inc. at least ten (10) days prior to the effective date thereof.

(d) **Receipt of Consents.** Whenever at any time not less than thirty (30) days, and within one (1) year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least 51% in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) **Effect of Amendments.** Upon the adoption by the Board of any resolution to amend this Resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the resolution and this Resolution, as amended.

(f) **Consent Irrevocable.** Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the Board, but such revocation shall not be effective if the owners of 51% in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Registration Books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that

such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

(h) ***Insurer Consent.*** Notwithstanding the foregoing provisions of this Section, so long as any Insurer is not in payment default under its policy, no amendment or supplement to this Resolution may become effective except upon obtaining the prior written consent of any such Insurer.

Section 22. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The Agency covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Agency covenants as follows:

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

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the bonds are issued,

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

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

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

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

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Agency for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Agency understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations. It is the understanding of the Agency that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Agency will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter

promulgated which impose additional requirements which are applicable to the Bonds, the Agency agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Agency hereby authorizes and directs the Executive Director to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Agency, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Agency covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 2 of this Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Agency recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Agency recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Agency agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the agency shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Agency covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Agency of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Agency may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Agency shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 23. RESOLUTION TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is

authorized hereunder, by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Board and the Registered Owners from time to time of the Bonds and the pledge made in this Resolution by the Board and the covenants and agreements set forth in this Resolution to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Registered Owners, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Resolution.

Section 24. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 25. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Resolution or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 26. LIMITATION OF BENEFITS WITH RESPECT TO THE RESOLUTION. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Registered Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Registered Owners, and the Paying Agent/Registrar as herein and therein provided.

Section 27. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Agency Representative is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State. The Agency Representative is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds as permitted by Chapter 1202, Texas Government Code, in which case the Agency

Representative also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of the Board's Bond Counsel and the assigned CUSIP numbers may, at the option of the Board, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. The preamble to this Resolution is hereby adopted and made a part of this Resolution for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

Section 28. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The Agency shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the Agency of the general type included in the Private Placement Memorandum authorized by Section 31(a) of this Resolution, being the information of the type described in Exhibit "D" hereto including financial statements of the Agency if audited financial statements of the Board are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the Agency, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the generally accepted accounting principles for governmental units, or such other accounting principles as the Agency may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the official statement, and (ii) audited, if the Agency commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Agency shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the Agency changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) Event Notices. The Agency shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- A. Principal and interest payment delinquencies;

- B. Non-payment related defaults, if material within the meaning of the federal securities laws;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;
- F. 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 events affecting the tax status of the Bonds;
- G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
- H. Bond calls, if material within the meaning of the federal securities laws and tender offers;
- I. Defeasances;
- J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the Board;
- M. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, 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 within the meaning of the federal securities laws; and
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in

accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice of any deposit made in accordance with Section 30 of this Resolution that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Board in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Should the Rule be amended to obligate the Board to make filings with or provide notices to entities other than the MSRB, the Board hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

The provisions of this Section may be amended by the Board 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 Board, but only if (1) the

provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision 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.

Section 29. APPLICATION OF BOND PROCEEDS. (a) Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the Agency Representative as follows:

- (i) accrued interest, if any, for the Bonds shall be deposited as provided in Section 10(h);
- (ii) an amount sufficient to accomplish the purposes of Section 2 shall be so applied; and
- (iii) any proceeds from the sale of the Bonds remaining after the deposits provided for in clauses (i) and (ii) above, shall be applied to pay expenses arising in connection with the issuance of the Bonds.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be applied to the payment of interest on the Bonds.

Section 30. DEFEASANCE PROVISIONS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an

independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Agency with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Bond Payments as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Agency also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the Agency.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Agency shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Agency retains the right under State law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Agency may call such Defeased Bond for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of

subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 31. SALE OF BONDS; USE OF PROCEEDS. (a) Sale to the Texas Water Development Board ("TWDB"). That the Bonds are hereby sold to TWDB for the price of par, less an origination fee of ____% of the principal amount of the Bonds. The Bonds have been purchased by the TWDB pursuant to its Resolution No. 15-____, adopted on _____, 2015 ("TWDB Resolution No. 15-____"). The Bonds initially delivered shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Bonds to the TWDB in substantially the form attached to this Resolution is approved. The Agency has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the Agency.

(b) Notice from TWDB of Sale of Bonds. It is the intent of the parties to the sale of the Bonds that if TWDB ever determines to sell all or a part of the Bonds, it shall notify the Agency at least 60 days prior to the sale of the Bonds of the decision to so sell the Bonds.

(c) Proceeds. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the Agency, or on behalf of the Agency by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF BOND.

(e) Escrow Fund. By agreeing to the purchase the Bonds, the TWDB agrees that the bond proceeds shall be deposited into the escrow fund established in the Escrow Agreement between the Agency and _____.

(f) Investment of Bond Proceeds. Proceeds from the sale of the Bonds shall be held at a depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

Section 32. FURTHER PROCEDURES. The Chair, the Agency Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Board all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith. The Agency Representative is authorized to sign this Resolution.

Section 33. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 34. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Resolution was adopted; that this Resolution would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

Section 35. NO PERSONAL LIABILITY. No covenant or agreement contained in the Bonds, this Resolution or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of the Board in his individual capacity, and neither the directors, officers, agents, employees or representatives of the Board nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

Section 36. CREDIT AGREEMENTS. To the extent permitted by law, the Agency reserves the right to enter into Credit Agreements in connection with the Bonds, upon the written opinion of the Agency Representative that such Credit Agreements are in the best interest of the Agency given the market conditions at the time. The Credit Agreements will constitute a Credit Agreement as defined in this Resolution. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) debt secured by a pledge of the Bond Payments on parity with the Bonds Similarly Secured (ii) debt secured by an inferior lien secured by a pledge of the Bond Payments subordinate to the Bonds Similarly Secured or (iii) partially parity and partially inferior lien.

Section 37. ADDITIONAL COVENANTS. In connection with the sale of the Bonds to the TWDB, the Agency covenants as follows:

(a) Compliance with the Texas Water Development Board's Rules and Regulations. The Agency covenants to comply with the rules and regulations of the TWDB, and to maintain insurance on the Project in such amount as may be required by TWDB, as further addressed in subsection (h) of this Section.

(b) Audits. For so long as the State of Texas owns any of the Bonds, the Agency shall mail a copy of the audit required by this Resolution to the TWDB. In addition, monthly operating statements for the Project shall be maintained by the Agency and made available, on

request, to the TWDB as long as the State of Texas owns any of the Bonds, and the monthly operating statement shall be in such detail as requested by the Development Fund Manager of the TWDB until this requirement is waived thereby.

(c) Final Accounting. The Agency shall render a final accounting to the TWDB in reference to the total cost incurred by the Agency for the Project which were financed by the issuance of the Bonds, together with a copy of "as built" plans of such Project.

(d) Defeasance. Should the Agency exercise its right under this Resolution to effect the defeasance of the Bonds, the Agency agrees that it will provide the TWDB with written notice of any such defeasance.

(e) Segregation of Funds. The Agency covenants that proceeds of the Bonds shall remain separate and distinct from other sources of funding from the date of the TWDB commitment through costing and final disbursement.

(f) Environmental Indemnity. Proceeds from the Bonds shall not be used by the Agency when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the Agency agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the Agency, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(g) Environmental Determination. In connection with the project financed with the Bonds, the Agency agrees to implement any environmental determination issued by the Executive Administrator of TWDB to satisfy the environmental review requirements set forth in 31 Texas Administrative Code 371.

(h) Insurance. The Agency agrees that it will maintain insurance on the Project in an amount sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The Agency may self-insure in respect to satisfying this covenant.

(i) Water Conservation Program. The Agency has implemented or will implement an approved water conservation program in compliance with 31 Texas Administrative Code 371.71(a)(2)(F).

(j) No Purchase of TWDB Bonds. The Agency agrees that it, nor any related party to the Agency, will not purchase, as an investment or otherwise, bonds issued by TWDB including, without limitation, bonds issued by TWDB, the proceeds of which were used by TWDB to purchase the Bonds.

(k) Compliance with Federal Contracting Law. The Agency acknowledges that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises.

(l) Compliance with State Contracting Law. The Agency acknowledges that it has a legal obligation to comply with any applicable requirements of State law relating to contracting with historically underutilized businesses.

Section 38. APPROVAL CERTIFICATE. Pursuant to Section 3.1 of the Contract, the Participating Entities have authorized the execution of an approval certificate attached hereto as Exhibit "F" which evidences the approval of the terms and provisions of the Bonds as set forth herein by the Participating Entities.

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PASSED AND ADOPTED on the ____ day of _____, 2015.

HAYS CALDWELL PUBLIC UTILITY AGENCY

Agency Representative

EXHIBIT A

DEFINITIONS

As used in this Resolution, the following terms and expressions shall have the meanings set forth below, unless the text in this Resolution specifically indicates otherwise.

The term *Additional Bonds* shall mean the obligations issued in accordance with the terms and conditions prescribed in Section 13 hereof.

The term *Agency* shall mean Hays Caldwell Public Utility Agency and any other public agency succeeding to the powers, rights, privileges and functions of the Agency and, when appropriate, the Board of Directors of the Agency.

The term *Agency Representative* shall mean the Chair of the Agency or such other person authorized by the Board to act as a Agency Representative.

The term *Annual Payments* shall have the meaning given in each Contract.

The term *Authorized Denominations* shall mean shall mean the denomination of \$5,000 or any integral multiple thereof.

The term *Average Annual Debt Service Requirements* shall mean that average amount which, at the time of computation, will be required to pay the Debt Service Requirements on all outstanding Bonds Similarly Secured when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Debt Service Requirement by the number of Fiscal Years then remaining before Stated Maturity of such Bonds Similarly Secured. For purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from Bond proceeds shall be excluded in making the aforementioned computation.

The term *Bond Payments* shall mean the payments defined as "Bond Payments" within the Contract that the Agency expects to receive from the Participating Entities pursuant to the terms of the Contract.

The term *Bonds* shall mean and include collectively the Bonds issued and delivered and all substitute Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term *Bond* shall mean any of the Bonds.

The term *Bonds Similarly Secured* shall mean the Bonds issued pursuant to this Resolution and any Additional Bonds hereafter issued by the Agency or bonds issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a lien on and pledge of the Bond Payments.

The term *Business Day* shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term *Canyon Regional System* shall mean and includes the existing combined waterworks and/or wastewater disposal system of *Canyon Regional*, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage and/or reclaimed water systems which are integrated with the waterworks or wastewater disposal system, and all replacements thereof. Provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term *Canyon Regional System* shall not include any waterworks or wastewater facilities which are declared by Canyon Regional not to be a part of the Canyon Regional System, and which are hereafter acquired or constructed by Canyon Regional with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of Canyon Regional which are not secured by or payable from the net revenues of the Canyon Regional System, but which are secured by and are payable solely from special contract revenues, or payments received from Canyon Regional or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute gross revenues of the Canyon Regional System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such *Special Facilities Bonds*.

The term *Canyon Regional Utility Bonds* shall mean the bonds, notes or other obligations issued by Canyon Regional secured by a lien on and pledge of the net revenues of the Canyon Regional System or any part thereof regardless of lien priority including such bonds, notes or other obligations now or hereafter outstanding.

The term *Certified Public Accountant* shall mean an independent certified public accountant or firm of independent certified public accountants.

The term *Closing Date* shall mean the date of physical delivery of the Initial Bond issued pursuant to this Resolution for the payment in full by the initial purchaser.

The term *Completion Date* shall mean when the Facilities have been substantially complete, the date specified in a certificate of the Agency and Project Engineer that the Project is substantially completed and ready to be placed in service.

The term *Contract* shall mean the Regional Water Supply Contract dated as of January 15, 2008, together with amendments and supplements thereto including Amendment No. 1 (which by the term of such instrument is designated as a supplement or amendment to such Contract) between the Agency and each Participating Entity, conformed copies of the Contract being attached hereto as Exhibit "E" for the purposes of identification.

The term *Credit Agreement* shall mean an Insurance Policy, a surety bond (including any supporting Insurance Agreement), a letter or line of credit or other type of enhancement issued in support of any Bonds or Additional Bonds by a Credit Agreement Provider at the request of the Agency.

The term *Credit Agreement Provider* shall mean (i) with respect to any Credit Agreement consisting of a policy of municipal bond insurance or a surety bond, an issuer of policies of insurance insuring the timely payment of scheduled debt service on governmental obligations such as any Series of Bonds or Additional Bonds, provided that a Rating Agency having an outstanding rating on the Bonds or Additional Bonds would rate the Bonds or Additional Bonds upon delivery of the Bonds or Additional 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 Credit Agreement consisting of a letter or line of credit, any financial institution, provided that a Rating Agency having an outstanding rating on the Bonds or Additional Bonds would rate the Bonds or Additional Bonds in one of its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of a series of Bonds or Additional Bonds and the interest thereon.

The term *Debt Service Fund* shall mean the special fund or account created and established by the provisions of Section 9(a) of this Resolution.

The term *Debt Service Requirements* shall mean as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Agency as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest calculated by (a) either (i) an interest rate equal to the average rate borne by such Bonds (or by comparable debt in the event that such Bonds have not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, (ii) if the Bonds bear interest at tax-exempt rates, an interest rate equal to the 24 month average of the Index (as most recently published in The Bond Buyer), unless such index is no longer published in The Bond Buyer, in which case the index to be used in its place shall be that index which the Agency Representative determines most closely replicates such index as set forth in a certificate of a Agency Representative, (iii) if the Bonds bear interest at taxable rates, an interest rate equal to the rate of the 30 day London Interbank Offered Rate, (iv) that interest rate which, in the judgment of the Agency Representative, based, to the extent possible, upon an accepted market index which corresponds with the provisions of the subject Bonds, is the average rate anticipated to be in effect with respect to such Bonds or (v) that interest rate which, in the judgment of the Agency Representative, based upon the interest rate methodology in the applicable Credit Agreement if calculating payments under a Credit Agreement, is the average rate anticipated to be in effect; and (b) that the debt service of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity,

the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

The term *Defeasance Securities* shall mean (i) Federal Securities, (ii) 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 Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iii) non-callable 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 Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent.

The term *Depository* shall mean an official depository bank of the Agency.

The term *Designated Trust Office* shall have the meaning ascribed to said term in Section 5(b) of this Resolution.

The term *Engineering Report* shall mean the "Final Report of the Plumbing Plan," prepared by Lockwood, Andrews & Newman, Inc., dated September 21, 2007, as such report may be amended, modified and changed and superseded with the approval of the Agency and Sponsoring Public Entities, at any time prior to the execution of construction contracts for the Project or as modified and changed by change orders issued after the execution of such construction contracts; provided, however, no such change orders shall adversely affect any of the Sponsoring Public Entities without the consent of the Sponsoring Public Entities.

The term *Facilities* shall mean the facilities, wells, diversion structures, treatment plants, storage tanks, capacity rights, lines, booster pumps, and other appurtenances sufficient to produce, divert, treat and deliver the water to which the Sponsoring Public Entities are entitled under the Contract and any improvements, additions, or extensions to such Facilities hereafter acquired or constructed to deliver water between such places.

The term *Federal Securities* shall mean direct, non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

The term *Fiscal Year* shall mean the twelve month accounting period used by the Agency in connection with the operation of the Project, currently ending on September 30th of each year, which may be any twelve consecutive month period established by the Agency, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

The term *Fitch* shall mean Fitch Investors Service, L.P., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency designated by the Agency.

The term *Funds* shall mean the Debt Service Fund and Construction Fund created and held pursuant to this Resolution.

The term *Government Securities* shall mean (i) direct non-callable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) non-callable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) non-callable 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 issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Bonds, while any of the Bonds remain Outstanding as established in the Award Certificate.

The term *IRS Code* shall mean the Internal Revenue Code of 1986, as amended.

The term *Kyle System* shall mean and includes the existing combined waterworks and/or wastewater disposal system of *Kyle*, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage and/or reclaimed water systems which are integrated with the waterworks or wastewater disposal system, and all replacements thereof. Provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term *Kyle System* shall not include any waterworks or wastewater facilities which are declared by Canyon Regional not to be a part of the Kyle System, and which are hereafter acquired or constructed by Canyon Regional with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of Kyle which are not secured by or payable from the net revenues of the Kyle System, but which are secured by and are payable solely from special contract revenues, or payments received from Kyle or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute gross revenues of the Kyle System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such *Special Facilities Bonds*.

The term *Kyle Utility Bonds* shall mean the bonds, notes or other obligations issued by Kyle secured by a lien on and pledge of the net revenues of the Kyle System or any part thereof regardless of lien priority including such bonds, notes or other obligations now or hereafter outstanding.

The term *Land Interests* shall mean the easements, right-of-way, and other interests in real property necessary for the acquisition, construction, and operation of the Facilities and the Water Rights for the Project.

The term *MSRB* means the Municipal Securities Rulemaking Board.

The term *Maturity* shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption or otherwise.

The term *Moody's* shall mean Moody's Investors Service, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Agency.

The term *Operation and Maintenance Expenses* shall mean all direct costs and expenses incurred by the Agency for its operation and maintenance, including but not limited to, the operation and maintenance of the Project, including (for greater certainty but without limiting the generality of the foregoing) amounts payable under any contract with any person, including, but not limited to any federal, state, or local agency for the right to produce, withdraw or divert and use water, any contribution or payment in lieu of taxes or any fee or charge by any government authority relating to the Agency's production, withdrawal or diversion of or sale of treated water hereunder, the costs of utilities, supervision, engineering, accounting, auditing, legal services, insurance premiums, supplies, services, and administration of the Project, Overhead Expenses, any required costs of mitigation and land management incidental to Project operation, and costs of operating, repairing, maintaining, and replacing equipment for proper operation and maintenance of the Project. The term "Operation and Maintenance Expenses" does not include depreciation charges or such portion of the above described costs to the extent such costs are paid pursuant to an agreement other than the Contract.

The term *Outstanding* shall mean when used in this Resolution with respect to Bonds means, as of the date of determination, all Bonds of any series issued and delivered pursuant to this Resolution, except:

- (1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds for which payment has been duly provided by the Agency in accordance with the provisions of Section 32 of this Resolution by the irrevocable deposit

with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity or redemption, as the case may be, provided that, if such Bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Resolution or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 5(f) of this Resolution.

The term *Overhead Expenses* shall mean the Agency's reasonable and necessary costs and expenses incurred at any time directly related to the issuance and servicing of the Bonds, the acquisition of Land Interests required for the Project, the design, permitting, financing, acquisition, construction, and ownership of the Project and any other activities required of or involving the Agency in connection with or attributable to the Project or the Bonds, including, but not limited to: (i) per diem and reimbursable expenses incurred by the Directors of the Agency for special meetings of the Agency's Board of Directors related to the Project; (ii) services of the professional, technical skilled and unskilled persons and firms engaged by or associated with the Agency, other than Agency staff personnel, together with their reimbursable expenses paid or required to be paid by the Agency; (iii) salaries of the Agency's staff attributable to the Project or the Bonds based on time expended, as documented or reasonably estimated by the President, Board of Directors of the Agency; (iv) the costs of preparing applications for and obtaining all approvals and authorizations required for the Project or the Bonds from the regulatory authorities having jurisdiction; (v) the cost of property casualty and public liability insurance incurred prior to the Completion Date; including any insurance deductible charged to or required to be paid by the Agency; provided that if the Agency is unable to obtain such insurance on an occurrence basis, then any expense incurred by the Agency from and after the Completion Date for casualty and public liability insurance, including any insurance deductible, shall be paid by the Sponsoring Public Entities; (vi) all costs incurred in litigation involving or relating to the Project; and (vii) any and all other costs and expenses, including out-of-pocket expenses, incurred by the Agency attributable to the Project or the Bonds, whether enumerated above or not, and whether or not included in the definition or as a part of Project Costs.

The terms *Paying Agent/Registrar*, *Paying Agent* or *Registrar* shall mean the agent appointed pursuant to Section 5 of this Resolution or any successor to such agent.

The term *Participating Entities* shall mean with respect to the Bonds, Kyle, San Marcos and Canyon Regional and with respect to Additional Bonds one or more of the sponsoring Entities as applicable.

The term *Participating Entities Outstanding System Obligations* shall mean the Kyle Utility Bonds, the San Marcos Utility Bonds and the Canyon Regional Utility Bonds.

The term *Phase IA Project* shall mean the design and construction of facilities to interconnect the Cities of Kyle and Buda water systems. The Project will use the Phase 1A Project facilities to deliver Carrizo water into the Buda system. Facilities include a possible water pump section, pumps, ground storage tank, chlorine treatment system, yard piping necessary to receive and pump water, fee simple purchase of property for the pump starter and new transmission pipeline.

The term *Project* shall mean, collectively, the Land Interests and the Facilities as described in the recitals to the Contract and in the Engineering Report.

The term *Project Costs* shall mean and includes, without limitation, the following costs incurred for the Project by or on behalf of the Agency or the Sponsoring Public Entities: (i) the cost of acquisition of the Land Interests, including appraisals, closing costs and title insurance policies; (ii) the cost of acquisition, construction, repair, replacement, improvement or decommissioning of the Facilities, and any structure, item of equipment, or other item, used for, or in connection with, the Project; (iii) the cost of site preparation of the Land Interests, including demolition or removal of structures and improvements as necessary or incident to accomplishing the Project; (iv) the cost of engineering, legal, architectural or other related services; (v) the preparation cost of plans, specifications, studies, surveys, cost estimates, and other expenses necessary or incident to planning, providing, or financing the Project; (vi) the cost of machinery, equipment, furnishings, and facilities necessary or incident to placing the Project in operation; (vii) finance charges and interest before, during, and after construction as permitted by the laws of the State; (viii) costs incurred in connection with financing the project, including, without limitation: (1) financing, legal, accounting, financial advisory, rating agency, and auditing fees, expenses and disbursements; (2) the cost of printing, engraving, and reproduction services; and (3) the cost of a trustee's or paying agent's initial or acceptance fee and subsequent fees; (ix) all costs, fees and expenses of litigation of all kinds; (x) the cost of property casualty and public liability insurance; (xi) the fees and costs of the underwriters as the anticipated purchasers of the Bonds; (xii) reimbursement of the costs previously incurred by the Sponsoring Public Entities with respect to the Project; and (xiii) other costs generally recognized as a part of Project construction costs.

The term *Project Engineer* shall mean such engineer or engineering firm selected by the Agency.

The term *Purchaser* shall mean the Texas Water Development Board.

The term *Rating Agencies* shall mean S&P, Moody's and/or Fitch according to which of such rating agencies then rates the Bonds or Additional Bonds of the applicable series; and provided that if neither of such rating agencies then rates any series of Bonds or Additional Bonds of such series, the term "Registered Owner" shall refer to any national rating agency (if any) which provides such rating.

The term *Record Date* shall mean the Business Day of each month as set forth in the FORM OF BOND.

The term *Registration Books* shall mean the books or records relating to the registration, payment and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Resolution.

The term *Registered Owner* shall mean the entity or person in whose names any of the Bonds are registered in the Registration Books.

The term *Resolution* shall mean this resolution adopted by the Board on _____, 2015.

The term *Rule* shall mean SEC Rule 15c2-12, as amended from time to time.

The term *San Marcos System* shall mean and includes the existing combined waterworks and/or wastewater disposal system of *San Marcos*, together with all future extensions, improvements, enlargements, and additions thereto, including, to the extent permitted by law, storm sewer and drainage and/or reclaimed water systems which are integrated with the waterworks or wastewater disposal system, and all replacements thereof. Provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term *San Marcos System* shall not include any waterworks or wastewater facilities which are declared by San Marcos not to be a part of the San Marcos System, and which are hereafter acquired or constructed by San Marcos with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of San Marcos which are not secured by or payable from the net revenues of the San Marcos System, but which are secured by and are payable solely from special contract revenues, or payments received from San Marcos or any other legal entity, or any combination thereof, in connection with such facilities; and such revenues or payments shall not be considered as or constitute gross revenues of the San Marcos System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such *Special Facilities Bonds*.

The term *San Marcos Utility Bonds* shall mean the bonds, notes or other obligations issued by San Marcos secured by a lien on and pledge of the net revenues of the San Marcos System or any part thereof regardless of lien priority including such bonds, notes or other obligations now or hereafter outstanding.

The term *S&P* shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Agency.

The term *SEC* means the United States Securities and Exchange Commission.

The term *Series* shall mean any designated Series of Bonds issued pursuant to this Resolution.

The term *Special Project Bonds* shall mean obligations which the Agency expressly reserves the right to issue in Section 14 of this Resolution.

The term *State* shall mean the State of Texas.

The term *Stated Maturity* shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption date of a series of the Bonds.

The term *Water Rights* shall mean the right to produce, withdraw or divert water, and transport the water from the location where it is produced, withdrawn, or diverted into Caldwell County, Guadalupe County, Hays County, and the surrounding counties. "Water Rights" are a component of "Land Interests."

EXHIBIT B

FORM OF BOND

**REGISTERED
NO.** _____

**REGISTERED
PRINCIPAL AMOUNT**
\$ _____

**UNITED STATES OF AMERICA
STATE OF TEXAS
HAYS CALDWELL PUBLIC UTILITY AGENCY
CONTRACT REVENUE BONDS
(REGIONAL WATER SUPPLY CONTRACT PROJECT)
SERIES 2015**

**BOND DATE: STATED INTEREST RATE: CUSIP NO.:
MATURITY:**

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____
DOLLARS

The Hays Caldwell Public Utility Agency (the "Agency"), a separate agency, constituted authority and instrumentality and political subdivision of the State of Texas (the "State"), created by the cities of Buda, Kyle and San Marcos, Texas and the Canyon Regional Water Authority, a conservation and reclamation district and political subdivision of the State created and existing pursuant to Article XVI, Section 59 of the Texas Constitution and existing under the laws of the State, including Chapter 572, as amended, Texas Local Government Code for value received, hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the Bond Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year commencing _____.

Principal and premium, if any, of the Bond shall be payable to the Registered Owner hereof (the "Holder") upon presentation and surrender, at a corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the _____ day of the month next preceding each interest payment date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the "Bonds") pursuant to a resolution adopted by the governing body of the Agency (the "Resolution"), (i) FOR CONSTRUCTING, ACQUIRING, IMPROVING AND/OR EXPANDING THE PROJECT INCLUDING BUT NOT LIMITED TO THE PHASE I PROJECT AND (ii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Agency, by the principal amount of any Term Bonds of such Stated Maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Agency and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Agency with money in the Debt Service Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

The Bonds stated to mature on and after _____ may be redeemed prior to their Stated Maturities, at the option of the Agency, on _____, or on any date thereafter, in whole or in part in an Authorized Denomination (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond is subject to redemption prior to Stated Maturity and in an Authorized Denomination thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying

Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the Agency or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds of this series are special obligations of the Agency payable from and equally and ratably secured solely by a lien on and pledge of the Bond Payments received by the Agency from the Canyon Regional Utility Authority pursuant to the provisions of the Contract. In the Resolution, the Agency reserves and retains the right to issue Additional Bonds, without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in the Resolution or as may be applicable thereto under law or otherwise. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the Agency or System, except with respect to the Bond Payments.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Reference is hereby made to the Resolution, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Special Payments pledged for the payment of the Bonds; the terms and conditions under which the Agency may issue Additional Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Agency and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Resolution. Capitalized terms used herein have the same meanings assigned in the Resolution.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Registration Books upon presentation and surrender at a corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The Agency and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for

all other purposes, and neither the Agency nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Agency. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Bond in order to render the same a legal, valid, and binding special obligation of the Agency have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a lien on and pledge of the Bond Payments and as otherwise provided in this Resolution. In case any provision in this Bond or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of the Agency has caused this Bond to be duly executed under the official seal of the Agency.

HAYS CALDWELL PUBLIC
UTILITY AGENCY

Chair, Board of Directors

ATTESTED:

Secretary, Board of Directors

(SEAL)

C. Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond Only.

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER OF :
PUBLIC ACCOUNTS :
THE STATE OF TEXAS : **REGISTER NO.** _____
:

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
Of the State of Texas

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds Only.

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

Registered this date: _____

as Paying Agent/Registrar

By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____

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

DATED: _____

.....
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

F. The Initial Bond of each series shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

- i) immediately under the name of the Bond(s) the headings "Interest Rate" and "Stated Maturity" shall both be completed "as shown below";
- ii) the first two paragraphs shall read as follows:

Registered Owner: _____

Principal Amount: _____

The Hays Caldwell Public Utility Agency (the "Agency"), a non-profit corporation of the State of Texas, with its principal office located in _____, Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the _____ day of _____ in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
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(Information to be inserted from Sections 3 and 4).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the _____, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____, commencing _____ (the "Interest Payment Date").

Principal and premium, if any, of this Bond shall be payable to the Registered Owner hereof (the Holder), upon its presentation and surrender, at a corporate trust office of _____, _____, _____ (the "Paying Agent/Registrar"). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each interest payment date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If an Insurance Policy is obtained by the Purchasers or the Agency for any series of Bonds, the definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the Insurer.

EXHIBIT C

FORM OF CONSTRUCTION FUND REQUISITION

CONSTRUCTION FUND REQUISITION

DATE: _____

Hays Caldwell Public Utility Agency hereby make this requisition pursuant to the Resolution by the Board of Directors of the Hays Caldwell Public Utility Agency Authorizing the Issuance of "Hays Caldwell Public Utility Agency Contract Revenue Bonds (Regional Water Supply Contract Project), Series 2015"; Approving an Investment and Commitment Letter and Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale, and Delivery of Such Bonds adopted by the Board on _____, 2015. The undersigned hereby authorizes disbursement from the Construction Fund to pay Project Costs for the purposes and in the amounts as follows:

<u>Name of Payee</u>	<u>Nature of Disbursement</u>	<u>Amount</u>
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EXHIBIT D
CONTINUING DISCLOSURE

EXHIBIT E

REGIONAL WATER SUPPLY CONTRACT

EXHIBIT F

APPROVAL CERTIFICATE

The undersigned representative of _____ designated below, pursuant to the resolution adopted on _____, 2015 (the "Resolution") authorizing the issuance of obligations designated as "Hays Caldwell Public Utility Authority Contract Revenue Bonds (Regional Water Supply Contract Project) Series 2015"

- (i) the total principal amount of the Bonds of \$_____;
- (ii) the purchase price for the Bonds is \$_____ (representing the original principal amount of the Bonds of \$_____ less the origination fee of \$_____);
- (iii) the interest rates and maturity schedule for the Bonds are as set forth below:

<u>Year of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
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- (iv) the Bonds are subject to redemption as set forth below:

EXECUTED AND DELIVERED THIS _____ day of _____, 2015.

Title: _____