

NEW ISSUE - Book-Entry-Only

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

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

**\$13,390,000
TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BONDS, SERIES 2023
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)**

Dated Date: July 1, 2023

Due: August 1, as shown below

Interest will accrue from the date of delivery

PAYMENT TERMS . . . Interest on the \$13,390,000 Trinity River Authority of Texas Contract Revenue Refunding Bonds, Series 2023 (Livingston Regional Water Supply System Project) (the "Bonds"), will accrue from the date of delivery of the Bonds to the underwriters listed below (the "Underwriters") and will be payable August 1 and February 1 of each year commencing February 1, 2024, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the provisions of Acts of the 54th Legislature of Texas, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors (the "Board") of the Trinity River Authority of Texas (the "Authority" or "Issuer") on April 26, 2023. In the Bond Resolution, the Board delegated to an officer of the Authority (the "Authorized Officer") the authority to complete the sale of the Bonds. The terms of the sale are included in a "Pricing Certificate" which was approved and executed by the General Manager as the Authorized Officer and which completed the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution"). Under the Constitution and the statutes of the State of Texas (the "State"), the Trinity River Authority of Texas (the "Authority" or "Issuer") has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others.

PURPOSE . . . Proceeds from the sale of the Bonds will be used (i) to refund a portion of outstanding revenue bonds relating to the Authority's Livingston Regional Water Supply System (the "System") and (ii) to pay the costs associated with the issuance of the Bonds. See "SCHEDULE I" for a listing of the refunded bonds.

BOND INSURANCE . . . The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE" and "APPENDIX E - SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.



CUSIP PREFIX: 896560

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page ii

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

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on or about July 6, 2023.

RBC CAPITAL MARKETS

ESTRADA HINOJOSA

MATURITY SCHEDULE

Maturity (August 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
2024	\$ 580,000	5.000%	3.270%	XF1
2025	655,000	5.000%	3.190%	XG9
2026	690,000	5.000%	3.110%	XH7
2027	720,000	5.000%	3.050%	XJ3
2028	750,000	5.000%	3.050%	XK0
2029	795,000	5.000%	3.050%	XL8
2030	835,000	5.000%	3.030%	XM6
2031	875,000	5.000%	3.040%	XN4
2032	915,000	5.000%	3.050%	XP9
2033	965,000	5.000%	3.130%	XQ7
2034	1,015,000	5.000%	3.190%*	XR5
2035	1,065,000	5.000%	3.320%*	XS3
2036	1,120,000	5.000%	3.450%*	XT1
2037	1,175,000	5.000%	3.600%*	XU8
2038	1,235,000	5.000%	3.700%*	XV6

(Interest to accrue from the date of delivery)

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* Yield shown is yield to the first call date of August 1, 2033.

OPTIONAL REDEMPTION . . . The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 2034, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2033, or any date thereafter, at the par value thereof plus accrued interest to date of redemption (see “THE BONDS – Redemption”).

This Official Statement, which includes the cover page, Schedule I and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters to give any information, or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

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

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

Certain information set forth herein has been obtained from the Authority, the City (as defined herein) and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Financial Advisor or the Underwriters. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Authority's and City's undertakings to provide certain information on a continuing basis.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR, NOR THE UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY THE DEPOSITORY TRUST COMPANY.

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

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

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Appendix E - Specimen Municipal Bond Insurance Policy”.

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

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The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

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

THE AUTHORITY..... The Trinity River Authority of Texas (the “Authority” or “Issuer”) is a governmental agency of the State of Texas and a body politic and corporate, created as a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution pursuant to Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended. The Authority is governed by a Board (the “Board”) of 25 directors who are appointed by the Texas Governor for six-year terms.

THE BONDS The Bonds are issued as \$13,390,000 Contract Revenue Refunding Bonds, Series 2023 (Livingston Regional Water Supply System Project). The Bonds are issued as serial bonds maturing on August 1 in the years 2024 through 2038 (see “THE BONDS - Description of the Bonds”).

PAYMENT OF INTEREST Interest on the Bonds accrues from the date they are initially delivered to the Underwriters, and is payable February 1, 2024, and each August 1 and February 1 thereafter until maturity or prior redemption (see “THE BONDS - Description of the Bonds”).

AUTHORITY FOR ISSUANCE The Bonds are issued pursuant to the provisions of Acts of the 54th Legislature of Texas, Regular Session, 1955, Chapter 30, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of the Authority on April 26, 2023. In the Bond Resolution, the Board delegated to an officer of the Authority (the “Authorized Officer”) the authority to complete the sale of the Bonds. The terms of the sale are included in a “Pricing Certificate” which was approved and executed by the General Manager as the Authorized Officer and which completed the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the “Resolution”) (see “The Bonds - Authority for Issuance”).

SECURITY FOR

THE BONDS The Bonds constitute special obligations of the Authority, payable both as to principal and interest, and secured by a first lien on a pledge of the Net Revenues (as defined in the Resolution) of the Authority under the Contract entered into with the City of Livingston, Texas (the “City”), as amended (see “THE BONDS - Security and Source of Payment”).

REDEMPTION..... The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 2034, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2033 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS - Redemption”).

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

USE OF PROCEEDS FOR

THE BONDS Proceeds from the sale of the Bonds will be used (i) to refund a portion of outstanding revenue bonds relating to the Authority’s Livingston Regional Water Supply System (the “System”) and (ii) to pay the costs associated with the issuance of the Bonds. See “SCHEDULE I” for a listing of the refunded bonds.

RATINGS The Bonds have been assigned a rating of “A+” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”) (see “OTHER INFORMATION - Ratings”). The Bonds will be rated “AA” by S&P based on the insurance policy provided by Build America Mutual Assurance Company (“BAM”).

BOND INSURANCE The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BAM. See “BOND INSURANCE” and “APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” herein.

BOOK-ENTRY-ONLY

SYSTEM The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see “THE BONDS - Book-Entry-Only System”).

PAYMENT RECORD Neither the Authority nor the City has ever defaulted in payment of its bonds.

For additional information regarding the Authority, please contact:

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

or

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

AUTHORITY OFFICIALS, STAFF AND CONSULTANTS

Board Members	Position	Area Represented
Tommy G. Fordyce	President and Member, Executive Committee	Walker County
C. Dwayne Somerville	Vice-President and Member, Executive Committee	Freestone County
Lewis H. McMahan	Chair, Administration and Audit Committee and Member, Executive Committee	Dallas County
Amir A. Rupani	Chair, Resources Development Committee and Member, Executive Committee	Dallas County
Henry Borbolla III	Chair, Legal and Public Policy Committee and Member, Executive Committee	Tarrant County
Megan W. Deen	Chair, Utility Services Committee and Member, Executive Committee	Tarrant County
Cathy Altman	Member, Legal and Public Policy Committee	Ellis County
C. Cole Camp	Member, Legal and Public Policy Committee	Director at Large
Benny L. Fogleman	Member, Administration and Audit Committee	Polk County
Lisa A. Hembry	Member, Resources Development Committee	Dallas County
Jerry F. House, D.Min	Member, Utility Services Committee	Leon County
John W. Jenkins	Member, Resources Development Committee	Chambers County
Margaret S. C. Keliher	Member, Resources Development Committee	Dallas County
David B. Leonard	Member, Resources Development Committee	Liberty County
Victoria K. Lucas	Member, Utility Services Committee	Kaufman County
Dennis “Joe” McCleskey	Member, Utility Services Committee	Trinity County
Robert F. McFarlane, M.D.	Member, Legal and Public Policy Committee	Director at Large
Steven L. Roberts	Member, Utility Services Committee	San Jacinto County
William O. Rodgers	Member, Legal and Public Policy Committee	Tarrant County
Kathryn L. Sanders	Member, Resources Development Committee	Henderson County
Frank H. Steed, Jr.	Member, Administration and Audit Committee	Navarro County
Frederick C. Tate	Member, Utility Services Committee	Director at Large
Brenda K. Walker	Member, Administration and Audit Committee	Anderson County
David G. Ward	Member, Administration and Audit Committee	Madison County
Gregory S. Wassberg	Member, Administration and Audit Committee	Houston County

Management Officers

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

Consultants and Advisors

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

OFFICIAL STATEMENT
RELATING TO
\$13,390,000
TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BONDS, SERIES 2023
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of the \$13,390,000 Trinity River Authority of Texas (the “Authority” or “Issuer”) Contract Revenue Refunding Bonds, Series 2023 (Livingston Regional Water Supply System Project) (the “Bonds”). Capitalized terms used but not defined in this Official Statement have the same meanings assigned to such terms in the resolution (the “Bond Resolution”) adopted by the Board of Directors (the “Board”) of the Authority on April 26, 2023 authorizing the issuance of the Bonds, except as otherwise indicated herein (see “SELECTED PROVISIONS OF THE BOND RESOLUTION”).

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

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

The Authority consists of all the territories in the Counties of Dallas, Tarrant, Ellis, Navarro and Chambers, and the principal watershed portions of Anderson, Freestone, Henderson, Houston, Kaufman, Leon, Madison, Polk, San Jacinto, Trinity, Walker and Liberty Counties. The Authority is governed by a Board of 25 directors who are appointed by the Texas Governor with the advice and consent of the Texas Senate. The first directors were appointed for staggered terms, and directors thereafter have served six-year terms. Three of the directors are appointed from the area-at-large; three directors are from Tarrant County; four are from Dallas County; and one director is from each of the other counties.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used (i) to refund a portion of outstanding revenue bonds relating to the Authority’s Livingston Regional Water Supply System (the “System”) (the “Refunded Bonds”) and (ii) to pay the costs associated with the issuance of the Bonds. See “SCHEDULE I” for a listing of the refunded bonds.

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

The principal and interest due on the Refunded Bonds are to be paid on the redemption date of the Refunded Bonds set forth in Schedule I attached hereto from funds to be deposited pursuant to a certain Escrow Agreement (the “Escrow Agreement”) between the Authority and BOKF, NA, Dallas, Texas (the “Escrow Agent”). The Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriters and other available Authority funds, the Authority will deposit with the Escrow Agent the amount of funds that will be sufficient to pay all amounts coming due on the Refunded Bonds to their redemption date and to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held uninvested by the Escrow Agent in a special escrow

account (the “Escrow Fund”). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

The Authority’s financial advisor will certify that the uninvested funds in the Escrow Fund will be sufficient to pay the principal of and accrued interest on the Refunded Bonds on the redemption date. By the deposit of the funds with the Escrow Agent pursuant to the Escrow Agreement, the Authority will have effected the defeasance of all of the Refunded Bonds in accordance with State law and in reliance upon the certificate described above. As a result of such defeasance, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the Authority payable from the Net Revenues nor for the purpose of applying any limitation on the issuance of debt, and the Authority will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds from time to time. The cash in the Escrow Fund will not be available to pay debt service on the Bonds.

USE OF PROCEEDS... The proceeds from the sale of the Bonds will be applied as follows:

Sources of Funds

Par Amount of Bonds	\$13,390,000.00
Reoffering Premium	1,527,278.75
Transfers of Authority Funds	437,491.37
Total Sources of Funds	\$15,354,770.12

Uses of Funds

Costs of Issuance*	\$ 209,844.99
Deposit to Escrow Fund	15,049,412.50
Underwriters’ Discount	95,472.63
Total Uses of Funds	\$15,354,770.12

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* Includes the Bond Insurance Premium.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated July 1, 2023, and mature on August 1 in each of the years and in the amounts shown on the inside cover page hereof. Interest will accrue from the date of the initial delivery of the Bonds, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on August 1 and February 1, commencing February 1, 2024.

The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company (“DTC”) pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see “THE BONDS – Book-Entry-Only System” herein).

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the provisions of Chapter 518, Acts of the 54th Legislature of Texas, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of the Authority on April 26, 2023. In the Bond Resolution, the Board delegated to an officer of the Authority (the “Authorized Officer”) the authority to complete the sale of the Bonds. The terms of the sale are included in a “Pricing Certificate” which was approved and executed by the General Manager as the Authorized Officer and which completed the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the “Resolution”).

SECURITY AND SOURCE OF PAYMENT . . . The Authority has entered into a Water System Services Contract, as amended by a Water System Services Amendatory Contract (collectively, the “Contract”) with the City of Livingston (the “City”) for the construction and improvements and extensions of a water supply and treatment system to serve the City (see “THE SYSTEM”). The Bonds, together with the Refunded Bonds and the Authority’s Contract Revenue Refunding Bonds, Series 2021 (Livingston Regional Water Supply Project) (the “Series 2021 Bonds”), are payable solely from Net Revenues to be received by the Authority under the terms of the Contract, and the Authority has pledged these Net Revenues to the punctual payment of these obligations, when due.

Under the terms of the Contract, the City pays maintenance and operation expenses of the Project, including the amount necessary to pay debt service on outstanding bonds issued for the System. The fiscal provisions of the Contract with the Authority are summarized in this Official Statement. See “SELECTED PROVISIONS OF THE CONTRACT” herein.

RESERVE FUND REQUIREMENT . . . As additional security for the Bonds and any Parity Bonds there has been established a Reserve Fund. The Resolution provides that the Required Reserve for the Reserve Fund may be satisfied in whole or in part with cash, investments or one or more Reserve Fund Obligations (defined as qualifying credit facilities such as a bond insurance policy, a surety bond or a letter or line of credit). The Required Reserve is defined as an amount equal to the lesser of (i) the average annual principal and interest requirements on the Parity Bonds or (ii) the amount determined by the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as of the date of issuance of any Parity Bonds issued with the intent that interest thereon will be excludable from the gross income of the registered owners thereof for federal income tax purposes, to be a reasonably required reserve or replacement fund.

REDEMPTION

The Authority reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 2033, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the Authority may select the maturities of Bonds to be redeemed. If less than all of the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed.

NOTICE OF REDEMPTION . . . At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies and any national information service that disseminates redemption notices; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Resolution.

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

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

DEFEASANCE . . . The Resolution provides for the defeasance of the Bonds when the payment of all amounts due with respect to the Bonds to the due date thereof is provided by irrevocably depositing with the Paying Agent/Registrar or authorized deposit agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The Resolution provides that “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Authority adopts or approves the proceedings

authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent or (d) any additional securities and obligations hereafter authorized by Texas laws as eligible securities as deemed necessary, in connection with the sale of the Bonds. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of those securities identified in clauses (a) through (c) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Bonds, though the Authority has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. The Authority has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the Authority moneys in excess of the amount required for such defeasance.

The Resolution does not contractually limit such investments, and therefore registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law.

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

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

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

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC").

DTCC, is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate designated amount as the Bonds surrendered for exchange or transfer. See “THE BONDS – Book-Entry-Only System” herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

LIMITATION OF TRANSFER OF BONDS . . . The Paying Agent/Registrar shall not be required to make any transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

BONDHOLDERS' REMEDIES . . . The Resolution does not specify events of default with respect to the Bonds. If the Authority defaults in the payment of principal, interest, or redemption price on the Bonds when due, or the Authority defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Resolution, the registered owners may seek a writ of mandamus to compel the Authority or Authority officials to carry out the legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or the Resolution and the Authority's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the Authority to perform in accordance with the terms of the Resolution, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the Authority's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the Authority for breach of the Bonds or Resolution covenants in the absence of Authority action. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the Authority, permits the Authority to waive sovereign immunity in the proceedings authorizing its bonds, but in connection with the issuance of the Bonds, the Authority has not waived sovereign immunity. Even if a judgment against the Authority could be obtained, it could not be enforced by direct levy and execution against the Authority's property. Further, the registered owners cannot themselves foreclose on property within the Authority or sell property within the Authority to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the Authority is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, such provision is subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Authority avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

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BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM” or the “Insurer”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an Appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$476.6 million, \$196.7 million and \$279.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted

herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM’s website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

GENERAL . . . In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy may not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the Bonds by the Authority which is recovered by the Authority from the Bond owner as a voidable preference under applicable bankruptcy law may be covered by the Policy, however, such payments may be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Authority unless the Insurer chooses to pay such amounts at an earlier date.

Default of payment of principal and interest will not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may require its consent to any remedies and the Insurer’s consent may be required in connection with amendments to the Resolution and any other applicable Bond documents.

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

In the event the Authority elects to purchase bond insurance, the long-term ratings on the Bonds will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer’s financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance is given that the

long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See the description under “OTHER INFORMATION - Ratings” herein.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or State law related to insolvency of insurance companies.

Neither the Authority nor the Underwriters have made independent investigations into the claims-paying ability of any potential Insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal of and interest on the Bonds and the claims-paying ability of the Insurer, particularly over the life of the Bonds.

CLAIMS-PAYING ABILITY AND FINANCIAL STRENGTH OF MUNICIPAL BOND INSURERS . . . Moody’s Investor Services, Inc., S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and Fitch Ratings (the “Rating Agencies”) have downgraded the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers is possible. In addition, certain events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims- paying ability of such bond insurers, including any bond insurer of the Bonds.

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THE SYSTEM

The Livingston Regional Water Supply System (the “System”) was established in February 1978 with the approval of a water service contract between the City and the Authority. The contract provided for the Authority to finance, design, construct, operate and maintain a surface water treatment facility for delivery of potable water to the City. The original facilities were designed to treat 2.0 million gallons per day (MGD) and consisted of clarifiers, filters, chemical feed systems, a 500,000-gallon clearwell storage tank and a high service pump station. The System also included a raw water pump station and pipeline to deliver raw water from the 83,000-acre Lake Livingston to the treatment plant and a treated water pipeline to deliver potable water to the City. The original facilities were placed into operation in July 1981.

In 1991, The Texas Department of Criminal Justice (TDCJ) contracted with the City of Livingston for the delivery of drinking water to a new prison unit under construction in the vicinity of the Authority’s System treatment plant. In response to this increased water demand, the Authority expanded the treatment plant to treat 3.0 MGD, added additional high service pumps, extended the treated water pipeline and constructed a 150,000-gallon elevated storage tank to receive the treated water at the prison unit.

In 2006, water service was extended to the IAH Detention Facility located adjacent to the TDCJ Polunsky Unit. This is a private prison facility and is a water customer of the City of Livingston. The System currently provides an average of approximately 1.9 MGD of treated water to the City, TDCJ Polunsky Unit and IAH Detention Facility.

In 2010, water demand had increased to the point that peak day usage was near design capacity of the existing 12-inch diameter pipeline. In response, the Authority installed approximately 3.6 miles of new 20-inch diameter PVC pipe, including valves and appurtenances, between the treatment plant and Kate Lowe Road.

The last major plant expansion was completed in 2016 to bring the capacity of the plant to 5 (MGD). The expansion included adding a new clarifier, retrofitting to existing clarifiers, replacing the existing filters, paralleling the 12-inch raw water line with a 16 inch raw water line, and replaced the entire raw water intake structure.

For additional information, see “Appendix B - City of Livingston”.

Trinity River Authority of Texas Historical Water Production Report Livingston Regional Water Supply System Plant

Year	Total Raw Water Delivered (Gal)	Total Treated Water Delivered (Gal)	Average Daily Delivered (MGD)	Peak Daily Delivered (MGD)	
2018	808,156,000	811,450,000	2.223	3.183	3.093
2019	850,716,000	856,371,000	2.346	3.307	3.187
2020	813,650,000	826,980,000	2.259	3.208	3.095
2021	827,190,000	830,650,000	2.275	4.251	3.988
2022	815,680,000	780,280,000	2.137	3.516	3.060

AUTHORIZED BUT UNISSUED REVENUE BONDS . . . NONE

DEBT INFORMATION

TABLE 1 - DEBT SERVICE REQUIREMENTS

Fiscal Year	Outstanding Parity Bonds Debt Service ⁽¹⁾			Less: Refunded	The Bonds			Total
Ending				Bonds				Outstanding
November 30	Principal	Interest	Total	Debt Service	Principal	Interest	Total	Debt Service
2023	\$ 790,000	\$ 385,790	\$ 1,175,790	\$ 354,413			\$ -	\$ 821,378
2024	810,000	745,483	1,555,483	1,408,825	580,000	715,993	1,295,993	1,442,651
2025	845,000	715,118	1,560,118	1,410,825	655,000	640,500	1,295,500	1,444,793
2026	880,000	683,445	1,563,445	1,411,625	690,000	607,750	1,297,750	1,449,570
2027	915,000	648,565	1,563,565	1,409,325	720,000	573,250	1,293,250	1,447,490
2028	950,000	612,303	1,562,303	1,410,750	750,000	537,250	1,287,250	1,438,803
2029	995,000	568,365	1,563,365	1,409,500	795,000	499,750	1,294,750	1,448,615
2030	1,045,000	522,320	1,567,320	1,411,250	835,000	460,000	1,295,000	1,451,070
2031	1,090,000	473,918	1,563,918	1,410,750	875,000	418,250	1,293,250	1,446,418
2032	1,140,000	423,265	1,563,265	1,408,000	915,000	374,500	1,289,500	1,444,765
2033	1,190,000	370,255	1,560,255	1,408,000	965,000	328,750	1,293,750	1,446,005
2034	1,245,000	314,745	1,559,745	1,410,500	1,015,000	280,500	1,295,500	1,444,745
2035	1,305,000	256,485	1,561,485	1,410,250	1,065,000	229,750	1,294,750	1,445,985
2036	1,365,000	195,368	1,560,368	1,412,250	1,120,000	176,500	1,296,500	1,444,618
2037	1,280,000	131,250	1,411,250	1,411,250	1,175,000	120,500	1,295,500	1,295,500
2038	1,345,000	67,250	1,412,250	1,412,250	1,235,000	61,750	1,296,750	1,296,750
	<u>\$ 17,190,000</u>	<u>\$ 7,113,923</u>	<u>\$ 24,303,923</u>	<u>\$ 21,509,763</u>	<u>\$ 13,390,000</u>	<u>\$ 6,024,993</u>	<u>\$ 19,414,993</u>	<u>\$ 22,209,153</u>

⁽¹⁾ Outstanding Debt Service based on the following Principal by Series as of July 6, 2023:

Series 2013	\$ 15,370,000	*
Series 2021	1,820,000	
Total	<u>\$ 17,190,000</u>	

* To be refunded

ANTICIPATED ISSUANCE OF ADDITIONAL BONDS . . . The Authority has no plans to issue Additional Bonds for the System during the next twelve months, but reserves the right to issue Additional Bonds, if necessary.

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SELECTED PROVISIONS OF THE CONTRACT

Following is a composite summary of certain provisions of the Contract. Reference is hereby made to the full and complete Contract for further information, copies of which are available upon request from the Financial Advisor.

Following is a summary of certain provisions of each of the Trinity River Authority of Texas - City of Livingston Water System Services Contract, dated February 22, 1978, as amended by the Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract, dated June 26, 1991 (collectively, the "Contract"):

The Contract

Section 1. DEFINITIONS. The terms and expressions used in this entire Contract, including collectively the original contract dated as of February 22, 1978, being amended hereby and this amendatory contract, unless the context shows clearly otherwise, shall have meanings as follows:

- (a) "Project" means (i) the original "Project" as defined in the preamble to the original contract dated as of February 22, 1978, amended hereby, and (ii) the water supply and treatment improvements and extensions to the original Project described in the engineering report of Turner Collie & Braden Inc., Consulting Engineers, entitled "Modifications and Improvements to the Livingston Regional Water Supply System", dated April, 1991, (the "1991 Engineering Report"), together with any amendments and supplements to said 1991 Engineering Report.
- (b) "Board" and "Board of Directors" means the Board of Directors of the Authority.
- (c) "Bond Resolution" means any resolution of the Board of Directors authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted.
- (d) "Bonds" means all bonds heretofore and hereafter issued by the Authority for acquiring, by purchase and construction, the Project, including all improvements and extensions thereof, whether in one or more series or issues, or any bonds issued to refund same.

Section 2. OBLIGATION OF AUTHORITY TO ACQUIRE. The Authority agrees to pay, and will pay, all of the actual costs of acquiring, by purchase and construction, the water supply and treatment improvements and extensions to the original Project described in the 1991 Engineering Report and any amendments or supplements thereto, through the issuance of its Bonds to provide the money for such payment, all in the manner hereinafter described.

Section 3. AUTHORITY'S BOND RESOLUTION. In addition to the payment specified in Section 2, the proceeds from the sale of the Bonds will be used for the payment of all of the Authority's expenses and costs in connection with the Bonds, including, without limitation, all financing, legal, printing, and other expenses and costs incurred in issuing its Bonds, plus an administrative charge (to be retained by the Authority out of the proceeds from the sale and delivery of each series or issue of Bonds) equal to 1% of the principal amount of each series or issue of Bonds, to pay and reimburse the Authority for its administrative and overhead expenses directly attributable and chargeable to the Bonds and the acquisition of the Project. The Bonds will be issued in an aggregate principal amount sufficient to cover the estimated amount of all the aforesaid payments, expenses, costs, and charges, with such principal amount now estimated to be approximately \$1,000,000 (whether actually more or less).

Section 4. CONSULTING ENGINEERS. The Authority and the City agree that Turner Collie & Braden Inc. (now known as AECOM) shall be the "Consulting Engineers" for the improvements and extensions to the original Project described in the 1991 Engineering Report and any amendments or supplements thereto, and such improvements and extensions will be acquired, by purchase and construction, in accordance with plans and specifications prepared under the supervision of the Consulting Engineers.

Section 5. ACQUISITION CONTRACTS. The Authority will acquire all land and rights of way required for the improvements and extensions to the original Project described in the 1991 Engineering Report and any

amendments or supplements thereto, and will enter into such contracts as are necessary to provide for acquiring, by purchase and construction, all such improvements and extensions, and said contracts shall be executed as required by the laws applicable to the Authority.

Section 6. PAYMENTS BY CITY. (a) That the Authority will provide, make available, and render, to and for the benefit of the City and its inhabitants, the water supply and treatment facilities and services of the Project. Although the Authority shall have and retain title to the Project, it is agreed that the City shall have the exclusive use of the entire Project throughout its useful life. In consideration for the Authority's acquiring, making available, and rendering to and for the benefit of the City and its inhabitants, the water supply and treatment facilities and services of the Project, the City agrees to make the payments hereinafter specified. As further consideration, it is agreed that the Authority will have the sole responsibility for operating and maintaining the entire Project throughout its useful life, and that the Authority will operate and maintain the entire Project throughout its useful life; and the City agrees to indemnify and to save and hold harmless the Authority from any and all claims, damages, losses, costs, and expenses, including reasonable attorneys fees, arising at any time from the acquisition, construction, existence, ownership, operation and/or maintenance of the entire Project. It is further agreed that the City's obligation to make any and all payments with respect to the Bonds under Section 6(b)(1) and 6(c) of this Contract will terminate when all of the Authority's Bonds issued in connection with the Project, or any Bonds issued to refund same, have been paid and retired and are no longer outstanding; and it is agreed that the cessation of such payments or charges is and will be a reasonable arrangement after such Bonds have been retired. However, the City shall make the payments to cover Operation and Maintenance Expenses of the Project as provided in Section 6(b)(2) throughout the life of the Project. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds and to pay its expenses in connection with its Bonds and the Project, is from the payments to be made by the City to the Authority under this Contract.

(b) That the City agrees to make the following payments to the Authority during the term of this Contract:

1. Such amounts, payable monthly on or before the 20th day of each month, in approximately equal monthly installments for each applicable period, as are necessary to pay the principal and/or interest coming due on the Authority's Bonds on the next succeeding interest payment date, plus the fees and charges of the Paying Agent for paying or redeeming the Bonds and/or interest coupons appertaining thereto coming due on such date.
2. Such amounts, payable monthly on or before the 20th day of each month, equal to the amount of estimated Operation and Maintenance Expenses of the Authority for the Project for the next ensuing calendar month, as shown in the Annual Budget or amended Annual Budget as provided in Section (d) hereof.

(c) If, in addition to the amount initially issued, the Authority finds it necessary to issue Bonds for the purpose of completing the Project to the extent contemplated by this Contract, all of the amounts to be paid to or retained by the Authority under all Sections of this Contract shall be increased proportionately, and such amounts shall at all times be sufficient to pay the principal of and interest on all such Bonds. It is understood and agreed that the only source of funds for the Authority to acquire and construct the Project is from the issuance and sale of its Bonds (including additional Bonds) pursuant to this Contract.

(d) Authority covenants that it will operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with requirements of all applicable Federal and State laws, and any rules and regulations issued and to be issued by appropriate agencies in the administration of said laws. The City and the Authority agree that their obligations hereunder shall include compliance with the requirements made under said laws, and any rules and regulations issued pursuant thereto. Not less than sixty (60) days before the commencement of each Fiscal Year of the Authority while this Contract is in effect, Authority shall cause its tentative budget for Operation and Maintenance Expenses of the Project for the ensuing Fiscal Year to be prepared and a copy thereof filed with the City. A reasonable amount to cover and reimburse the Authority for its administrative and overhead expenses directly attributable to the Project and the Bonds, including the cost of routine annual accounting reports, shall be included as an item of Operation and Maintenance Expenses. If no protest or request for a hearing on such tentative budget is presented to Authority within thirty (30) days after such filing of the tentative budget by the City, the tentative budget for the Project, when adopted by Authority's Board of Directors, shall be considered for

all purposes as the "Annual Budget" for the ensuing Fiscal Year. But if a protest or request for a hearing is duly filed by the City it shall be the duty of the Authority to fix the date and time for a hearing on the tentative budget before the General Manager of the Authority, and shall so advise the City in writing. The General Manager shall consider the testimony and showings made in such hearing, and the Board of Directors of the Authority may adopt the budget or make such amendments thereof as to it may seem proper. The budget thus approved by the Board of Directors of the Authority shall be the Annual Budget for the next ensuing Fiscal Year. The Annual Budget may be amended to provide for transfers of budgeted funds between expenditure accounts, provided, however, that said transfers do not result in an overall increase in budgeted funds as approved in the Annual Budget, and further provided that the Annual Budget may be amended and increased, if required. Certified copies of any amended Annual Budget shall be filed immediately by the Authority with the City. If the City should dispute any Annual Budget or amended Annual Budget, such dispute shall be promptly submitted to an arbitrator mutually agreed to by the Authority and the City. Such arbitrator shall proceed to resolve the disputes submitted to him pursuant to the terms hereof, if the parties can agree on a single arbitrator. If the parties cannot agree upon a single arbitrator, such dispute shall be submitted to arbitration by a board of three (3) arbitrators upon written request of the City or the Authority, which request shall name one arbitrator. The party receiving such notice shall within ten days thereafter, by notice to the other or others, name the second arbitrator, or failing to do so, the second arbitrator shall be appointed by the Chief Judge of the United States District Court for the Northern District of Texas on request of the party requesting arbitration in the first instance. The two arbitrators so appointed shall name the third, or failing to do so within ten days after appointment of the second arbitrator, the third arbitrator may be appointed by said Chief Judge upon request of either party; provided that the party making such request shall, at least five days prior to making same, give the other party written notice of the time when and place where such request will be made. The arbitrators so appointed shall promptly hear and determine the dispute submitted pursuant to the procedures established by the Texas General Arbitration Act and shall render their decision with all reasonable speed and dispatch, but in no event later than thirty (30) days after the conclusion of evidence. If within said period a decision is not rendered by the arbitrators, or a majority thereof, new arbitrators may be named and shall act hereunder at the election of the parties in like manner as if none had been previously named. The decision of the arbitrators or of the majority thereof shall be final and binding upon the Authority and the City as to the dispute submitted, and a judgment upon an award rendered in such arbitration proceedings may be entered in any court of competent jurisdiction. The expenses of arbitration, including reasonable compensation to the arbitrators, shall be borne and paid one-half by the City, and one-half by the Authority, except that each party shall bear and pay the compensation and expenses of its counsel and witnesses. All arbitration costs and expenses paid by the Authority shall constitute a Project Operation and Maintenance Expense. Pursuant to Article 224 of Vernon's Texas Civil Statutes, the signatures of counsel for each party to this contract are subscribed hereto as evidence that this contract was concluded upon the advice of said counsel. If a decision of the arbitrators is not reached prior to the time payments are due under any adopted Annual Budget for the ensuing year, or under any amended Annual Budget, the payments thereunder nevertheless shall be made by the City, and if later a decision is made which alters such Annual Budget, adjustments shall then be made by the Board of Directors of the Authority to the Annual Budget to give the City appropriate relief.

(e) The City has outstanding revenue bonds payable from the net revenues of its combined waterworks and sanitary sewer system, and represents and covenants that the use of the facilities and services to be obtained pursuant to this Contract are essential and necessary to the operation of the City and its combined waterworks and sanitary sewer system, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of the City's combined waterworks and sanitary sewer system, within the meaning of Vernon's Article 1113, as amended, and the provisions of the ordinances authorizing the issuance of all waterworks and sanitary sewer system revenue bond issues of the City, with the effect that the City's obligation to make payments from the revenues from its combined waterworks and sanitary sewer system under this Contract shall have priority over its obligations to make payments of the principal of and interest on any and all of its waterworks and sanitary sewer system revenue bonds heretofore or hereafter issued. The City agrees to fix and collect such rates and charges for waterworks and sanitary sewer services to be supplied by its combined waterworks and sanitary sewer system as will make possible the prompt payment of all expenses of operating and maintaining the entire Project and operating and maintaining the City's entire combined waterworks and sanitary sewer system, including all payments, obligations, and indemnities contracted hereunder, and the prompt payment of the principal of and interest on the City's bonds heretofore or hereafter issued to be payable from the net revenues of its combined waterworks and sanitary sewer system.

(f) Recognizing the fact that the City urgently requires the facilities and services covered by this Contract, and that such facilities and services are necessary for actual use and for standby purposes; and further

recognizing that the Authority will use the payments received from the City hereunder to pay, secure, and finance the issuance of the Bonds, it is hereby agreed that if and when any Bonds are delivered, the City shall be obligated to make the payments required by this Contract, regardless of whether or not the Authority actually provides such facilities and services, or whether or not the City actually receives or uses such facilities and services, and the holders of the Bonds shall be entitled to rely on the foregoing agreement and representation, regardless of any other agreement between the Authority and the City.

Section 7. ACQUISITION. The Authority agrees to proceed promptly with the acquisition, by purchase and construction, of the Project. The Authority covenants that it will make a diligent effort to commence such acquisition as soon as practicable. The Authority does not anticipate any delays in commencing or completing the Project, but the Authority shall not be liable for any damages occasioned by the construction or completion of the Project, or any delays in completion of the Project.

Section 8. CONDITIONS PRECEDENT. The obligation on the part of the Authority to acquire and construct the Project shall be conditioned upon the following:

- (a) sale of Bonds in an amount sufficient to assure the acquisition and construction of the Project;
- (b) the Authority's ability, or the ability of the contractors, to obtain all material, labor, and equipment necessary for the acquisition and construction of the Project; and
- (c) the Authority's obtaining all governmental permits and authorizations required for the Project.

Section 9. USE OF CITY'S PUBLIC PROPERTY. By these presents, the City authorizes use by the Authority of any and all real property, streets, alleys, public ways and places, and general utility or water easements of the City for acquiring and constructing the Project.

Section 10. 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 agreement then such party shall give notice and full particulars of such Force Majeure in writing to the other parties within a reasonable time after occurrence of the event or cause relied upon, and 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, except as hereinafter provided, 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, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrest, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied within all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. It is specifically excepted and provided, however, that in no event shall any Force Majeure relieve the City of its obligation to make payments to the Authority as required under Section 6 of this Contract.

Section 11. INSURANCE. The Authority agrees to carry fire, casualty, public liability, and other insurance on the Project for purposes and in amounts which would ordinarily be carried by a privately owned utility company owning and operating such facilities, except that the Authority 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 Authority's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute an Operation and Maintenance Expense of the Project.

Section 12. REGULATORY BODIES. This Contract and the Project shall be subject to all valid rules, regulations, and laws applicable thereto passed or promulgated by the United States of America, the State of Texas,

or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 13. TERM OF CONTRACT. That the term of this Contract shall be for the useful life of the Project, and in any event for the period during which any of the Authority's Bonds, and any Bonds issued to refund same, or any interest coupons appertaining thereto, are outstanding and unpaid.

SELECTED PROVISIONS OF THE BOND RESOLUTION

Certain provisions of the Resolution authorizing the Bonds are substantially as set forth below. Reference is hereby made to the full and complete Resolution. For additional information, copies of the Resolution are available upon request from the Financial Advisor.

Section 5. ADDITIONAL DEFINITIONS AND PLEDGE. (a) As used in this Resolution the term "Bonds" means collectively the Bonds as described and defined in Sections 1 and 2 of this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds, issued as provided in this Resolution. The term "Parity Bonds" shall mean the Series 2013 Bonds, the Series 2021 Bonds, the Bonds and any other bonds hereafter issued by the Issuer on a parity therewith as permitted by the Contract or bonds issued to refund such bonds.

(b) The Contract provides for the monthly payment by the City to the Issuer of all Operation and Maintenance Expenses of the Project, and the principal of and the interest on all "Bonds", as defined in the Contract, issued by the Issuer pursuant to the Contract, as such principal and interest come due, plus the fees and charges of the Paying Agent for such "Bonds", and other amounts as required by each resolution authorizing the issuance of such "Bonds". The term "Net Revenues", as used in this Resolution, shall mean and be defined as all of the gross revenues or payments received by the Issuer from the City under the Contract, after deducting therefrom the amounts required to pay the Operation and Maintenance Expenses of the Project, as defined in the Contract, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on all Parity Bonds on each principal and/or interest payment date plus the fees and charges of the Paying Agent for the Parity Bonds, including its charges as Registrar for the Bonds. All Parity Bonds, including the Bonds authorized by this Resolution and the interest thereon, are and shall be payable from and secured by an irrevocable first lien on and pledge of said Net Revenues, and said Net Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter provided for. The City has contracted to make all of its payments under the Contract from the revenues of the City's combined waterworks and sanitary sewer system as an operating expense of such combined waterworks and sanitary sewer system.

Section 6. SPECIAL FUNDS. That all gross revenues or payments received by the Issuer under the Contract shall be kept separate and apart from all other funds of the Issuer and the following special Funds have been created and are hereby confirmed, and shall be established and maintained so long as any of the Parity Bonds, or interest appertaining thereto, are outstanding and unpaid:

- (a) the Revenue Fund, which shall be maintained in an official depository bank of the Issuer;
- (b) the Interest and Sinking Fund, which shall be maintained in an official depository bank of the Issuer; and
- (c) the Reserve Fund, which shall be maintained in an official depository bank of the Issuer.

Section 7. REVENUE FUND. All gross revenues or payments received by the Issuer under the Contract shall be deposited as received by the Issuer into the Revenue Fund, and shall be deposited from the Revenue Fund, as hereinafter provided.

Section 8. INTEREST AND SINKING FUND. There shall be deposited into the Interest and Sinking Fund the following:

- (a) immediately after the delivery of the Bonds, there shall be deposited into the Interest and Sinking Fund any accrued interest received as proceeds from the sale of the Bonds.

- (b) on or before each principal and interest payment date, an amount sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the interest and principal, if any, coming due on all Parity Bonds on the next succeeding interest payment date.

Section 9. USE OF INTEREST AND SINKING FUND. The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Bonds as such principal matures and such interest comes due.

Section 10. RESERVE FUND. (a) In addition to words and terms otherwise defined in this Resolution, the following definitions shall apply to words and terms used in this section:

“Bond Insurance Policy” means an insurance policy issued by a Bond Insurer insuring or guaranteeing the payment of principal of and interest on any Parity Bonds.

“Bond Insurer” means an entity that insures or guarantees the payment of principal of and interest on any of the Parity Bonds.

“Credit Facility” means a Bond Insurance Policy, a surety bond (including any supporting Insurance Agreement), or a letter or line of credit issued in support of any Parity Bonds by a Credit Facility Provider at the request of the Issuer.

“Credit Facility Provider” means (i) with respect to any Credit Facility consisting of a policy of municipal bond insurance or a surety bond, an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations such as the Parity Bonds, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds upon delivery of the Parity Bonds fully insured by a standard policy issued by the issuer in its highest generic rating category for such obligations; and (ii) with respect to any Credit Facility consisting of a letter or line of credit, any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity 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 the series of Parity Bonds and the interest thereon.

“Fitch” means Fitch Ratings, Ltd., 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 Issuer.

“Insurance Agreement” means an agreement between the Issuer and the Bond Insurer respecting a municipal bond debt service reserve insurance policy constituting a Reserve Fund Obligation.

“Moody’s” means 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 Issuer.

“Rating Agencies” means S&P, Moody’s and/or Fitch according to which of such rating agencies then rates the Parity Bonds of the applicable series; and provided that if neither of such rating agencies then rates the Parity Bonds of such series, the term “Rating Agencies” shall refer to any national rating agency (if any) which provides such rating.

“Required Reserve” means an amount equal to the lesser of (i) the average annual principal and interest requirements on the Parity Bonds or (ii) the amount determined by the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as of the date of issuance of any hereafter issued Parity Bonds issued with the intent that interest thereon will be excludable from the gross income of the registered owners thereof for federal income tax purposes, to be a reasonably required reserve or replacement fund.

“Reserve Fund Obligation” means a Credit Facility satisfying the requirements of this section which is deposited in the Reserve Fund to meet all or part of the Required Reserve as provided in section.

“S&P” means 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 Issuer.

(b) Initially, immediately following delivery of the Bonds, the Required Reserve shall be funded by either a deposit of bond proceeds or the purchase of a Reserve Fund Obligation. Thereafter, no further deposits shall be made into the Reserve Fund as long as the money and investments, together with any Reserve Fund Obligation, in the Reserve Fund are at least equal in market value to the Required Reserve; but if and whenever the market value of money and investments, together with any Reserve Fund Obligation, in the Reserve Fund is reduced below said Required Reserve because of a decrease in market value of investments, then the Issuer shall require the City to increase payments under the Contract as soon as practicable, and in all events by the end of the next Fiscal Year, in an amount sufficient to restore the Reserve Fund to the Required Reserve; and in the event the Reserve Fund is used to pay the principal of or interest on the Parity Bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Issuer shall require the City to increase payments under the Contract in an amount sufficient to restore the Reserve Fund to the Required Reserve in market value, and from such increased payments the Issuer shall deposit in the Reserve Fund, in approximately equal periodic installments, not less than annual, such amounts as are required to restore the Reserve Fund to the Required Reserve in market value as soon as practicable, but in any case, within one year from any date of the use of the Reserve Fund to pay such principal or interest. For purposes of calculating the amount on hand in the Reserve Fund, an amount equal to the maximum available amount which may be drawn under any qualifying Reserve Fund Obligation, as described in (f) below, will be deemed on deposit in the Reserve Fund. During any period in which the money and investments credited to the Reserve Fund, taking into account any qualifying Reserve Fund Obligation, are equal to or exceed the Required Reserve in market value then during such period all investment earnings and income from the Reserve Fund shall be deposited upon receipt to the credit of the Interest and Sinking Fund.

(c) The Reserve Fund shall be used only for the purpose of paying principal of or interest on the Parity Bonds when there is not sufficient money available in the Interest and Sinking Fund for such payments, and shall be used finally to pay, redeem or retire the last of the outstanding Parity Bonds.

(d) The Reserve Fund shall secure and be used to pay all Parity Bonds, in the manner and to the extent provided herein. However, each resolution pursuant to which Additional Bonds are issued shall provide and require that (i) the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to the Required Reserve required after the issuance of such Additional Bonds; and (ii) the required additional amount, if any, shall be so accumulated by (A) the deposit in the Reserve Fund of all of said required additional amount in cash from proceeds from the sale of the Additional Bonds or a Reserve Fund Obligation immediately after the delivery of the then proposed Additional Bonds or (B) at the option of the Issuer, by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in five approximately equal annual installments, made on or before the 1st day of February of each year following the delivery of the then proposed Additional Bonds.

(e) Notwithstanding any other provisions of this Resolution, an equivalent Reserve Fund Obligation may be substituted by the Issuer at any time and from time to time for all or any part of the money and/or investments held for the credit of the Reserve Fund, and such money and/or investments may be withdrawn and used for any lawful purpose, provided, however, that to the extent such funds were derived from the proceeds of Parity Bonds, such funds may only be withdrawn and either (i) deposited into the Interest and Sinking Fund or (ii) applied for a purpose for which such Parity Bonds were originally issued. If a Reserve Fund Obligation is used as provided above, any reimbursements required thereunder to be paid to a Credit Facility Provider as a result of a draw or demand thereunder and any interest thereon and expenses payable thereunder shall be made, as provided in the Reserve Fund Obligation, from moneys deposited into the Reserve Fund until fully paid. If it becomes necessary to pay interest on or principal of any Bonds from the Reserve Fund, money and investments held for the credit of the Reserve Fund shall be utilized first for such purpose, before any demand or draw is made on a Reserve Fund Obligation.

(f) A Reserve Fund Obligation permitted under (b), above, must be a Credit Facility in the form of a surety bond, insurance policy, or letter of credit meeting the requirements described below.

(1) A surety bond or insurance policy issued to the Issuer or other party, as agent of the registered owners, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") if the claims paying ability of the issuer thereof shall, at the time

of issuance, be rated by at least two of the following rating agencies in the indicated rating categories, to-wit, “AAA” by S&P or Fitch or “Aaa” by Moody’s.

(2) A surety bond or insurance policy issued to the Issuer or other party, as agent of the registered owners, by an entity other than a municipal bond insurer, if the form and substance of such instrument and the issuer thereof shall be approved in writing by each Bond Insurer of record.

(3) An unconditional irrevocable letter of credit issued to the Issuer or other party, as agent of the registered owners, by a bank if the issuer thereof, at the time of issuance, is rated by at least two of the following rating agencies in the indicated rating categories, to-wit, at least “AA” by S&P or Fitch or “Aa” by Moody’s. The letter of credit shall be payable in one or more draws upon presentation by the Issuer or other party of a sight draft accompanied by its certificate (which must be satisfactory in form and substance to the Issuer or other party and the issuer of the letter of credit) that the Issuer then holds insufficient funds to make a required payment of principal or interest on the Parity Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years and shall be subject to an “evergreening” feature so as to provide the Issuer with at least 30 months notice of termination. The issuer of the letter of credit shall be required to notify the Issuer not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund, in accordance with this section, an amount sufficient to cause the money or investments on deposit in the Reserve Fund, together with any other qualifying Reserve Fund Obligations, to accumulate to the Required Reserve, unless the expired Reserve Fund Obligation is replaced by a Reserve Fund Obligation meeting the requirements in any of 1 through 3, above. The letter of credit shall permit a draw in full prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Issuer or other party shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded to the Required Reserve.

(4) The obligation to reimburse the issuer of a Reserve Fund Obligation for any expenses, claims, or draws upon such Reserve Fund Obligation, including interest thereon, shall be made from the deposits made to the Reserve Fund as provided in this section and in accordance with the provisions of the Reserve Fund Obligation. The Reserve Fund Obligation shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund Obligation to reimbursement will be subordinated to the cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Obligation and the amount then available for further draws or claims. In the event (a) the issuer of a Reserve Fund Obligation becomes insolvent, or (b) the issuer of a Reserve Fund Obligation defaults in its payment obligations thereunder, or (c) the claims paying ability of the issuer of the insurance policy or surety bond falls below “AAA” by S&P or Fitch or “Aaa” by Moody’s, or (d) the rating of the issuer of the letter of credit falls below the “AA” category by S&P or Fitch or the “Aa” category by Moody’s, the obligation to reimburse the issuer of the Reserve Fund Obligation shall be subordinate to the cash replenishment of the Reserve Fund.

(5) In the event (a) the issuer of the Reserve Fund Obligation defaults in its payment obligations hereunder, or (b) the issuer of the Reserve Fund Obligation becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund, in accordance with this section, amounts sufficient to cause the money or investments on deposit in the Reserve Fund to accumulate to the Required Reserve within twelve months of such occurrence, or (ii) replace such instrument with a surety bond, insurance policy, or letter of credit meeting the requirements in any of 1 through 3 above within twelve months of such occurrence.

(6) Where applicable, the amount available for draws or claims under a Reserve Fund Obligation may be reduced by the amount of money or investments deposited in the Reserve Fund pursuant to clause (i) of the preceding subparagraph 5.

(7) The Issuer shall ascertain the necessity for a claim or draw upon any Reserve Fund Obligation and provide notice to the issuer of the Reserve Fund Obligation in accordance with its terms not later than three days (or such appropriate time period as will, when combined with the timing of required payment under the

Reserve Fund Obligation, ensure payment under the Reserve Fund Obligation on or before the interest payment date) prior to each interest payment date.

(8) Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund Obligation. If and to the extent that more than one Reserve Fund Obligation is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(g) Any excess in the Reserve Fund over the Required Reserve in effect at any time shall be deposited to the credit of the Interest and Sinking Fund.”

Section 11. ISSUER’S EXPENSES AND COSTS. The Issuer shall pay the Operation and Maintenance Expenses of the Project from the payments made by the City under the Contract specifically for such purpose, and in no event from the pledged Net Revenues.

Section 12. INVESTMENTS. Money in any Fund maintained pursuant to this Resolution may, at the option of the Issuer, be invested as permitted by the Public Funds Investment Act, Chapter 2256, Texas Government Code, and the investment policy of the Issuer. Such deposits and investments shall be made consistent with the estimated requirements of such Funds, and any obligation in which money is so invested shall be kept and held for the benefit of the owners of the Bonds, and shall be promptly sold and the proceeds of sale applied to the making of all payments required to be made from the Fund from which the investment was made. All earnings from the deposit or investment of any such Fund shall be credited to such Fund. All investment earnings on deposit in the Interest and Sinking Fund shall reduce the amounts which otherwise would be required to be deposited therein, with the result that the City’s principal and/or interest payments under the Contract shall be reduced accordingly.

Section 13. DEFICIENCIES IN FUNDS. If the Issuer should fail at any time to deposit into any Fund created by this Resolution the full amounts required, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available Net Revenues, and such payments shall be in addition to the amounts otherwise required to be deposited into said Funds.

Section 14. SECURITY FOR FUNDS. All Funds created by this Resolution shall be secured in the manner and to the fullest extent permitted or required by law for the security of the Issuer’s funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 15. ADDITIONAL PARITY BONDS. The Issuer reserves the right to issue additional parity revenue bonds in such amounts as are required for the purpose of improving or extending the Project, or for the purpose of refunding any outstanding Parity Bonds. Such additional parity revenue bonds shall be considered, constitute, and be defined as “Parity Bonds” for all purposes of this Resolution and the Contract, and when issued and delivered they shall be payable from and secured by a first lien on and pledge of the Net Revenues, in the same manner and to the same extent as the other Parity Bonds; and all of the Parity Bonds shall in all respects be on a parity and of equal dignity. The additional parity revenue Parity Bonds may be issued in one or more installments or series, provided, however, that no such installment or series shall be issued unless:

(a) a certificate is executed by the President and Secretary of the Board of Directors of the Issuer to the effect that no default exists in connection with any of the covenants or requirements of the resolution or resolutions authorizing the issuance of all then outstanding Parity Bonds, and that the Interest and Sinking Fund and Reserve Fund contain the amounts then required to be on deposit therein;

(b) the resolution authorizing the issuance of such installment or series of Parity Bonds shall provide for the payment of the principal of and interest on such Parity Bonds from Net Revenues; and

(c) the governing body of the City passes an ordinance or adopts a resolution approving a substantial draft of the resolution authorizing the issuance of such installment or series of Parity Bonds.

Section 16. ACCOUNTS AND RECORDS. The Issuer shall keep proper books of records and accounts, separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all

transactions relating to the Project and payments under the Contract. The Issuer shall have said books audited once each Issuer fiscal year by an independent Certified Public Accountant.

Section 17. ACCOUNTING REPORTS. Within one hundred thirty five (135) days after the close of each Issuer fiscal year hereafter, the Issuer shall forward to any holder or owner of any of the Parity Bonds who shall so request in writing, and to the City, a signed or certified copy of a report by a Certified Public Accountant, covering the next preceding fiscal year, showing the following information:

- (a) A detailed statement of all payments under the Contract, and the Issuer's disbursements thereof;
- (b) Balance sheet as of the end of said fiscal year;
- (c) Accountant's comment regarding the manner in which the Issuer has complied with the requirements of this Resolution and his recommendations, if any, for any changes or improvements.

Section 18. INSPECTION. Any holder or owner of any Parity Bonds shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating to the Contract and the Funds created by this Resolution.

Section 19. SPECIAL COVENANTS. The Authority further covenants as follows:

- (a) that other than for the payment of the Parity Bonds the Net Revenues have not in any manner been pledged to the payment of any debt or obligation of the Issuer;
- (b) that while any of the Parity Bonds are outstanding, the Issuer will not, with the exception of the additional parity revenue Parity Bonds expressly permitted by this Resolution to be issued, additionally encumber the Net Revenues;
- (c) that the Issuer will carry out all of its obligations under the Contract; and when or if necessary will promptly enforce and cause the City to carry out its obligations under the Contract and any other pertinent agreements or contracts, for the benefit of the Issuer and the holders of the Parity Bonds, by all legal and equitable means, including the use of mandamus proceedings against the City.

Section 20. PARITY BONDS ARE SPECIAL OBLIGATIONS. The Parity Bonds shall be special obligations of the Issuer payable solely from the pledged Net Revenues, and the holders or owners of the Parity Bonds shall never have the right to demand payment thereof out of funds raised or to be raised by the levy of taxes.

Section 21. AMENDMENT OF RESOLUTION. (a) The holders and owners of Parity Bonds aggregating in principal amount two-thirds of the aggregate principal amount of then outstanding Parity Bonds (for purposes of this sentence only, 100% of the aggregate principal amount of Parity Bonds which are insured by a bond insurance provider at the time that the Issuer seeks approval of an amendment shall be deemed to be owned by such bond insurance provider) shall have the right from time to time to approve any amendment to this Resolution which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Resolution or in the Parity Bonds so as to:

- (1) Make any change in the maturity of the outstanding Parity Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Parity Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Parity Bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the holders or owners of less than all of the Parity Bonds then outstanding; or

- (6) Change the minimum percentage of the principal amount of Parity Bonds necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend the Resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published one time in a financial newspaper or journal published in the State of Texas. 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 for inspection by all holders of Parity Bonds. Such publication is not required, however, if notice in writing is given to each holder of Parity Bonds.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the holders and owners of at least two-thirds in aggregate principal amount of all Parity Bonds then outstanding, 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 with the Paying Agent, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations under the Resolution of the Issuer and all the holders of then outstanding Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendments.

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

(f) For the purpose of this Section, the fact of the holding of Parity Bonds which have interest coupons attached thereto and are payable to bearer by any Bondholder and the amount and numbers of such Bonds, and the date of their holding same, may be proved by the affidavit of the person claiming to be such holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Parity Bonds described in such certificate. The Issuer may conclusively assume that such ownership continues until written notice to the contrary is served upon the Issuer. The fact of owning Parity Bonds which are payable only to the registered owner thereof shall be ascertained from the registration books of the Paying Agent/Registrar for such Parity Bonds.

Section 22. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal

of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3 for Bonds issued in conversion and exchange for other Bonds.

Section 23. DEFEASANCE OF BONDS. (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 subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, 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 in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. 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 Net Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 23(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 23(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. The Pricing Officer may modify the categories of Defeasance Securities which shall be described in the Pricing Certificate.

(d) 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 Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 24. COVENANTS REGARDING TAX-EXEMPTION. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the “gross income” of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

- (a) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any “private business use,” as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;
- (b) to take any action to assure that in the event that the “private business use” described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;
- (c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;
- (d) to refrain from taking any action which would otherwise result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;
- (e) to refrain from taking any action that would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;
- (f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with —
 - (1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,
 - (2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and
 - (3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;
- (g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

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

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

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

Section 25. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the Project financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 26. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the “Project”) on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer 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 Issuer 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 Issuer 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 Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 27. CUSTODY, APPROVAL, BOND COUNSEL’S OPINION, CUSIP NUMBERS AND INSURANCE. The President of the Board of Directors and the General Manager of the Issuer are hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the approval of the Bonds by the Attorney General of the State of Texas. The Comptroller of Public Accounts is requested to cause the Bonds to be registered in accordance with law. The approving legal

opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds or on any Bonds issued and delivered in conversion of and 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. 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 Insurer.

Section 28. FURTHER PROCEDURES. The President, Vice President and Secretary of the Board of Directors of the Issuer, the General Manager and Chief Financial Officer (as the "Authorized Officer" of the Issuer) and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Letter of Representation with DTC regarding the Book-Entry Only System, the Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representation, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 29. CONTINUING DISCLOSURE OF INFORMATION. (a) As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

(c) The Issuer shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the Authority, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the City, any of which reflect financial difficulties.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Section 30. SECURITY INTEREST. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the Issuer under Section 5 of this Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the Issuer under Section 5 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 31. EXPIRATION OF AUTHORIZATION. The authority of the General Manager, as Authorized Officer, to execute a bond purchase agreement as described in Section 2(b) of this Resolution shall expire on the six-month anniversary date of the adoption of this Resolution by the Board.

Section 32. 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.

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THE AUTHORITY

THE AUTHORITY'S ACTIVITIES

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

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

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

THE AUTHORITY'S REVENUE-BASED PROJECTS

Project Name (Operating)	Cities and Entities Served
Central Regional Wastewater System	Addison, Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Dallas/Fort Worth International Airport Board, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, and Southlake
Ten Mile Creek Regional Wastewater System	Cedar Hill, DeSoto, Duncanville, Ferris, Lancaster and Wilmer (expected to be added in June 2023)
Denton Creek Regional Wastewater Treatment System	Argyle, Circle T Municipal Utility District No. 1, Circle T Municipal Utility District No. 3, Flower Mound, Fort Worth, Haslet, Keller, Northlake, Roanoke, Southlake, Westlake, and the City of Justin (added in August 2022).
Red Oak Creek Regional Wastewater Project	Cedar Hill, DeSoto, Glenn Heights, Lancaster, Ovilla, and Red Oak
Mountain Creek Regional Wastewater System	Grand Prairie, Mansfield, Midlothian, and Venus
Tarrant County Water Supply Project	Bedford, Colleyville, Euless, Grapevine, and North Richland Hills
Huntsville Regional Water Supply System	Huntsville
Livingston Regional Water Supply System	Livingston
Trinity County Regional Water Supply System	Trinity

Project Name (Operating)	Cities and Entities Served
Lake Livingston—Wallisville Project	Houston, 21 lakeside communities (and two industries)
Livingston Recreation Facilities	Serving the General Public
Project Name (Non-Operating)	Cities and Entities Served
Walker-Calloway Branch Outfall Line	Hurst and North Richland Hills
Northeast Lakeview Project	Cedar Hill and Grand Prairie
Lakeview Regional Water Supply Project	Cedar Hill, Duncanville, and Grand Prairie
Navarro Mills Reservoir	Corsicana
Bardwell Reservoir	Ennis and Ellis County WCID #1
Joe Pool Lake Project	Cedar Hill, Duncanville, Grand Prairie, and Midlothian
Ellis County Regional Water Supply Project	Cities of Ferris, Italy, Maypearl, Palmer, Rockett Special Utility District, Ellis County WC&ID No. 1, Avalon Water and Sewer Service Corporation, Nash-Forreston, and Buena Vista-Bethel Water Supply Corporations
Freestone Raw Water Supply Project	Freestone Power Generation LP
Ennis Raw Water Supply Project	Ennis
Pollution Control Facilities	Community Waste Disposal, Inc.
Denton Creek Wastewater Transportation Project	Argyle, Flower Mound, and Northlake

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THE FUTURE ROLE OF THE AUTHORITY

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

1. Master Planning.

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

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

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

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

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

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

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

PENSION PLAN

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

OTHER POST-EMPLOYMENT BENEFITS

The Authority's defined benefit Other Post-Employment Benefits ("OPEB") plan, Retiree Medical Plan ("RMP"), provides OPEB for all permanent full-time employees of the Authority enrolled in the Staywell Health Program that

meet eligibility requirements at the time of retirement. RMP is a single employer defined benefit OPEB plan administered by the Authority. The Authority's Board of Directors has the authority to establish and amend the benefit terms and financing requirements of the RMP. Management has the authority to set the group rate premiums annually and make any modifications to those premiums as necessary. No assets are accumulated in a trust.

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

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

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

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OTHER OUTSTANDING INDEBTEDNESS OF THE AUTHORITY

The Authority has other indebtedness outstanding which is listed below. The other outstanding indebtedness is not payable from Net Revenues of the System which provide for payment for the interest and principal of the Bonds as defined in the Resolution.

Total Outstanding Principal by System/Project:		Outstanding July 6, 2023
Central Regional Wastewater System	\$	1,001,490,000 ⁽¹⁾
Denton Creek Regional Wastewater Treatment System		151,305,000
Trinity River Authority of Texas (General Improvement Project of The Authority)		1,440,000
Livingston Regional Water Supply Project		2,495,000 ⁽²⁾
Mountain Creek Regional Wastewater System		112,200,000
Northeast Lakeview Wastewater Transportation Project		4,340,000
Red Oak Creek Regional Wastewater System		100,685,000
Tarrant County Water Project		131,617,190 ⁽³⁾
Ten Mile Creek Regional Wastewater System		111,580,000
Town of Flower Mound Wastewater Transportation Project		2,130,000
Walker Calloway System		9,025,000
SUB-TOTAL	\$	1,628,307,190
The Bonds	\$	13,390,000
TOTAL	\$	1,641,697,190

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

Outstanding Principal - Conduit Debt:	Outstanding July 6, 2023
Community Waste Disposal, L.P.	\$ 11,620,000

In addition to the preceding statement of indebtedness, the Trinity River Authority has four outstanding contracts with the U. S. Army Corp of Engineers related to water rights and flood control. Contractual revenues collected annually from the entities identified next to the projects below are used to pay debt service on these contracts.

Outstanding Principal - Project:	Outstanding July 6, 2023
Bardwell Reservoir (City of Ennis and Ellis Co. WCID#1)	\$ 473,641
Joe Pool Lake ARRA Costs (City of Cedar Hill, Midlothian, Grand Prairie and Duncanville)	109,339
Wallisville Lake (City of Houston)	7,912,161
TOTAL	\$ 8,495,141

Cost-Share Liability Pay-off	Outstanding July 6, 2023
Lake Livingston (City of Houston)	60,776,777 ⁽⁴⁾

⁽¹⁾ Does not include debt service on the \$350,000,000 Extendable Commercial Paper Bonds ("ECP Bonds") program. The ECP Bonds are secured by and payable from a first lien on the Net Revenues of the System created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., "roll") and the proceeds of Refunding Bonds to be issued by the Authority.

⁽²⁾ Excludes Refunded Bonds. See Schedule I.

⁽³⁾ Includes an Interlocal Agreement with the City of Arlington for the joint use and management of the Lake Arlington Raw Water Pump Station for a 20-year term that commenced in 2022. The outstanding balance under this agreement is \$3,934,152.

⁽⁴⁾ This figure represents the Authority's contingent liability associated with Lake Livingston's initial project cost plus annual operation and maintenance expenses. In connection with original agreements to construct Lake Livingston, the available yield of Lake Livingston was divided 70% for the City of Houston and 30% for the Authority. The Authority was responsible for 30% of the initial project cost plus annual operation and maintenance costs; its payments, however, were expressly based on the Authority's water sales from the Lake – the Authority would pay Houston \$2.20 per acre-foot of water sold by the Authority. The liability is considered a contingent liability because it is required to be paid only from the sale of water. However, the liability continues to accumulate because the \$2.20 per acre-foot fee is insufficient for the Authority to retire its 30% of annual costs of operating and maintaining Lake Livingston. In 2016, Houston and the Authority agreed to use the charges due from Houston to the Authority for water sales as a "credit" against this liability which will allow the Authority to retire the contingent liability by 2040 (or possibly sooner if the City of Houston exercises its rights to increase the maximum amount of water it is able to purchase from Lake Livingston).

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TAX MATTERS

Opinion...On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Issuer, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the Issuer will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See APPENDIX D - Form of Bond Counsel’s Opinion.

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

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

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

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

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

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

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the

amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

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

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

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

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

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

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

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

Information Reporting and Backup Withholding...Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code

if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

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

CONTINUING DISCLOSURE OF INFORMATION

In a Continuing Disclosure Agreement entered into between the Authority and the City, each has made the following respective agreements for the benefit of the holders and beneficial owners of the Bonds. The City and the Authority are required to observe the agreement for so long as the City remains obligated to advance funds to pay the Bonds. Under the agreement, the Authority and the City will be obligated to provide certain updated financial information and operating data annually, and the Authority and the City will be obligated to provide timely notice of specified events, to Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS . . . The Authority and the City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in Appendix B to this Official Statement and the City's audited financial statements, when and if available. The City will file such financial information and operating data with the MSRB through its Electronic Municipal Market ("EMMA") within six months after the end of each fiscal year, beginning with the fiscal year ending in 2023. In addition, the City will file its audited financial statements, when and if available, with the MSRB through its EMMA system within twelve months after the end of its fiscal year, beginning with the fiscal year ending in 2023. If the audit of the City's financial statements is not complete within twelve months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. The Authority will file its audited financial statements, when and if available, within six months after the end of its fiscal year, beginning with the fiscal year ending in 2023. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority or the City may be required to employ from time to time pursuant to State law or regulation.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The Authority's fiscal year end is November 30 and the City's fiscal year end is September 30. Accordingly, the City must provide updated financial information and operating data by March 31 in each year and year and its audited financial statements (or unaudited financial statements if its audited financial statements are not available) by September 30 in each year. The Authority must provide its audited financial statements (or unaudited financial statements if its audited financial statements are not available) by May 31 in each year, unless the City or the Authority, as applicable, changes its fiscal year. If the City or the Authority change their fiscal year, the City or the Authority, as applicable, will notify the MSRB of the change.

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

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

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

The term “Financial Obligation” as used in the preceding two paragraphs has the meaning assigned in the Rule: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b) above. Pursuant to the Rule, the term Financial Obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. For purposes of the City’s obligation make event filings, and particularly with the events described in (15) and (16) above, the City shall make filings for only those events which relate to or impact the credit of the Authority’s Bonds.

As used in clause (12) in the preceding paragraphs, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Authority or the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the City, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Authority or the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or

jurisdiction over substantially all of the assets or business of the Authority or the City. Neither the Bonds nor the Resolution make any provision for liquidity enhancement. In addition, the Authority and the City will provide timely notice of any failure by the Authority or the City to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.” The Authority or the City will provide each notice described in this paragraph to the MSRB.

AVAILABILITY OF INFORMATION . . . The Authority and the City have agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

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

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

COMPLIANCE WITH PRIOR UNDERTAKINGS

Authority . . . During the last five years, the Authority has complied in all material respects with all continuing disclosure agreements made by it relating to bonds issued for the System in accordance with the Rule. On November 11, 2020, the Authority filed a notice of the incurrence of a financial obligation on March 30, 2020 in connection with the Authority’s Red Oak Creek Regional Wastewater System.

City . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it relating to bonds issued for the System in accordance with the Rule. In some instances, financial information and operating data as well as certain audited financial statements required to be filed under prior undertakings of the City were not immediately linked to all applicable outstanding bonds.

OTHER INFORMATION

RATINGS

The Bonds will be rated “AA” by virtue of a municipal bond insurance policy to be issued by BAM upon delivery of the Bonds to the Underwriters. In addition, the Bonds are rated “A+” by S&P, without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The rating reflects only the view of such organization and the Authority makes no representation as to the appropriateness of the

ratings. There is no assurance that such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of the company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

LITIGATION

It is the opinion of the Authority Attorney and Authority Staff that there is no pending or, to their knowledge, threatened litigation against the Authority that would have a material adverse financial impact upon the Authority or its operations. No pending litigation against the City that would have a material adverse financial impact upon the Authority or its operations of the System has been brought to the attention of the Authority.

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

LEGAL MATTERS

The Authority will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding special obligations of the Authority, and based upon an examination of the transcript of proceedings related to the Bonds, the approving opinion of Bond Counsel to like effect and to the effect that the

interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under “TAX MATTERS” herein. Though it represents the Financial Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the Authority in the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under captions “PLAN OF FINANCING (except under the subcaption “Use of Proceeds”), “THE BONDS” (exclusive of the subcaptions “Book-Entry-Only System” and “Bondholders’ Remedies”), “SELECTED PROVISIONS OF THE CONTRACT”, “SELECTED PROVISIONS OF THE BOND RESOLUTION”, “TAX MATTERS” and “CONTINUING DISCLOSURE OF INFORMATION” (except under the subcaption “Compliance with Prior Undertakings”) and the subcaptions “Registration and Qualification of Bonds for Sale” and “Legal Investments and Eligibility to Secure Public Funds in Texas” and “Legal Matters (excluding the last sentence of the first paragraph thereof) under the caption “OTHER INFORMATION” in the Official Statement and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed on for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas. The legal fees to be paid to counsel to the Underwriters for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds.

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

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

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

FINANCIAL ADVISOR

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

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

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the Authority at a purchase price of \$14,821,806.12, which represents the par amount of the Bonds, plus an original issue premium of \$1,527,278.75, less an Underwriters' discount of \$95,472.63, and no accrued interest. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed from time to time by the Underwriters.

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

RBC Capital Markets, LLC ("RBCCM") and its affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBCCM and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBCCM and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. RBCCM and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. RBCCM and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

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

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

2023 REGULAR AND SPECIAL LEGISLATIVE SESSIONS

On January 10, 2023, the 88th Texas Legislature convened in general session which adjourned on May 29, 2023. The Texas Governor called a special session that convened on May 29, 2023. The Texas Governor may call one or more additional special sessions. During this time, the Texas Legislature may enact new laws, or amend existing laws, affecting the Authority and/or the City. The Authority can make no representations or predictions regarding any actions the Texas Legislature has taken or may take concerning the substance or the effect of any legislation passed in a previous session or a future session of the Texas Legislature.

FORWARD-LOOKING STATEMENTS DISCLAIMER

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

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

MISCELLANEOUS

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

The Pricing Certificate was executed by an Authorized Officer of the Authority, which certificate is a part of the Resolution authorizing the issuance of the Bonds and approves the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorizes its further use in the reoffering of the Bonds by the Underwriters.

TRINITY RIVER AUTHORITY OF TEXAS

/s/ J. Kevin Ward

J. KEVIN WARD

General Manager and Authorized Officer

SCHEDULE I

REFUNDED BONDS

**Trinity River Authority of Texas
Contract Revenue Bonds, Series 2013
(Livingston Regional Water Supply System Project)**

<u>Original Maturity</u>	<u>Interest Rates</u>	<u>Amount Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
8/1/2024 ⁽¹⁾	4.000%	\$ 700,000	8/1/2023	100%
8/1/2025 ⁽¹⁾	4.000%	730,000	8/1/2023	100%
8/1/2026 ⁽²⁾	4.250%	760,000	8/1/2023	100%
8/1/2027 ⁽²⁾	4.250%	790,000	8/1/2023	100%
8/1/2028 ⁽³⁾	5.000%	825,000	8/1/2023	100%
8/1/2029 ⁽³⁾	5.000%	865,000	8/1/2023	100%
8/1/2030 ⁽⁴⁾	5.000%	910,000	8/1/2023	100%
8/1/2031 ⁽⁴⁾	5.000%	955,000	8/1/2023	100%
8/1/2032 ⁽⁵⁾	5.000%	1,000,000	8/1/2023	100%
8/1/2033 ⁽⁵⁾	5.000%	1,050,000	8/1/2023	100%
8/1/2034 ⁽⁵⁾	5.000%	1,105,000	8/1/2023	100%
8/1/2035 ⁽⁵⁾	5.000%	1,160,000	8/1/2023	100%
8/1/2036 ⁽⁵⁾	5.000%	1,220,000	8/1/2023	100%
8/1/2037 ⁽⁵⁾	5.000%	1,280,000	8/1/2023	100%
8/1/2038 ⁽⁵⁾	5.000%	1,345,000	8/1/2023	100%
		<u>\$ 14,695,000</u>		

(1) Represents a sinking fund installment with a final maturity of August 1, 2025.

(2) Represents a sinking fund installment with a final maturity of August 1, 2027.

(3) Represents a sinking fund installment with a final maturity of August 1, 2029.

(4) Represents a sinking fund installment with a final maturity of August 1, 2031.

(5) Represents a sinking fund installment with a final maturity of August 1, 2038.

APPENDIX A

BIOGRAPHICAL INFORMATION

BOARD OF DIRECTORS

AND

MANAGEMENT OFFICERS

BOARD OF DIRECTORS

TOMMY G. FORDYCE of Huntsville, Texas (President and member, Executive Committee). Fordyce is a retired director of the Texas Criminal Justice Agribusiness Department. He is chair of the Huntsville Economic Development Council and vice president of the Lone Survivor Foundation. He is also a member of the Texas Assistive and Rehabilitative Services Council, the Kick Start for Kids program and the Huntsville Veterans' Affairs Advisory Board. He served in the U.S. Marine Corps and is a Vietnam War veteran. Fordyce earned a bachelor's degree from Sam Houston State University. Fordyce was reappointed as director for Walker County in 2019.

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

LEWIS H. McMAHAN of Dallas, Texas, (member, Executive Committee, and Chair, Administration and Audit Committee) is retired from a 37-year career at Texas Instruments working in the worldwide facilities/environmental health and safety organization. He served as its leader from 1998 until his retirement in December 2005. He is a member of the Texas Instruments Foundation Board and the Southern Methodist University (SMU) Lyle School of Engineering Advisory Board. He previously served on the Texas Water Development Board, Texas Instruments Alumni Association, Dallas Museum of Art, and the United Way of Metropolitan Dallas. McMahan received a Bachelor of Science in Civil Engineering from SMU. McMahan was appointed as director for Dallas County in 2019.

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

HENRY BORBOLLA III of Fort Worth, Texas (member, Executive Committee, and Chair, Legal and Public Policy Committee). Henry Borbolla is a Fort Worth native and graduate of TCU. He is a banker with BB&T - Branch Banking & Trust and provides a wide range of financing, treasury management and risk management services to business clients in the greater Tarrant County area. His community involvements include board or committee positions with Big Brothers Big Sisters, Bobby Bragan Youth Foundation, Casa Manana, Catholic Charities, Community Hospice of Texas, Fort Worth Stock Show, Tarrant County Housing Partnership, and the University of North Texas Health Science Center Foundation. Others include the Fort Worth Visitors and Convention Bureau, Downtown Design Review Board, and the Trinity River Authority. He is a member of the Rotary Club of Fort Worth and the Fort Worth Stock Show Syndicate. Borbolla was reappointed as director for Tarrant County in 2019.

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

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

C. “COLE” CAMP of Arlington, Texas, (member, Legal and Public Policy Committee) is a senior environmental specialist for Pioneer Natural Resources USA, Inc. He previously was a gubernatorial appointee to the Red River Authority, member of the Panhandle Water Planning Group, board member for Amarillo Opportunity School, and a participant with Amarillo ISD iLead program and the Randall County Sheriff Citizens Academy. Camp received a Bachelor of Arts in Political Science from University of Colorado at Colorado Springs. Camp was appointed as director at large for Tarrant County in 2019.

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

LISA A. HEMBRY of Dallas, Texas (member, Resources Development Committee) is the owner/manager of March Forth Communications, LLC. She retired as President/CEO of Literacy Instruction for Texas in 2018. Hembry was elected and served one term as Dallas County Treasurer (2002 – 2006). Currently, she serves on the boards of directors of Executive Women of Dallas, the Archives of Women of the Southwest - Southern Methodist University, Texas Capital Bank CDC Advisory Board, and is a member of the Town and Gown Club (SMU). She formerly served on boards of directors of the Dallas Arboretum and Botanical Garden, Texas County Treasurer’s Association and Literacy Texas. Among her honors and awards are Texas gubernatorial appointments to the Texas County and District Retirement System (Trustee) and Texas Historical Commission (Commissioner), and a presidential appointment to the Institute of Museum and Library Services (IMLS) in Washington, D.C. She is a graduate of SMU and attended Cox School of Business Graduate Marketing Certificate program. Hembry was appointed as director for Dallas County in 2019.

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

JOHN W. JENKINS of Hankamer, Texas (member, Resources Development Committee). Jenkins is a self-employed partner in a major farming enterprise. He graduated from Southwest Texas State University in 1981 with a bachelor’s degree. He is a member of the Anahuac Area Chamber of Commerce. He serves on the boards of the Anahuac National Bank, the Texas Rice Council and the American Plant Food Corporation. Jenkins is also a committee chair for the Texas Gatorfest Committee. He is a former board member of the Trinity Bay Conservation District, the Devers Canal Rice Producers Association, the Trinity Valley Exposition, the Texas Rice Festival and the Chambers County Farm Bureau. Jenkins was appointed as director for TRA’s Chambers County in 1997. He was reappointed as director at large in 2009. Jenkins served as president of TRA’s board of directors from 2003-2005 and as vice president from 2001-2003. He was chairman of the executive committee from 2005-2007 and chairman of the resources development committee from 2000-2002. He served as chairman of the administration committee from 2007-2009 and chairman of the legal committee from 2009-2011. Jenkins was reappointed to the board in 2017 as director for Chambers County; he previously served on the board as director at large.

MARGARET S. C. KELIHER of Dallas, Texas (member, Resources Development Committee) is a practicing attorney with a primary focus is litigation consulting. She is also the Chief Executive Officer of the Dallas Breakfast Group, which hosts civic participation events for Dallas area business and community leaders. Previously, she served as Dallas

County Judge from 2002 to 2006. Prior to that, she served as Judge for the 44th State Civil District Court. She is a member of the State Bar of Texas, Dallas Bar Association, and the Texas Society of CPAs. She is a board member of the YMCA of Metropolitan Dallas, Advisory Council member of SPARK! Dallas, an arts education non-profit, a board member of the Center of American and International Law, and an executive board member of the SMU Dedman School of Law. Additionally, she is the former board chair of the Trinity River Audubon Center. Keliher received a Bachelor of Science in Accounting from the University of Virginia and a Juris Doctor degree from SMU Dedman School of Law.

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

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

DENNIS “JOE” MCCLESKEY of Apple Springs, Texas (member, Utility Services Committee). McCleskey is owner of Angelina Excavating Inc. He is secretary/treasurer of the Piney Woods Chapter of the National Wild Turkey Federation and a member of the Texas Wildlife Association, the Lufkin Host Lions Club, and the Angelina County Youth Fair Buyers Group Committee. He is also past president of the Deep East Texas Association of Builders, a former committee member of the Hudson ISD Community Involvement Advisory Board, and a past volunteer with the Angelina County Habitat for Humanity. McCleskey was reappointed director for Trinity County in 2018.

ROBERT F. MCFARLANE, M.D. of Palestine, Texas (member, Legal and Public Policy Committee). McFarlane is a cardiologist with East Texas Physician’s Alliance and chief of staff at Palestine Regional Hospital, and he is the managing partner of the BigWoods on the Trinity. He is a member of the Texas Medical Association and past director and a lifetime member of the Texas Wildlife Association. In addition, he founded the Trinity Waters Foundation and served as its president for five years. He also founded East Texas Black Gumbo Retriever Club. McFarlane received a Bachelor of Arts in chemistry from Harvard College and a Doctor of Medicine from Harvard Medical School, and is board certified in internal medicine and cardiology. McFarlane was appointed as director at large in 2017.

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

WILLIAM O. RODGERS of Fort Worth, Texas (member, Legal and Public Policy Committee). Rodgers is vice president of Collins and Young, LLC. He is a board member of the Fort Worth Nature Center and Edwards Family Charitable Giving. Rodgers received a bachelor’s degree from Texas Christian University. Rodgers was appointed as director for Tarrant County in 2017.

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

FRANK H. STEED, JR. of Kerens, Texas (member, Administration and Audit Committee). Steed is a 45 plus year veteran of the restaurant industry and is president and CEO of The Steed Consultancy. He is president and

commissioner of the Navarro County Emergency Services District #1 and a board member and past chairman of the Corsicana-Navarro County Chamber of Commerce. Previously, he served as a member of the Board of Governors of the University of North Texas School of Hospitality and the Women's Food Service Forum. Steed received an honorable discharge from the Mississippi Army National Guard. Steed was appointed as director for Navarro County in 2017.

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

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

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

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

MANAGEMENT OFFICERS

J. KEVIN WARD, General Manager. In his role as the chief executive officer, Ward oversees the largest river authority in Texas and the largest wholesale provider of wastewater treatment services in the state. With the support of eight staff groups and nearly 500 employees, Ward drives the implementation of board policy for the operation and development of four water treatment facilities, five wastewater treatment facilities and one recreation project, plus water sales from four reservoirs – all serving more than 50 wholesale customers including cities, municipalities and districts throughout the 18,000-square-mile Trinity River basin. Ward manages an annual budget of more than \$350 million and the Authority's assets in excess of \$2.6 billion. Ward previously served as executive administrator of the Texas Water Development Board from May 2002 to February 2011 and in various other capacities at that state agency from 1987 to 2002. Ward is active in several organizations. He currently serves as chair of the Region C Regional Water Planning Group and is a member of the Region H Water Planning Group, the Trinity and San Jacinto River Basins and Galveston Bay Basin and Bay Area Stakeholder Committee, and the Tarrant Regional Water District Customer Advisory Committee. He serves as a board and executive committee member of the North Texas Commission and on the Texas Water Conservation Association's executive committee and as chair of the Association's River Authority Panel. He is president and a board member of the National Water Resources Association. Additionally, he previously served as the public member of the American Academy of Water Resources Engineers Board of Trustees and a visiting member of the Texas A&M University Lehrer Chair Advisory Council. He recently became a member of the American Society of Engineers Industry Leaders Council. Ward also served two terms on the board of directors for the National Waterways Conference, an organization representing national interests related to water supply and waterways transportation. Ward was honored in 2011 with the Water Environment Association of Texas Outstanding Public Official Award, and in 2012 with TWCA's President's Award.

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

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

JIMMIE R. SIMS, Executive Manager, Southern Region. Sims received a Bachelor of Science degree in Civil Engineering Technology from Texas A&M University. He began working for the Trinity River Authority in May 1973 at the Devers Canal System and became project manager for Lake Livingston Recreation Facilities in 1977. In October 1983 he became project manager for the Lake Livingston Utility Services Project and advanced to division manager of the Water Services Division in May 1985. He was promoted to assistant regional manager, Southern Region, in December 1988 and advanced to his current position in March 1996. Sims is a past member of the board of directors of the Huntsville Walker County Chamber of Commerce where he was named "Director of the Year" in 2006. He has also served as chairman of the Huntsville Planning and Zoning Commission and is an active member of the American Water Works Association and the Texas Water Conservation Association. He has served on the board of directors of the Huntsville Boys Baseball Association and has been an active supporter of Huntsville area youth baseball programs.

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

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

HOWARD S. SLOBODIN, Secretary, Board of Directors and General Counsel. Slobodin received a Bachelor of Arts (Cum Laude, Phi Beta Kappa) from the University of Oregon and a Doctor of Jurisprudence (with honors) from the University of Texas School of Law. He joined the Authority in April 2008. Before joining the Authority, he practiced environmental and water law in both the public and private sectors. His practice began as an Assistant Attorney General with the Texas Attorney General's Office. In private practice, he represented public and private entities in disputes related to groundwater and surface water. Slobodin has litigated matters with regard to surface water ratemaking and the compensability of regulatory takings of groundwater in Texas, and participated in contract negotiations for two of the largest surface water sales in recent Texas history. He is a fellow of the Texas Center for Public Policy Dispute Resolution. He is actively engaged in policymaking related to water in Texas. He has served as chairman of the Texas Water Conservation Association Water Laws Committee since 2017. In 2019, he received the President's Award from the Association for his contributions. He also participates in the Texas regional water planning process. Slobodin has served as an Adjunct Professor at the Texas A&M School of Law since 2018. He also has frequently guest lectured at other law schools on topics related to Texas water law and policy. He contributed to three editions of the State Bar of Texas Essentials of Texas Water Resources treatise, and co-authored "Old Water Becoming New Again: Reuse of Treated Wastewater Effluent in Texas," 4 TEX. A&M J. PROP. L. 237.

TAYLOR L. HUYNH, Executive Manager, Administrative Services. Huynh received a Bachelor of Science degree in management of information systems from the University of Texas at Arlington. Prior to joining the Trinity River Authority, Huynh served as case liaison, serving the Texas Rehabilitation Commission and as investment partner of an employment agency serving Tarrant and Dallas counties. She began working for TRA in January 2000 as personnel services manager and advanced to human resources manager in 2013 serving as human resources business partner and as project manager for information technology initiatives implementing and managing multiple enterprise software systems integration. She was promoted to her current position in December 2018. She has held leadership positions

as committee member of the Texas Water Conservation Association Diversity Subcommittee, United Way of Tarrant County Impact Council for funding and grants, Parent Teacher Association and Uplift Education volunteer. She is an active supporter of United Way and local partner agencies and serves as campaign advisor for the Authority's annual charity donations committee. Huynh is an active member of the national Society of Human Resource Management, the Fort Worth Human Resources Management Association and a member of the International Association of HR Information Management. Huynh is a certified senior professional in human resources.

DOUGLAS L. SHORT, Chief Information Officer. Short was hired as the Trinity River Authority's first chief information officer in 2014 and leads all aspects of information technology and information security for TRA. Prior to working at TRA, Short served in the United States Air Force, enlisting as a law enforcement specialist in 1986 and subsequently was commissioned as a cyberspace operations officer. His career highlights include deployed command, command of two squadrons and standup of the Air Force Cyber Schoolhouse. He retired in 2014 at the rank of lieutenant colonel. Among his educational accomplishments, he has completed a Bachelor of Science in Computer Science and a Master of Arts in Computer Resource and Information Management; he attended the Air Command and Staff College, Joint and Combined Warfighting School and the Air War College. Additionally, he recently graduated from the Federal Bureau of Investigation's Chief Information Security Officer Academy, is a certified information security manager and certified government chief information officer. Short has spoken at several national and local conferences on cybersecurity, is a member of the Texas Cybersecurity Council, chairs the Texas American Water Works Association Resiliency and Cybersecurity Committee, and is a member of the Water Environment Association of Texas Safety and Security Committee.

APPENDIX B

CERTAIN FINANCIAL AND OPERATING DATA

FOR THE

CITY OF LIVINGSTON, TEXAS

The information contained in this Appendix consists of information relating to the City for the Fiscal Year Ending September 30, 2022 reproduced from the EMMA filing of the City. The City has executed a Continuing Disclosure Agreement pursuant to which it has undertaken to provide annually the financial information and operating data specified herein. Any financial statements to be provided shall be provided to each nationally recognized municipal securities information repository and to the state information depository. See “OTHER INFORMATION - Continuing Disclosure of Information” herein.

CITY OF LIVINGSTON, TEXAS

TABLE 1 - WATER CONSUMPTION, PUMPAGE, AND SYSTEM INFORMATION

FYE 30-Sep	Estimated Population	Ave. Daily Pumpage	Peak Daily Pumpage	Date of Peak Pumpage	Peak Monthly Pumpage	Total Pumpage	Total Consumption	Total Revenue
2015	5033	1,844,000	2,537,000	8/7/2015	66,861,000	673,052,000	527,695,000	2,615,790
2016	5087	2,024,000	3,263,000	7/16/2016	77,973,000	738,896,000	557,967,000	2,899,392
2017	5144	1,450,000	3,892,000	8/29/2017	72,969,000	775,468,000	572,702,000	2,964,277
2018	5128	1,553,000	3,093,000	1/18/2018	76,413,000	804,265,000	568,931,000	2,944,675
2019	5335	2,350,000	3,187,000	9/10/2019	86,579,000	857,890,000	572,390,000	3,094,134
2020	5335	2,272,000	3,095,000	10/15/2020	86,161,000	829,335,000	551,010,000	3,233,546
2021	5640	1,891,000	3,074,000	8/21/2021	74,748,000	829,166,000	578,998,000	3,438,157
2022	5640	2,451,000	3,041,000	7/14/2022	75,983,000	783,757,000	576,546,000	3,548,955
Overhead Storage Capacity:			2,200,000	Gallons				
Ground Storage Capacity:			1,650,000	Gallons				

TABLE 2 - CAPACITY OF WASTEWATER TREATMENT PLANT

Designed Capacity – Average Daily Flow (gal/day)	2.25 MGD
Designed Capacity – Peak Two Hour Flow (gal/day)	6.75 MGD

Peak Daily Use to Date - 3,377 MGD on 1/2/19⁽¹⁾
Average Flow for 2021- 1,544 MGD ⁽¹⁾

⁽¹⁾ Calendar year 2021.

TABLE 3 - SCHEDULE OF WATER TAP AND METER FEES

If not necessary to cut a paved street *	\$	600
If necessary to cut a paved street *		800

* 3/4" Connection

TABLE 4 - SCHEDULE OF SEWER TAP FEES

If not necessary to cut a paved street *	\$	600
If necessary to cut a paved street *		800

* 4" connection.

TABLE 5 - WATER RATES

EXISTING WATER RATES (Effective September 10, 2019)

Residential			
Inside City			
First 2000 gallons	\$	28.00	Minimum
Over 2000 gallons	\$	4.00	/M Gallons
Commercial			
First 2000 gallons	\$	38.00	Minimum
Next 48,000 gallons	\$	4.25	/M Gallons
Next 100,000 gallons	\$	4.75	/M Gallons
Over 200,000 gallons	\$	5.25	/M Gallons
Industrial			
First 2000 gallons	\$	100.00	Minimum
Over 2000 gallons	\$	4.25	/M Gallons

Outside City Limits - An additional \$10.00 will be added to customer's bills outside the corporate limits of the City.

TABLE 6 – SEWER RATES⁽¹⁾

EXISTING SEWER RATES (Effective September 10, 2019)

Residential			
First 2000 gallons	\$	23.00	Minimum
Over 2000 gallons	\$	1.50	M Gallons
Monthly Maximum	\$	42.50	
Commercial			
First 2000 gallons	\$	33.00	Minimum
Over 2,000 gallons	\$	4.00	M Gallons
Industrial			
First 2000 gallons	\$	100.00	Minimum
Over 2000 gallons	\$	3.75	M Gallons

⁽¹⁾ The Texas Department of Criminal Justice is charged Industrial Rates.

TABLE 7 - NUMBER OF WASTE/SEWER CUSTOMERS

Year	Water	Sewer
2015	3,299	2,969
2016	3,289	2,960
2017	3,291	2,960
2018	3,302	2,972
2019	3,307	3,009
2020	3,392	2,935
2021	3,530	2,824
2022	3,388	2,938

TABLE 8 - TEN LARGEST WATER AND SEWER CUSTOMERS - 2022

	Consumption	% of Total
Texas Department of Criminal Justice	258,422,200	44.822%
IAH Detention Center	19,423,000	3.369%
CHI St Luke's Hospital	15,544,000	2.696%
Livingston Independent School District	12,003,500	2.082%
Polk County	7,679,283	1.332%
Pine Hill Apartments	4,525,194	0.785%
Camp Cho Yeh	4,509,000	0.782%
Bradford at Brookside	4,360,000	0.756%
Pine Ridge Health Center	4,317,000	0.749%
First United Methodist Church	3,786,000	0.657%
TOTAL:	\$ 334,569,177	58.03%

TABLE 9 - OUTSTANDING CITY WATER AND SEWER REVENUE BONDS

The City has no outstanding water and sewer system revenue bonds.

TABLE 10 - ISSUANCE OF ADDITIONAL DEBT

The City has no plans for the issuance of additional City debt at this time.

TABLE 11 - SCHEDULE OF WATER AND SEWER SYSTEM NET REVENUES

	Fiscal Year Ending September 30,				
	2022	2021	2020	2019	2018
Revenues					
Water Sales	\$ 3,266,302	\$ 3,201,382	\$ 3,110,767	\$ 2,951,854	\$ 2,925,373
Water Tap Fees	42,318	20,689	21,980	11,690	5,930
Water Recoveries	240,335	216,086	100,799	279,514	82,790
Sewer Service Fees	2,411,921	2,339,931	2,267,077	2,146,703	2,070,315
Sewer Tap Fees	10,903	13,200	10,025	7,800	5,750
Sewer Recoveries	-	-	-	5,150	19,829
Total Revenues	5,971,779	5,791,288	5,510,648	5,402,711	5,109,987
Expenditures					
Water Expenses	\$ 1,174,103	\$ 1,165,509	296,030	1,001,548	994,990
TRA Water	463,268	463,268	302,000	58,400	58,400
TRA Operations and Maintenance	1,642,041	1,602,727	1,652,000	1,555,003	1,271,966
Sewer Expenses	870,305	883,069	783,070	887,638	760,836
TRA-Debt Service	1,561,903	1,577,424	1,569,000	1,712,915	1,582,312
Total Expenditures	5,711,620	5,691,997	4,602,100	5,215,504	4,668,504
(Deficiency) of revenues (under) expenditures	260,159	99,291	908,548	187,207	441,483
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Interest Income	110,498	9,121	-	14,234	9,056
Total other financing sources (uses)	110,498	9,121	-	14,234	9,056
Net change in fund balances	370,657	108,412	908,548	201,441	450,539
Fund Balance - Beginning	3,489,919	3,381,507	2,472,959	2,271,518	1,820,979
Fund Balance - Ending	\$ 3,860,576	\$ 3,489,919	\$ 3,381,507	\$ 2,472,959	\$ 2,271,518

TABLE 12- PROFORMA COVERAGE OF CONTRACT REVENUE BONDS

2022 Net Revenues Water and Sewer System:	\$ 260,159
Plus: TRA Outstanding Contract Revenue Bonds- Debt Service	1,561,903
2022 Net Revenues Excluding TRA Contract Revenue Bonds Debt Service	\$ 1,822,062
Maximum Annual Debt Service Requirements:	\$ 1,583,725
Outstanding and Proposed TRA Contract Revenue Bonds (2022)	\$ 1,583,725
Times Coverage By 2022 Net Revenues Excluding Contract Bonds Debt Service	\$ 1.15

TABLE 13 -TAX-BACKED DEBT PAID FROM UTILITY SYSTEM

FYE	Payment Source					
	General Fund	% of Total	Utility Fund	% of Total	Total	
2015	\$ 1,148,140	9.80%	\$ 135,835	9.8%	\$ 1,283,975	
2016	1,143,238	89.40%	134,937	10.6%	1,278,175	
2017	1,147,114	89.50%	134,711	10.5%	1,281,825	
2018	622,296	85.90%	102,229	14.1%	724,525	
2019	217,897	55.00%	178,278	45.00%	396,175	
2020	-	na	na	na	na	
2021	-	na	na	na	na	
2022	-	na	na	na	na	

^(a) Excludes TRA debt.

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APPENDIX C
CERTAIN FINANCIAL AND OPERATING DATA
OF
LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT ENTERPRISE FUND

TRINITY RIVER AUTHORITY OF TEXAS
(continued -3)
**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
NOVEMBER 30, 2022**

	LIVINGSTON REGIONAL WATER SUPPLY	TRINITY COUNTY REGIONAL WATER SUPPLY	LIVINGSTON RECREATION FACILITIES	WALKER- CALLOWAY BRANCHES
Assets				
Current Assets:				
Unrestricted Assets:				
Equity in Pooled Cash and Investments	284,796	168,931	1,019,485	1,222,025
Accounts Receivable, Net of Allowance	-	-	41,677	-
Accounts Receivable - Contracting Parties	-	-	-	382,861
Contract Receivable - Current	-	-	-	-
Interest Receivable	-	-	-	-
System Contribution Receivable - Current	-	-	-	-
Due from Other Authority Funds	17	-	23,579	-
Prepays and Other Assets	-	-	-	-
Total Unrestricted Assets	284,813	168,931	1,084,741	1,604,886
Restricted Assets:				
Equity in Pooled Cash and Investments	2,085,678	-	-	8,203,413
Accounts Receivable - Contracting Parties	-	-	-	-
Total Restricted Assets	2,085,678	-	-	8,203,413
Total Current Assets	2,370,491	168,931	1,084,741	9,808,299
Noncurrent Assets:				
Capital Assets:				
Land and Easements	190,380	95,536	401,240	986,894
Water Storage Rights	-	-	-	-
Sewage System and Extensions	-	-	-	8,233,767
Buildings	-	-	1,033,193	-
Recreational Facilities	-	-	1,969,343	-
Water Transportation and Treatment Facilities	27,698,979	4,542,954	-	-
Machinery and Equipment	200,886	167,325	390,511	-
Right-To-Use Leased Assets	-	-	-	-
Construction-in-Progress	-	-	33,120	881,055
Accumulated Depreciation/Amortization	(8,500,765)	(4,596,675)	(2,145,498)	(1,124,342)
Total Capital Assets, Net	19,589,480	209,140	1,681,909	8,977,374
Other Noncurrent Assets:				
Contract Receivable - Long Term	-	-	-	-
System Contribution Receivable, Less Current	-	-	-	-
Total Other Noncurrent Assets	-	-	-	-
Total Noncurrent Assets	19,589,480	209,140	1,681,909	8,977,374
Total Assets	\$ 21,959,971	378,071	2,766,650	18,785,673
Deferred Outflows of Resources				
Deferred Amount on Refunding	\$ 5,964	-	-	-
Total Deferred Outflows of Resources	\$ 5,964	-	-	-

Liabilities**Current Liabilities:**

Payable from Unrestricted Assets:

Accounts Payable and Accrued Expenses	\$ 53,943	10,984	79,862	881,620
Accounts Payable - Contracting Parties	4,792	79,261	-	347,796
Compensated Absences	3,481	1,183	6,321	-
Accrued Interest Payable	-	-	-	-
Due to Other Authority Funds	-	-	-	-
Lease Payable - Current	-	-	-	-
System Contribution Payable - Current	-	-	-	-
Unearned Revenue	-	-	-	-
Contracts Payable - Current Maturities	-	-	-	-
Total Payable from Unrestricted Assets	62,216	91,428	86,183	1,229,416

Payable from Restricted Assets:

Accounts and Retainage Payable	-	-	-	41,426
Accrued Interest Payable	257,194	-	-	149,567
Unearned Revenue	-	-	-	-
Revenue Bonds - Current Maturities	790,000	-	-	325,000
Total Payable from Restricted Assets	1,047,194	-	-	515,993

Total Current Liabilities

1,109,410	91,428	86,183	1,745,409
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Long-Term Liabilities:

Compensated Absences, Less Current	29,588	10,848	53,421	-
Lease Payable, Less Current	-	-	-	-
System Contribution Payable, Less Current	-	-	-	-
Unearned Revenue	-	-	32,336	-
Contracts Payable, Less Current Maturities	-	-	-	-
Revenue Bonds Payable, Less Current Maturities	16,745,290	-	-	9,876,034
Total Long-Term Liabilities, Net	16,774,878	10,848	85,757	9,876,034

Total Liabilities

\$ 17,884,288	102,276	171,940	11,621,443
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Deferred Inflows of Resources

Deferred Gain on Refunding

\$ -	-	-	-
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Total Deferred Inflows of Resources

\$ -	-	-	-
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Net Position

Net Investment in Capital Assets	\$ 2,060,154	209,140	1,681,909	4,173,831
Restricted for:				
Debt Service	1,828,484	-	-	966,523
Construction	-	-	-	1,648,406
Other Purpose	-	-	-	-
Unrestricted	193,009	66,655	912,801	375,470

Total Net Position

\$ 4,081,647	275,795	2,594,710	7,164,230
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TRINITY RIVER AUTHORITY OF TEXAS
(continued -2)
NONMAJOR ENTERPRISE FUNDS
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2022**

	LIVINGSTON REGIONAL WATER SUPPLY	TRINITY COUNTY REGIONAL WATER SUPPLY	LIVINGSTON RECREATION FACILITIES	WALKER- CALLOWAY BRANCHES
Operating Revenues:				
Wastewater Contract Revenue	\$ -	-	-	5,028,815
Water Supply Contract Revenue	3,702,721	680,845	-	-
Water Storage Contract Revenue	-	-	-	-
Raw Water Contract Revenue	-	-	-	-
Direct Financing Arrangement Revenue	-	-	-	-
Recreational Facilities Fees	-	-	1,256,394	-
Total Operating Revenues	3,702,721	680,845	1,256,394	5,028,815
Operating Expenses:				
Salaries and Benefits	509,585	252,273	514,642	-
Supplies	362,910	35,600	47,473	-
Other Services and Charges	1,235,814	377,779	622,683	4,412,754
Depreciation/Amortization	618,351	119,009	65,456	150,103
Total Operating Expenses	2,726,660	784,661	1,250,254	4,562,857
Operating Income (Loss)	976,061	(103,816)	6,140	465,958
Non-Operating Revenues (Expenses):				
Interest Expense	(785,764)	-	-	(297,607)
Debt Issuance Costs	-	-	-	(146,066)
Investment Income (Loss)	(14,595)	(1,886)	(7,028)	(26,670)
Debt Related Fees	(2,070)	-	-	(2,657)
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
Other	-	-	337	-
Total Non-Operating Revenues (Expenses) - Net	(802,429)	(1,886)	(6,691)	(473,000)
Income (Loss) Before Contributions	173,632	(105,702)	(551)	(7,042)
CONTRIBUTIONS	-	-	-	2,407,042
TRANSFERS IN	-	-	91,296	-
Change in Net Position	173,632	(105,702)	90,745	2,400,000
Net Position - December 1, 2021	3,908,015	381,497	2,503,965	4,764,230
Net Position - November 30, 2022	\$ 4,081,647	275,795	2,594,710	7,164,230

TRINITY RIVER AUTHORITY OF TEXAS

(continued -3)

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2022**

	LIVINGSTON REGIONAL WATER SUPPLY	TRINITY COUNTY REGIONAL WATER SUPPLY	LIVINGSTON RECREATION FACILITIES	WALKER- CALLOWAY BRANCHES
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 3,669,513	760,106	1,236,477	4,993,751
Cash Received on Direct Financing Arrangement	-	-	-	-
Cash Payments to Customers	(113,770)	(127,882)	-	(289,004)
Cash Payments to Suppliers for Goods and Services	(795,974)	(182,281)	(434,982)	(4,061,565)
Cash Payments for Employee Services	(532,083)	(251,590)	(534,717)	-
Cash Payments to Other Funds for Services	(797,106)	(242,986)	(187,542)	(68,905)
Cash from Other Sources	-	-	337	-
Net Cash Provided by (Used For) Operating Activities	1,430,580	(44,633)	79,573	574,277
Cash Flows from Non-Capital Financing Activities:				
Transfer from Other Authority Funds	-	-	67,792	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	-	67,792	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	(9,996)	(332,354)	(2,167,679)
Principal Paid on Revenue Bond Maturities	(760,000)	-	-	(225,000)
Interest Paid on Revenue Bonds	(799,945)	-	-	(323,877)
Principal Paid on Contracts Payable	-	-	-	-
Interest Paid on Contracts Payable	-	-	-	-
Principal Paid on Lease Payable	-	-	-	-
Interest Paid on Lease Payable	-	-	-	-
Interest Paid on Retainage	-	-	-	-
Debt Related Fees	(2,850)	-	-	(2,070)
Net Proceeds from Issuance of Bonds	-	-	-	3,777,695
Debt Issuance Costs Paid	-	-	-	(34,486)
Debt Issuance Costs Refunded	-	-	-	4,151
Contributions Received	-	-	-	2,407,042
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,562,795)	(9,996)	(332,354)	3,435,776
Cash Flows from Investing Activities:				
Cash Received for Investment Income	(14,595)	(1,886)	(7,028)	(26,670)
Net Cash Provided by (Used For) Investing Activities	(14,595)	(1,886)	(7,028)	(26,670)
Total Change in Cash and Cash Equivalents	(146,810)	(56,515)	(192,017)	3,983,383
Cash and Cash Equivalents, Beginning of Year	2,517,284	225,446	1,211,502	5,442,055
Cash and Cash Equivalents, End of Year	\$ 2,370,474	168,931	1,019,485	9,425,438

(continued -4)

	LIVINGSTON REGIONAL WATER SUPPLY	TRINITY COUNTY REGIONAL WATER SUPPLY	LIVINGSTON RECREATION FACILITIES	WALKER- CALLOWAY BRANCHES
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 976,061	(103,816)	6,140	465,958
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/Amortization	618,351	119,009	65,456	150,103
Miscellaneous Income	-	-	337	-
Change in Assets and Liabilities:				
Accounts Receivable	-	-	(19,431)	-
Accounts Receivable - Contracting Parties	-	-	-	(382,860)
Contracts Receivable	-	-	-	-
Interest Receivable	-	-	-	-
Due from Other Authority Funds	(17)	-	(75)	-
Prepays and Other Assets	-	-	-	-
Direct Financing Arrangement Receivable	-	-	-	-
Accounts Payable and Accrued Expenses	7,799	(10,340)	48,054	282,284
Compensated Absences	(24,636)	539	3,486	-
Accounts Payable - Contracting Parties	(146,978)	(48,620)	-	58,792
Due to Other Authority Funds	-	(1,405)	(23,906)	-
Unearned Revenue	-	-	(488)	-
Premium for Deferred Charges	-	-	-	-
Total Adjustments	454,519	59,183	73,433	108,319
Net Cash Provided by (Used For) Operating Activities	\$ 1,430,580	(44,633)	79,573	574,277
Supplemental Noncash Disclosures:				
Gain/Loss on Disposal of Capital Assets	\$ -	-	-	-
Amortization of Bond Premium/Discount	(5,163)	-	-	(77,254)
Amortization of Gain/Loss on Refunding	436	-	-	-
Change in Liabilities Related to Capital Assets	-	-	-	(16,431)
Bond Issuance Costs Retained from Bond Proceeds	-	-	-	(115,731)

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

Proposed Form of Opinion of Bond Counsel

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

**TRINITY RIVER AUTHORITY OF TEXAS
CONTRACT REVENUE REFUNDING BONDS, SERIES 2023
(LIVINGSTON REGIONAL WATER SUPPLY SYSTEM PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$13,390,000

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

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

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Bond Resolution constitute valid and binding special obligations of the Issuer, which, together with other parity bonds, are secured by and payable from a first lien on and pledge of the Net Revenues (as defined in the Bond Resolution) derived from the "Trinity River Authority of Texas - City of Livingston Water System Services Contract", entered into as of February 22, 1978, as amended by the "Trinity River Authority of Texas - City of Livingston Water System Services Amendatory Contract", entered into as of June 26, 1991, between the Issuer and the City of Livingston, Texas, with respect to the Issuer's water supply and treatment system serving the City of Livingston and (ii) said contracts are authorized by law, have been duly executed, are valid, and are legally binding upon and enforceable by the parties thereto in accordance with their terms and provisions.



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

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

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised from taxes levied by the Issuer or from any source whatsoever other than specified in the Bond Resolution.

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

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

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

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

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment



based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. 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 Issuer or the Contracting Parties, or the adequacy of the Net Revenues to be derived from the Contract, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Net Revenues.

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

Respectfully,

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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