

(See "CONTINUING DISCLOSURE
OF INFORMATION" herein)

Dated May 3, 2017

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

NEW ISSUE - Book-Entry-Only

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

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

\$285,375,000

**TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2017**

Dated Date: May 1, 2017

Due: August 1, as shown on Page ii

Interest to accrue from Delivery Date

PAYMENT TERMS . . . Interest on the \$285,375,000 Trinity River Authority of Texas Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2017 (the "Bonds") will accrue from the date they are initially delivered (the "Delivery Date") to the underwriters listed below (the "Underwriters"), will be payable on August 1, 2017 and on February 1 and August 1 of each year thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws, and bond resolutions collectively authorizing the issuance of the Bonds (the "Bond Resolutions") adopted by the Board of Directors (the "Board") of the Trinity River Authority of Texas (the "Authority" or "Issuer") on October 26, 2016 and April 26, 2017, respectively. In the Bond Resolutions, 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 were included in a "Pricing Certificate" which was approved and executed by the Authorized Officer and which completed the sale of the Bonds (the Bond Resolutions and the Pricing Certificate are jointly referred to as the "Resolution"). Under the Constitution and the statutes of the State of Texas, the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others.

PURPOSE . . . Proceeds from the sale of the Bonds will be used for the purpose of providing funds (i) to refund portions of certain outstanding System revenue bonds (see "SCHEDULE I") relating to the Authority's Regional Wastewater System (the "System"), (ii) to refund certain revenue bonds of the Authority issued in a commercial paper mode related to the System, (iii) to make improvements to the System, (iv) funding the Reserve Fund and (v) to pay costs associated with the issuance of the Bonds.

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

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

DELIVERY . . . It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 31, 2017.

MORGAN STANLEY

RAYMOND JAMES BofA MERRILL LYNCH MESIROW FINANCIAL, INC. SIEBERT CISNEROS SHANK & CO.

MATURITY SCHEDULE

Maturity (August 1)	Principal Amount	Interest Rate	Initial Yield*	CUSIP Suffix ⁽¹⁾
2017	\$ 1,825,000	5.00%	0.80%	UH1
2018	4,420,000	2.00%	0.94%	UJ7
2019	4,505,000	5.00%	1.04%	UK4
2020	4,730,000	5.00%	1.23%	UL2
2021	4,965,000	5.00%	1.38%	UN8
2021	3,305,000	3.00%	1.49%	UM0
2022	10,785,000	5.00%	1.55%	UP3
2022	7,955,000	3.00%	1.69%	UQ1
2023	5,475,000	5.00%	1.69%	US7
2023	13,995,000	3.00%	1.88%	UR9
2024	5,750,000	5.00%	1.89%	UU2
2024	14,380,000	3.00%	2.08%	UT5
2025	6,035,000	5.00%	2.08%	UW8
2025	14,720,000	3.00%	2.30%	UV0
2026	6,625,000	5.00%	2.28%	UY4
2026	14,755,000	3.00%	2.47%	UX6
2027	13,250,000	5.00%	2.40%	UZ1
2027	8,770,000	4.00%	2.51%	VA5
2028	35,480,000	5.00%	2.50% *	VC1
2028	7,860,000	4.00%	2.63% *	VB3
2029	14,605,000	5.00%	2.60% *	VD9
2030	15,330,000	5.00%	2.68% *	VE7
2031	8,085,000	5.00%	2.76% *	VF4
2032	8,495,000	5.00%	2.84% *	VG2
2033	8,915,000	5.00%	2.91% *	VH0
2034	9,365,000	5.00%	2.97% *	VJ6
2035	9,830,000	5.00%	3.03% *	VK3
2036	10,325,000	5.00%	3.07% *	VL1
2037	10,840,000	5.00%	3.10% *	VM9

* Yield shown is the yield to the earlier of maturity or the first call date.

(Interest to accrue from the Delivery Date)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the Authority, the Financial Advisor or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The Authority reserves the right, at its option, to redeem Bonds maturing on or after August 1, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2027, or any date thereafter, at the par value thereof plus accrued interest to date of redemption (see “THE BONDS - Optional 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 reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

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

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

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

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

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY	v	Opinion.....	31
INTRODUCTION.....	1	Federal Income Tax Accounting Treatment of	
Description of the Authority	1	Original Issue Discount	31
PLAN OF FINANCING.....	1	Collateral Federal Income Tax Consequences.....	32
Purpose	1	State, Local and Foreign Taxes	32
Refunded Bonds.....	2	Information Reporting and Backup Withholding	33
Bonds Issued in a Commercial Paper Mode	2	Future and Proposed Legislation	33
Sources and Uses of Bond Proceeds	3	CONTINUING DISCLOSURE OF	
THE BONDS.....	3	INFORMATION	33
Description of the Bonds	3	Annual Reports.....	33
Authority For Issuance.....	3	Disclosure Event Notices	34
Redemption.....	4	Availability of Information.....	34
Notice of Redemption.....	4	Limitations and Amendments.....	34
Reserve Fund	5	Compliance with Prior Undertakings	35
Emergency Fund	5	OTHER INFORMATION.....	35
Defeasance	5	Ratings.....	35
Book-Entry-Only System.....	6	Litigation	36
Paying Agent/Registrar	8	Registration and Qualification of Bonds for	
Transfer, Exchange And Registration.....	8	Sale	36
Limitation on Transfer of Bonds.....	8	Legal Investments and Eligibility to Secure	
Record Date for Interest Payment.....	8	Public Funds in Texas.....	36
Bondholders' Remedies	9	Legal Matters.....	36
SECURITY AND SOURCE OF PAYMENT	9	Authenticity of Financial Data and Other	
Reserve Fund Requirement.....	10	Information	37
THE SYSTEM.....	11	Financial Advisor	37
The Plant.....	11	Verification of Arithmetical Computations	37
Central Regional Wastewater System Enterprise		Underwriting	38
Fund	12	Forward-Looking Statements Disclaimer.....	38
DEBT INFORMATION.....	13	Miscellaneous.....	39
Debt Service Requirements.....	13	Schedule I	Refunded Bonds
Anticipated Issuance of Additional System		Appendix A	Biographical Information.....
Revenue Bonds.....	14	Appendix B	Trinity River Authority
SELECTED CONTRACT PROVISIONS	15		Regional Wastewater
Parties and Terms.....	15		System 2017 Revenue
Certain Definitions.....	15		Report
Fiscal Provisions of the Contracts.....	16	Appendix C	Certain Financial And
SELECTED PROVISIONS OF THE			Operating Data of Central
RESOLUTION	20		Regional Wastewater
THE AUTHORITY	27		System Enterprise Fund.....
The Authority's Activities	27	Appendix D	Form of Bond Counsel's
The Authority's Revenue-Based Projects	27		Opinion
The Future Role of the Authority.....	28		
Pension Plan.....	29		
Outstanding Indebtedness of the Authority.....	30		
TAX MATTERS	31		

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

OFFICIAL STATEMENT SUMMARY

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

- THE AUTHORITY**..... The Trinity River Authority of Texas (the “Authority” or “Issuer”) is a governmental agency of the State of Texas and a body politic and corporate, created as a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution pursuant to Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended. The Authority is governed by a Board (the “Board”) of 25 directors who are appointed by the Governor for six-year terms.
- THE BONDS**..... The Bonds are issued as \$285,375,000 Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2017. The Bonds are issued as serial bonds maturing on August 1 in each of the years 2018 through 2037 (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 August 1, 2017 and each February 1 and August 1, thereafter until maturity or prior redemption (see “THE BONDS - Description of the Bonds,”).
- AUTHORITY FOR ISSUANCE** The Bonds are issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws, and bond resolutions collectively authorizing the issuance of the Bonds (the “Bond Resolutions”) adopted by the Board on October 26, 2016 and April 26, 2017, respectively. In the Bond Resolutions, 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 were included in a “Pricing Certificate” which was approved and executed by the Authorized Officer and which completed the sale of the Bonds (the Bond Resolutions 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 of the Authority under the Contracts entered into with the Contracting Parties (see “SECURITY AND SOURCE OF PAYMENT”).
- REDEMPTION** The Authority reserves the right, at its option, to redeem Bonds maturing on or after August 1, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2027 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS - Optional Redemption”).
- TAX EXEMPTION**..... In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under the caption “TAX MATTERS” herein, including the alternative minimum tax on corporations.
- USE OF PROCEEDS** Proceeds from the sale of the Bonds will be used for the purpose of providing funds (i) to refund portions of certain outstanding System revenue bonds (see “SCHEDULE I”), (ii) to refund certain revenue bonds of the Authority issued in a commercial paper mode related to the System, (iii) to make improvements to the System, (iv) fund the Reserve Fund and (v) to pay costs associated with the issuance of the Bonds.
- RATINGS** The Bonds are rated “AAA” by S&P Global Ratings, a division of S&P Global Inc. (“S&P”), and “AA+” by Fitch Ratings (“Fitch”). The Outstanding Parity Bonds of the Authority are rated “AAA” by S&P and “AA+” by Fitch, each without regard to credit enhancement (see “OTHER INFORMATION - Ratings”).

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

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

For additional information regarding the Authority, please contact:

Ms. Alison A. Mackey, CPA
Trinity River Authority of Texas
P.O. Box 60
Arlington, Texas 76004
(817) 493-5118

or

Mr. W. Boyd London, Jr.
Ms. Mary Williams
FirstSouthwest, a Division of Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-4000

AUTHORITY OFFICIALS, STAFF AND CONSULTANTS

Board Members	Position	Area Represented
David B. Leonard	President and Member, Executive Committee	Liberty County
Christina Melton Crain	Vice President and Member Executive Committee	Dallas County
Kim C. Wyatt	Chair and Member, Executive Committee	Navarro County
Jess A. Laird	Chairman, Resources Dev. Comm. and Member, Executive Committee	Henderson County
Harold L. Barnard	Chairman, Legal and Public Policy Comm. and Member, Executive Committee	Ellis County
Valerie E. Ertz	Chair, Administration and Audit Committee and Member, Executive Committee	Dallas County
Kevin Maxwell	Chairman, Utility Services Committee, Member, Executive Committee	Houston County
Henry Borbolla III	Member, Utility Services Committee	Tarrant County
William W. Collins Jr.	Member, Utility Services Resources Dev. Committee	Tarrant County
Steve Cronin	Member, Resources Development Committee	San Jacinto County
Amanda B. Davis	Member, Administration and Audit Committee	Leon County
Tommy G. Fordyce	Member, Resources Development Committee	Walker County
Ronald J. Goldman	Member, Legal and Public Policy Committee	Director at Large
Martha A. Hernandez	Member, Legal and Public Policy Committee	Tarrant County
John W. Jenkins	Member, Administration and Audit Committee	Director at Large
Dennis "Joe" McCleskey	Member, Utility Services Committee	Trinity County
James W. Neale	Member, Administration and Audit Committee	Dallas County
Manny Rachal	Member, Utility Services Committee	Polk County
Amir A. Rupani	Member, Utility Services Committee	Director at Large
Ana Laura Saucedo	Member, Legal and Public Policy Committee	Dallas County
Shirley K. Seale	Member, Resources Development Committee	Chambers County
Dudley K. Skyrme	Member, Administration and Audit Committee	Anderson County
C. Dwayne Somerville	Member, Utility Services Committee	Freestone County
J. Carol Spillars	Member, Legal and Public Policy Committee	Madison County
Vacancy		Kaufman County

Management Officers

J. Kevin Ward	General Manager
Fiona M. Allen, P.E.	Regional Manager, Northern Region
Jimmie R. Sims.	Regional Manager, Southern Region
Alison A. Mackey, CPA	Treasurer, Board of Directors and Chief Financial Officer
Don A. Tucker	General Services Manager
Glenn C. Clingenpeel.....	Planning and Environmental Services Manager
Howard S. Slobodin	Secretary, Board of Directors and General Counsel

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.....	FirstSouthwest, a Division of Hilltop Securities Inc.	Dallas, Texas

[This Page is Intentionally Left Blank]

OFFICIAL STATEMENT
RELATING TO
\$285,375,000
TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2017

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of \$285,375,000 Trinity River Authority of Texas Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2017 (the “Bonds”). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution (defined herein), except as otherwise indicated herein (see “SELECTED PROVISIONS OF THE RESOLUTION”).

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

Description of the Authority

The Authority 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 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 of Texas, the Authority has broad powers to effectuate flood control and the conservation and use, for all beneficial purposes, of storm and flood waters and unappropriated flow waters in the Trinity River watershed, and as necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others.

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

PLAN OF FINANCING

Purpose

Proceeds from the sale of the Bonds will be used for the purpose of providing funds (i) to refund portions of certain outstanding revenue bonds relating to the Authority’s Central Regional Wastewater System (the “System”) (the “Refunded Bonds”) (see “SCHEDULE I”), (ii) to refund certain revenue bonds of the Authority issued in a commercial paper mode related to the System, (iii) to make improvements to the System, (iv) funding the Reserve Fund and (v) to pay costs associated with the issuance of the 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 each interest payment date and the redemption dates of the Refunded Bonds from funds to be deposited pursuant to a certain Escrow Agreement (the “Escrow Agreement”) between the Authority and The Bank of New York Mellon Trust Company, N.A, Dallas, Texas (the “Escrow Agent”). The Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriters, the Authority will deposit with the Escrow Agent the amount when invested that will be sufficient to pay all amounts coming due on the Refunded Bonds to their redemption dates and to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the “Escrow Fund”) and used to purchase direct obligations of the United States of America or 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 of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent (the “Escrow Securities”). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Grant Thornton LLP (“Grant Thornton”), a nationally recognized accounting firm, will issue its report (the “Report”) verifying at the time of delivery of the Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Escrow Securities will mature and pay interest in such amounts which, together with uninvested funds in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Escrow Securities will not be available to pay the Bonds.

By the deposit of the Escrow Securities and cash 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 Report. As a result of such defeasance, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Escrow Securities and any 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 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, including any insufficiency therein caused by the failure to receive payments when due on the Escrow Securities.

Bonds Issued in a Commercial Paper Mode

A portion of the proceeds of the Bonds will be used to refund a portion of the Authority’s outstanding junior lien improvement bonds designated as Trinity River Authority of Texas Central Regional Wastewater System Revenue Bond – Extendable Commercial Paper Mode, Series A (Tax-Exempt) and/or Trinity River River Authority of Texas Central Regional Wastewater System Revenue Bond – Extendable Commercial Paper Mode, Series A (Taxable) [collectively, the “ECP Bonds”]. It is anticipated that the outstanding ECP Bonds being refunded with a portion of the proceeds of the Bonds will be paid on the date of delivery of the Bonds.

The ECP Bonds are authorized to be issued and outstanding in the aggregate principal amount of \$350,000,000. Of this authorized principal, the Authority currently has \$70,000,000 of ECP Bonds outstanding and anticipates refunding \$57,000,000 of that amount with proceeds from the sale of the Bonds. The ECP Bonds are payable from a pledge of the Net Revenues which is junior and subordinate to the pledge of the Net Revenues securing the Bonds and the Outstanding Parity Bonds and from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds and the proceeds of refunding bonds to be issued by the Authority. See “DEBT INFORMATION – Anticipated Issuance of Additional System Revenue Bonds.”

Sources and Uses of Bond Proceeds

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

Sources of Funds	
Par Amount of Bonds	\$ 285,375,000.00
Net Reoffering Premium	43,592,208.90
Total Sources of Funds	<u><u>\$ 328,967,208.90</u></u>
Uses of Funds:	
Deposit to Escrow Fund	\$ 160,705,488.74
Deposit to Redeem ECP	57,000,000.00
Deposit to Project Fund	100,000,000.00
Deposit to Reserve Fund	8,474,323.70
Underwriters' Discount	1,152,101.43
Costs of Issuance	1,635,295.03
Total Uses of Funds	<u><u>\$ 328,967,208.90</u></u>

THE BONDS

Description of the Bonds

The Bonds are dated May 1, 2017, and mature on August 1 in each of the years and in the amounts shown on page ii hereof. Interest will accrue from the date they are initially delivered to the Underwriters, will be payable on August 1, 2017 and on February 1 and August 1 of each year thereafter until maturity or prior redemption, and will be computed on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System" herein).

Interest on the Bonds is payable to the registered owner appearing on the bond registration books of the Paying Agent/Registrar on the Record Date (as defined below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent by United States Mail, first class postage prepaid, to the address of the registered owner recorded in the bond register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. Principal of and interest on the Bonds at maturity will be payable upon their presentation and surrender to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein. If the date for any payment on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Authority For Issuance

The Bonds are being issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws, and bond resolutions collectively authorizing the issuance of the Bonds (the "Bond Resolutions") adopted by the Board on October 26, 2016 and April 26, 2017, respectively. In the Bond Resolutions, 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 completed the sale of the Bonds (the Bond Resolutions and the Pricing Certificate are jointly referred to as the "Resolution").

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

The Authority's Regional Wastewater System Revenue Bonds, Series 2008, Regional Wastewater System Revenue Refunding Bonds, Series 2008, Regional Wastewater System Revenue Bonds, Series 2009, Regional Wastewater System Revenue Bonds, Series 2010, Regional Wastewater System Revenue Bonds, Series 2010A, Regional Wastewater System Revenue Refunding Bonds, Series 2011, Regional Wastewater System Revenue Bonds, Series 2011A, Regional Wastewater System Revenue Bonds, Series 2012, Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2013, Regional Wastewater System Revenue Refunding Bonds, Series 2014 and Regional Wastewater System Revenue Refunding Bonds, Series 2016 shall be referred to as "Outstanding Parity Bonds".

Redemption

The Authority reserves the right, at its option, to redeem Bonds maturing on or after August 1, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2027, 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 the Bonds to be redeemed. If less than all of the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed.

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 Deposit 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 Deposit Agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

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

Reserve Fund

There is now on deposit in the Reserve Fund created by the 1973 Bond Resolution an amount of money and investments in market value at least equal to the average annual principal and interest requirements of the Outstanding Parity Bonds and the Bonds. Immediately after the delivery of the Bonds, there will be deposited into the Reserve Fund from the proceeds from the sale of the Bonds, an amount which, together with the amount now contained therein, will cause the Reserve Fund to contain an amount of money and investments in market value equal to the average annual principal and interest requirements of the Outstanding Parity Bonds and the Bonds, being all of the bonds which will be outstanding and payable from Net Revenues after the delivery of the Bonds (the "Reserve Required Amount"). Until and unless Additional Bonds are issued as permitted in the Outstanding Parity Bond Resolutions and the Resolution, no deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount. However, if and whenever the amount of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Authority shall restore the Reserve Fund to the Reserve Required Amount from the Emergency Fund (see "THE BONDS - Emergency Fund") and/or the Research and Development Fund created by the 1973 Bond Resolution to the extent of amounts available therein, and if such amounts are insufficient, then the Authority shall require the Contracting Parties to increase their payments under the Contracts as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount. In the event the Reserve Fund is used to pay the principal of or interest on any bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Authority shall require the Contracting Parties to increase their payments under the Contracts in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount, and the Authority shall deposit in the Reserve Fund, in approximately equal periodic payments, not less than annually, such amounts as are required to restore the Reserve Fund to the Reserve Required Amount from said increased payments within five years from any date of the use of the Reserve Fund to pay such principal or interest. So long as the Reserve Fund contains the Reserve Required Amount, all amounts in excess thereof shall be deposited to the credit of the Claims Fund, the Emergency Fund, and the Research and Development Fund, to the extent required by Section 3.13 of the 1973 Bond Resolution, and with the remainder to be deposited to the credit of the Interest and Sinking Fund. See "SECURITY AND SOURCE OF PAYMENT - Reserve Fund Requirement" for additional details about the Reserve Fund.

Emergency Fund

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

Defeasance

The Resolution provides for the defeasance of the Bonds when the payment of all amounts due with respect to the Bonds to the due date thereof is provided by irrevocably depositing with the Paying Agent/Registrar or authorized Deposit Agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities to mature as to

principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The 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. In the Pricing Certificate, the Authorized Officer has restricted such Defeasance Securities to: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (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. 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.

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

Book-Entry-Only System

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

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

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

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

of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of 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 Securities 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 Authority or 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 Authority or 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 - Registration, Transfer and Exchange” below.

Paying Agent/Registrar

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Resolution, the Authority retains the right to replace the Paying Agent/Registrar. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State 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 will be printed and delivered to the beneficial owners thereof, and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate designated amount as the Bonds surrendered for exchange or transfer. See “THE BONDS - Book-Entry-Only System” herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Limitation on Transfer of Bonds

The Paying Agent/Registrar shall not be required to make any transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

Record Date for Interest Payment

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

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

Bondholders' Remedies

The Resolution does not specify events of default with respect to the Bonds. If the Authority defaults in the payment of principal, interest, or redemption price on the Bonds when due, or the Authority defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Resolution, the 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. 3rd 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.

SECURITY AND SOURCE OF PAYMENT

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

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

Actual net cost to the Contracting Parties for wastewater treatment for fiscal year 2016 was \$2.205 per 1,000 gallons. Estimated net cost of wastewater treatment to the Contracting Parties for billing purposes for fiscal year 2017 is \$2.507 per 1,000.

Reserve Fund Requirement

There has previously been created a Reserve Fund to be used to finally retire or to pay when due debt service on Outstanding Parity Bonds and any Additional Bonds to the extent the amounts in the Interest and Sinking Fund are insufficient. The Resolution provides that so long as the market value of the money and investments in the Reserve Fund are not less than a "Required Reserve" equal to the average annual principal and interest requirements of the Outstanding Parity Bonds and any Additional Bonds, no deposit to the Reserve Fund is required (see "THE BONDS - Reserve Fund" and "SELECTED PROVISIONS OF THE RESOLUTION"). At delivery of the Bonds, an amount required to fully fund the Required Reserve will be deposited into the Reserve Fund.

[Remainder of Page Intentionally Left Blank]

THE SYSTEM

The Plant

The Central Regional Wastewater System (the “System”) is considered a large regional wastewater system currently serving approximately 1.8 million customers in Dallas, Tarrant, Ellis, Johnson, and Denton counties of North Central Texas. The System includes facilities required to transport and treat flow volumes received from portions or all of twenty cities and the Dallas-Fort Worth International Airport. The System has been in continuous operation since the original 30 MGD two stage trickling filter plant (the “Plant”) was placed into operation December 1, 1959. In response to the population growth of the Contracting Parties serviced by the System, the Plant was expanded during the mid-seventies to a 100 MGD capacity when twelve additional Contracting Parties were admitted to the System. In 1987, through the addition of several equipment modifications, the Plant was upgraded to a temporary 115 MGD capacity. In late 1989, construction was initiated on the Phase III Expansion of the Plant to 135 MGD with a capability of meeting more stringent discharge limits. This expansion was completed in mid-1993. Since the Plant was last expanded, the Authority has continued to make process changes and has received an up rating from the Texas Commission on Environmental Quality. The current rated capacity of the Plant is 162 MGD. The Plant receives wastewater via a network of 210 plus miles of interceptor pipeline. These interceptors range in size from 6 to 108 inches in diameter. The flow collected by each interceptor is metered through a series of 139 meter stations distributed throughout the System; these meters are utilized for determining respective flow contributions from each of the Contracting Parties allowing subsequent proportionate segregation of System costs based upon the share of System usage.

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

The 2017 System Improvement Plan identifies numerous improvements, including, but not limited to, improvements to the System’s treatment plant and collection system. These improvements will be funded, in part, by future bond issues (See “DEBT INFORMATION – Anticipated Issuance of Additional System Revenue Bonds”).

The National Association of Clean Water Agencies (formerly known as Association of Metropolitan Sewerage Agencies) recognized the System and the Authority with Platinum Awards for Peak Performance for the years 2007 through 2016. This Platinum Award recognized the Authority for its 100% compliance with NPDES permits over a consecutive five-year period. Aside from the awards received by the Plant, the System has received national recognition within the industry for three innovative projects:

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

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

[Remainder of Page Intentionally Left Blank]

Central Regional Wastewater System Enterprise Fund

	2016	2015	2014	2013	2012
Total Operating Revenue	\$115,782,020	\$111,120,851	\$105,230,590	\$ 91,202,165	\$ 86,126,026
Operating Expenses (exclusive of depreciation)	(61,696,838)	(50,051,544)	(38,056,942)	(36,427,588)	(36,205,134)
Operating Expenses paid from other sources	12,114,903	6,143,374	1,640,996	-	-
Net Non-Operating Revenues/(Expenses)	(677,019)	588,116	1,667,537	299,442	320,946
Net Funds Available for Debt Service	\$ 65,523,066	\$ 67,800,797	\$ 70,482,181	\$ 55,074,019	\$ 50,241,838
Bond Principal Payments	\$ 37,075,000	\$ 37,720,000	\$ 35,245,000	\$ 28,020,000	\$ 26,050,000
Bond Interest Payments	28,029,304	28,226,466	29,561,040	30,620,255	30,765,112
ECP Interest Payments	156,187	8,425	-	-	-
Total Debt Service	\$ 65,260,491	\$ 65,954,891	\$ 64,806,040	\$ 58,640,255	\$ 56,815,112

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

[Remainder of Page Intentionally Left Blank]

DEBT INFORMATION

Debt Service Requirements

Fiscal Year Ending November 30	Outstanding Parity Bonds Debt Service			Less: Refunded Bonds Debt Service ⁽¹⁾	The Bonds			Total Outstanding Debt Service ⁽²⁾
	Principal	Interest	Total		Principal	Interest	Total	
2017	\$ 39,535,000	\$ 13,544,678	\$ 53,079,678	\$ 2,781,258	\$ 1,825,000	\$ 2,132,907	\$ 3,957,907	\$ 54,256,328
2018	39,025,000	25,483,056	64,508,056	5,562,515	4,420,000	12,496,400	16,916,400	75,861,941
2019	37,875,000	24,215,261	62,090,261	5,897,515	4,505,000	12,408,000	16,913,000	73,105,746
2020	39,405,000	22,944,439	62,349,439	5,557,633	4,730,000	12,182,750	16,912,750	73,704,556
2021	41,400,000	21,560,162	62,960,162	9,497,478	8,270,000	11,946,250	20,216,250	73,678,934
2022	42,975,000	20,117,293	63,092,293	20,173,210	18,740,000	11,598,850	30,338,850	73,257,933
2023	44,660,000	18,718,048	63,378,048	20,129,810	19,470,000	10,820,950	30,290,950	73,539,188
2024	46,305,000	17,161,583	63,466,583	20,087,703	20,130,000	10,127,350	30,257,350	73,636,231
2025	49,810,000	15,532,279	65,342,279	20,007,420	20,755,000	9,408,450	30,163,450	75,498,309
2026	51,965,000	13,691,704	65,656,704	19,877,310	21,380,000	8,665,100	30,045,100	75,824,494
2027	54,230,000	11,740,570	65,970,570	19,743,673	22,020,000	7,891,200	29,911,200	76,138,098
2028	58,395,000	9,678,851	68,073,851	40,048,368	43,340,000	6,877,900	50,217,900	78,243,383
2029	55,435,000	7,724,505	63,159,505	8,578,553	14,605,000	4,789,500	19,394,500	73,975,452
2030	57,900,000	6,020,067	63,920,067	8,576,753	15,330,000	4,059,250	19,389,250	74,732,564
2031	59,640,000	4,213,111	63,853,111	-	8,085,000	3,292,750	11,377,750	75,230,861
2032	61,015,000	2,429,329	63,444,329	-	8,495,000	2,888,500	11,383,500	74,827,829
2033	12,570,000	628,843	13,198,843	-	8,915,000	2,463,750	11,378,750	24,577,593
2034	4,705,000	182,528	4,887,528	-	9,365,000	2,018,000	11,383,000	16,270,528
2035	5,000	1,425	6,425	-	9,830,000	1,549,750	11,379,750	11,386,175
2036	5,000	1,270	6,270	-	10,325,000	1,058,250	11,383,250	11,389,520
2037	5,000	1,115	6,115	-	10,840,000	542,000	11,382,000	11,388,115
2038	5,000	960	5,960	-	-	-	-	5,960
2039	5,000	805	5,805	-	-	-	-	5,805
2040	5,000	650	5,650	-	-	-	-	5,650
2041	5,000	488	5,488	-	-	-	-	5,488
2042	5,000	325	5,325	-	-	-	-	5,325
2043	5,000	163	5,163	-	-	-	-	5,163
	<u>\$796,890,000</u>	<u>\$235,593,502</u>	<u>\$1,032,483,502</u>	<u>\$206,519,195</u>	<u>\$285,375,000</u>	<u>\$139,217,857</u>	<u>\$424,592,857</u>	<u>\$1,250,557,164</u>

⁽¹⁾ See Schedule I.

⁽²⁾ Outstanding Debt Service based on the following Principal by Series as of May 31, 2017:

Series 2007	3,000,000
Series 2008	90,000
Series 2008 Ref	3,960,000
Series 2009	22,780,000
Series 2010	104,625,000
Series 2010A	124,005,000
Series 2011 Ref	21,635,000
Series 2011A	104,275,000
Series 2012	66,600,000
Series 2013 Ref	21,090,000
Series 2014 Ref	83,595,000
Series 2016 Ref	87,390,000
Series 2017 Ref	285,375,000
TOTAL	<u>928,420,000</u>

Anticipated Issuance of Additional System Revenue Bonds

The Authority has plans to issue an estimated \$500,000,000 in bonds for certain treatment plant and collection system improvements for the System from 2018 through 2021. The Authority may also analyze the issuance of refunding bonds for debt service savings.

Additionally, the Authority may elect to issue ECP Bonds to finance the costs of treatment plant and collection system improvements for the System.

[Remainder of Page Intentionally Left Blank]

SELECTED CONTRACT PROVISIONS

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

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

Parties and Terms

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

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

Certain Definitions

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

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

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

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

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

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

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

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

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

“Month” means calendar month.

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

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

Fiscal Provisions of the Contracts

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

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

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

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

Payments by Contracting Party.

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

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

The following tabulation was applied for Fiscal Year ending November 30, 2016. Each Contracting Party's Annual Payment for the Fiscal Year 2016 was calculated by multiplying said Contracting Party's percentage from the following tabulation times the Annual Requirement.

Contracting Party	2016 Annual Contributing Flow (million gallons) FY 2016	Actual FY 2016 Percentage of Total
Addison	1.693	1.220%
Arlington	38.167	27.515%
Bedford	4.268	3.077%
Carrollton	10.295	7.421%
Cedar Hill	0.513	0.370%
Colleyville	3.015	2.173%
Coppell	4.471	3.223%
D/FW Airport	1.326	0.956%
Dallas	6.757	4.871%
Duncanville	0.145	0.105%
Euless	3.380	2.436%
Farmers Branch	4.698	3.387%
Fort Worth	3.576	2.578%
Grand Prairie	16.347	11.785%
Grapevine	1.467	1.057%
Hurst	0.316	0.228%
Irving	26.051	18.780%
Keller	2.836	2.045%
Mansfield	6.172	4.450%
N. Richland Hills	0.828	0.597%
Southlake	2.234	1.726%
	138.715	100.000%

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

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

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

(ii) The Contracting Party's proportionate share of the Annual Requirement shall be a percentage, redetermined by dividing the Contracting Party's estimated annual contributing flow to the

System by the total estimated annual contributing flow to the System by all Contracting Parties, including that estimated for the Additional Contracting Party or Parties for the remaining portion of such Fiscal Year;

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

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

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

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

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

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

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

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

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

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

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

surcharge collected by the Authority shall be applied by the Authority against the total cost of Operation and Maintenance Expense of the System.

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

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

SELECTED PROVISIONS OF THE RESOLUTION

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

References to “Sections” and “this Resolution” in the below provisions refer to the document from which such selected provision was taken unless the context requires otherwise.

ARTICLE I DEFINITIONS OF TERMS

Section 1.01. DEFINITIONS OF TERMS. In each place throughout this Resolution wherein the following terms, or any of them, are used, the same, unless the context shall indicate another or different meaning or intent, shall be construed and are intended to have meanings as follows:

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

(n) "Independent Consulting Engineer" means the Engineer or engineering firm or corporation at the time employed by the Issuer as originally described under the provisions of Section 5.13 of the 1973 Bond Resolution.

(o) "Outstanding Parity Bonds" means the Issuer's unpaid and unrefunded "Regional Wastewater System Revenue Bonds, Series 2007", "Regional Wastewater System Revenue Bonds, Series 2008", "Regional Wastewater System Revenue Refunding Bonds, Series 2008", "Regional Wastewater System Revenue Bonds, Series 2009", "Regional Wastewater System Revenue Bonds, Series 2010", "Regional Wastewater System Revenue Bonds, Series 2010A", "Regional Wastewater System Revenue Refunding Bonds, Series 2011", "Regional Wastewater System Revenue Bonds, Series 2011A", "Regional Wastewater System Revenue Bonds, Series 2012", "Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2013", "Regional Wastewater System Revenue Refunding Bonds, Series 2014" and "Regional Wastewater System Revenue Refunding Bonds, Series 2016".

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV INTEREST AND SINKING FUND; RESERVE FUND; AND EMERGENCY FUND

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

- (a) immediately after the delivery of the Bonds, there shall be deposited to the credit of the Interest and Sinking Fund any accrued interest received from the sale of the Bonds; and
- (b) semiannually on or before each January 25th and each July 25th hereafter, an amount sufficient, together with other amounts, if any, then on hand therein and available for such purpose, to pay the interest and/or principal and interest coming due on the Bonds on the next succeeding interest payment date.

Section 4.02. RESERVE FUND. There is now on deposit in the Reserve Fund created by the 1973 Bond Resolution an amount of money and investments in market value at least equal to the average annual principal and interest requirements of the Outstanding Parity Bonds. Immediately after the delivery of the Bonds, if required, there shall be deposited into said Reserve Fund from the proceeds from the sale of the Bonds, an amount which, together with the amount now contained therein, will cause said Reserve Fund to contain an amount of money and investments in market value equal to the average annual principal and interest requirements of the Outstanding Parity Bonds and the Bonds, being all of the bonds which will be outstanding and payable from a first lien on the Net Revenues after the delivery of the Bonds (the "Reserve Required Amount"). Until and unless Additional Bonds are hereafter issued as permitted in the Outstanding Parity Bond Resolutions and this Resolution, no deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount. However, if and whenever the amount of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Issuer shall restore the Reserve Fund to the Reserve Required Amount from the Emergency Fund and/or the Research and Development Fund created by the 1973 Bond Resolution to the extent of amounts available therein, and if such amounts are insufficient, then the Issuer shall require the Contracting Parties to increase their payments under the Contracts as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount. In the event the Reserve Fund is used to

pay the principal of or interest on any bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Issuer shall restore the Reserve Fund to the Reserve Required Amount from the Emergency Fund and/or the Research and Development Fund to the extent of amounts available therein, and if such amounts are insufficient, then the Issuer shall require the Contracting Parties to increase their payments under the Contracts in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount, and the Issuer shall deposit in the Reserve Fund, in approximately equal periodic payments, not less than annual, such amounts as are required to restore the Reserve Fund to the Reserve Required Amount from said increased payments within five years from any date of the use of the Reserve Fund to pay such principal or interest. So long as the Reserve Fund contains the Reserve Required Amount, all amounts in excess thereof shall be deposited to the credit of the Claims Fund, the Emergency Fund, and the Research and Development Fund, to the extent required by Section 3.13 of the 1973 Bond Resolution, and with the remainder to be deposited to the credit of the Interest and Sinking Fund.

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

ARTICLE V BOND PROCEEDS

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

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

ARTICLE VI BONDS ARE SPECIAL OBLIGATIONS

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

ARTICLE VII COVENANTS REGARDING TAX-EXEMPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII FURTHER PROCEDURES

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

ARTICLE IX CONTINUING DISCLOSURE OF INFORMATION

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

“*MSRB*” means the Municipal Securities Rulemaking Board.

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

“*SEC*” means the United States Securities and Exchange Commission.

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

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

ARTICLE X
MISCELLANEOUS

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

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

[Remainder of Page Intentionally Left Blank]

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 of Texas 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, and Lancaster
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 and Westlake.
Red Oak Creek Regional Wastewater Project	Cedar Hill, DeSoto, Glenn Heights, Lancaster, Ovilla, and Red Oak
Mountain Creek Regional Wastewater System	Grand Prairie, 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	Glendale Water Supply Corp, Groveton, Riverside Water Supply Corp, Trinity, Trinity Rural Water Supply Corp and Westwood Shores MUD.
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 Branches Outfall Line	Hurst and North Richland Hills
Northeast Lakeview Project	Cedar Hill, Grand Prairie
Lakeview Regional Water Supply Project	Cedar Hill, Duncanville, and Grand Prairie
Navarro Mills Reservoir	Coolidge, Corsicana, Dawson, and Hubbard (and one industry)
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, Midlothian, Palmer and Red Oak; Ellis County WC&ID No. 1, Avalon Water and Sewer Service Corporation, Boyce, Bristol, Nash-Forreston, and Buena Vista-Bethel Water Supply Corporations.
Freestone Raw Water Supply Project	Freestone Power Generation LP
Ennis Raw Water Supply Project	Ennis
Midlothian Raw Water Supply Project	Midlothian
Huntsville Wastewater Treatment Facilities	Huntsville
Big Bear Creek Interceptor Project	Fort Worth, Keller and Southlake
Southlake Sewer Project	Southlake
Lancaster Water and Sewer Project	Lancaster
Denton Creek Wastewater Interceptor System	Fort Worth, Haslet, and Roanoke

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. Tributary Lakes. The revised master plan calls for the construction, as needed, of thirteen lakes on mid basin tributaries. Of these thirteen, the Authority will serve as the planning and implementing agency for eleven: Upper Keechi, Big Elkhart, Hurricane Bayou, Lower Keechi, Bedias, Nelson, Harmon, Gail, Mustang, Caney, and Long King.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

[Remainder of Page Intentionally Left Blank]

Outstanding Indebtedness of the Authority

The Authority has Outstanding Bonds which are listed below. The Outstanding Bonds are System or Project specific and payable from each of the related System's or Project's Pledged Revenues. See "Security and Source of Payment".

Total Outstanding Principal by System/Project:	Outstanding May 31, 2017	
Denton Creek Regional Wastewater Treatment System	128,780,000	(3)
Denton Creek Wastewater Interceptor(Fort Worth Project)	345,000	
City of Fort Worth Water & Wastewater Transmission Contract (Sendra Ranch Project)	3,600,000	
Trinity River Authority of Texas (General Improvement Project of The Authority)	4,066,431	(2)
Huntsville Regional Water Supply System	14,275,000	
Livingston Regional Water Supply Project	21,280,000	
Mountain Creek Regional Wastewater System	13,600,000	
Northeast Lakeview Wastewater Transportation Project	10,005,000	
Red Oak Creek Regional Wastewater System	47,100,000	
Tarrant County Water Project	99,630,000	(4)
Ten Mile Creek Regional Wastewater System	147,770,000	
Town of Flower Mound Wastewater Transportation Project	3,710,000	
Trinity County Regional Water Supply System Project	820,000	
SUB-TOTAL	\$ 494,981,431	
Central Regional Wastewater System	\$ 643,045,000	(1)(5)
The Bonds	\$ 285,375,000	
SUB-TOTAL	\$ 928,420,000	
TOTAL	\$ 1,423,401,431	

The Authority has entered into agreements with various companies to issue debt for the benefit of the companies. The companies make payments to service the debt through a trustee. The Authority has no obligation for this debt.

Outstanding Principal - Conduit Debt:	Outstanding May 31, 2017
Community Waste Disposal, Inc.	\$ 26,405,000

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

Outstanding Principal - Project:	Outstanding May 31, 2017
Bardwell Reservoir (City of Ennis and Ellis Co. WCID#1)	\$ 761,708
Joe Pool Lake ARRA Costs	141,404
Lake Livingston (City of Houston)	83,867,055
Wallisville Lake (City of Houston)	8,774,789
TOTAL	\$ 93,544,956

(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) Includes a note in the outstanding balance of \$1,531,431.

(3) The Denton Creek Regional Wastewater Treatment System is scheduled to deliver \$35,735,000 Series 2017 Revenue Refunding Bonds on May 31, 2017 to refund a portion of Series 2007 and Series 2008. The outstanding balance excludes the maturities expected to be refunded and includes the Series 2017.

(4) The Tarrant County Water Supply Project is scheduled to issue and deliver approximately \$20,685,000 Series 2017 Revenue Refunding Bonds in June of 2017.

(5) Excludes Refunded Bonds. See "Schedule I".

TAX MATTERS

Opinion

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

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

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

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

Collateral Federal Income Tax Consequences

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

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

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

Interest on the Bonds will be includable as an adjustment for “adjusted current earnings” to calculate the alternative minimum tax imposed on corporations by section 55 of the Code.

Interest on the Bonds may be subject to the “branch profits tax” imposed by section 884 of the Code on the effectively-connected earnings and profits of a foreign corporation doing business in the United States.

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The Authority and the Contracting Parties will provide certain updated financial information and operating data to the MSRB annually. The information to be provided and updated by the Contracting Parties includes all quantitative financial information and operating data with respect to the Contracting Parties of the general type included in APPENDIX B to this Official Statement and each Contracting Party's audited financial statements, when and if available. Each of the Contracting Parties will file such information with the MSRB through its Electronic Municipal Market ("EMMA") system within six months after the end of each respective Contracting Party's fiscal year, beginning with the fiscal year ending in 2017. Although not contractually obligated to do so as part of its undertaking, the Authority has historically filed and has indicated its current intent to continue filing its audited financial statements with the MSRB through its EMMA system within six months after the end of the Authority's fiscal year.

The financial information and operating data to be provided and updated by the Contracting Parties may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by the Rule. The updated information will include audited financial statements, if the Contracting Parties commission an audit and it is completed by the required time. If audited financial statements are not available by the required time, each Contracting Party 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 Contracting Parties may be required to employ from time to time pursuant to State law or regulation.

The Authority's fiscal year end is November 30 and each of the Contracting Party's fiscal year end is September 30. Accordingly, each Contracting Party must provide updated information by March 31 in each year and the Authority has indicated it currently intends to provide updated information by May 31 in each year, unless any Contracting Party or the Authority, as applicable, changes its fiscal year. If any Contracting Party or the Authority change their fiscal year, such Contracting Party or the Authority, as applicable, will notify the MSRB of the change.

Disclosure Event Notices

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

As used in clause (12) in the preceding paragraph, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Authority 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 if jurisdiction has been assumed by leaving the Board and officials or officers of the Authority 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. In addition, the Contracting Parties will provide timely notice of any failure by the Contracting Parties to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.” The Authority or the Contracting Parties will provide each notice described in this paragraph to the MSRB.

Availability of Information

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

Limitations and Amendments

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

The Authority or the Contracting Parties may amend their continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Contracting Parties, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Authority or the Contracting Parties (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Authority or the Contracting Parties may also amend or repeal the provisions of the continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule

or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Authority or the Contracting Parties so amend the agreement, the Contracting Parties have agreed to include with the next financial information and operating data provided in accordance with their respective agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

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

Authority. During the last five years, the Authority has complied in all material respects with all continuing disclosure undertakings made by it relating to bonds issued for the System in accordance with the Rule.

Contracting Parties. During the last five years, each of the Contracting Parties has complied in all material respects with its respective undertaking to provide financial information and operating data of the general type included in Appendix B to this Official Statement within six months of the end of its respective fiscal year.

With respect to the Contracting Parties' obligations to file their audited financial statements within six months of the end of the Contracting Party's fiscal year, if audited financial statements of a Contracting Party were not available to be filed within such time period, the Contracting Party typically provided certain financial information and operating data by the specified date but most of the Contracting Parties did not file formal unaudited financial statements by such date. The Contracting Parties timely filed their respective audited financial statements when available (after local government approval) except as to the following: the audited financial statements for the City of Arlington, Texas for the fiscal years ending 2012 and 2013 were both filed with EMMA on 5/22/2014; the audited financial statements for the City of Cedar Hill, Texas for the fiscal years ending 2013 and 2014 were filed with EMMA on 8/21/2014 and 8/11/2015, respectively; and the audited financial statements for the City of Duncanville, Texas for the fiscal year ending 2012 were filed with EMMA on 6/13/2013. In most instances, the applicable Contracting Party did not file a notice of late filing. The referenced filing dates for the audited financial statements are the earliest dates for which such financial statements were filed on EMMA and such financial statements may not have been immediately linked to the applicable System revenue bonds.

The filings of audited financial statements noted above are also applicable to the Contracting Parties non-System related undertakings. In addition, during the last five years, the cities of Cedar Hill, Dallas and Irving did not provide timely notice of rating changes related to their respective underlying or insured revenue or general obligation debt. Certain of the Contracting Parties did not file certain tables containing operating information under their non-System related undertakings.

The information in the preceding paragraphs with respect to the Contracting Parties has been included based upon publicly filed information available on EMMA and other publicly available sources.

OTHER INFORMATION

Ratings

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

Litigation

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

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

Registration and Qualification of Bonds for Sale

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Authority assumes no responsibility for qualification of the Bonds under the securities laws of any 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 of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, 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 of Texas, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Authority has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

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

Legal Matters

The Authority will furnish a complete transcript of proceedings relating to the authorization and issuance of the Bonds, including the approving legal opinion of the Attorney General of Texas approving the Bonds and to the effect that the Bonds are valid and legally binding special obligations of the Authority and, based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on corporations. 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 and of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information in the Official Statement under the captions “PLAN OF FINANCING” (excluding the information under the subcaption “Sources and Uses of Bond Proceeds”), “THE

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

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

Authenticity of Financial Data and Other Information

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

Financial Advisor

FirstSouthwest 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. FirstSouthwest, 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.

Verification of Arithmetical Computations

Grant Thornton, a firm of independent public accountants, will deliver to the Authority, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrow Securities, to pay, when due or upon early redemption, the principal of, interest on and related call premium requirements, if any, of the Refunded Bonds and (b) the mathematical computations of yields used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

Grant Thornton relied on the accuracy, completeness and reliability of all information provided by, and on all decisions and approvals of, the Issuer and its retained advisors, consultants or legal counsel. Grant Thornton was

not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

Underwriting

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the Authority at a purchase price of \$327,815,107.47 which represents the par amount of the Bonds, plus an original issue premium of \$43,592,208.90, less an Underwriters' discount of \$1,152,101.43, 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.

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

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

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

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

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.

[Remainder of Page Intentionally Left Blank]

Miscellaneous

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

TRINITY RIVER AUTHORITY OF TEXAS

J. Kevin Ward

J. KEVIN WARD
General Manager

SCHEDULE I

REFUNDED BONDS

Trinity River Authority of Texas
Regional Wastewater System Revenue Bonds, Series 2017

Regional Wastewater System Revenue Bonds, Series 2008

<u>Original Maturity</u>	<u>Interest Rates</u>	<u>Amount Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
8/1/2019	2.950%	\$ 335,000	8/1/2018	100%
8/1/2020	3.100%	5,000	8/1/2018	100%
8/1/2021	3.150%	3,945,000	8/1/2018	100%
8/1/2022	3.250%	8,620,000	8/1/2018	100%
8/1/2023	3.300%	8,855,000	8/1/2018	100%
8/1/2024	3.450%	9,105,000	8/1/2018	100%
8/1/2025	3.500%	9,340,000	8/1/2018	100%
8/1/2026	3.550%	9,535,000	8/1/2018	100%
8/1/2027	3.550%	9,740,000	8/1/2018	100%
8/1/2028	3.550%	30,395,000	8/1/2018	100%
		<u>\$ 89,875,000</u>		

Regional Wastewater System Revenue Bonds, Series 2009

<u>Original Maturity</u>	<u>Interest Rates</u>	<u>Amount Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
8/1/2022	3.400%	\$ 6,125,000	2/1/2019	100%
8/1/2023	3.550%	6,335,000	2/1/2019	100%
8/1/2024	3.600%	6,560,000	2/1/2019	100%
8/1/2025	3.800%	6,795,000	2/1/2019	100%
8/1/2026	3.900%	7,055,000	2/1/2019	100%
8/1/2027	3.950%	7,330,000	2/1/2019	100%
8/1/2028	3.950%	7,615,000	2/1/2019	100%
8/1/2029	4.000%	7,920,000	2/1/2019	100%
8/1/2030	4.150%	8,235,000	2/1/2019	100%
		<u>\$ 63,970,000</u>		

APPENDIX A

BIOGRAPHICAL INFORMATION

Board of Directors
and
Management Officers

[This Page is Intentionally Left Blank]

BOARD OF DIRECTORS

DAVID B. LEONARD of Liberty, Texas (president and member, executive committee). Leonard is the general manager and owner of Liberty-Dayton Chrysler, an auto dealership. He 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 2013.

CHRISTINA MELTON CRAIN of Dallas, Texas (vice president and member, executive committee). Crain is an attorney and president of Christina Melton Crain, PC. She is a director of the State Bar of Texas and a trustee of the Dallas Bar Foundation. She is a member of the Texas Transportation Advisory Committee, the University of Texas at Austin Chancellor's Council and the College of Liberal Arts Advisory Council. Crain is an executive board member of Big Brothers Big Sisters Lone Star and co-founder of Amachi Texas, a mentoring program for children of the incarcerated. She is director of the Texas Regional Advisory Board for the National Center for Missing and Exploited Children. She is chairwoman of Dallas DOORS, a nonprofit organization serving the formerly incarcerated and their families. She is chairwoman of the Dallas County Criminal Justice Advisory Board Re-entry Council. Crain is a member of the University of Texas at Dallas Center for Vital Longevity Advisory Council and a member of Altrusa International Inc. of Downtown Dallas. Crain serves as the prison representative to the UT Southwestern Medical Center Institutional Review Board. She is director of the Oklahoma City University School of Law Executive Board as well as director of the Patriot PAWS Service Dogs Organization. Crain is past chairwoman of the Texas Board of Criminal Justice and of the Windham School District board of trustees. She is past president of the Dallas Bar Association, the Dallas Women Lawyers Association and the Dallas Association of Young Lawyers. She is a former member of the Texas Correctional Managed Healthcare Committee and an alumna of Leadership Texas and Leadership Dallas. She is a former director of the Baylor Healthcare System Foundation. Crain is a sustainer of the Junior League of Dallas and a former member of the Texas Exes Council of the University of Texas at Austin. Crain received a bachelor's degree from the University of Texas at Austin and a law degree from the Oklahoma City University School of Law. Crain was appointed as director for Dallas County in 2013.

KIM C. WYATT of Corsicana, Texas (chair, executive committee). Wyatt is president and chief executive officer of the Community National Bank & Trust of Texas. He holds a bachelor's degree from Texas A&M University and graduated from the Southwest Graduate School of Banking. He is a member of the First United Methodist Church, a member of the Corsicana Optimist Club and a member of the Independent Order of Odd Fellows. Wyatt is treasurer of the Corsicana Livestock and Agricultural Center, a board member of the Garitty Charity Association and a member of the board of the Navarro Community Foundation. He is a member of the board of Navarro Regional Hospital and a board member of Texas Healthcare Trustees. Wyatt is a former member of the planning and zoning board of the city of Corsicana, a past president of the Corsicana Area Chamber of Commerce, past president of the Navarro County United Way and past president of the Optimist Club. He is a past three-term chairman of the Navarro County Youth Exposition. He is also a past board member of Camp Fire Girls, the Navarro County Agency for Retarded Citizens and the Corsicana YMCA. Wyatt is past president of the Navarro College Booster Club and past board member and treasurer of the Navarro College Foundation. Wyatt was reappointed as director for Navarro County in 2009.

JESS A. LAIRD of Athens, Texas (member, executive committee and chairman, resources development committee). Laird is chief executive officer and president of First State Bank in Athens, Texas. He serves on the boards of directors of First State Bank in Athens, the Independent Bankers Association of Texas, the Athens Economic Development Corporation and the Trinity Valley Community College Foundation. He is also treasurer of the Henderson County Salvation Army. Previously, Laird served as president of the Athens Rotary Club, as president and director of the Cain Center and as president and director of the American Heart Association. He served on the board of managers for the East Texas Medical Center, and he has served on the board of directors for the Region VII Education Service Center, the Henderson County United Way and Keep Athens Beautiful. He earned a bachelor's degree from Texas A&M University and a master's degree from the University of Texas in Tyler. Laird was reappointed as director for Henderson County in 2013.

HAROLD L. BARNARD of Waxahachie, Texas (member, executive committee and chairman, legal and public policy committee). Barnard is president and managing officer of Ellis County Abstract and Title Company Inc. In addition to being a member of the Texas Land Title Association and the Texas Association of Abstract and Title Agents, he is past president of the Waxahachie Chamber of Commerce and past director and president of the Ellis County Museum board of directors. He is a past director and president of the Waxahachie Foundation Inc. Barnard

earned a bachelor's degree from the University of Texas at Arlington. He was reappointed as director for Ellis County in 2013.

VALERIE E. ERTZ of Dallas, Texas (member, executive committee and chair, administration and audit committee). Valerie Ertz of Dallas is owner and president of VEE Services. She is a member of the State Commission on Judicial Conduct, the Society of St. Vincent DePaul, Military Order of St. John's, the Texas Women's Initiative, and the Southern Methodist University Alumni Association. She is also a past member of the Stephen F. Austin State University Board of Regents. Ertz received a bachelor's degree from Southern Methodist University and a master's degree in management from Troy State University. Ertz was appointed as director for Dallas County in 2013.

KEVIN MAXWELL of Crockett, Texas (member, executive committee and chair, utility services committee). Maxwell is president of S.C. Maxwell Co. Inc., a construction, real estate and ranching business. Maxwell is a member of the Texas Wildlife Association, a member of the Sharon Temple Shriners and a 32nd degree Scottish Rite mason. He is president of the Crockett Athletic Booster Club and a member of the Houston Livestock Show and Rodeo Go Texan Committee. In the past, Maxwell has been chairman of the Crockett Area Chamber of Commerce, president of the Crockett Merchants Little League, master of the Lothrop Masonic Lodge and member of the Crockett Rotary Club. He earned a bachelor's degree from Sam Houston State University. Maxwell was reappointed as director for Houston County in 2009.

HENRY BORBOLLA III of Fort Worth, Texas (member, utility services 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 2013.

WILLIAM W. COLLINS JR. of Fort Worth, Texas (member, resources development committee). Collins is an attorney in private practice. He is a member of the State Bar of Texas and the Tarrant County Bar Association. He has served as chairman of the Texas Motor Vehicle Commission, as a commissioner of the Texas Commission on the Arts, and as a member of the Executive Committee of the Fort Worth Transportation Authority. Collins is a former chairman of the American Cancer Society-Fort Worth and has served as a trustee of the Modern Art Museum of Fort Worth. He is a life member of the University of Texas Alumni Association and the Tarrant County Historical Society. Collins earned a Bachelor of Business Administration degree from the McCombs School of Business at the University of Texas at Austin and a law degree from the University of Tennessee. He was appointed as director for Tarrant County in 2010.

STEVE CRONIN of Shepherd, Texas (member, resources development committee). Cronin is an Agricultural Science teacher at Shepherd Independent School District and the owner of Magnolia Farms Sheep Farm. He is a member of the Vocational Agricultural Teachers Association of Texas. He is secretary/treasurer and past president of the County Farm Bureau, member of National Wild Turkey Federation an SJC, Advisor of Shepherd FFA Booster Club and on the San Jacinto County Fair Association Committee. He is a San Jacinto County 4-H leader, teaches hunter education classes through the Texas Parks and Wildlife Department. Cronin served more than seven years as an agriculture field representative for the Texas Farm Bureau and more than seven years as an agriculture extension agent for the Texas A&M University System. He received a bachelor's and a master's degree from Sam Houston State University. Cronin was reappointed as director for San Jacinto County in 2011.

AMANDA B. DAVIS of Buffalo, Texas (member, administration and audit committee). Davis is a retired school administrator in the Buffalo Independent School District and member of the Texas Association of School Administrators, Texas Association of Secondary School Principals, Texas Elementary Principals and Supervisors Association, and Texas Association of Mediators. She is also a member of the State Bar of Texas Alternative Dispute Resolution Section, Texas Mediation Trainers Roundtable and Texas Farm Bureau. Davis received a bachelor's degree from Sam Houston State University, a master's degree in educational leadership and conflict resolution from Abilene Christian University and completed her superintendent certification from the University of Texas at Tyler. She was reappointed to serve for Leon County until March 15, 2017.

TOMMY G. FORDYCE of Huntsville, Texas (member, resources development 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 2013.

RONALD J. GOLDMAN of Fort Worth, Texas (member, legal and public policy committee). Goldman is president of Ronnie's LLC, a real estate management company, and also is director of Liberty Bancshares. Goldman is a member of the World President's Organization, the Fort Worth Airpower Council and the Texas Health Harris Methodist Foundation. Formerly, he was chairman of the Young President's Organization of West Texas and the Harris Methodist Development Board. He has served as a trustee for the Harris Methodist Health System and Harris Methodist, H.E.B. Goldman was founder, organizer and director of Summit Bancshares. He is past president of the Youth Orchestra of Greater Fort Worth and has served on the boards of the Fort Worth Symphony Orchestra, the Van Cliburn Association, the Arts Council of Fort Worth and Trinity Valley School. He is past president of the Seagram Family Association. Goldman earned a bachelor's degree from the University of Texas at Austin. He served in the Texas Army National Guard from 1965 to 1971. He was reappointed as director at large in 2009.

MARTHA A. HERNANDEZ of Burleson, Texas (member, legal and public policy committee). Hernandez is a retired nutritionist and jailor for the Tarrant County Sheriff's Department. She is a member of Congressman Joe Barton's Advisory Committee. Hernandez is past president of the Burleson Heritage Foundation and the Burleson Garden Club. She is also past chairman of the City of Burleson Parks Board and the Burleson Public Library Board, and she served on the Tarrant County Grand Jury. Hernandez volunteered for the U.S. Secret Service detail for a national political convention and has served at election polls since 1972. Hernandez served as a board member and organizer of the Fiesta de Burleson Cinco de Mayo Celebration from 1997 to 2003. She earned a bachelor's degree from Texas Wesleyan University. Hernandez was reappointed as director for Tarrant County in 2013.

JOHN W. JENKINS of Hankamer, Texas (member, administrative and audit 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 2009-2013. Jenkins was reappointed as director at large in 2009.

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 appointed director for Trinity County in 2013.

JAMES W. NEALE of Dallas, Texas (member, administration and audit committee). Neale is president and owner of Quorum Energy Company, an exploration and production company in the oil and gas business. He is chairman of the District 9 advisory council for the Dallas Independent School District and a member of the Trinity Trust Foundation. Neale served as executive assistant to Governor Bill Clements and as an executive committee member for the Dallas Blue Foundation. He served a term as foreman for the Dallas County Grand Jury in January 2005. Neale earned a bachelor's degree from the University of Texas in Austin. Neale was reappointed as director for Dallas County in 2013.

MANNY RACHAL of Livingston, Texas (member, utility services committee). Rachal is president of Shrimp Boat Manny's, an established seafood restaurant since 1985. He is a successful real estate developer in Polk and Angelina counties, creating both Rachal Properties and M&N Investments. He is a member of the Polk and Angelina County Chamber of Commerce. Rachal was previously an active member of the Lafayette, Louisiana,

Jaycees and the Evangeline Area Boy Scouts Council. He attended the University of Southwestern Louisiana. Rachal was reappointed as director for Polk County in 2009.

AMIR RUPANI of Dallas, Texas (member, utility services 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. Rupani was reappointed as director at large in 2013.

ANA LAURA SAUCEDO of Dallas, Texas (member, legal and public policy committee). Saucedo invests in residential property. She is a former news reporter for KLIF and KRLD radio in Dallas. Saucedo worked for the Office of Minority Business Enterprise, and the Department of Commerce and was instrumental in developing the Texas Association of Mexican American Chambers of Commerce and the U. S. Hispanic Chamber of Commerce. She spent twelve years volunteering with the Parent Teacher Association and was awarded a Life Member Honor by the Socorro Independent School District in El Paso, Texas. She was elected trustee of Socorro ISD and was appointed to the Texas Commission on Human Rights. She is currently the president of the Pike Park Preservation League and coordinates cultural and historical activities at one of the oldest parks in Dallas. Saucedo was reappointed as director for Dallas County in 2013.

SHIRLEY K. SEALE of Anahuac, Texas (member, resources development committee). Seale is a financial advisor for Edward Jones, an investments company. Seale is a member of the Chambers County Economic Development Board and a member of the West Chambers County Chamber of Commerce. She was a member of the board of directors for the Gulf Coast Waste Disposal Authority from 1997 to 2007. Seale served as a board member for the Chambers County Industrial Development Board and as fundraiser chairman for the Chambers County American Heart Association. She is a member of the Chambers County Republican Women where she served as treasurer, vice president and delegate to the State Republican Women's Association. Seale is a member of the First Baptist Church of Anahuac and has served as church treasurer for ten years. Seale is a graduate of the Southwestern Graduate School of Banking and attended Lee College, Lamar University and Bank Operations School at East Texas State University. Seale was reappointed as director for Chambers County in 2009.

DUDLEY K. SKYRME of Palestine, Texas (member, administration and audit committee). Skyrme is a retired sales and construction manager for United Bilt Homes, LLC, and is a volunteer of the Palestine Community Food Pantry. He served in the US Navy. Skyrme received a bachelor's degree from the University of Central Arkansas. Skyrme was appointed as director for Anderson County in 2013.

C. DWAYNE SOMERVILLE of Mexia, Texas (member, utility services 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 appointed as director for Freestone County in 2013.

J. CAROL SPILLARS of Madisonville, Texas (member, legal and public policy committee). Spillars is a file manager for Linebarger Goggan Blair & Sampson, LLP and co-owner of Spillars Family JKBar Ranch. She retired from Madisonville Consolidated Independent School District after 26 years of service. Spillars is a past member of the Texas Association of School Business Officials and the Texas Association of School Boards. She is a certified educational office professional and a certified Texas school business specialist. Spillars was reappointed as director for Madison County in 2013.

A vacancy exists for the board member representing Kaufman County.

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 six staff groups and more than 400 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 60 wholesale customers including cities, municipalities and districts throughout the 18,000-square-mile Trinity River basin. Ward is also charged with managing the Authority's assets of more than \$2.2 billion and a current operating budget of more than \$283 million.

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 a member of the Region C and H Water Planning Committees, the Trinity and San Jacinto River Basins and Galveston Bay Basin Area Stakeholders 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 also serves on the board of directors for the National Waterways Conference, an organization representing national interests related to water supply and waterways transportation; he serves as chair of the National Water Resources Association Corps of Engineers Task Force and as the public member of the American Academy of Water Resources Engineers Board of Trustees and as a visiting member of the Texas A&M University Lehrer Chair Advisory Council.

Ward was honored in 2011 with the Water Environment Association of Texas Outstanding Public Official Award.

FIONA M. ALLEN, P.E., regional manager, Northern Region. Allen joined the TRA in March 2011. Following eight years of consulting engineering experience early in her career, she joined the city of Arlington, Texas, as a water utilities civil engineer. Over her 20-year career at the city of Arlington, Allen served in various roles, including water utilities field operations manager, assistant director of utilities/operations and engineering, and assistant director of utilities/business services. She was promoted to director of utilities and subsequently, in 2005, served as interim deputy city manager over information technology, human resources, management services, finance and general services. In 2006, she was named deputy city manager/capital investment, overseeing public works, water utilities and environmental services. In 2009, she was named deputy city manager/economic development, overseeing aviation, convention center, planning and development, and the economic development office, with the duties of supervising public works and water utilities added in 2010. Allen retired from the city of Arlington in February 2011. She holds licenses as a professional engineer and a registered sanitarian, and holds TCEQ class B-distribution operator and class III wastewater system operator licenses. She is a member of the Texas A&M University civil engineering advisory council, the American Water Works Association, the Texas Water Conservation Association, and the American Society of Civil Engineers. She is a past board member of the Texas Municipal League, past president of the Texas Municipal Utilities Association, and former chairman of the Texas Water Utilities North Central Texas Regional School, and she also serves on various school and community boards. She holds a bachelor's degree from Texas A&M University.

ALISON A. MACKEY, CPA, chief financial officer. Mackey received a Bachelor of Business Administration Degree in Accounting from Texas Tech University as well as a Master of Business Administration Degree in Finance from the University of Texas at Arlington. Mackey became a Certified Public Accountant in 1985 and was employed by Hunt Energy Corp. for several years before joining the Authority in 2001 as Internal Auditor. She was promoted to Manager, Special Projects, then Executive Assistant to the General Manager, and Executive Project Manager before becoming Chief Financial Officer. She is currently serving as the Secretary of the Arlington Federal Credit Union Board of Directors. She has held various volunteer leadership positions with the Parent Teacher Association of Texas and the YMCA of Arlington where she was a Board Member. She is currently a member of the Texas Society of Certified Public Accountants, the Texas Water Conservation Association, the American Water Works Assoc. and the Water Environment Federation.

JIMMIE R. SIMS, regional manager, Southern Region. Sims received a bachelor's degree from Texas A&M University. He began working for the Trinity River Authority in 1973 at the Devers Canal System and became project manager for Lake Livingston recreation facilities in 1977. In 1983 he became project manager for the Lake Livingston utility services project and advanced to division manager of the water services division in 1985. Sims was promoted to assistant regional manager, Southern Region, in 1988 and advanced to his current position in 1996.

Sims is a former member of the board of directors of the Huntsville-Walker County Chamber of Commerce. 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. In addition, Sims served as the executive vice president of the Huntsville Amateur Baseball Association and was recognized as the 2007 Volunteer of the Year by that organization.

GLENN C. CLINGENPEEL, Manager, Planning and Environmental Services. Mr. 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. Mr. 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 Mr. Clingenpeel was promoted to the position of Senior Manager, Planning and Environmental Management before being promoted to his current position of Manager, Planning and Environmental Services. 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, the Texas Commission on Environmental Quality's Surface Water Quality Standards Workgroup, and the EPA's Region 6 Technical Advisory Committee. Mr. Clingenpeel is active in the Water Environment Association of Texas where he serves as vice-chair for the Governmental Affairs Committee. He is a long-time board member of the Allied Federal Credit Union where he currently serves as Chair.

HOWARD S. SLOBODIN, secretary, board of directors and general counsel. Slobodin earned a bachelor's degree, graduating cum laude and Phi Beta Kappa, from the University of Oregon and a law degree, with honors, from the University of Texas School of Law. He joined the Trinity River Authority in 2008. Prior to joining TRA, Slobodin practiced environmental and water law in both the public and private sectors. He began his practice as an assistant attorney general with the natural resources division of the Texas Attorney General's Office and subsequently represented investor-owned utilities, public utilities and districts, and private landowners in matters related to water and wastewater.

DON A. TUCKER, general services manager. Tucker received a bachelor's degree from the University of Texas at Arlington and has completed extensive graduate work in the School of Urban Studies at UTA. He served in the United States Marine Corps infantry in Vietnam. Prior to joining the Trinity River Authority, Tucker served as supervisor for the claims cost control unit for the Travelers Insurance Company and as a senior underwriter for the Mortgage Guaranty Insurance Corporation. Tucker joined TRA in 1976 as director of administration and was promoted to division manager in 1978. He advanced to his current position in 1997. Tucker has an associate's degree in risk management from the Chartered Property Casualty Underwriters/American Insurance Institute. In 1996 he was selected as Safety Manager of the Year by the Texas Safety Association and currently serves on the board of directors for that organization. He is a member of the Public Risk Insurance Management Association, and the American Society of Safety Engineers. He has served as campaign chairman and/or loaned executive for the United Way for 20 years. He has also served as a member of the board of directors of the Arlington North Little League and the American Cancer Society.

APPENDIX B

**TRINITY RIVER AUTHORITY
REGIONAL WASTEWATER SYSTEM
2017 REVENUE REPORT**

Contracting Parties:

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

[This Page is Intentionally Left Blank]

TOWN OF ADDISON, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
<u>Revenues</u>					
Water Sales	\$ 6,056,506	\$ 5,678,134	\$ 5,479,937	\$ 5,935,142	\$ 6,272,622
Sewer Service	4,452,519	4,436,230	4,362,009	4,760,166	4,761,033
Interest Income	67,439	48,098	(57,650)	(81,123)	(60,181)
Other Income	(53,474)	78,729	102,950	107,384	95,045
Total Revenue	<u>\$ 10,522,990</u>	<u>\$10,241,191</u>	<u>\$ 9,887,246</u>	<u>\$ 10,721,569</u>	<u>\$ 11,068,519</u>
<u>Expenses</u>					
Water Purchase	\$ 3,458,701	\$ 3,223,750	\$ 2,933,034	\$ 3,032,183	\$ 2,859,454
Sewer Treatment	2,543,156	2,496,828	2,480,657	2,146,382	2,063,043
Other Expenses	3,028,935	3,046,128	2,974,949	2,622,524	2,482,333
Total Operating Expenses ⁽¹⁾	<u>\$ 9,030,792</u>	<u>\$ 8,766,706</u>	<u>\$ 8,388,640</u>	<u>\$ 7,801,089</u>	<u>\$ 7,404,830</u>
Net Available for Debt Services	<u>\$ 1,492,198</u>	<u>\$ 1,474,485</u>	<u>\$ 1,498,606</u>	<u>\$ 2,920,480</u>	<u>\$ 3,663,689</u>
Water Customers	3,624	3,636	3,562	3,576	3,559
Sewer Customers	2,594	2,618	2,559	2,581	2,568

(1) Excludes depreciation.

As of September 30, 2016, the City has no water and sewer revenue bonds outstanding. However, the City does have Outstanding General Obligation and Certificates of Obligation supported by the Utility fund.

TABLE 2 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized but unissued revenue bonds.

TABLE 3 – WATER USAGE

Year Ended 9/30	Total Water Purchased In Gallons	Average Daily Usage In Gallons	Maximum Daily Usage In Gallons
2012	1,848,000,000	5,021,000	8,871,000
2013	1,850,000,000	4,829,000	8,979,000
2014	1,673,052,000	4,583,649	10,042,000
2015	1,709,894,000	4,682,750	11,093,000
2016	1,629,190,000	4,628,000	8,846,000

[Remainder of Page Intentionally Left Blank]

TABLE 4 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 2016)

Residential			Commercial		
<u>Single Family</u>			<u>Large</u>		
First 2,000 gallons	11.61	(Minimum)	First 37,000 gallons	109.81	(Minimum)
Water Rater per 1,000 gal over Minimum	2.81	/M gallons	Water Rater per 1,000 gal over Minimum	2.81	/M gallons
Water Conservation Rate (Irrigation)	5.10	/M gallons	Water Conservation Rate (Irrigation)	5.10	/M gallons
<u>Multi-Family (Small)</u>			<u>Small</u>		
Low - 15,000 gallons	\$ 48.09	(Minimum)	First 5,000 gallons	\$ 20.03	(Minimum)
Water Rater per 1,000 gal over Minimum	2.81	/M gallons	Water Rater per 1,000 gal over Minimum	2.81	/M gallons
Water Conservation Rate (Irrigation)	5.10	/M gallons	Water Conservation Rate (Irrigation)	5.10	/M gallons
<u>Multi-Family (Large)</u>					
First 37,000 gallons	\$ 109.81	(Minimum)			
Water Rater per 1,000 gal over Minimum	2.81	/M gallons			
Water Conservation Rate (Irrigation)	5.10	/M gallons			

TABLE 5 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 2016)

Residential			Commercial		
<u>Single Family⁽¹⁾</u>			<u>Large</u>		
First 8,000 gallons	\$ 13.46	(Minimum)	First 37,000 gallons	\$ 168.61	(Minimum)
Over 8,000 gallons	4.44	/M gallons	Over 37,000 gallons	4.44	/M gallons
<u>Multi-Family (Small)</u>			<u>Small</u>		
First 15,000 gallons	\$ 71.10	(Minimum)	First 5,000 gallons	\$ 26.76	(Minimum)
Over 15,000 gallons	4.44	/Thousand gallons	Over 5,000 gallons	4.44	/M gallons
<u>Multi-Family (Large)</u>					
First 37,000 gallons	\$ 168.61	(Minimum)			
Over 37,000 gallons	4.44	/Thousand gallons			

(1) Maximum 8,000 gallons

[Remainder of Page Intentionally Left Blank]

CITY OF ARLINGTON, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
<u>Revenues</u>					
Water Sales	\$ 69,628	\$ 64,606	\$ 59,327	\$ 59,007	\$ 61,937
Sewer Service	58,188	53,874	52,096	50,162	47,999
Interest Income	546	413	279	281	375
Other Income	6,270	5,390	4,722	5,065	4,783
Total Revenue	<u>\$ 134,632</u>	<u>\$ 124,283</u>	<u>\$ 116,424</u>	<u>\$ 114,515</u>	<u>\$ 115,094</u>
<u>Expenses</u>					
Labor Costs	\$ 14,290	\$ 14,398	\$ 14,688	\$ 14,413	\$ 13,955
Supplies	2,499	1,860	3,476	3,456	3,448
Maintenance	4,724	4,798	4,235	3,831	3,508
Water Supply (The District)	19,742	22,335	21,191	18,821	17,931
Sewer Treatment Contracts	29,383	29,373	28,151	25,274	23,979
Utilities	3,090	2,956	2,806	2,831	3,183
Other Expenses	4,559	4,213	4,125	4,315	11,899
Total Operating Expenses Before Depreciation	<u>\$ 78,288</u>	<u>\$ 79,933</u>	<u>\$ 78,672</u>	<u>\$ 72,941</u>	<u>\$ 77,903</u>
Net Revenues of the Systems	\$ 56,344	\$ 44,350	\$ 37,752	\$ 41,574	\$ 37,191
Interest During Construction Included Above	(185)	(71)	(64)	(67)	(95)
Net Available for Debt Service	<u>\$ 56,159</u>	<u>\$ 44,279</u>	<u>\$ 37,688</u>	<u>\$ 41,507</u>	<u>\$ 37,096</u>
Debt Service Paid ⁽¹⁾	\$ 18,419	\$ 15,602	\$ 14,683	\$ 14,777	\$ 14,250
Water Customers	102,193	101,733	101,107	100,453	99,758
Sewer Customers	100,387	99,944	99,279	98,544	97,801

(1) Amount expressed in thousands.

[Remainder of Page Intentionally Left Blank]

TABLE 2 – COVERAGE AND FUND BALANCES⁽¹⁾

Waterworks and Sewer System Revenue Bonds Outstanding (as of 9/30/16)	\$ 2,970,000
Principal and Interest Requirements, 2017	\$ 16,238,104
Average Annual Principal and Interest Requirements, 2017-2036	\$ 11,264,971
Coverage of Average Requirements by 9/30/16 Net Available for Debt Service	4.99 Times ⁽¹⁾
Maximum Principal and Interest Requirements, 2017	\$ 18,418,515
Coverage of Requirements by 9/30/16 Net Available for Debt Service	3.05 Times ⁽¹⁾
Interest and Sinking Fund (as of 9/30/16)	\$ 16,698,290
Reserve Fund (as of 9/30/16)	\$ 18,150,000

(1) Provided by City Officials.

TABLE 3 – WATER USAGE

Fiscal Year Ended 9/30	Total Production in Gallons	Average Daily Production in Gallons	Maximum Daily Production in Gallons
2012	21,166,000,000	57,990,000	106,450,000
2013	20,148,000,000	52,200,000	95,760,000
2014	19,473,000,000	53,040,000	88,820,000
2015	19,155,000,000	52,480,000	104,260,000
2016	21,039,000,000	57,640,000	102,460,000

[Remainder of Page Intentionally Left Blank]

TABLE 4 – MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2017)

Water Rates (Fixed Monthly Fee)	
Meter Size	Monthly
3/4" ($\leq 2,000$ gal)	\$ 6.40
3/4" ($\geq 3,000$ gal)	9.00
1"	15.00
1 1/2"	34.30
2"	60.00
3"	141.00
4"	225.00
6"	524.00
8"	820.00
10"	1,232.00
Conservation Rates Block Structure	
Residential	
Usage (1,000 gallons)	Water
0 - 2	\$ 2.02
3 - 10	2.79
11 - 15	4.02
16 - 29	4.79
≥ 30	5.94
Commercial	
Usage (1,000 gallons)	Water
0 - 15	\$ 3.00
≥ 16	3.16
Irrigation	
Usage (1,000 gallons)	Rate
0 - 29	\$ 4.79
≥ 30	5.94
Construction	
Usage (1,000 gallons)	Rate
0-99	\$ 5.90
≥ 100	7.74

TABLE 5 – MONTHLY SEWER RATES (EFFECTIVE JANUARY 1, 2017)

Sewer Rates (based on water consumption)	
Meter Size	Monthly Charge
3/4" ($\leq 2,000$ gal)	\$ 5.80
3/4" ($\geq 3,000$ gal)	9.80
1"	16.80
1 1/2"	38.70
2"	60.50
3"	187.00
4"	279.00
6"	759.00
8"	1,000.00
10"	1,458.00

Conservation Rates Block Structure	
Residential	
Usage (1,000 gallons)	Wastewater
0 - 2	\$ 4.18
3 - 10	4.18
11 - 15	4.18
16 - 29	4.18
≥ 30	4.18

Commercial	
Usage (1,000 gallons)	Wastewater
0 - 15	\$ 4.18
≥ 16	4.18

[Remainder of Page Intentionally Left Blank]

CITY OF BEDFORD, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Water Sales	\$ 12,839,683	\$ 12,358,671	\$ 11,917,187	\$ 11,739,641	\$ 12,185,112
Charges for Sewer Services	7,243,736	6,609,881	6,516,659	5,930,354	5,995,840
Interest Income	171,121	12,946	18,662	42,245	15,816
Other	183,673	133,983	173,949	238,626	734,183
Total Revenue	<u>\$ 20,438,213</u>	<u>\$ 19,115,481</u>	<u>\$ 18,626,457</u>	<u>\$ 17,950,866</u>	<u>\$ 18,930,951</u>
<u>Expenses</u>					
Water Supply and Distribution	\$ 8,873,415	\$ 8,549,400	\$ 8,448,973	\$ 8,116,217	\$ 7,914,658
Wastewater Collection and Disposal	3,955,552	4,126,824	4,320,847	3,960,054	3,837,162
Billing and Collection	1,261,695	1,320,972	1,195,481	1,218,968	1,155,188
Public Services/Engineering	762,902	626,086	610,256	605,250	566,978
Total Expense	<u>\$ 14,853,564</u>	<u>\$ 14,623,282</u>	<u>\$ 14,575,557</u>	<u>\$ 13,900,489</u>	<u>\$ 13,473,986</u>
Net Available for Debt Service	\$ 5,584,649	\$ 4,492,199	\$ 4,050,900	\$ 4,050,377	\$ 5,456,965
Administrative Overhead/Payment in Lieu of Taxes	<u>2,323,122</u>	<u>2,177,046</u>	<u>2,213,763</u>	<u>2,205,526</u>	<u>2,147,258</u>
Net Operating Income	\$ 3,261,527	\$ 2,315,153	\$ 1,837,137	\$ 1,844,851	\$ 3,309,707
Water Customers	23,172	23,116	23,041	23,018 ⁽¹⁾	23,035
Sewer Customers	22,706	22,643	22,597	22,558	22,577

(1) Restated.

TABLE 2 - COVERAGE

As of September 30, 2016, the City has not water and sewer revenue bonds outstanding.

TABLE 3 – AUTHORIZED BUT UNISSUED BONDS

As of September 30, 2016, the City has no authorized but unissued revenue bonds, and pursuant to State law is not required to approve its revenue bonds through election.

[Remainder of Page Intentionally Left Blank]

TABLE 4 – MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2017)

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

<u>Meter Size</u>	<u>Rates per Month</u>
5/8 or ¾ inch Meter	\$ 11.77
5/8 inch Meter (Citizens aged 65 and over)	10.69
1 inch Meter	17.68
1 inch Meter (Citizens aged 65 and over)	16.07
1 ½ Meter	27.56
2 inch Meter	39.39
3 inch Meter	70.93
4 inch Meter	102.46
6 inch Meter	205.18
Volume Charge ⁽²⁾	2.68 per 1,000 gallons up to 12,000 gallons

TABLE 5 – MONTHLY SEWER RATES (EFFECTIVE JANUARY 1, 2017)⁽¹⁾

<u>Meter Size</u>	<u>Rates per Month</u>
5/8 or ¾ inch Meter	\$ 11.77
5/8 inch Meter (Citizens aged 65 and over)	10.69
1 inch Meter	17.68
1 inch Meter (Citizens aged 65 and over)	16.07
1 ½ Meter	27.56
2 inch Meter	39.39
3 inch Meter	70.93
4 inch Meter	102.46
6 inch Meter	205.18
Volume Charge ⁽²⁾	2.68 per 1,000 gallons up to 12,000 gallons

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

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

[Remainder of Page Intentionally Left Blank]

CITY OF CARROLLTON, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
Revenues:	\$ 37,738,309	\$ 35,668,929	\$ 34,102,074	\$ 35,256,384	\$ 35,011,924
Expenses:					
Personal Services	4,160,938	3,740,948	3,683,454	3,483,877	3,431,921
Supplies and Services	23,785,815	21,505,088	21,764,025	21,477,817	20,652,052
Utilities	874,429	858,560	694,054	909,152	898,975
Allocations	1,209,405	1,175,733	1,195,384	1,074,435	1,111,285
Bad Debts	44,919	44,450	47,877	40,471	63,100
Transfers Out	3,663,133	3,587,841	3,651,703	3,454,158	3,466,178
Total Expenses	\$ 33,738,639	\$ 30,912,620	\$ 31,036,497	\$ 30,439,910	\$ 29,623,511
Net Available for Debt Services	\$ 3,999,670	\$ 4,756,309	\$ 3,065,577	\$ 4,816,474	\$ 5,388,413
Customer Count Water/Sewer	36,841	38,975	36,055	35,710	34,971
Average Annual Debt Service	\$ 1,426,329	\$ 1,426,329	\$ 1,488,696	\$ 1,552,989	\$ 1,609,769
Coverage	2.80 Times	3.33 Times	2.06 Times	3.10 Times	3.35 Times

TABLE 2 - COVERAGE

Waterworks and Sewer System Revenue Bonds Outstanding (as of 9/30/16)	\$ 12,925,000
Principal and Interest Requirements, 2017	\$ 1,834,204
Coverage of Requirements by 9/30/16 Net Available for Debt Service	2.18 Times
Average Annual Principal and Interest Requirements, 2017-2027 (as of 9/30/16)	\$ 1,426,329
Coverage of Average Requirements by 9/30/16 Net Available for Debt Service	2.80 Times
Maximum Principal and Interest Requirements, 2020 (as of 9/30/16)	\$ 1,841,654
Coverage of Requirements by 9/30/16 Net Available for Debt Service	2.17 Times
Interest and Sinking Fund (as of 9/30/16)	\$ 764,325
Reserve Fund (as of 9/30/16)	\$ 1,426,329

[Remainder of Page Intentionally Left Blank]

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City had no authorized but unissued revenue bonds.

TABLE 4 – TOP TEN WATER CUSTOMERS

Name	Type	Revenues	% of Total Water Revenues
Carrollton-Farmers Branch ISD	School District	\$ 457,400	1.97%
Lewisville ISD	School District	199,065	0.86%
Autumn Chase Apartments	Apartments	131,582	0.57%
Western Extrusions Inc.	Manufacturing	118,414	0.51%
Springs of Indian Creek	Apartments	104,895	0.45%
Dawntree, LLC	Apartments	100,750	0.43%
Bella Vida at Coyote Ridge Apts	Apartments	99,599	0.43%
Rudy's Tortillas	Distribution	97,999	0.42%
Mansions at Sunset Ridge, LP	Apartments	97,821	0.42%
Duke Realty Services	Apartments	88,870	0.38%
TOTAL		<u>\$ 1,496,395</u>	<u>6.44%</u>

(1) Total water revenues from October 1, 2015 through September 30, 2016 was \$23,209,713.
Source: City of Carrollton Utility Customer Service Department

TABLE 5 – WATER USAGE⁽¹⁾

Fiscal Year Ended 9/30	Average Daily Use In Gallons	Maximum Daily Use In Gallons	Total Gallons For Year
2012	20,808,000	40,680,000	7,594,764,000
2013	20,171,000	38,388,000	7,362,343,000
2014	18,890,000	32,262,000	6,954,726,000
2015	19,548,000	41,609,000	7,151,918,000
2016	19,524,000	35,439,000	7,126,366,000

(1) Source: City of Carrollton Utility Service Department.

[Remainder of Page Intentionally Left Blank]

TABLE 6 - MONTHLY WATER RATES (EFFECTIVE FEBRUARY 1, 2017)**Minimum monthly charge, including the first 2,000 gallons of use:**

Single-family residential domestic and irrigation use	\$	12.13
---	----	-------

Commercial (including apartments and portable meters), Industrial and commercial irrigation use:

5/8" meter	\$	12.38
1" meter		19.07
1.5" meter		30.26
2" meter		43.67
3" meter		79.42
4" meter		119.64
6" meter		231.40
8" meter		365.52
10" meter		521.96
Fire Line regardless of size		67.42

Use over the 2,000 gallons included in the minimum monthly usage charge:**Single-family residential domestic use:**

Meter Readings from October through April:		
All Over 2,000 gallons (per 1,000 gallons)	\$	3.04
Meter Readings from May through September:		
Next 8,000 gallons (per 1,000 gallons)		3.04
All Over 10,000 gallons (per 1,000 gallons)		4.09
All Over 25,000 gallons (per 1,000 gallons)		5.12

Irrigation use:

Next 23,000 gallons (per 1,000 gallons)	\$	3.12
Next 25,000 gallons (per 1,000 gallons)		3.73
Next 50,000 gallons (per 1,000 gallons)		4.22
Next 100,000 gallons (per 1,000 gallons)		4.77
All use over 200,000 gallons (per 1,000 gallons)		5.32

Commercial use (Including apartments and portable meters.

All use over 2,000 gallons (per 1,000 gallons)	\$	2.10
--	----	------

Industrial Use: Industrial use rates for water service will apply to customers in the business of

All use over 2,000 gallons (per 1,000 gallons)	\$	1.84
--	----	------

assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:

All use over 2,000 gallons (per 1,000 gallons)	\$	1.52
--	----	------

[Remainder of Page Intentionally Left Blank]

TABLE 7 - MONTHLY WATER RATES (EFFECTIVE FEBRUARY 1, 2017)

Monthly Sewer Rates:

Residential use:

First 2,000 gallons, minimum	\$	11.03
All use over 2,000 gallons (per 1,000 gallons)		2.30

Commercial (including apartments), Industrial and Irrigation minimum monthly

5/8" meter	\$	11.03
1" meter		15.96
1.5" meter		24.14
2" meter		33.96
3" meter		60.17
4" meter		89.62
6" meter		171.45
8" meter		269.66
10" meter		384.23

Commercial and Industrial use:

All use over 2,000 gallons (per 1,000 gallons)	\$	2.30
--	----	------

[Remainder of Page Intentionally Left Blank]

CITY OF CEDAR HILL, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
OPERATING REVENUES					
Water Sales	\$ 9,348,742	\$ 10,125,381	\$ 9,644,953	\$ 9,496,973	\$ 9,218,197
Sewer Sales	7,676,793	8,139,545	7,199,117	7,058,429	6,154,191
Other Charges	307,559	369,358	538,867	654,050	605,404
Interest Revenue	46,538	58,062	36,670	56,838	119,897
Total Operating Income	<u>\$ 17,379,632</u>	<u>\$ 18,692,346</u>	<u>\$ 17,419,607</u>	<u>\$ 17,266,290</u>	<u>\$ 16,097,689</u>
OPERATING EXPENSES					
Sewage Treatment	\$ 6,097,183	\$ 5,521,569	\$ 5,407,847	\$ 5,157,361	\$ 4,882,868
Purchase of Water	3,443,307	2,961,311	3,285,903	3,448,465	3,393,318
Personnel Services	2,821,636	2,316,629	2,657,186	2,504,935	2,661,268
Gross Receipts Tax	790,305	1,011,058	802,199	765,150	688,123
Heat, Light and Power	360,464	351,839	335,515	385,100	368,783
Maintenance	247,014	355,536	293,453	316,741	394,339
Contractual Services	1,242,309	1,322,907	622,653	589,094	502,537
Materials and Supplies	604,789	240,432	243,978	240,411	664,240
Miscellaneous	158,551	87,693	86,924	72,126	74,072
Total Operating Expenses	<u>\$ 15,765,558</u>	<u>\$ 14,168,974</u>	<u>\$ 13,735,658</u>	<u>\$ 13,479,383</u>	<u>\$ 13,629,548</u>
NON-OPERATING NET REVENUES	<u>\$ 1,614,074</u>	<u>\$ 4,523,372</u>	<u>\$ 3,683,949</u>	<u>\$ 3,786,907</u>	<u>\$ 2,468,141</u>
Water Customers	16,262	16,182	15,522	15,382	15,257
Sewer Customers	14,878	14,823	14,342	14,035	13,858

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 2, 2016, the City has no outstanding Waterworks and Sewer System Revenue debt.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of January 31, 2017, the City has not voted but unissued revenue bonds, and pursuant to State law, the City is not required to approve its revenue bonds through election.

[Remainder of Page Intentionally Left Blank]

TABLE 4 – HISTORICAL WATER USAGE (GALLONS)

Fiscal Year Ended 9/30	Daily Average (MGD)	Peak Day (MGD)	Peak Month (MGD)	Total Usage (MGD)	Water Revenue
2012	7.34	11.1	280.0	2,678.0	\$ 9,218,197
2013	7.50	11.9	316.0	2,737.0	9,496,973
2014	5.71	9.0	230.2	2,085.2	11,946,153
2015	5.80	10.6	288.5	2,124.6	10,125,381
2016	5.84	9.3	242.3	2,131.8	9,348,742

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2015)

Residential:	Base (includes first 1,000 gallons)	\$ 21.38
	1,000 - 7,999 gallons	4.96
	8,000 - 14,999	6.30
	15,000 and over	7.48
Commercial:	Base (includes first 1,000 gallons)	\$ 31.44
	1,000 - 23,999	5.95
	24,000 - 34,999	7.44
	35,000 and over	8.94

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2015)

	Residential			
	New Rates		Old Rates	
	Inside	Outside	Inside	Outside
	City	City	City	City
First 1,000 Gallons	\$ 8.60	\$ 8.60	\$ 7.75	\$ 7.75
Over 1,000 Gallons	7.44	7.44	6.70	6.70
Residential charges capped at \$75.00				
	Commercial			
	New Rates		Old Rates	
	Inside	Outside	Inside	Outside
	City	City	City	City
First 1,000 Gallons	\$ 8.60	\$ 8.60	\$ 7.75	\$ 7.75
Over 1,000 Gallons	7.44	7.44	6.70	6.70

TABLE 7 – CAPITAL RECOVERY FEES

As of September 30, 2016 the capital recovery fee funds may be used for capital projects and to pay debt service on projects for which the fee was levied and to date has produced approximately \$16,143,649 for the City:

Water Sources	\$ 9,394,584
Sewer Sources	3,928,252
Investment Earnings	2,820,813
TOTAL REVENUES	\$ 16,143,649

To Date, the City has used approximately \$15,769,040 of the funds for water and wastewater projects and has remaining funds of \$374,609.

CITY OF COLLEYVILLE, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
Revenues					
Metered Water Sales	\$ 10,243,727	\$ 10,817,308	\$ 10,481,393	\$ 10,683,906	\$ 10,150,129
Sewer Service Charges	3,693,142	3,414,576	3,459,501	3,278,271	2,965,143
Miscellaneous Charges and Fees	1,562,290	1,568,273	848,720	699,314	919,328
Interest Income	68,508	51,017	22,107	37,423	1,725
Total Revenues	<u>\$ 15,567,667</u>	<u>\$ 15,851,174</u>	<u>\$ 14,811,721</u>	<u>\$ 14,698,914</u>	<u>\$ 14,036,325</u>
Expenses					
Personnel Services	\$ 1,569,364	\$ 1,652,266	\$ 1,447,666	\$ 1,595,661	\$ 1,577,921
Maintenance and Contractual Services	10,132,987	10,331,440	9,670,393	8,950,525	8,625,914
Materials and Supplies	263,174	126,171	213,690	160,831	191,682
Total Expenses	<u>\$ 11,965,525</u>	<u>\$ 12,109,877</u>	<u>\$ 11,331,749</u>	<u>\$ 10,707,017</u>	<u>\$ 10,395,517</u>
Net Available for Debt Service	<u>\$ 3,602,142</u>	<u>\$ 3,741,297</u>	<u>\$ 3,479,972</u>	<u>\$ 3,991,897</u>	<u>\$ 3,640,808</u>
Water Customers	9,858	9,631	9,507	9,396	9,285
Sewer Customers	9,071	8,905	8,817	8,731	8,603

TABLE 2 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2017 – 2018	\$ 252,500
Coverage of Average Requirements by 9-30-16 Net Available for Debt Service	14.27 Times
Maximum Annual Principal and Interest Requirements, 2017	\$ 359,900
Coverage of Maximum Requirements by 9-30-15 Net Available for Debt Service	10.01 Times
Waterworks and Sewer System Revenue Bonds Outstanding (as of 9-30-16)	\$ 505,000
Interest and Sinking Fund (as of 9-30-16)	\$ 536,124
Reserve Fund (as of 9-30-16)	\$ 640,361

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized but unissued revenue debt.

TABLE 4 – WATER USAGE

Fiscal Year Ended 9/30	Average Day Usage	Total Usage
2012	7,216,713	2,634,110,300
2013	6,784,984	2,476,519,060
2014	6,539,674	2,281,664,400
2015	5,961,080	2,175,794,100
2016	5,889,263	2,198,573,300

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE DECEMBER 1, 2016)

<u>Meter Size</u>	<u>In-City Customers \$/M Gallons</u>	<u>Out-City Customers \$/M Gallons</u>
less than 1.5 inches	\$ 14.01	\$ 18.01
1.5 inch Meter	28.01	32.01
2 inch Meter	44.82	48.82
3 inch Meter	84.04	88.04
4 inch Meter	140.06	144.06
	4.17 per 1,000 gallons	4.17 per 1,000 gallons

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE DECEMBER 1, 2016)

	<u>Residential</u>	<u>Non- Residential</u>
Base sewer charge 0 to 1,500 Gallons (Minimum)	\$ 12.54	\$ 18.01
Volume charge per 1,500 gallons ⁽¹⁾	2.31	2.31
City average sewer rate is 7,000 gallons per household ⁽²⁾	\$ 28.71	

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

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

[Remainder of Page Intentionally Left Blank]

CITY OF COPPELL, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
<u>Operating Revenues</u>					
Water and Sewer Sales	\$ 14,319,323	\$ 13,007,095	\$ 13,082,406	\$ 13,664,366	\$ 13,621,094
Water and Sewer Connection Fees	23,980	39,490	31,010	21,550	22,221
Interest and Miscellaneous	572,837	313,535	285,752	931,818	260,719
Capital Recovery Fees	513,543	575,213	309,486	173,843	125,415
Total Revenues	<u>\$ 15,429,683</u>	<u>\$ 13,935,333</u>	<u>\$ 13,708,654</u>	<u>\$ 14,791,577</u>	<u>\$ 14,029,449</u>
<u>Operating Expenses</u>					
Purchase of Water	\$ 5,893,821	\$ 5,141,443	\$ 4,921,341	\$ 4,888,453	\$ 4,827,960
Purchase of Sewer Treatment	3,673,476	3,435,464	2,782,150	2,328,154	2,239,910
Salaries and Wages	1,561,496	1,565,625	1,591,649	1,436,299	1,377,802
Supplies and Services	3,210,191	3,068,516	4,035,225	4,767,031	4,602,584
Total Expenses	<u>\$ 14,338,984</u>	<u>\$ 13,211,048</u>	<u>\$ 13,330,365</u>	<u>\$ 13,419,937</u>	<u>\$ 13,048,256</u>
Net Available for Debt Service	<u>\$ 1,090,699</u>	<u>\$ 724,285</u>	<u>\$ 378,289</u>	<u>\$ 1,371,640</u>	<u>\$ 981,193</u>
Water Customers	13,137	12,913	12,639	12,496	12,376
Sewer Customers	12,012	11,806	11,587	11,506	11,407

TABLE 2 – COVERAGE AND FUND BALANCES⁽¹⁾

Average Annual Principal and Interest Requirements, 2017 - 2019	\$ 155,256
Coverage of Average Annual Requirements by 9/30/16 Net Income	7.03 x
Maximum Principal and Interest Requirements, 2017	\$ 368,058
Coverage of Maximum Requirements by 9/30/16 Net Income	2.96 x
Waterworks and Sewer System Refunding Bonds Outstanding, 9/30/16	\$ 455,000
Interest and Sinking Fund, 9/30/16	\$ 9,927
Reserve Fund, 9/30/16	\$ -

(1) The City no longer has Water and Sewer revenue bonds outstanding. However, a portion of the City's outstanding General Obligation bonds are funded by Water and Sewer revenue.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized but unissued revenue debt.

TABLE 4 – WATER USAGE

Fiscal Year Ended 9/30	Estimated City Population	Water Usage		
		Average Day Usage	Peak Day Usage	Total Usage
2012	39,070	8,471,542	19,080,000	3,092,113,000
2013	39,090	8,533,893	16,390,000	3,114,871,000
2014	39,380	7,856,167	15,370,000	2,867,501,000
2015	39,880	7,617,968	18,530,000	2,780,558,320
2016	40,310	7,659,008	18,355,000	2,803,196,843

TABLE 5 – MONTHLY WATER RATES

New Rates

(Effective February 1, 2017)

First 1,000 gallons \$20.00 (minimum)

\$3.00 per 1,000 gallons over initial 1,000 gallons

Seasonal Conservation Water Rate: (June - October Billings)

All over 25,000 gallons \$3.75 per 1,000 gallons

Old Rates

(Effective February 1, 2016)

First 1,000 gallons \$16.00 (minimum)

\$2.85 per 1,000 gallons over initial 1,000 gallons

Seasonal Conservation Water Rate: (June - October Billings)

All over 25,000 gallons \$3.55 per 1,000 gallons

TABLE 6 – SEWAGE FLOW

Fiscal Year Ended 9/30	Amount in Gallons	Average Daily Sewer Flow
2012	1,188,985,000	3,257,493
2013	1,195,150,000	3,274,384
2014	1,209,909,000	3,314,819
2015	1,717,700,950	4,706,030
2016	1,674,524,005	4,587,737

TABLE 7 – MONTHLY SEWER RATES

New Rates
(Effective February 1, 2017)

First 1,000 gallons	\$20.00 (minimum)
\$2.00 per 1,000 gallons over initial 1,000 gallons	
Maximum Charge (Residential Only)	\$ 46.00
No maximum for other customers	
All over 25,001 gallons	\$3.55 per gallons

Old Rates
(Effective February 1, 2016)

First 1,000 gallons	\$16.00 (minimum)
\$1.85 per 1,000 gallons over initial 1,000 gallons	
Maximum Charge (Residential Only)	\$ 40.05
No maximum for other customers	

[Remainder of Page Intentionally Left Blank]

CITY OF DALLAS, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM OPERATING SYSTEM (AMOUNTS IN THOUSANDS)

	Fiscal Year Ended September 30,				
<u>Operating Revenues</u>	2016	2015	2014	2013	2012
Water	\$ 367,892	\$ 344,488	\$ 332,062	\$ 330,006	\$ 319,129
Wastewater	239,437	228,839	232,484	221,492	208,245
	<u>\$ 607,329</u>	<u>\$ 573,327</u>	<u>\$ 564,546</u>	<u>\$ 551,498</u>	<u>\$ 527,374</u>
<u>Operating Expenses</u>					
Operation and Maintenance	\$ 405,973	\$ 310,857	\$ 251,181	\$ 259,556	\$ 256,095
Depreciation and Amortization	113,022	113,036	108,386	105,528	99,619
	<u>\$ 518,995</u>	<u>\$ 423,893</u>	<u>\$ 359,567</u>	<u>\$ 365,084</u>	<u>\$ 355,714</u>
Earnings from Operations	\$ 88,334	\$ 149,434	\$ 204,979	\$ 186,414	\$ 171,660
Net Interest Expense ⁽¹⁾	(62,897)	(71,737)	(67,914)	(70,037)	(70,841)
Change in Fair Value of Investments	-	-	191	-	(136)
Capital Contribution Received	15,869	7,005	4,267	11,411	5,510
Net Transfers	(22,024)	(21,170)	(22,309)	(19,008)	(17,210)
Gain/(Loss) From Property Disposal	(61)	40	191	(610)	(249)
Change in Net Position	<u>\$ 19,221</u>	<u>\$ 63,572</u>	<u>\$ 119,214</u>	<u>\$ 108,170</u>	<u>\$ 88,870</u>
Water Customer Accounts	295,000	291,000	290,430	292,000	287,000
Wastewater Customer Accounts	279,000	276,000	275,000	276,000	272,000
Water Connections	331,000	331,000	329,580	329,000	328,000

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

TABLE 2 – PROJECTED COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, Fiscal Years 2017 - 2045	\$ 110,226,219
Coverage of Average Requirements by Fiscal Year Ended 9-30-16 Net Revenues	2.55 x
Maximum Principal and Interest Requirements, Fiscal Year 2017	\$ 180,798,103
Coverage of Maximum Requirements by Fiscal Year Ended 9-30-16 Net Revenues	1.55 x
Waterworks and Sewer System Revenue Bonds Outstanding (as of 9-30-16)	\$ 2,098,003,000
Interest and Sinking fund (as of 9-30-16)	\$ 139,594,945
Reserve Fund (as of 9-30-16)	\$ 103,295,210

[Remainder of Page Intentionally Left Blank]

TABLE 3 – SUMMARY OF PRESENT SUPPLY SOURCES

Water Supply Source	Diversion Rights of Dallas	Dependable Yield to Dallas ⁽⁶⁾	
		Available	Connected
Lake Grapevine	76 MGD	13 MGD	13 MGD
Elm Fork System ⁽¹⁾	1,074 MGD	162 MGD	162 MGD
Lake Ray Hubbard ⁽²⁾	80 MGD	50 MGD	50 MGD
Lake Tawakoni	170 MGD	157 MGD	157 MGD
Lake Fork ⁽³⁾	117 MGD	107 MGD	36 MGD
Lake Palestine ⁽⁴⁾	102 MGD	102 MGD	0 MGD
Indirect Reuse ⁽⁵⁾	221 MGD	13 MGD	13 MGD
Total	1,840 MGD	604 MGD	431 MGD

(1) Elm Fork System includes Lake Lewisville, Lake Ray Roberts and Elm Fork of the Trinity River run of the river flows.

(2) In addition to the Connected Dependable Yield of Lake Ray Hubbard, Dallas recently received a water rights amendment for an additional 107 MGD for operational efficiency.

(3) Lake Fork was connected to the System in 2009; additional transmission capacity is planned for 2020 to maximize the yield for Lake Fork and Lake Tawakoni.

(4) Connection to System not anticipated to occur prior to 2020.

(5) Indirect reuse has been permitted in Permit No 12468 authorizing Dallas to reuse its wastewater return flows from Dallas Central and Southside Wastewater Treatment Plant and the Town of Flower Mound and City of Lewisville Wastewater Treatment Plants.

(6) The estimated effects of reservoir sedimentation are included in dependable yields shown above.

TABLE 4 – WATER PURIFICATION AND DISTRIBUTION CAPACITY

Water Treatment Plant	Treatment Capacity
East Side	440 MGD
Elm Fork	310 MGD
Bachman	150 MGD
Total	900 MGD

[Remainder of Page Intentionally Left Blank]

TABLE 5 – WHOLESALE TREATED WATER CUSTOMERS

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

Entity	Year	Entity	Year
Addison	2042	Flower Mound	2017
Carrollton	2043	Glenn Heights	2022
Cedar Hill	2044	Grand Prairie	2042
Cockrell Hill	2044	Hutchins	2042
Combine WSC	2035	Irving	2033
Coppell	2017	Lancaster	2041
Balch Springs	2045	Lewisville	2016
Dallas/Fort Worth International Airport	2045	Ovilla	2035
DeSoto	2043	Red Oak	2033
Duncanville	2044	Seagoville	2043
Ellis County WCID#1	2033	The Colony	2040
Farmers Branch	2040		

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

As of August 13, 2003, the City Council approved individual contracts between Dallas Water Utilities and the City of Red Oak, Rockett SUD and Ellis County WCID#1 for wholesale supply of treated water. The City of Red Oak began taking water in spring 2009. The contract with Rockett SUD was terminated in 2009. Ellis County WCID#1 is not yet connected to Dallas Water System. These contracts will expire in the year 2033.

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

Dallas has a designated planning and service area in the 2014 update to the LRWSP. In accordance with the plans, Dallas is planning for the long range needs of all its existing customers and anticipate renewal of all existing contracts

TABLE 6 – TREATED WATER PRIMARY PUMPAGE (GALLONS)

Fiscal Year Ended 9/30	Peak Day	Average Day	Total
2011	683	428	156,202
2012	649	395	144,604
2013	583	391	142,878
2014	535	369	134,792
2015	619	374	136,578
2016	592	369	135,159

TABLE 7 – TREATED WATER CONSUMPTION BY CUSTOMER CLASS (MILLION GALLONS)⁽¹⁾

<u>Retail</u>	<u>Fiscal Year Ended September 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Residential	23,946	24,060	24,699	26,604	27,033
General Service	32,809	33,736	34,176	35,652	35,966
Optional General Service ⁽²⁾	4,599	4,957	4,845	4,771	5,149
Total Retail	61,354	62,753	63,720	67,027	68,148
Wholesale	53,811	51,543	52,573	55,741	54,438
Total	115,165	114,296	116,293	122,768	122,586

(1) Source: City officials

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

TABLE 8 – TEN LARGEST WHOLESALE TREATED WATER CUSTOMERS (MILLION GALLONS)

<u>Wholesale</u>	<u>Fiscal Year 2016 Water Consumption</u>	<u>Wholesale</u>	<u>Fiscal Year 2016 Water Consumption</u>
City of Grand Prairie	7,437	City of Irving ⁽¹⁾	2,705
City of Carrollton	7,136	City of Desoto	2,573
City of Lewisville	3,266	City of Duncanville	2,509
City of Coppell	3,200	City of Cedar Hill	2,157
City of Farmers Branch	2,937	City of Addison	1,691
	Total		35,611

(1) In addition to the 2,705.177 MG treated water provided under the treated water contract, Dallas Water System also treated 10,348.4146 MG of raw water from Irving's Lake Chapman under the Dallas Water System/Irving treatment services contract. Reflects "as billed" consumption.

TABLE 9 – WHOLESALE WASTEWATER CUSTOMERS

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

Addison (portion)	2044	Mesquite (portion)	2036
Cockrell Hill	2044	Richardson (portion)	2037
Balch Springs	2028	Seagoville	2033
Duncanville (portion)	2044	University Park	2044
Highland Park	2044	Wilmer	2044
Hutchins	2044		

TABLE 10 TREATED WASTEWATER FLOW (MILLION GALLONS)

Fiscal Year Ended 9/30	Maximum Day Treated Effluent	Average Day Treated Effluent	Total Treated Effluent
2012	361	153	56,106
2013	261	144	52,446
2014	238	150	54,643
2015	430	181	65,908
2016	430	207	75,603

TABLE 11 – RETAIL CUSTOMER CHARGE (AS OF OCTOBER 1, 2016)

	Monthly Retail Customer Charge		
	Water	Wastewater	Combined
5/8 Inch Meter	\$ 5.25	\$ 4.70	\$ 9.95
3/4 Inch Meter	7.26	6.44	13.70
1 Inch Meter	10.56	9.35	19.91
1 1/2 Inch Meter	19.66	17.99	37.65
2 Inch Meter	31.98	28.35	60.33
3 Inch Meter	74.90	68.52	143.42
4 Inch Meter	124.44	109.56	234.00
6 Inch Meter	247.11	215.64	462.75
8 Inch Meter	411.31	359.97	771.28
10 Inch Meter or larger	631.58	565.59	1,197.17

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

[Remainder of Page Intentionally Left Blank]

TABLE 12 – RETAIL USAGE CHARGE (AS OF OCTOBER 1, 2016)

	Monthly Retail Rate Per 1,000 Gallons	
	Water	Wastewater
<u>Residential</u>		
Up to 4,000 Gallons	\$ 1.90	\$ 5.31 ⁽¹⁾
4,001 to 10,000 Gallons	4.25	5.31 ⁽¹⁾
10,001 to 15,000 Gallons	6.03	5.31 ⁽¹⁾
Above 15,000 Gallons	8.55	5.31 ⁽¹⁾
<u>General Service</u>		
Up to 10,000 Gallons	\$ 3.65	\$ 4.08
Above 10,000 Gallons	3.91	4.08
Above 10,000 and usage 1.4x annual monthly average	5.94	4.08
Wastewater metered separately		3.73
<u>Optional General Service</u>		
1st Million Gallons or Less	\$ 2,192.92 ⁽²⁾	\$ 3.65
Above 1 Million Gallons (Per 1,000 Gallons)	3.03	3.65
Wastewater metered separately		3.73

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

(2) Fixed amount, not a volume rate.

Note: The retail usage charge applies in addition to the customer charge shown in Table 12. The usage charge is generally stated as a rate per 1,000 gallons. Both the retail water usage charge and the retail wastewater usage charge are applied to volume of water used, except for that wastewater which is metered separately. Wastewater meters are purchased by general service customers (typically large business customers) when separate wastewater metering is advantageous to them. Retail usage charges are established for three customer classes as set forth above. For residential wastewater customers, the retail usage charge is based upon average water consumption during winter months, or actual water usage for each month if lower. Each of the rates for usage charges and for customer charges is subject to 5% additional charge if not paid when due.

TABLE 13 – WHOLESALE CUSTOMER CHARGE (AS OF OCTOBER 1, 2016)

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

Treated Water Service: Customers with rate-of-flow controllers: \$0.4416 per thousand gallons of water used, plus \$262,058 annually per million gallons of daily capacity reserved.

Customers without rate-of-flow controllers (or if a flat rate is provided by contract): \$2.0795 per thousand gallons of water used.

Untreated Water Service: Customers inside or outside the City: \$0.9120 per thousand gallons of water used (\$0.4265 for interruptible service).

Wastewater Service: \$2.4647 per thousand gallons of wastewater discharged. A surcharge is applied for wastewater of excessive strength.

[Remainder of Page Intentionally Left Blank]

DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD

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

The Board

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

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

The Board consists of 11 members, 7 from the City of Dallas and 4 from the City of Fort Worth. Both the Mayor of Dallas and the Mayor of Fort Worth sit on the Board. The remaining Board members are appointed by the respective City Councils. In addition, the Board has one non-voting member who is appointed by the respective City Councils, on a rotating basis, from one of the four cities in which the Airport is located.

Airport Revenue Bonds are issued jointly by the Owner Cities by Concurrent Bond Ordinances approved by the City Councils of the Owner Cities and are secured solely by certain revenues of the Airport.

Rate Covenant

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

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

Additionally, the Master Bond Ordinance obligates the Board to set Airport Rates to levels at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (i), (iii) and (iv) of the paragraph immediately above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively.

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

Airline Use Agreement

Effective October 1, 2010, the Airport and Certain Airlines entered a new Use Agreement. The Use Agreement expires September 30, 2020.

CITY OF DUNCANVILLE, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Water Sales	\$ 7,153,661	\$ 7,014,747	\$ 6,837,301	\$ 6,311,961	\$ 6,493,251
Sewer Services	8,453,828	6,953,623	5,845,767	4,850,198	4,828,861
Investment Income	22,967	11,053	8,572	8,996	7,712
Service Fees and Miscellaneous	327,850	341,047	349,867	314,118	322,705
Total Revenues	<u>\$ 15,958,306</u>	<u>\$ 14,320,470</u>	<u>\$ 13,041,507</u>	<u>\$ 11,485,273</u>	<u>\$ 11,652,529</u>
<u>Expenses</u>					
Water Services	\$ 4,226,306	\$ 3,954,616	\$ 4,003,995	\$ 4,231,512	\$ 4,175,218
Wastewater Treatment	3,891,707	4,273,158	4,224,169	3,997,979	3,695,143
Administration and Fiscal	1,536,927	1,301,109	1,381,383	1,178,869	1,256,916
Total Expenses	<u>\$ 9,654,940</u>	<u>\$ 9,528,883</u>	<u>\$ 9,609,547</u>	<u>\$ 9,408,360</u>	<u>\$ 9,127,277</u>
Net Available for Debt Service	<u>\$ 6,303,366</u>	<u>\$ 4,791,587</u>	<u>\$ 3,431,960</u>	<u>\$ 2,076,913</u>	<u>\$ 2,525,252</u>
Water Customers	12,497	12,491	12,204	12,384	12,327
Sewer Customers	11,261	11,239	11,184	11,172	11,119

TABLE 2 - DEBT COVERAGE AND FUND BALANCES

As of September 30, 2016, the City has no outstanding Waterworks and Sewer System Revenue Debt.

TABLE 3 - AUTHORIZED BUT UNISSUED BONDS

As of September 30, 2016, the City of Duncanville, Texas has no water and sewer revenue debt outstanding.

Note: It is unlikely that bonds authorized for Water and Sewer improvements will be issued due to the age of the authorizations and the utilization of revenue bonds for these improvements. The City has received advice from Bond Counsel that bonds authorized November 20, 1971 for the City Hall and Police Station Building not be issued due to a change in circumstances under which the authorization was voted.

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

Fiscal Year Ended 9/30	Average Daily Usage in Gallons	Peak Daily Usage in Gallons	Total Water Treated and Purchased
2012	4,808	7,872	3,280,772
2013	4,716	8,391	3,292,265
2014	4,754	7,679	3,343,870
2015	4,924	9,534	2,989,511
2016	4,406	7,675	1,701,078

TABLE 5 - TOP TEN CUSTOMERS

Customer	FYE 2016	
	Water Usage Gallons	Water Revenue
Wimberly Park Apartments	56,284,300	\$ 278,032.43
C H Guenther & Son Inc.	50,763,980	250,762.11
Fairmeadows Apartments	39,441,070	194,827.05
VSP Candlelight, LP	32,022,400	158,178.93
Colonial Village at Main Park	29,398,560	145,217.13
ICAP Westwood Townhomes, LLC	26,711,265	131,941.94
G&E Apartment Reit Bella Ruscello, LL	29,601,450	146,219.45
Merrill Square Apartments	21,671,182	107,043.91
Laura Alexander Mexicana Tortilla Factory Inc.	21,425,450	105,829.98
Virtu Wexford Owner LLC	19,895,120	98,270.17
Total	<u>327,214,777</u>	<u>\$ 1,616,323.10</u>

TABLE 6 - WATER RATES (EFFECTIVE OCTOBER 1, 2016)

<u>Residential</u> ⁽¹⁾	<u>Commercial</u>
\$ 12.00 First 1,000 Gallons (minimum charge).	\$ 12.00 First 1,000 Gallons (minimum charge).
3.41 per 2,000 to 7,000 gallons usage	3.06 per 2,000 to 7,000 gallons usage
4.40 per 8,000 to 15,000 gallons usage	4.00 per 8,000 to 15,000 gallons usage
5.42 per 16,000 to 30,000 gallons usage	4.94 per 16,000 to 30,000 gallons usage
6.43 per 31,000 and above gallons usage	4.94 per 31,000 and above gallons usage
<u>Irrigation</u>	<u>Schools</u>
\$ 12.00 First 1,000 Gallons (minimum charge).	\$ 12.00 First 1,000 Gallons (minimum charge).
3.49 per 2,000 to 7,000 gallons usage	4.97 per 2,000 to 7,000 gallons usage
4.52 per 8,000 to 15,000 gallons usage	5.89 per 8,000 to 15,000 gallons usage
5.55 per 16,000 to 30,000 gallons usage	6.79 per 16,000 to 30,000 gallons usage
6.55 per 31,000 and above gallons usage	7.71 per 31,000 and above gallons usage
<u>Apartments & Multi Family</u>	<u>Municipal</u>
\$ 12.00 First 1,000 Gallons (minimum charge).	\$ 12.00 First 1,000 Gallons (minimum charge).
3.06 per 2,000 to 7,000 gallons usage	5.89 per 2,000 to 7,000 gallons usage
4.00 per 8,000 to 15,000 gallons usage	6.79 per 8,000 to 15,000 gallons usage
4.94 per 16,000 to 30,000 gallons usage	7.71 per 16,000 to 30,000 gallons usage
4.94 per 31,000 and above gallons usage	8.61 per 31,000 and above gallons usage

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

TABLE 7 - MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2016)

User Class	Monthly Charge	
	Fixed Rate	Variable Rate
Residential ⁽¹⁾	\$ 16.88	\$ 7.21 /1,000 Gallons (Max 20,000 Gallons
Multi-Family	7.96 /Unt	8.11 /1,000 Gallons @ 90%
Commercial	7.96 /Connection	8.11 /1,000 Gallons @ 85%
Schools	7.96 /Connection	8.11 /1,000 Gallons @ 85%
Municipal	7.96 /Connection	8.11 /1,000 Gallons @ 85%

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

CITY OF EULESS, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Water Service	\$ 12,092,051	\$ 11,454,505	\$ 10,786,403	\$ 11,047,759	\$ 10,936,311
Reclaimed Water Service	321,700	100,362	167,083	163,739	223,484
Sewer Service	7,946,103	7,405,330	7,100,795	6,606,665	6,269,741
Service Fees & Miscellaneous	3,399,382	1,633,065	1,298,863	1,365,035	1,008,428
Interest Income	82,862	33,493	28,453	34,149	50,960
Total Revenues	\$ 23,842,098	\$ 20,626,755	\$ 19,381,597	\$ 19,217,347	\$ 18,488,924
<u>Expenses</u>					
General and Administrative	\$ 454,871	\$ 431,319	\$ 437,533	\$ 540,267	\$ 474,381
Water Production	7,479,456	6,857,817	7,233,678	6,405,108	6,471,802
Water Distribution	936,831	841,547	965,801	840,290	867,083
Utility Engineering	508,006	661,164	494,742	507,376	291,176
Sewage Collection and Treatment	3,520,741	3,437,940	3,479,744	3,044,977	2,688,988
Nondepartmental	4,160,482	3,982,306	3,948,990	3,658,884	3,523,182
Geographic Information	504,886	495,644	501,592	476,263	451,997
Service Center	1,060,029	1,171,472	1,207,013	1,187,232	1,056,115
Total Expenses	\$ 18,625,302	\$ 17,879,209	\$ 18,269,093	\$ 16,660,397	\$ 15,824,724
Net Available for Debt Service	\$ 5,216,796	\$ 2,747,546	\$ 1,112,504	\$ 2,556,950	\$ 2,664,200
Water Customers	28,512	26,014	25,319	25,039	25,074
Sewer Customers	25,034	25,209	24,545	24,320	24,428

TABLE 2 - DEBT COVERAGE AND FUND BALANCES

Net Available for Debt Service, 9/30/16	\$ 5,216,796
Average Annual Principal and Interest Requirements, 2017 - 2035.....	\$ 638,022
Coverage of Average Annual Requirements by 9/30/16 Net Available for Debt Service.....	8.18x
Maximum Principal and Interest Requirements, 2019.....	\$ 948,828
Coverage of Maximum Annual Requirements by 9/30/16 Net Available for Debt Service.....	5.50x
Projected Waterworks and Sewer System Revenue Bonds Outstanding, 9/30/16	\$ 10,305,000
Interest and Sinking Fund, 9/30/16.....	\$ 92,211
Reserve Fund, 9/30/16.....	\$ 641,351

[Remainder of Page Intentionally Left Blank]

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS⁽¹⁾

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

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

TABLE 4 - HISTORICAL WATER USE

Fiscal Year Ended	Daily Average	Peak Day	Total Water Consumption (000's)	Water Revenue	Well Production (000's)	Trinity River Authority (000's)
2012	7.49 MGD	13.47 MGD	2,858,666	\$ 11,159,795	299,107	2,440,539
2013	6.99 MGD	12.50 MGD	2,661,242	11,211,498	416,843	2,133,211
2014	6.95 MGD	10.94 MDG	2,653,958	10,953,486	380,864	2,154,469
2015	6.49 MGD	14.48 MDG	2,403,721	11,554,867	741,225	1,628,651
2016	6.67 MGD	10.90 MGD	2,440,271	12,413,751	540,921	1,787,547

TABLE 5 - MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2015)

Water Service		
Gallons of Water	Residential per 1,000/gal	Sprinkler per 1,000/gal
0-2,999	\$ 3.44	\$ 4.70
3,000 - 8,999	4.37	4.70
9,000 - 15,999	4.94	4.94
16,000 - 35,000	5.47	5.47
Over 35,000	6.07	6.07
Commercial, Industrial, Multi-Family	4.70	-
Fire Hydrant, Gas Well, Supplemental Irrigation	9.96	-

Water Service Meter Charge	
Meter Size (Inches)	Monthly Base Charge
5/8" - 3/4" *	\$ 10.75
1"	12.56
1 1/2"	17.61
2"	29.16
3"	59.32
4"	104.58
5"	164.91
6"	235.31

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

TABLE 6 - MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2015)

Inside City	Outside City
$\$9.50 + \3.72 per 1,000 gallons of 90% of metered water and shall not exceed 12,000 gallons for residential, 100% of metered water for commercial and industrial	$\$14.00 + \3.72 per 1,000 gallons of 90% of metered water and shall not exceed 12,000 gallons for residential, 100% of metered water for commercial and industrial

[Remainder of Page Intentionally Left Blank]

CITY OF FARMERS BRANCH, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
<u>Revenues:</u>	<u>\$ 18,785,410</u>	<u>\$ 16,818,937</u>	<u>\$ 14,594,319</u>	<u>\$ 14,214,902</u>	<u>\$ 14,093,687</u>
<u>Expenses:</u>					
Water Purchased	\$ 5,414,578	\$ 4,752,025	\$ 4,551,492	\$ 4,476,816	\$ 4,500,402
Sewage Disposal Contract	3,125,687	2,648,002	2,326,525	2,357,421	1,892,943
Other	4,114,416	3,312,768	3,205,806	3,036,937	2,966,566
Total	<u>\$ 12,654,681</u>	<u>\$ 10,712,795</u>	<u>\$ 10,083,823</u>	<u>\$ 9,871,174</u>	<u>\$ 9,359,911</u>
Net Available for Debt Service	\$ 6,130,729	\$ 6,106,142	\$ 4,510,496	\$ 4,343,728	\$ 4,733,776
Water Customers	9,770	9,729	9,628	9,572	9,492

As of September 30, 2016, the City has no Water and Sewer revenue debt outstanding.

TABLE 2 - TOP TEN WATER CUSTOMERS⁽¹⁾

Customer	2016 Consumption Gallons	% of Total Consumption	2016 Revenues
Maxim Integrated Products, Inc.	64,327,000	2.2%	\$ 413,753
Dallas County Community College	35,470,000	1.2%	206,473
Boxer F2 LP	31,357,000	1.1%	189,985
Ventana at Valwood, MMH Mgmt.	28,056,000	1.0%	154,480
Parish Day School	22,575,000	0.8%	122,066
Omni Dallas Hotel @ Park West	21,834,000	0.7%	119,885
Doubletree by Hilton Dallas Near the Galleria	21,595,000	0.7%	118,133
Lakeview at Parkside	21,685,000	0.7%	179,041
Cooks Creek 225 LLC	21,218,000	0.7%	134,909
Sheraton Hotel	18,925,000	0.6%	104,281
Total Consumption	<u>287,042,000</u>	<u>9.7%</u>	<u>\$ 1,743,006</u>

(1) Source: City of Farmers Branch Finance Department

TABLE 3 - MONTHLY WATER AND SEWER RATES (EFFECTIVE OCTOBER 1, 2016)

Water Rates		Sewer Rates	
0 – 2,000	\$ 17.92	0 – 2,000	\$ 18.74
2,001 – 10,000	4.87	2,001 – 10,000	2.54
10,000 – 20,000	5.48	Over 10,001	No additional charge
20,000+	5.69		for private residents
Commercial	\$ 18.74	Commercial	\$ 18.74
(All Over 2,001)	\$2.54	(All Over 2,001)	\$ 2.54
Rates Per 1,000 Gallons		Rate Per 1,000 Gallons	

Notes: Rates are based on 3/4+ and 5/8" meters, which are the standard household meter sizes.

TABLE 4 - OVERSIZED METER CHARGES (EFFECTIVE OCTOBER 1, 2016)

<u>Meter Size</u>	<u>Meter Charge</u>
5/8 or 3/4"	No additional charge
1"	\$ 7.17
1 1/2"	14.37
2"	34.04
3"	179.25
4"	233.05
6"	358.49
8"	501.90

Meters connected solely for fire protection systems shall be charged the monthly minimum rate established for 3/4 inch meters, in addition to volume usage charges, regardless of the actual meter size.

[Remainder of Page Intentionally Left Blank]

CITY OF FORT WORTH, TEXAS

TABLE 1 - WATER AND SEWER CONDENSED STATEMENT OF OPERATIONS (000'S OMITTED)⁽¹⁾

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Charges for Services	\$ 415,125	\$ 389,188	\$ 361,853	\$ 352,005	\$ 345,373
Other Operating Revenue	2,174	17	126	154	71
Interest on Investments	2,170	2,020	2,681	516	3,400
Miscellaneous Revenue	2,250	3,135	4,039	15,253	268
Total Revenues	\$ 421,719	\$ 394,360	\$ 368,699	\$ 367,928	\$ 349,112
<u>Expenses</u> ⁽²⁾					
Personnel Services	\$ 69,882 ⁽³⁾	\$ 68,112	\$ 68,702	\$ 69,118	\$ 69,249
Supplies and Materials	23,077	21,412	20,711	20,234	19,989
Contractual Services	163,086	147,628	137,306	122,141	128,740
Total Expenses	\$ 256,045	\$ 237,152	\$ 226,719	\$ 211,493	\$ 217,978
Net Available for Debt Service	\$ 165,674	\$ 157,208	\$ 141,980	\$ 156,435	\$ 131,134
Water Accounts ⁽⁵⁾	241,124	238,274	234,376	228,374	225,411
Sewer Accounts ⁽⁵⁾	231,204	228,554	224,785	219,355	216,441

- (1) Sources for 2012-2016 are Comprehensive Annual Financial Reports for the corresponding fiscal year, City of Fort Worth
(2) Expenses exclude depreciation (a non-cash expense).
(3) For 2016, Personnel Services excludes the non-cash pension of \$13.659 million associated with Governmental Accounting Standards Board ("GASB") 68.
(4) For 2015, Personnel Services excludes the non-cash pension expense of \$15.962 million associated with Governmental Accounting Standards Board ("GASB") 68.
(5) Actual number of accounts, not in thousands.

TABLE 2 - COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2017 - 2046 ⁽¹⁾	\$ 32,765,637
Coverage of Average Annual Requirements by 9/30/16 Net Available for Debt Service	5.06x
Maximum Principal and Interest Requirements, 2017 ⁽¹⁾	\$ 9,226,247
Coverage of Maximum Requirements by 9/30/16 Net Available for Debt Service	1.80x
Water and Sewer System Revenue Bonds Outstanding, 2/1/17 ⁽¹⁾	\$ 766,845,000
<u>Parity Obligations</u>	
Interest and Sinking Fund, 2/1/17 ⁽²⁾	\$ 52,384,955
Reserve Fund Balance, 2/1/17	\$ 4,110,183 ⁽³⁾
<u>Subordinate Lien Bonds</u>	
Interest and Sinking Fund, 2/1/17 ⁽²⁾	\$ 3,878,427
Reserve Fund Balance, 2/1/17	\$ - ⁽⁴⁾

- (1) Includes all Outstanding Parity Obligations and the Subordinate Lien Bonds.
(2) Figures furnished by City staff. Shown on a cash basis, excluding accruals.
(3) Required Reserve Amount funded with Ambac, AGM, and CIFG surety policies and cash. Amount shown is cash balance.
(4) Required Reserve Amount funded with CIFG, Syncora and AGM surety policies.

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS⁽¹⁾

Purpose of Authorization	Date Authorized	Amount Authorized	Amount Previously Issued	Unissued Balance
Water Improvements	2/7/1978	\$ 20,000,000	\$ 16,500,000	\$ 3,500,000
Sewer Improvements	2/8/1978	24,000,000	10,000,000	14,000,000
Water Improvements	4/14/1983	25,250,000	6,000,000	19,250,000
Sewer Improvements	4/15/1983	12,300,000	8,000,000	4,300,000
Totals		<u>\$ 81,550,000</u>	<u>\$ 40,500,000</u>	<u>\$ 41,050,000</u>

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

TABLE 4 - HISTORICAL WATER CONSUMPTION DATA (INSIDE CITY LIMITS)⁽¹⁾

Fiscal Year Ending 9/30	Meters in Service	Total Water Pumped, M.G.	Average Pumped Daily, M.G.D.	Maximum Day's Pumpage, M.G.D.	Average GPD Per Meter	Ratio Maximum Day to Average Day
2012	239,065	46,087.6	126.3	284.20	528	2.25x
2013	242,308	45,230.3	123.9	262.10	511	2.12x
2014	257,390	44,760.4	122.6	240.30	476	1.96x
2015	244,162	44,841.0	122.9	281.90	503	2.29x
2016	245,842	43,953.7	120.4	191.00	490	1.59x

(1) Source: City's Water Department.

TABLE 5 - TEN LARGEST WATER CUSTOMERS (BASED ON GALLONS CONSUMED)⁽¹⁾

Customer	Total 2016 Consumption (Gallons)	Revenue	% of Total Water Usage
Miller Brewing Company	667,465,967	\$ 2,074,732	1.23%
Alcon Laboratories	379,474,323	1,468,417	0.70%
Fort Worth Independent School District	266,512,573	1,399,193	0.49%
Lockheed Martin Corp Aircraft	235,246,778	725,179	0.43%
Texas Christian University	222,856,372	1,028,226	0.41%
Tarrant County	208,353,034	844,789	0.38%
Texas Health Resources	200,516,160	869,256	0.37%
Kettle Cooked Foods	170,379,551	578,457	0.31%
Cott Beverages USA	153,629,068	539,266	0.28%
Premium WC Inc.	150,770,129	514,252	0.28%
	<u>2,655,203,955</u>	<u>\$ 10,041,767</u>	<u>4.88%</u>

(1) Source: City's Water Department.

TABLE 6 - ALL WATER SOLD BY CATEGORY (MILLION GALLONS, BY FISCAL YEAR)⁽¹⁾

Year Ending 9/30	Residential	Commercial	Industrial	Wholesale Customers	Yard Meters	Total Water Sales
2012	18,683.8	11,082.0	3,452.5	23,459.2	4,040.9	\$60,718.4
2013	18,416.2	10,942.8	3,282.1	23,004.8	3,914.7	59,560.6
2014	17,553.3	10,078.0	2,746.3	21,416.0	3,244.2	55,037.8
2015	17,149.1	9,874.2	2,611.1	21,056.0	3,245.4	53,935.8
2016	17,325.5	10,257.3	3,129.2	20,146.0	3,482.0	54,340.0

(1) Source: City's Water Department.

TABLE 7 - TREATED WATER PUMPED (MILLION GALLONS)⁽¹⁾

Fiscal Year	Inside City Limits	Outside City Limits	Total Water Pumped
2012	46,087.6	23,381.7	69,469.3
2013	45,230.3	22,698.8	67,929.1
2014	44,760.4	20,723.9	65,484.3
2015	44,841.0	20,278.0	65,119.0
2016	43,953.7	19,208.2	63,161.9

(1) Source: City's Water Department.

TABLE 8 - MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2016)⁽¹⁾

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

A monthly service charge in the following amount shall be charged based on the size of the meter serving the customers⁽²⁾

Inside City Limits		Outside City Limits	
Meter Size	Monthly Service Charge	Meter Size	Monthly Service Charge
5/8" x 3/4"	\$ 10.75	5/8" x 3/4"	\$ 13.44
3/4" x 3/4"	11.00	3/4" x 3/4"	13.75
1"	21.10	1"	26.38
1 1/2"	39.15	1 1/2"	48.94
2"	60.80	2"	76.00
3"	160.10	3"	200.13
4"	273.85	4"	342.31
6"	580.80	6"	726.00
8"	1,014.15	8"	1,267.37
10"	1,519.75	10"	1,899.69

(1) Source: City's Water Department.

(2) Rates for outside-the-city-limit customers have a 1.25% multiplier.

TABLE 9 - MONTHLY WATER RATES (VOLUME CHARGE ONLY)⁽¹⁾

(Effective January 1, 2016)

Volume Charge: Based on volume of water used.⁽²⁾*Inside City Limits*

Residential Customers Rate		Irrigation Rate		Gas Well Driller Rate	
Cubic Feet	Rate	Cubic Feet	Rate	Cubic Feet	Rate
First 600	\$2.12 per 100 Cu. Ft.	First 5,000	\$2.96 per 100 Cu. Ft.	All	\$5.85 per 100 Cu. Ft.
Next 1,200	2.93 per 100 Cu. Ft.	Next 5,000	3.56 per 100 Cu. Ft.		
Next 1,200	3.69 per 100 Cu. Ft.	Over 10,000	4.44 per 100 Cu. Ft.		
Over 3,000	4.44 per 100 Cu. Ft.				

Commercial Rate		Industrial Rate		Super User	
Cubic Feet	Rate	Cubic Feet	Rate	Cubic Feet	Rate
All	\$2.67 per 100 Cu. Ft.	All	\$2.55 per 100 Cu. Ft.	All	\$2.38 per 100 Cu. Ft.

Outside City Limits

Residential Customers Rate		Irrigation Rate		Gas Well Driller Rate	
Cubic Feet	Rate	Cubic Feet	Rate	Cubic Feet	Rate
First 600	\$2.65 per 100 Cu. Ft.	First 5,000	\$3.70 per 100 Cu. Ft.	All	\$7.31 per 100 Cu. Ft.
Next 1,200	3.66 per 100 Cu. Ft.	Next 5,000	4.55 per 100 Cu. Ft.		
Next 1,200	4.61 per 100 Cu. Ft.	Over 10,000	5.55 per 100 Cu. Ft.		
Over 3,000	5.55 per 100 Cu. Ft.				

Commercial Rate		Industrial Rate		Super User	
Cubic Feet	Rate	Cubic Feet	Rate	Cubic Feet	Rate
All	\$3.34 per 100 Cu. Ft.	All	\$3.19 per 100 Cu. Ft.	All	\$2.98 per 100 Cu. Ft.

Raw Water Service
(Effective October 1, 2016)

All use per month	\$1.26776 per 1,000 gallons inside Tarrant Regional Water District
All use per month	\$1.27676 per 1,000 gallons outside Tarrant Regional Water District

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

(2) Rates for outside-the-city-limit customers have a 1.25% multiplier.

[Remainder of Page Intentionally Left Blank]

TABLE 10 - RATES FOR WHOLESALE WATER CONTRACTS

RATES FOR WHOLESALE WATER SERVICE (EFFECTIVE OCTOBER 1, 2016)

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

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

Charges to the City for water sold to customers inside the District include a raw water component, plus a street rental charge of 5% and a system loss charge of 4% which increases the raw water cost to wholesale customers inside the District to \$1.38186 per 1,000 gallons. The Volume Charge is made up of two components: (1) the total raw water cost to the wholesale customer of \$1.38186 per 1,000 gallons; and (2) the cost of treatment, pumping, etc. to deliver water to the wholesale customer's meter at \$0.9315 per 1,000 gallons. The total volume charge will be \$2.31336 per 1,000 gallons.

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

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

	<u>Inside District</u>	<u>Outside District</u>
Volume Charge, per 1,000 Gallons	\$ 2.31336	\$ 2.32317
Excess Maximum Day Demand (per MGD of daily demand in excess of average day demand)	\$ 148,319	\$ 148,319
Excess Maximum Hour Demand (annual charge per MGD of hourly demand in excess of maximum day demand)	\$ 5,960	\$ 5,960
Service Charge per Meter per Month	\$ 25	\$ 25

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

[Remainder of Page Intentionally Left Blank]

TABLE 11 - STATUS OF CONTRACTS – WHOLESALE CUSTOMERS

Wholesale Customer	Contract Expiration Date			Wholesale Customer	Contract Expiration Date		
	Water	Wastewater*	Reclaimed Water		Water	Wastewater*	Reclaimed Water
Aledo	9/30/2031	(2)	(3)	Lake Worth	9/30/2031	5/8/2017	(3)
Arlington	(1)	(2)	2/2/1930	Northlake	9/30/2031	(2)	(3)
Benbrook	9/30/2031	5/14/2017	(3)	North Richland Hills	9/30/2031	5/8/2017	(3)
Bethesda Water Supply	9/30/2031	4/30/2017	(3)	Pantego	(1)	5/8/2017	(3)
Blue Mound	(1)	6/2/2017	(3)	Richland Hills	9/30/2031	6/8/2017	(3)
Burleson	9/30/2031	5/8/2017	(3)	River Oaks	9/30/2031	5/8/2017	(3)
Crowley	9/30/2031	5/8/2017	(3)	Roanoke	9/30/2031	(2)	(3)
DFW Airport	9/30/2031	(2)	2/2/1930	Saginaw	9/30/2031	5/14/2017	(3)
Dalworthington Gardens	9/30/2031	(2)	(3)	Sansom Park	9/30/2031	5/8/2017	(3)
Edgecliff Village	9/30/2031	5/8/2017	(3)	Southlake	9/30/2031	(2)	(3)
Eules	(1)	(2)	2/2/1930	Trinity River Authority	(1)	12/21/2017	(3)
Everman	9/30/2031	5/8/2017	(3)	Trinity River Authority (Mosier Valley)	10/22/2017	(2)	(3)
Forest Hill	9/30/2031	5/8/2017	(3)	Trophy Club Municipal Utility District 1	9/30/2031	(2)	(3)
Grand Prairie	9/30/2031	(2)	(3)	Watauga ⁽¹⁾	(1)	5/8/2017	(3)
Haltom City	9/30/2031	5/8/2017	(3)	Westlake	9/30/2031	(2)	(3)
Haslet	9/30/2031	(2)	(3)	Westover Hills	9/30/2031	10/1/2017	(3)
Hurst	9/30/2031	5/8/2017	(3)	Westworth Village	9/30/2031	5/8/2017	(3)
Keller	9/30/2031	(2)	(3)	White Settlement	9/30/2031	5/12/2017	(3)
Kennedale/D. Strickland	9/30/2031	9/30/2017	(3)				

(1) The City of Fort Worth does not supply water to this entity

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

(3) The City of Fort Worth does not supply reclaimed water to this entity

Note: Source: City of Fort Worth Water Department

* All current wholesale wastewater contracts expire in 2017, are in the process of being renewed for an additional 20-year term.

Note: Source: City of Fort Worth Water Department

TABLE 12 - TEN LARGEST WASTEWATER CUSTOMERS⁽¹⁾

Customer	Total 2016 Usage (Gallons)	Revenue	% of Total Wastewater Usage
Miller Brewing Company	420,540,368	\$ 2,712,385	1.84%
Alcon Laboratories	263,454,053	1,128,021	1.15%
Fort Worth Independent School District	167,169,750	996,654	0.73%
Texas Health Resources	163,960,629	956,570	0.72%
Texas Christian University	159,551,028	920,339	0.70%
Tarrant County	144,751,082	840,795	0.63%
Lockheed Martin Corp Aircraft	135,152,330	604,446	0.59%
Dannon Company Inc.	92,888,188	738,586	0.41%
Bell Helicopter Textron	81,182,809	342,913	0.36%
Krogers LP	81,104,812	576,866	0.35%
	<u>1,709,755,049</u>	<u>\$ 9,817,575</u>	<u>7.48%</u>

(1) These accounts represent retail (inside City) customers only. Source: City's Water Department.

TABLE 13 - WASTEWATER SALES BY CUSTOMER CLASS FROM FISCAL YEAR 2016 BILLING RECORDS⁽¹⁾

Customer Class	Number of Accounts	Volume Billed MG	Sales
Residential	216,443	11,263.3	\$ 67,465,382
Commercial	13,558	8,991.2	53,372,453
Commercial Monitored ⁽²⁾	840	482.8	2,010,082
Industrial	157	96.5	594,579
Industrial Monitored ⁽²⁾	177	898.6	3,579,899
Municipalities	23	13,651.2	31,974,438
Effluent	6	1,128.0	4,471,988
Total	231,204	36,511.6	\$ 163,468,821

(1) Source: City's Water Department.

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

TABLE 14 - WASTEWATER RETAIL SERVICE RATES (EFFECTIVE JANUARY 1, 2016)

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

Monthly Service Charge for Sewerage Service Only

Inside City Limits		Outside City Limits ⁽¹⁾	
Meter Size (inches)	Monthly Charge	Meter Size (inches)	Monthly Charge
5/8" x 3/4"	\$ 6.50	5/8" x 3/4"	\$ 8.13
3/4" x 3/4"	6.80	3/4" x 3/4"	8.50
1"	9.40	1"	11.75
1 1/2"	16.20	1 1/2"	20.25
2"	24.30	2"	30.38
3"	61.50	3"	76.88
4"	104.10	4"	130.13
6"	219.05	6"	273.81
8"	381.35	8"	476.69
10"	570.70	10"	713.38
12"	715.10	12"	893.88

Monthly Volume Charge for Sewerage Service Only

A monthly volume charge shall also be charged to residential customers in the amount of three dollars and sixty two cents (\$3.62) per one hundred (100) cubic feet of water used, and to nonresidential/non-monitored customers in the amount of four dollars and twenty-three cents (\$4.23) per one hundred (100) cubic feet of water used, or wastewater produced, as more specifically set forth hereinafter.

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

The monthly charges to the nonresidential/non-monitored customers will be based on total water use as measured by appropriate meters, with the provision that if a customer can prove, to the satisfaction of the director, that a significant

portion of the metered water usage does not enter the sanitary sewers, the customer will be charged for only that volume entering the sewers, as determined by a method approved by the director.

A monthly volume charge shall be charged to monitored customers in the amount of two dollars and seventy-one cents (\$2.71) per one hundred (100) cubic feet of water used. The Bio-chemical Oxygen Demand ("BOD") strength charge shall be \$0.2929 per pound of BOD, the suspended solids strength charge shall be \$0.1558 per pound of suspended solids and the dissolved solids strength charge will be \$0.0420 per pound of dissolved solids (applicable to gas well drillers). Monitoring and pretreatment charge will be equal to the actual cost incurred.

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

TABLE 15 - WASTEWATER WHOLESALE SERVICE RATES (EFFECTIVE OCTOBER 1, 2016)

Rates for Wholesale Wastewater Contracts ⁽¹⁾	
Volume (\$/1,000 gallons)	\$ 1.1785
BOD (\$/pound)	\$ 0.4124
Total Suspended Solids (\$/pound)	\$ 0.2279
Customer (\$/month)	\$ 75.00

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

[Remainder of Page Intentionally Left Blank]

CITY OF GRAND PRAIRIE, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016	2015	2014	2013	2012
Revenues ⁽¹⁾					
Sales to Customers	\$39,054,285	\$35,847,333	\$34,322,525	\$33,686,226	\$34,304,231
Wastewater Charges to Customers	24,983,819	23,500,825	22,678,679	21,384,096	20,610,386
Water Surcharge/Monitoring	722,154	698,342	653,220	684,472	682,994
Impact Fees	2,407,003	1,789,880	1,794,292	1,394,620	1,084,505
Other	2,860,418	3,376,881	2,461,893	2,068,490	2,018,959
Total Revenues	\$70,027,679	\$65,213,261	\$61,910,609	\$59,217,904	\$58,701,075
Expenses ⁽²⁾					
Salaries & Personnel Benefits	\$ 7,690,878	\$ 6,983,821	\$ 7,059,406	\$ 6,529,641	\$ 6,038,321
Professional Services	6,672,050	5,573,076	5,292,120	4,609,048	4,977,428
Franchise Fees	2,561,398	2,376,121	2,283,480	2,193,657	2,193,337
Water Purchase	14,223,378	12,370,857	11,850,914	10,924,656	10,951,192
Wastewater Treatment	15,346,644	14,726,953	12,716,847	11,790,989	11,581,458
Other ⁽³⁾	5,035,914	4,754,974	4,649,753	4,798,751	4,626,210
Total Expenses	\$51,530,262	\$46,785,802	\$43,852,520	\$40,846,742	\$40,367,946
Available for Debt Service	\$18,497,417	\$18,427,459	\$18,058,089	\$18,371,162	\$18,333,129

(1) Includes operating and non-operating revenue.

(2) Excludes depreciation and debt service expense.

(3) Includes payments with respect to TRA Water Contract Bonds secured by surplus revenues and; if needed, by an ad valorem tax.

TABLE 2 - COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, all Water and Wastewater System Revenue Bonds, Fiscal Year Ended 9/30/2016	\$ 4,065,870
Coverage of Average Annual Requirements based on 9/30/2016 Revenue Available for Debt Service	4.53x
Total Principal and Interest Requirements of all debt obligations paid from Water and Wastewater Treatment Fund (Water and Wastewater System Revenue Bond, Contract and Tax Obligations issued for System Improvements), Fiscal Year Ended 9/30/2016	\$ 5,778,162
Coverage of Total Requirements based on 9/30/2016 Revenue Available for Debt Service	3.19x

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized revenue bonds.

[Remainder of Page Intentionally Left Blank]

TABLE 4 - DALLAS WATER UTILITIES

Fiscal Year Ended 9/30	Dallas Water Utilities		City of Ft. Worth	City of Cedar Hill/Midlothian	Total Cost of Water Purchased
	Volume Charges	Demand Charges	Volume Charges	Volume Charges	
2012	\$ 2,780,668	\$ 6,758,580	\$ 1,411,944	\$ -	\$ 10,951,192
2013	2,901,935	6,854,133	1,168,588	-	10,924,656
2014	2,770,594	7,062,206	1,648,226	-	11,481,026
2015	2,561,969	7,547,810	1,687,495	735,927	12,533,201
2016	3,687,583	8,228,711	1,582,870	1,582,870	15,082,034

TABLE 5 - WATER AND WASTEWATER RATES (EFFECTIVE OCTOBER 1, 2016)⁽¹⁾

Water Rates (Per 1,000 Gallons)	(10/01/2015)	(10/01/2016)
Classification		
Residential		
Per 1,000 gallons, total usage 3,000 gallons or less	\$ 0.12	\$ 0.12
Per 1,000 gallons, total usage more than 3,000 gallons, and up to and including 20,000 gallons	3.73	3.85
Per 1,000 gallons, all quantities over 20,000 gallons	6.42	6.63
Commercial	3.75	4.05
Industrial	3.75	4.05
Governmental	3.36	3.47
Fire Hydrant	7.41	7.74
Minimum Monthly Charge (Based on Meter Size):		
5/8" of 3/4"	\$ 13.07	\$ 13.57
1"	16.82	17.46
1 1/4"	20.13	20.89
1 1/2"	21.85	22.68
2"	34.58	37.34
3"	107.21	115.79
4"	132.92	143.55
6"	199.28	215.22
8"	277.34	299.53
10"	289.37	312.52
12"	304.48	328.84
Wastewater Rates (Per 1,000 Gallons)		
Classification		
Residential	\$ 3.66	\$ 3.78
Commercial	4.44	4.80
Industrial	4.44	4.80
Governmental	3.93	4.06
Wastewater Minimum charges based on meter size		
5/8" of 3/4"	\$ 11.92	\$ 12.37
1"	12.91	13.40
1 1/4"	15.06	15.63
1 1/2"	15.69	16.29
2"	17.99	19.43
3"	26.64	28.77
4"	35.35	38.18
6"	54.86	59.25
8"	77.62	83.83
10"	99.37	107.32
12"	111.33	120.24

(1) Source: City Staff.

TABLE 6 - AVERAGE DAILY WATER USAGE (GALLONS)

<u>Fiscal Year Ended</u>	<u>Average Daily Usage</u>	<u>Maximum Day's Use</u>	<u>Total Pumped In</u>
2012	23,927,897	42,138,818	8,733,682,560
2013	23,500,103	39,519,048	8,577,537,610
2014	22,967,566	37,716,995	8,383,161,546
2015	23,171,895	40,257,400	8,457,741,334
2016	24,564,056	42,474,976	8,966,030,397

TABLE 7 - AVERAGE DAILY WASTEWATER FLOW

<u>Fiscal Year Ended</u>	<u>Average Daily Flow</u>
2012	15,214,182
2013	14,234,168
2014	14,109,478
2015	17,862,300
2016	16,569,421

TABLE 8 - WASTEWATER TREATMENT

<u>Fiscal Year Ended 9/30</u>	<u>Operation and Maintenance</u>	<u>Wastewater Treatment</u>		<u>Joe Pool Intake</u>	<u>Joe Pool Corp of Engineers</u>	<u>Total</u>
		<u>Debt Service</u>	<u>Subtotal</u>			
2012	\$ 4,316,782	\$ 6,383,008	\$ 10,699,790	\$ 7,660	306,680	\$ 11,014,130
2013	4,360,828	6,546,256	10,907,084	7,390	381,637	11,296,111
2014	4,234,724	7,602,156	11,836,880	7,190	397,690	12,241,760
2015	5,774,796	8,060,760	13,835,556	6,750	387,511	14,229,817
2016	5,895,397	8,559,504	14,454,901	6,782	396,612	14,858,295

TABLE 9 - TEN LARGEST WATER AND WASTEWATER CUSTOMERS

<u>Customers</u>	<u>Fiscal Year Ended September 30, 2016</u>			
	<u>Total</u>	<u>Amount Billed</u>		
	<u>Consumption ⁽¹⁾</u>	<u>Billed</u>	<u>Water</u>	<u>Wastewater</u>
Coca-Cola North America	115,391	\$ 664,124	\$ 435,141	\$ 228,983
Bell Helicopter	107,336	789,867	407,293	382,574
North Texas Healthcare Laundry	60,797	444,187	229,648	214,538
Lockheed-Martin	53,712	423,221	208,516	214,705
FRBH Silverbrook	50,882	522,239	345,698	176,541
Poly America Inc.	49,247	358,344	188,422	169,922
Bigelow Colorado DBA Budget Suite	40,147	297,442	160,709	136,733
KMB Produce	38,495	281,600	147,162	134,437
Manor Redevelopment	30,824	321,291	208,328	112,963
JIK 360 North LLLP	29,199	298,762	201,352	97,410
Totals	576,030	\$ 4,401,076	\$ 2,532,269	\$ 1,868,807

(1) In 1,000 Gallons.

CITY OF GRAPEVINE, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues:</u>	2016	2015	2014	2013	2012
Charges for Services	\$ 22,972,123	\$ 22,433,799	\$ 23,667,335	\$ 20,184,879	\$ 20,481,210
<u>Operating Expenses:</u> ⁽¹⁾					
Salaries and Benefits	\$ 3,254,834	\$ 3,039,975	\$ 3,064,917	\$ 2,916,459	\$ 2,830,003
Maintenance, Repairs and Supplies	11,052,778	9,936,229	10,596,496	9,871,647	9,191,991
General and Administrative	3,051,186	3,306,996	2,949,145	3,123,542	3,396,529
Total Operating Expenses	<u>\$ 17,358,798</u>	<u>\$ 16,283,200</u>	<u>\$ 16,610,558</u>	<u>\$ 15,911,648</u>	<u>\$ 15,418,523</u>
Net Revenue from Operations	\$ 5,613,325	\$ 6,150,599	\$ 7,056,777	\$ 4,273,231	\$ 5,062,687
Investment Income	147,157	43,090	20,091	151,267	67,292
Impact Fee - Balance	3,205,263	2,649,103	2,612,102	8,031,864	7,808,747
Other Net	-	-	-	-	-
Net Available for Debt Service	<u>\$ 8,965,745</u>	<u>\$ 8,842,792</u>	<u>\$ 9,688,970</u>	<u>\$ 12,456,362</u>	<u>\$ 12,938,726</u>
Average Annual Debt	\$ 420,535	\$ 269,914	\$ 281,070	\$ 283,870	\$ 284,764
Average Annual Debt Coverage	21.32x	32.76x	34.47x	43.88x	45.44x
Average Annual Debt Coverage without Impact Fees	13.70x	22.95x	25.18x	15.59x	18.01x
Water Customers	14,665	14,564	14,476	14,517	14,460
Wastewater Customers	13,570	13,452	13,387	13,315	13,103

(1) Excludes depreciation and amortization.

TABLE 2 - COVERAGE AND FUND BALANCES

As of September 30, 2016, the City has no water and sewer revenue bonds outstanding.

TABLE 3 - WATER USAGE

<u>Fiscal Year</u>	<u>Peak Day Usage</u>	<u>Average Day Usage</u>	<u>Total Usage⁽¹⁾</u>
2012	20,919,000	10,766,000	3,929,509,000
2013	18,863,000	10,379,000	3,797,786,000
2014	16,308,000	9,495,000	3,473,130,000
2015	19,167,000	9,377,000	3,431,263,000
2016	17,666,000	9,306,000	3,402,470,000

(1) Water consumption pumped or treated.

TABLE 4 - MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2016)

General Water Consumption		
First	2,000 gallons	\$13.27 (Minimum)
Over	2,000 gallons	3.72/1,000 gal

Size of Meter	Minimum Gallons	Minimum Monthly Charges
3/4" or less	2,000	\$ 13.27
1"	9,000	39.27
1 1/2"	21,000	83.92
2"	34,000	132.25
3"	78,000	295.91
4"	100,000	377.73
6"	134,000	504.18
8"	239,000	894.68
Larger than 8"		To be agreed upon by contract

Fire sprinkler connection - \$32.40

TABLE 5 - MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2016)

Residential Service			Commercial Service		
First	2,000 gallons	\$9.96 (Minimum)	First	2,000 gallons	\$14.70 (Minimum)
Next	13,000 gallons	4.16/M gallons	Over	2,000 gallons	4.16 /M gallons

TABLE 6 - APPLICATION AND COST DEPOSIT FOR WATER, WASTEWATER AND REFUSE SERVICE (EFFECTIVE OCTOBER 1, 2016)

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

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

[Remainder of Page Intentionally Left Blank]

CITY OF HURST, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Water Sales	\$ 12,313,046	\$ 12,102,351	\$ 11,766,691	\$ 19,287,736	\$ 18,777,841
Storm Water Drainage	7,278,484	6,956,840	6,851,507	-	-
Interest on Investments	392,605	441,256	448,420	108,544	132,898
Miscellaneous	28,944	204,036	57,844	526,414	454,686
Total Revenue	<u>\$ 20,013,079</u>	<u>\$ 19,704,483</u>	<u>\$ 19,124,462</u>	<u>\$ 19,922,694</u>	<u>\$ 19,365,425</u>
<u>Expenses</u>					
Personnel Services	\$ 4,144,301	\$ 3,880,847	\$ 3,708,719	\$ 3,647,254	\$ 3,593,948
Contractual Services	8,432,147	7,988,111	7,528,438	6,930,669	6,483,580
Repairs and Maintenance	523,444	606,518	603,786	449,973	527,951
Materials and Supplies	149,565	156,834	150,826	248,101	169,459
Indirect Cost/Street Rental Fees	3,598,793	3,520,137	3,454,018	3,523,461	3,495,076
Other	1,408,112	1,206,160	1,068,718	1,096,899	1,020,958
Total Expense	<u>\$ 18,256,362</u>	<u>\$ 17,358,607</u>	<u>\$ 16,514,505</u>	<u>\$ 15,896,357</u>	<u>\$ 15,290,972</u>
Net Available for Debt Service	<u>\$ 1,756,717</u>	<u>\$ 2,345,876</u>	<u>\$ 2,609,957</u>	<u>\$ 4,026,337</u>	<u>\$ 4,074,453</u>
Water Customers	12,257	12,226	12,237	11,526	12,155
Sewer Customers	12,129	12,065	12,076	11,227	11,856

TABLE 2 - COVERAGE AND FUND BALANCES

As of September 30, 2016, there is no Water and Sewer revenue debt outstanding.

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized but unissued revenue debt.

TABLE 4 - HISTORICAL WATER USAGE

Fiscal Year Ended	Water Usage		
	Average Day Usage (Gallons)	Peak Day Usage (Gallons)	Total Usage (Gallons)
9/30			
2012	5,750,000	8,963,000	2,099,841,000
2013	5,573,938	9,032,000	2,034,487,540
2014	5,288,853	8,713,000	1,930,431,260
2015	4,961,155	8,718,000	1,810,821,410
2016	4,910,762	8,236,000	1,797,338,820

TABLE 5 - MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2016)⁽¹⁾

All customers		
Minimum	2,000 gallons *	\$16.84
Over	2,000 gallons	6.77 per 1,000 gallons

(1) Commercial meters larger than 1" are assessed an additional base fee equal to \$2, \$5 or \$7 based upon meter size.

TABLE 6 - MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2016)⁽¹⁾

All customers	
Minimum	12.19
All Flows	3.91 per 1,000 gallons

(1) Commercial meters larger than 1" are assessed an additional base fee equal to \$2, \$5 or \$7 based upon the meter size.

[Remainder of Page Intentionally Left Blank]

CITY OF IRVING, TEXAS

TABLE 1 - CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30				
	2016	2015	2014	2013	2012
Operating Revenues:					
Charges for Services	\$ 92,380,186	\$ 82,397,005	\$ 82,397,005	\$ 85,156,773	\$ 84,381,762
Total Operating Revenues	\$ 92,380,186	\$ 82,397,005	\$ 82,397,005	\$ 85,156,773	\$ 84,381,762
Operating Expenses:					
Water Purchases	\$ 11,699,744	\$ 7,193,237	\$ 7,624,894	\$ 8,322,118	\$ 8,018,642
Sewer Treatment Costs	22,124,569	20,691,620	19,513,766	15,393,266	14,403,431
Personnel Services	12,058,898	11,361,206	10,611,547	9,938,012	9,408,743
Pension Expense	891,179	3,298,895	-	-	-
Supplies	1,963,383	4,736,459	3,028,169	3,291,648	1,305,252
Maintenance	2,199,005	2,278,713	2,472,965	2,054,143	2,132,832
Light and Power	1,784,222	2,730,196	2,506,985	2,452,385	3,099,777
Depreciation	15,230,320	14,590,852	14,012,112	13,472,931	12,654,622
Sundry Charges	352,380	651,120	688,120	617,800	428,401
Administrative Charges	6,049,016	5,928,411	5,964,193	5,729,395	5,397,346
Other	3,378,480	3,000,437	2,636,329	2,451,161	2,710,136
Total Operating Expenses	\$ 77,731,196	\$ 76,461,146	\$ 69,059,080	\$ 63,722,859	\$ 59,559,182
Non-Operating Revenues (Expenses):					
Interest Income	\$ 361,083	\$ 123,006	\$ 123,006	\$ 151,672	\$ 115,339
Interest Expense	-	(6,291,196)	(6,291,196)	(6,347,260)	(6,736,734)
Loss on Disposal of Fixed Assets	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Non-Operating Revenues	\$ 361,083	\$ (6,168,190)	\$ (6,168,190)	\$ (6,195,588)	\$ (6,621,395)
Net Income	\$ 15,010,073	\$ (232,331)	\$ 7,169,735	\$ 15,238,326	\$ 18,201,185
Add:					
Depreciation	\$ 15,230,320	\$ 14,590,852	\$ 14,012,112	\$ 13,472,931	\$ 12,654,622
Pension Expense	891,179	3,298,895	-	-	-
Interest Income	361,083	120,907	123,006	151,672	115,339
Transfers Out	-	-	-	-	-
(Gain) Loss on Disposal of Fixed Assets	-	-	-	-	-
Net Revenue Available for Debt Service	\$ 31,492,655	\$ 17,778,323	\$ 21,304,853	\$ 28,862,929	\$ 30,971,146
Average Annual Debt Service Requirement Coverage Ratio	\$ 9,005,476 3.50	\$ 9,247,045 1.92	\$ 12,056,504 1.77	\$ 11,881,325 2.43	\$ 12,934,467 2.39
Maximum Annual Debt Service Requirement	23,239,207	\$ 23,239,207	\$ 20,271,009	\$ 20,691,017	\$ 21,956,960

CONNECTIONS

	Fiscal Year Ended September 30,				
	2016 ⁽¹⁾	2015 ⁽²⁾	2014 ⁽³⁾	2013 ⁽⁴⁾	2012 ⁽⁵⁾
Water Customers	46,966	46,745	45,558	45,184	44,529
Sewer Customers	43,505	43,849	42,988	42,803	42,060

(1) Includes 1,064 master meters (excluding private fire) serving 53,552 apartments and other multiple units

(2) Includes 1,060 master meters (excluding private fire) serving 52,725 apartments and other multiple units

(3) Includes 1,046 master meters (excluding private fire) serving 51,649 apartments and other multiple units

(4) Includes 1,055 master meters (excluding private fire) serving 51,674 apartments and other multiple units

(5) Includes 1,055 master meters (excluding private fire) serving 50,868 apartments and other multiple units

TABLE 2 - COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2017 - 2037	\$	9,005,476
Coverage of Average Requirements by 2016 Net Revenue Available for Debt Service		3.50
Maximum Principal and Interest Requirements, 2016 ⁽¹⁾	\$	23,239,207
Coverage of Maximum Requirements by 2018 Net Revenue Available for Debt Service		1.36
Waterworks and Sewer System Revenue Bonds Outstanding, September 30, 2017	\$	189,115,000
New Lien Bond Interest and Sinking Fund, 9/30/16	\$	3,110,710
New Lien Bond Reserve Fund, 9/30/16	\$	7,443,861

(1) Any shortfall in the amount required for the New Lien Bond Reserve Fund will be funded in 60 equal monthly installments as provided for in the Ordinance.

- (1) Any shortfall in the amount required for the New Lien Bond Reserve Fund will be funded in 60 equal monthly installments as provided for in the Ordinance.

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City does not have any authorized but unissued revenue bonds.

TABLE 4 - HISTORICAL WATER CONSUMPTION (THOUSANDS OF GALLONS)

Fiscal Year Ended 9/30	Daily Average	Peak Day	Peak Month	Water Pumped	Water Billed	Water Revenue
2012	33,532	64,340	1,555,060	12,736,698 *	12,083,861	\$ 50,495,223
2013	35,286	65,950	1,591,320	12,879,440	12,364,289	49,664,017
2014	33,611	54,000	1,293,083	12,278,821	11,739,914	47,393,235
2015	31,420	63,000	1,635,510	11,467,400	11,679,810	50,346,757
2016	34,004	65,000	1,576,720	12,411,410	12,231,101	55,917,625

*Due to a metering issue with the City of Dallas, not all water provided to the City of Irving was captured.

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

Customer	Type of Industry	Water Usage (000's)	% of Total Water Usage	Water Revenue	% of Total Water Revenue
Dr. Pepper	Soft Drink Bottler	340,122	2.78%	\$ 1,117,780	2.00%
America's Beverage	Soft Drink Bottler	182,827	1.49%	601,170	1.08%
Irving ISD	School District	126,111	1.03%	492,797	0.88%
Lake Carolyn REIT LLC	Apartments	63,190	0.52%	260,972	0.47%
Oak Villas Apartments LLC	Apartments	56,930	0.47%	235,179	0.42%
Morguard Las Colinas Apts, LLC	Apartments	53,533	0.44%	220,807	0.39%
University of Dallas	University	53,324	0.44%	217,882	0.39%
Bel Air at Las Colinas TT LLC	Apartments	47,752	0.39%	197,816	0.35%
Valley Ranch Master Association	Homeowner's Association	47,180	0.39%	187,979	0.34%
Vistas at Hackberry Creek	Apartments	45,566	0.37%	190,015	0.34%
Total		1,016,535	8.31%	\$ 3,722,396	6.66%

TABLE 6 - MONTHLY WATER RATES

	Present Rates (Effective 10/1/2015)	Present Rates (Effective 10/1/2016)
(a) Monthly Service Charge		
First 3,000 gallons of water, or less		
5/8" and 3/4" Meter	\$ 10.03	\$ 10.74
1" Meter	12.16	13.02
1 1/2" Meter	17.05	18.25
2" Meter	24.07	25.76
3" Meter	38.75	41.47
4" Meter	54.24	58.04
6" Meter	94.86	101.51
8" Meter	119.80	128.19
10" Meter	174.14	186.33
12" Meter	259.30	277.46
(b) Residential water rates:		
Next 7,000 gallons , per 1,000 gallons	\$ 4.05	\$ 4.34
Next 10,000 gallons, per 1,000 gallons	4.37	4.68
All over 20,000 gallons:		
October-May consumption, per 1,000 gallons	\$ 4.67	\$ 5.00
June -September consumption, per 1,000 gallons	5.14	5.50
(c) Apartment water rates:		
Next 7,000 gallons , per 1,000 gallons	\$ 4.05	\$ 4.34
Next 10,000 gallons, per 1,000 gallons	4.37	4.68
All over 20,000 gallons:		
October-May consumption, per 1,000 gallons	\$ 4.67	\$ 5.00
June -September consumption, per 1,000 gallons	5.04	5.50
(d) Commercial water rates:		
Next 7,000 gallons , per 1,000 gallons	\$ 4.05	\$ 4.34
Next 10,000 gallons, per 1,000 gallons	4.37	4.68
All over 20,000 gallons:		
October-May consumption, per 1,000 gallons	\$ 4.67	\$ 5.00
June -September consumption, per 1,000 gallons	5.04	5.50
(e) Large Industrial water rates:		
All over 3,000 gallons, per 1,000 gallons	\$ 3.83	\$ 4.10

TABLE 7 - WASTEWATER USAGE (THOUSANDS OF GALLONS)

Fiscal Year Ended 9/30	Daily Average	Monthly Average	Total Usage	Total Revenues
2012	20,527	624,377	7,492,524	\$ 27,080,218
2013	22,388	680,958	8,171,499	26,509,538
2014	22,754	692,309	8,307,704	27,308,004
2015	25,583	778,743	9,344,913	27,104,525
2016	27,639	840,696	10,088,346	29,972,415

[Remainder of Page Intentionally Left Blank]

TABLE 8 - MONTHLY SEWER RATES

		Previous Rates (Effective 10/1/2015) per 1,000 gallons	Present Rates (Effective 10/1/2016) per 1,000 gallons
Residential:	First 2,000 gallons	\$ 5.83	\$ 6.24
	Over 2,000 gallons	3.13	3.35
Commercial:	First 10,000 gallons	\$ 29.65	\$ 31.73
	Over 10,000 gallons	3.39	3.63
Industrial:	First 15,000 gallons	\$ 44.49	\$ 47.61
	Over 15,000 gallons	3.39	3.63

Residential and Commercial rates are based on average monthly metered water sales for January, February and March.

[Remainder of Page Intentionally Left Blank]

CITY OF KELLER, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016 ⁽³⁾	2015	2014	2013	2012
Gross Revenue ⁽¹⁾	\$20,988,935	\$21,521,901	\$21,578,141	\$20,645,252	\$20,061,423
Expenses ⁽²⁾					
Water Purchased	8,036,036	8,768,317	7,536,047	6,479,095	7,147,763
Other	11,890,081	8,069,400	7,329,003	6,855,133	5,618,520
Total Expenses	\$19,926,117	\$16,837,717	\$14,865,050	\$13,334,228	\$12,766,283
Net Revenue Available for Debt Service	<u>\$ 1,062,818</u>	<u>\$ 4,684,184</u>	<u>\$ 6,713,091</u>	<u>\$ 7,311,024</u>	<u>\$ 7,295,140</u>
Water Customers	15,633	15,431	15,136	14,776	14,490
Sewer Customers	13,323	13,030	12,724	12,307	12,050

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

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

TABLE 2 - COVERAGE AND FUND BALANCES

As of September 30, 2016, the City of Keller, Texas, has no water and sewer revenue debt outstanding.

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized but unissued revenue bonds.

TABLE 4 - WATER USAGE⁽¹⁾

Fiscal Year Ended 30-Sep	Total Number of Pumped Gallons	Average Daily Pumped	Peak Daily Pumped
2012	3,225,916,200	8,814,000	20,551,000
2013	3,028,498,400	8,298,000	23,465,000
2014	2,843,484,100	7,977,940	18,981,000
2015	2,807,684,607	7,352,000	21,591,000
2016	2,757,023,471	7,532,851	18,299,000

(1) Information provided by City Staff.

[Remainder of Page Intentionally Left Blank]

TABLE 5 - TEN LARGEST WATER CUSTOMERS

Customer	Type of Industry	Fiscal 2016 Water Usage (000's)	Estimated Percent of Water Usage	Water Revenues Received
City of Keller	Municipal Government	64,318	2.36%	\$ 189,811
Keller Independent School District	School District	41,793	1.49%	90,026
Hidden Lakes Home Owner Ass'n	Residential	15,969	0.65%	65,661
Conservatory Senior Housing	Residential	11,788	0.48%	58,323
SC Stone Glen, LP	Apartments	10,234	0.35%	48,451
Keller Senior Community, LP	Multi-Family residential	8,715	0.30%	43,684
SC Stone Glen, LP	Apartments	7,572	0.29%	43,285
Grand Estates at Keller, LP	Multi-Family Residential	7,483	0.18%	34,558
Keller Oaks Healthcare Center	Nursing Home/Assisted Living	6,305	0.18%	34,558
Kwik Car Wash	Car Wash	5,378	0.15%	30,030
		<u>179,555</u>	<u>6.43%</u>	<u>\$ 807,911</u>
	All Other Customers	25,232,923	94.03%	\$ 12,740,393
	Total Water Sold	<u>2,683,363</u>	<u>100.00%</u>	<u>\$ 13,548,304</u>

TABLE 6 - MONTHLY WATER RATES (EFFECTIVE DECEMBER 31, 2016)⁽¹⁾

	Residential		Non-Residential	
	\$	20.21 Minimum ⁽²⁾	\$	20.21 Minimum ⁽²⁾
0 to 2,000 gallons				
0 to 2,000 gallons	3.17	/M gallons	3.17	/M gallons
2,001 to 10,000 gallons	4.27	/M gallons	4.27	/M gallons
10,001 to 20,000 gallons	4.65	/M gallons	5.03	/M gallons
20,001 to 25,000 gallons	5.16	/M gallons	5.77	/M gallons
25,001 to 40,000 gallons	6.48	/M gallons	6.48	/M gallons
+40,000 gallons	6.90	/M gallons	6.99	/M gallons

(1) The above rates include the current wholesale pass-through rate of \$2.21 per 1,000 gallons. The volume amount calculated for residential customers is based on the average monthly water consumption during the winter months of December, January and February. This average is effective the first billing in April every year.

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

TABLE 7 - MONTHLY SEWER RATES (EFFECTIVE JUNE 1, 2016)⁽¹⁾

Residential:	\$ 14.05 Minimum ⁽¹⁾ plus \$ 4.14 /M Gallons (Based on December, January and February Average water consumption) Maximum to 20,000 Gallons
Non Residential:	\$ 14.05 Minimum ⁽¹⁾ plus \$ 4.14 /M Gallons (Based on monthly water consumption, no maximum.)
Outside City limits:	1.15 times the above rates.

(1) The above rates include the current wholesale pass-through rate of \$1.86 per 1,000 gallons. The volume amount calculated for residential customers is based on the average monthly water consumption during the winter months of December, January and February. This average is effective the first billing in April every year.

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

[Remainder of Page Intentionally Left Blank]

CITY OF MANSFIELD, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Water Service	\$ 18,459,984	\$ 17,105,911	\$ 15,662,227	\$ 15,053,456	\$ 14,966,864
Sewer Service	10,863,897	9,790,377	9,267,629	8,600,592	8,220,411
Charges for Services	1,397,430	1,286,973	1,106,380	3,015,063	1,172,611
Interest Earnings	76,716	16,645	22,178	42,861	23,832
Impact Fees	2,320,248	1,894,021	1,596,243	1,508,905	1,297,649
Total Revenues	\$ 33,118,275	\$ 30,093,927	\$ 27,654,657	\$ 28,220,877	\$ 25,681,367
<u>Expenses</u>					
Water Distribution	\$ 930,706	\$ 1,031,489	\$ 961,970	\$ 751,125	\$ 841,334
Wastewater Collection	6,747,644	6,119,999	5,729,654	4,913,513	4,528,682
Water Quality Control	8,292,754	7,458,431	7,126,755	6,417,764	6,111,884
Administration	3,070,093	2,486,140	2,926,209	2,205,885	2,552,547
Total Expenses	\$ 19,041,197	\$ 17,096,059	\$ 16,744,588	\$ 14,288,287	\$ 14,034,447
Net Available for Debt Service	\$ 14,077,078	\$ 12,997,868	\$ 10,910,069	\$ 13,932,590	\$ 11,646,920
Water Customers	20,807	20,404	19,908	19,871	19,247
Sewer Customers	18,325	17,974	17,717	17,656	17,154

TABLE 2 - COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2017-2035	\$ 3,236,984 ⁽¹⁾
Coverage of Average Requirements by 9/30/16 Net Income	7.15x ⁽¹⁾
Maximum Principal and Interest Requirements, 2017	\$ 6,059,234 ⁽¹⁾
Coverage of Maximum Requirements by 9/30/15 Net Income	3.82x ⁽¹⁾
Waterworks and Sewer System Bonds Outstanding, 9/30/17	\$ 46,155,000 ⁽²⁾
Water and Sewer Sinking and Reserve Fund, 9/30/16	\$ 4,565,536

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized unissued revenue debt.

[Remainder of Page Intentionally Left Blank]

TABLE 4 - HISTORICAL WATER CONSUMPTION

Fiscal Year Ended 9/30	Total Usage	Peak Day	Average Day
2012	4,015,353,000	21,944,000	10,360,000
2013	3,606,220,000	20,565,000	9,915,000
2014	3,902,516,000	21,030,000	10,270,000
2015	3,941,276,000	24,680,000	10,770,000
2016	4,273,509,000	23,369,000	11,373,000

TABLE 5 - TEN LARGEST WATER CUSTOMERS ⁽¹⁾

Customer	2016 Water Usage	% of Total Water Usage	Water Revenue	Percent of Water Revenues
Johnson County SUD	1,449,700,001	33.92%	\$ 1,824,936	9.89%
MISD	117,479,026	2.75%	846,004	4.58%
City of Mansfield	87,525,090	2.05%	523,884	2.84%
Walnut Creek Country Club	76,561,100	1.79%	107,655	0.58%
Mansfield National Golf Club	38,882,520	0.91%	49,369	0.27%
Methodist Mansfield Medical Center	37,914,710	0.89%	165,628	0.90%
Mid America Apartments	28,040,000	0.66%	123,525	0.67%
Equistar Chemicals	26,555,360	0.62%	93,929	0.51%
Goodman Food Products	24,356,000	0.57%	91,763	0.50%
Southwest Waste - Dallas	23,640,210	0.55%	8,462	0.05%
	<u>1,910,654,017</u>	<u>44.71%</u>	<u>\$ 3,835,155</u>	<u>20.78%</u>

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

TABLE 6 - MONTHLY WATER RATES

	Rates Effective as of October 2016	
Meter Size		
Residential < 2,000 Gallons	\$	7.45
3/4" & 5/8"		22.57
1"		56.43
1 1/2"		112.85
2"		180.56
3"		361.12
4"		620.68
6"		1,263.92
Volume Rate per 1,000 Gallons Water (Effective October 2016)		
	Industrial	Residential / Commercial
First 2,000 Gallons	\$ -	\$ -
Next 30,000 Gallons	2.61	3.29
Over 32,000 Gallons	3.26	4.11

TABLE 7 - WASTEWATER USAGE (GALLONS)

<u>Year Ending</u> <u>9/30</u>	<u>Amount in</u> <u>Gallons (000)</u>
2012	1,994,587
2013	2,058,804
2014	2,161,063
2015	2,168,915
2016	2,321,527

TABLE 8 - MONTHLY SEWER RATES

	<u>Current Rates</u> <u>Effective as of</u> <u>October, 2016</u>
<u>Residential</u>	
Base 2,000 Gallons	\$ 9.10
Base 2,001 Gallons	27.57
Each 1,000 Over 2,000 Gallons	3.30
Maximum	67.17
Sewer Service Only - Flat Rate	60.57
<u>Commercial</u>	
Base 2,000 Gallons	\$ 27.57
Each 1,000 Over 2,000 Gallons	3.30

[Remainder of Page Intentionally Left Blank]

CITY OF NORTH RICHLAND HILLS, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2016 ⁽²⁾	2015	2014	2013	2012
Operating Revenues					
Water and Sewer Service Sales	\$ 29,330,845	\$ 28,742,666	\$ 29,465,628	\$ 29,202,286	\$ 27,831,190
Service Charges	1,002,141	920,165	918,662	920,210	936,136
Inspection Fees	98,137	101,472	87,990	36,235	67,467
Assessment Revenue	-	-	-	-	-
Other Intergovernmental	111,265	60,439	84,842	138,831	80,660
Other Revenues	-	-	10,898	3,133	15,782
Other Income (Expense)	2,051	2,098	-	-	-
Investment Income	-	-	-	-	38,304
Total Revenues	\$ 30,544,439	\$ 29,826,840	\$ 30,568,020	\$ 30,300,695	\$ 28,969,539
Operating Expenses ⁽¹⁾					
Contractual Services	\$ 1,827,856	\$ 1,752,357	\$ 1,650,172	\$ 1,723,129	\$ 1,628,276
Water Purchases	10,050,265	10,279,601	8,252,196	8,268,079	7,922,294
Wastewater Treatment Services	5,721,262	4,880,490	5,018,420	4,715,471	3,845,819
Personal Services	5,505,015	5,104,575	5,310,489	5,141,377	5,038,489
Repairs and Maintenance	4,261,622	4,252,177	3,798,958	3,958,178	4,707,076
Supplies	410,294	305,403	317,599	277,003	258,760
Payments in Lieu of Taxes	-	-	-	-	-
Administration Fees	-	-	-	-	-
Total Operating Expenses	\$ 27,776,314	\$ 26,574,603	\$ 24,347,834	\$ 24,083,237	\$ 23,400,714
Net Available for Debt Service	\$ 2,768,125	\$ 3,252,237	\$ 6,220,186	\$ 6,217,458	\$ 5,568,825
 Water Connections	 21,601	 21,301	 21,141	 20,936 ⁽²⁾	 20,792
Sewer Connections	20,248	19,966	19,761	19,603 ⁽²⁾	19,469

(1) Excludes Depreciation.

TABLE 2 - COVERAGE AND FUND BALANCES

As of September 30, 2016, there is no Water and Sewer revenue debt outstanding.

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the city has no authorized but unissued revenue bonds.

[Remainder of Page Intentionally Left Blank]

TABLE 4 - TOP TEN WATER USERS

Customer	Type of Property	FYE 9/30/16 Water Usage (In Gallons)	Percent of Total Water Usage
Dorskocil Food (Tyson)	Food Processor	118,918,020	3.70%
North Hills Hospital	Hospital	54,564,446	1.70%
Aragon 2014	Apartments	41,545,760	1.30%
BISD	Schools	38,452,632	1.20%
Silver Creek Apts	Apartments	22,183,002	0.70%
Bluffs at Iron Horse	Apartments	21,941,892	0.70%
Star Meadows, LLC	Apartments	18,261,418	0.60%
Abbey Residential Service	Apartments	16,803,386	0.50%
RFI Hilltop, LLC	Apartments	16,691,396	0.50%
Star Delano, LLC	Apartments	15,552,566	0.50%
		<u>364,914,518</u>	<u>11.40%</u>

TABLE 5 - WATER USAGE

Fiscal Year Ended 9/30	Peak Day Usage	Average Day Usage	Total Usage
2012	21,977,000	9,772,799	3,576,844,560
2013	19,629,000	9,561,878	3,490,085,380
2014	18,259,000	9,123,328	3,339,137,910
2015	19,318,000	8,716,098	3,181,375,930
2016	19,560,000	8,678,648	3,176,385,060

TABLE 6 - MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2016)

1. Billing policy where only one user or building is tied to the same meter:

The monthly bill will be computed as follows. The minimum bill taken from Schedule A plus a volume charge of \$3.16 per 100 cubic feet on monthly volume greater than the minimum volume from Schedule A.

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

It shall be the policy of the city to bill each home, homes, duplex, triplex, offices or any other building where more than one user is tied on the same meter at the rate of \$10.00 per unit per month minimum for the first 267 cubic feet of water used per unit, plus a volume charge calculated from Schedule A.

3. Billing for apartment complexes and trailer parks:

- A. \$10.00 per month for each apartment or trailer for the first 267 cubic feet of water used plus a volume charge calculated from Schedule A.
- B. Apartment house or trailer park owner shall furnish a certified statement of occupancy prior to the 10th of each month. Failure to file occupancy statement will result in billing for 100% occupancy.

[Remainder of Page Intentionally Left Blank]

Schedule A				
(Volume Used in Cubic Feet)				
Meter Size (inches)	3/4"	1"	1 ½"	2"
Minimum Bill	\$ 10.00	\$ 16.70	\$ 33.30	\$ 53.30
Volume Charge				
Minimum Bill for the first:	268	447	890	1,424
\$3.16 for all above:	3,001	3,001	3,001	3,001
Water Pass Through Charge:	Public \$1.58 per cubic foot			

TABLE 7 - SEWER RATES (EFFECTIVE OCTOBER 1, 2016)

Rates include a base charge and volume charges for each 100 cubic feet consumed over the base. There is also a pass through rate for each 100 cubic feet consumed for the purchase of water from the City of Fort Worth and the Trinity River Authority. (Pass through rates are subject to change annually by the City of Fort Worth and Trinity River Authority. The City of North Richland Hills does not mark up or make a profit off pass through rates.)

Commercial Multi Unit/Tenant

All Meter Sizes

Base rate per unit, first 267 cubic feet	\$	10.00
Tier 1: 268 - 1,300		3.10
Tier 2: 1,301 cubic feet and over		3.16
Pass through rate:		1.58

All Other Commercial/Industrial Classes

Three quarter inch meter

Base: first 267 cubic feet	\$	10.00
Tier 1: 268 - 1,300		3.10
Tier 2: 1,301 cubic feet and over		3.16
Pass through rate:		1.58

One inch meter

Base: first 446 cubic feet	\$	16.70
Tier 1: 890 - 1,300 cubic feet		3.10
Tier 2: 1,301 cubic feet and over		3.16
Pass through rate:		1.58

One and one-half inch meter

Base: first 889 cubic feet	\$	33.30
Tier 1: 890 - 1,300 cubic feet		3.10
Tier 2: 1,301 cubic feet and over		3.16
Pass through rate:		1.58

Two inch meter

Base: first 1,423 cubic feet	\$	53.30
Tier: 1,424 cubic feet and over		3.16
Pass through rate:		1.58

Three inch meter

Base: first 2,670 cubic feet	\$	100.00
Tier: 2,671 cubic feet and over		3.16
Pass through rate:		1.58

Four inch meter

Base: first 2,849 cubic feet	\$	106.70
Tier: 2,850 cubic feet		3.16
Pass through rate:		1.58

Six inch meter

Base: first 8,899 cubic feet	\$	333.30
Tier: 8,900 cubic feet and over		3.16
Pass through rate:		1.58

Eight inch meter

Base: first 16,020 cubic feet	\$	600.00
Tier: 16,021 cubic feet and over		3.16
Pass through rate:		1.58

Loading Dock/Tank Truck Customers

Volume rate for a all usage per 1,000 gallons	\$	4.25
Pass through rate:		2.11

COMMERCIAL MULTI UNIT / TENANT SEWER RATES (EFFECTIVE OCTOBER 1, 2016)

Rates include a base charge per unit and volume charges for each 100 cubic feet. There is also a pass through rate for each 100 cubic feet for the treatment of sewage by the City of Fort Worth and the Trinity River Authority.

Base per unit:	\$	8.39
Volume:		1.54
Pass through rate:		1.24

ALL OTHER COMMERCIAL / INDUSTRIAL CLASSES SEWER RATES

Rates include a base charge .and volume charges for each 100 cubic feet. There is also a pass through rate for each 100 cubic feet for the treatment of sewage by the City of Fort Worth and the Trinity River Authority.

Base:	\$	8.39
Volume:		1.54
Pass through rate:		1.24

[Remainder of Page Intentionally Left Blank]

TABLE 8 – DEPOSITS

Schedule B (Water and Sewer Deposits) (Effective Jan 1, 2009)							
Customer Type	Water	Sewer without BOD/TSS	Total Deposit without BOD/TSS	Customer Type	Water	Sewer with BOD/TSS	Total Deposit with BOD/TSS
Residential:	\$ 60.00	\$ 40.00	\$ 100.00	Residential:	\$ -	\$ -	\$ -
All sizes:				All sizes:			
Commercial:				Commercial:			
3/4"	\$ 70.00	\$ 50.00	\$ 120.00	3/4"	\$ 70.00	\$ 200.00	\$ 270.00
1"	200.00	100.00	300.00	1"	200.00	275.00	475.00
1 ½"	380.00	350.00	730.00	1 ½"	380.00	700.00	1,080.00
2"	800.00	600.00	1,400.00	2"	800.00	1,200.00	2,000.00
3"	800.00	700.00	1,500.00	3"	800.00	1,300.00	2,100.00
4-8"	3,300.00	3,000.00	6,300.00	4-8"	3,300.00	6,000.00	9,300.00
Multi-family:				Multi-family:			
All Sizes/Per Unit	\$ 50.00	\$ 30.00	\$ 80.00	All Sizes/Per Unit	\$ -	\$ -	\$ -

[Remainder of Page Intentionally Left Blank]

CITY OF SOUTHLAKE, TEXAS

TABLE 1 - WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2016	2015	2014	2013	2012
Water and Sewer	\$ 25,362,725	\$ 24,672,198	\$ 23,419,974	\$ 22,688,615	\$ 22,388,851
Service Fees	112,052	143,519	171,464	117,817	62,887
Interest Income	94,837	113,252	101,469	25,227	46,212
Other Revenues	4,095	4,520	6,963	37,527	10,811
Total Revenues	<u>\$ 25,573,709</u>	<u>\$ 24,933,489</u>	<u>\$ 23,699,870</u>	<u>\$ 22,869,186</u>	<u>\$ 22,508,761</u>
<u>Expenses</u>					
Water Purchased	\$ 8,680,377	\$ 9,791,098	\$ 8,513,852	\$ 7,789,859	\$ 8,252,217
Other Expenses	9,511,633	7,510,295	7,841,294	6,141,497	10,741,371
Total Expenses	<u>\$ 18,192,010</u>	<u>\$ 17,301,393</u>	<u>\$ 16,355,146</u>	<u>\$ 13,931,356</u>	<u>\$ 18,993,588</u>
Net Available for Debt Service	<u>\$ 7,381,699</u>	<u>\$ 7,632,096</u>	<u>\$ 7,344,724</u>	<u>\$ 8,937,830</u>	<u>\$ 3,515,173</u>
Water Customers	10,426	10,189	9,964	9,765	9,543
Sewer Customers	8,367	8,166	8,129	7,918	7,522

TABLE 2 - COVERAGE AND FUND BALANCES

As of September 30, 2016, the City no longer has water and sewer revenue debt outstanding.

TABLE 3 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2016, the City has no authorized but unissued revenue bonds.

TABLE 4 - HISTORICAL WATER CONSUMPTION DATA

Fiscal Year Ended 9/30	Total Number of Pumped Gallons (in Billions)	Average Daily Pumped	Peak Daily Pumped	Revenues Received
2012	3,573,648	9,764,065	23,091,000	\$ 15,764,701
2013	3,472,212	9,512,909	23,328,000	16,357,002
2014	3,220,075	8,822,125	20,037,000	16,300,633
2015	3,069,971	8,410,880	24,377,000	16,199,172
2016	2,904,048	7,934,557	21,659,000	17,469,971

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

TABLE 5 - TEN LARGEST WATER CUSTOMERS

Customer	Fiscal 2016 Water Usage	% of Usage	Revenue	% of Revenue
	Gallons			
Carroll Independent School District	44,253,467	1.60%	\$ 333,102	1.80%
City of Southlake-Parks	35,012,063	1.30%	253,901	1.40%
Verizon Wireless	26,724,929	1.00%	163,251	0.90%
RPAI Southwest Management	23,256,272	0.80%	185,241	1.00%
W.B. Kibler Construction Company	14,938,698	0.50%	92,338	0.50%
Heartland Hotel Corp DBA Hilton	12,583,360	0.40%	76,293	0.40%
Sabre Inc.	10,830,849	0.40%	70,581	0.40%
Conaster Site Services	10,510,200	0.40%	61,246	0.30%
HEB	10,292,706	0.40%	65,738	0.40%
Gateway Church	9,780,333	0.30%	67,476	0.40%

TABLE 6 - MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2016)

				Residential			
			Inside City (1" METER)	Outside City (1" METER)			
First 2,000	gallons		\$36.82 (Minimum)	\$ 44.67 (Minimum)			
2,001-10,000	gallons		4.11 per 1,000 gallons	4.11 per 1,000 gallons			
10,001-25,000	gallons		4.75 per 1,000 gallons	4.75 per 1,000 gallons			
25,001-40,000	gallons		5.08 per 1,000 gallons	5.08 per 1,000 gallons			
Over 40,001	gallons		5.92 per 1,000 gallons	5.92 per 1,000 gallons			
Elderly/Hardship Waiver Rates:							
First 2,000	gallons		\$16.98 (Minimum)				
2001 +	gallons		3.66 per 1,000 gallons				
Commercial							
Meter Size							
Gallons		1.0"	2.0"	3.0"	4.0"	6.0"	8.0"
First 3,000		\$56.83					
First 5,000							
First 7,000			\$128.47				
First 10,000				\$183.46			
First 12,000					\$219.27		
First 15,000						\$247.26	
First 18,000							\$329.26
			3,001 - 10,000 gallons	\$	4.11	per 1,000 gallons	
			10,001 - 25,000 gallons		4.75	per 1,000 gallons	
			25,001 - 40,000 gallons		5.08	per 1,000 gallons	
			Over - 40,001 gallons		5.92	per 1,000 gallons	

TABLE 7 - MONTHLY SEWER RATES

Residential		
First 2,000 gallons	\$	26.16
2,001-10,000 gallons		3.00 per 1,000 gallons
Maximum Residentail Charge		50.16
Commercial		
First 2,000 gallons	\$	26.16 per 1,000 gallons
2,001+ gallons		3.00

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

[This Page is Intentionally Left Blank]

APPENDIX C

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

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION NOVEMBER 30, 2016

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECTS	TEN MILE CREEK REGIONAL WASTEWATER
Assets				
Current Assets:				
Unrestricted Assets:				
Cash	\$ 250	100	15,971	300
Equity in Pooled Cash and Investments	10,975,045	6,530,904	258,434	3,498,046
Accounts Receivable, Net of Allowance	-	-	81,712	-
Accounts Receivable - Contracting Parties	5,900,648	1,448,400	1,132,594	-
Contract Receivable - Current	-	-	-	-
Interest Receivable	-	-	-	-
System Contribution Receivable - Current	-	-	-	-
Prepays and Other Assets	88,500	-	363	88,500
Inventory	1,059,977	-	-	-
Due from Other Authority Funds	106,909	-	-	-
Total Unrestricted Assets	18,131,329	7,979,404	1,489,074	3,586,846
Restricted Assets:				
Equity in Pooled Cash and Investments	134,279,270	20,976,332	279,833	80,612,289
Money Market Fund	23,629,985	-	-	3,318,871
US Government Agency and Instrumentality Obligations	38,800,543	-	-	-
Accounts Receivable	38,500	-	-	2,155,609
Accounts Receivable - Contracting Parties	-	-	-	-
Accrued Investment Income	84,161	-	-	685
Total Restricted Assets	196,832,459	20,976,332	279,833	86,087,454
Total Current Assets	214,963,788	28,955,736	1,768,907	89,674,300
Noncurrent Assets:				
Capital Assets:				
Land and Easements	28,105,332	3,354,024	52,262,032	5,029,472
Water Storage Rights	-	-	10,580,707	-
Sewage System and Extensions	1,154,522,957	-	-	147,202,140
Buildings	-	-	-	-
Recreational Facilities	-	-	-	-
Reservoir and Facilities	-	-	50,654,575	-
Water Transportation and Treatment Facilities	-	215,524,104	-	-
Machinery and Equipment	6,438,173	1,334,892	1,137,215	1,631,499
Construction-in-Progress	213,702,966	5,996,216	-	25,015,281
Accumulated Depreciation	(428,153,187)	(76,357,136)	(21,030,435)	(64,801,350)
Total Capital Assets, Net	974,616,241	149,852,100	93,604,094	114,077,042
Other Noncurrent Assets:				
Direct Financing Arrangement Receivable	-	-	-	-
Contract Receivable - Long Term	-	-	-	-
System Contribution Receivable	-	-	-	-
Total Other Noncurrent Assets	-	-	-	-
Total Noncurrent Assets	974,616,241	149,852,100	93,604,094	114,077,042
Total Assets	\$ 1,189,580,029	178,807,836	95,373,001	203,751,342
Deferred Outflows of Resources				
Deferred Amount on Refunding	\$ 3,862,818	3,817,175	-	985,619
Premium for Deferred Charges	-	-	-	-
Total Deferred Outflows of Resources	\$ 3,862,818	3,817,175	-	985,619

(continued -2)

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECTS	TEN MILE CREEK REGIONAL WASTEWATER
Liabilities				
Current Liabilities:				
Payable from Unrestricted Assets:				
Accounts Payable and Accrued Expenses	\$ 2,932,571	433,105	203,450	313,751
Accounts Payable - Contracting Parties	2,308,636	3,270,134	-	2,523,961
System Contribution Payable - Current	-	-	-	-
Contracts Payable - Current Maturities	-	-	128,479	-
Capital Lease - Current	-	-	-	-
Unearned Revenue	1,604	295	-	480
Due to Other Authority Funds	-	2,062	-	52,656
Accrued Interest Payable	-	-	262,958	-
Claims Payable	-	-	-	-
Total Payable from Unrestricted Assets	5,242,811	3,705,596	594,887	2,890,848
Payable from Restricted Assets:				
Accounts and Retainage Payable	21,432,312	799,264	-	4,554,796
Accrued Interest Payable	8,371,018	1,665,254	-	1,312,191
Extendible Commercial Paper	45,000,000	-	-	-
Revenue Bonds - Current Maturities	39,535,000	6,945,000	-	6,115,000
Unearned Revenue	38,500	-	-	-
Total Payable from Restricted Assets	114,376,830	9,409,518	-	11,981,987
Total Current Liabilities	119,619,641	13,115,114	594,887	14,872,835
Long-Term Liabilities:				
Revenue Bonds Payable, Less Current Maturities	791,833,246	114,946,640	-	151,895,751
Capital Lease, Less Current	-	-	-	-
Accrued Interest Payable	-	-	-	-
System Contribution Payable	-	-	-	-
Accounts Payable and Accrued Expenses	947,620	107,611	156,260	188,061
Unearned Revenue	-	-	-	-
Uncommitted Contracts Payable	-	-	-	-
Other Post Employment Benefits	-	-	-	-
Contracts Payable, Less Current Maturities	-	-	8,774,788	-
Total Long-Term Liabilities, Net	792,780,866	115,054,251	8,931,048	152,083,812
Total Liabilities	\$ 912,400,507	128,169,365	9,525,935	166,956,647
Deferred Inflows of Resources				
Deferred Gain on Refunding	\$ -	-	-	-
Total Deferred Inflows of Resources	\$ -	-	-	-
Net Position				
Net Investment in Capital Assets	\$ 216,106,597	36,103,270	84,700,827	25,232,885
Restricted for:				
Debt Service	51,894,845	14,186,179	-	11,789,492
Construction	-	-	279,833	-
Other Purpose	1,100,000	-	-	250,000
Unrestricted	11,940,898	4,166,197	866,406	507,937
Total Net Position	\$ 281,042,340	54,455,646	85,847,066	37,780,314

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

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2016

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECTS	TEN MILE CREEK REGIONAL WASTEWATER
Operating Revenues:				
Wastewater Contract Revenue	\$ 111,939,874	-	-	15,502,406
Water Supply Contract Revenue	-	31,811,232	-	-
Water Storage Contract Revenue	-	-	3,852,222	-
Raw Water Contract Revenue	-	-	-	-
Direct Financing Arrangement Revenue	-	-	-	-
Recreational Facilities Fees	-	-	-	-
Reclaimed Wastewater Revenue	689,597	-	-	-
Professional Services	606,314	-	173,867	-
Management Fees	-	-	-	-
Insurance Premiums	-	-	-	-
Joint Project Administration	-	-	-	-
Grant Revenue	153,761	-	-	-
Other	2,392,474	3,479	443,729	2,037
Total Operating Revenues	115,782,020	31,814,711	4,469,818	15,504,443
Operating Expenses:				
Personal Services	11,366,918	1,958,603	1,904,737	1,609,331
Supplies	5,515,148	1,861,144	151,798	643,544
Other Services and Charges	44,814,772	16,375,547	1,869,238	3,587,120
Depreciation	24,277,311	5,214,819	932,362	3,572,781
Total Operating Expenses	85,974,149	25,410,113	4,858,135	9,412,776
Operating Income (Loss)	29,807,871	6,404,598	(388,317)	6,091,667
Non-Operating Revenues (Expenses):				
Interest Expense	(19,578,646)	(3,373,639)	(287,198)	(3,496,611)
Debt Issuance Costs	(1,898,675)	(505,065)	-	(895,569)
Investment Income	1,241,828	110,335	2,781	351,871
Debt Related Fees	(75,250)	(9,500)	-	(13,000)
Other	55,078	55,613	5,298	50,924
Total Non-Operating Revenues (Expenses) - Net	(20,255,665)	(3,722,256)	(279,119)	(4,002,385)
Income (Loss) Before Contributions, Contribution Refunds, and Transfers	9,552,206	2,682,342	(667,436)	2,089,282
CONTRIBUTIONS	-	-	-	-
CONTRIBUTION REFUNDS	-	-	-	-
TRANSFERS IN	17,941	-	6,000	-
TRANSFERS OUT	(31,447)	-	-	-
Change in Net Position	9,538,700	2,682,342	(661,436)	2,089,282
Net Position - December 1, 2015	271,503,640	51,773,304	86,508,502	35,691,032
Net Position - November 30, 2016	\$ 281,042,340	54,455,646	85,847,066	37,780,314

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2016

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECTS	TEN MILE CREEK REGIONAL WASTEWATER
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 112,513,366	37,251,326	3,509,412	18,227,777
Cash Received from Other Authority Funds for Services	862,680	3,479	46,411	-
Cash Received on Direct Financing Arrangement	-	-	-	-
Cash Received from Claim Refunds	-	-	-	-
Cash Paid for Claims	-	-	-	-
Cash Payments for Premiums and Administration	-	-	-	-
Cash Payments to Customers	(5,013,442)	(2,764,926)	-	(1,648,336)
Cash Payments to Suppliers for Goods and Services	(42,556,517)	(17,096,260)	(1,034,698)	(2,572,539)
Cash Payments for Employee Services	(11,252,363)	(1,959,270)	(1,883,731)	(1,591,360)
Cash Payments to Other Authority Funds for Services	(7,978,191)	(975,916)	(914,685)	(1,498,328)
Cash from Other Sources	156,027	55,613	618,112	55,451
Net Cash Provided by (Used for) Operating Activities	46,731,560	14,514,046	340,821	10,972,665
Cash Flows from Non-Capital Financing Activities:				
Transfers from Other Authority Funds	-	-	-	-
Transfers to Other Authority Funds	-	-	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	-	-	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital				
Assets Exclusive of Capitalized Interest	(85,928,978)	(1,622,706)	(94,019)	(11,066,201)
Extendible Commercial Paper Issuance	30,000,000	-	-	-
Principal Paid on Revenue Bond Maturities	(37,075,000)	(7,315,000)	-	(5,905,000)
Interest Paid on Revenue Bonds and Related Fees	(28,185,491)	(5,161,328)	-	(3,872,505)
Principal Payments on Contracts Payable	-	-	(124,469)	-
Interest Paid on Contracts Payable	-	-	(290,874)	-
Net Proceeds from Issuance of Bonds	-	-	-	46,434,355
Payment for Capital Lease	-	-	-	-
Debt Issuance Costs Paid	(982,482)	(305,579)	-	-
Debt Related Fees	(48,750)	(750)	-	(750)
Proceeds from the Sale of Capital Assets	3,848	-	4,498	-
Cash Deposited in Trust for Defeasance of Debt	(2,361,978)	(1,025,493)	-	(320,995)
Debt Issuance Costs Refunded	1,863	2,343	-	1,330
Arbitrage Refund	-	-	-	101,748
Contribution Received (Refunded)	-	-	-	-
Cash Payments from Other Authority Funds	-	-	6,000	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(124,576,968)	(15,428,513)	(498,864)	25,371,982
Cash Flows from Investing Activities:				
Purchase of Investments	(20,708,268)	-	-	-
Proceeds from Sales and Maturities of Investments	61,744,127	3,740,000	-	10,000,000
Cash Received for Investment Income	1,311,441	115,276	2,781	255,722
Net Cash Provided by (Used for) Investing Activities	42,347,300	3,855,276	2,781	10,255,722
Total Change in Cash and Cash Equivalents	(35,498,108)	2,940,809	(155,262)	46,600,369
Cash and Cash Equivalents, Beginning of Year	204,382,658	24,566,527	709,500	40,829,137
Cash and Cash Equivalents, End of Year	\$ 168,884,550	27,507,336	554,238	87,429,506

(continued-2)

	MAJOR ENTERPRISE FUNDS			
	CENTRAL REGIONAL WASTEWATER	TARRANT COUNTY WATER SUPPLY	LIVINGSTON WALLISVILLE PROJECTS	TEN MILE CREEK REGIONAL WASTEWATER
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 29,807,871	6,404,598	(388,317)	6,091,667
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	24,277,311	5,214,819	932,362	3,572,781
Miscellaneous Income	22,699	55,613	800	53,414
Change in Assets and Liabilities:				
Due to Other Authority Funds	(1,420)	(1,038)	(51)	20,271
Due from Other Authority Funds	(40,508)	-	-	-
Accounts Receivable - Contracting Parties	(4,520,343)	2,169,960	(303,579)	201,410
Contracts Receivable	-	-	-	-
Interest Receivable	-	-	-	-
Accounts Receivable	-	-	7,875	-
Claim Refunds Receivable	-	-	-	-
Prepays and Other Assets	64,922	18,433	(303)	11,653
Inventory	(149,277)	-	-	-
Accounts Payable - Contracting Parties	(2,704,806)	505,208	-	875,625
Accounts Payable and Accrued Expenses	(24,445)	146,510	92,710	145,844
Claims Payable	-	-	-	-
OPEB Obligation	-	-	-	-
Direct Financing Arrangement Receivable	-	-	-	-
Unearned Revenue	(444)	(57)	(676)	-
Premium for Deferred Charges	-	-	-	-
Total Adjustments	16,923,689	8,109,448	729,138	4,880,998
Net Cash Provided by (Used for) Operating Activities	\$ 46,731,560	14,514,046	340,821	10,972,665
Supplemental Noncash Disclosures:				
Amortization of Bond Premium/Discount	\$ (4,510,454)	(2,035,620)	-	(153,149)
Amortization of Loss on Refunding	1,042,617	243,184	-	76,692
Deferral of Interest Expense on Uncommitted Portion of Long-Term Debt	-	-	-	-
Change in Fair Value of Investments	(78,711)	(3,950)	-	(1,850)
Change in Liabilities Related to Capital Assets	7,849,437	237,362	-	3,178,013
Bond Proceeds Deposited in Trust for Defeasance of Debt	(107,802,647)	(45,176,264)	-	(42,384,001)
Transfer of Capital Assets	9,177	-	-	-
Bond Issuance Costs Retained from Bond Proceeds	(918,055)	(201,829)	-	(896,899)
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR:				
Unrestricted Assets:				
Cash	\$ 250	\$ 100	\$ 15,971	\$ 300
Equity in Pooled Cash and Investments	10,975,045	6,530,904	258,434	3,498,046
Restricted Assets:				
Equity in Pooled Cash and Investments	134,279,270	20,976,332	279,833	80,612,289
Money Market Fund	23,629,985	-	-	3,318,871
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 168,884,550	\$ 27,507,336	\$ 554,238	\$ 87,429,506

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

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

[This Page is Intentionally Left Blank]

Proposed Form of Opinion of Bond Counsel

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

**TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM REVENUE IMPROVEMENT AND
REFUNDING BONDS, SERIES 2017**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$285,375,000

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



THE ISSUER has reserved the right, subject to the restrictions stated in the Resolution, to issue Additional Bonds payable from and secured by a first lien on and pledge of the aforesaid "Net Revenues" from "Contracts" on a parity with the Bonds.

THE ISSUER also has reserved the right to amend the Resolution with the approval of the holders of two-thirds of the aggregate principal amount of all parity revenue bonds then outstanding, subject to the restrictions stated in the 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 by taxation, or from any source whatsoever other than specified in the Resolution.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners 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 the report of Grant Thornton LLP, certain representations, the accuracy of which we have not independently verified, and assume compliance 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 a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, is (a) 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.

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

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

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material



relating to the financial condition or capabilities of the Issuer or the Contracting Parties or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Net Revenues. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Net Revenues. Our role in connection with the Issuer's offering document prepared for use in connection with the sale of the Bonds has been limited as described therein.

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

Respectfully,

[This Page is Intentionally Left Blank]

Financial Advisory Services
Provided By

