

ALLIANCE REGIONAL WATER AUTHORITY

2024 PROJECT UPDATES & SWIFT ISSUANCE

CITY OF SAN MARCOS
CITY COUNCIL MEETING
OCTOBER 15, 2024



Infrastructure Installed

Active Construction

Infrastructure Installed

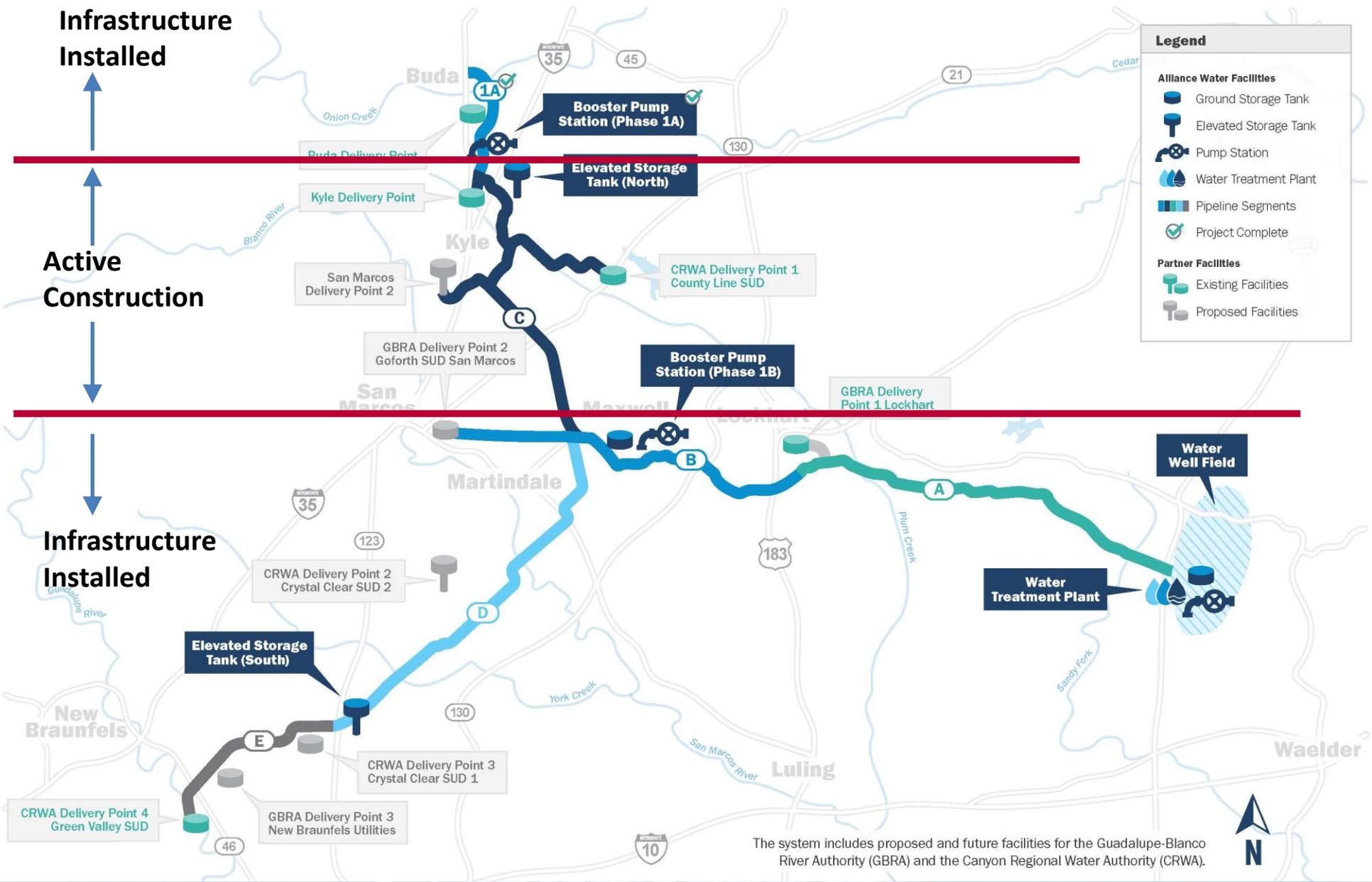
Legend

Alliance Water Facilities

- Ground Storage Tank
- Elevated Storage Tank
- Pump Station
- Water Treatment Plant
- Pipeline Segments
- Project Complete

Partner Facilities

- Existing Facilities
- Proposed Facilities



The system includes proposed and future facilities for the Guadalupe-Blanco River Authority (GBRA) and the Canyon Regional Water Authority (CRWA).





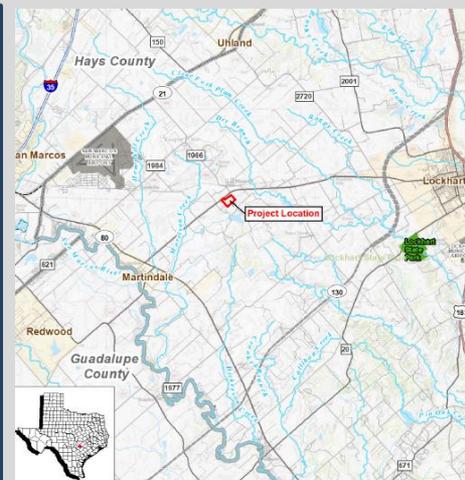
Water Treatment Plant



Treatment Plant, September 2024

Phase 1B: Booster Pump Station

December 2018



ALLIANCE WATER



Booster Pump Station, September 2024

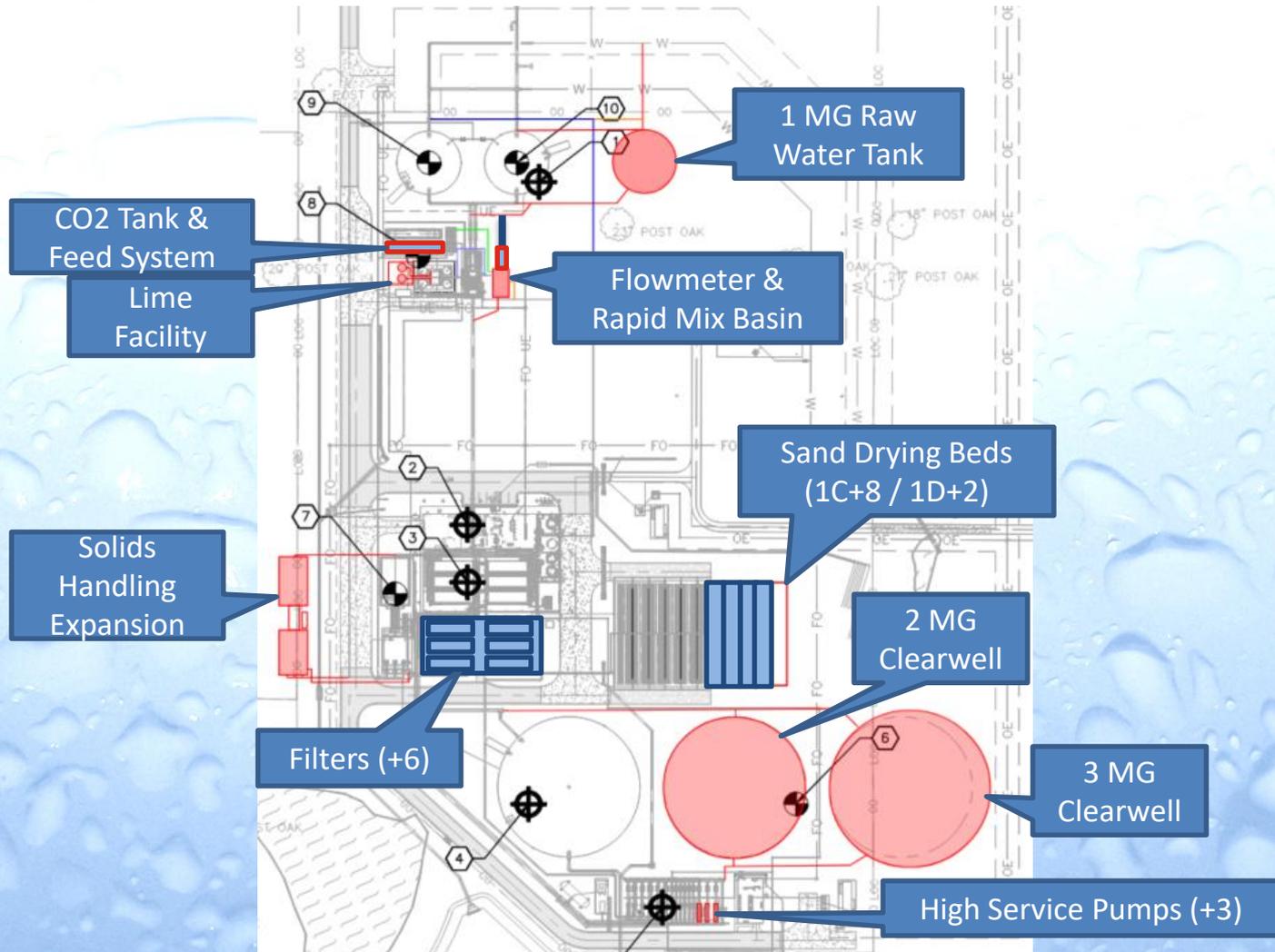
SCHEDULE

PROJECT	90% DESIGN SUBMITTAL	BIDDING STARTS	CONSTRUCTION STARTS	CONSTRUCTION ENDS
Well Drilling <i>4 Carrizo Wells</i>				
Water Treatment Plant <i>20-MGD Plant</i>				LATE 2024
Segment A <i>16.7 miles of pipeline</i>				LATE 2024
Segment B <i>16 miles of pipeline</i>				LATE 2024
Booster Pump Station/DPs <i>Dual Station w/ 4-MG GST</i>				LATE 2024
Segment D <i>19 miles of pipeline</i>				LATE 2024
Segment E <i>8.2 miles of pipeline</i>				LATE 2024
Segment C <i>22.9 miles of pipeline</i>				LATE 2025
South Elevated Storage Tank <i>1.0-MG</i>				MID 2024
North Elevated Storage Tank <i>1.5-MG</i>		LATE 2024	EARLY 2025	EARLY 2026

2024 SWIFT FUNDING

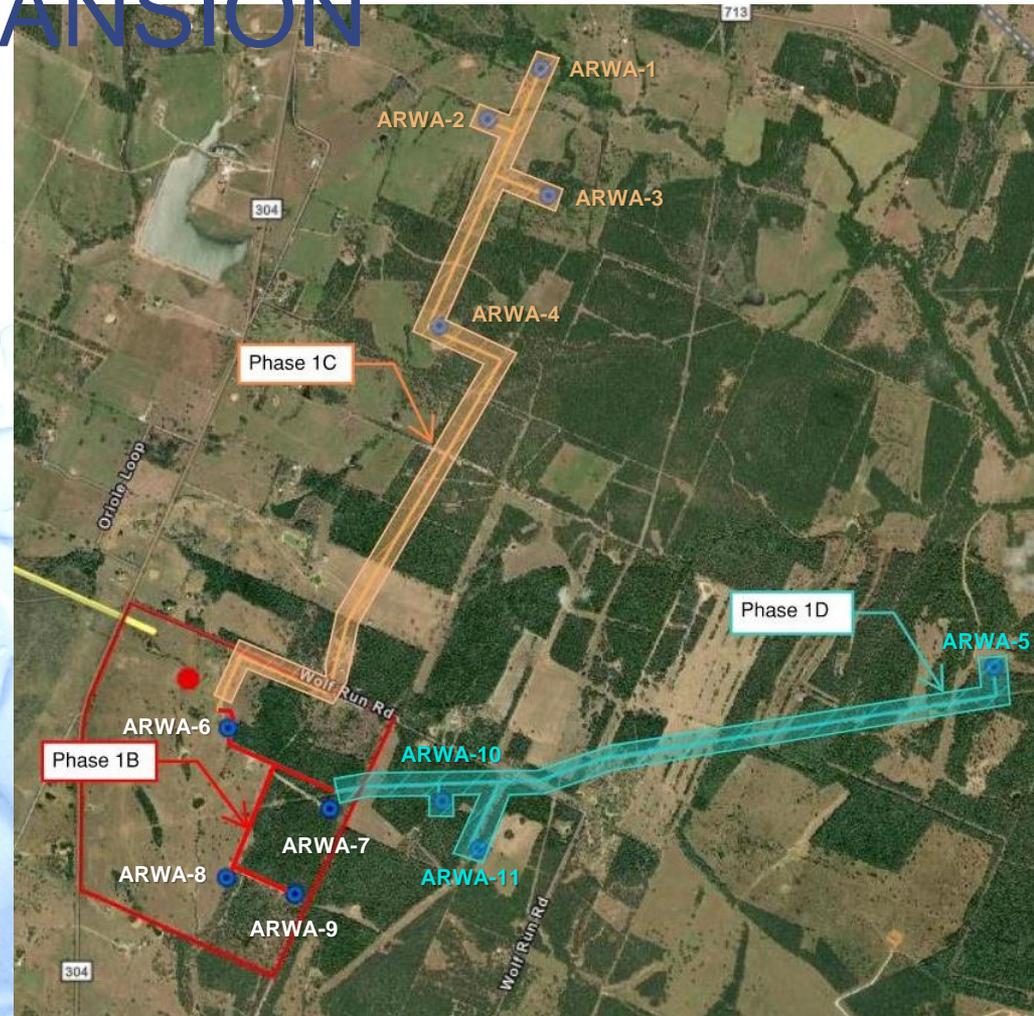
1. Refinance the Bond Anticipation Note (BAN) approved in December 2023
2. Phase 1C/1D Expansion

1C/1D WTP EXPANSION



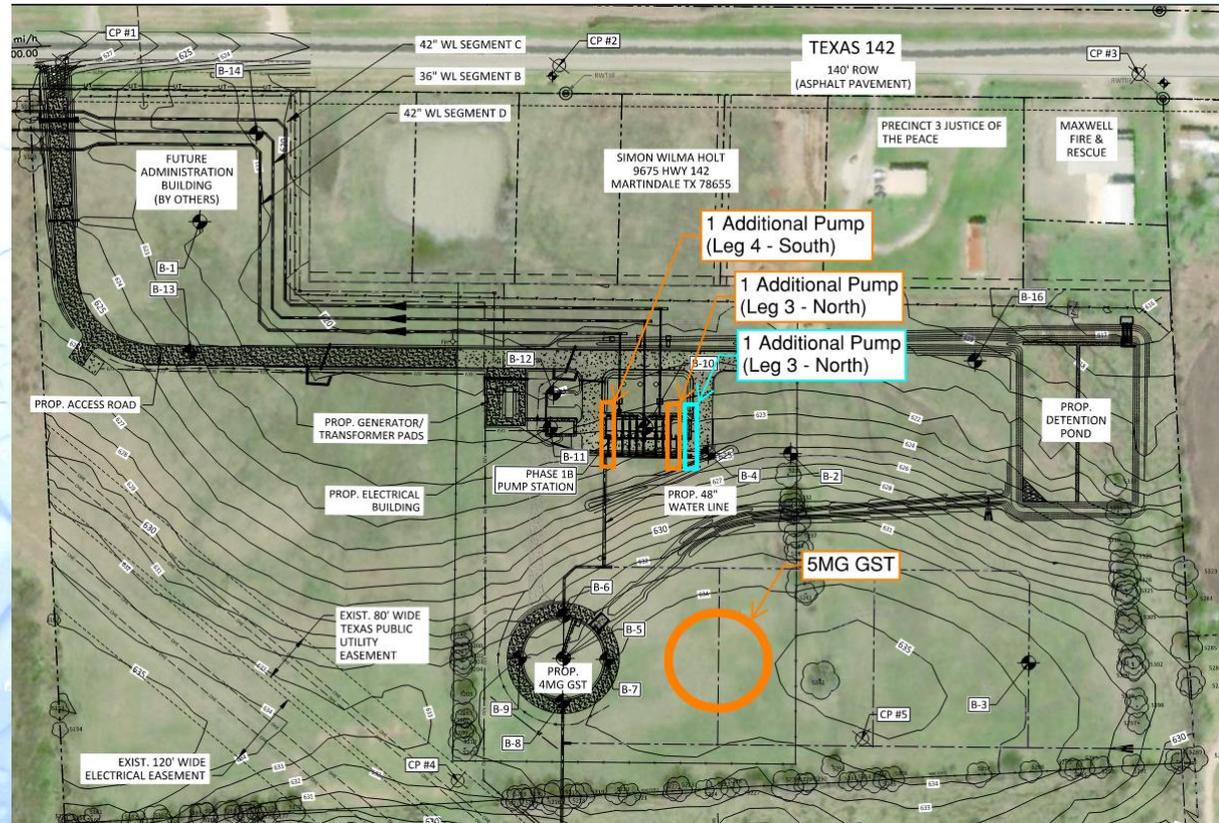
WELLFIELD & RAW WATER EXPANSION

- Phase 1C
 - Construct raw water and well drilling infrastructure for Well Sites 1, 2, 3, & 4
- Phase 1D
 - Construct raw water and well drilling infrastructure for Well Sites 5, 10, & 11



MAXWELL BPS EXPANSION

- Phase 1C
 - Construct 5 MG GST
 - 1 additional pump for Leg 4 (South)
 - 1 additional pump for Leg 3 (North)
- Phase 1D
 - 1 additional pump for Leg 3 (North)



CAPACITY

ARWA - Water Master Plan Infrastructure Flow Requirements

Sponsor & Contract Percentage		Phase 1B Base		Capacity at end of Phase 1C (Base)		Capacity at end of Phase 1D (Base)	
		Contractual Capacity		Contractual Capacity		Contractual Capacity	
		ac-ft/yr	gpm	ac-ft/yr	gpm	ac-ft/yr	gpm
Total	%	6,866	4,268	10,998	6,837	15,000	9,325
Buda	5.08%	349	217	559	347	762	474
Kyle	28.17%	1,934	1,202	3,098	1,926	4,226	2,627
SM #1	35.86%	2,462	1,531	3,944	2,452	5,379	3,344
SM #2	35.86%	2,462	1,531	3,944	2,452	5,379	3,344
CRWA	30.89%	2,121	1,318	3,397	2,112	4,634	2,881
County Line	10.33%	219	136	351	218	478	297
Crystal Clear #1	50.73%	1,076	669	1,723	1,071	2,350	1,461
Crystal Clear #2	4.54%	96	60	154	96	210	131
Green Valley	34.42%	730	454	1,169	727	1,595	991

SCHEDULE

- WTP Design - Underway
- WTP Bidding – January 2025
- WTP Construction NTP – April 2025
- WTP Startup – March 2027

2024 SWIFT FUNDING

1. BAN Refinance

- Principal of \$46 million
 - San Marcos's Share = \$16,495,600
 - Projected Interest of \$2.0 million
 - San Marcos's Share = \$716,732

2. Phase 1C/1D Expansion

- Principal of \$90 million
 - San Marcos's Share = \$32,274,000
- TOTAL = \$138 million
 - San Marcos's Share = \$49,485,000

STATE FUNDING

- Texas Water Development Board (TWDB) managing the \$2 billion State Water Implementation Fund of Texas (SWIFT) approved by voters in November 2013.
- Same fund used by Alliance Water in 2017, 2019, 2020 & 2022

TWDB – SWIFT Rate Subsidy Information

Debt Term (yrs)	2017 Rate	2019 Rate	2020 Rate	2022 Rate
20	1.85%	1.52%	1.15%	3.23%

- TWDB reduced the subsidies starting in 2021 – for a 20-year note the subsidy dropped from 35% to 25%.

DEBT SERVICE – 2024 ISSUANCE

2024 Principle & Interest Comparison			
	2025	2026-2044	Total
ARWA Budgeted (3.13%)	\$1,113,000	\$3,490,000 - \$3,496,000	\$67,472,000
Most Recent Projections (2.77%)	\$892,000	\$3,381,000 - \$3,386,000	\$65,177,000
Max Rate for Approval (5%)	\$1,739,000	\$4,000,000 - \$4,004,000	\$77,773,000

- Final interest rates will not be released by the TWDB until October 17th. Based on recent market trends, the 2.77% projection is anticipated to be close to the final interest rate.

NEXT STEPS

- Approval of the Financing Agreement between Alliance Water and TWDB by mid-September stating debt service option.
- TWDB sells bonds in early-October
- **Boards to consider approval of Resolution issuing debt in October 2024**
- Alliance Water closes on loans by December 2, 2024
- 1st Payment (interest only) is made in August 2025

REQUESTED BOARD ACTION

1. Adopt Resolution Authorizing ARWA to Issue SWIFT Funds
2. Delegate to Mayor, City Manager, City Clerk and any Assistant City Manager to act as San Marcos's Authorized Representative to execute all documents, so long as the final interest rate is equal to or below 5.0%

QUESTIONS

www.alliancewater.org

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