

PRIVATE PLACEMENT MEMORANDUM DATED DECEMBER 2, 2024

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Obligations (defined below), Issuer Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in “APPENDIX C – FORM OF OPINION OF BOND COUNSEL.”

\$49,485,000

**ALLIANCE REGIONAL WATER AUTHORITY
CONTRACT REVENUE BONDS (REGIONAL WATER SUPPLY CONTRACT
PROJECT-CITY OF SAN MARCOS, TEXAS), SERIES 2024C
(THE “OBLIGATIONS”)**

Dated: December 2, 2024

Due: August 15

Interest accrues from the Delivery Date shown below

Interest Date:	Interest on the Obligations will be payable on August 15 and February 15 each year, commencing August 15, 2025 (each an “Interest Payment Date”). The Obligations will bear interest at the rates per annum set forth in “APPENDIX A – MATURITY SCHEDULE.”
Record Date:	The last business day of the calendar month next preceding each Interest Payment Date.
Date Interest Accrues:	Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth, such interest payable semiannually on August 15 and February 15 of each year until the earliest of maturity or prior redemption, commencing on August 15, 2025.
Redemption:	The Bonds having stated maturities on and after August 15, 2035, may be redeemed at the option of the Issuer, in whole or in part, and if less than in whole, in inverse order of the maturities outstanding at the time of such redemption, before their respective scheduled maturity dates, on February 15, 2035, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest to the date of redemption. See “THE OBLIGATIONS – Redemption Provisions” herein.
Authorized Denominations:	The Obligations are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof.
Paying Agent/Registrar/Registrar:	The paying agent (“Paying Agent/Registrar/Registrar”) for the Obligations is BOKF, NA, Dallas, Texas.
Book-Entry-Only System:	Upon initial issuance, the ownership of the Obligations will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) to which principal, redemption premium, if any, and interest payments on the Obligations will be made. The purchasers of the Obligations will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Obligations will be payable at the designated office of the Paying Agent/Registrar in Dallas, Texas as the same become due and payable.
Issuer:	Alliance Regional Water Authority
Official Action:	Resolution dated October 30, 2024.
Purpose:	See “APPENDIX B – OFFICIAL ACTION.”
Security for the Obligations:	See APPENDIX B – OFFICIAL ACTION.”
Ratings:	See “OTHER INFORMATION – Ratings”
Delivery Date:	December 2, 2024.

See “APPENDIX A – MATURITY SCHEDULE” for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

BOARD OF DIRECTORS

<u>Directors/Board Members</u>	<u>District</u>
Blake Neffendorf Chair	City of Buda
Tyler Hjorth Vice Chair	City of San Marcos
Kerry Averyt Treasurer	Canyon Regional Water Authority
Jane Hughson Secretary	City of San Marcos
Dr. Lauralee Harris Director	City of Kyle
Nick Sherman Board Member	Green Valley Special Utility District
Marcus Naiser Board Member	City of San Marcos
Paul Kite Board Member	City of San Marcos
Mike Murphy Board Member	City of Kyle
Bryan Langley Board Member	City of Kyle
Mark Gleason Board Member	City of San Marcos
Tracy Scheel Board Member	County Line Special Utility District
Regina Franke Board Member	Crystal Clear Special Utility District

ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>
Graham Moore, P.E.	Executive Director

CONSULTANTS AND ADVISORS

Auditors	Armstrong, Vaughn & Associates LLP Universal City, Texas
Bond Counsel	McCall, Parkhurst & Horton L.L.P. Austin, Texas
Financial Advisor	Specialized Public Finance Inc. Austin, Texas

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE OBLIGATIONS.....	1
General Description	1
Purpose	1
Authority for Issuance	1
Security for the Obligations.....	1
Redemption Provisions	1
Book-Entry-Only System.....	1
TAX MATTERS	2
Opinion	2
OTHER INFORMATION	2
Settlement of Purchase of Obligations.....	2
Forward-Looking Statements.....	3
Ratings	3
LITIGATION	3
General.....	3
The Issuer.....	3
CONTINUING DISCLOSURE OF INFORMATION.....	3
Compliance with Prior Undertakings.....	3
MISCELLANEOUS	3
ADDITIONAL INFORMATION.....	4
APPENDIX A MATURITY SCHEDULE	
APPENDIX B FORM OF OFFICIAL ACTION	
APPENDIX C FORM OF OPINION OF BOND COUNSEL	

PRIVATE PLACEMENT MEMORANDUM
relating to

\$49,485,000

ALLIANCE REGIONAL WATER AUTHORITY
CONTRACT REVENUE BONDS (REGIONAL WATER SUPPLY CONTRACT
PROJECT-CITY OF SAN MARCOS, TEXAS), SERIES 2024C
(the “Obligations”)

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the “Obligations” pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See “APPENDIX B – FORM OF OFFICIAL ACTION” attached hereto.

APPENDIX A contains the maturity schedule for the Obligations. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Obligations. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Obligations. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE OBLIGATIONS

General Description

The Obligations are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Obligations are being issued as fully registered bonds in denominations of **\$5,000**, or any integral multiple thereof. The Obligations will be dated December 2, 2024 and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in “APPENDIX A – MATURITY SCHEDULE.”

Interest on the Obligations is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Obligations will be payable to the Owners upon presentation and surrender at the designated office of the Paying Agent/Registrar.

Purpose

See “APPENDIX B – FORM OF OFFICIAL ACTION.”

Authority for Issuance

The Obligations are issued pursuant to the Constitution and the general laws of the State of Texas, including the Texas Special District Local Laws Code, Chapter 11010 (the “Act”); and the Official Action adopted by the Issuer.

Security for the Obligations

See “APPENDIX B – FORM OF OFFICIAL ACTION.”

Redemption Provisions

The Bonds having stated maturities on and after August 15, 2035, in whole or in part, and if less than in whole, in inverse order of the maturities outstanding at the time of such redemption, before their respective scheduled

maturity dates, on February 15, 2035, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest to the date of redemption.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Obligations. The Obligations 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 certificate will be issued for each maturity of the Obligations and deposited with DTC. See “APPENDIX B – FORM OF OFFICIAL ACTION.”

DTC 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 (the “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 for DTC, National Securities Clearance Corporation, and Fixed Income Clearance 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.

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Obligations substantially in the form as attached in “APPENDIX C – FORM OF OPINION OF BOND COUNSEL.”

OTHER INFORMATION

Settlement of Purchase of Obligations

The Texas Water Development Board (the “Board”) and the Issuer intend for the delivery of the Obligations to be facilitated through the book-entry-only system of DTC. See “THE OBLIGATIONS – Book-Entry-Only System.” In connection with the delivery of the Obligations, a settlement agent may be used to effect the delivery of the Obligations. If such a settlement agent is used, such settlement agent (i) is being used solely to facilitate book-entry delivery of the Obligations, (ii) will be acting solely as a “Clearing DTC Participant” and not as an “underwriter” (each as defined in Section 2(a)(1) of the U.S. Securities Act of 1933, as amended, (iii) is not acting as a fiduciary or municipal advisor to the Board or the Issuer with regard to the Obligations and, accordingly, has no fiduciary duty to either the Board or the Issuer under federal or state securities laws, and therefore is not required by federal or state law to act in the best interests of the Board or the Issuer, (iv) in providing information to either the Board or the Issuer, is not providing “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended, and that the information provided has not been relied on by either the Board or the Issuer in the issuance of the Obligations and (v) has not provided any legal, accounting, regulatory or tax advice to the Issuer.

Forward-Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's expectations, hopes, intentions, or strategies regarding the future. Holders and beneficial owners of the Obligations have placed reliance on forward-looking statements. All forward-looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

No application has been made to any ratings agency or municipal bond insurance company for qualification of the Obligations for ratings or municipal bond insurance, respectively.

LITIGATION

General

On the date of delivery of the Obligations to the initial purchasers thereof, the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Obligations or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Obligations.

The Issuer

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Obligations, the security for, or the validity of, the Obligations or the financial condition of the Issuer.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified material events, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System. See "APPENDIX B – FORM OF OFFICIAL ACTION."

Compliance with Prior Undertakings

During the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of 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 the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Obligations.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein to the Texas Water Development Board on the Delivery Date and may not be reproduced or used, as a whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Obligations and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete.

APPENDIX A

MATURITY SCHEDULE

August 15 Maturity	Principal Amount	Rate	Initial Yield	CUSIP Numbers
2026	\$ 2,115,000			
2027	2,155,000			
2028	2,200,000			
2029	2,245,000			
2030	2,285,000			
2031	2,335,000			
2032	2,385,000			
2033	2,435,000			
2034	2,490,000			
2035	2,545,000			
2036	2,605,000			
2037	2,675,000			
2038	2,745,000			
2039	2,825,000			
2040	2,905,000			
2041	2,995,000			
2042	3,085,000			
2043	3,180,000			
2044	3,280,000			

APPENDIX B

FORM OF OFFICIAL ACTION

APPENDIX C

FORM OF OPINION OF BOND COUNSEL