

**West Travis County
Public Utility Agency**

**Financial Statements and
Supplemental Information
as of and for the Year Ended
September 30, 2022 and
Independent Auditors' Report**



West Travis County Public Utility Agency

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Annual Filing Affidavit

The State of Texas

County of Travis

I, _____
(Name of Duly Authorized Agency Representative)

of the _____ West Travis County Public Utility Agency _____,

hereby swear, or affirm, that the Agency named above has reviewed and approved at a meeting of the Board of Directors of the Agency on the _____ day of _____, 20_____, its audit report as of September 30, 2022 and for the year then ended and that copies of the annual audit report have been filed in the Agency office, located at 13215 Bee Cave Pkwy, Building B, Suite 110, Bee Cave, Texas 78738.

Date: _____, 20____. By: _____
(Signature of Agency Representative)

Scott Roberts, Board President
(Typed Name and Title of above Agency Representative)

Sworn to and subscribed to before me this _____ day of _____, 20_____.

(Signature of Notary)

(SEAL)

(Printed Name of Notary)

My Commission Expires On: _____
Notary Public in and for the State of Texas.



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Independent Auditors' Report

To the Board of Directors of
West Travis County Public Utility Agency:

Opinions

We have audited the financial statements of the governmental activities and each major fund of West Travis County Public Utility Agency (the "PUA"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the PUA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the PUA as of September 30, 2022, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the PUA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PUA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PUA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PUA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability (asset) and related ratios, the schedule of agency contributions, and the notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PUA's basic financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the other supplemental information listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Maxwell Locke & Ritter LLP

Austin, Texas
March 24, 2023

West Travis County Public Utility Agency

Management's Discussion and Analysis For the Year Ended September 30, 2022

As management of the West Travis County Public Utility Agency (the "PUA"), we provide readers of the PUA's financial statements this narrative overview and analysis of the financial activities of the PUA for the year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the PUA's financial statements that follow.

For purposes of Governmental Accounting Standards Board ("GASB") Statement No. 34, the PUA is considered a special purpose government. This allows the PUA to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

Financial Highlights

- The assets and deferred outflows of resources of the PUA at September 30, 2022 were approximately \$328.9 million while its liabilities and deferred inflows of resources were approximately \$239.2 million. Assets and deferred outflows of resources of the PUA exceeded its liabilities and deferred inflows of resources at September 30, 2022 by approximately \$89.7 million.
- Revenues for the year ended September 30, 2022 totaled approximately \$45.3 million while expenses totaled approximately \$34.2 million, resulting in an increase in net position of approximately \$11.1 million for the year ended September 30, 2022.

Overview of the Basic Financial Statements

The PUA's reporting is comprised of two parts:

- *Management's Discussion and Analysis*
- *Basic Financial Statements*
 - *Statement of Net Position and Governmental Funds Balance Sheet*
 - *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*
 - *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund*
 - *Notes to Basic Financial Statements*

Other supplementary information is also included.

The *Basic Financial Statements* are designed to provide readers with an overview of the PUA's finances, in a manner similar to the private sector business.

The *Statement of Net Position and Governmental Funds Balance Sheet* presents information on all the PUA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The statement of net position and governmental funds balance sheet can be found on page 11 of the report which includes a column (titled "Total Governmental Funds") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the PUA's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances* represents information showing how the PUA's net position changed during the most recent fiscal year which includes a column (titled "Total Governmental Funds") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the PUA's adopted budget to its actual results.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

Required supplementary information related to the PUA's participation in the Texas County and District Retirement System pension plan, schedules required by the Water Agency Accounting Manual, and other schedules are presented immediately following the *Notes to Basic Financial Statements*.

Financial Analysis

The *Statement of Net Position and Governmental Funds Balance Sheet* as noted earlier shows net position which may serve over time as a useful indicator of the PUA's financial position. In the case of the PUA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$89.7 million at the close of the most recent year ending on September 30, 2022.

The PUA had total cash, cash equivalents, and temporary investments of approximately \$157.8 million as of September 30, 2022. Of this, approximately \$21.9 million is specifically set aside for paying debt. Long-term debt, including bond premiums and discounts, related to the outstanding Series 2015 Revenue Bonds, Series 2017 Revenue Refunding Bonds, Series 2019 Revenue Bonds, and Series 2022 Revenue Bonds totaled approximately \$228.6 million as of September 30, 2022; future water and wastewater revenues collected by the PUA will be used to pay this outstanding long-term debt.

Approximately \$53.7 million and approximately \$33.5 million of cash, cash equivalents, and temporary investments as of September 30, 2022 are in the Capital Projects and Impact Fee Funds, respectively. This money is segregated for the construction of new capital projects.

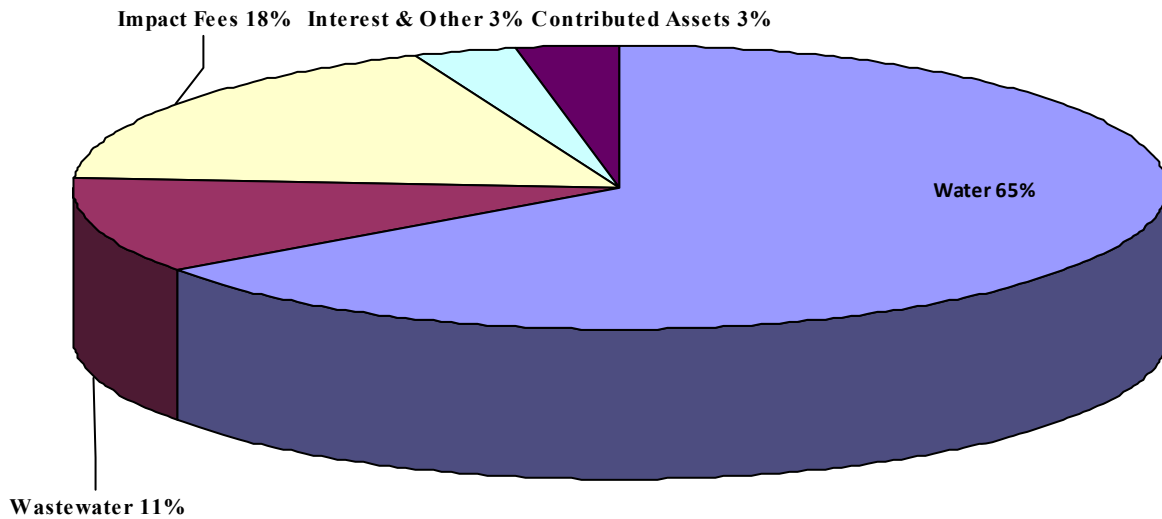
As part of the bond agreement for the previously issued Series 2013 issuance, the PUA agreed to maintain separate and special accounts known as the Rate Stabilization Fund and the Facilities Fund. The Rate Stabilization Fund is an account which holds funds that may be used at the discretion of the PUA for any lawful purpose, including capital additions and improvements to the PUA’s water and wastewater system and to enable the PUA to manage rates and charges, provided, however, that such funds shall be used in the following order of priority: 1) first for funding of operating and maintenance reserves and payment of principal and interest on debt obligations, 2) redemption or defeasance of outstanding obligations, if economically advantageous, and 3) transfer to the Facilities Fund for payment of costs of any capital additions and improvements. The Facilities Fund is an account which holds transfers from the General Fund for times coverage for payment of capital additions and improvements, including reimbursement of such costs. As funds transferred to either of these accounts are for specific purposes pursuant to approval by formal action by the Board of Directors, they are considered committed fund balance in the General Fund and are shown as such on the Governmental Funds Balance Sheet.

Statement of Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 164,154,497	\$ 117,771,071
Capital and non-current assets	139,434,547	135,827,849
Total assets	\$ 303,589,044	\$ 253,598,920
Deferred outflows of resources	\$ 25,304,594	\$ 26,090,258
Current liabilities	\$ 12,398,189	\$ 9,450,877
Long-term liabilities	226,435,060	191,519,130
Total liabilities	\$ 238,833,249	\$ 200,970,007
Deferred inflows of resources	\$ 354,793	\$ 129,610
Net investment in capital assets	\$ (26,475,787)	\$ (35,142,842)
Restricted	20,793,202	19,784,802
Unrestricted	95,388,181	93,947,601
Total net position	\$ 89,705,596	\$ 78,589,561

The PUA’s total assets were approximately \$303.6 million and \$253.6 million as of September 30, 2022 and 2021, respectively. As of September 30, 2022, the PUA had deferred outflows of resources totaling approximately \$25.3 million mainly related to deferred charges on bond refundings and liabilities exceeding assets at the time of purchase of the LCRA West Travis County water and wastewater system (formerly known as “goodwill”). Like goodwill, these deferred outflows of resources are amortized systematically over a period of forty years; amortization expense for the year ending September 30, 2022 was \$360,098. The PUA had outstanding liabilities of approximately \$238.8 million and \$201.0 million as of September 30, 2022 and 2021, respectively, of which approximately \$228.6 million and \$193.0 million represents bonds payable as of September 30, 2022 and 2021, respectively.

Sources of Revenue



Statement of Activities

	Governmental Activities	
	2022	2021
Water and wastewater	\$ 34,554,250	\$ 28,924,410
Impact fees	8,267,375	10,273,929
Contributions	1,311,674	4,198,008
Interest and other	1,181,713	324,101
Total revenues	45,315,012	43,720,448
Water and wastewater	6,545,462	5,639,285
Professional services	1,221,227	1,004,599
Personnel expenses	4,093,190	3,516,943
Other	5,871,872	1,109,947
Debt service	8,803,548	7,917,917
Depreciation and amortization	7,663,678	7,374,202
Total expenses	34,198,977	26,562,893
Change in net position	11,116,035	17,157,555
Beginning net position	78,589,561	61,432,006
Ending net position	\$ 89,705,596	\$ 78,589,561

Operating revenues were approximately \$45.3 million and \$43.7 million for the years ended September 30, 2022 and 2021, respectively. Water and wastewater service provided approximately \$34.6 million and \$28.9 million in revenues for the years ended September 30, 2022 and 2021, respectively. Impact fees generated approximately \$8.3 million and \$10.3 million in revenues for the years ended September 30, 2022 and 2021, respectively. Total expenses were approximately \$34.2 million and \$26.6 million for the years ended September 30, 2022 and 2021, respectively. Net position was approximately \$89.7 million and \$78.6 million at September 30, 2022 and 2021, respectively.

Analysis of Governmental Funds

	2022	2021
Cash and cash equivalents	\$ 80,657,584	\$ 29,867,357
Temporary investments	77,185,767	82,359,316
Receivables	5,650,517	4,984,871
Interfund receivable	-	15,056,466
Deposits	192,105	192,105
Total assets	\$ 163,685,973	\$ 132,460,115
Accounts payable	\$ 2,900,797	\$ 1,562,858
Refundable deposits	1,570,769	1,498,512
Other liabilities	1,315,897	1,028,362
Interfund payable	-	15,056,466
Total liabilities	5,787,463	19,146,198
Restricted fund balance	73,528,045	30,627,600
Committed fund balance	14,864,644	13,648,847
Assigned fund balance	39,574,506	38,854,339
Unassigned fund balance	29,921,315	30,183,131
Total fund balances	157,898,510	113,313,917
Total liabilities and fund balances	\$ 163,685,973	\$ 132,460,115

The *General Fund* pays for daily operating expenditures. For the year ended September 30, 2022, the PUA's budget projected an ending operating fund balance of approximately \$40.8 million. The General Fund reflected positive change in fund balance of approximately \$6.9 million, a positive difference of approximately \$9.9 million compared to the budget. This positive difference is primarily due to less capital outlay expenditures than budgeted and more water revenue than budgeted.

The *Debt Service Fund* had an ending restricted fund balance of approximately \$21.9 million as of September 30, 2022. During the year, the PUA paid approximately \$12.4 million in principal and interest due on the outstanding Series 2015, Series 2017, Series 2019, and Series 2022 bonds from the Debt Service Fund. More detailed information about the PUA's debt is presented in the *Notes to Basic Financial Statements*.

The *Capital Projects Fund* purchases primarily the PUA's infrastructure.

The *Impact Fee Fund* accounts for charges on new development within the PUA to help fund and pay for the construction or needed expansion of capital improvements.

Capital Assets

	2022	2021
Land	\$ 6,097,409	\$ 6,097,409
Construction in progress	9,266,993	6,765,265
Water and wastewater facilities	193,140,231	185,890,003
Vehicles	1,505,793	1,238,081
Leasehold improvements	187,052	187,052
Right-to-use leased assets - vehicles	203,557	-
Right-to-use leased assets - building	522,972	-
Subtotal	210,924,007	200,177,810
Accumulated depreciation and amortization	(71,709,563)	(64,411,714)
Total	<u>\$ 139,214,444</u>	<u>\$ 135,766,096</u>

More detailed information about the PUA's capital assets is presented in the *Notes to Basic Financial Statements*.

Long-Term Debt Activity

	2022	2021
Bonds payable	\$ 214,615,000	\$ 179,275,000
Premiums on bonds	14,383,445	13,694,722
Discount on bonds	(360,555)	-
Total	<u>\$ 228,637,890</u>	<u>\$ 192,969,722</u>

The PUA owes approximately \$214.6 million to bond holders from the Series 2015, Series 2017, Series 2019, and Series 2022 bonds issued in the current year and previous years.

More detailed information about the PUA's long-term debt is presented in the *Notes to Basic Financial Statements*.

Currently Known Facts, Decisions, or Conditions

The currently adopted fiscal year 2023 budget projects a General Fund balance decrease of approximately \$12.3 million due to the expected expenditures in the Facilities Fund and General Fund. Budgeted revenues and other financing sources total approximately \$37.8 million, while expenditures and other financing uses are expected to be approximately \$50.1 million.

Requests for Information

This financial report is designed to provide a general overview of the PUA's finances and to demonstrate the PUA's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the PUA at 13215 Bee Cave Pkwy, Building B, Suite 110, Bee Cave, Texas 78738.

West Travis County Public Utility Agency

Statement of Net Position and Governmental Funds Balance Sheet September 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Impact Fee Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
Assets							
Cash and cash equivalents	\$ 37,114,308	9,185,127	29,437,813	4,920,336	80,657,584	-	\$ 80,657,584
Temporary investments	11,586,758	12,695,006	24,311,238	28,592,765	77,185,767	-	77,185,767
Receivables:							
Service accounts	5,042,580	-	-	-	5,042,580	-	5,042,580
Accrued interest	50,266	56,714	106,480	125,305	338,765	-	338,765
Other	269,172	-	-	-	269,172	-	269,172
Deposits	16,087	-	176,018	-	192,105	-	192,105
Bond insurance costs	-	-	-	-	-	468,524	468,524
Capital assets (net of accumulated depreciation):							
Land	-	-	-	-	-	6,097,409	6,097,409
Construction in progress	-	-	-	-	-	9,266,993	9,266,993
Vehicles	-	-	-	-	-	693,995	693,995
Leasehold improvements	-	-	-	-	-	90,354	90,354
Water production, transmission, and distribution facilities and wastewater collection and treatment facilities	-	-	-	-	-	122,516,424	122,516,424
Right-to-use leased assets - vehicles	-	-	-	-	-	154,372	154,372
Right-to-use leased assets - building	-	-	-	-	-	394,897	394,897
Net pension asset	-	-	-	-	-	220,103	220,103
Total assets	<u>\$ 54,079,171</u>	<u>21,936,847</u>	<u>54,031,549</u>	<u>33,638,406</u>	<u>163,685,973</u>	<u>139,903,071</u>	<u>\$ 303,589,044</u>
Deferred Outflows of Resources							
Consideration in excess of value of assets acquired (net of accumulated amortization)	\$ -	-	-	-	-	10,442,833	\$ 10,442,833
Deferred charges on bond refundings	-	-	-	-	-	14,152,188	14,152,188
Pension contributions after measurement date	-	-	-	-	-	326,067	326,067
Deferred outflows related to pension asset	-	-	-	-	-	383,506	383,506
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,304,594</u>	<u>25,304,594</u>
Liabilities							
Accounts payable	\$ 1,287,274	350	1,613,173	-	2,900,797	-	\$ 2,900,797
Refundable deposits	1,570,769	-	-	-	1,570,769	-	1,570,769
Other liabilities	489,069	-	826,828	-	1,315,897	-	1,315,897
Bond interest payable	-	-	-	-	-	1,143,295	1,143,295
Long-term liabilities							
Due within one year	-	-	-	-	-	5,467,431	5,467,431
Due after one year	-	-	-	-	-	223,735,601	223,735,601
Due to developers for utility facility acquisition	-	-	-	-	-	2,699,459	2,699,459
Total liabilities	<u>3,347,112</u>	<u>350</u>	<u>2,440,001</u>	<u>-</u>	<u>5,787,463</u>	<u>233,045,786</u>	<u>238,833,249</u>
Deferred Inflows of Resources							
Deferred inflows related to pension asset	-	-	-	-	-	354,793	354,793
Fund Balances / Net Position							
Fund balances:							
Restricted for:							
Debt service	-	21,936,497	-	-	21,936,497	(21,936,497)	-
Capital projects	-	-	51,591,548	-	51,591,548	(51,591,548)	-
Committed for:							
Rate Stabilization Fund	5,092,006	-	-	-	5,092,006	(5,092,006)	-
Facilities Fund	9,772,638	-	-	-	9,772,638	(9,772,638)	-
Assigned for:							
Projects funded by impact fees	-	-	-	33,638,406	33,638,406	(33,638,406)	-
Subsequent year's budget deficit	5,936,100	-	-	-	5,936,100	(5,936,100)	-
Unassigned	29,931,315	-	-	-	29,931,315	(29,931,315)	-
Total fund balances	<u>50,732,059</u>	<u>21,936,497</u>	<u>51,591,548</u>	<u>33,638,406</u>	<u>157,898,510</u>	<u>(157,898,510)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 54,079,171</u>	<u>21,936,847</u>	<u>54,031,549</u>	<u>33,638,406</u>	<u>163,685,973</u>		
Net position:							
Net investment in capital assets							(26,475,787)
Restricted for debt service							20,793,202
Unrestricted							95,388,181
Total net position							<u>\$ 89,705,596</u>

The notes to financial statements are an integral part of this statement.

West Travis County Public Utility Agency

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Impact Fee Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
Expenditures/Expenses:							
Service operations:							
Water expense:							
Raw water	\$ 1,659,718	-	-	-	1,659,718	-	\$ 1,659,718
Utilities	1,518,711	-	-	-	1,518,711	-	1,518,711
Maintenance and repairs	567,321	-	-	-	567,321	-	567,321
Chemicals	431,547	-	-	-	431,547	-	431,547
Other	369,694	-	20,810	-	390,504	(5,484)	385,020
Wastewater expense:							
Sludge disposal	888,313	-	-	-	888,313	-	888,313
Utilities	293,081	-	-	-	293,081	-	293,081
Maintenance and repairs	401,210	-	-	-	401,210	-	401,210
Other	412,761	-	-	-	412,761	(12,220)	400,541
Shared operations expense	432,006	-	-	-	432,006	(14,908)	417,098
Professional services	1,221,227	-	-	-	1,221,227	-	1,221,227
Personnel expenses	4,209,720	-	-	-	4,209,720	(116,530)	4,093,190
SER project expenses	150,974	-	-	-	150,974	-	150,974
Other	1,679,084	692,463	1,388,224	1,669,735	5,429,506	(125,706)	5,303,800
Capital outlay	1,854,358	-	7,268,734	-	9,123,092	(9,123,092)	-
Debt service:							
Principal payments	-	4,410,000	-	-	4,410,000	(4,410,000)	-
Interest payments and fiscal agent fees	-	8,027,355	-	-	8,027,355	249,365	8,276,720
Bond issuance costs	-	-	644,091	-	644,091	(117,263)	526,828
Depreciation and amortization	-	-	-	-	-	7,663,678	7,663,678
Total expenditures/expenses	<u>16,089,725</u>	<u>13,129,818</u>	<u>9,321,859</u>	<u>1,669,735</u>	<u>40,211,137</u>	<u>(6,012,160)</u>	<u>34,198,977</u>
Revenues:							
Program revenues:							
Water revenue:							
Retail	20,190,463	-	-	-	20,190,463	-	20,190,463
Wholesale	7,350,302	-	-	-	7,350,302	-	7,350,302
Other	182,943	-	-	-	182,943	-	182,943
Impact fees	-	-	-	7,503,393	7,503,393	-	7,503,393
Wastewater revenue:							
Retail	4,127,422	-	-	-	4,127,422	-	4,127,422
Wholesale	904,788	-	-	-	904,788	-	904,788
Other	143,950	-	-	-	143,950	-	143,950
Impact fees	-	-	-	763,982	763,982	-	763,982
SER project	1,654,382	-	-	-	1,654,382	-	1,654,382
Total program revenues	<u>34,554,250</u>	<u>-</u>	<u>-</u>	<u>8,267,375</u>	<u>42,821,625</u>	<u>-</u>	<u>42,821,625</u>
Net program revenue							<u>8,622,648</u>
General revenues:							
Contributions	-	-	-	-	-	1,311,674	1,311,674
Other	114,020	-	-	-	114,020	-	114,020
Interest	175,187	149,730	380,425	362,351	1,067,693	-	1,067,693
Total general revenues	<u>289,207</u>	<u>149,730</u>	<u>380,425</u>	<u>362,351</u>	<u>1,181,713</u>	<u>1,311,674</u>	<u>2,493,387</u>
Total revenues	<u>34,843,457</u>	<u>149,730</u>	<u>380,425</u>	<u>8,629,726</u>	<u>44,003,338</u>	<u>1,311,674</u>	<u>45,315,012</u>
Other Financing Sources (Uses):							
Issuance of bonds	-	4,714	39,745,286	-	39,750,000	(39,750,000)	-
Premium on sale of bonds	-	-	1,260,649	-	1,260,649	(1,260,649)	-
Discount on sale of bonds	-	-	(364,606)	-	(364,606)	364,606	-
Transfers in	-	14,175,924	10,000,000	-	24,175,924	(24,175,924)	-
Transfers out	(12,000,000)	-	-	(12,175,924)	(24,175,924)	24,175,924	-
Proceeds from lease agreements	146,349	-	-	-	146,349	(146,349)	-
Total other financing sources (uses)	<u>(11,853,651)</u>	<u>14,180,638</u>	<u>50,641,329</u>	<u>(12,175,924)</u>	<u>40,792,392</u>	<u>(40,792,392)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>6,900,081</u>	<u>1,200,550</u>	<u>41,699,895</u>	<u>(5,215,933)</u>	<u>44,584,593</u>	<u>(44,584,593)</u>	<u>-</u>
Change in net position	-	-	-	-	-	11,116,035	11,116,035
Fund Balances /Net Position:							
Beginning of year	43,831,978	20,735,947	9,891,653	38,854,339	113,313,917	(34,724,356)	78,589,561
End of year	<u>\$ 50,732,059</u>	<u>21,936,497</u>	<u>51,591,548</u>	<u>33,638,406</u>	<u>157,898,510</u>	<u>(68,192,914)</u>	<u>\$ 89,705,596</u>

The notes to financial statements are an integral part of this statement.

West Travis County Public Utility Agency

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance
Revenues:				
Water revenue	\$ 21,384,000	21,384,000	27,723,708	6,339,708
Wastewater revenue	4,529,000	4,529,000	5,176,160	647,160
SER project	1,454,000	1,454,000	1,654,382	200,382
Interest and other	426,000	426,000	289,207	(136,793)
Total Revenues	27,793,000	27,793,000	34,843,457	7,050,457
Expenditures:				
Service operations:				
Water expense:				
Raw water	1,279,720	1,279,720	1,659,718	(379,998)
Utilities	1,460,656	1,460,656	1,518,711	(58,055)
Maintenance and repairs	575,500	575,500	567,321	8,179
Chemicals	283,234	283,234	431,547	(148,313)
Other	340,000	340,000	369,694	(29,694)
Wastewater expense:				
Sludge disposal	744,000	744,000	888,313	(144,313)
Utilities	301,350	301,350	293,081	8,269
Maintenance and repairs	612,000	612,000	401,210	210,790
Other	336,900	336,900	412,761	(75,861)
Shared operations expense	371,190	371,190	432,006	(60,816)
Professional services	1,115,200	1,540,200	1,221,227	318,973
Personnel expenses	4,241,874	4,241,874	4,209,720	32,154
SER project expenses	165,000	165,000	150,974	14,026
Other	1,266,900	1,266,900	1,679,084	(412,184)
Capital outlay	5,282,050	5,282,050	1,854,358	3,427,692
Total Expenditures	18,375,574	18,800,574	16,089,725	2,710,849
Excess of Revenues Over Expenditures	9,417,426	8,992,426	18,753,732	9,761,306
Other Financing Sources (Uses):				
Transfers out	(12,000,000)	(12,000,000)	(12,000,000)	-
Proceeds from lease agreements	-	-	146,349	146,349
Total other financing uses, net	(12,000,000)	(12,000,000)	(11,853,651)	146,349
Change in Fund Balance	(2,582,574)	(3,007,574)	6,900,081	9,907,655
Fund Balance:				
Beginning of year	43,831,978	43,831,978	43,831,978	-
End of year	<u>\$ 41,249,404</u>	<u>40,824,404</u>	<u>50,732,059</u>	<u>9,907,655</u>

The notes to financial statements are an integral part of this statement.

West Travis County Public Utility Agency

Notes to Basic Financial Statements Year Ended September 30, 2022

1. Summary of Significant Accounting Policies

West Travis County Public Utility Agency (the “PUA”) was created, organized and established on December 21, 2011, pursuant to the provisions of Chapter 572 of the Texas Local Government Code. The PUA is a publicly owned water and wastewater utility, serving western Travis and northern Hays counties, which were formerly serviced by the Lower Colorado River Authority (the “LCRA”). Pursuant to a purchase agreement dated January 17, 2012 entered into with the LCRA (the “Purchase Agreement”), the PUA purchased the LCRA’s West Travis County water and wastewater system. The purchase became effective and operations began on March 19, 2012.

The reporting entity of the PUA encompasses those activities and functions over which the PUA’s appointed officials exercise significant oversight or control. As of September 30, 2022, the PUA was governed by a five-member Board of Directors (the “Board”) which were appointed from each of the three entities that formed the PUA: City of Bee Cave, Hays County, and Lake Pointe Municipal Utility District (the “Public Entities”). The PUA is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”) since Board members are appointed by the Public Entities and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units included in the PUA’s reporting entity.

Government-Wide and Fund Financial Statements

For purposes of GASB Statement No. 34, the PUA is considered a special purpose government. This allows the PUA to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “Total Governmental Funds” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the statement of net position and the statement of activities.

The government-wide financial statements report information on all of the activities of the PUA. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the PUA. Other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the PUA considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include interest income.

The PUA reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The Debt Service Fund includes revenues collected to retire bond principal and to pay interest due.

The Capital Projects Fund is used to account for financial resources restricted for authorized construction and other capital asset acquisitions.

The Impact Fee Fund includes charges on new development within the PUA to help fund and pay for the construction or needed expansion of capital improvements.

Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device for the General Fund. The budget is proposed by the PUA Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles. Under GASB Statement No. 34, budgetary comparison information is required for the General Fund and each major special revenue fund (the Impact Fee Fund); however, the PUA is not legally required to adopt a budget for the Impact Fee Fund. Therefore, budget comparison information for the Impact Fee Fund is not included in the PUA's financial statements. In addition, formal budgetary integration is not employed for the Debt Service Fund or Capital Projects Fund. For the year ended September 30, 2022, expenditures for the General Fund were below budget by approximately \$2,711,000.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances

Cash and cash equivalents - Cash and cash equivalents included cash on deposit as well as investments with maturities of three months or less.

Temporary Investments - The PUA is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper, corporate bonds, money market and other mutual funds, and local government investment pools. The PUA's investment policies and types of investments are governed by Section 2256 of the Government Code ("Public Funds Investment Act"). The PUA's management believes that it complied with the requirements of the Public Funds Investment Act and the PUA's investment policies. The PUA accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Accounts Receivable - The PUA provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. As of September 30, 2022, there was no allowance for uncollectible accounts.

Capital Assets - Capital assets, which include land, construction in progress, vehicles, leasehold improvements, water production, transmission, and distribution facilities and wastewater collection and treatment facilities (purchased, constructed or donated), and intangible right-to-use assets, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the PUA as assets with an initial, individual cost of at least \$10,000. Such assets are recorded at historical cost if purchased or estimated acquisition value at the date of donation if donated (except for intangible right-to-use assets which are measured based on the information in the Leases accounting policy below). The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Water and wastewater facilities are depreciated using the straight-line method over estimated useful lives ranging from one to sixty years. Vehicles are depreciated using the straight-line method over estimated useful lives ranging from five to fifteen years. Leasehold improvements are amortized over the term of the lease agreement.

Consideration in Excess of Value of Assets Acquired - The PUA complies with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, which provides guidance for accounting and financial reporting of government combinations, including mergers, acquisitions, and transfers of operations, and disposals of government operations, and requires, among other things, disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. In a government acquisition in which the consideration provided exceeds the net position acquired, the statement requires the excess (formerly known as "goodwill") be recognized as a deferred outflow of resources and those deferred outflows should be attributed to future periods in a systematic and rational manner, based on professional judgment, considering the relevant circumstances at the time of acquisition.

Consideration in excess of value of assets acquired, which resulted from total liabilities assumed exceeding total assets acquired at the time of purchase of the LCRA West Travis County water and wastewater system in fiscal year 2012, is stated at cost and is being amortized systematically over a period of forty years. As of September 30, 2022, consideration in excess of value of assets acquired, net totaled \$10,442,833. For the year ending September 30, 2022, amortization expense was approximately \$360,000.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as bond insurance costs, are deferred over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, including bond insurance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases - The PUA is a lessee for noncancellable leases of vehicles and office space. The PUA recognizes a lease liability and an intangible right-to-use lease asset in the financial statements.

At the commencement of a lease, the PUA initially measures the lease liability at the present value of payments expected to be made during the lease term and the lease liability is reduced by the principal portion of lease payments when made. The intangible right-to-use lease asset is initially measured at the initial amount of the lease liability and is amortized on a straight-line basis over its useful life.

The key estimates and judgments related to leases include how the PUA determines the discount rate used to discount the expected lease payments to present value, lease term, and lease payments. The PUA uses its incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease and lease payments included in the measurement of the lease liability are comprised of fixed payments.

The PUA monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the intangible right-to-use lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Pensions - The fiduciary net position of the Texas County and District Retirement System (“TCDRS”) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - The PUA complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the PUA's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the PUA's acquisition of net position applicable to a future reporting period.

The PUA complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 6 and Note 11 for additional information on deferred outflows and inflows of resources.

Fund Balance - The PUA's fund balance classifications are presented in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Fair Value Measurements - The PUA complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Use of Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principles for Recently Adopted Accounting Pronouncements

For the year ended September 30, 2022, the PUA implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the PUA's leasing activities and establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease asset and a lease obligation. These changes were incorporated in the PUA's financial statements for the year ended September 30, 2022 but had no effect on the beginning net position since the PUA recognized an intangible right to use lease asset and a lease liability of \$580,180 as of October 1, 2021.

For the year ended September 30, 2022, the PUA implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and simplifies accounting for interest costs incurred before the end of a construction period. Interest costs are no longer capitalized as part of the asset but are shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. These changes were incorporated in the PUA's financial statements for the year ended September 30, 2022 but had no effect on beginning net position.

Recently Issued Accounting Pronouncement

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of GASB Statement No. 96 is to improve accounting and financial reporting by establishing a definition for a subscription-based information technology arrangement ("SBITA") and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 96 will require a government to report a right-to-use subscription asset as an intangible asset and a corresponding subscription liability for a SBITA, and also require certain disclosures about the SBITA. GASB Statement No. 96 also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. Management is evaluating the effects that the full implementation of GASB Statement No. 96 will have on its financial statements for the year ended September 30, 2023.

2. Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds total fund balance	\$ 157,898,510
Prepaid bond insurance costs are recorded as expenditures in the funds but are amortized over the life of the related bonds in the statement of net position.	468,524
Capital assets and consideration in excess of value of assets acquired used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net of accumulated depreciation	139,214,444
Consideration in excess of value of assets acquired, net of accumulated amortization	10,442,833
Net pension asset is not receivable in the current period and, therefore, is not reported in the funds.	220,103
The following liabilities and deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Pension contributions after measurement date	326,067
Deferred outflows related to pension asset	383,506
Deferred inflows related to pension asset	(354,793)
Bonds payable, including premiums and discounts	(228,637,890)
Less: Deferred charges on bond refundings	14,152,188
Due to developers for utility facility acquisition	(2,699,459)
Bond interest payable	(1,143,295)
Leases payable	(565,142)
Total net position	<u>\$ 89,705,596</u>

Amounts reported for governmental activities in the statement of activities are different because:

Excess of revenues and other financing sources over expenditures and other financing uses	\$ 44,584,593
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense.	
Capital outlay	8,863,143
Contributed assets	1,311,674
Depreciation expense	(7,126,320)
Amortization expense	(537,358)
Disposal of capital assets	(3,069)
Bond proceeds and other debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond principal payments	4,410,000
Payment to developers for utility facility acquisition	259,949
Bond proceeds, including premium and discount	(40,646,043)
Lease proceeds	(146,349)
Repayment of lease principal	161,387
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension contributions made before the measurement date	77,906
Pension contributions made after the measurement date	326,067
Adjustments for ending deferred outflows and inflows related to net pension asset	(287,443)
Change in bond interest payable	(192,150)
Bond insurance premium	117,263
Amortization of bond discount	(4,051)
Amortization of deferred charges on bond refunding	(608,929)
Amortization of bond insurance costs	(16,161)
Amortization of bond premium	571,926
Change in net position	<u>\$ 11,116,035</u>

3. Cash, Cash Equivalents and Temporary Investments

The PUA's deposits are required to be secured in the manner provided by law for the security of the funds. As of September 30, 2022, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

The Public Funds Investment Act authorizes the PUA to invest in funds under a written investment policy. The PUA's investment policy is approved annually by the Board. The primary objectives of the PUA's investment strategy, in order of priority, are safety, liquidity, and yield.

Investments held as of September 30, 2022 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
U.S. Government Notes	\$ 25,064,467	687	AA+
Corporate Bonds	3,325,777	284	AA - AAA
Municipal Bonds	40,267,547	595	A - AAA
U.S. Agencies:			
Federal Farm Credit Bank	2,301,076	419	AA+
Federal Home Loan Mortgage	1,686,506	270	AA+
Federal National Mortgage Assn.	3,494,163	912	AA+
Federal Home Loan Bank	1,046,231	74	AA+
Total	<u>\$ 77,185,767</u>		

The PUA invests excess funds in U.S. government notes, corporate bonds, municipal bonds, and U.S. agency securities and are valued using Level 1 inputs that are based on market data obtained from independent sources. The investments are reported by the PUA at fair value in accordance with GASB Statement No. 72.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. As of September 30, 2022, investments had ratings from Standard & Poor's in compliance with the PUA's investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the PUA's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the PUA, and are held by either the counterparty or the counterparty's trust department or agent but not in the PUA's name. As of September 30, 2022, the PUA was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the PUA's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. As of September 30, 2022, the PUA was not exposed to concentration of credit risk.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the PUA's investment policy requires that individual investments have a maximum allowable maturity of five years, unless otherwise stated in the investment policy. The PUA's investments had weighted-average maturities at September 30, 2022 in compliance with the PUA's investment policy. As of September 30, 2022, the PUA was not exposed to significant interest rate risk.

4. Interfund Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. During the year, the General Fund and the Impact Fee Fund transferred \$12,000,000 and \$2,175,924, respectively, to the Debt Service Fund to fund principal and interest payments due on the outstanding bonds. The Impact Fee Fund transferred \$10,000,000 to the Capital Projects Fund to fund the impact fee eligible portion of capital improvement projects.

5. Capital Assets

Capital assets activity for the year ended September 30, 2022 was as follows:

	Balance September 30, 2021 (as restated)	Additions	Retirements and Transfers	Balance September 30, 2022
Capital assets not being depreciated:				
Land	\$ 6,097,409	-	-	6,097,409
Construction in progress	6,765,265	8,104,774	(5,603,046)	9,266,993
Total capital assets not being depreciated	<u>12,862,674</u>	<u>8,104,774</u>	<u>(5,603,046)</u>	<u>15,364,402</u>
Capital assets being depreciated/amortized:				
Water production, transmission, and distribution facilities and wastewater collection and treatment facilities	185,890,003	1,647,182	5,603,046	193,140,231
Vehicles	1,238,081	276,512	(8,800)	1,505,793
Leasehold improvements	187,052	-	-	187,052
Right-to-use leased assets - vehicles	57,208	146,349	-	203,557
Right-to-use leased assets - building	522,972	-	-	522,972
Total capital assets being depreciated/amortized	<u>187,895,316</u>	<u>2,070,043</u>	<u>5,594,246</u>	<u>195,559,605</u>
Less accumulated depreciation and amortization for:				
Water production, transmission, and distribution facilities and wastewater collection and treatment facilities	(63,609,444)	(7,014,363)	-	(70,623,807)
Vehicles	(723,949)	(93,580)	5,731	(811,798)
Leasehold improvements	(78,321)	(18,377)	-	(96,698)
Right-to-use leased assets - vehicles	-	(49,185)	-	(49,185)
Right-to-use leased assets - building	-	(128,075)	-	(128,075)
Total accumulated depreciation and amortization	<u>(64,411,714)</u>	<u>(7,303,580)</u>	<u>5,731</u>	<u>(71,709,563)</u>
Total capital assets being depreciated/amortized, net	<u>123,483,602</u>	<u>(5,233,537)</u>	<u>5,599,977</u>	<u>123,850,042</u>
Capital assets, net	<u>\$ 136,346,276</u>	<u>2,871,237</u>	<u>(3,069)</u>	<u>139,214,444</u>

6. Deferred Charges on Bond Refundings

The following is a summary of changes in deferred charges on bond refundings for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Deferred charges on bond refundings	<u>\$ 14,761,117</u>	<u>-</u>	<u>(608,929)</u>	<u>14,152,188</u>

7. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2022:

	<u>Balance September 30, 2021 (as restated)</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2022</u>
Series 2015 bonds	\$ 15,645,000	-	(595,000)	15,050,000
Series 2017 bonds	148,620,000	-	(3,505,000)	145,115,000
Series 2019 bonds	15,010,000	-	(310,000)	14,700,000
Series 2022 bonds	-	39,750,000	-	39,750,000
Premiums on bonds	13,694,722	1,260,649	(571,926)	14,383,445
Discounts on bonds	-	(364,606)	4,051	(360,555)
Leases payable	<u>580,180</u>	<u>146,349</u>	<u>(161,387)</u>	<u>565,142</u>
Total	<u>\$ 193,549,902</u>	<u>40,792,392</u>	<u>(5,139,262)</u>	<u>229,203,032</u>

As of September 30, 2022, long-term debt was comprised of the following:

Revenue and Refunding Bonds:

\$15,050,000 - Series 2015 Revenue Bonds payable serially through the year 2035 at interest rates which range from 3.00% to 5.00%.

\$145,115,000 - Series 2017 Revenue Refunding Bonds payable serially through the year 2045 at interest rates which range from 4.00% to 5.00%.

\$14,700,000 - Series 2019 Revenue Bonds payable serially through the year 2049 at interest rates which range from 3.00% to 5.00%.

\$39,750,000 - Series 2022 Revenue Bonds payable serially through the year 2052 at interest rates which range from 4.00% to 6.50%.

On May 19, 2022, the PUA issued \$39,750,000 Series 2022 Revenue Bonds to construct improvements and pay issuance costs related to the bonds. The net proceeds of \$40,004,714 was deposited into the PUA's Capital Projects Fund and Debt Service Fund to fund future capital improvements and debt service payments.

Debt service requirements to maturity for PUA's bonds are summarized as follows:

Fiscal Year	Principal	Interest	Total Requirement
2023	\$ 5,290,000	9,146,362	14,436,362
2024	5,645,000	8,876,088	14,521,088
2025	5,985,000	8,590,987	14,575,987
2026	6,325,000	8,297,513	14,622,513
2027	6,700,000	7,987,487	14,687,487
2028-2032	38,795,000	34,724,225	73,519,225
2033-2037	44,820,000	25,684,619	70,504,619
2038-2042	49,200,000	16,631,650	65,831,650
2043-2047	39,705,000	6,344,750	46,049,750
2048-2052	12,150,000	1,413,500	13,563,500
Total	<u>\$ 214,615,000</u>	<u>127,697,181</u>	<u>342,312,181</u>

As of September 30, 2022, revenue bonds of \$257,965,000 and refunding bonds of \$196,890,000 were authorized by the PUA and all were issued.

8. Leases

The PUA leases vehicles under a master equity lease agreement. The lease term begins upon delivery of the vehicle, and the leases have an initial term ranging from twenty-four to sixty months, with the option to continue month-to-month for an unlimited period of time. Payments are due monthly and range from \$648 to \$1,424.

An initial lease liability was recorded in the amount of \$57,208. As of September 30, 2022, the value of the lease liability was \$157,138. The lease has an interest rate of 4.33%, which was the incremental borrowing rate for the PUA. The value of the right to use asset as of September 30, 2022 was \$203,557 with accumulated amortization of \$49,185.

On October 1, 2018, the PUA entered into a lease agreement for the use of office space. The lease agreement requires monthly base rent payments starting at \$10,179, with annual base rent increases of 3%, through expiration on October 31, 2025.

An initial lease liability was recorded in the amount of \$522,972. As of September 30, 2022, the value of the lease liability was \$408,004. The lease has an interest rate of 4.33%, which was the incremental borrowing rate for the PUA. The value of the right to use asset as of September 30, 2022 was \$522,972 with accumulated amortization of \$128,075.

Future minimum lease payments as of September 30, 2022, are as follows:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 177,431	20,926	198,357
2024	159,688	13,656	173,344
2025	171,818	6,490	178,308
2026	43,076	1,343	44,419
2027	13,129	146	13,275
Total	\$ 565,142	42,561	607,703

9. Commitments and Contingencies

Due to Developers for Utility Facility Acquisition - As part of the Purchase Agreement entered with the LCRA, the PUA inherited and assumed certain obligations due on utility facility development and construction agreements entered into with various developers. As part of the original agreements, costs incurred by the developers in the creation of water and wastewater utilities were to be reimbursed by the LCRA. Pursuant to the Purchase Agreement, the PUA has taken on the liabilities to these developers under the various utility facility development and construction agreements. These liabilities are based on the allowed water and wastewater facility development and construction expenses incurred by the developers and estimates are subject to change. As of September 30, 2022, the outstanding liability owed to the various developers totaled \$2,699,459 and developer commitments under utility facility development and construction agreements totaled \$2,308,815.

10. Fund Balances

For the year ended September 30, 2022, the PUA has presented fund balance classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, the Board may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the PUA's General Fund.

The detail of the fund balances is included in the Governmental Funds Balance Sheet on page 11. Fund balance of the PUA may be committed for a specific purpose by formal action of the Board, the PUA's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has the authority to assign fund balance for a specific purpose. As of September 30, 2022, spending and commitments and assignments of fund balance have been executed in accordance with the PUA's GASB 54 policy. Under the policy, in circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

As part of the bond agreement for the Series 2013 issuance, the PUA agreed to maintain separate and special accounts known as the Rate Stabilization Fund and the Facilities Fund. The Rate Stabilization Fund is an account which holds funds that may be used at the discretion of the PUA for any lawful purpose, including capital additions and improvements to the PUA's water and wastewater system and to enable the PUA to manage rates and charges, provided, however, that such funds shall be used in the following order of priority: 1) first for funding of operating and maintenance reserves and payment of principal and interest on debt obligations, 2) redemption or defeasance of outstanding obligations, if economically advantageous, and 3) transfer to the Facilities Account for payment of costs of any capital additions and improvements. The Facilities Fund is an account which holds transfers from the General Fund for times coverage for payment of capital additions and improvements, including reimbursement of such costs. As funds transferred to either of these accounts are for specific purposes pursuant to approval by formal action by the Board, they are considered committed fund balance in the General Fund and are shown as such on the governmental funds balance sheet on page 11.

11. Defined Benefit Pension Plan

Plan Description

The PUA provides retirement, disability, and death benefits for all of its non-temporary full-time employees through a nontraditional defined benefit pension plan administered by TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 830 active participating counties and districts throughout Texas. TCDRS in the aggregate issues an annual comprehensive financial report ("ACFR") on a calendar year basis. The ACFR is available upon written request from the TCDRS, Finance Division, at Barton Oaks Plaza IV, Suite 500, 901 S. Mopac Expressway, Austin, Texas 78746.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS ("TCDRS Act"). Members can retire at age 60 and above with 5 or more years of service, after 30 years of service, or when service time plus age equals 75 but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefits Provided

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and the employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employee membership data related to the plan, as of the valuation date of December 31, 2021, was as follows:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to but not yet receiving benefits	24
Active plan members	<u>40</u>
Total	<u><u>64</u></u>

Contributions

The PUA has elected the annually determined contribution rate ("ADCR") plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The PUA contributed using the actuarially determined rate of 9.24% for 2022 as adopted by the governing body of the PUA. The employee contribution rate was 7.00%. The employee contribution rate and the employer contribution rate may be changed by the governing body of the PUA within the options available in the TCDRS Act. The required contribution and actual contributions for the year ended September 30, 2022 equaled \$403,974.

Net Pension Asset

Actuarial Assumptions

The PUA's net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Amortization Period	19.5 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the PUA are not considered to be automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Between ages 40 and 74 with various rates of service retirement by gender: low of 5.3% for age 40-49 to high of 27.5% for age 65-66 for males and females
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality:	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The actuarial assumptions that determined the total pension liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in March 2021.

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation (a)</u>	<u>Geometric Real Rate of Return (Expected minus Inflation) (b)</u>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	(0.85%)
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (d)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (e)	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (c)	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	(1.05%)

- (a) Target asset allocation adopted at the March 2022 TCDRS Board meeting.
- (b) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.60%, per Cliffwater’s 2022 capital market assumptions.
- (c) Includes vintage years 2006-present of Quarter Pooled Horizon internal rates of return.
- (d) Includes vintage years 2005-present of Quarter Pooled Horizon internal rates of return.
- (e) Includes vintage years 2007-present of Quarter Pooled Horizon internal rates of return.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Changes in Net Pension Asset

Changes in the PUA’s net pension asset for the valuation year ended December 31, 2021 are as follows:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance as of December 31, 2020	\$ 1,739,340	\$ 1,801,093	\$ (61,753)
Changes for the year:			
Service cost	511,204	-	511,204
Interest on total pension liability (1)	170,431	-	170,431
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	58,171	-	58,171
Effect of assumptions changes or inputs	59,812	-	59,812
Refund of contributions	(16,360)	(16,360)	-
Benefit payments	-	-	-
Administrative expenses	-	(1,484)	1,484
Member contributions	-	197,806	(197,806)
Net investment income	-	450,603	(450,603)
Employer contributions	-	296,992	(296,992)
Other (3)	-	14,051	(14,051)
Balance as of December 31, 2021	<u>\$ 2,522,598</u>	<u>\$ 2,742,701</u>	<u>\$ (220,103)</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
- (2) No plan changes valued.
- (3) Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability (asset) of the PUA, calculated using the discount rate of 7.60%, as well as what the PUA's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total pension liability	\$ 3,034,367	\$ 2,522,598	\$ 2,110,004
Fiduciary net position	2,742,701	2,742,701	2,742,701
Net pension liability/(asset)	<u>\$ 291,666</u>	<u>\$ (220,103)</u>	<u>\$ (632,697)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended September 30, 2022, the PUA recognized pension expense of \$287,444. As of September 30, 2022, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,507	\$ 100,826
Net difference between projected and actual earnings	-	253,499
Changes of assumptions	165,999	468
Contributions made subsequent to measurement date	326,067	-
Total	<u>\$ 709,573</u>	<u>\$ 354,793</u>

The \$326,067 reported as deferred outflows of resources related to pensions resulting from PUA contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended September 30, 2023. The remaining amounts currently reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense Amount
Year ended September 30:	
2023	\$ (29,921)
2024	(39,916)
2025	(30,143)
2026	(27,599)
2027	31,480
Thereafter	124,812
	<u>\$ 28,713</u>

12. Risk Management

The PUA is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The PUA has obtained coverage from the Texas Municipal League Intergovernmental Risk Pool (“TML Pool”) to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established claims reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

Required Supplementary Information

West Travis County Public Utility Agency

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios September 30, 2022

	Year Ended December 31, 2021*	Year Ended December 31, 2020*	Year Ended December 31, 2019*	Year Ended December 31, 2018*	Year Ended December 31, 2017*	Year Ended December 31, 2016*
Total Pension Liability						
Service cost	\$ 511,204	\$ 328,678	\$ 344,682	\$ 348,223	\$ 119,674	\$ 28,142
Interest on total pension liability	170,431	107,980	83,045	54,891	12,066	1,118
Effect of plan changes	-	115,360	-	-	-	-
Effect of assumption changes or inputs	59,812	135,592	-	-	(663)	23
Effect on economic/demographic (gains) or losses	58,171	53,994	(91,585)	(42,524)	172,751	-
Benefit payments/refunds of contributions	(16,360)	(13,085)	(11,541)	(7,481)	-	-
Net change in total pension liability	783,258	728,519	324,601	353,109	303,828	29,283
Total pension liability, beginning	1,739,340	1,010,821	686,220	333,111	29,283	-
Total pension liability, ending (a)	\$ 2,522,598	\$ 1,739,340	\$ 1,010,821	\$ 686,220	\$ 333,111	\$ 29,283
Fiduciary Net Position						
Employer contributions	\$ 296,992	\$ 234,080	\$ 211,753	\$ 224,461	\$ 210,021	\$ 17,381
Member contributions	197,806	177,333	156,523	151,080	138,442	11,456
Investment income net of investment expenses	450,603	131,092	125,640	(3,193)	9,878	-
Benefit payments/refunds of contributions	(16,360)	(13,085)	(11,541)	(7,481)	-	-
Administrative expenses	(1,484)	(1,318)	(961)	(616)	(262)	-
Other	14,051	11,911	12,389	11,005	4,668	437
Net change in fiduciary net position	941,608	540,013	493,803	375,256	362,747	29,274
Fiduciary net position, beginning	1,801,093	1,261,080	767,277	392,021	29,274	-
Fiduciary net position, ending (b)	\$ 2,742,701	\$ 1,801,093	\$ 1,261,080	\$ 767,277	\$ 392,021	\$ 29,274
Net pension liability / (asset), ending = (a) - (b)	\$ (220,103)	\$ (61,753)	\$ (250,259)	\$ (81,057)	\$ (58,910)	\$ 9
Fiduciary net position as a % of total pension liability	108.73%	103.55%	124.76%	111.81%	117.68%	99.97%
Pensionable covered payroll	\$ 2,825,804	\$ 2,533,323	\$ 2,236,038	\$ 2,158,282	\$ 1,977,741	\$ 163,664
Net pension liability (asset) as a % of covered payroll	-7.79%	-2.44%	-11.19%	-3.76%	-2.98%	0.01%

* Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

West Travis County Public Utility Agency

Schedule of Agency Contributions September 30, 2022

Year Ending September 30 **	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll *	Actual Contribution as a % of Covered Payroll
2017	\$ 167,287	167,287	-	1,575,205	10.6%
2018	\$ 221,706	221,706	-	2,119,811	10.5%
2019	\$ 219,468	219,468	-	2,258,133	9.7%
2020	\$ 219,597	219,597	-	2,362,092	9.3%
2021	\$ 288,724	288,724	-	2,838,206	10.2%
2022	\$ 403,974	403,974	-	3,213,339	12.6%

* Payroll is calculated based on contributions as reported to TCDRS.

** Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

West Travis County Public Utility Agency

Notes to Required Supplementary Information Year Ended September 30, 2022

1. Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The following methods and assumptions were used to determine the contributions rates:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Amortization Period	19.5 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the PUA are not considered to be automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Between ages 40 and 74 with various rates of service retirement by gender: low of 5.3% for age 40-49 to high of 27.5% for age 65-66 for males and females
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality:	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

2. Change in Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

- Amortization period decreased from 20.0 years to 19.5 years
- Average salary increased from 4.6% to 4.7%
- Slightly adjusted all mortality rates by using mortality tables specific to public sector employees
- Adjusted service retirement rates to reflect people generally retiring at older ages

Supplemental Information

West Travis County Public Utility Agency

Index of Supplemental Schedules Year Ended September 30, 2022

- SI-1 Notes Required by the Water Agency Accounting Manual
- SI-2 Schedule of Services and Rates
- SI-3 Schedule of Temporary Investments
- SI-4 Long-Term Debt Service Requirements by Years
- SI-5 Analysis of Changes in Long-Term Debt
- SI-6 Board Members, Key Personnel and Consultants

West Travis County Public Utility Agency

SI-1 Notes Required by the Water Agency Accounting Manual Year Ended September 30, 2022

The notes which follow are not necessarily required for fair presentation of the audited basic financial statements of the PUA which are contained in the preceding section of this report.

(A) Creation of PUA

See Note 1 to basic financial statements.

(B) Contingent Liabilities

See Note 9 to basic financial statements.

(C) Pension Coverage

See Note 11 to basic financial statements.

(D) Pledge of Revenues

See Note 7 to basic financial statements.

(E) Compliance with Debt Service Requirements

The provisions of the bond resolutions as summarized in Note 7 to basic financial statements relating to debt service requirements have been met.

(F) Redemption of Bonds

See Note 7 to basic financial statements.

West Travis County Public Utility Agency

SI-2 Schedule of Services and Rates Year Ended September 30, 2022

1. Services Provided by the Agency:

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Retail Water | <input checked="" type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input checked="" type="checkbox"/> Wholesale Wastewater | <input checked="" type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system and or wastewater service
(other than emergency interconnect) | | |
| <input checked="" type="checkbox"/> Other (specify): | <u>Raw Water and Effluent Water</u> | |

2. Retail Service Providers:

a. Retail Rates for a 5/8" Meter (or equivalent):

	<u>Minimum Charge (1)</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum (1)</u>	<u>Usage Levels</u>
Water	<u>\$ 29.53</u>	<u>N/A</u>	<u>N</u>	<u>\$ 4.70</u>	<u>0 to 10,000</u>
				<u>5.87</u>	<u>10,001 to 20,000</u>
				<u>9.13</u>	<u>20,001 to 35,000</u>
				<u>13.70</u>	<u>35,001 to 50,000</u>
				<u>15.75</u>	<u>50,001 to 80,000</u>
				<u>18.11</u>	<u>80,001 above</u>
Wastewater	<u>\$ 45.38</u>	<u>N/A</u>	<u>N</u>	<u>\$ 6.38</u>	<u>0 to above</u>
Surcharge	<u>N/A</u>				

Agency employs winter averaging for wastewater usage? Yes (2) No

Total charges per 10,000 gallons usage: Water: \$ 76.53 (1) Wastewater: \$ 109.18 (1)

(1) Rates indicated above are for Retail Residential customers. See Other Supplemental Schedules for rates for non-residential customers.

(2) Agency employs winter averaging for residential customers only. Winter averaging is not employed for commercial customers.

(continued)

West Travis County Public Utility Agency

**SI-2 Schedule of Services and Rates (continued)
Year Ended September 30, 2022**

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections
≤3/4"	9,254
1"	177
1 ½"	118
2"	136
3"	12
4"	1
6"	1
8"	1
10"	-
Total Water	9,700
Total Wastewater	2,680

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system: <u>4,210,237,000</u>	Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers: <u>3,935,639,000</u>	<u>93.48%</u>

4. Standby Fees (authorized only under TWC Section 49.231):

Does the Agency have Debt Service standby fees? Yes No

If yes, Date of the most recent Commission Order: N/A

Does the Agency have Operation and Maintenance standby fees? Yes No

If yes, Date of the most recent Commission Order: N/A

(continued)

West Travis County Public Utility Agency

SI-2 Schedule of Services and Rates (continued)

Year Ended September 30, 2022

5. Location of Agency:

County(ies) in which agency is located:

Travis and Hays

Is the Agency located entirely within one county?

Yes No

Is the Agency located within a city?

Entirely Partly Not at all

City(ies) in which Agency is located:

City of Bee Cave, Village of Bear Creek, City of Dripping Springs

Is the Agency located within a city's extra-territorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJ's in which agency is located:

City of Bee Cave, Village of Bear Creek, City of Dripping Springs, City of Austin

Are Board members appointed by an office outside the Agency?

Yes No

If yes, by whom?

City of Bee Cave, Texas; Hays County; Lake Pointe Municipal Utility District

West Travis County Public Utility Agency

SI-3 Schedule of Temporary Investments Year Ended September 30, 2022

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2022	Accrued Interest Receivable at September 30, 2022
<u>General Fund:</u>					
U.S. Government Notes	Various	Various	Various	\$ 3,677,264	\$ 20,518
Corporate Bonds	Various	Various	Various	505,507	1,996
Municipal Bonds	Various	Various	Various	6,112,722	24,975
U.S. Agencies:					
Federal Farm Credit Bank	Various	Various	Various	319,093	693
Federal Home Loan Mortgage	3137EAES4	0.25%	6/26/2023	247,872	168
Federal National Mortgage Association	Various	Various	Various	501,170	1,637
Federal Home Loan Bank	313382AX1	2.13%	3/10/2023	223,130	279
Total Temporary Investments - General Fund				11,586,758	50,266
<u>Debt Service Fund:</u>					
U.S. Government Notes	Various	Various	Various	3,680,867	21,721
Corporate Bonds	Various	Various	Various	569,492	2,119
Municipal Bonds	Various	Various	Various	6,681,502	28,761
U.S. Agencies:					
Federal Farm Credit Bank	Various	Various	Various	534,318	1,314
Federal Home Loan Mortgage	3137EAES4	0.25%	6/26/2023	345,078	234
Federal National Mortgage Association	Various	Various	Various	734,996	2,379
Federal Home Loan Bank	313382AX1	2.13%	3/10/2023	148,753	186
Total Temporary Investments - Debt Service Fund				12,695,006	56,714
<u>Capital Projects Fund:</u>					
U.S. Government Notes	Various	Various	Various	8,126,186	45,456
Corporate Bonds	Various	Various	Various	1,035,243	4,082
Municipal Bonds	Various	Various	Various	12,641,908	51,360
U.S. Agencies:					
Federal Farm Credit Bank	Various	Various	Various	665,521	1,464
Federal Home Loan Mortgage	3137EAES4	0.25%	6/26/2023	500,606	340
Federal National Mortgage Association	Various	Various	Various	1,039,309	3,400
Federal Home Loan Bank	313382AX1	2.13%	3/10/2023	302,465	378
Total Temporary Investments - Capital Projects Fund				24,311,238	106,480
<u>Impact Fee Fund:</u>					
U.S. Government Notes	Various	Various	Various	9,580,150	53,604
Corporate Bonds	Various	Various	Various	1,215,535	4,791
Municipal Bonds	Various	Various	Various	14,831,415	60,335
U.S. Agencies:					
Federal Farm Credit Bank	Various	Various	Various	782,144	1,720
Federal Home Loan Mortgage	3137EAES4	0.25%	6/26/2023	592,950	402
Federal National Mortgage Association	Various	Various	Various	1,218,688	3,988
Federal Home Loan Bank	313382AX1	2.13%	3/10/2023	371,883	465
Total Temporary Investments - Impact Fee Fund				28,592,765	125,305
Total All Funds				\$ 77,185,767	\$ 338,765

West Travis County Public Utility Agency

SI-4 Long-Term Debt Service Requirements by Years September 30, 2022

Due During Fiscal Years Ending 9/30	West Travis County Public Utility Agency Revenue Bonds, Series 2015			West Travis County Public Utility Agency Revenue Refunding Bonds, Series 2017			West Travis County Public Utility Agency Revenue Bonds, Series 2019			West Travis County Public Utility Agency Revenue Bonds, Series 2022			Total		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total
	2023	\$ 695,000	571,662	1,266,662	\$ 3,685,000	6,210,750	9,895,750	\$ 315,000	618,400	933,400	\$ 595,000	1,745,550	2,340,550	\$ 5,290,000	9,146,362
2024	815,000	536,913	1,351,913	3,870,000	6,026,500	9,896,500	330,000	605,800	935,800	630,000	1,706,875	2,336,875	5,645,000	8,876,088	14,521,088
2025	910,000	496,162	1,406,162	4,060,000	5,833,000	9,893,000	340,000	595,900	935,900	675,000	1,665,925	2,340,925	5,985,000	8,590,987	14,575,987
2026	995,000	459,763	1,454,763	4,265,000	5,630,000	9,895,000	350,000	585,700	935,700	715,000	1,622,050	2,337,050	6,325,000	8,297,513	14,622,513
2027	1,100,000	419,962	1,519,962	4,475,000	5,416,750	9,891,750	360,000	575,200	935,200	765,000	1,575,575	2,340,575	6,700,000	7,987,487	14,687,487
2028	1,140,000	386,962	1,526,962	4,700,000	5,193,000	9,893,000	375,000	560,800	935,800	815,000	1,525,850	2,340,850	7,030,000	7,666,612	14,696,612
2029	1,180,000	349,912	1,529,912	4,935,000	4,958,000	9,893,000	390,000	545,800	935,800	865,000	1,472,875	2,337,875	7,370,000	7,326,587	14,696,587
2030	1,235,000	296,812	1,531,812	5,185,000	4,711,250	9,896,250	410,000	526,300	936,300	920,000	1,416,650	2,336,650	7,750,000	6,951,012	14,701,012
2031	1,290,000	255,132	1,545,132	5,440,000	4,452,000	9,892,000	430,000	505,800	935,800	970,000	1,370,650	2,340,650	8,130,000	6,583,582	14,713,582
2032	1,340,000	209,982	1,549,982	5,710,000	4,180,000	9,890,000	450,000	484,300	934,300	1,015,000	1,322,150	2,337,150	8,515,000	6,196,432	14,711,432
2033	1,395,000	163,082	1,558,082	5,940,000	3,951,600	9,891,600	475,000	461,800	936,800	1,065,000	1,271,400	2,336,400	8,875,000	5,847,882	14,722,882
2034	1,450,000	112,556	1,562,556	6,180,000	3,714,000	9,894,000	490,000	447,550	937,550	1,110,000	1,228,800	2,338,800	9,230,000	5,502,906	14,732,906
2035	1,505,000	54,556	1,559,556	6,425,000	3,466,800	9,891,800	500,000	432,237	932,237	1,155,000	1,184,400	2,339,400	9,585,000	5,137,993	14,722,993
2036	-	-	-	6,685,000	3,209,800	9,894,800	515,000	415,988	930,988	1,200,000	1,138,200	2,338,200	8,400,000	4,763,988	13,163,988
2037	-	-	-	6,950,000	2,942,400	9,892,400	530,000	399,250	929,250	1,250,000	1,090,200	2,340,200	8,730,000	4,431,850	13,161,850
2038	-	-	-	7,230,000	2,664,400	9,894,400	555,000	378,050	933,050	1,300,000	1,040,200	2,340,200	9,085,000	4,082,650	13,167,650
2039	-	-	-	7,520,000	2,375,200	9,895,200	575,000	355,850	930,850	1,350,000	988,200	2,338,200	9,445,000	3,719,250	13,164,250
2040	-	-	-	7,815,000	2,074,400	9,889,400	605,000	332,850	937,850	1,405,000	934,200	2,339,200	9,825,000	3,341,450	13,166,450
2041	-	-	-	8,130,000	1,761,800	9,891,800	625,000	308,650	933,650	1,460,000	878,000	2,338,000	10,215,000	2,948,450	13,163,450
2042	-	-	-	8,455,000	1,436,600	9,891,600	655,000	283,650	938,650	1,520,000	819,600	2,339,600	10,630,000	2,539,850	13,169,850
2043	-	-	-	8,795,000	1,098,400	9,893,400	675,000	257,450	932,450	1,580,000	758,800	2,338,800	11,050,000	2,114,650	13,164,650
2044	-	-	-	9,150,000	746,600	9,896,600	705,000	230,450	935,450	1,645,000	695,600	2,340,600	11,500,000	1,672,650	13,172,650
2045	-	-	-	9,515,000	380,600	9,895,600	730,000	202,250	932,250	1,710,000	629,800	2,339,800	11,955,000	1,212,650	13,167,650
2046	-	-	-	-	-	-	770,000	165,750	935,750	1,775,000	561,400	2,336,400	12,545,000	727,150	13,272,150
2047	-	-	-	-	-	-	805,000	127,250	932,250	1,850,000	490,400	2,340,400	12,655,000	617,650	13,272,650
2048	-	-	-	-	-	-	850,000	87,000	937,000	1,920,000	416,400	2,336,400	12,770,000	503,400	13,273,400
2049	-	-	-	-	-	-	890,000	44,500	934,500	2,000,000	339,600	2,339,600	12,890,000	384,100	13,274,100
2050	-	-	-	-	-	-	-	-	-	2,080,000	259,600	2,339,600	12,890,000	259,600	13,149,600
2051	-	-	-	-	-	-	-	-	-	2,160,000	176,400	2,336,400	12,890,000	176,400	13,066,400
2052	-	-	-	-	-	-	-	-	-	2,250,000	90,000	2,340,000	12,890,000	90,000	12,980,000
	<u>\$ 15,050,000</u>	<u>4,313,456</u>	<u>19,363,456</u>	<u>\$ 145,115,000</u>	<u>82,433,850</u>	<u>227,548,850</u>	<u>\$ 14,700,000</u>	<u>10,534,525</u>	<u>25,234,525</u>	<u>\$ 39,750,000</u>	<u>30,415,350</u>	<u>70,165,350</u>	<u>\$ 214,615,000</u>	<u>127,697,181</u>	<u>342,312,181</u>

West Travis County Public Utility Agency

SI-5 Analysis of Changes in Long-Term Debt September 30, 2022

	Series 2015	Series 2017	Series 2019	Series 2022	Totals
Interest rate	3.00-5.00%	4.00-5.00%	3.00-5.00%	4.00-6.50%	
Dates interest payable	2/15; 8/15	2/15; 8/15	2/15; 8/15	2/15; 8/15	
Maturity dates	8/15/2035	8/15/2045	8/15/2049	8/15/2052	
Bonds outstanding, beginning of period	\$ 15,645,000	\$ 148,620,000	\$ 15,010,000	\$ -	\$ 179,275,000
Bonds issued/acquired during current period	-	-	-	39,750,000	39,750,000
Bonds retired during current period	(595,000)	(3,505,000)	(310,000)	-	(4,410,000)
Bonds outstanding, end of period	<u>\$ 15,050,000</u>	<u>\$ 145,115,000</u>	<u>\$ 14,700,000</u>	<u>\$ 39,750,000</u>	<u>\$ 214,615,000</u>
Interest paid during current period	<u>\$ 595,464</u>	<u>\$ 6,386,000</u>	<u>\$ 627,700</u>	<u>\$ 416,993</u>	<u>\$ 8,026,157</u>
Paying agent's name & address:	BOK Financial Dallas, Texas	BOK Financial Dallas, Texas	BOK Financial Dallas, Texas	BOK Financial Dallas, Texas	
	Revenue Bonds	Refunding Bonds			
Bond authority:					
Amount authorized	\$ 257,965,000 *	\$ 196,890,000 *			
Amount issued	<u>(257,965,000)</u>	<u>(196,890,000)</u>			
Remaining to be issued	<u>\$ -</u>	<u>\$ -</u>			
Debt Service Fund cash and temporary investments balances as of September 30, 2022:					<u>\$ 21,880,133</u>
Average annual debt service payments (principal & interest) for remaining term of debt:					<u>\$ 11,410,406</u>

* Since the PUA has no taxing authority, it has no specific standing authorization to issue bonds.

West Travis County Public Utility Agency

SI-6 Board Members, Key Personnel and Consultants September 30, 2022

Complete Agency Mailing Address: 13215 Bee Cave Pkwy
Building B Suite 110
Bee Cave, Texas 78738

Agency Business Telephone Number: (512) 263-0100

Submission date of the most recent Registration Form: N/A

Limit on fees of office that a director may receive during a fiscal year: N/A

<u>Name and Address</u>	<u>Term of Office Appointed & Expires or Date Hired</u>	<u>Fees 9/30/22</u>	<u>Expense Reimbursements 9/30/22</u>	<u>Title at Year End</u>
<u>Board Members:</u>				
Scott Roberts	Appointed 10/22 - 9/26	\$ -	\$ -	President
Jack Creveling	Appointed 10/20 - 9/24	-	-	Vice President
Walt Smith	Appointed 10/20 - 9/24	-	-	Secretary/Treasurer
Clint Garza	Appointed 10/22 - 9/26	-	-	Director
Jason Bethke	Appointed 10/20 - 9/24	-	-	Director

Note: No director is disqualified from serving on this board under the Texas Water Code.

Key Administrative Personnel-

Jennifer Riechers	2019	\$ 273,751	\$ -	General Manager
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(continued)

West Travis County Public Utility Agency

SI-6 Board Members, Key Personnel and Consultants (continued) September 30, 2022

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements 9/30/22</u>	<u>Title at Year End</u>
<u>Consultants:</u>			
Murfee Engineering Company	Dec-11	\$ 1,655,794	Engineer
Lloyd Gosselink Rochelle & Townsend, P.C.	Dec-11	273,064	Attorney
Specialized Public Finance Inc.	Dec-11	392,125	Financial Advisor
Nelisa Heddin Consulting, LLC	Dec-11	28,008	Rate Consultant
Maxwell Locke & Ritter LLP	Sep-12	60,500	Auditor
CP&Y, Inc.	Dec-17	83,296	Engineer

**Other
Supplemental Information**

West Travis County Public Utility Agency

Index of Other Supplemental Schedules Year Ended September 30, 2022

- OSI-1 Major PUA Water and Wastewater Customers
- OSI-2 Historical Condensed Statement of Operations
- OSI-3 Monthly Water Rates and Impact Fees of the Participants
- OSI-4 Monthly Wastewater Rates

West Travis County Public Utility Agency

OSI-1 Major PUA Water and Wastewater Customers September 30, 2022

Name of Rate Payer	Water		
	2022		
	Gallons Used	Revenue	% of Total Revenue
Spanish Oaks Owners Association	35,798,000	\$ 589,655	2.1%
Highpointe Community Association	19,368,000	339,092	1.2%
CSHV HCG Retail & Office	17,580,000	141,987	0.6%
Spillman Ranch Homes LP	5,541,000	126,877	0.5%
WSH 71 TX Partners, LLC	11,955,000	103,454	0.4%
Park at Bee Cave, Ltd	5,447,000	95,970	0.3%
Austin Engineering Co. Inc.	5,263,000	90,594	0.3%
Provence HOA	5,286,000	89,770	0.3%
AMFP V Bee Cave	8,145,000	81,251	0.3%
H E B	5,407,000	77,773	0.3%
	<u>119,790,000</u>	<u>\$ 1,736,423</u>	<u>6.3%</u>

Name of Rate Payer	Wastewater		
	2022		
	Gallons Used	Revenue	% of Total Revenue
CSHV HCG Retail & Office	17,580,000	\$ 191,162	3.7%
AMFP V Bee Cave	8,145,000	124,594	2.4%
WSH 71 TX Partners, LLC	10,131,000	103,630	2.0%
Hill Country Apartments	7,614,000	70,266	1.4%
H E B	3,623,000	62,188	1.2%
Domain Falconhead Apartments	8,506,000	59,032	1.1%
Inven Trust Property Management	5,092,000	50,722	1.0%
Lake Travis ISD	2,511,000	41,532	0.8%
Spillman Ranch Homes LP	953,000	41,150	0.8%
Jollyville Car Wash	4,682,000	36,849	0.7%
	<u>68,837,000</u>	<u>\$ 781,125</u>	<u>15.1%</u>

West Travis County Public Utility Agency

OSI-2 Historical Condensed Statement of Operations September 30, 2022

Revenues and Expenses	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended September 30, 2020	Year Ended September 30, 2019	Year Ended September 30, 2018
Gross Water and Wastewater System Revenue	\$ 34,554,250	28,924,410	27,075,578	26,576,550	27,894,945
Direct O&M Expense	14,235,367	11,159,314	10,410,631	9,883,405	10,048,087
Total Net Revenues	20,318,883	17,765,096	16,664,947	16,693,145	17,846,858
Impact Fees Recognized/Collected	8,267,375	10,273,929	10,353,761	12,039,356	13,595,918
Total Net Water and Wastewater System Income	\$ 28,586,258	28,039,025	27,018,708	28,732,501	31,442,776
	Retail	Wholesale (estimated)			
Water Connections	9,700	11,026			
Wastewater Connections	2,680	1,000			
Water Population Served (1)	62,178				
PUA General Operating Fund Unassigned Balance	29,931,315				
PUA Rate Stabilization Fund Balance	5,092,006				
PUA Facilities Fund Balance	9,772,638				
PUA Impact Fee Fund Balance	33,638,406				

(1) Calculated based upon 3 occupants/water connection.

West Travis County Public Utility Agency

OSI-3 Monthly Water Rates and Impact Fees of the Participants September 30, 2022

Water Impact Fees:

	Bee Cave Rate District	Bee Cave South Rate District	Homestead/ Meadow Fox Rate District	HPR/290 Rate District	Highway 71 Water System Service Area	Highway 290 Water System Service Area
Historical Water Impact Fee	\$ 4,120	\$ 5,180	\$ 4,120	\$ 5,180	N/A	N/A
2012 Water Impact Fee	N/A	N/A	N/A	N/A	\$ 5,992	\$ 8,809
2015 Water Impact Fee	N/A	N/A	N/A	N/A	\$ 7,476	\$ 12,938
September 20, 2018 Water Impact Fee	N/A	N/A	N/A	N/A	\$ 3,776	\$ 6,139
2021 Water Impact Fee	N/A	N/A	N/A	N/A	\$ 4,986	\$ 8,175

The PUA assesses, collects and reports water and wastewater impact fees by rate districts. In addition, the PUA designs and constructs and accounts for capital improvement projects that provide water and wastewater services to existing/new development and associated system expansions to and within these rate districts.

Additional information about the PUA’s tariff can be found on their website at the following address: <https://wtcpua.org/rates-and-policies>.

(continued)

West Travis County Public Utility Agency

OSI-3 Monthly Water Rates and Impact Fees of the Participants (continued) September 30, 2022

Residential, Multi-Unit Residential and Multi-Use Facilities, Irrigation and Fire Hydrant Meters (Minimum Monthly Bill):

Meter Size	Base Fee
5/8"	\$ 29.53
3/4"	\$ 44.57
1"	\$ 81.09
1 1/2"	\$ 158.54
2"	\$ 184.62
3"	\$ 305.26
4"	\$ 499.14
6"	\$ 1,645.80
8"	\$ 1,993.47
12"	\$ 3,785.37

Volume Charge (per thousand gallons used):

Residential (with 5/8" and 3/4" meters), Irrigation and Fire Hydrant Meters:

Gallons	Base Fee
0-10,000	\$ 4.70
10,001-20,000	\$ 5.87
20,001-35,000	\$ 9.13
35,001-50,000	\$ 13.70
50,001-80,000	\$ 15.75
80,000 +	\$ 18.11

All Commercial:

Gallons	Base Fee
1 and above	\$ 5.50

Multi-Unit Residential and Multi-Use Facilities:

Gallons	Base Fee
1 and above	\$ 5.50

West Travis County Public Utility Agency

OSI-4 Monthly Wastewater Rates September 30, 2022

Wastewater Impact Fee per LUE:

	<u>System Wide</u>
Historical Water Impact Fee	\$ 5,250
2012 Wastewater Impact Fee	\$ 11,500
2015 Wastewater Impact Fee	\$ 11,644
September 20, 2018 Wastewater Impact Fee	\$ 7,868
2021 Wastewater Impact Fee	\$ 11,568

Monthly Fee Per Rate District

	<u>Base Fee</u>
Minimum Monthly Charge:	
Residential	\$ 45.38
Commercial (based on meter size 5/8")	\$ 45.38
Multi Family Residential/Multi-Use Facilities (based on meter size 5/8")	\$ 45.38
Volume Charge (per thousand gallons):	
Residential	\$ 6.38
Non-Residential	\$ 6.94
Multi-Use Residential/Multi-Use Facilities	\$ 6.94

Additional information about the PUA's tariff can be found on their website at the following address:
<https://wtcpua.org/rates-and-policies>.