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SEP 08 2026

SYLVIA GARZA-PEREZ
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By [signature] Deputy

SRWA
Southmost Regional Water Authority

Dr. Joseph L. Hollmann, President

Notice of a Regular Board Meeting of the
Southmost Regional Water Authority Board

MEETING DATE:	**September 14, 2026**
MEETING TIME:	**12:00 PM**
MEETING LOCATION:	**BPUB Annex Building** **Board Room** **1425 Robinhood Drive** **Brownsville, Texas 78521**

PURSUANT TO CHAPTER 551.127, TEXAS GOVERNMENT CODE, ONE OR MORE BOARD OF DIRECTORS OR EMPLOYEES MAY ATTEND THIS MEETING REMOTELY USING VIDEOCONFERENCING TECHNOLOGY. THE VIDEO AND AUDIO FEED OF THE VIDEOCONFERENCING EQUIPMENT CAN BE VIEWED AND HEARD BY THE PUBLIC AT THE ADDRESS POSTED ABOVE AS THE LOCATION OF THE MEETING.

Dial In: 1-408-418-9388
Access Code: 2489 607 4140 # #

MEETING AGENDA

Call Open Meeting to Order at 12:00 PM

Confirmation of Quorum

PUBLIC COMMENTS

PUBLIC COMMENTS WILL ONLY BE ACCEPTED IN WRITING NO LATER THAN ONE (1) HOUR IN ADVANCE OF THE MEETING BY SENDING THEM TO PublicComments@brownsville-pub.com. In the body of the email please include date, your name, your address, phone number, agenda item number, if applicable, or subject of discussion, and your comments.

• THERE IS A THREE (3)-MINUTE TIME LIMIT PER SPEAKER. THE PRESIDING OFFICER MAY, BUT IS NOT REQUIRED TO, ALLOW ADDITIONAL TIME TO A SPEAKER.

• THE SPEAKER MUST IDENTIFY BY NAME, ADDRESS, AND ORGANIZATIONAL AFFILIATION (IF ANY) BEFORE SPEAKING.

• QUESTIONS AND COMMENTS SHOULD BE ADDRESSED TO THE BOARD AS A WHOLE, NOT TO INDIVIDUAL BOARD MEMBERS, THE CEO, OR MEMBERS OF THE AUDIENCE.

• IF AN ISSUE ADDRESSED IS NOT INCLUDED ON THE AGENDA, NO FORMAL ACTION WILL BE TAKEN.

OPEN MEETING

1. Consideration and Possible Action on Approval of the Southmost Regional Water Authority, August 10, 2026, Regular Board Meeting, August 28, 2026 Special Board Meeting, September 3, 2026, Special Board Meeting Minutes. -

2. General Manager's Report -

   a. Operational, Chemical Optimization and Financial Report - Jacob Galvan, Jorge Santillan

   b. Drought Update - Jaime Flores

3. Presentation of the Southmost Regional Water Authority Organizational Update - Sergio Delgadillo

4. Consideration and Possible Action of a Resolution Amending Designation of Certain Officers as Authorized Signatories to Drafts Drawn on Account of Southmost Regional Water Authority at Texas Regional Bank and Wells Fargo Bank - Guadalupe Granado

5. Consideration and Possible Action of a Resolution Amending Authorization of Representatives at TexPool - Guadalupe Granado

6. Consideration and Possible Action of a Resolution to Approve the Investment Policy, Investment Strategies and Other Matters in Connection Therewith - Justin M Locke

7. Consideration and Possible Action to Approve the Rental of a Portable Diesel Generator for Back-Up Power for the SRWA Reverse Osmosis Water Treatment System - Jose A. Garza

8. Consideration and Possible Action to Approve the Annual Supply of Chlorine Dioxide Equipment and Service - Jose A. Garza

9. Discussion on Date, Time of Next Board Meeting -

ADJOURNMENT

Joseph Hollmann
Joseph Hollmann (Sep 8, 2026 16:48:59 CDT)
Dr. Joseph L. Hollmann - President

The Southmost Regional Water Authority Board reserves the right to adjourn into executive session at any time to discuss any of the matters listed above, as authorized by Texas Government Code § 551.071 (Consultation with Attorney), § 551.072 (Deliberations about Real Property), § 551.074 (Personnel Matters), § 551.076 (Deliberations about Security Devices), § 551.086 (Public Utility Competitive Matters), § 551.087 (Economic Development), and § 551.089 (Department of Information Resources).

Members of the public may listen to the meetings as it is being held by dialing one of the numbers listed below (same access code above). Because of technology limitations, only a limited number of callers will be allowed to call in, however, a recording of the meeting will be made available to the public on SRWA's website at www.srwadesal.com after the meeting.

Dial by your location: **1-408-418-9388 (US Toll)**	
1-617-315-0704 (Boston)	1-312-535-8110 (Chicago)
1-469-210-7159 (Dallas)	1-720-650-7664 (Denver)
1-904-900-2303 (Jacksonville)	1-213-306-3065 (Los Angeles)
1-646-992-2010 (New York City)	1-602-666-0783 (Phoenix)
1-206-207-1700 (Seattle)	1-202-860-2110 (Washington, DC)

Meeting Date
September 14, 2026

Posting Language
1 - Consideration and Possible Action on Approval of the Southmost Regional Water Authority, August 10, 2026, Regular Board Meeting, August 28, 2026 Special Board Meeting, September 3, 2026, Special Board Meeting Minutes.

Open/Closed Session
OPEN MEETING

Action
Approval of Minutes

Executive Sponsor
Lead Department:

Assigned Staff (Presenter):

Summary
The minutes serve as the official record of the Southmost Regional Water Authority (SRWA) Board Meeting.

Strategic Initiatives

Referring Committee

Name of Committees	N/A
Date of Meeting	
Recommendation(s)	
Vote(s)	

Fiscal Impact

Budgeted Bid Award Reallocation No Fiscal Impact

Source of Funding: ____________________

Recommended Motion

SRWA recommends approval. Upon approval, the SRWA Board Meeting minutes will be executed and filed as a permanent record.

Southmost Regional Water Authority
Brownsville, Texas

Minutes of
Regular Board Meeting
August 10, 2026
12:00 P.M.

Place:	BPUB Board Room (Annex Building)
Present:	Directors & Officers: Dr. Joseph L. Hollmann, PhD, SRWA President, BPUB Andrew Gonzales, SRWA Vice-President, City of Los Fresnos Pat Pace, Jr., SRWA Secretary, VMUD #2 Sergio Lopez, SRWA Treasurer, BND
Virtual:	No board members participated virtually in the meeting.
Not Present:	James A. Chambers, SRWA Board Member, Town of Indian Lake
Others Present:	Marilyn D. Gilbert, BPUB General Manager & CEO/SRWA Deputy Secretary/Treasurer Justin M. Locke, Chief Financial Officer Constanza Miner, Chief Administrative Officer Paul Gonzalez, General Counsel & Chief Legal Officer Allison A. Bastian-Rodriguez, Associate General Counsel David Medrano, Director of Finance Alberto Gomez, Director of W & WW Treatment & Env. Svcs. George Rangel, Director of Customer Services Cory W. Carswell, Director of Power Supply & Market Operations David Ramirez, Acting Director of W & WW Operations Jorge Santillan, Finance Manager Guadalupe Granado III, Treasury & Accounting Manager Jose A. Garza, Water Treatment Manager Joe G. Garza, Division Manager for W & WW Operations & Maintenance Hector Herrera, W/WW Plant Maintenance/Lift Station Manager Norma L. Torres, Lead Internal Auditor Angela Campirano, Senior Budget Analyst Jacob C. Galvan, W/WW Operator Chief Michael Esquibel, W/WW Lead Plant Operator

Daniela Maldonado, Audio-Video & Wireless Comms Spec
Carlos Mata, Computer Tech Support Spec
Ernie Estrada, Computer Tech Support Spec
Jaime Flores, Water Resources Administrator
Melissa Rivera, Senior Administrative Assistant
Jose Jaime Navarro, Senior Administrative Assistant
Rosie Buitron, Executive Assistant
Yolanda Galarza, Executive Assistant
Norma L. Sanchez, Acting Lead Executive Assistant
Judith Moreno, Acting Sr. Executive Assistant

Dr. Joseph L. Hollmann called the meeting to order at 12:02 p.m.

Pat Pace, Jr., arrived at 12:05pm.

A quorum was confirmed.

Board Member James A. Chambers, Town of Indian Lake, notified the SRWA Board of Directors via email that he would be unable to attend the meeting due to business travel.

PUBLIC COMMENTS

Rosie Buitron, Executive Assistant, announced that no public comment forms were received.

1. Consideration and Possible Action on Approval of July 13, 2026, Southmost Regional Water Authority Board Meeting Minutes.

The Board considered approval of the SRWA Board meeting minutes. A motion to approve July 13, 2026, SRWA Board meeting minutes, as presented, was made by Sergio Lopez, seconded by Dr. Joseph L. Hollmann, and carried unanimously by the Board.

Marilyn D. Gilbert introduced Mr. Justin M. Locke, Chief Financial Officer for BPUB, to the Board of Directors. She noted that Mr. Locke has a long tenure with BPUB Utilities, having previously been employed by BPUB from 1998 to 2004 in various roles.

Ms. Gilbert also noted that the meeting was being held at the BPUB Annex Building, which has recently received improvements, including upgraded equipment and audio capabilities. She commented that the audio quality was significantly better than at previous meetings.

2. General Manager's Report

Operational, Chemical Optimization and Financial Report — Jacob Galvan and Jorge Santillan

Operational Report – Jacob C. Galvan, Chief Water/Wastewater Operator, presented the Production/Distribution Report for June 30, 2026, and reviewed the Southmost Regional Water Authority (SRWA) Fiscal Year 2025 Water Distribution Summary and True-Up Estimate. Key points included:

- Year-to-date water distribution flows to each participating entity.
- Current water plant operations and performance indicators.

SRWA recording stopped at 0:03:18. Recording came back on at 0:04:58.

Dr. Joseph L. Hollmann inquired about the product referenced on Slide 12. Jacob C. Galvan explained that the product is applied prior to the ground storage tank. A sample was collected six hours after the adjustment, whereas samples are normally collected after four hours. Dr. Hollmann suggested trying a couple of different approaches this time, including a full-scale turnover method, to determine whether there is any difference in the results.

Mr. Galvan presented additional slides under the Action Items section. Dr. Hollmann inquired about the cause of two blown fuses. Mr. Galvan explained that one was caused by a lightning strike during a weather storm, while the second was related to issues at an AEP substation.

Pat Pace, Jr., inquired about the water production graph on Slide 16, specifically why SRWA's production in April was significantly lower than the production around July of the previous year. Mr. Galvan explained that SRWA was blending less during the period in question and had been producing more the previous year. He further explained that the reduced blending was part of an effort to reduce manganese levels, and that eliminating blending helped correct the manganese levels within the distribution system.

Financial Report – Jorge Santillan, Finance Manager, presented the Financial Performance Report for the month ending June 30, 2026.

Dr. Joseph L. Hollmann inquired about Account 7650 – Security Services, specifically the year-to-date actuals. Mr. Santillan advised that staff should follow up with the Security Department, as some expenses may have been miscoded.

Pat Pace, Jr., also inquired about Account 7295 – Chemicals, Membrane Cleaner, noting that it may fall under a similar situation. Dr. Hollmann noted that he is aware SRWA is using membrane cleaners.

Sergio Lopez inquired about Account 7805 and noted that funds were not spent, although they had been included in the budget. He asked whether the unspent funds could be carried over into the following year's budget. Mr. Santillan advised that a new budget should be prepared and presented for the next fiscal year.

No action taken.

Southmost Regional Water Authority Quarterly Investment Report for quarter ended June 30, 2026, Pursuant to Chapter 2256.023 of the Public Funds Investment Act— Guadalupe Granado

Guadalupe Granado presented the Southmost Regional Water Authority Quarterly Investment Report for the quarter ended June 30, 2026, pursuant to Chapter 2256.023 of the Public Funds Investment Act (PFIA).

In accordance with Chapter 2256.023 of the PFIA, Brownsville Public Utilities Board staff prepared the investment report for the quarter ending June 30, 2026. Section 2256.023(a) of the PFIA requires the investment officer to prepare and submit to the governing body, at least quarterly, a written report of investment transactions for all funds covered by the Act for the preceding reporting period.

Mr. Granado reported that all investment transactions during the quarter were made in full compliance with the PFIA and the approved Investment Policy and Strategy.
Dr. Joseph L. Hollmann inquired why SRWA does not place additional funds into bank deposits, noting that the yield-to-maturity column appeared relatively high. Mr. Granado advised that SRWA is currently transitioning its investments. He explained that the initial credit letter was somewhat low for the month of June and that there was a timing conflict that resulted in a delay of several days. He stated that the appropriate balance should be reflected in the next meeting's report.

Marilyn D. Gilbert informed the SRWA Board of Directors regarding an adjustment to the previously reported figures that will be reflected in next month's meeting. She explained that a document had been prepared requesting an increase from $4.5 million to a total of $5 million. However, the current report reflects the month ending June 30, 2026, and the document was not signed until July 17, 2026.

Ms. Gilbert further explained that, in the absence of the Chief Financial Officer, she had been temporarily handling certain responsibilities. Moving forward, Mr. Justin M. Locke, Chief Financial Officer, will assume responsibility for this task.

No action required.

Drought Update— Jaime Flores

Jaime Flores, Water Resources Administrator, presented a drought status update covering current reservoir conditions, the seasonal weather outlook, and anticipated trends affecting the Lower Rio Grande Valley and Deep South Texas. Highlights of the presentation included the following:

- A hotter than normal outlook is anticipated through the July-September 2026 period.
- Additionally, a drier than normal patter across the region during the July-September timeframe!
- While mainly dry conditions are expected to prevail July through August, a wetter (non-tropical showers and thunderstorms) pattern could emerge mid to late September into October, given the moderate to strong El Nino in place.
- Falcon International Reservoir received a slight boost in late June but remained very low. Falcon International Reservoir remained near historic seasonal lows at the end of May. Confidence remains near-certain (~100%) on total reservoir storage remaining just above record lows through September.
- Despite a drier than normal pattern favored, occasional sea breeze convection is possible during the July-September period.

No action taken.

3. Consideration and Possible Action on the Fiscal Year 2027 Operations and Maintenance and Capital Budgets — Jorge Santillan

Jorge Santillan presented the proposed Fiscal Year 2027 Operations and Maintenance (O&M) and Capital Budgets for the Southmost Regional Water Authority (SRWA).

The proposed Fiscal Year 2027 O&M budget totals $5,622,744, which is $126,760, or 2.3%, above the approved Fiscal Year 2026 budget.

The Fiscal Year 2027 debt service requirements total $2,275,075, representing a decrease of $7,490 from the prior year.

The proposed Fiscal Year 2027 capital budget totals $3,614,111. The capital budget will be funded through $1,191,650 in grant revenue and $349,999 in participant assessments and prior-year cash.

After applying $360,000 in interest earnings on investments for Fiscal Year 2027, the O&M, debt service, and proposed capital budget result in a total proposed SRWA Fiscal Year 2027 budget of $7,887,818.

Pat Pace, Jr. requested clarification regarding the generator expenses included in the proposed budget. He noted that, in June, the Board had approved the renewal of a rental generator for the plant and questioned whether the renewal was included in the current budget, given that an additional emergency generator was also being budgeted.

Jorge Santillan requested that SRWA staff provide clarification. Jose A. Garza, Water Treatment Manager, addressed the Board and confirmed that the previously approved generator rental was for the Microfiltration system. He explained that the generator included in the proposed Fiscal Year 2027 budget would be used for the Reverse Osmosis system and high-service pumps and would have a capacity of 1,000 kW.

Dr. Joseph L. Hollmann questioned whether purchasing the generators would be more cost-effective than continuing to rent them. He requested that staff obtain cost estimates for the generators for comparison.

Jose A. Garza advised that he would request the electrical engineers to evaluate both options and provide a recommendation regarding whether purchasing or renting would be more beneficial. He also requested a list of all backup generators, including the load or capacity requirements associated with each generator, if available.

Sergio Lopez provided his recommendation based on previous evaluations of generator purchases. He noted that prior studies indicated that renting generators was more cost-effective, as purchased generators would require ongoing maintenance. He stated that, over the long term, purchasing the generators could result in higher costs for SRWA.

Marilyn D. Gilbert noted that SRWA has a comprehensive plan addressing backup generators throughout its system, including the treatment plants, wells, and distribution system. She advised that staff would bring a future agenda item before the Board outlining the grants received, funds awarded, load requirements, and the overall strategy for the generator program.

Staff recommended approval of the Fiscal Year 2027 Operations and Maintenance and Capital Budgets

Motion by Sergio Lopez, seconded by Pat Pace, Jr., and carried unanimously, the Board approved the Fiscal Year 2027 Operations and Maintenance and Capital Budgets.

4. Discussion on Date, Time of Next Board Meeting – Dr. Joseph L. Hollman

The next regular Board Meeting is scheduled for September 14, 2026, at 12:00 p.m. in the BPUB Annex Board Room.

5. Discussion and/or Requests for Future Agenda Items –

There were no future agenda item requests from the SRWA Board or Staff.
No action was taken.

ADJOURNMENT

There being no further business to come before the SRWA Board, upon duly motion the meeting adjourned at 12:43 p.m.

Approved: ______________________________ Date: ________________
Dr. Joseph L. Hollmann, PhD
Southmost Regional Water Authority
President

Recording
Secretary: ______________________________ Date: ________________
Melissa Rivera
Senior Administrative Assistant

Southmost Regional Water Authority
Brownsville, Texas

Minutes of
Special Board Meeting
August 28, 2026
09:00 A.M.

Place:	BPUB Administration Building (Nexus Board Room)
Present:	Directors & Officers: Joseph L. Hollmann, PhD., Southmost Regional Water Authority President, BPUB Pat Pace, Jr., SRWA Secretary, Valley Municipal Utility District #2 Sergio Lopez, SRWA Treasurer, Brownsville Navigation District James A. Chambers, SRWA Board Member, Town of Indian Lake Andrew Gonzales, SRWA Vice-President, City of Los Fresnos
Virtual:	No Board Members attended virtually.
Not Present:	All Board Members were in attendance.
Others Present:	Marilyn D. Gilbert, BPUB General Manager & CEO/SRWA Deputy Secretary/Treasurer Constanza Miner, Chief Administrative Officer Justin M. Locke, Chief Financial Officer Paul Gonzalez, General Counsel & Chief Legal Officer Allison A. Bastian-Rodriguez, Associate General Counsel David Medrano, Director of Finance Rene Mariscal, Acting Division Manager for Operations Jose A. Garza, Water Treatment Manager Daniela Maldonado, Audio-Video & Wireless Comms Spec Carlos Mata, Computer Tech Support Spec Ernie Estrada, Computer Tech Support Spec Melissa Rivera, Senior Administrative Assistant Rosie Buitron, Executive Assistant Yolanda Galarza, Executive Assistant Judith Moreno, Acting Sr. Executive Assistant Norma L. Sanchez, Acting Lead Executive Assistant

Dr. Joseph Hollmann called the meeting to order at 09:01 A.M.

A quorum was confirmed.

PUBLIC COMMENTS

Rosie Buitron, Executive Assistant, announced that no public comment forms were received.

RECESS TO CLOSED MEETING

1. **Meeting with the Board Legal Counsel for Advice about Contemplated and Pending Court and Administrative Litigation and on Matters in which the Duty of the Attorney under the Texas Disciplinary Rules of Professional Conduct Conflicts with Chapter 551 (Sec. 551.071) (Paul Gonzalez), including but not limited to any Item Moved to Closed Session and the following:**

    a. Consideration of a Proposal for an Agreement Regarding Expansion of the Southmost Regional Water Authority Water Production Facilities – Paul Gonzalez

A motion was made by Sergio Lopez, seconded by Pat Pace, Jr., and carried unanimously to convene into Closed Session at 09:02 A.M., as authorized under Section 551.071 and Section 551.072 of the Texas Government Code. The purpose of the session was to discuss the agreement regarding expansion of the SRWA Production Facilities.

The item listed for discussion in Closed Session was addressed, and a certified agenda was maintained in accordance with statutory requirements.

Upon conclusion of the Closed Session, Dr. Joseph Hollmann reconvened the Special Board Meeting at 10:22 A.M.

RECONVENED OPEN MEETING

Paul Gonzalez, General Counsel & Chief Legal Officer, confirmed that a quorum was reestablished.

Consideration and Action on Closed Meeting Items

1. **Consideration and Possible Action on Items Discussed in Closed Meeting –**

    No action taken.

2. **Discussion and/or Requests for Future Agenda Items –**

    There were no future agenda item requests from the Southmost Regional Water Authority Board or Staff.
    No action was taken.

ADJOURNMENT

There being no further business to come before the Southmost Regional Water Authority Board, upon duly motion the meeting adjourned at 10:24 A.M.

Approved: ______________________________ Date: ________________

Joseph L. Hollmann, PhD.
Southmost Regional Water Authority
President

Recording
Secretary: ______________________________ Date: ________________

Melissa Rivera
Senior Administrative Assistant

Southmost Regional Water Authority
Brownsville, Texas

Minutes of
Special Board Meeting
September 3, 2026
5:00 P.M.

Place:	BPUB Annex Building (Board Room)
Present:	Directors & Officers: Joseph L. Hollmann, PhD., Southmost Regional Water Authority President, BPUB Andrew Gonzales, SRWA Vice-President, City of Los Fresnos Pat Pace, Jr., SRWA Secretary, Valley Municipal Utility District #2 Sergio Lopez, SRWA Treasurer, Brownsville Navigation District James A. Chambers, SRWA Board Member, Town of Indian Lake
Virtual:	No Board Members attended virtually.
Not Present:	All Board Members were in attendance.
Others Present:	Marilyn D. Gilbert, BPUB General Manager & CEO/SRWA Deputy Secretary/Treasurer Constanza Miner, Chief Administrative Officer Justin M. Locke, Chief Financial Officer Paul Gonzalez, General Counsel & Chief Legal Officer Allison A. Bastian-Rodriguez, Associate General Counsel David Ramirez, Acting Dir of W/WW Ops & Engineering Albert Gomez, Jr., P.E., R.E.M., Acting Dir of W/WW Treatment & Env. Svcs. Jacob C. Galvan, W/WW Operator Chief Daniela Maldonado, Audio-Video & Wireless Comms Spec Carlos Mata, Computer Tech Support Spec Jose Luis, Lopez, Jr., It Hardware Support Mgr Melissa Rivera, Senior Administrative Assistant JJ Navarro, Senior Administrative Assistant Rosie Buitron, Executive Assistant Norma L. Sanchez, Acting Lead Executive Assistant

Dr. Joseph Hollmann called the meeting to order at 05:00 P.M.

A quorum was confirmed.

PUBLIC COMMENTS

Rosie Buitron, Executive Assistant, announced that no public comment forms were received.

RECESS TO CLOSED MEETING

1. Meeting with the Board Legal Counsel for Advice about Contemplated and Pending Court and Administrative Litigation and on Matters in which the Duty of the Attorney under the Texas Disciplinary Rules of Professional Conduct Conflicts with Chapter 551 (Sec. 551.071) (Paul Gonzalez), including but not limited to any Item Moved to Closed Session and the following:

a. Consideration of a Proposal for an Agreement Regarding Expansion of the Southmost Regional Water Authority Water Production Facilities – Paul Gonzalez

A motion was made by Sergio Lopez, seconded by James A. Chambers and carried unanimously to convene into Closed Session at 05:01 P.M., as authorized under Section 551.071 and Section 551.072 of the Texas Government Code. The purpose of the session was to discuss the agreement regarding expansion of the SRWA Production Facilities.

The item listed for discussion in Closed Session was addressed, and a certified agenda was maintained in accordance with statutory requirements.

Upon conclusion of the Closed Session, Dr. Joseph Hollmann reconvened the Special Board Meeting at 6:42 P.M.

RECONVENED OPEN MEETING

Paul Gonzalez, General Counsel & Chief Legal Officer, confirmed that a quorum was reestablished.

Consideration and Action on Closed Meeting Items

1. Consideration and Possible Action on Items Discussed in Closed Meeting –

No action taken.

2. Discussion and/or Requests for Future Agenda Items –

There were no future agenda item requests from the Southmost Regional Water Authority Board or Staff.

No action was taken.

ADJOURNMENT

There being no further business to come before the Southmost Regional Water Authority Board, upon duly motion the meeting adjourned at 6:43 P.M.

Approved: ______________________________ Date: ________________

Joseph L. Hollmann, PhD.
Southmost Regional Water Authority
President

Recording
Secretary: ______________________________ Date: ________________

Melissa Rivera
Senior Administrative Assistant

Meeting Date
September 14, 2026

Posting Language
2.a - Operational, Chemical Optimization and Financial Report

Open/Closed Session
OPEN MEETING

Action
Presentation

Executive Sponsor
Lead Department: 5115-Financial Services

Assigned Staff (Presenter): Jacob Galvan, Jorge Santillan

Summary
Operational, Chemical Optimization and Finance Report

Strategic Initiatives

Referring Committee
Name of Committees ______
Date of Meeting ______
Recommendation(s) ______
Vote(s) ______

Fiscal Impact
Budgeted   Bid Award   Reallocation   No Fiscal Impact

Source of Funding: ______

Recommended Motion
No action required.

SRWA
Southmost Regional Water Authority

Operational, Chemical Optimization and Financial Report

S R W A B O A R D M E E T I N G | September 14, 2026

Jacob Galvan
W/WW Operator Chief
Water Plant I

Jorge Santillan
Finance Manager
Finance Division

Production

&

Distribution

Report

For the Month Ended

July 31, 2026

Jacob C. Galvan

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
SRWA 2025-2026 FY Water Distribution Summary and True-Up Estimate										
		SRWA Total Distribution			**BPUB[1]**	**Valley MUD#2**	**Los Fresnos[2]**	**BND[1]**	**Indian Lake[2]**	**Total**
Allocation	**Percent (%)**	**Million Gals**	**Dist. Per sum of**		**92.91%**	**2.51%**	**2.28%**	**2.10%**	**0.20%**	**100.00%**
			column f-j	**Difference**	**Million Gals**	**Million Gals**	**Million Gals**			
	Oct-25	215.868	215.868	0.000	203.694	5.503	1.706	4.533	0.432	215.868
	Nov-25	214.472	214.472	0.000	202.702	5.278	1.559	4.504	0.429	214.472
	Dec-25	207.468	207.468	0.000	195.585	5.453	1.658	4.357	0.415	207.468
	Jan-26	216.848	216.848	0.000	196.888	5.954	9.018	4.554	0.434	216.848
	Feb-26	195.724	195.724	0.000	181.446	5.388	4.389	4.110	0.391	195.724
	Mar-26	220.139	220.139	0.000	205.617	4.236	5.223	4.623	0.440	220.139
	Apr-26	196.088	196.088	0.000	181.243	4.659	5.676	4.118	0.392	196.088
	May-26	197.988	197.988	0.000	182.114	6.140	5.180	4.158	0.396	197.988
	Jun-26	190.963	190.963	0.000	178.716	3.524	4.331	4.010	0.382	190.963
	Jul-26	199.341	199.341	0.000	184.193	4.087	6.476	4.186	0.399	199.341
	Aug-26		0.000	0.000						-
	Sep-26		0.000	0.000						-
Actual Distribution	**YTD MG**	**2,054.899**	**2,054.899**	**0.000**	**1,912.198**	**50.222**	**45.216**	**43.153**	**4.110**	**2,054.899**
	Daily Average (MGD)	**6.760**			**6.290**	**0.165**	**0.149**	**0.142**	**0.014**	**6.760**

True up Estimate: This is not a bill.

	[F]	[G]	[H]	[I]	[J]	[K]
Allocable Distribution Based on % Participation	1,909.207	51.578	46.852	43.153	4.110	2,054.899
Consolidation of Distribution per Agreements	1,952.360	51.578	50.961	-	-	2,054.899
Over (Under) Distributed	2.99	(1.36)	(1.64)	-	-	0.000
FY2026 Estimated O&M Cost Per Thousand Gallons	$ 1.96	$ 1.96	$ 1.96			
Total Cost of Over (Under) Distributed	**$ 5,863.26**	**$ (2,657.69)**	**$ (3,205.57)**	**$ -**	**$ -**	**$ -**

[1] BPUB is providing credit to the BND for their SRWA share on their monthly BPUB water bill.

[2] As of Jan 1, 2009, City of Los Fresnos is purchasing Indian Lake's water allocation (as per Interlocal Agreement dated 10/14/2008)

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SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: July-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD)			TOTAL WATER DISTRIBUTED
				TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	
1	6.224	0.311	6.535	6.451	0.141	0.067	6.659
2	6.191	0.310	6.501	6.229	0.335	0.076	6.640
3	6.182	0.309	6.491	6.209	0.160	0.076	6.445
4	6.199	0.311	6.510	5.911	0.152	0.067	6.130
5	5.989	0.310	6.299	6.379	0.151	0.068	6.598
6	6.304	0.310	6.614	5.881	0.130	0.058	6.069
7	6.317	0.311	6.628	6.667	0.134	0.198	6.999
8	6.290	0.312	6.602	6.700	0.244	0.064	7.008
9	5.947	0.306	6.253	5.306	0.397	0.092	5.795
10	6.199	0.311	6.510	5.878	0.031	0.105	6.014
11	6.206	0.310	6.516	6.290	0.125	0.081	6.496
12	6.142	0.310	6.452	6.396	0.141	0.087	6.624
13	6.001	0.307	6.308	6.259	0.142	0.081	6.482
14	6.287	0.310	6.597	5.415	0.183	0.086	5.684
15	6.196	0.310	6.506	6.877	0.179	0.069	7.125
16	5.796	0.282	6.078	6.135	0.203	0.063	6.401
17	6.252	0.313	6.565	6.007	0.296	0.058	6.361
18	6.179	0.310	6.489	5.534	0.141	0.062	5.737
19	6.195	0.310	6.505	6.399	0.180	0.237	6.816
20	6.211	0.298	6.509	7.984	0.166	0.458	8.608
21	6.783	0.057	6.840	6.337	0.167	0.160	6.664
22	6.521	0.184	6.705	5.369	0.291	0.166	5.826
23	6.201	0.298	6.499	5.242	0.437	0.144	5.823
24	6.214	0.311	6.525	6.384	0.277	0.200	6.861
25	6.083	0.309	6.392	5.228	0.159	0.176	5.563
26	6.223	0.311	6.534	5.669	0.471	0.264	6.405
27	5.860	0.291	6.151	6.964	0.194	0.150	7.308
28	5.551	0.276	5.827	5.293	0.235	0.179	5.708
29	6.210	0.310	6.520	5.997	0.367	0.185	6.549
30	5.485	0.259	5.744	5.095	0.316	0.171	5.582
31	6.301	0.125	6.426	5.894	0.330	0.137	6.361
TOTALS	**190.743**	**8.892**	**199.635**	**188.379**	**6.875**	**4.087**	**199.341**
AVERAGE	**6.153**	**0.287**	**6.440**	**6.077**	**0.222**	**0.132**	**6.430**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.34	$10,400.00	$3,536.00
Calcium Chloride	lbs.	297,827.47	$0.2200	$65,522.04
Caustic Soda	lbs.	17,950.89	$0.1980	$3,554.28
Liquid Ammonium Sulfate	lbs.	20,117.66	$0.1425	$2,866.77
Chlorine	Ton Containers	5.71	$2,397.00	$13,686.87
Ferric Chloride	lbs.	6,018.26	$0.2800	$1,685.11
Sodium Bisulfite	lbs.	7,948.37	$0.2125	$1,689.03
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	3,938.02	$0.727	$2,862.94
Chemical cost per thousand gals:	*$0.491*			**$97,998.36**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		492,000	$0.07623	$37,505.16
MF Processing Plant		133,800	$0.0871	$11,647.29
RO Processing Plant		395,100	$0.0817	$32,291.92
High Service Pumps		138,400	$0.0973	$13,472.55
Power costs per thousand gals:	*$0.475*			**$94,916.92**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: July-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	6.535		
2	6.501		
3	6.491		
4	6.510		
5	6.299		
6	6.614		
7	6.628		
8	6.602		
9	6.253		
10	6.510		
11	6.516		
12	6.452		
13	6.308		
14	6.597		
15	6.506		
16	6.078		
17	6.565		
18	6.489		
19	6.505		
20	6.509		
21	6.840		
22	6.705		
23	6.499		
24	6.525		
25	6.392		
26	6.534		
27	6.151		
28	5.827	Testing of back-up power generator with 4 ROs (Reduced Flow)	1
29	6.520		
30	5.744	Plant maintenance replaced a 12" isolation valve at the microfiltration building	3
31	6.426		
TOTALS	**199.635**		4
AVERAGE	**6.440**		

IRON/MANGANESE/ARSENIC REMOVAL

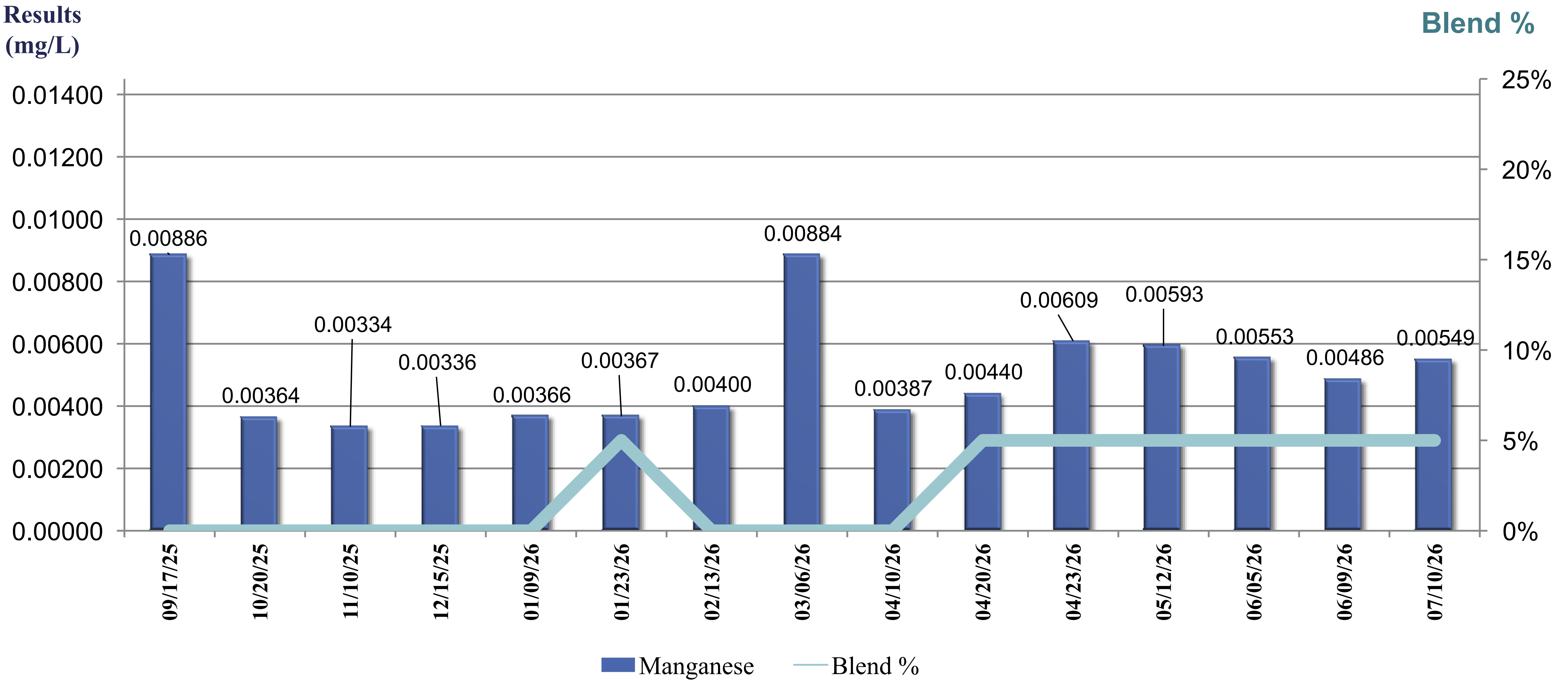
	RAW				FILTRATE				Point of Entry (Tap/ Finished Water)					Treated Water	DOSAGES		
	IRON (mg/L)	MANGANESE (mg/L)	ARSENIC (mg/L)	pH	IRON (mg/L)	MANGANESE (mg/L)	ARSENIC (mg/L)	pH	IRON (mg/L)	MANGANESE (mg/L)	ARSENIC (mg/L)	pH	Total Dissolved Solids (mg/L)	Blend % (SCADA SET POINT)	CL02 (mg/L)	S.B.S. (mg/L)	Ferric (mg/L)
1/9/2026	0.464	0.0971	0.0187	X	<0.00379	0.0967	0.0060	X	<0.00379	0.00366	<0.000902	X	480	0%	0.3	1.50	1.00
1/23/2026	0.479	0.079	0.0206	7.36	<0.00379	0.0821	0.00570	7.33	<0.00379	0.00367	<0.000902	8.43	416	5%	0.3	1.50	1.00
2/13/2026	0.478	0.101	0.027	7.28	<0.00524	0.1040	0.0126	7.30	<0.00524	0.00400	0.003500	8.40	740	0%	0.3	1.50	1.00
3/6/2026	0.533	0.0902	0.0225	7.33	<0.00379	0.0896	0.0059	7.27	<0.00379	0.00884	<0.000902	8.47	620	0%	0.3	1.50	1.00
4/10/2026	0.506	0.0946	0.0238	7.20	<0.00379	0.0828	0.0068	7.29	<0.00379	0.00387	0.001040	8.41	520	0%	0.3	1.50	1.00
4/20/2026	0.646	0.0753	0.0233	7.31	<0.00524	0.0844	0.0061	7.27	<0.00524	0.00440	0.001540	8.42	480	5%	0.3	1.50	1.00
4/23/2026	0.546	0.0862	0.0214	7.32	<0.00524	0.0879	0.0061	7.23	<0.00524	0.00609	<0.000902	8.60	380	5%	0.6	1.50	1.00
5/12/2026	0.520	0.0937	0.0202	7.37	<0.00379	0.1010	0.0010	7.26	<0.00379	0.00593	<0.000902	8.48	530	5%	0.3	1.50	2.00
6/5/2026	0.500	0.0919	0.0211	7.28	<0.00379	0.0916	0.0061	7.31	<0.00379	0.00553	<0.000902	8.48	510	5%	0.3	1.50	1.00
6/9/2026	0.481	0.0923	0.0207	7.34	<0.00379	0.0933	0.0064	7.32	(PRODUCT) <0.00379	(PRODUCT) 0.00486	(PRODUCT) <0.000902	8.50	N/A	5%	0.2	1.50	1.00
7/10/2026	0.486	0.0846	0.0214	7.24	0.00596	0.0932	0.00585	7.2	0.00408	0.00549	<0.000902	8.47	510	5%	0.3	1.50	1.00

RO and WELL PUMP STATUS

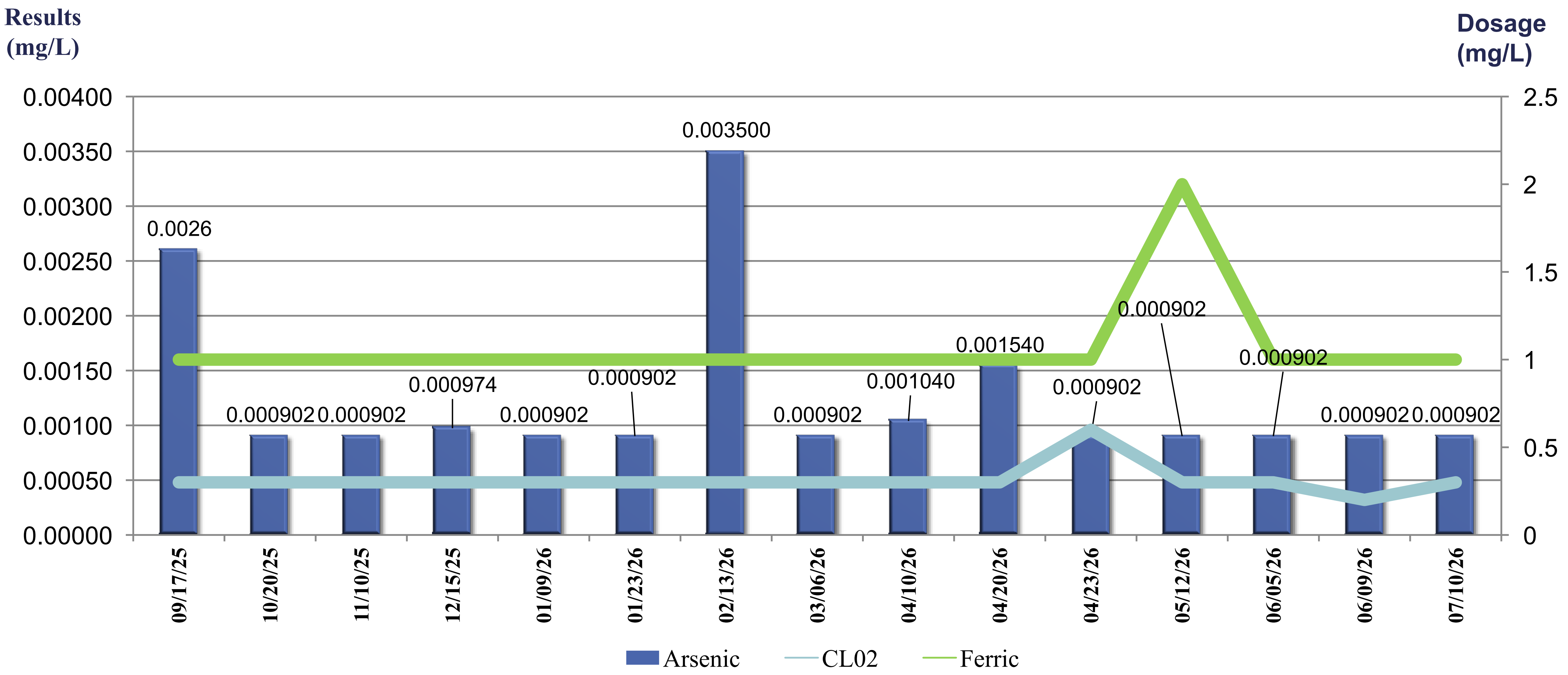
Well #	9/17/2025	10/20/2025	11/10/2025	12/15/2025	1/9/2026	1/23/2026	2/13/2026	3/6/2026	4/10/2026	4/20/2026	4/23/2026	5/12/2026	6/5/2026	6/9/2026	7/10/2026
1 (C-2)	ON	ON	on	ON	ON	ON	ON	ON	ON	OFF	OFF	OFF	OFF	OFF	OFF
2 (S-5)	OFF	ON	on	ON	OFF	OFF	ON	ON	OFF	ON	ON	ON	ON	ON	ON
3 (M-2)	ON	ON	on	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
4 (S-3C)	ON	ON	on	OFF	ON	ON	ON	OFF	ON	ON	ON	ON	ON	ON	ON
5 (G-4)	ON	ON	on	ON	ON	OFF	ON	ON	ON	ON	ON	ON	ON	ON	ON
6 (M-4)	ON	ON	on	ON	ON	ON	OFF	ON	ON	ON	ON	ON	ON	ON	ON
7 (C-3)	ON	ON	on	ON	OFF	OFF	ON	ON	ON	ON	ON	ON	ON	ON	ON
8 (G-1)	ON	ON	on	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
9 (D-4B)	ON	ON	off	ON	ON	ON	OFF	OFF	ON	OFF	OFF	OFF	OFF	OFF	OFF
10 (R-3)	ON	ON	on	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
11 (SWA-7)	OFF	OFF	off	OFF	OFF	ON	ON	ON	ON	OFF	OFF	OFF	OFF	OFF	OFF
12 (S-3A)	ON	ON	on	OFF	OFF	ON	ON	OFF	ON	ON	ON	ON	ON	ON	ON
13 (G-5)	ON	ON	on	ON	ON	ON	OFF	ON	ON	ON	ON	ON	OFF	OFF	OFF
14 (G-2)	ON	ON	on	OFF	ON	OFF	ON	OFF	OFF	OFF	OFF	ON	ON	ON	ON
15 (M-3)	ON	OFF	on	OFF	ON	OFF	ON	ON	OFF	OFF	OFF	ON	OFF	OFF	OFF
16 (D-7)	OFF	OFF	on	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
17 (S-3B)	ON	ON	off	ON	ON	OFF	OFF	ON	ON	ON	ON	OFF	ON	ON	ON
18 (G-3)	ON	OFF	on	ON	ON	OFF	ON	ON	OFF	ON	ON	ON	ON	ON	ON
19 (M-1)	ON	ON	on	ON	ON	OFF	ON	ON	OFF	OFF	OFF	OFF	OFF	OFF	OFF
20 (D-6)	ON	ON	on	ON	ON	OFF	ON	OFF	ON	ON	ON	ON	ON	ON	ON
	ROs Online	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**	**ROs Online**
	B,C,D,E,F,G,H	A,B,C,D,F,G,H	A,B,C,D,F,G,H	A,B,C,D,F,G,H	A,B,D,E,F,G,H	A,B,E,G,H	A,B,C,D,F,G,H	B,C,D,E,F,G,H	A,B,C,D,E,F,G	A,B,D,E,G,H	A,B,C,F,G,H	A,B,C,F,G,H	A,B,C,E,F,G	A,B,C,D,F,G	B,C,D,F,G,H

Manganese

SRWA
Southmost Regional Water Authority

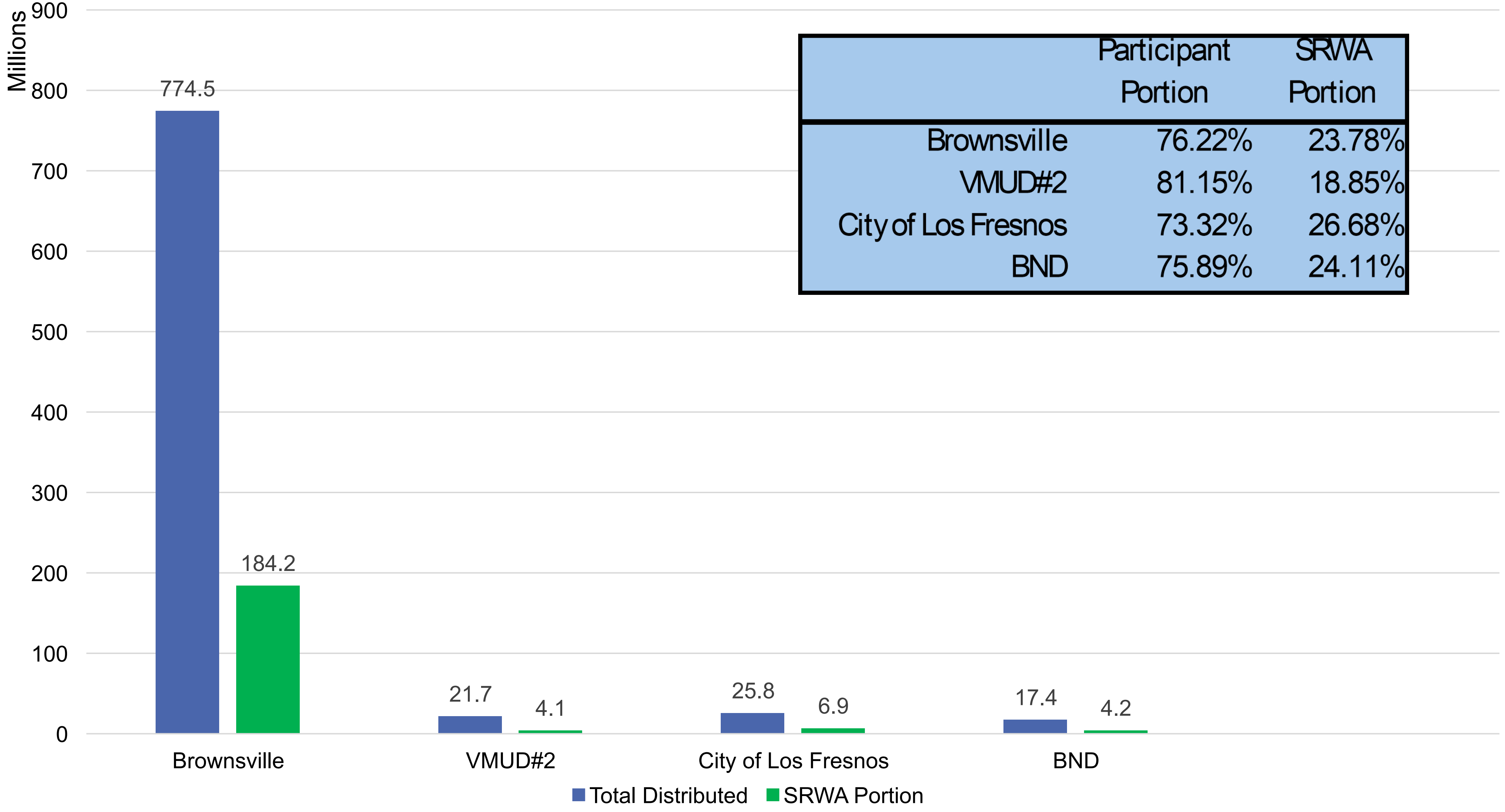


Arsenic



Results (mg/L)
Dosage (mg/L)
0.00400
0.00350
0.00300
0.00250
0.00200
0.00150
0.00100
0.00050
0.00000
2.5
2
1.5
1
0.5
0
0.0026
0.000902
0.000902
0.000974
0.000902
0.000902
0.003500
0.000902
0.001040
0.001540
0.000902
0.000902
0.000902
0.000902
0.000902
09/17/25
10/20/25
11/10/25
12/15/25
01/09/26
01/23/26
02/13/26
03/06/26
04/10/26
04/20/26
04/23/26
05/12/26
06/05/26
06/09/26
07/10/26
Arsenic
CL02
Ferric

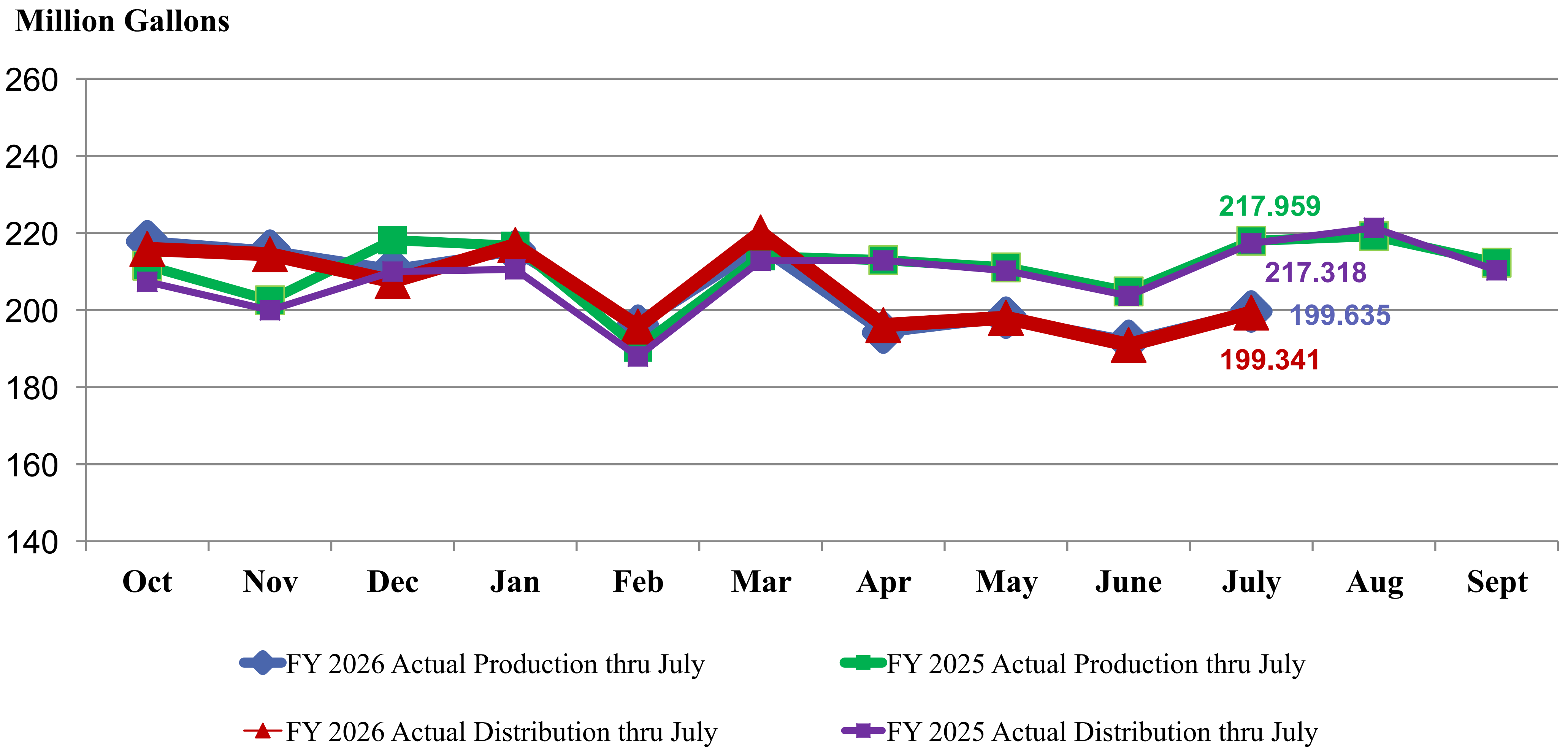
SRWA Water Contribution
July 31, 2026



	Participant Portion	SRWA Portion
Brownsville	76.22%	23.78%
VMUD#2	81.15%	18.85%
City of Los Fresnos	73.32%	26.68%
BND	75.89%	24.11%

Fiscal Year 2026 Southmost Regional Water Authority
Financial Performance as of July 31, 2026

Water Production & Distribution



Financial Performance

For the Month Ended July 31, 2026

Jorge Santillan

SRWA
Southmost Regional Water Authority

Operating Revenues / Expenses

		July 2026	FY 2026 YTD
1.	**Operating Revenues:**		
2.	Member assessments	$ 649,280	$ 6,492,803
3.	Total Operating Revenues	649,280	6,492,803
4.	**Operating Expenses:**		
5.	Personnel services	87,919	890,335
6.	Materials and supplies	132,045	1,562,990
7.	Repairs and maintenance	-	83,674
8.	Contractual and other services	184,432	1,594,100
9.	Depreciation expense	112,788	1,127,292
10.	Total Operating Expenses	517,184	5,258,391
11.	Operating Income (Loss)	132,096	1,234,412

Non-Operating Revenues / Expenses

		July 2026	FY 2026 YTD
12.	**Non-Operating Revenues (Expenses):**		
13.	Non-operating revenues (expenses)	(717)	(6,523)
14.	Interest from investments	49,679	472,409
15.	Amortized regulatory costs and bond premium	7,017	70,172
16.	Interest expense	(39,797)	(397,971)
17.	Gain (Loss) on Disposition of Property	-	-
18.	Net Non-Operating Revenues (Expenses)	16,182	138,087
19.	Income (Loss) before capital contributions	148,278	1,372,499
20.	Capital contributions	-	-
21.	Change in net position	148,278	1,372,499
22.	Net Position, beginning of year	28,112,956	26,888,735
23.	Net Position, end of period	$ 28,261,234	$ 28,261,234

SUMMARY BY TYPE

TYPE	ACCOUNT	Budget	YTD Actuals	Budget Balance	% of Budget Spent
61 Personnel Salaries & Wages	6160 Overhead Labor	$1,127,484	$890,335	$237,149	79.0%
	Total	**$1,127,484**	**$890,335**	**$237,149**	**79.0%**
71 Operating Office Expenses	7102 Sponsorships	$1,000	$0	$1,000	0.0%
	7105 Books & periodicals	$150	$0	$150	0.0%
	7110 Dues & memberships	$1,800	$2,304	($504)	128.0%
	7120 Office supplies	$1,200	$1,446	($246)	120.5%
	7130 Postage/shipping charges	$600	$238	$362	39.7%
	7135 Telephone expenses	$19,000	$13,637	$5,363	71.8%
	7140 Training expenses	$4,000	$3,495	$505	87.4%
	7145 Travel expenses	$3,000	$1,049	$1,951	35.0%
	7180 Utilities - departmental	$1,000,000	$980,380	$19,620	98.0%
	Total	**$1,030,750**	**$1,002,550**	**$28,200**	**97.3%**
72 Operating Materials & Supplies	7203 Sand, Caliche, Gravel,Concrete etc	$27,000	$0	$27,000	0.0%
	7225 Safety supplies	$2,500	$498	$2,002	19.9%
	7278 Chemicals - sodium chlorite	$120,000	$87,428	$32,572	72.9%
	7281 Chemicals - ammonia	$45,000	$30,706	$14,294	68.2%
	7282 Chemicals - caustic soda	$55,000	$46,011	$8,989	83.7%
	7283 Chemicals - chlorine	$177,000	$134,232	$42,768	75.8%
	7288 Chemicals - ferric chloride	$25,000	$25,932	($932)	103.7%
	7291 Chemicals-Microfiltration Cleaners	$60,000	$38,930	$21,070	64.9%
	7292 Chemicals - Sodium Bisulfite	$28,000	$20,239	$7,762	72.3%
	7293 Chemicals - other	$1,500	$0	$1,500	0.0%
	7294 Chemicals - calcium chloride	$876,000	$666,684	$209,316	76.1%
	7295 Chemicals - membrane cleaner	$66,000	$0	$66,000	0.0%
	7296 Chemicals - scale inhibitor	$55,000	$57,936	($2,936)	105.3%
	7297 Chemicals - cartridge filters	$42,000	$33,871	$8,129	80.6%
	7298 membranes	$382,800	$334,999	$47,801	87.5%
	7299 Other materials & supplies	$168,000	$85,523	$82,477	50.9%
	Total	**$2,130,800**	**$1,562,990**	**$567,810**	**73.4%**

SUMMARY BY TYPE

TYPE	ACCOUNT	Budget	YTD Actuals	Budget Balance	% of Budget Spent
73 Operating Miscellaneous General Exp	7310 Federal, state, & local fees	$1,000	$51	$949	5.1%
	7315 Food, meals, ice, water	$6,500	$7,678	($1,178)	118.1%
	7325 Rental of equip/storage/land	$151,000	$95,199	$55,801	63.0%
	7335 Wearing apparel & dry goods	$2,500	$0	$2,500	0.0%
	7380 Insurance - general liability	$1,950	$1,484	$466	76.1%
	7381 Insurance - boiler,mchnry,property	$220,000	$127,894	$92,106	58.1%
	7384 Insurance - public officials liab	$5,000	$1,762	$3,238	35.2%
	7385 Insurance - comprehensive auto liab	$2,500	$737	$1,763	29.5%
	Total	**$390,450**	**$234,805**	**$155,645**	**60.1%**
74 Operating Transportation Expense	7415 Fuels & lubricants	$4,000	$2,571	$1,429	64.3%
	Total	**$4,000**	**$2,571**	**$1,429**	**64.3%**
75 Operating Maint. of General Plant	7520 Maint. of minor equipment	$7,000	$0	$7,000	0.0%
	7581 Maintenance wells	$225,880	$83,674	$142,206	37.0%
	Total	**$232,880**	**$83,674**	**$149,206**	**35.9%**
76 Operating Consultants/Outside Svc	7601 Legal Fees	$6,000	$1,451	$4,549	24.2%
	7605 Engineering fees	$60,000	$0	$60,000	0.0%
	7615 External auditor fees	$10,000	$11,000	($1,000)	110.0%
	7645 Maintenance services	$25,120	$23,417	$1,703	93.2%
	7650 Security services	$5,000	$0	$5,000	0.0%
	7660 Ground Keeping Maintenance	$123,000	$105,970	$17,030	86.2%
	7699 Other services	$250,000	$162,144	$87,856	64.9%
	Total	**$479,120**	**$303,983**	**$175,137**	**63.4%**
78 Operating Purch/Minor Tools & Equip	7801 Communication equipment	$1,000	$0	$1,000	0.0%
	7805 Computer equipment	$2,500	$0	$2,500	0.0%
	7810 Laboratory equipment	$5,000	$0	$5,000	0.0%
	7820 Office furniture & equipment	$1,000	$874	$126	87.4%
	7830 Pumping equipment	$84,000	$47,926	$36,074	57.1%
	7835 Tools, shop and garage equipment	$1,000	$53	$947	5.3%
	7899 Other minor tools & equipment	$6,000	$1,337	$4,663	22.3%
	Total	**$100,500**	**$50,190**	**$50,310**	**49.9%**
Total		**$5,495,984**	**$4,131,099**	**$1,364,885**	**75.2%**

OPERATIONAL & FINANCIAL REPORT

SRWA
Southmost Regional Water Authority

For the Month Ended July 31, 2026

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SRWA
Southmost Regional Water Authority

August 12, 2026

Southmost Regional Water Authority

Dear Board Members:

Enclosed is the report on the financial and plant operations of the Southmost Regional Water Authority for the month ended July 31, 2026.

Sincerely,

Justin M. Locke
Chief Financial Officer

1255 FM 511. P.O. Box 3270
Brownsville. Texas 78523-3270
(956) 350-8819 fax (956) 350-8973

I.
Financial Statements

SRWA
Southmost Regional Water Authority

Statements of Net Position
July 31, 2026 and September 30, 2025

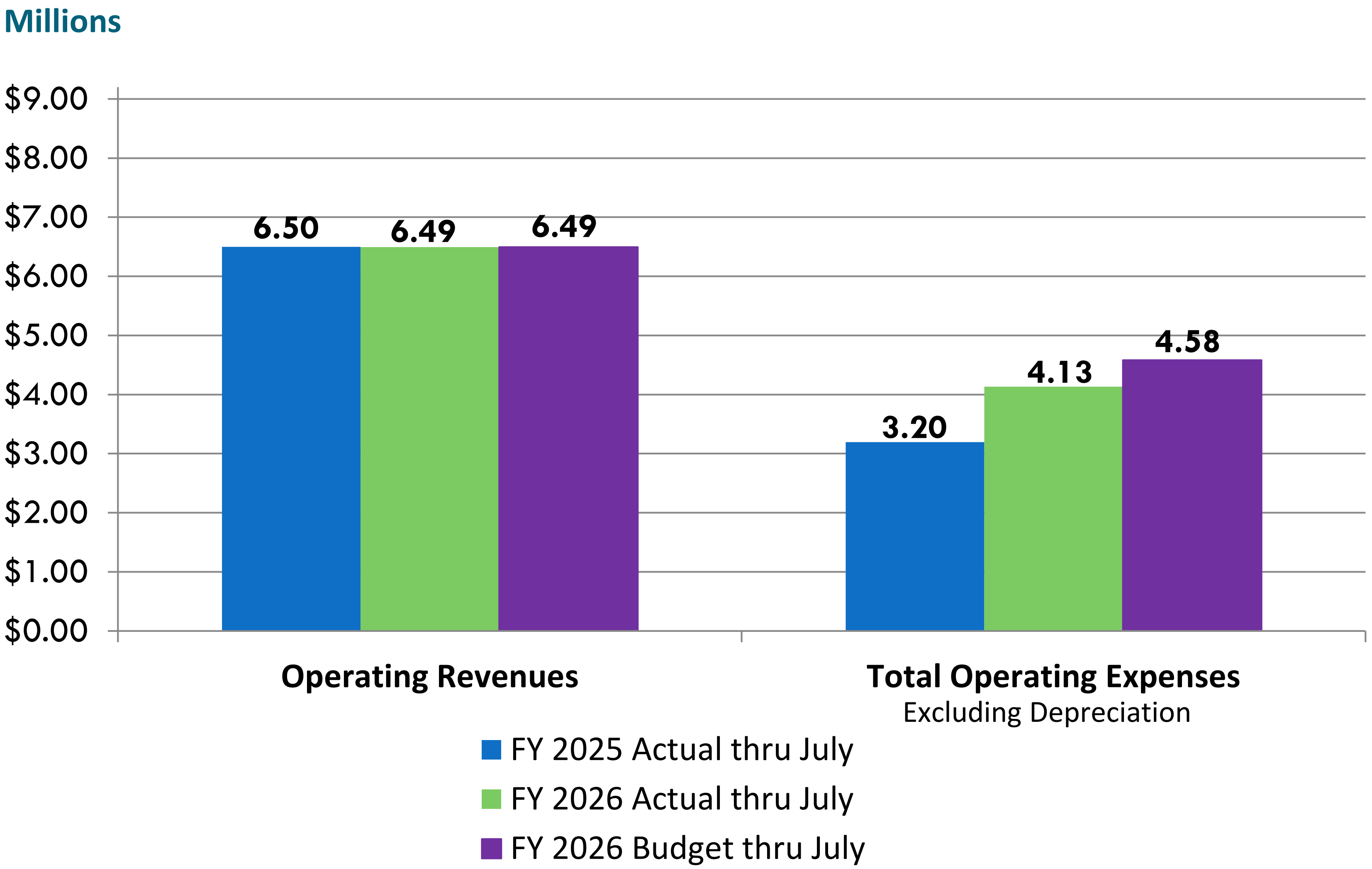
	July 2026	Audited September 2025
ASSETS		
Current Assets:		
Cash - unrestricted	$ 3,210,679	$ 10,000
Investments - unrestricted	7,351,255	10,224,112
Investments - restricted	2,043,876	360,688
Due from other governments	41,425	13,486
Interest receivable	88,160	80,359
Prepaid expense	108,796	90,456
Total Current Assets	12,844,191	10,779,100
Non-Current Assets:		
Cash-restricted	38,893	-
Investments - restricted	2,841,519	2,822,216
Capital assets, net of accumulated depreciation	29,329,109	30,098,030
Unamortized regulatory assets	130,782	166,709
Total Non-Current Assets	32,340,303	33,086,955
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	254,045	323,978
Total Deferred Outflows of Resources	254,045	323,978
Total Assets plus Deferred Outflows of Resources	$ 45,438,539	$ 44,190,033
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 122,889	$ 364,801
Unearned revenues	324,977	190,214
Total Current Unrestricted Liabilities	447,866	555,015
Payable from restricted assets:		
Accrued interest	198,985	39,797
Bonds payable - current redemption	1,805,000	1,805,000
Total Current Restricted Libilities	2,003,985	1,844,797
Total Current Liabilities	2,451,851	2,399,812
Non-Current Liabilities:		
Bonds payable	14,410,000	14,410,000
Reoffering premium	447,484	642,840
Bond issue discount	(132,030)	(151,353)
Total Non-Current Liabilities	14,725,454	14,901,488
Total Liabilities	17,177,305	17,301,299
Net Position:		
Net investment in capital assets	13,052,700	13,715,521
Restricted for debt service	2,671,860	1,085,540
Restricted for capital projects	2,053,443	2,057,568
Unrestricted	10,483,231	10,030,106
Total Net Position	28,261,234	26,888,735
Total Liabilities and Net Position	$ 45,438,539	$ 44,190,034

SRWA
Southmost Regional Water Authority

Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended July 31, 2026 and Fiscal Year Ended September 30, 2025

	July 2026	Audited September 2025
Operating Revenues:		
Member assessments	$ 6,492,803	$ 7,800,691
Total Operating Revenues	6,492,803	7,800,691
Operating Expenses:		
Personnel services	890,335	974,469
Materials and supplies	1,562,990	1,290,451
Repairs and maintenance	83,674	131,443
Contractual and other services	1,594,100	1,852,414
Depreciation expense	1,127,292	1,363,931
Total Operating Expenses	5,258,391	5,612,708
Operating Income	1,234,412	2,187,983
Non-Operating Revenues (Expenses):		
Non-operating revenues (expenses)	(6,523)	(10,032)
Interest from investments	472,409	632,262
Amortized regulatory costs	70,172	84,206
Interest expense	(397,971)	(540,540)
Gain (Loss) on disposition of property	-	-
Net Non-Operating Revenues (Expenses)	138,087	165,896
Income before capital contributions	1,372,499	2,353,879
Capital contributions	-	-
Change in net position	1,372,499	2,353,879
Net position at beginning of year	26,888,735	24,534,856
Net position at end of year	$ 28,261,234	$ 26,888,735

Fiscal Year 2026 Southmost Regional Water Authority Financial Performance as of July 31, 2026



Statement of Demand Accounts & Investments
July 31, 2026

Current:	Demand	Investments	Totals
Operating Cash	$ 3,210,679	$ 5,124,889	$ 8,335,568
Operating Fund - Membrane Replacement	-	1,300,518	1,300,518
Operation & Maintenance Reserve	-	925,848	925,848
Capital Improvement	455	2,052,988	2,053,443
Debt Service Fund	38,438	1,468,079	1,506,517
Debt Service Fund 2009	-	575,797	575,797
Debt Service Reserve Fund 2009	-	788,531	788,531
Total	$ 3,249,572	$ 12,236,650	$ 15,486,222

II.
Operations & Maintenance Expenses

Approved FY 2026 Budget Allocation

SRWA
Southmost Regional Water Authority

FISCAL YEAR 2026
APPROVED BUDGET ALLOCATION
BY PARTICIPANT

Line Ref	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
	PARTICIPANT	**PERCENT ALLOCATION**	**2026 TOTAL DEBT SERVICE**	**2026 APPROVED O&M BUDGET**	**2026 APPROVED CAPITAL BUDGET**	**2026 INTEREST ON INVESTMENTS ***	**TOTAL APPROVED 2026 ALLOCATION**	**TOTAL APPROVED 2025 ALLOCATION**	**VARIANCE: FISCAL YEAR 2026 VS 2025 ([G]-[I])**
1	Brownsville Public Utilities Board	92.91%	$ 2,120,732	$ 5,106,319	$ 337,091	$ (325,185)	$ 7,238,957	$ 7,247,621	$ (8,664)
2	Valley Municipal Utility District No. 2	2.51%	57,292	137,949	9,107	(8,785)	195,563	195,797	(234)
3	City of Los Fresnos	2.28%	52,042	125,308	8,272	(7,980)	177,642	177,856	(214)
4	Brownsville Navigation District	2.10%	47,934	115,416	7,619	(7,350)	163,619	163,815	(196)
5	Town of Indian Lake	0.20%	4,565	10,992	726	(700)	15,583	15,602	(19)
6		**100.00%**	**$ 2,282,565**	**$ 5,495,984**	**$ 362,815**	**$ (350,000)**	**$ 7,791,364**	**$ 7,800,691**	**$ (9,327)**
7	**FISCAL YEAR 2025 APPROVED BUDGET:**		**$ 2,276,265**	**$ 5,924,426**	**$ -**	**$ (400,000)**	**$ 7,800,691**		
8	**Dollar Increases - FY 2026 VS. 2025 APPROVED**		**$ 6,300**	**$ (428,442)**	**$ 362,815**	**$ (50,000)**	**$ (9,327)**		
9	**% DECREASE - FY 2026 VS. 2025 APPROVED**		**0.28%**	**-7.23%**	**100.00%**	**-12.50%**	**-0.12%**		

*** Interest earned on investments will offset the participant allocations.**

Summary by Account Type

TYPE	ACCOUNT	Budget	YTD Actuals	Budget Balance	% of Budget Spent
61 Personnel Salaries & Wages	6160 Overhead Labor	$1,127,484	$890,335	$237,149	79.0%
	Total	**$1,127,484**	**$890,335**	**$237,149**	**79.0%**
71 Operating Office Expenses	7102 Sponsorships	$1,000	$0	$1,000	0.0%
	7105 Books & periodicals	$150	$0	$150	0.0%
	7110 Dues & memberships	$1,800	$2,304	($504)	128.0%
	7120 Office supplies	$1,200	$1,446	($246)	120.5%
	7130 Postage/shipping charges	$600	$238	$362	39.7%
	7135 Telephone expenses	$19,000	$13,637	$5,363	71.8%
	7140 Training expenses	$4,000	$3,495	$505	87.4%
	7145 Travel expenses	$3,000	$1,049	$1,951	35.0%
	7180 Utilities - departmental	$1,000,000	$980,380	$19,620	98.0%
	Total	**$1,030,750**	**$1,002,550**	**$28,200**	**97.3%**
72 Operating Materials & Supplies	7203 Sand, Caliche, Gravel,Concrete etc	$27,000	$0	$27,000	0.0%
	7225 Safety supplies	$2,500	$498	$2,002	19.9%
	7278 Chemicals - sodium chlorite	$120,000	$87,428	$32,572	72.9%
	7281 Chemicals - ammonia	$45,000	$30,706	$14,294	68.2%
	7282 Chemicals - caustic soda	$55,000	$46,011	$8,989	83.7%
	7283 Chemicals - chlorine	$177,000	$134,232	$42,768	75.8%
	7288 Chemicals - ferric chloride	$25,000	$25,932	($932)	103.7%
	7291 Chemicals-Microfiltration Cleaners	$60,000	$38,930	$21,070	64.9%
	7292 Chemicals - Sodium Bisulfite	$28,000	$20,239	$7,762	72.3%
	7293 Chemicals - other	$1,500	$0	$1,500	0.0%
	7294 Chemicals - calcium chloride	$876,000	$666,684	$209,316	76.1%
	7295 Chemicals - membrane cleaner	$66,000	$0	$66,000	0.0%
	7296 Chemicals - scale inhibitor	$55,000	$57,936	($2,936)	105.3%
	7297 Chemicals - cartridge filters	$42,000	$33,871	$8,129	80.6%
	7298 membranes	$382,800	$334,999	$47,801	87.5%
	7299 Other materials & supplies	$168,000	$85,523	$82,477	50.9%
	Total	**$2,130,800**	**$1,562,990**	**$567,810**	**73.4%**
73 Operating Miscellaneous General Exp	7310 Federal, state, & local fees	$1,000	$51	$949	5.1%
	7315 Food, meals, ice, water	$6,500	$7,678	($1,178)	118.1%
	7325 Rental of equip/storage/land	$151,000	$95,199	$55,801	63.0%
	7335 Wearing apparel & dry goods	$2,500	$0	$2,500	0.0%
	7380 Insurance - general liability	$1,950	$1,484	$466	76.1%
	7381 Insurance - boiler,mchnry,property	$220,000	$127,894	$92,106	58.1%
	7384 Insurance - public officials liab	$5,000	$1,762	$3,238	35.2%
	7385 Insurance - comprehensive auto liab	$2,500	$737	$1,763	29.5%
	Total	**$390,450**	**$234,805**	**$155,645**	**60.1%**
74 Operating Transportation Expense	7415 Fuels & lubricants	$4,000	$2,571	$1,429	64.3%
	Total	**$4,000**	**$2,571**	**$1,429**	**64.3%**
75 Operating Maint. of General Plant	7520 Maint. of minor equipment	$7,000	$0	$7,000	0.0%
	7581 Maintenance wells	$225,880	$83,674	$142,206	37.0%
	Total	**$232,880**	**$83,674**	**$149,206**	**35.9%**
76 Operating Consultants/Outside Svc	7601 Legal Fees	$6,000	$1,451	$4,549	24.2%
	7605 Engineering fees	$60,000	$0	$60,000	0.0%
	7615 External auditor fees	$10,000	$11,000	($1,000)	110.0%
	7645 Maintenance services	$25,120	$23,417	$1,703	93.2%
	7650 Security services	$5,000	$0	$5,000	0.0%
	7660 Ground Keeping Maintenance	$123,000	$105,970	$17,030	86.2%
	7699 Other services	$250,000	$162,144	$87,856	64.9%
	Total	**$479,120**	**$303,983**	**$175,137**	**63.4%**
78 Operating Purch/Minor Tools & Equip	7801 Communication equipment	$1,000	$0	$1,000	0.0%
	7805 Computer equipment	$2,500	$0	$2,500	0.0%
	7810 Laboratory equipment	$5,000	$0	$5,000	0.0%
	7820 Office furniture & equipment	$1,000	$874	$126	87.4%
	7830 Pumping equipment	$84,000	$47,926	$36,074	57.1%
	7835 Tools, shop and garage equipment	$1,000	$53	$947	5.3%
	7899 Other minor tools & equipment	$6,000	$1,337	$4,663	22.3%
	Total	**$100,500**	**$50,190**	**$50,310**	**49.9%**
Total		**$5,495,984**	**$4,131,099**	**$1,364,885**	**75.2%**

SRWA
Southmost Regional Water Authority

Check Register for the Month Ended July 31, 2026

CHECK #	COAS	BANK CODE	CHECK AMT	CHECK DATE	VENDOR_NAME	COMM_DESC
!0089662	P	SM	16,336.00	07/2/26	AMAYA SOLUTIONS INC.	SRWA: AWC C-237 RO MEMBRANE CLEANERS
!0089663	P	SM	5,595.00	07/2/26	PUMPS OF HOUSTON, INC.	CRN45-1-1 A-G-A-E-HQQE 213/215TC 60HZ GRUNDFOS
!0089664	P	SM	342.00	07/2/26	SOUTHERN PETROLEUM LABORATORIES,	CONTRACT LABORATORY SERVICES DEPT #3190
!0089665	P	SM	8,350.00	07/2/26	STEWART & STEVENSON LLC	RENTAL OF 1,000 KW STAND-BY POWER DIESEL GENERATOR
!0089666	P	SM	19,782.40	07/2/26	UNIVAR SOLUTIONS USA, INC.	SRWA: ANNUAL SUPPLY OF CALCIUM CHLORIDE SOLUTION
!0089667	P	SM	475.01	07/2/26	XEROX CORPORATION	SRWA: XEROX C8155H SERIAL# EHQ-405941
!0089750	P	SM	60.74	07/9/26	MODEL LAUNDRY LLC	LAUNDRY AND CLEANING SERVICE DEPT 3190
!0089751	P	SM	6,585.38	07/9/26	PENCCO, INC.	SRWA: ANNUAL SUPPLY OF LIQUID AMMONIUM SULFATE
!0089752	P	SM	1,365.00	07/9/26	SMARTCOM TELEPHONE, LLC	TELEPHONE AND INTERNET SERVICES
!0089819	P	SM	651.70	07/16/26	ALVARADO KEVIN	TRVL ADV@PEARLAND,TX ATTTND SCMA MOC-I: MEMBRN SYS
!0089820	P	SM	801.70	07/16/26	CORTEZ DOMINGO	TRVL ADV@PEARLAND,TX ATTTND SCMA MOC-I: MEMBRN SYS
!0089821	P	SM	35,000.00	07/16/26	D. REYNOLDS COMPANY, LLC	USING CM TO OFFSET INVOICE 26599909-00
!0089822	P	SM	1,260.00	07/16/26	MCLEMORE BUILDING	SRWA ANNUAL JANITORIAL SERVICES
!0089823	P	SM	40,103.28	07/16/26	UNIVAR SOLUTIONS USA, INC.	SRWA: ANNUAL SUPPLY OF CALCIUM CHLORIDE SOLUTION
!0089886	P	SM	44,634.51	07/23/26	CHEMICAL RESPONSE & REMEDIATION CONTRACTORS, INC.	EMERGENCY RESPONSE FOR TANK CLEAN UP AT SRWA
!0089887	P	SM	9,309.96	07/23/26	CHEMTRADE CHEMICALS CORP	SRWA: ANNUAL SUPPLY OF SODIUM HYDROXIDE SOLUTION
!0089888	P	SM	47,593.62	07/23/26	J. V. EQUIPMENT	BOBCAT 6000 LB CAPACITY DIESEL PNEUMATIC FORKLIFT
!0089889	P	SM	60.74	07/23/26	MODEL LAUNDRY LLC	LAUNDRY AND CLEANING SERVICE DEPT 7150
!0089890	P	SM	896.00	07/23/26	SOUTHERN PETROLEUM LABORATORIES,	CONTRACT LABORATORY SERVICES DEPT #3190
!0089891	P	SM	8,350.00	07/23/26	STEWART & STEVENSON LLC	RENTAL OF 1,000 KW STAND-BY POWER DIESEL GENERATOR
!0089892	P	SM	2,836.90	07/23/26	UNITED RENTALS (NORTH AMERICA) INC	FORKLIFT WHSE 5000# GAS/LP
!0089893	P	SM	401.09	07/23/26	XEROX CORPORATION	SRWA: XEROX C8155H SERIAL# EHQ-405941
!0089982	P	SM	5,985.45	07/30/26	CHEMICAL RESPONSE & REMEDIATION CONTRACTORS, INC.	CHEMICAL CLEAN UP AND DISPOSAL AT SRWA INV#9128
!0089983	P	SM	5,516.00	07/30/26	EWT HOLDINGS III CORP	SRWA:SERVICE RENEWAL OF CHLORINE DIOXIDE EQUIPMENT
!0089984	P	SM	22,417.32	07/30/26	UNIVAR SOLUTIONS USA, INC.	SRWA: ANNUAL SUPPLY OF CALCIUM CHLORIDE SOLUTION
00182482	P	SM	49,721.75	07/2/26	GEXA ENERGY LP	SRWA:ELECTRIC ENERGY FOR WATER WELLS
00182483	P	SM	15,595.97	07/2/26	LEZAMA ENTERPRISES, LLC	GS-1932, ANSI/CSA, E-DRIVE,FOLDING RAILS,
00182484	P	SM	803.02	07/2/26	UNITED WATER SERVICES, LLC	PIEDMONT 1.5", 316 STAINLESS STEEL, VIC COUPLING
00182544	P	SM	9,588.00	07/16/26	PVS DX INC	SRWA: ANNUAL SUPPLY OF CHLORINE
00182571	P	SM	8,812.80	07/23/26	TROJAN TECHNOLOGIES CORP	ITEM# WH015807 MODULE, UNA-620A
00182589	P	SM	46,316.69	07/30/26	GEXA ENERGY LP	SRWA:ELECTRIC ENERGY FOR WATER WELLS
W0019117	P	SM	413.76	07/13/26	AMERICAN EXPRESS	AMERICAN EXPRESS CHARGES-JUN2026 ENDING 06232026
W0019120	P	SD	190,213.75	07/20/26	U.S. BANK NATIONAL ASSOCIATION	SRWA BOND WTR SUP CTR 2009 A&B, 2012 & 2017 JUL'26
W0019121	P	SM	0.00	07/31/26	VOIDED CHECK	VOIDED CHECK
W0019122	P	SM	9,759.12	07/31/26	U.S. BANK NATIONAL ASSOCIATION	PROCUREMENT CARD PURCHASE
TOTAL CHECK REGISTER FOR THE MONTH OF JUL						**615,934.66**

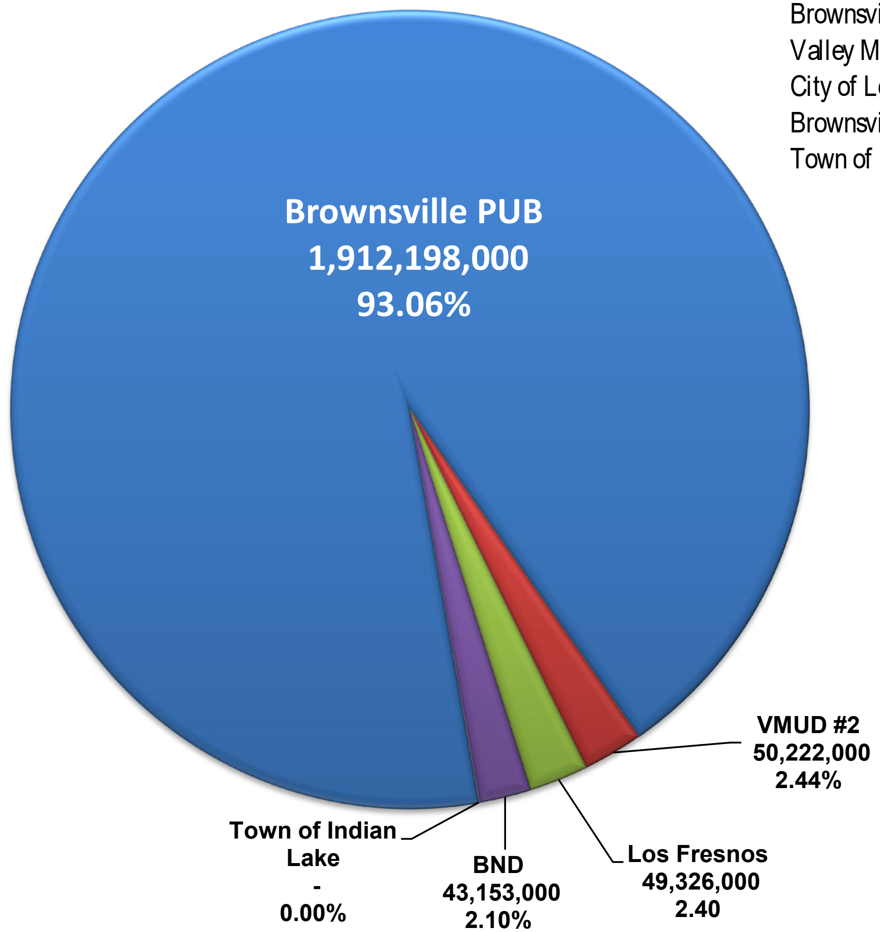
CHECKS	COAS	BANK CODE	CHECK AMT	CHECK DATE	VENDOR NAME	COMM DESC
TOTAL CANCELLED CHECKS FOR THE MONT						-
TOTAL FOR THE MONTH OF JUL						**615,934.66**

III.
Operational Statistics

SRWA Total Distribution

Fiscal Year 2026 Southmost Regional Water Authority Financial Performance as of July 31, 2026

Total SRWA Distribution: 2,054,899,000 Gallons



Participant	Percent Allocation	Allocable Distribution	Actual Distribution	Over (Under) Distributed
Brownsville Public Utilities Board	92.91%	1,909,206,661	1,912,198,000	2,991,339
Valley Municipal Utility District #2	2.51%	51,577,964	50,222,000	(1,355,964)
City of Los Fresnos	2.28%	46,851,697	49,326,000	2,474,303
Brownsville Navigation District	2.10%	43,152,879	43,153,000 [2]	121
Town of Indian Lake	0.20%	4,109,798	- [1]	(4,109,798)
	100.00%	2,054,899,000	2,054,899,000	-

Comments:

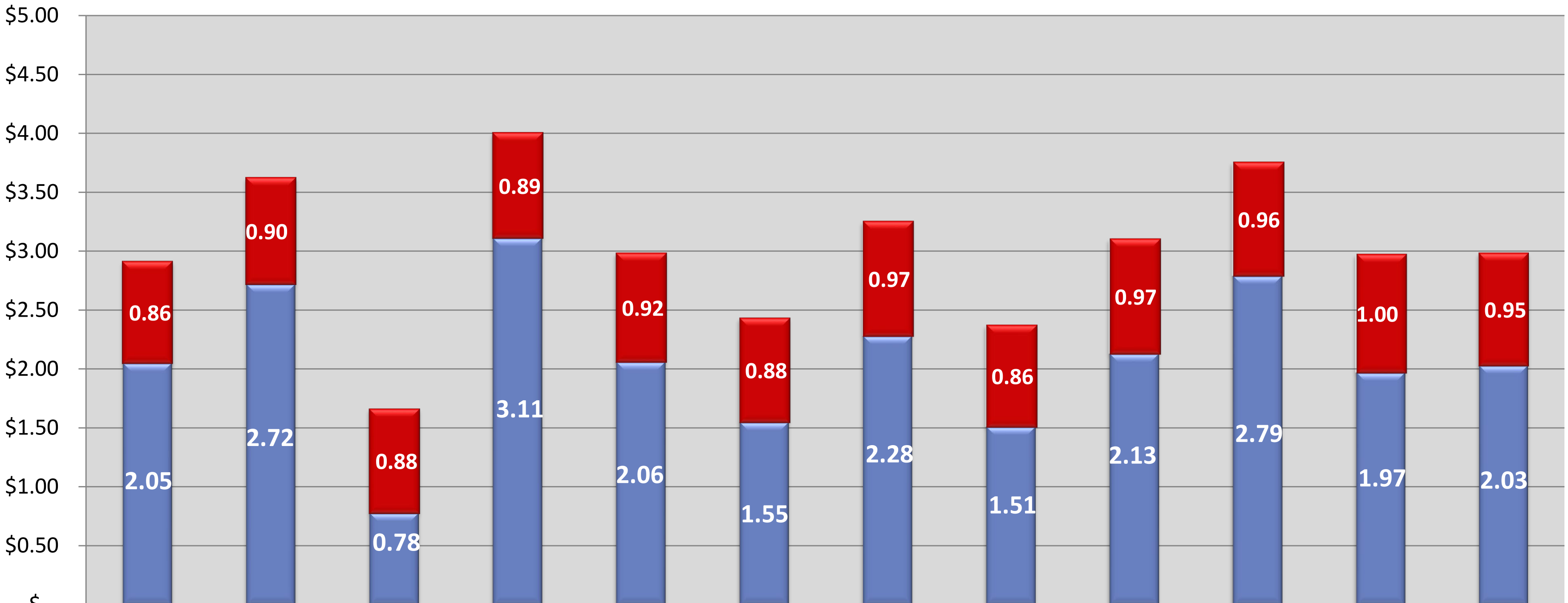
1. As of January 1, 2009, Los Fresnos is purchasing Indian Lake's water allocation.
2. PUB is providing credit to the BND for their SRWA share on their monthly bill.
3. Unit Cost of Water combines O&M and Debt Service.

SRWA Unit Cost of Water (1,000 gallons)[3]

	O&M	DS	Combined
FY Ending 2024	$ 1.93	$ 0.91	$ 2.84
FY Ending 2025	$ 1.96	$ 0.91	$ 2.87

Historical Monthly Unit Cost of Water

SOUTHMOST REGIONAL WATER AUTHORITY
UNIT COST OF WATER (THOUSAND GALLONS)
August 2025 - July 2026



	08/2025	09/2025	10/2025	11/2025	12/2025	01/2026	02/2026	03/2026	04/2026	05/2026	06/2026	07/2026
COMBINED RATE	2.91	3.62	1.66	4.00	2.98	2.43	3.25	2.37	3.10	3.75	2.97	2.98
DEBT SERVICE	0.86	0.90	0.88	0.89	0.92	0.88	0.97	0.86	0.97	0.96	1.00	0.95
O & M	2.05	2.72	0.78	3.11	2.06	1.55	2.28	1.51	2.13	2.79	1.97	2.03

SRWA
Southmost Regional Water Authority

Summary of Distribution for FY 2026

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
SRWA 2025-2026 FY Water Distribution Summary and True-Up Estimate										
		SRWA Total Distribution			**BPUB[1]**	**Valley MUD#2**	**Los Fresnos[2]**	**BND[1]**	**Indian Lake[2]**	**Total**
Allocation	**Percent (%)**	**Million Gals**	**Dist. Per sum of**		**92.91%**	**2.51%**	**2.28%**	**2.10%**	**0.20%**	**100.00%**
			column f-j	**Difference**	**Million Gals**	**Million Gals**	**Million Gals**			
	Oct-25	215.868	215.868	0.000	203.694	5.503	1.706	4.533	0.432	215.868
	Nov-25	214.472	214.472	0.000	202.702	5.278	1.559	4.504	0.429	214.472
	Dec-25	207.468	207.468	0.000	195.585	5.453	1.658	4.357	0.415	207.468
	Jan-26	216.848	216.848	0.000	196.888	5.954	9.018	4.554	0.434	216.848
	Feb-26	195.724	195.724	0.000	181.446	5.388	4.389	4.110	0.391	195.724
	Mar-26	220.139	220.139	0.000	205.617	4.236	5.223	4.623	0.440	220.139
	Apr-26	196.088	196.088	0.000	181.243	4.659	5.676	4.118	0.392	196.088
	May-26	197.988	197.988	0.000	182.114	6.140	5.180	4.158	0.396	197.988
	Jun-26	190.963	190.963	0.000	178.716	3.524	4.331	4.010	0.382	190.963
	Jul-26	199.341	199.341	0.000	184.193	4.087	6.476	4.186	0.399	199.341
	Aug-26		0.000	0.000						-
	Sep-26		0.000	0.000						-
Actual Distribution	**YTD MG**	**2,054.899**	**2,054.899**	**0.000**	**1,912.198**	**50.222**	**45.216**	**43.153**	**4.110**	**2,054.899**
	Daily Average (MGD)	**6.760**			**6.290**	**0.165**	**0.149**	**0.142**	**0.014**	**6.760**

True up Estimate: This is not a bill.

	BPUB	Valley MUD#2	Los Fresnos	BND	Indian Lake	Total
Allocable Distribution Based on % Participation	1,909.207	51.578	46.852	43.153	4.110	2,054.899
Consolidation of Distribution per Agreements	1,952.360	51.578	50.961	-	-	2,054.899
Over (Under) Distributed	2.99	(1.36)	(1.64)	-	-	0.000
FY2026 Estimated O&M Cost Per Thousand Gallons	$ 1.96	$ 1.96	$ 1.96			
Total Cost of Over (Under) Distributed	**$ 5,863.26**	**$ (2,657.69)**	**$ (3,205.57)**	**$ -**	**$ -**	**$ -**

[1] BPUB is providing credit to the BND for their SRWA share on their monthly BPUB water bill.

[2] As of Jan 1, 2009, City of Los Fresnos is purchasing Indian Lake's water allocation (as per Interlocal Agreement dated 10/14/2008)

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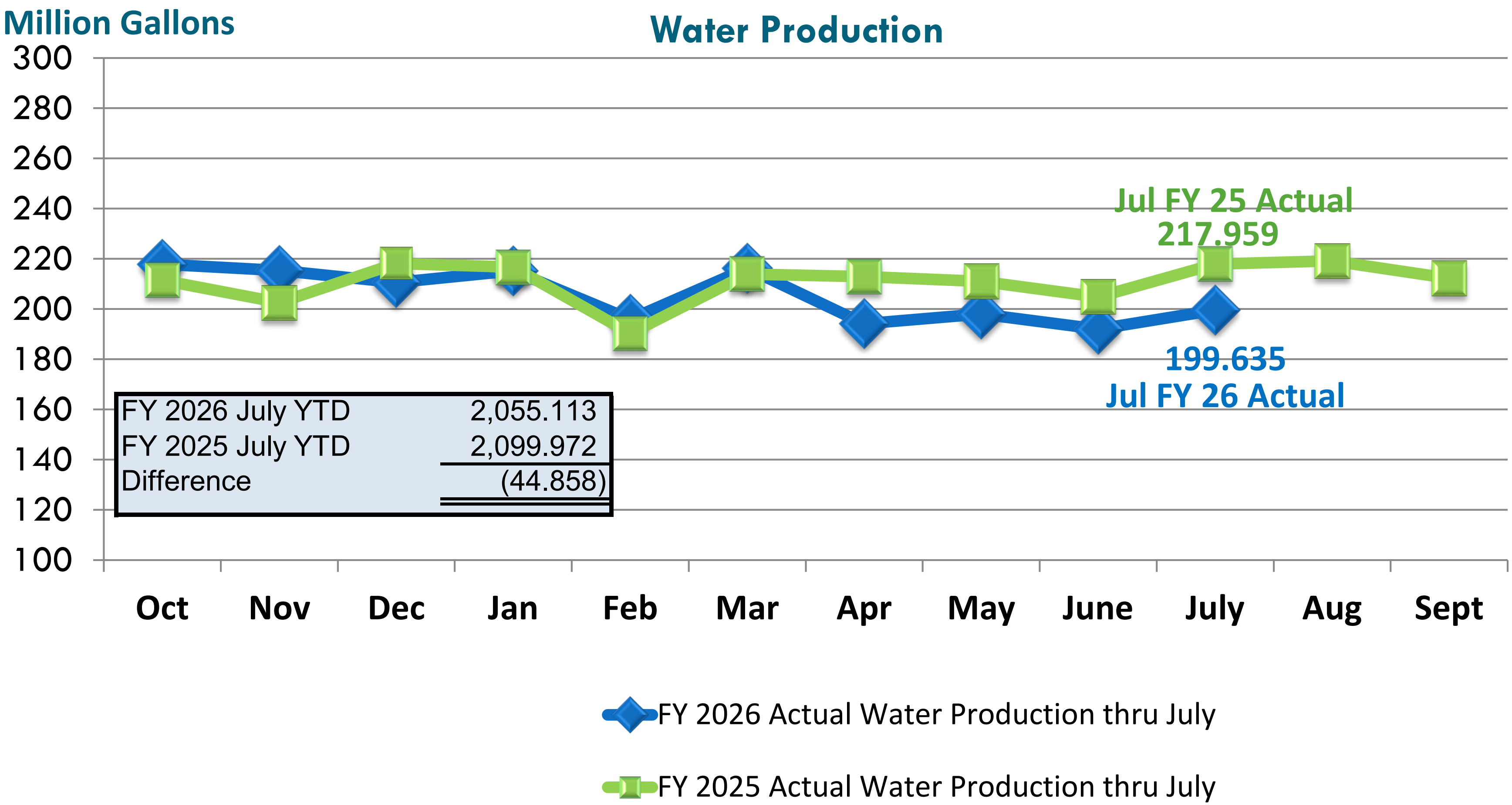
Water Production Chart

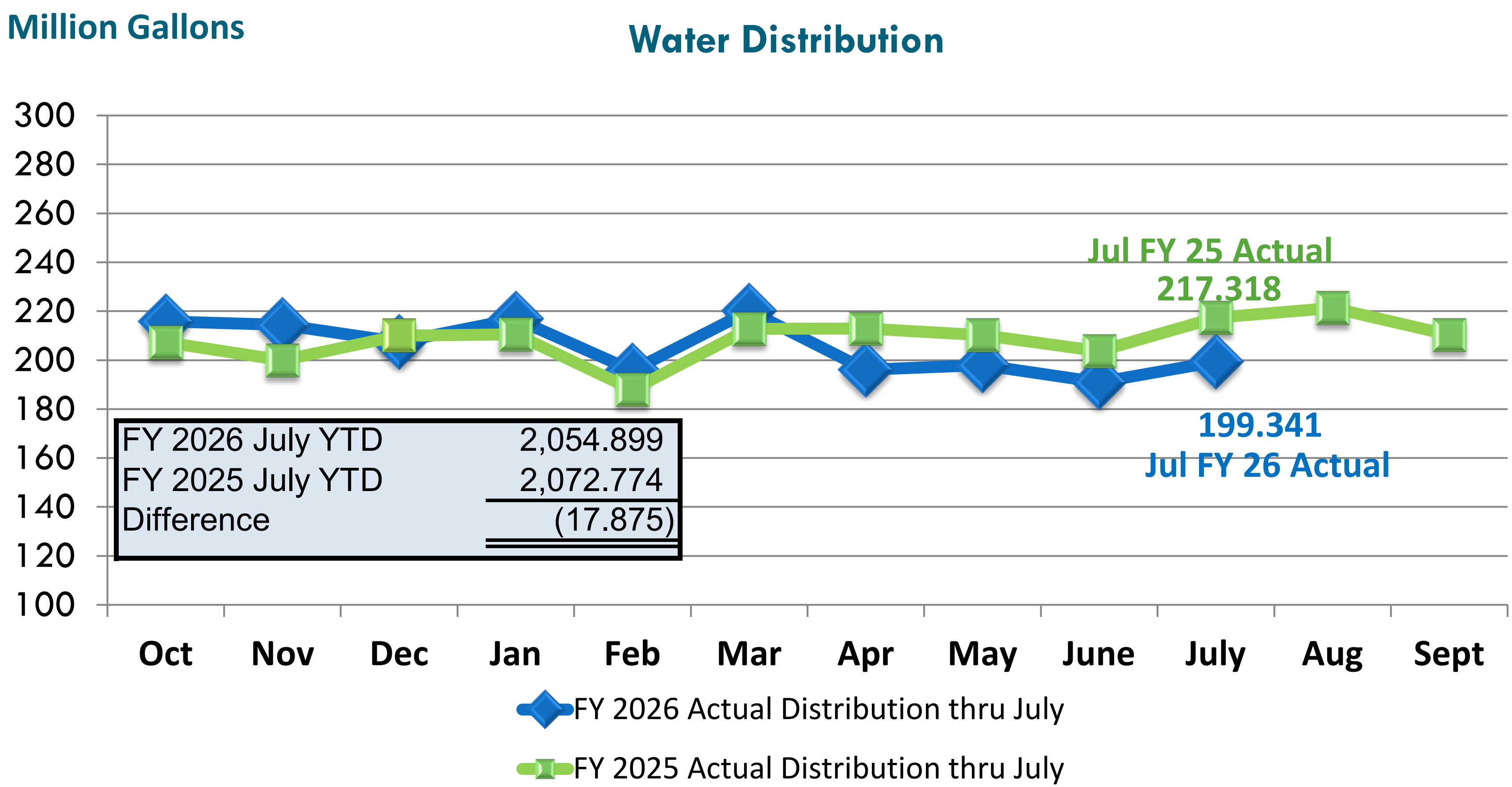
Fiscal Year 2026 Southmost Regional Water Authority Financial Performance as of July 31, 2026



SRWA
Southmost Regional Water Authority

Water Distribution Chart

Fiscal Year 2026 Southmost Regional Water Authority Financial Performance as of July 31, 2026



Production/Distribution Costs

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: July-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD)			TOTAL WATER DISTRIBUTED
				TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	
1	6.224	0.311	6.535	6.451	0.141	0.067	6.659
2	6.191	0.310	6.501	6.229	0.335	0.076	6.640
3	6.182	0.309	6.491	6.209	0.160	0.076	6.445
4	6.199	0.311	6.510	5.911	0.152	0.067	6.130
5	5.989	0.310	6.299	6.379	0.151	0.068	6.598
6	6.304	0.310	6.614	5.881	0.130	0.058	6.069
7	6.317	0.311	6.628	6.667	0.134	0.198	6.999
8	6.290	0.312	6.602	6.700	0.244	0.064	7.008
9	5.947	0.306	6.253	5.306	0.397	0.092	5.795
10	6.199	0.311	6.510	5.878	0.031	0.105	6.014
11	6.206	0.310	6.516	6.290	0.125	0.081	6.496
12	6.142	0.310	6.452	6.396	0.141	0.087	6.624
13	6.001	0.307	6.308	6.259	0.142	0.081	6.482
14	6.287	0.310	6.597	5.415	0.183	0.086	5.684
15	6.196	0.310	6.506	6.877	0.179	0.069	7.125
16	5.796	0.282	6.078	6.135	0.203	0.063	6.401
17	6.252	0.313	6.565	6.007	0.296	0.058	6.361
18	6.179	0.310	6.489	5.534	0.141	0.062	5.737
19	6.195	0.310	6.505	6.399	0.180	0.237	6.816
20	6.211	0.298	6.509	7.984	0.166	0.458	8.608
21	6.783	0.057	6.840	6.337	0.167	0.160	6.664
22	6.521	0.184	6.705	5.369	0.291	0.166	5.826
23	6.201	0.298	6.499	5.242	0.437	0.144	5.823
24	6.214	0.311	6.525	6.384	0.277	0.200	6.861
25	6.083	0.309	6.392	5.228	0.159	0.176	5.563
26	6.223	0.311	6.534	5.669	0.471	0.264	6.405
27	5.860	0.291	6.151	6.964	0.194	0.150	7.308
28	5.551	0.276	5.827	5.293	0.235	0.179	5.708
29	6.210	0.310	6.520	5.997	0.367	0.185	6.549
30	5.485	0.259	5.744	5.095	0.316	0.171	5.582
31	6.301	0.125	6.426	5.894	0.330	0.137	6.361
TOTALS	**190.743**	**8.892**	**199.635**	**188.379**	**6.875**	**4.087**	**199.341**
AVERAGE	**6.153**	**0.287**	**6.440**	**6.077**	**0.222**	**0.132**	**6.430**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.34	$10,400.00	$3,536.00
Calcium Chloride	lbs.	297,827.47	$0.2200	$65,522.04
Caustic Soda	lbs.	17,950.89	$0.1980	$3,554.28
Liquid Ammonium Sulfate	lbs.	20,117.66	$0.1425	$2,866.77
Chlorine	Ton Containers	5.71	$2,397.00	$13,686.87
Ferric Chloride	lbs.	6,018.26	$0.2800	$1,685.11
Sodium Bisulfite	lbs.	7,948.37	$0.2125	$1,689.03
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	3,938.02	$0.727	$2,862.94
Chemical cost per thousand gals:	*$0.491*			**$97,998.36**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		492,000	$0.07623	$37,505.16
MF Processing Plant		133,800	$0.0871	$11,647.29
RO Processing Plant		395,100	$0.0817	$32,291.92
High Service Pumps		138,400	$0.0973	$13,472.55
Power costs per thousand gals:	*$0.475*			**$94,916.92**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: July-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	6.535		
2	6.501		
3	6.491		
4	6.510		
5	6.299		
6	6.614		
7	6.628		
8	6.602		
9	6.253		
10	6.510		
11	6.516		
12	6.452		
13	6.308		
14	6.597		
15	6.506		
16	6.078		
17	6.565		
18	6.489		
19	6.505		
20	6.509		
21	6.840		
22	6.705		
23	6.499		
24	6.525		
25	6.392		
26	6.534		
27	6.151		
28	5.827	Testing of back-up power generator with 4 ROs (Reduced Flow)	1
29	6.520		
30	5.744	Plant maintenance replaced a 12" isolation valve at the microfiltration building	3
31	6.426		
TOTALS	**199.635**		4
AVERAGE	**6.440**		

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: June-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	5.243	0.244	5.487	5.782	0.320	0.212	6.314
2	5.999	0.304	6.303	5.282	0.160	0.263	5.705
3	6.300	0.307	6.607	5.912	0.120	0.178	6.210
4	6.153	0.307	6.460	6.403	0.138	0.172	6.713
5	5.886	0.299	6.185	6.063	0.222	0.064	6.349
6	6.144	0.308	6.452	5.924	0.136	0.120	6.180
7	5.854	0.304	6.158	6.219	0.148	0.131	6.498
8	6.343	0.307	6.650	6.393	0.132	0.092	6.617
9	6.014	0.301	6.315	6.021	0.129	0.117	6.267
10	5.971	0.298	6.269	6.150	0.031	0.086	6.267
11	6.129	0.307	6.436	5.915	0.117	0.142	6.175
12	6.209	0.309	6.518	6.549	0.227	0.096	6.872
13	6.266	0.313	6.579	5.773	0.110	0.130	6.013
14	5.945	0.296	6.241	5.769	0.120	0.132	6.020
15	5.717	0.286	6.003	5.954	0.104	0.134	6.192
16	6.104	0.307	6.411	6.527	0.101	0.130	6.758
17	6.290	0.310	6.600	6.294	0.111	0.107	6.512
18	6.109	0.308	6.417	5.854	0.145	0.123	6.122
19	6.125	0.310	6.435	6.318	0.183	0.110	6.611
20	6.050	0.306	6.356	6.040	0.165	0.094	6.300
21	6.273	0.314	6.587	6.127	0.338	0.119	6.584
22	6.173	0.309	6.482	6.528	0.137	0.099	6.764
23	6.216	0.311	6.527	5.743	0.119	0.109	5.971
24	6.201	0.311	6.512	6.389	0.121	0.135	6.645
25	6.234	0.312	6.546	6.203	0.111	0.081	6.395
26	6.123	0.307	6.430	6.186	0.319	0.083	6.588
27	6.077	0.310	6.387	6.102	0.239	0.078	6.419
28	6.257	0.313	6.570	6.191	0.143	0.084	6.418
29	6.296	0.314	6.610	6.668	0.134	0.049	6.851
30	6.168	0.308	6.476	5.444	0.133	0.056	5.633
31							
TOTALS	**182.874**	**9.140**	**192.014**	**182.726**	**4.713**	**3.524**	**190.963**
AVERAGE	**6.096**	**0.305**	**6.400**	**6.091**	**0.157**	**0.117**	**6.365**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.33	$10,400.00	$3,432.00
Calcium Chloride	lbs.	294,915.16	$0.2200	$64,881.33
Caustic Soda	lbs.	17,163.29	$0.1980	$3,398.33
Liquid Ammonium Sulfate	lbs.	19,329.74	$0.1425	$2,754.49
Chlorine	Ton Containers	5.50	$2,397.00	$13,183.50
Ferric Chloride	lbs.	5,878.75	$0.2800	$1,646.05
Sodium Bisulfite	lbs.	3,808.59	$0.2125	$809.33
High pH Membrane Cleaner (237)	55-Gal Drum	1.00	$2,186.60	$2,186.60
Low pH Membrane Cleaner (234)	55-Gal Drum	1.00	$1,897.40	$1,897.40
Citric Acid	330-Gal Totes	2.00	$2,595.32	$5,190.64
Sodium Chlorite	lbs.	7,807.71	$0.727	$5,676.20
Chemical cost per thousand gals:	*$0.547*			**$105,055.87**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		480,000	$0.07623	$36,590.40
MF Processing Plant		129,000	$0.0871	$11,229.45
RO Processing Plant		385,500	$0.0817	$31,507.30
High Service Pumps		136,400	$0.0973	$13,277.86
Power costs per thousand gals:	*$0.482*			**$92,605.01**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: June-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	5.487	Load test of backup power generators to the Reverse Osmosis and High Service Pump facilities.	3
2	6.303		
3	6.607		
4	6.460		
5	6.185		
6	6.452		
7	6.158		
8	6.650		
9	6.315		
10	6.269		
11	6.436		
12	6.518		
13	6.579		
14	6.241		
15	6.003		
16	6.411		
17	6.600		
18	6.417		
19	6.435		
20	6.356		
21	6.587		
22	6.482		
23	6.527		
24	6.512		
25	6.546		
26	6.430		
27	6.387		
28	6.570		
29	6.610		
30	6.476		
31			
TOTALS	**192.014**		3
AVERAGE	**6.400**		

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: May-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	6.189	0.309	6.498	5.857	0.234	0.234	6.325
2	6.214	0.312	6.526	6.202	0.128	0.122	6.452
3	6.059	0.308	6.367	6.495	0.165	0.172	6.832
4	6.206	0.310	6.516	5.893	0.157	0.194	6.244
5	6.213	0.311	6.524	5.685	0.144	0.209	6.038
6	6.229	0.312	6.541	6.358	0.146	0.175	6.679
7	6.201	0.311	6.512	5.755	0.138	0.214	6.107
8	6.113	0.306	6.419	6.901	0.241	0.186	7.328
9	5.081	0.266	5.347	4.225	0.096	0.311	4.632
10	5.767	0.299	6.066	6.631	0.031	0.265	6.927
11	6.026	0.304	6.330	5.139	0.126	0.163	5.428
12	6.221	0.319	6.540	6.518	0.120	0.132	6.770
13	6.106	0.296	6.402	6.610	0.125	0.148	6.883
14	6.119	0.305	6.424	6.392	0.157	0.155	6.704
15	6.117	0.306	6.423	6.010	0.264	0.283	6.557
16	6.215	0.312	6.527	5.590	0.140	0.266	5.996
17	6.200	0.310	6.510	5.883	0.147	0.223	6.253
18	6.201	0.311	6.512	6.433	0.150	0.320	6.903
19	6.016	0.308	6.324	5.604	0.119	0.286	6.009
20	6.301	0.312	6.613	5.937	0.114	0.141	6.192
21	5.650	0.287	5.937	5.663	0.108	0.223	5.994
22	6.255	0.311	6.566	6.230	0.262	0.201	6.693
23	6.198	0.311	6.509	5.847	0.132	0.219	6.198
24	6.250	0.310	6.560	6.170	0.322	0.187	6.679
25	6.153	0.311	6.464	5.970	0.636	0.230	6.836
26	6.212	0.311	6.523	5.606	0.356	0.216	6.178
27	5.287	0.260	5.547	5.024	0.134	0.144	5.302
28	6.209	0.311	6.520	6.787	0.141	0.110	7.038
29	6.671	0.233	6.904	6.389	0.239	0.133	6.761
30	5.758	0.390	6.148	5.599	0.133	0.132	5.864
31	6.115	0.311	6.426	6.869	0.171	0.146	7.186
TOTALS	**188.554**	**9.473**	**198.027**	**186.272**	**5.576**	**6.140**	**197.988**
AVERAGE	**6.082**	**0.306**	**6.388**	**6.009**	**0.180**	**0.198**	**6.387**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.34	$10,400.00	$3,484.00
Calcium Chloride	lbs.	303,364.56	$0.2200	$66,740.20
Caustic Soda	lbs.	17,087.73	$0.1980	$3,383.37
Liquid Ammonium Sulfate	lbs.	19,729.21	$0.1425	$2,811.41
Chlorine	Ton Containers	5.61	$2,397.00	$13,447.17
Ferric Chloride	lbs.	10,186.32	$0.2800	$2,852.17
Sodium Bisulfite	lbs.	7,964.61	$0.2125	$1,692.48
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	0.00	$2,595.32	$0.00
Sodium Chlorite	lbs.	3,885.70	$0.727	$2,824.91
Chemical cost per thousand gals:	*$0.491*			**$97,235.71**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		493,200	$0.07623	$37,596.64
MF Processing Plant		130,800	$0.0871	$11,386.14
RO Processing Plant		394,500	$0.0817	$32,242.88
High Service Pumps		138,800	$0.0973	$13,511.49
Power costs per thousand gals:	*$0.478*			**$94,737.14**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: May-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	6.498		
2	6.526		
3	6.367		
4	6.516		
5	6.524		
6	6.541		
7	6.512		
8	6.419		
9	5.347	Power outage at well field due to a blown fuse on main power pole	5
10	6.066		
11	6.330		
12	6.540		
13	6.402		
14	6.424		
15	6.423		
16	6.527		
17	6.510		
18	6.512		
19	6.324		
20	6.613		
21	5.937	Power outage at well field due to a blown fuse on main power pole	2
22	6.566		
23	6.509		
24	6.560		
25	6.464		
26	6.523		
27	5.547	Scheduled shutdown to replace battery backup for RO PLC	4
28	6.520		
29	6.904		
30	6.148		
31	6.426		
TOTALS	**198.027**		11
AVERAGE	**6.388**		

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: April-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	7.125	0.000	7.125	7.895	0.207	0.116	8.218
2	7.073	0.000	7.073	6.978	0.289	0.092	7.359
3	7.189	0.000	7.189	6.303	0.187	0.091	6.581
4	7.078	0.000	7.078	6.354	0.599	0.115	7.068
5	3.519	0.000	3.519	4.103	0.571	0.086	4.760
6	7.034	0.000	7.034	5.843	0.343	0.120	6.306
7	7.122	0.000	7.122	6.677	0.116	0.114	6.907
8	5.980	0.000	5.980	5.798	0.135	0.188	6.121
9	6.930	0.000	6.930	7.269	0.125	0.123	7.517
10	6.038	0.000	6.038	6.026	0.031	0.111	6.168
11	5.354	0.000	5.354	4.766	0.138	0.172	5.076
12	7.064	0.000	7.064	6.265	0.172	0.190	6.627
13	6.310	0.000	6.310	7.128	0.174	0.175	7.477
14	6.117	0.000	6.117	6.137	0.143	0.125	6.405
15	6.153	0.123	6.276	5.527	0.164	0.165	5.856
16	6.138	0.307	6.445	6.350	0.147	0.146	6.643
17	6.298	0.311	6.609	6.159	0.283	0.189	6.631
18	6.399	0.311	6.710	6.636	0.157	0.154	6.947
19	6.362	0.310	6.672	6.223	0.243	0.174	6.640
20	6.380	0.312	6.692	5.717	0.148	0.135	6.000
21	6.367	0.311	6.678	7.430	0.157	0.179	7.766
22	6.249	0.311	6.560	6.319	0.148	0.218	6.685
23	6.237	0.312	6.549	6.186	0.154	0.185	6.525
24	6.236	0.310	6.546	5.484	0.241	0.217	5.942
25	5.538	0.284	5.822	5.156	0.161	0.156	5.473
26	6.227	0.312	6.539	6.595	0.177	0.166	6.938
27	6.183	0.310	6.493	6.727	0.152	0.175	7.054
28	6.212	0.311	6.523	5.098	0.170	0.190	5.458
29	6.234	0.312	6.546	6.800	0.176	0.185	7.161
30	6.246	0.312	6.558	5.412	0.160	0.207	5.779
31							
TOTALS	**189.393**	**4.759**	**194.152**	**185.361**	**6.068**	**4.659**	**196.088**
AVERAGE	**6.313**	**0.159**	**6.472**	**6.179**	**0.202**	**0.155**	**6.536**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.35	$10,400.00	$3,640.00
Calcium Chloride	lbs.	314,453.90	$0.2200	$69,179.86
Caustic Soda	lbs.	27,400.66	$0.1980	$5,425.33
Liquid Ammonium Sulfate	lbs.	20,833.81	$0.1425	$2,968.82
Chlorine	Ton Containers	5.94	$2,397.00	$14,238.18
Ferric Chloride	lbs.	5,580.95	$0.2800	$1,562.67
Sodium Bisulfite	lbs.	7,809.17	$0.2125	$1,659.45
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	5,015.36	$0.727	$3,646.17
Chemical cost per thousand gals:	*$0.540*			**$104,915.79**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		508,200	$0.07623	$38,740.09
MF Processing Plant		130,200	$0.0871	$11,333.91
RO Processing Plant		397,500	$0.0817	$32,488.07
High Service Pumps		138,400	$0.0973	$13,472.55
Power costs per thousand gals:	*$0.495*			**$96,034.62**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: April-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.125		
2	7.073		
3	7.189		
4	7.078		
5	3.519	Inclement weather caused a loss of communication and power outage at the well field.	11
6	7.034		
7	7.122		
8	5.980	A new VFD to High Service Pump #6 was installed.	4
9	6.930		
10	6.038		
11	5.354	Resumed work on the installation of a new VFD to High Service Pump #6.	5
12	7.064		
13	6.310		
14	6.117		
15	6.276		
16	6.445		
17	6.609		
18	6.710		
19	6.672		
20	6.692		
21	6.678		
22	6.560		
23	6.549		
24	6.546		
25	5.822	Power outage due to a blown transformer.	3
26	6.539		
27	6.493		
28	6.523		
29	6.546		
30	6.558		
31			
TOTALS	**194.152**		23
AVERAGE	**6.472**		

SOUTHMOST REGIONAL WATER AUTHORITY

PRODUCTION / DISTRIBUTION COSTS

MONTH: March-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD)			TOTAL WATER DISTRIBUTED
				TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	
1	7.208	0.000	7.208	7.598	0.186	0.217	8.001
2	7.173	0.000	7.173	7.408	0.141	0.110	7.659
3	7.218	0.000	7.218	6.312	0.177	0.270	6.759
4	7.245	0.000	7.245	7.602	0.160	0.155	7.917
5	6.966	0.000	6.966	6.262	0.171	0.185	6.618
6	7.278	0.000	7.278	6.924	0.253	0.149	7.326
7	7.193	0.000	7.193	7.042	0.171	0.121	7.333
8	6.870	0.000	6.870	6.078	0.181	0.155	6.414
9	7.224	0.000	7.224	7.580	0.179	0.141	7.900
10	7.215	0.000	7.215	7.805	0.031	0.128	7.964
11	6.609	0.000	6.609	6.762	0.173	0.157	7.092
12	6.933	0.000	6.933	5.422	0.159	0.138	5.719
13	7.131	0.000	7.131	6.689	0.240	0.118	7.046
14	7.222	0.000	7.222	7.335	0.167	0.118	7.620
15	7.340	0.000	7.340	6.456	0.184	0.141	6.781
16	6.067	0.000	6.067	5.823	0.147	0.107	6.077
17	4.566	0.000	4.566	4.882	0.155	0.173	5.210
18	7.081	0.000	7.081	6.462	0.160	0.101	6.722
19	7.164	0.000	7.164	6.242	0.177	0.110	6.529
20	7.192	0.000	7.192	7.497	0.283	0.101	7.880
21	6.308	0.000	6.308	5.764	0.185	0.115	6.063
22	6.980	0.000	6.980	7.772	0.220	0.217	8.209
23	7.078	0.000	7.078	6.312	0.199	0.096	6.607
24	7.101	0.000	7.101	7.057	0.194	0.132	7.383
25	7.155	0.000	7.155	7.032	0.184	0.119	7.335
26	7.120	0.000	7.120	6.878	0.196	0.087	7.161
27	7.171	0.000	7.171	7.224	0.247	0.105	7.575
28	7.028	0.000	7.028	6.625	0.133	0.118	6.876
29	7.121	0.000	7.121	7.488	0.209	0.130	7.827
30	7.111	0.000	7.111	7.081	0.189	0.100	7.370
31	7.138	0.000	7.138	6.827	0.217	0.122	7.166
TOTALS	**216.207**	**0.000**	**216.207**	**210.240**	**5.663**	**4.236**	**220.139**
AVERAGE	**6.974**	**0.000**	**6.974**	**6.782**	**0.183**	**0.137**	**7.101**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.42	$10,400.00	$4,322.24
Calcium Chloride	lbs.	349,786.85	$0.2200	$76,953.11
Caustic Soda	lbs.	45,309.20	$0.1980	$8,971.22
Liquid Ammonium Sulfate	lbs.	23,706.23	$0.1425	$3,378.14
Chlorine	Ton Containers	6.68	$2,397.00	$16,010.38
Ferric Chloride	lbs.	5,669.39	$0.2800	$1,587.43
Sodium Bisulfite	lbs.	8,859.50	$0.2125	$1,882.64
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	4,372.30	$0.727	$3,178.66
Chemical cost per thousand gals:	*$0.550*			**$118,879.14**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		574,800	$0.07623	$43,817.00
MF Processing Plant		147,300	$0.0871	$12,822.47
RO Processing Plant		453,900	$0.0817	$37,097.70
High Service Pumps		156,000	$0.0973	$15,185.82
Power costs per thousand gals:	*$0.504*			**$108,922.99**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: March-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.208		
2	7.173		
3	7.218		
4	7.245		
5	6.966		
6	7.278		
7	7.193		
8	6.870		
9	7.224		
10	7.215		
11	6.609		
12	6.933		
13	7.131		
14	7.222		
15	7.340		
16	6.067		
17	4.566	Check valves were replaced for the concentrate and permeate on R.O.'s C, D, and F.	9
18	7.081		
19	7.164		
20	7.192		
21	6.308		
22	6.980		
23	7.078		
24	7.101		
25	7.155		
26	7.120		
27	7.171		
28	7.028		
29	7.121		
30	7.111		
31	7.138		
TOTALS	**216.207**		9
AVERAGE	**6.974**		

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: **February-26**

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	7.100	0.000	7.100	6.644	0.132	0.155	6.931
2	7.204	0.000	7.204	6.950	0.118	0.185	7.253
3	6.963	0.000	6.963	6.512	0.151	0.161	6.824
4	5.652	0.000	5.652	6.312	0.117	0.205	6.634
5	6.961	0.000	6.961	7.077	0.041	0.165	7.283
6	7.142	0.000	7.142	5.791	0.148	0.132	6.071
7	7.129	0.000	7.129	6.825	0.100	0.161	7.086
8	7.254	0.000	7.254	6.915	0.108	0.198	7.221
9	6.707	0.000	6.707	6.614	0.120	0.155	6.889
10	7.140	0.000	7.140	6.599	0.031	0.169	6.799
11	5.783	0.000	5.783	5.960	0.157	0.124	6.241
12	6.932	0.000	6.932	6.144	0.164	0.181	6.489
13	6.702	0.000	6.702	6.138	0.073	0.173	6.384
14	7.266	0.000	7.266	7.043	0.260	0.214	7.517
15	7.232	0.000	7.232	7.245	0.178	0.233	7.656
16	7.218	0.000	7.218	6.543	0.177	0.242	6.962
17	7.219	0.000	7.219	6.325	0.154	0.205	6.684
18	7.222	0.000	7.222	7.839	0.242	0.202	8.283
19	7.219	0.000	7.219	5.883	0.533	0.125	6.541
20	7.224	0.000	7.224	6.578	0.395	0.235	7.208
21	7.218	0.000	7.218	6.221	0.171	0.264	6.656
22	7.236	0.000	7.236	6.863	0.191	0.277	7.331
23	7.213	0.000	7.213	7.164	0.170	0.334	7.668
24	7.183	0.000	7.183	6.745	0.165	0.175	7.085
25	7.224	0.000	7.224	7.629	0.164	0.246	8.039
26	7.078	0.000	7.078	6.561	0.156	0.138	6.855
27	6.304	0.000	6.304	5.487	0.197	0.174	5.858
28	7.227	0.000	7.227	6.949	0.167	0.160	7.276
29							
30							
31							
TOTALS	**195.951**	**0.000**	**195.951**	**185.556**	**4.780**	**5.388**	**195.724**
AVERAGE	**6.998**	**0.000**	**6.998**	**6.627**	**0.171**	**0.192**	**6.990**

CHEMICAL CONSUMPTION	**TYPE**	**QUANTITY**	**COST/UNIT**	**TOTALS**
Scale Inhibitor	275-Gal Tote	0.38	$10,400.00	$3,910.40
Calcium Chloride	lbs.	306,470.27	$0.2200	$67,423.46
Caustic Soda	lbs.	29,915.57	$0.1980	$5,923.28
Liquid Ammonium Sulfate	lbs.	19,662.07	$0.1425	$2,801.85
Chlorine	Ton Containers	5.58	$2,397.00	$13,375.26
Ferric Chloride	lbs.	5,293.52	$0.2800	$1,482.19
Sodium Bisulfite	lbs.	8,318.19	$0.2125	$1,767.61
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	4.00	$2,595.32	$10,381.28
Sodium Chlorite	lbs.	3,919.11	$0.727	$2,849.19
Chemical cost per thousand gals:	*$0.561*			**$109,914.52**

ELECTRIC CONSUMPTION		**kwh**	**COST/kwh**	**TOTALS**
Well Field		511,800	$0.07623	$39,014.51
MF Processing Plant		131,700	$0.0871	$11,464.49
RO Processing Plant		404,400	$0.0817	$33,052.02
High Service Pumps		138,400	$0.0973	$13,472.55
Power costs per thousand gals:	*$0.495*			**$97,003.56**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: February-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.100		
2	7.204		
3	6.963		
4	5.652	Water distribution line isolated, for a service connection tie in.	5
5	6.961		
6	7.142		
7	7.129		
8	7.254		
9	6.707		
10	7.140		
11	5.783	Power failure at SRWA. Overhead crew found an open circuit near by.	4
12	6.932		
13	6.702		
14	7.266		
15	7.232		
16	7.218		
17	7.219		
18	7.222		
19	7.219		
20	7.224		
21	7.218		
22	7.236		
23	7.213		
24	7.183		
25	7.224		
26	7.078		
27	6.304		
28	7.227		
29			
30			
31			
TOTALS	**195.951**		9
AVERAGE	**6.998**		

SOUTHMOST REGIONAL WATER AUTHORITY

PRODUCTION / DISTRIBUTION COSTS

MONTH: January-26

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	7.347	0.000	7.347	7.435	0.017	0.192	7.644
2	7.251	0.000	7.251	7.286	0.104	0.196	7.586
3	7.271	0.000	7.271	7.338	0.011	0.185	7.534
4	7.236	0.000	7.236	6.863	0.033	0.193	7.089
5	7.229	0.000	7.229	7.520	0.010	0.183	7.713
6	7.267	0.000	7.267	6.691	0.021	0.170	6.881
7	7.188	0.000	7.188	6.929	0.028	0.168	7.125
8	7.093	0.000	7.093	6.672	0.683	0.190	7.546
9	5.450	0.000	5.450	5.572	0.534	0.325	6.431
10	7.226	0.000	7.226	5.742	0.031	0.381	6.154
11	7.074	0.000	7.074	6.723	0.625	0.472	7.820
12	7.268	0.000	7.268	5.458	0.605	0.155	6.218
13	7.318	0.000	7.318	6.611	0.577	0.171	7.359
14	6.715	0.000	6.715	5.926	0.607	0.166	6.699
15	7.224	0.000	7.224	6.944	0.555	0.208	7.707
16	6.715	0.000	6.715	5.563	0.529	0.136	6.228
17	7.221	0.000	7.221	6.789	0.559	0.174	7.522
18	7.236	0.000	7.236	6.711	0.543	0.196	7.450
19	7.293	0.000	7.293	6.652	0.726	0.153	7.531
20	6.341	0.139	6.480	5.018	0.583	0.110	5.711
21	5.560	0.261	5.821	6.265	0.498	0.131	6.894
22	3.882	0.175	4.057	4.153	0.220	0.073	4.446
23	6.257	0.120	6.377	4.584	0.202	0.141	4.927
24	7.201	0.000	7.201	6.767	0.136	0.173	7.076
25	7.249	0.000	7.249	6.853	0.116	0.222	7.191
26	7.224	0.000	7.224	6.952	0.108	0.156	7.216
27	7.254	0.000	7.254	7.140	0.104	0.190	7.434
28	7.214	0.000	7.214	7.274	0.180	0.200	7.654
29	7.190	0.000	7.190	8.075	0.108	0.172	8.355
30	7.166	0.000	7.166	7.047	0.278	0.213	7.538
31	7.391	0.000	7.391	5.890	0.121	0.158	6.169
TOTALS	**214.553**	**0.695**	**215.248**	**201.442**	**9.452**	**5.954**	**216.848**
AVERAGE	**6.921**	**0.022**	**6.943**	**6.498**	**0.305**	**0.192**	**6.995**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.41	$10,400.00	$4,222.40
Calcium Chloride	lbs.	333,652.36	$0.2200	$73,403.52
Caustic Soda	lbs.	31,155.72	$0.1980	$6,168.83
Liquid Ammonium Sulfate	lbs.	21,511.59	$0.1425	$3,065.40
Chlorine	Ton Containers	6.11	$2,397.00	$14,643.27
Ferric Chloride	lbs.	8,253.74	$0.2800	$2,311.05
Sodium Bisulfite	lbs.	9,148.13	$0.2125	$1,943.98
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	4,359.87	$0.727	$3,169.63
Chemical cost per thousand gals:	*$0.518*			**$111,523.40**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		561,000	$0.07623	$42,765.03
MF Processing Plant		143,400	$0.0871	$12,482.97
RO Processing Plant		441,000	$0.0817	$36,043.37
High Service Pumps		159,200	$0.0973	$15,497.32
Power costs per thousand gals:	*$0.496*			**$106,788.70**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: January-26

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.347		
2	7.251		
3	7.271		
4	7.236		
5	7.229		
6	7.267		
7	7.188		
8	7.093		
9	5.450	Plant maintenance replumbed the chlorine feed line at the injection point.	9
10	7.226		
11	7.074		
12	7.268		
13	7.318		
14	6.715		
15	7.224		
16	6.715		
17	7.221		
18	7.236		
19	7.293		
20	6.480		
21	5.821	Three-day operational test, that excluded wells with the highest manganese concentrations.	
22	4.057	Plant maintenance replumbed the caustic feed line at the injection point.	8
23	6.377		
24	7.201		
25	7.249		
26	7.224		
27	7.254		
28	7.214		
29	7.190		
30	7.166		
31	7.391		
TOTALS	**215.248**		17
AVERAGE	**6.943**		

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: December-25

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	7.220	0.000	7.220	6.229	0.019	0.239	6.487
2	7.231	0.000	7.231	7.104	0.021	0.156	7.281
3	7.140	0.000	7.140	6.833	0.019	0.177	7.029
4	7.181	0.000	7.181	6.664	0.100	0.198	6.962
5	7.248	0.000	7.248	6.504	0.142	0.186	6.832
6	7.287	0.000	7.287	6.802	0.214	0.205	7.221
7	7.166	0.000	7.166	7.089	0.225	0.172	7.486
8	7.174	0.000	7.174	6.473	0.010	0.213	6.696
9	7.252	0.000	7.252	7.085	0.016	0.165	7.266
10	5.747	0.000	5.747	7.016	0.035	0.152	7.203
11	7.227	0.000	7.227	5.874	0.153	0.143	6.170
12	6.726	0.000	6.726	6.708	0.151	0.150	7.009
13	7.229	0.000	7.229	7.061	0.063	0.170	7.294
14	7.225	0.000	7.225	6.407	0.079	0.172	6.658
15	7.172	0.000	7.172	6.147	0.087	0.198	6.432
16	7.230	0.000	7.230	7.316	0.017	0.148	7.481
17	5.551	0.000	5.551	5.226	0.090	0.161	5.477
18	6.956	0.000	6.956	5.877	0.135	0.193	6.205
19	7.205	0.000	7.205	6.873	0.087	0.131	7.091
20	6.756	0.000	6.756	6.666	0.086	0.204	6.956
21	7.036	0.000	7.036	6.146	0.026	0.182	6.354
22	6.891	0.000	6.891	7.192	0.025	0.212	7.429
23	6.583	0.000	6.583	5.764	0.021	0.183	5.968
24	6.636	0.000	6.636	6.262	0.025	0.182	6.469
25	6.244	0.000	6.244	7.310	0.025	0.213	7.548
26	7.124	0.000	7.124	6.667	0.128	0.250	7.045
27	7.221	0.000	7.221	6.986	0.015	0.163	7.164
28	7.407	0.000	7.407	7.284	0.017	0.157	7.458
29	2.800	0.000	2.800	3.413	0.013	0.141	3.567
30	7.220	0.000	7.220	5.950	0.015	0.110	6.075
31	5.518	0.000	5.518	5.014	0.014	0.127	5.155
TOTALS	**210.604**	**0.000**	**210.604**	**199.942**	**2.073**	**5.453**	**207.468**
AVERAGE	**6.794**	**0.000**	**6.794**	**6.450**	**0.067**	**0.176**	**6.693**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.41	$10,400.00	$4,243.20
Calcium Chloride	lbs.	331,127.83	$0.2200	$72,848.12
Caustic Soda	lbs.	21,536.93	$0.1980	$4,264.31
Liquid Ammonium Sulfate	lbs.	21,107.00	$0.1425	$3,007.75
Chlorine	Ton Containers	6.04	$2,397.00	$14,477.88
Ferric Chloride	lbs.	8,714.92	$0.2800	$2,440.18
Sodium Bisulfite	lbs.	9,515.39	$0.2125	$2,022.02
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	4,166.90	$0.727	$3,029.33
Chemical cost per thousand gals:	*$0.517*			**$108,928.11**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		530,400	$0.07623	$40,432.39
MF Processing Plant		138,600	$0.0871	$12,065.13
RO Processing Plant		400,200	$0.0817	$32,708.75
High Service Pumps		149,600	$0.0973	$14,562.81
Power costs per thousand gals:	*$0.474*			**$99,769.08**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: **December-25**

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.220		
2	7.231		
3	7.140		
4	7.181		
5	7.248		
6	7.287		
7	7.166		
8	7.174		
9	7.252		
10	5.747	Repaired a leak on the main raw water line running through Rancho Viejo	5
11	7.227		
12	6.726		
13	7.229		
14	7.225		
15	7.172		
16	7.230		
17	5.551	Loss of power and communication at the well field	5
18	6.956		
19	7.205		
20	6.756		
21	7.036		
22	6.891		
23	6.583		
24	6.636		
25	6.244		
26	7.124		
27	7.221		
28	7.407		
29	2.800	Caustic soda leak by injection point	15
30	7.220		
31	5.518	Chlorine solution leak by the injection point	5
TOTALS	**210.604**		30
AVERAGE	**6.794**		

SOUTHMOST REGIONAL WATER AUTHORITY
PRODUCTION / DISTRIBUTION COSTS

MONTH: November-25

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	7.184	0.000	7.184	6.752	0.021	0.184	6.957
2	6.398	0.000	6.398	6.179	0.021	0.192	6.392
3	7.028	0.000	7.028	6.580	0.391	0.179	7.150
4	7.288	0.000	7.288	6.755	0.269	0.161	7.185
5	7.284	0.000	7.284	7.440	0.019	0.169	7.628
6	7.203	0.000	7.203	6.772	0.020	0.170	6.962
7	7.094	0.000	7.094	6.751	0.130	0.179	7.060
8	7.131	0.000	7.131	6.655	0.019	0.157	6.831
9	7.058	0.000	7.058	7.332	0.019	0.155	7.506
10	7.330	0.000	7.330	6.706	0.031	0.213	6.950
11	7.143	0.000	7.143	7.015	0.020	0.188	7.223
12	7.266	0.000	7.266	7.573	0.019	0.164	7.756
13	7.273	0.000	7.273	6.921	0.019	0.152	7.092
14	7.174	0.000	7.174	6.766	0.109	0.169	7.044
15	7.353	0.000	7.353	7.144	0.018	0.199	7.361
16	7.156	0.000	7.156	6.779	0.020	0.191	6.990
17	7.207	0.000	7.207	6.983	0.022	0.158	7.163
18	7.215	0.000	7.215	7.049	0.018	0.202	7.269
19	7.196	0.000	7.196	6.888	0.020	0.176	7.084
20	7.319	0.000	7.319	6.958	0.020	0.187	7.165
21	7.187	0.000	7.187	6.647	0.100	0.108	6.855
22	7.219	0.000	7.219	6.781	0.025	0.237	7.043
23	7.160	0.000	7.160	7.200	0.019	0.153	7.372
24	7.165	0.000	7.165	7.066	0.020	0.179	7.265
25	7.222	0.000	7.222	7.113	0.022	0.169	7.304
26	7.272	0.000	7.272	6.321	0.018	0.158	6.497
27	7.165	0.000	7.165	6.825	0.020	0.213	7.058
28	7.257	0.000	7.257	7.157	0.068	0.170	7.395
29	7.212	0.000	7.212	7.269	0.030	0.184	7.483
30	7.259	0.000	7.259	6.829	0.441	0.162	7.432
31							
TOTALS	**215.415**	**0.000**	**215.415**	**207.206**	**1.988**	**5.278**	**214.472**
AVERAGE	**7.180**	**0.000**	**7.180**	**6.907**	**0.066**	**0.176**	**7.149**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.41	$10,400.00	$4,284.80
Calcium Chloride	lbs.	334,537.55	$0.2200	$73,598.26
Caustic Soda	lbs.	18,814.44	$0.1980	$3,725.26
Liquid Ammonium Sulfate	lbs.	21,151.60	$0.1425	$3,014.10
Chlorine	Ton Containers	6.05	$2,397.00	$14,501.85
Ferric Chloride	lbs.	8,700.24	$0.2800	$2,436.07
Sodium Bisulfite	lbs.	9,800.00	$0.2125	$2,082.50
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	1.00	$2,595.32	$2,595.32
Sodium Chlorite	lbs.	4,343.80	$0.727	$3,157.94
Chemical cost per thousand gals:	*$0.508*			**$109,396.10**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		547,800	$0.07623	$41,758.79
MF Processing Plant		141,300	$0.0871	$12,300.17
RO Processing Plant		442,500	$0.0817	$36,165.97
High Service Pumps		155,600	$0.0973	$15,146.88
Power costs per thousand gals:	*$0.489*			**$105,371.81**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: November-25

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.184		
2	6.398		
3	7.028		
4	7.288		
5	7.284		
6	7.203		
7	7.094		
8	7.131		
9	7.058		
10	7.330		
11	7.143		
12	7.266		
13	7.273		
14	7.174		
15	7.353		
16	7.156		
17	7.207		
18	7.215		
19	7.196		
20	7.319		
21	7.187		
22	7.219		
23	7.160		
24	7.165		
25	7.222		
26	7.272		
27	7.165		
28	7.257		
29	7.212		
30	7.259		
31			
TOTALS	**215.415**		0
AVERAGE	**7.180**		

SOUTHMOST REGIONAL WATER AUTHORITY

PRODUCTION / DISTRIBUTION COSTS

MONTH: October-25

	R.O. Water Produced MGD	Blend Water Produced MGD	Total Water Produced	DISTRIBUTION (MGD) TO BROWNSVILLE	TO LOS FRESNOS	TO VMUD #2	TOTAL WATER DISTRIBUTED
1	7.255	0.000	7.255	7.210	0.165	0.156	7.531
2	4.759	0.000	4.759	5.358	0.114	0.123	5.595
3	7.387	0.000	7.387	6.323	0.181	0.157	6.661
4	7.267	0.000	7.267	6.067	0.032	0.187	6.286
5	7.091	0.000	7.091	6.802	0.038	0.242	7.082
6	7.338	0.000	7.338	7.255	0.036	0.194	7.485
7	7.131	0.000	7.131	6.515	0.028	0.150	6.693
8	7.196	0.000	7.196	7.038	0.018	0.175	7.231
9	7.293	0.000	7.293	7.015	0.018	0.190	7.223
10	7.067	0.000	7.067	6.666	0.031	0.209	6.907
11	7.041	0.000	7.041	6.786	0.015	0.185	6.986
12	7.340	0.000	7.340	7.192	0.018	0.177	7.387
13	7.113	0.000	7.113	6.917	0.018	0.216	7.151
14	7.256	0.000	7.256	7.345	0.017	0.213	7.575
15	7.176	0.000	7.176	6.565	0.016	0.124	6.705
16	7.281	0.000	7.281	6.808	0.019	0.218	7.045
17	7.067	0.000	7.067	7.116	0.057	0.158	7.331
18	7.199	0.000	7.199	6.603	0.018	0.195	6.816
19	7.370	0.000	7.370	7.336	0.020	0.237	7.593
20	7.206	0.000	7.206	7.379	0.086	0.140	7.605
21	4.179	0.000	4.179	4.883	0.182	0.220	5.285
22	7.260	0.000	7.260	5.451	0.048	0.034	5.533
23	7.143	0.000	7.143	7.096	0.185	0.147	7.428
24	7.213	0.000	7.213	6.355	0.172	0.195	6.721
25	7.205	0.000	7.205	6.731	0.087	0.203	7.021
26	7.241	0.000	7.241	7.385	0.094	0.178	7.657
27	7.054	0.000	7.054	6.731	0.088	0.162	6.981
28	7.084	0.000	7.084	6.509	0.091	0.167	6.767
29	7.291	0.000	7.291	6.806	0.088	0.176	7.070
30	7.168	0.000	7.168	6.972	0.089	0.168	7.229
31	7.188	0.000	7.188	7.011	0.069	0.208	7.288
TOTALS	**217.861**	**0.000**	**217.861**	**208.227**	**2.138**	**5.503**	**215.868**
AVERAGE	**7.028**	**0.000**	**7.028**	**6.717**	**0.069**	**0.178**	**6.963**

CHEMICAL CONSUMPTION	TYPE	QUANTITY	COST/UNIT	TOTALS
Scale Inhibitor	275-Gal Tote	0.42	$10,400.00	$4,336.80
Calcium Chloride	lbs.	333,826.02	$0.3000	$100,147.81
Caustic Soda	lbs.	19,520.52	$0.1900	$3,708.90
Liquid Ammonium Sulfate	lbs.	21,381.31	$0.1595	$3,410.32
Chlorine	Ton Containers	6.11	$2,359.00	$14,413.49
Ferric Chloride	lbs.	6,377.70	$0.2700	$1,721.98
Sodium Bisulfite	lbs.	9,866.23	$0.1855	$1,830.19
High pH Membrane Cleaner (237)	55-Gal Drum	0.00	$2,186.60	$0.00
Low pH Membrane Cleaner (234)	55-Gal Drum	0.00	$1,897.40	$0.00
Citric Acid	330-Gal Totes	2.00	$2,830.65	$5,661.30
Sodium Chlorite	lbs.	4,279.69	$0.600	$2,567.81
Chemical cost per thousand gals:	*$0.633*			**$137,798.59**

ELECTRIC CONSUMPTION		kwh	COST/kwh	TOTALS
Well Field		562,800	$0.07623	$42,902.24
MF Processing Plant		143,100	$0.0871	$12,456.86
RO Processing Plant		432,300	$0.0817	$35,332.31
High Service Pumps		160,000	$0.0973	$15,575.20
Power costs per thousand gals:	*$0.488*			**$106,266.61**

SOUTHMOST REGIONAL WATER AUTHORITY

MONTH: October-25

	TOTAL MGD PRODUCED	DESCRIPTION	DOWN TIME HOURS
1	7.255		
2	4.759	Scheduled shutdown to rewire transfer pump #2 and Microfiltration SCADA server upgrade	9
3	7.387		
4	7.267		
5	7.091		
6	7.338		
7	7.131		
8	7.196		
9	7.293		
10	7.067		
11	7.041		
12	7.340		
13	7.113		
14	7.256		
15	7.176		
16	7.281		
17	7.067		
18	7.199		
19	7.370		
20	7.206		
21	4.179	Power outage at SRWA	11
22	7.260		
23	7.143		
24	7.213		
25	7.205		
26	7.241		
27	7.054		
28	7.084		
29	7.291		
30	7.168		
31	7.188		
TOTALS	**217.861**		20
AVERAGE	**7.028**		

SRWA
Southmost Regional Water Authority

IV.
Plant Issues

SRWA
Southmost Regional Water Authority

INTER-OFFICE CORRESPONDENCE

Date: August 7, 2026

To: Marilyn Gilbert, MBA, General Manager & CEO

From: Michael Esquibel, Lead W/WW Operator M.E.

Subject: Southmost Regional Water Authority— July 2026 Operations Report

During July 2026, the Southmost Regional Water Authority Brackish Groundwater Treatment Facility (SRWA) produced and distributed the following amount of water:

- Production: 199.635 MG (Daily average: 6.440 MGD)
- Distribution: 199.341 MG (Daily average: 6.430 MGD)

The year-to-date (YTD) water flow to Brownsville is above its target allocation, while water flow to VMUD and the City of Los Fresnos is below their respective allocation targets. Staff will continue to adjust flow rates in accordance with the established ownership allocation percentages.

If you have any questions or need additional information, please let me know.

C: Albert Gomez
Rene Mariscal
Jose A. Garza

V.
Capital Improvements

FISCAL YEAR 2026
CAPITAL EXPENDITURES REPORT

RUN DATE: 10-AUG-2026

	APPROVED BUDGET FY 2026	Y-T-D EXPENSES AS OF 7/31/2026	OUTSTANDING ENCUMBRANCES	CURRENT ENDING BALANCE
WATER PROJECTS	$ 2,590,430.00	$ 295,181.51	$ 73,806.22	$ 2,193,848.65
CAPITALIZED EQUIPMENT	54,000.00	63,189.59	18,642.36	(238.33)
UNENCUMBERED BUDGET	-	-	-	-
IMPROVEMENT FUND BUDGET TOTAL	$ 2,644,430.00	$ 358,371.10	$ 92,448.58	$ 2,193,610.32
WATER PROJECT	$ -	$ -	$ -	$ -
UNENCUMBERED BUDGET - GRANT	-	-	-	-
GRANTS FUND BUDGET TOTAL	$ -	$ -	$ -	$ -
OVERALL CAPITAL BUDGET TOTAL	$ 2,644,430.00	$ 358,371.10	$ 92,448.58	$ 2,193,610.32

RUN DATE: 10-AUG-2026

SRWA
Southmost Regional Water Authority

FISCAL YEAR 2026
CAPITAL PROJECT LISTING
YEAR-TO-DATE EXPENDITURE REPORT
IMPROVEMENT FUND

WORK ORDER OPENED	WORK ORDER #	ACTIVITY	DESCRIPTION	APPROVED BUDGET FY 2026	TRANSFERS IN (OUT)	AMENDED BUDGET FY 2026	Y-T-D EXPENSES AS OF 7/31/2026	OUTSTANDING ENCUMBRANCES	CURRENT ENDING BALANCE	PROJECT COMPLETION %
05/22/24	236005	WS1409	24-INCH PIPE MODIFICATION ON BLENDED PERMEATE PIPE - ENGINEERING	26,969.00	-	26,969.00	4,322.01	-	22,646.99	100%
07/01/24	237917	WT1414	SRWA OPTIMIZATION FEASIBILITY STUDY FOR TITLE XVI FEDERAL FUNDING PARTICIPATION	13,909.00	-	13,909.00	-	-	13,909.00	Closed
8/8/2024	240048	WT1415	SRWA WELL REHAB CONSULTING PROJECT SRWA WELL FIELD/ VARIOUS WELL SITES	32,870.00	-	32,870.00	285.00	8,286.64	24,298.36	98%
05/08/24	235112	WT1432	VFD UNITS REPLACEMENT AT HIGH SERVICE PUMP NO. 5 AND NO. 6	276,000.00	76,836.73	352,836.73	290,574.50	65,519.58	(3,257.35)	75%
10/28/25	267151	WS1487	REHABILITATION OF 6 GROUNDWATER WELLS AND INSTALLATION OF AQUA GARD PREVENTATIVE MAINTENANCE SYSTEM TO WELL NO. 1, 13 AND 16	991,280.00	-	991,280.00	-	-	991,280.00	20%
04/07/25	N/A	OPTIMZ	SRWA WELL FIELD OPTIMIZATION SERVICES - AQUA FREED PROCESS AND DUBOIS WELL SERVICES	213,540.00	-	213,540.00	-	-	213,540.00	100%
09/09/24	275286	WA1509	ARIA FILTRA MICROFILTRATION SYSTEM	71,515.00	-	71,515.00	-	-	71,515.00	100%
N/A	N/A	WS1585	SRWA WELLS BACKUP POWER (10% Grant Local Match)	-	132,406.00	132,406.00	-	-	132,406.00	0%
N/A	N/A	WT1584	MANGANESE STUDY	-	316,800.00	316,800.00	-	-	316,800.00	0%
			IMPROVEMENT FUND TOTAL	$ 1,626,083.00	$ 526,042.73	$ 2,152,125.73	$ 295,181.51	$ 73,806.22	$ 1,783,138.00	

RUN DATE: 10-AUG-2026

FISCAL YEAR 2026
CAPITAL PROJECT LISTING
YEAR-TO-DATE EXPENDITURE REPORT
IMPROVEMENT FUND

WORK ORDER OPENED	WORK ORDER #	ACTIVITY	DESCRIPTION	APPROVED BUDGET FY 2026	TRANSFERS IN (OUT)	AMENDED BUDGET FY 2026	Y-T-D EXPENSES AS OF 7/31/2026	OUTSTANDING ENCUMBRANCES	CURRENT ENDING BALANCE	PROJECT COMPLETION %
N/A	N/A	N/A	ADMINISTRATION BUILDING FIRE SYSTEM UPGRADE	76,206.00	-	76,206.00	-	-	76,206.00	20%
N/A	N/A	N/A	24-INCH PIPE MODIFICATION ON BLENDED PERMEATE PIPE	154,356.00	-	154,356.00	-	-	154,356.00	0%
N/A	N/A	N/A	50FT X 100FT STEEL STORAGE BUILDING DESIGN AND CONSTRUCTION	30,000.00	(30,000.00)	-	-	-	-	
N/A	N/A	N/A	MICROFILTRATION TRANSFER PUMPS STATION EXPANSION	40,000.00	(40,000.00)	-	-	-	-	
N/A	N/A	N/A	2 EACH CHEMICAL BULK TANKS FOR LIQUID ALUMINUM SULFATE (LAS) - DESIGN AND CONSTRUCTION	44,600.00	-	44,600.00	-	-	44,600.00	0%
N/A	N/A	N/A	36-INCH HIGH SERVICE PUMP HEADER LINE REPLACEMENT	364,416.00	(228,867.35)	135,548.65	-	-	135,548.65	0%
N/A	N/A	N/A	CHLORINATION FFED SYSTEM IMPROVEMENTS - DESIGN AND CONSTRUCTION	131,529.00	(131,529.00)	-	-	-	-	
N/A	N/A	N/A	VFD UNIT REPLACEMENT FOR TRANSFER PUMP NO. 1	123,240.00	(123,240.00)	-	-	-	-	
			CAPITAL PROJECTS TOTAL	$ 2,590,430.00	$ (27,593.62)	$ 2,562,836.38	$ 295,181.51	$ 73,806.22	$ 2,193,848.65	
		EQW	SCISSOR LIFT (REPLACE EXISTING UNIT)	15,000.00	-	15,000.00	15,595.97	-	(595.97)	100%
		EQW	JOHN DEERE GATOR (REPLACE EXISTING UNIT)	19,000.00	-	19,000.00	-	18,642.36	357.64	50%
		EQW	FORKLIFT (REPLACE EXISTING UNIT)	20,000.00	27,593.62	47,593.62	47,593.62	-	(0.00)	100%
			CAPITAL EQUIPMENT TOTAL	$ 54,000.00	$ 27,593.62	$ 81,593.62	$ 63,189.59	$ 18,642.36	$ (238.33)	
			UNENCUMBERED BUDGET TOTAL	-	-	-	-	-	-	
			OVERALL IMPROVEMENT FUND BUDGET TOTAL	$ 2,644,430.00	$ -	$ 2,644,430.00	$ 358,371.10	$ 92,448.58	$ 2,193,610.32	

FISCAL YEAR 2026
CAPITAL PROJECT LISTING
YEAR-TO-DATE EXPENDITURE REPORT
GRANTS FUND

RUN DATE: 09-DEC-2025

PROJECT ORIGINATOR	DATE OPENED	WORK ORDER #	ACTIVITY	DESCRIPTION	FY 2026 BEGINNING BALANCE	Y-T-D EXPENSES AS OF 7/31/2026	OUTSTANDING ENCUMBRANCES	CURRENT ENDING BALANCE	DEFERRED FY 2027+ BUDGET	DATE COMPLETED

There are no projects in this category.

OVERALL GRANTS FUND PROJECT TOTAL	$ -	$ -	$ -	$ -	$ -
UNENCUMBERED BUDGET TOTAL	$ -	$ -	$ -	$ -	$ -
OVERALL GRANTS FUND BUDGET TOTAL	$ -	$ -	$ -	$ -	$ -

VI.
SRWA Outstanding Debt

DEBT SERVICE

The Southmost Regional Water Authority (SRWA) Reverse Osmosis Plant Project was complete and operational during 2005. The SRWA successfully issued $30,975,000 in Water Supply Contract Revenue Bonds, Series 2002 during FY 2003 and has expended approximately 100% of bond proceeds in the construction of the desalination plant. The Series 2002 bonds were issued with insured ratings of "Aaa" and "AAA" by Moody's Investor Services and Fitch Ratings, respectively.

The underlying ratings on the bonds are "A2" and "A" by Moody's and Fitch, respectively.

The SRWA issued $9,950,000 in aggregate principal amount of Water Supply Contract Revenue Refunding Bonds, Series 2006. The refunding bonds provided proceeds to defease $9,360,000 of the Series 2002 Revenue Bonds for the years 2019 and from 2028 through 2032.

On December 7, 2009, the SRWA issued $9,295,000 in Water Supply Contract Revenue Bonds, Series 2009A and $3,795,000 in Water Supply Contract Revenue Bonds, Series 2009B through the Texas Water Development Board Drinking Water State Revolving Fund for the construction of a full-scale Micro Filtration Pretreatment System. The objective of this project is to achieve compliance with both existing and future maximum contaminant levels for arsenic in public drinking water by constructing a full-scale Micro Filtration Pretreatment System prior to entering the existing reverse osmosis treatment process. An additional need is to control and reduce iron levels to eliminate complaints of colored water. Project objectives also include an additional 1.0 million gallons per day of capacity through upgrading certain pumps within the existing well field and adding one additional reverse osmosis train.

On September 26, 2012, the SRWA issued $13,530,000 in Water Supply Contract Revenue Refunding Bonds, Series 2012. The refunding bonds provided proceeds to defease $14,990,000 of the Series 2002 Revenue Bonds for the years 2013 through 2027.

On April 1, 2017, the SRWA issued $9,255,000 in Water Supply Contract Revenue Refunding Bonds, Series 2017. The refunding bonds had a closing date of April 18, 2017, and the proceeds plus the bond premium were used to defease $9,715,000 of the Series 2006 Water Supply Contract Revenue Refunding Bonds for the years 2019 through 2032.

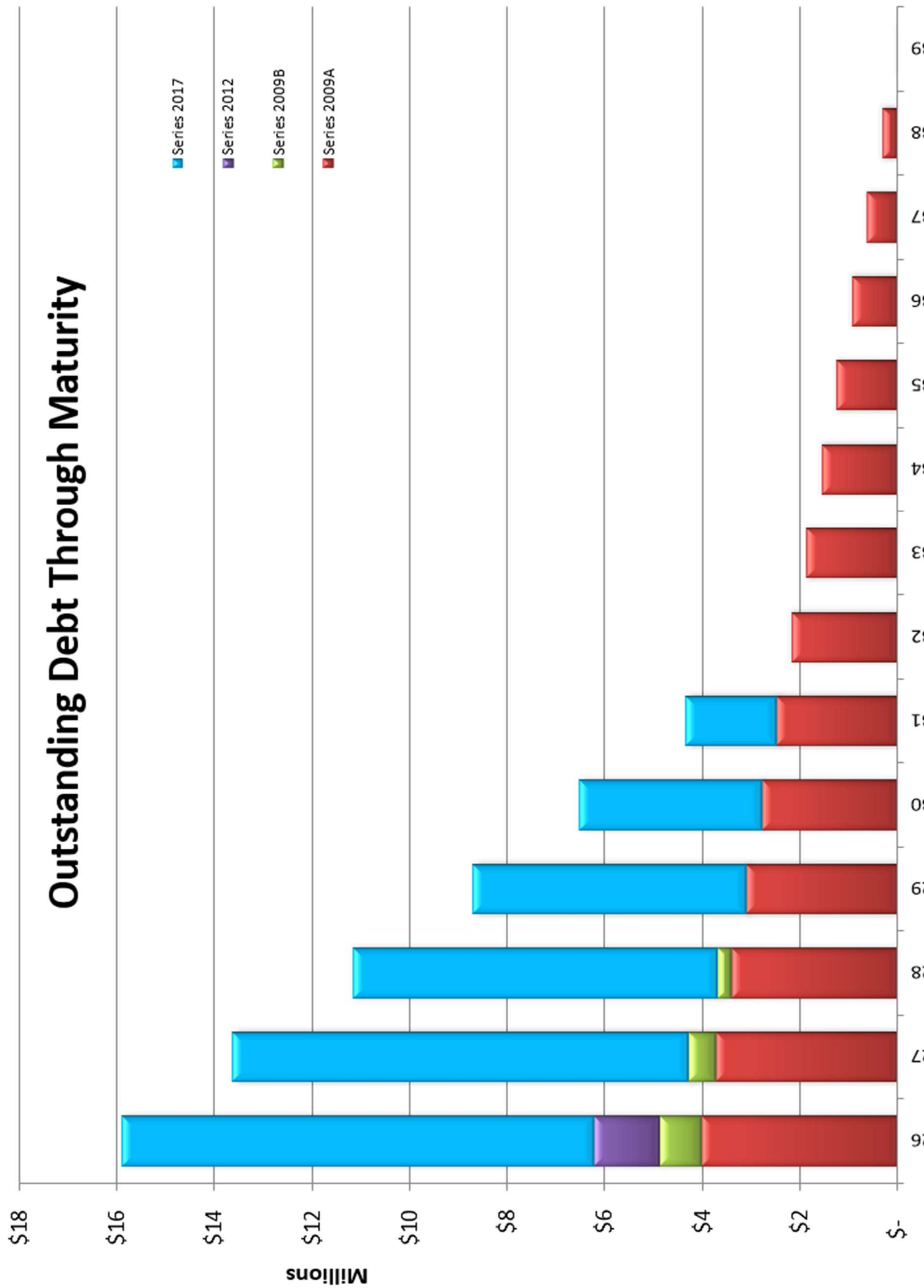
OUTSTANDING DEBT

- $9,295,000 Revenue Bonds, Series 2009A; due in remaining annual installments ranging from $305,000 to $310,000 through 2039 with interest rate at 0.0%

- $3,795,000 Revenue Bonds, Series 2009B; due in remaining annual installments ranging from $240,000 to $270,000 through 2029 with interest rate ranging from 4.10% to 4.25%

- $13,530,000 Water Supply Contract Revenue Refunding Bonds, Series 2012; due in remaining annual installments ranging from $1,255,000 to $1,285,000 through 2027 with interest rate ranging from 3.0% to 5.0%

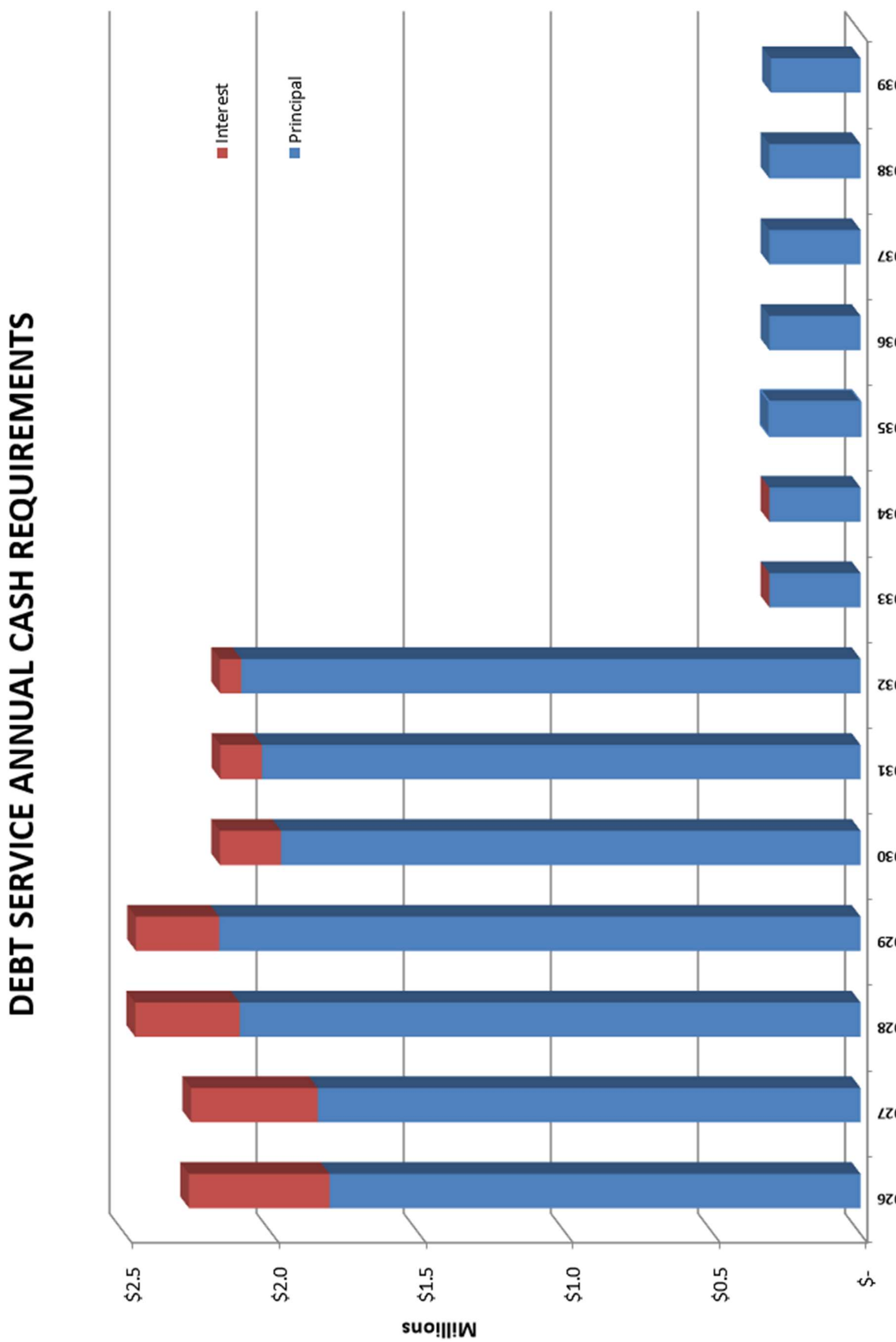
- $9,255,000 Water Supply Contract Revenue Refunding Bonds, Series 2017; due in remaining annual installments ranging from $1,540,000 to $1,795,000 through 2032 with interest rate of 4.0%.



Outstanding Debt Through Maturity
Series 2017
Series 2012
Series 2009B
Series 2009A
Millions
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039

DEBT SERVICE REQUIREMENTS BY FISCAL YEAR

Year Ending Sept. 1	Years	Principal	Interest	Total Debt Svc. Requirements	Declining Debt Svc. Balance
2026	14	1,805,000	477,565	2,282,565	15,897,875
2027	13	1,845,000	430,075	2,275,075	13,622,800
2028	12	2,110,000	355,325	2,465,325	11,157,475
2029	11	2,180,000	282,675	2,462,675	8,694,800
2030	10	1,970,000	207,200	2,177,200	6,517,600
2031	9	2,035,000	140,800	2,175,800	4,341,800
2032	8	2,105,000	71,800	2,176,800	2,165,000
2033	7	310,000	-	310,000	1,855,000
2034	6	310,000	-	310,000	1,545,000
2035	5	310,000	-	310,000	1,235,000
2036	4	310,000	-	310,000	925,000
2037	3	310,000	-	310,000	615,000
2038	2	310,000	-	310,000	305,000
2039	1	305,000	-	305,000	-
		$ 16,215,000	$ 1,965,440	$ 18,180,440	


DEBT SERVICE ANNUAL CASH REQUIREMENTS
Interest
Principal
Millions
$2.5
$2.0
$1.5
$1.0
$0.5
$-
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039

VII. Glossary

GLOSSARY

Acceptable Pressure – means the pressure at the Delivery Point not less than the minimum pressure of 60 psia.

Accountant – shall mean a firm of independent, certified public accountants retained by the Authority which is experienced in auditing political subdivisions of the state.

A/P – Accounts Payable

A/R – Accounts Receivable

Account – A basis for distinguishing types of expenses or expenditures.

Accrual – The method of accounting that recognizes income when earned and expenses when incurred regardless of when cash is received or disbursed.

ACH – Automated Clearing House; name of the network used for electronic financial transactions.

Asset – A property that has value.

AST – Above-ground storage tank.

Authority – Shall mean the Southmost Regional Water Authority, or its Board of Directors as the context may indicate, and any legal successor which succeeds to the function and authority thereof. The Authority is the largest such facility in Texas, the regional reverse osmosis plant uses state-of-the-art reverse osmosis (RO) technology to treat previously untapped and unusable brackish groundwater resources as an alternative water supply.

Average Daily Rate – Rate of delivery of water from the System delivered to the Participating Customer at the Delivery Point calculated as the average amount of water delivered on a daily basis over a 30 day period.

Balanced Budget – a budget in which forward expenditures for a set period are matched by expected revenues for the same period.

BANNER 9.3.36 – name of program used as the Financial Management Information System.

Bonds – Shall mean the initial Project Bonds, as well as any other notes, bonds, refunding bonds and lease obligations, or other revenue obligations issued from time to time by the Authority the proceeds of which are used for financing or refinancing allocable or attributable cost, expense or liability incurred or paid by the Authority for the financing, or refinancing, construction, reconstruction, acquisition, operation or maintenance of the System or otherwise paid or incurred by the Authority in order to perform its obligations under the Water Supply Contracts.

GLOSSARY

Bond Covenants – The issuer's pledge, in the financing documents, to do or to avoid performing certain practices and actions.

Bond Ratings – A measure of the quality and safety of a bond, based on the issuer's financial condition; more specifically, an evaluation from a rating service indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Typically, AAA is the highest (best), and D is the lowest (worst). The SRWA is maintaining an "A2" as rated by Moody's, and an "A" as rated by Fitch Ratings.

BPUB (Brownsville Public Utilities Board; Brownsville PUB; the Public Utilities Board; PUB; the System; the Board) – See "Participating Customer"

Brownsville Navigation District (BND) - See "Participating Customer"

Budget – A financial plan, generally for one fiscal year, presenting proposed expenditures and an estimate of the necessary sources of funds; the Budget Document, as prepared and presented, to the governing body.

Capital Asset – An asset with an initial, individual cost of more than $5,000 and an estimated useful life in excess of eighteen (18) months.

Capital Expenditure – Capital Expenditures are those investments in property, plant, and equipment that have a useful life that is greater than one year (depreciable assets).

Capital Project – the construction, reconstruction, acquisition, and structural maintenance of building s or real property that adds value to the utility's system.

CFO – Chief Financial Officer; in charge of managing the finances of the company.

CIP – Capital Improvement Plan; strategy of planning and prioritizing capital projects based on projected availability of resources.

City of Los Fresnos – See "Participating Customer"

Construction Bond Fund – Funding source of SRWA capital project(s)

COO – Chief Operating Officer; in charge of managing the operations of the company.

CPA – Certified Public Accountant; certification given to individual who has passed the Uniform Certified Public Accountant Examination and has met the required state education and experience requirements.

CPR – Continuing Property Records System; information system used to record and keep track of the capital assets of the company.

GLOSSARY

Debt Service – The principal repayment, interest expense, and issue costs associated with the retirement of outstanding debt.

Defeasance – Termination of the rights and interests of the trustee and bondholders under a trust agreement or indenture on final payment or provision for payment of all debt service and premiums and other costs, as specifically provided for in the trust instrument.

Depreciation – Depreciation represents the use of capital asset over its useful life. Eventually all physical assets wear out or become obsolete. Depreciation recognizes this fact, but does not represent either an actual cash outflow or cash inflow.

Distribution – Usable portion of the delivery system coming from the substation or water plant/tank to the customer's meter.

EPA – Environmental Protection Agency; federal government agency charged with protecting and safeguarding human health and the natural environment (www.epa.gov).

Expense – A use of financial resources to acquire goods or services consumed in a single year's current operations.

Federal Deposit Insurance Corporation (FDIC) – An independent agency created by Congress that maintains the stability and public confidence in the nation's financial system by insuring deposits, examining and supervising financial institutions, and managing receiverships (www.fdic.gov).

Fiscal Year (FY) – A consecutive 12-month period marking the beginning and ending dates for recording financial transactions. The SRWA's fiscal year begins October 1 and ends September 30 of the following calendar year. This is also referred to as the budget year.

FS – Financial Statements

FTE – Full Time Employee working 40 hours per week.

GASB - The Governmental Accounting Standards Board**;** Governmental Board organized in 1984 as an operating entity of the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).

GAAP - Generally Accepted Accounting Principles; the conventions, rules, and procedures necessary to define an accepted accounting practice at a particular time. The principles have been developed on the basis of experience, custom, usage, and to a significant extent, practical necessity.

GM & CEO – General Manager & Chief Executive Officer; in charge of managing the company and reports to the Board of Directors

GLOSSARY

Grant – A legal transaction giving money or property for a specific purpose.

Interest Expense – Interest expense is the cost of borrowing funds. It is shown as a financial expense item within the income statement.

Interest From Investments or Investment Income –Interest and dividends from short-term and overnight investments. The Brownsville PUB invests certain cash assets in order to receive interest earnings until that cash is needed. All interest earned is recorded as investment income.

Junior lien – See "lien obligations".

Kilowatt hour (kWh) - measures a unit of energy, equal to 3,600,000 joules (3.6 MJ). It can also be described as the amount of energy that would be transferred at a constant rate of one kilowatt for one hour. This is the unit that is used by power companies to determine the amount of energy used by a home or business for billing purposes.

Liabilities - a liability is a debt or obligation that a company must pay. Liabilities are recorded on a company's balance sheet and can include accounts payable, taxes, wages, accrued expenses, and deferred revenues.

Lien Obligations – Security protection claim for repayment of a debt. Legal priority rights are placed on the repayment of debt. If legal remedies for repayment occur, first emphasis for repayment is Priority Obligations, then Second Lien Obligations, then Junior Lien Obligations, and then Subordinate Lien Obligations. While bonds with second or third liens are generally rated significantly lower than those with first liens, the issuer may determine that the senior-lien credit is so strong that a well-structured junior-lien bond will be rated relatively close to senior bond.

MG – Million gallons.

MGD – Million gallons per day.

Mg/l – Million gallons per load.

MSRB – Municipal Securities Rulemaking Board and any successors to its duties

Net Assets - Total assets minus total liabilities of an individual or company

NRMSIR – Each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

O&M – Operations & Maintenance

GLOSSARY

Operating Revenues – Gross Revenues with respect to any period, after deducting the O&M expenses.

Operations and Maintenance Budget (O&M Budget) – Plan of current expenditures and proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the utility are controlled.

Operations and Maintenance Non-Personnel (O&M Non-Personnel) – Also known as operating costs, these are the expenses of the day-to-day operations assigned to the current operating period.

Operations and Maintenance Personnel (O&M Personnel) – Cost related to compensating employees, including salaries, wages, insurance, payroll taxes, and retirement contributions.

Other Non-Operating Expenses – Miscellaneous expenses, debt discounts/expenses and other interest expenses.

Participating Customer – A Texas municipal utility district created under the authority of Article XVI, Section 59 of the Texas Constitution and operating pursuant to Chapter 49 and 54, Texas Water Code. Each Participating Customer or any Participating Customer shall mean, subject to the proviso in the definition of the Water Supply Contract, one or more of the Participating Customers entered in the Water Supply Contract, its legal successors or permitted assigns so long as such entity is a party to the Water Supply Contract, and shall also include any purchaser of treated water from the Authority which becomes a Participating Customer.

Participant's System – Water system or combined utility system of each Participating Customer, as applicable.

P.E. – Professional Engineer; registered or licensed engineer.

Operating Fund - This fund group is used to account for the maintenance and operations of the Systems physical plant and assets.

Policy – A program of actions adopted by a person, group, or government, or the set of principles on which they are based.

Polychlorinated biphenyl (PCB) – Several compounds that are produced by replacing hydrogen atoms in biphenyl with chlorine, have various industrial applications, and are toxic environmental pollutants which tend to accumulate in animal tissues.

Prudent Utility Practice – shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the water utility industry during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at lowest reasonable cost consistent with good business practices, reliability, safety, and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to include a spectrum of possible practices, methods, or acts generally acceptable in the water utility industry in light of the circumstances.

Public Utility Commission of Texas (PUCT) – agency that regulates the rates and services of electric, water and wastewater utilities, as defined by state and Federal laws and regulations (www.puc.state.tx.us).

QA – Quality assurance

QC – Quality control

Ratings – See "Bond Ratings." Alpha and/or numeric symbols used to give indications of relative credit quality. In the municipal market these designations are published by the investors' rating services. Internal ratings are also used by other market participants to indicate relative credit quality.

Revenue Bonds – Securities for which debt service payments are generated from a specific revenue source.

Reverse Osmosis – A process by which a solvent such as water is purified of solutes by being forced through a semi-permeable membrane through which the solvent, but not the solutes, may pass.

Sale and Offering Documents – Any resolution, indenture, preliminary official statement, or other preliminary offering document for the Bonds.

SEC – The United States Securities and Exchange Commission and any successor to its duties.

SID – Any entity designated by the State or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.
State – Shall mean the State of Texas.

Senior Lien – See "lien obligations".

Southmost Regional Water Authority (SRWA) – See "Authority."

Statement of Net Assets - Presents information on all of the Authority's assets and liabilities, with the difference reported as net assets.

GLOSSARY

Statement of Revenues, Expense & Changes in Net Assets - Presents the results of the business activities over the course of the fiscal year.

Statement of Demand Accounts & Investments - Presents the Authority's restricted and unrestricted cash and investment account balances at a given period.

Subordinate Lien – See "lien obligations".

System – shall mean the Initial Project, any additional Projects, and all other properties and assets, real, personal, tangible and intangible, of the Authority, now or hereafter existing and used to supply water, or any other utility service that the Authority may lawfully provide, to a Participating Customer hereunder and shall include on site general plant and administrative facilities of the Authority and all interest of the Authority in the water treatment, storage, conveyance and distribution facilities and administrative facilities of the Authority, together with al lands, easements and rights-of-way of the Authority and all other works, property or structures of the Authority and contract rights, water rights permits and other tangible and intangible assets of the Authority through which water is diverted from the Authority's water supply system or any other supplier of raw water, raw water storage capacity, or raw water pumping and conveyancing.

System Capacity – Shall mean the actual total capacity as reasonably determined and verified by the Authority from time to time of the System to produce and deliver treatedwater.

System Costs – Shall mean the Operating Costs plus the Capital Costs of the System.

TCEQ – Texas Commission for Environmental Quality is the environmental agency for the State of Texas (www.tceq.state.tx.us).

TPDES – Texas Pollutant Discharge Elimination System; refer to the following web address: http://www.tceq.state.tx.us/permitting/water_quality/wastewater/pretreatment/tpdes_definition.ht ml

TSS – Total Suspended Solids

TWDB – Texas Water Development Board; state agency providing leadership, planning, financial assistance, information, and education for the conservation and responsible development of water resources for the State of Texas (www.twdb.state.tx.us)

TXDOT – Texas Department of Transportation; state agency providing safe, effective, and efficient movement of goods within the State of Texas (www.dot.state.tx.us)

Town of Indian Lake - See "Participating Customer"

UST – Underground Storage Tank.

GLOSSARY

Valley Municipal Utility District 2 (VMUD) - See “Participating Customer”

Water Supply Contracts – Shall mean the Contract and the contracts with any other Participating Customers and the Authority, in substantially the same form as the Contract, as amended from time to time; provided, however, that if a Participating Customer is added that was not a Participating Customer on the Effective Date, the Authority reserves the right to charge this new Participating Customer greater (but in no event less than) Capital Costs and/or Operating Costs, or a greater percentage thereof allocated to such new participating Customer as recognized by the provisions of Section 3.4(b) and Section 3.5(g) of the Water Supply Contract. Otherwise, any such contract between the new Participating Customer and the Authority shall be substantially in the form as the Contract.

VIII.
Selected Provisions from the SRWA Water Supply Contract

SELECTED PROVISIONS FROM THE SRWA WATER SUPPLY CONTRACT

Section 2.4 Design Capacity. The Initial Project shall be designed so that the water treatment plant will produce treated water complying with the quality standards for potable water as provided in the contract at a minimum rated capacity of 7.5 MGD, on a consistent basis throughout a calendar year in compliance with regulatory requirements. After the Commencement Date of the Initial Project, the Authority shall make appropriate tests to determine the actual rated capacity of the water treatment plant as provided in Section 3.11.

Section 3.1 Allocated Portion. Subject to the other provisions of the contract, the Authority agrees to sell and deliver to the Participating customer, and the participating customer design of the system capacity, participating customer shall be entitled to receive treated water at a daily rate of delivery equivalent to its Allocated Portion during each day of the year (subject to planned outages for maintenance and repairs or Force Majeure). The Participating Customer's initial "Allocated Portion of System Capacity" (averaged over each calendar year) is designated of System Capacity during the term of this Contract, except as otherwise permitted herein.

Section 3.2 Increases or Decreases In System Capacity. If the System Capacity is increased or decreased at any time pursuant to Section 3.12 that is not due to construction of an additional Project or a Special Project Facility, each Participating Customer shall be entitled to its Allocated Portion of the increased or decreased System Capacity, except to the extend another mutually acceptable arrangement is agreed to by the Participating Customers.

Section 3.3 Additional Projects or New Projects. Each Participating customer will have the first right to participate in future phases of the Project based upon the initial "Allocated Portion of System Capacity" designated on Exhibit "B". Any additional System Capacity due to the construction of an additional Project shall not be offered to a party that is not a Participating Customer as of the Effective Date until all such Participating Customer have been offered such additional System Capacity.

Section 3.5.(e) Price of Water. The amount of the Operating Costs to be paid by the Participating Customer shall be established on a monthly basis by the Annual System Budget as described in Sections 4.2 and 4.3 and adjusted from time to time as the Authority deems necessary to cover its Operating Costs. The Annual System Budget, as amended, shall provide for payment by the Participating Customer on a monthly basis which corresponds to the Authority's Operating Costs, but the payments shall be trued up at the end of each Fiscal Year so that each Participating Customer pays the same rate for Operating Costs per 1,000 gallons of water delivered to the Participating Customers.

Section 3.10. Sale of Water by Participating Customer. The Participating Customer shall have the right to maintain existing contracts or to enter into contracts for the resale of water delivered to the Participating Customer by the Authority. The consideration as between or among the participating Customer and its customers shall be determined by the contracting parties, but no such contract shall relieve the participating Customer of its primary obligation to the Authority under the terms of this Contract. Before a participating Customer may resell to a third party any water that was originally delivered to it by the Authority, the Participating Customer must first offer that water for sale to other participating Customers. Water sold to more than one Participating Customer will be allocated based on the original Allocated Portion of the system Capacity, except to the extend another mutually accepted arrangement is agreed to by the Participating Customer.

Section 3.11. Rated Water Treatment Capacity of System. The Authority shall, from time to time, determine if the rated water treatment capacity should be changed (increased or decreased) to reflect the actual capacity of the System to supply treated water complying with water quality standards for potable water as provided in this Contract on a consistent basis if operated throughout the year in accordance with regulatory requirements. Any such determination shall be based upon a written report by the Consulting Engineer. The Authority shall give the Participating Customer prior notice of any test to predetermine the rated water treatment capacity of the System and attain the Participating Customer and its Consulting Engineer or other representations the opportunity to be present du ring any test period and to review and comment on a draft of the report of the Consulting Engineer. Any change in the rated water treatment capacity shall not affect the obligations of the Participating Customer or its Allocated Portion of the System Capacity.

Section 5.10. Monthly Operations Report. The Authority covenants and agrees to provide the Participating Customer with a monthly operations report. The monthly operations report shall contain all information required by the rules and regulations established by the Authority. The monthly operations reports shall at a minimum include unaudited financial statements, the quantity of water delivered form the System, the current System Capacity and any material maintenance or repairs performed or required.

Exhibit "B" of Water Supply Contract

Allocated Portion of the System Capacity

Participating Customer	Allocated Portion
Brownsville Public Utilities Board	92.91%
Valley Municipal Utility District #2	2.51%
City of Los Fresnos	2.28%
Brownsville Navigation District	2.10%
Town of Indian Lake	0.20%

Meeting Date
September 14, 2026

Posting Language
2.b - Drought Update

Open/Closed Session
OPEN MEETING

Action
Presentation

Executive Sponsor
Lead Department: 3140-Raw Water Supply

Assigned Staff (Presenter): Jaime Flores

Summary

Strategic Initiatives

Referring Committee
Name of Committees ______________________
Date of Meeting ______________________
Recommendation(s) ______________________
Vote(s) ______________________

Fiscal Impact

Budgeted	Bid Award	Reallocation	No Fiscal Impact	X

Source of Funding: ______________________

Recommended Motion
No action required.

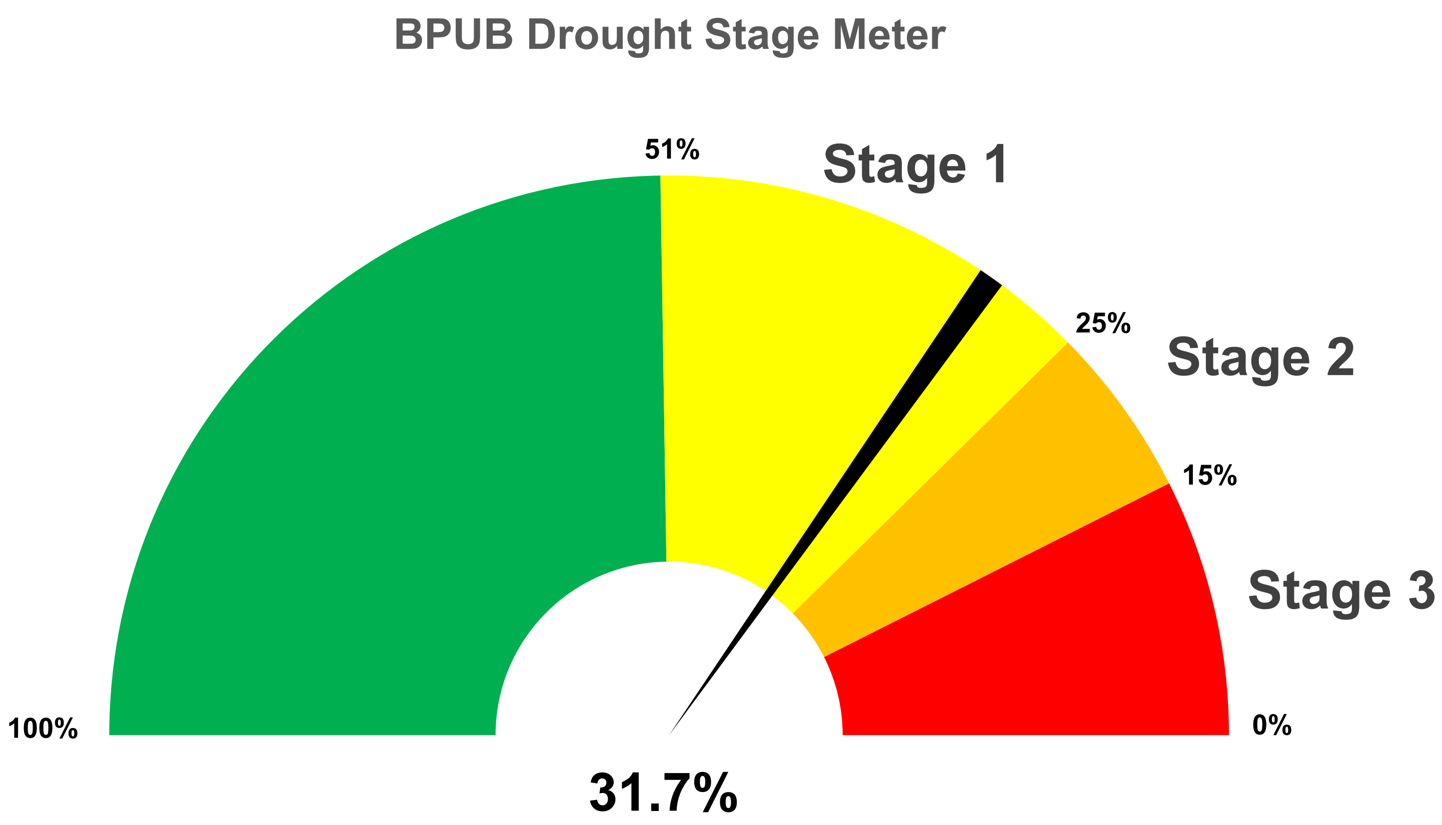
Drought Update

S R W A   B O A R D   M E E T I N G | **S E P T E M B E R 1 4 , 2 0 2 6**

Jaime Flores

Water Resources Administrator

Raw Water Supply



U.S. Combined ownership at Amistad and Falcon Reservoirs
August 29, 2026 = 31.7%

% U.S. Combined Ownership at Amistad/Falcon

Previous 3 Readings

31.6%

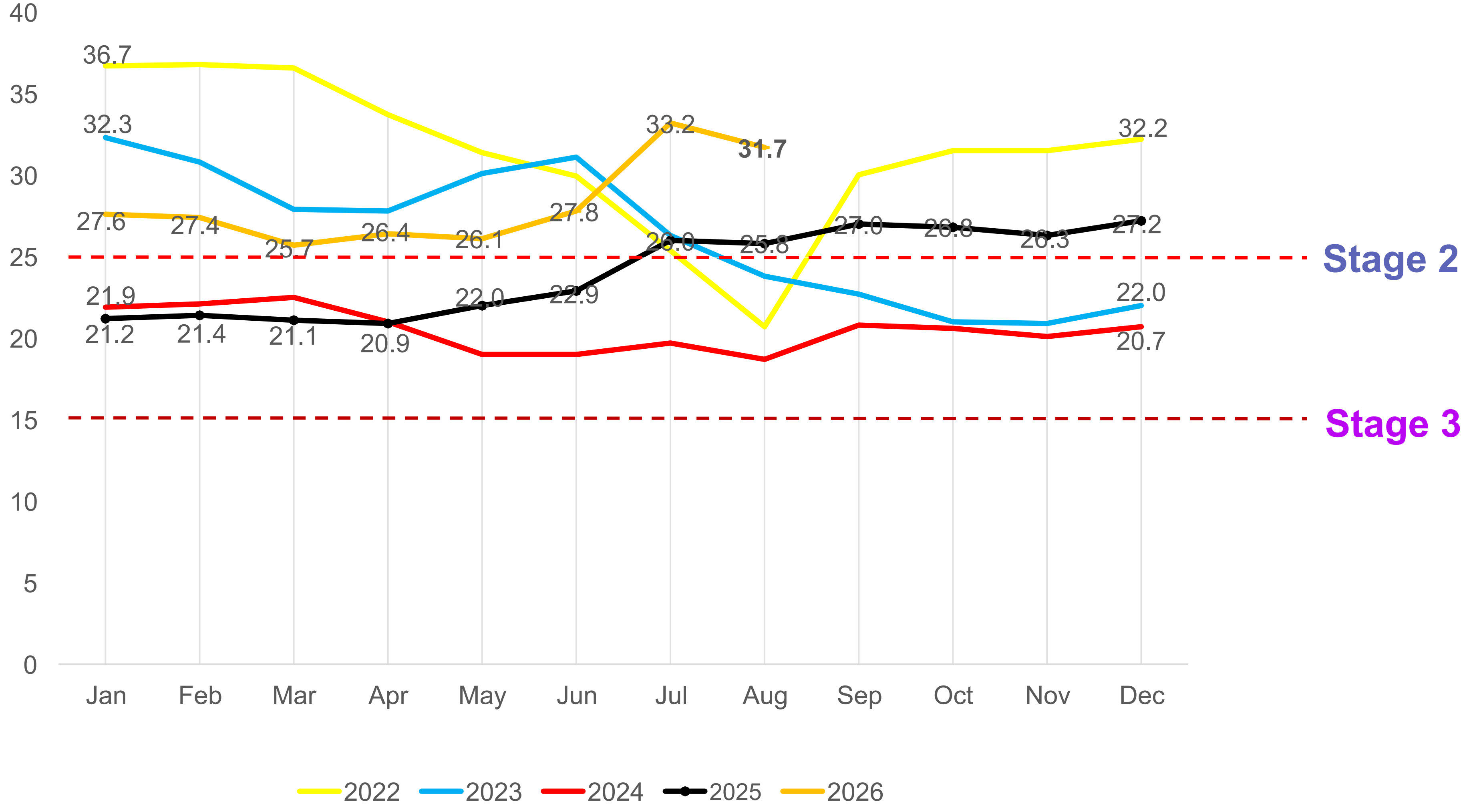
August 22, 2026

32.0%

August 15, 2026

32.6%

August 8, 2026



National Weather Service September to November 2026 Outlook: For the Lower Rio Grande Valley/Deep South Texas Region

- An overall warmer than normal outlook is favored through the September-November 2026 period. Confidence for hotter than normal is greatest for September. October and November are our top two fastest cooling months.
- Amistad Int'l Reservoir remained slightly above historic seasonal lows at the end of August. Confidence remains near-certain (~100%) on total storage remaining just above record lows through October.
- Late September through mid-October is the timeframe that the NWS is monitoring to see if a transition to wetter conditions occur, thanks to the very strong (potentially historic) El Nino. Heavy rainfall from southwest US monsoon/remnant Pacific tropical cyclones could bring potential significant flooding.

BROWNSVILLE
PUBLIC UTILITIES BOARD

EVERY DROP COUNTS!

Learn more about drought at:

brownsville-pub.com/drought-resources

Meeting Date
September 14, 2026

Posting Language
3 - Presentation of the Southmost Regional Water Authority Organizational Update

Open/Closed Session
OPEN MEETING

Action
Presentation

Executive Sponsor
Lead Department: 7140-Human Resources

Assigned Staff (Presenter): Sergio Delgadillo

Summary
Organizational update, highlighting ongoing efforts to strengthen organizational effectiveness and align functions based on areas of direct operational influence. The update includes the expansion of the Environmental Services Division to incorporate water treatment operations, ensuring greater operational integration, regulatory compliance, and the continued delivery of safe, reliable water and wastewater treatment services.

Strategic Initiatives

Referring Committee
Name of Committees ______
Date of Meeting ______
Recommendation(s) ______
Vote(s) ______

Fiscal Impact

Budgeted	Bid Award	Reallocation	No Fiscal Impact

Source of Funding: N/A

Recommended Motion
Presentation only.

Water Operations

PRESENTATION OF THE SOUTHMOST REGIONAL WATER AUTHORITY ORGANIZATIONAL UPDATE

SRWA BOARD MEETING | SEPTEMBER 14, 2026

Sergio Delgadillo
Division Manager for Administration

Solutions to Regional Water Issues

Purpose & Formation

Created in 1981 to develop regional water supply strategies.

Responded to drought and water supply vulnerability in Southern Cameron County.

Spearheaded treatment of brackish groundwater as an alternate water source.

Partners

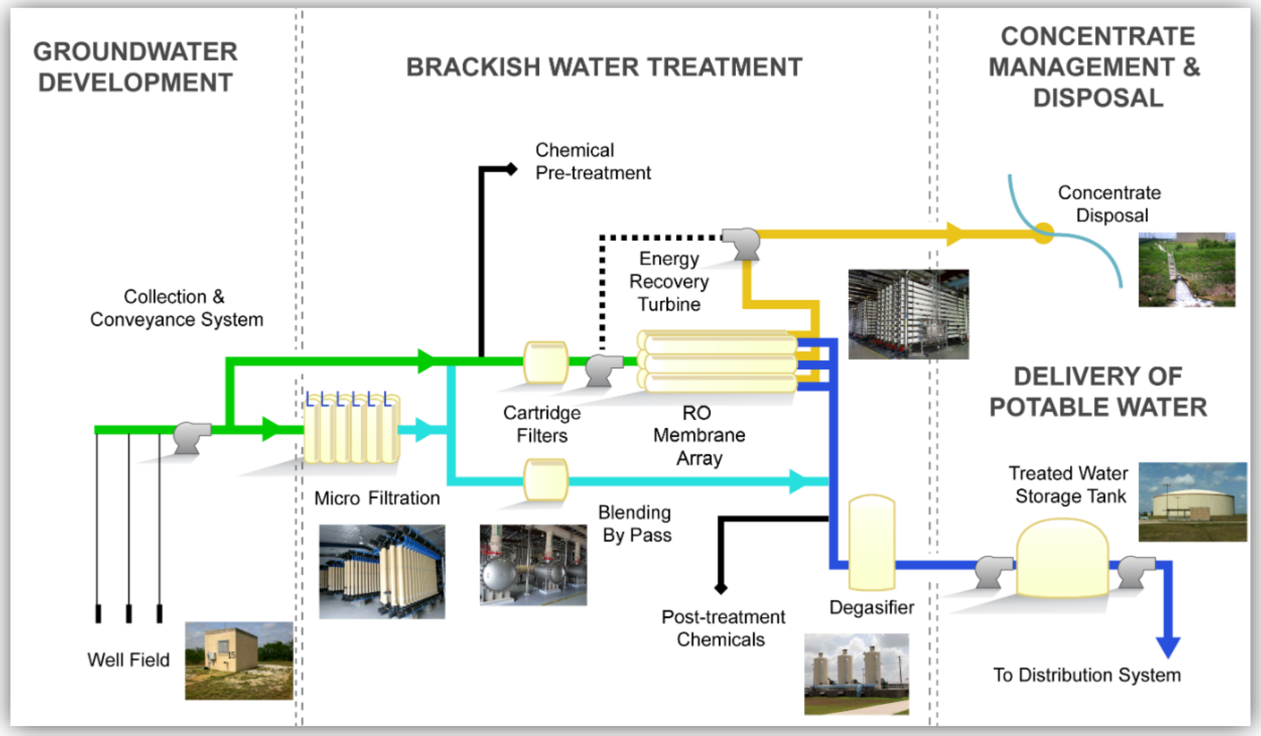
Partners include the City of Los Fresnos, Indian Lake, Laguna Madre Water District, Valley Municipal Utility District No. 2, Brownsville Navigation District and the BPUB

BPUB has nearly 92.91% percent allocation of the plants water sales.

Operating Value

SRWA diversifies water supply, reduces reliance on the Rio Grande, and supports resilient service for BPUB and regional partners.

- Regional Brackish Groundwater Treatment Facility was completed in 2004.
- The facility uses reverse osmosis membrane technology to treat brackish groundwater.
- Capacity:10 MGD.



Employee Structure

SRWA Position-Count 11 Full-Time Employees (FTE's)

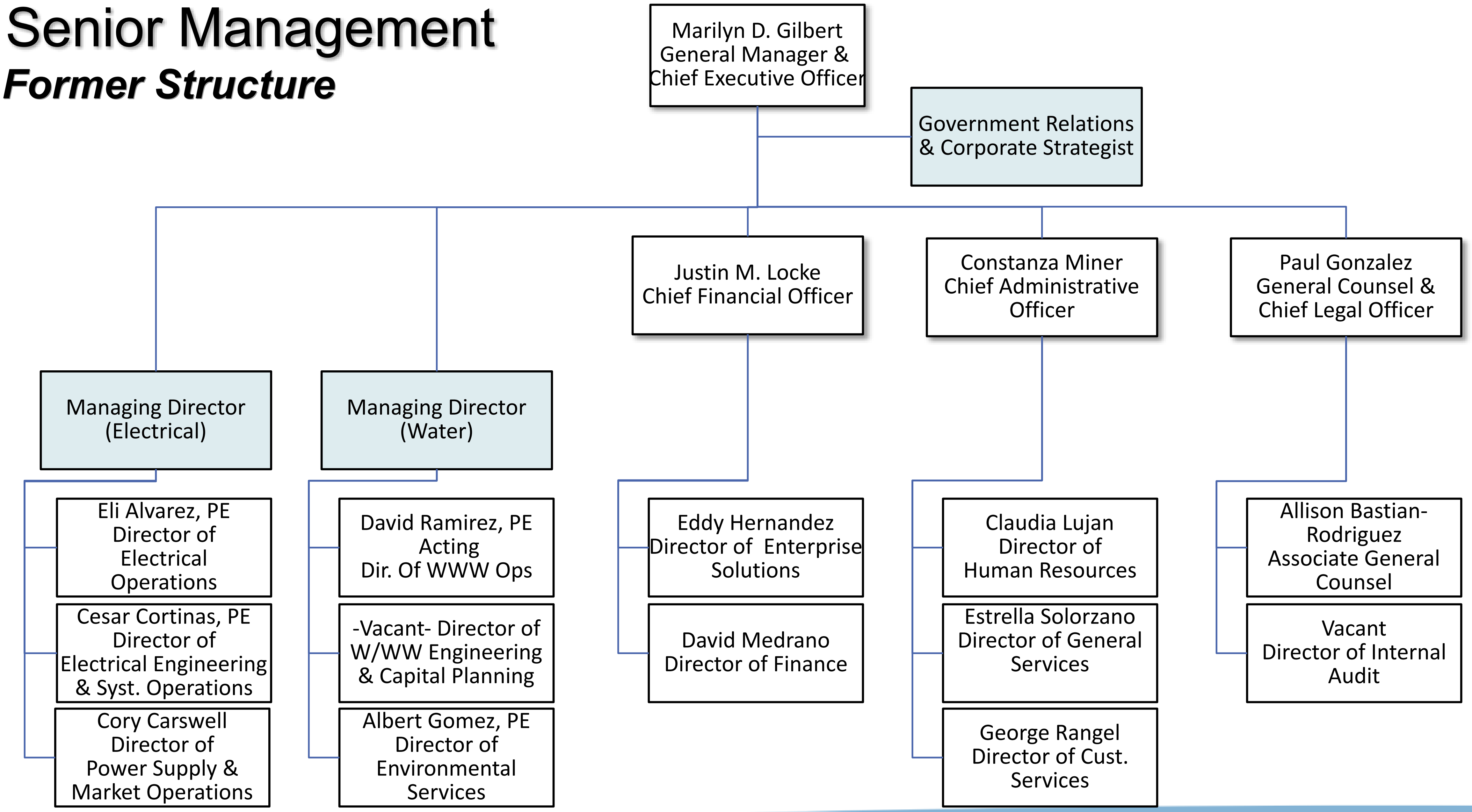
1	Maint. Worker
1	W/WW Operator D
4	W/WW Operator C
1	W/WW Operator A
3	Lead W/WW Plant Operator
1	W/WW Operator Chief

SRWA Management Position-Count 0.35 FTE's

- Water Treatment Manager (25% Budget Allocation)
- Division Manager for Operations (10% Budget Allocation)

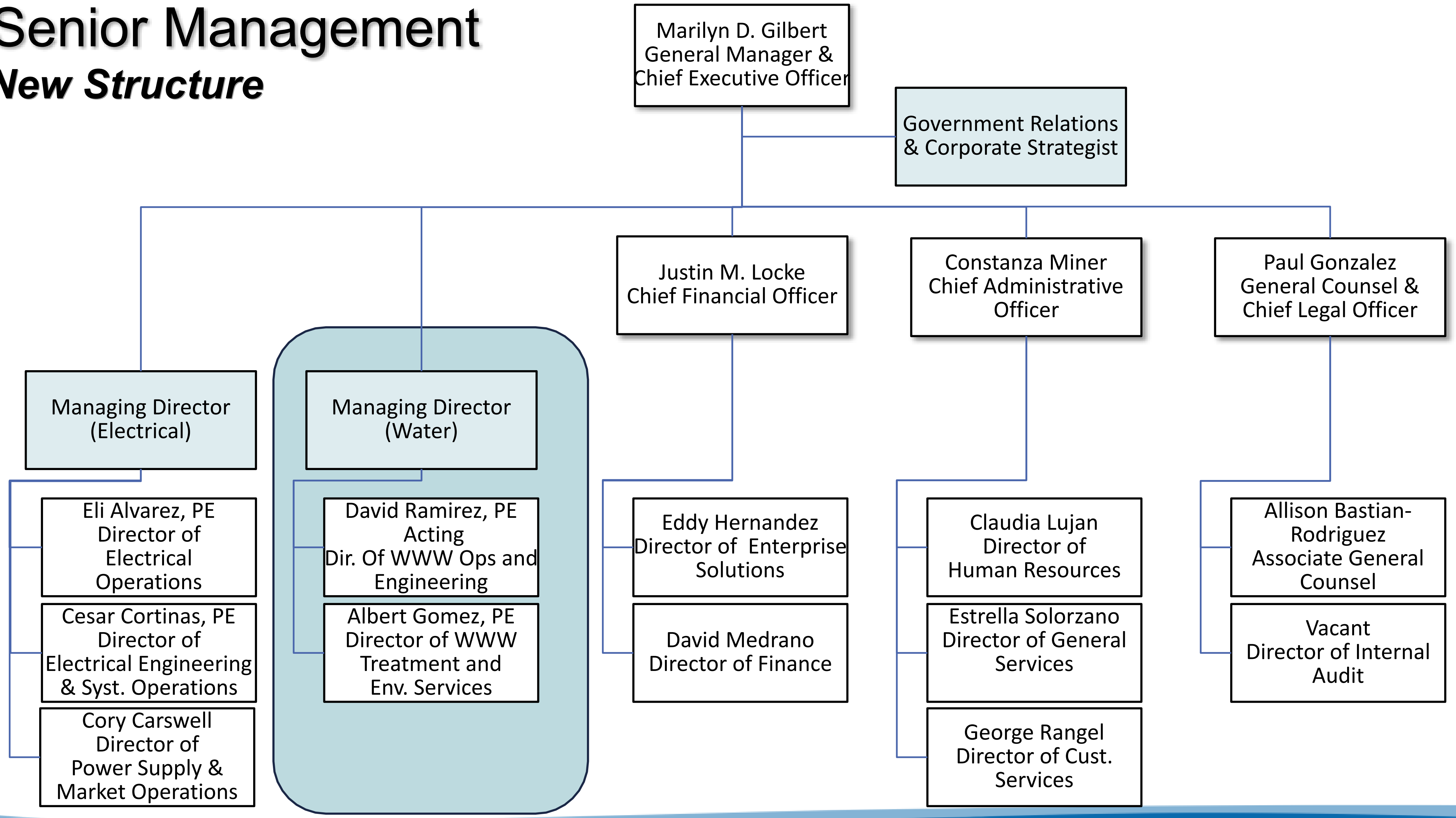
Senior Management

Former Structure

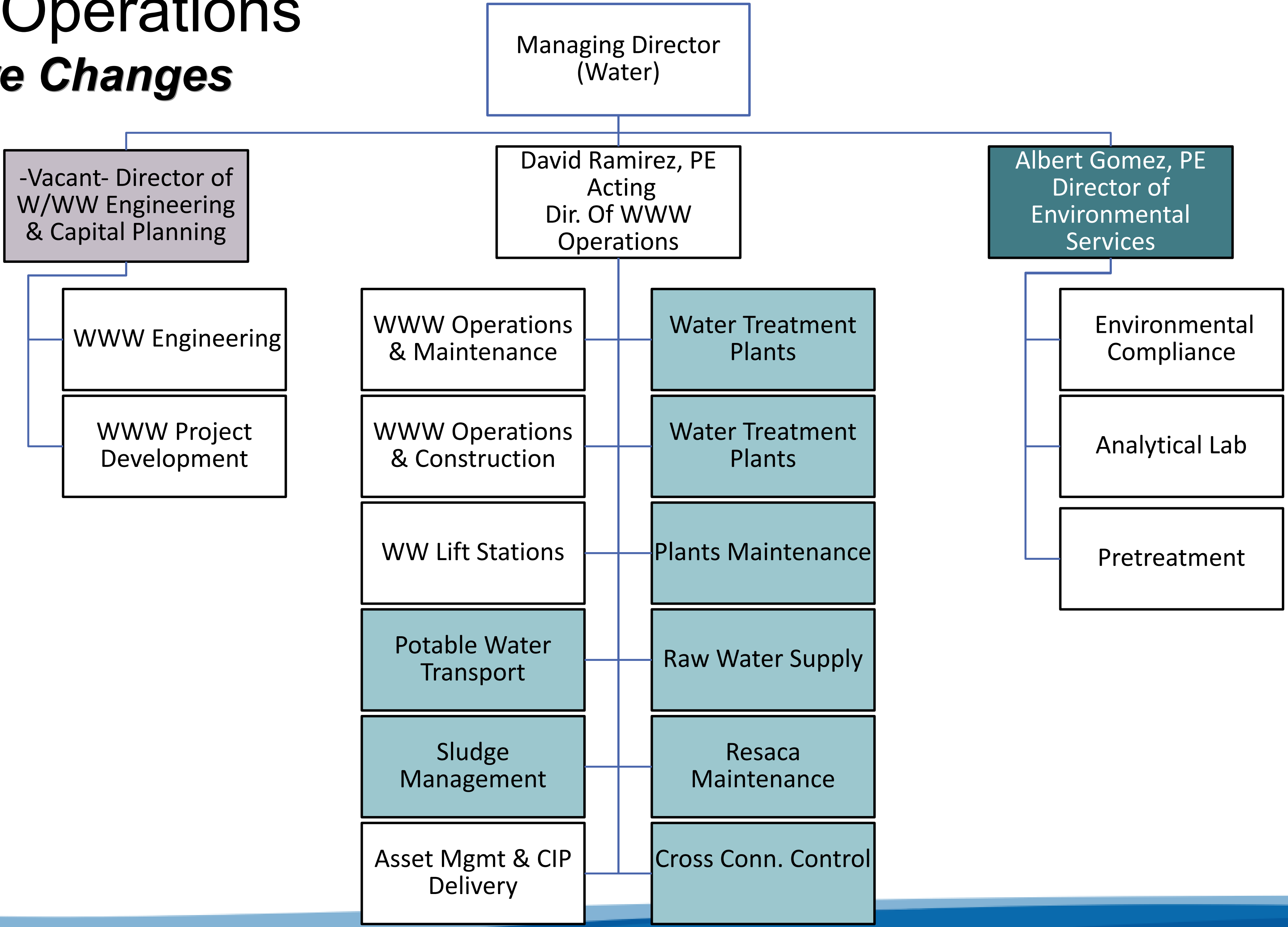


Senior Management

New Structure

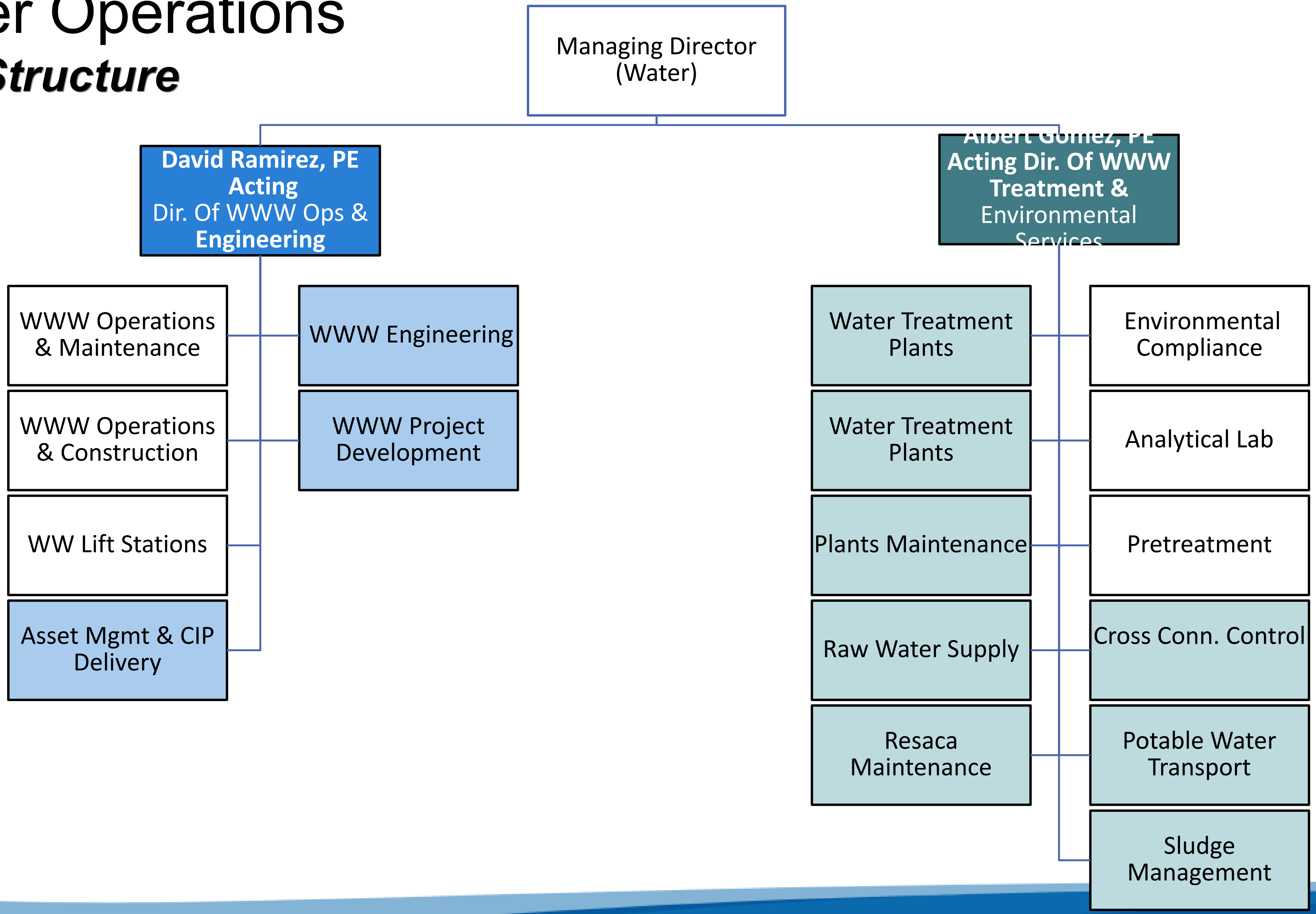


Water Operations
Structure Changes



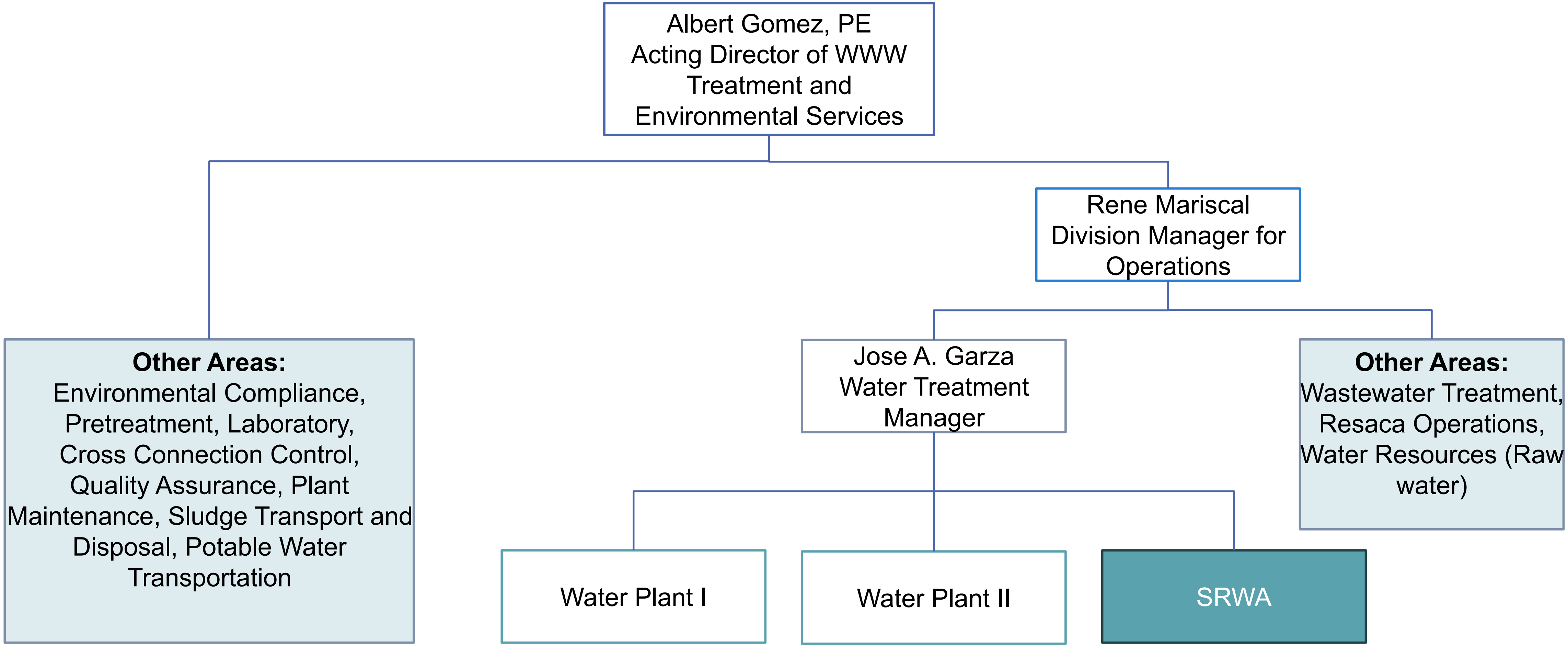
Water Operations

New Structure



WWW Treatment & Environmental Services Division

New Structure



WWW Treatment & Environmental Services

BPUB Functional Organizational Chart

Effective August 3, 2026

- Albert Gomez, PE, Acting Director of WWW Treatment and Environmental Services
  - Senior Administrative Assistant (1)
  - Ramiro Capistran, Environmental Mgr
    - Lead Env Compliance Specialist (2); Senior Env Compliance Specialist (3)
  - Juan Carrizales, Pretreatment Mgr
    - Administrative Assistant (1)
    - Senior Env. Compliance Specialist (1)
      - Environmental Technician (2)
    - Senior Env. Compliance Specialist (1)
      - Environmental Technician (2)
  - Gabriel Coronado, Laboratory Manager
    - Administrative Assistant (1)
    - Laboratory Administrator (1)
      - Chemist (2)
      - Laboratory Technician (7)
      - Lab Compliance Coordinator (2)
  - Kevin Gamez, Cross Conn Control Mgr
    - Lead Cross Control Conn Coord (1)
      - Environmental Tech.(4)
  - Quality Assurance Specialist (2)
    - Env. Software Solutions Specialist (1)
  - Foreman (1)
    - Shift Supervisor (1) (Sludge Transport & Disposal)
      - Senior MEO (1); MEO/Transporter (1)
      - Potable Water Transporter (2)
    - Shift Supervisor (1) (Plant Maintenance.)
      - Lead Mechanic (2) (North Plant / Resaca)
      - Lead Mechanic (1); Maint. Mechanic (1) (South Plant / Resaca)
      - Lead Mechanic (1); Maint. Mechanic (1) (Water Plant I)
      - Lead Mechanic (1); Maint Mechanic (1) (Water Plant II)
      - Lead Mechanic (4); Maint. Mechanic (1) (SRWA)
  - Rene Mariscal, Division Manager for Operations
    - Jose A. Garza, Water Treatment Mgr
      - Administrative Assistant (1)
      - W/WW Operator Chief (1) (Water Plant I)
        - Lead WWW Plant Operator (1); WWW Op. "A" (4); WWW Op. "B" (1); WWW Op. "C" (1)
      - W/WW Operator Chief (1) (Water Plant II)
        - Lead WWW Plant Operator (1); WWW Op. "A" (1); WWW Op. "B" (1); WWW Op. "C" (4)
      - W/WW Operator Chief (1) (SRWA)
        - Lead WWW Plant Operator (3); WWW Op. "A" (1); WWW Op. "C" (3); WWW Op. "D" (1); WWW Op. "App" (1); Maint. Wkr (1)
    - Louis Bennett Jr., WW Treatment Mgr
      - Administrative Assistant (1)
      - W/WW Operator Chief (1) (South Treat. Plant I)
        - Lead WWW Plant Operator (1); WWW Op. "A" (2); WWW Op. "B" (3); WWW Op. "D" (1)
      - W/WW Operator Chief (1) (Robindale Plant)
        - Lead WWW Plant Operator (2); WWW Op. "A" (2); WWW Op. "B" (1); WWW Op. "C" (2)
    - Foreman (1) (Resaca Operations)
      - Senior MEO (3); MEO/Transporter (1); MEO (1)
      - Lead Utility Tech (1); Maint. Wkr (6)
      - Resaca Maintenance Specialist (1)
      - Dredge Operator (3); Dredge Technician (2)
      - Resaca Main-Tech (1)
    - Water Resources Administrator (1)
      - Raw Water Tech B (1); Raw Water Tech C (2)

Meeting Date
September 14, 2026

Posting Language
4 - Consideration and Possible Action of a Resolution Amending Designation of Certain Officers as Authorized Signatories to Drafts Drawn on Account of Southmost Regional Water Authority at Texas Regional Bank and Wells Fargo Bank

Open/Closed Session
OPEN MEETING

Action
Resolution

Executive Sponsor
Lead Department: 5120-Accounting & Treasury

Assigned Staff (Presenter): Guadalupe Granado

Summary
Funds in all Texas Regional Bank and Wells Fargo accounts established by SRWA may be withdrawn effective on the date of the attached resolution with vouchers of the SRWA signed by any two of the following persons:

Authorized Signers:

- Joseph L. Hollmann, President
- Marilyn D. Gilbert, General Manager & CEO
- Justin M. Locke, Chief Financial Officer
- Guadalupe Granado III, Treasury & Accounting Manager

Miguel A. Perez will be removed as authorized signer.

Strategic Initiatives
SSD-12: Initiative 27-BPUB will develop and implement a formal, well-documented, and sustainable governance framework that aligns with BPUB's charter, clarifies decision rights, improves accountability, and ensures transparency across the organization.

Referring Committee
Name of Committees ______________________________

Date of Meeting ______________________________
Recommendation(s) ______________________________
Vote(s) ______________________________

Fiscal Impact

Budgeted   Bid Award   Reallocation   No Fiscal Impact

Source of Funding: ______________________________

Recommended Motion

Staff recommends approval of the resolution amending designation of certain officers as authorized signatories to drafts drawn on accounts of SRWA at Texas Regional Bank and Wells Fargo Bank.

A RESOLUTION OF THE BOARD OF THE SOUTHMOST REGIONAL WATER AUTHORITY AMENDING DESIGNATION OF CERTAIN OFFICERS AND EMPLOYEES AS AUTHORIZED SIGNATORIES TO DRAFTS DRAWN ON ACCOUNTS AT THE WELLS FARGO BANK, N.A.

WHEREAS, the Wells Fargo, N.A. acts as depository of specified funds of the Southmost Regional Water Authority ("SRWA"); and

WHEREAS, in the past, the SRWA Board has appointed certain representatives to sign for withdrawals from the various accounts established by SRWA; and

WHEREAS, SRWA wishes to update the list of representatives with full authority to sign withdrawals from the various accounts; now, therefore,

BE IT RESOLVED BY THE BOARD OF THE SOUTHMOST REGIONAL WATER AUTHORITY:

All funds in all accounts established by the SRWA at the Wells Fargo, N.A. may from the date of this Resolution be withdrawn on vouchers of SRWA signed by any two of the following persons:

Joseph L. Hollmann, President
Marilyn D. Gilbert, General Manager & CEO
Justin M. Locke, Chief Financial Officer
Guadalupe Granado III, Treasury & Accounting Manager

PASSED AND APPROVED this 14th day of September, 2026.

____
Joseph L. Hollmann, Ph.D., President

ATTEST:

____
Marilyn D. Gilbert, Secretary/Treasurer

A RESOLUTION OF THE BOARD OF THE SOUTHMOST REGIONAL WATER AUTHORITY AMENDING DESIGNATION OF CERTAIN OFFICERS AND EMPLOYEES AS AUTHORIZED SIGNATORIES TO DRAFTS DRAWN ON ACCOUNTS AT THE TEXAS REGIONAL BANK

WHEREAS, the Texas Regional Bank acts as depository of specified funds of the Southmost Regional Water Authority ("SRWA"); and

WHEREAS, in the past, the Board of the SRWA has appointed certain representatives to sign for withdrawals from the various accounts established by SRWA; and

WHEREAS, SRWA wishes to update the list of representatives with full authority to sign withdrawals from the various accounts; now, therefore,

BE IT RESOLVED BY THE BOARD OF THE SOUTHMOST REGIONAL WATER AUTHORITY:

All funds in all accounts established by the SRWA at the Texas Regional Bank may from the date of this Resolution be withdrawn on vouchers of SRWA signed by any two of the following persons:

Joseph L. Hollmann, President
Marilyn D. Gilbert, General Manager & CEO
Justin M. Locke, Chief Financial Officer
Guadalupe Granado III, Treasury & Accounting Manager

PASSED AND APPROVED this 14th day of September, 2026.

____
Joseph L. Hollmann, Ph.D., President

ATTEST:

____
Marilyn D. Gilbert, Secretary/Treasurer

Meeting Date
September 14, 2026

Posting Language
5 - Consideration and Possible Action of a Resolution Amending Authorization of Representatives at TexPool

Open/Closed Session
OPEN MEETING

Action
Resolution

Executive Sponsor
Lead Department: 5120-Accounting & Treasury

Assigned Staff (Presenter): Guadalupe Granado

Summary
SRWA invests in TexPool and TexasDAILY to provide its liquidity needs. These pools are structured somewhat like money market mutual funds and allow shareholders the ability to deposit or withdraw funds on a daily basis. This item presents a resolution to update the "Authorized Representatives of the Participant" for TexPool. A draft resolution whereas specific employees of the Public Utilities Board of the City of Brownsville, Texas (BPUB), namely, Tricia Ayers, Mariafernanda Trevino, and Guadalupe Granado III, are listed as "Authorized Representatives of the Participant" at TexPool and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds. Guadalupe Granado III, BPUB's Treasury & Accounting Manager, will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement. In addition, Conrad Taylor, Treasury Adminstrator, for the BPUB Accounting Department, will be designated to perform inquiries for selected information only.

Strategic Initiatives
SSD-12: Initiative 27-BPUB will develop and implement a formal, well-documented, and sustainable governance framework that aligns with BPUB's charter, clarifies decision rights, improves accountability, and ensures transparency across the organization.

Referring Committee
Name of Committees ____________________
Date of Meeting ____________________

Recommendation(s) ________________________________
Vote(s) ________________________________

Fiscal Impact

Budgeted	Bid Award	Reallocation	No Fiscal Impact

Source of Funding: ________________________________

Recommended Motion

The staff recommends approval of a resolution amending authorization of representatives at TexPool.

Resolution Amending Authorized Representatives

TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

*** Required Fields**

1. Resolution

WHEREAS,

SOUTHMOST REGIONAL WATER AUTHORITY | 7 8 7 6 2

Participant Name* | Location Number*

("**Participant**") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("**TexPool / Texpool Prime**"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and

C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Name: GUADALUPE GRANADO III
   Title: ACCOUNTING & TREASURY MANAGER
   Phone: 9 5 6 9 8 3 6 1 7 4
   Fax:
   Email: GGranado@brownsville-pub.com
   Signature: Guadalupe Granado III

2. Name: TRICIA AYERS
   Title: CONTROLLER
   Phone: 9 5 6 9 8 3 6 1 7 6
   Fax:
   Email: TAyers@brownsville-pub.com
   Signature: Tricia Ayers

3. Name: MARIAFERNANDA TREVINO
   Title: ASSISTANT CONTROLLER
   Phone: 9 5 6 9 8 3 6 1 7 7
   Fax:
   Email: MTrevino@brownsville-pub.com
   Signature:

Form Continues on Next Page

1. Resolution (continued)

4.

Name:

Title:

Phone:

Fax:

Email:

Signature:

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

GUADALUPE GRANADO III
Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

CONRAD TAYLOR
Name

TREASURY ADMINSTRATOR
Title

9 5 6 9 8 3 6 4 8 3
Phone

Fax

CTaylor@brownsville-pub.com
Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the ____ day of ____________, 2 0 __.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

SOUTHMOST REGIONAL WATER AUTHORITY
Name of Participant*

SIGNED

Signature*

JOSEPH L. HOLLMANN, PH.D.
Printed Name*

PRESIDENT
Title*

ATTEST

Signature*

MARILYN D. GILBERT
Printed Name*

DEPUTY SECRETARY/TREASURER
Title*

2. Delivery Instructions

Please return this document to **TexPool Participant Services**:

Email: texpool@dstsystems.com

Fax: 866-839-3291

Meeting Date
September 14, 2026

Posting Language
6 - Consideration and Possible Action of a Resolution to Approve the Investment Policy, Investment Strategies and Other Matters in Connection Therewith

Open/Closed Session
OPEN MEETING

Action
Resolution

Executive Sponsor
Lead Department: 5120-Accounting & Treasury

Assigned Staff (Presenter): Justin M Locke

Summary
As required by the provisions of Chapter 2256, as amended, the Texas Government Code requires the annual review of the Southmost Regional Water Authority's (SRWA) Investment Policy, Investment Strategies and other matters. SRWA staff reviewed the current policy (Section I) and is recommending minor revisions to the policy.

The following components of the Investment Policy also require annual review and approval:

Section II - List of Authorized Personnel
Section III - Broker/Dealer Questionnaires and Certification
Section IV- List of Authorized Brokers/Dealers & Investment Pools

Strategic Initiatives
SSD-12: Initiative 27-BPUB will develop and implement a formal, well-documented, and sustainable governance framework that aligns with BPUB's charter, clarifies decision rights, improves accountability, and ensures transparency across the organization.

Referring Committee

Name of Committees	
Date of Meeting	
Recommendation(s)	
Vote(s)	

Fiscal Impact

Budgeted | Bid Award | Reallocation | No Fiscal Impact

Source of Funding: ______________________________

Recommended Motion

Staff recommends approval of the resolution of the SRWA's Investment Policy and Investment Strategies and other matters in connection therewith.

RESOLUTION NO. _______________

RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTHMOST REGIONAL WATER AUTHORITY RELATING TO ITS ANNUAL REVIEW OF THE BOARD'S INVESTMENT POLICY AND INVESTMENT STRATEGIES AS REQUIRED BY THE PROVISIONS OF CHAPTER 2256, AS AMENDED, TEXAS GOVERNMENT CODE; APPROVING THE BOARD'S INVESTMENT POLICY AND INVESTMENT STRATEGIES; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board of Directors (the "Board") of the Southmost Regional Water Authority (the "SRWA") has previously adopted an investment policy (the "Policy") and certain investment strategies that are attached hereto as Section I to this Resolution and incorporated by reference for all purposes;

WHEREAS, the Board is required by the provisions of Chapter 2256, as amended, Texas Government Code (the "Act") to annually review and approve the Policy;

WHEREAS, pursuant to Section 2256.005(e) of the Act, the Board shall record any changes made to either the Policy or its investment strategies;

WHEREAS, the Board hereby finds and determines that minor changes are being made to the Policy for the fiscal year ending September 30, 2026; and

WHEREAS, the Board hereby finds and determines that these actions are in the best interests of the citizens of the SRWA; now, therefore;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHMOST REGIONAL WATER AUTHORITY THAT:

1. Minor changes were made to the Policy for the fiscal year ending September 30, 2026.

2. The Investment Officers (as defined in the Policy) are authorized to implement the Policy in accordance with the provisions of the Policy and applicable law.

3. The list of Authorized Personnel identified on Section II are hereby approved in accordance with the provisions of the Policy and applicable law.

4. The list of Authorized Brokers/Dealers and Investment Pools identified on Section IV herein are approved and incorporated herein for all purposes as authorized broker dealers pursuant to the Policy and the related Broker/Dealer Questionnaire, Broker/Dealer Questionnaire Follow-up, and Certificates included as Section III herein are also approved.

5. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

6. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

7. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

8. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

9. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

10. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

[The remainder of this page intentionally left blank.]

PASSED AND APPROVED, this 14th day of September, 2026

SOUTHMOST REGIONAL WATER AUTHORITY

____

Joseph L. Hollmann, Ph.D., President
Board of Directors

ATTEST:

____

Marilyn D. Gilbert, MBA, Deputy Secretary/Treasurer
Board of Directors

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS §
§
COUNTY OF CAMERON §
§
SOUTHMOST REGIONAL WATER AUTHORITY §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 14th day of September 2026, the Board of Directors (the *Governing Body*) of the Southmost Regional Water Authority (the *SRWA*) convened in regular session at its regular meeting place of the SRWA (the *Meeting*), the duly constituted members of the Governing Body being as follows:

Joseph L. Hollmann, Ph.D.	President
Andrew Gonzales	Vice-President
Sergio T. Lopez	Treasurer
Pat Pace Jr.	Secretary
Mayor James A. Chambers	Member
Marilyn D. Gilbert, MBA	Deputy Secretary/Treasurer

and all of such persons were present at the Meeting, except the following: ________________________ thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTHMOST REGIONAL WATER AUTHORITY TO ITS ANNUAL REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES AS REQUIRED BY THE PROVISIONS OF CHAPTER 2256, AS AMENDED, TEXAS GOVERNMENT CODE; APPROVING THE INVESTMENT POLICY AND INVESTMENT STRATEGIES; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Governing Body for passage and adoption. After presentation and due consideration of the Resolution, a motion was made by Member ____________________ that the Resolution be finally passed and adopted. The motion was seconded by Member ______________________and carried by the following vote:

______voted "For" _____voted "Against" _______abstained

all as shown in the official Minutes of the Governing Body for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the SRWA; the duly qualified and acting members of the Governing Body of the SRWA on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Governing Body was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the SRWA, this 14th day of September 2026.

____

Marilyn D. Gilbert, MBA
Deputy Secretary/Treasurer, Board of Directors

(SEAL)

Section I
Investment Policy

SRWA

Southmost Regional Water Authority

Investment Policy

Approved by the Board: September 14~~08~~, 2026~~5~~

P.O. Box 3270 Brownsville, Texas 78523-3270
(956) 983-6100

Table of Contents

I. POLICY

This Investment Policy ("Policy") is authorized by the Southmost Regional Water Authority (the "SRWA") in accordance with Chapter 2256, as amended, of the Texas Government Code, the Public Funds Investment Act (the "Act").

It is the Policy of the SRWA, which in regards to the safety and risk of investments, all available funds shall be invested in conformance with state and federal regulations, applicable bond indenture, resolution, or ordinance requirements, adopted Policy, and adopted investment strategy.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective strategy development will be pursued to take advantage of interest earnings as available and material source revenue to all SRWA funds. The SRWA's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with this Policy.

II. PURPOSE

The purpose of this Policy is to set forth the requirements for the investment of the public funds of the SRWA and the Act. This Policy has been adopted by the SRWA's Board of Trustees (the Board) and can only be changed by recommendation of the staff.

This Policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. This Policy does not supersede applicable State laws and Code.

III. SCOPE

This Policy applies to all of the investment activities of the SRWA. This Policy establishes guidelines for:

1. who can invest the SRWA funds;
2. how the SRWA funds will be invested; and
3. when and how a periodic review of investments will be made.

In addition to this Policy, bond funds (as defined in the Bond Ordinances and by the Internal Revenue Service) shall be managed in accordance with their issuing documentation and all applicable state and federal law. The investment activities of the Debt Service Funds, Reserve Funds, and Construction Funds will additionally be invested according to all applicable Bond Ordinances, Resolutions, Indentures, or other related documents, authorizing the issuance of revenue bonds and other obligations of the system, and as otherwise provided by applicable law. All investments made with the SRWA funds prior to the adoption of this Policy shall be held or liquidated as determined by the Board to be in the best interest of the financial well-being of the SRWA.

A. Review and Amendment

This Policy shall be reviewed and adopted annually by the Board.

B. Investment Strategy

In conjunction with the annual Policy review, the Board shall review the separate written investment strategy for each of the SRWA's funds. The investment strategy must describe the investment objectives for each particular fund according to the following priorities:

1. Investment suitability,
2. Preservation and safety of principal,
3. Liquidity,
4. Marketability prior to maturity of each investment,
5. Diversification, and
6. Yield.

IV. INVESTMENT OBJECTIVES

A. Safety of Principal

The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether they are from securities defaults or erosion of market value.

B. Maintenance of Adequate Liquidity

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements, investing in securities with active secondary markets, and maintaining appropriate portfolio diversification.

C. Yield

The investment portfolio will be structured in order to achieve a yield that is consistent with the guidelines provided by the Investment Strategy Statement and within the context and parameters set forth by the safety and liquidity objectives above.

V. INVESTMENTS

A. Authorized Investments

Investments described below are authorized by the Act and this Policy as eligible securities for the SRWA. Bond proceeds may be further restricted by applicable bond documentation:

1. **Obligations of Governmental Entities.** Except for the items listed in B.1 below, the following are authorized investments:

   a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;

   b. Direct obligations of the State of Texas or its agencies and instrumentalities;

   c. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or issued by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

   d. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent;

   e. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

   f. Bonds issued, assumed, or guaranteed by the State of Israel;

   g. Interest-bearing banking deposits that are guaranteed or insured by:

      1) the Federal Deposit Insurance Corporation or its successor; or

      2) the National Credit Union Share Insurance Fund or its successor; and

   h. Interest-bearing banking deposits other than those described by A.1.g. if:

      1) the funds invested in the banking deposits are invested through:

         - a broker with a main office or branch office in this state that the Authority selects from a list the Authority or designated investment committee of the Authority adopts as required by Section 2256.025 of the Act; or

- a depository institution with a main office or branch office in this state that the Authority selects.

2) the broker or depository institution selected as described by Paragraph A.1.g arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Authority account;

3) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and

4) the Authority appoints as its custodian of the banking deposits issued for its accounts:

- the depository institution selected as described by Paragraph A.1.h(1) above;
- an entity described by Section 22257.041(d) of the Act; or
- a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3.

2. **Certificates of Deposit.**

a. Certificates of deposit issued by depository institution that has its main office or a branch office located in Texas that are:

1) Guaranteed or insured by the Federal Deposit Insurance Corporation or its successors or the National Credit Union Share Insurance Fund or its successor;

2) Secured by obligations that are described by Section V.A.1 (a-h) above, which are intended to include all direct federal agency or instrumentality issued mortgage-backed securities, but excluding those mortgage-backed securities of the nature described in Section V.B.1 (a-d) below, that have a market value of not less than the principal amount of the certificates;

3) Secured in any other manner and amount provided by law for deposits of the SRWA; and

4) Governed by a Depository Agreement as described in B.4. of this section that complies with federal and state regulation to properly secure a pledged security interest.

b. An investment in certificates of deposit made according to the following conditions is also an authorized investment:

1) Certificates of deposit are invested by the SRWA through (a) a broker that has its main office or a branch in Texas and is selected from a list adopted by the SRWA as required by Section 2256.025 of the Act, or (b) a depository institution that has its main office or branch office in Texas,

2) The broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the SRWA,

3) The depository institution is authorized to offer services through the Intra-Fi Network.

4) The full amount of the principal and accrued interest of each of the certificates of deposit must be insured by the United States or an instrumentality of the United States,

5) The SRWA appoints (i) the depository institution selected by the SRWA under Subdivision b(1) herein; (ii) a state or national bank that is designated by the comptroller as a state depository, has its main office or a branch office in Texas, and has a capital stock and permanent surplus of $5 million or more; (iii) the Texas Treasury Securities Safekeeping Trust Company; (iv) a Federal Reserve Bank or a branch of a Federal Reserve Bank; (v) a federal home loan bank; (vi) a financial institution authorized to exercise fiduciary powers that is designated by the Texas Comptroller as a custodian pursuant to Section 404.031(e), as amended, Texas Government Code; or (vii) a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 that shall act as custodian for the SRWA for the certificates of deposit; and

3. **Direct Repurchase Agreements.** ~~Fully collateralized direct~~ R~~r~~epurchase agreements – including reverse security repurchase agreements – are authorized investments if fully collateralized, have ~~with~~ a defined termination date, ~~that~~ are placed with a primary government securities dealer, ~~as defined by the Federal Reserve~~ ,or financial institution doing business in the State of Texas, and are secured by a combination of cash and obligations including letters of credit, of the United States or its agencies and instrumentalities and commercial paper, ~~which are~~ pledged in ~~the~~ SRWA's name and deposited with ~~the~~ SRWA or an approved third party ~~selected and approved by the SRWA~~. A reverse security repurchase agreement may not exceed 90 days and proceeds must be reinvested in authorized investments maturing no later than the agreement's expiration. BPUB may invest through an investment management firm using a joint account, and repurchase agreements may be submitted for clearing and

settlement to a covered clearing agency as permitted by Section 2256.011 of the Act.

~~3.~~

4. **Commercial Paper.** Commercial paper with a stated maturity date of 365 days or less from the date of its issuance and is rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit of credit issued by a bank organized and existing under the laws of the United States or any state.

5. **Mutual Funds.**

   a. Money market mutual funds registered with and regulated by the United States Securities & Exchange Commission that comply with federal Securities and Exchange Commission Rule 2a-7 promulgated under the Invest Company Act of 140 that fully invests dollar-for-dollar all the SRWA's funds without sales commissions or loads that complies with Rule 2a-7, and provides the SRWA with the prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

   b. Mutual funds registered with the United States Securities and Exchange Commission with an average weighted maturity of less than two years; and either

      1. has a duration of one year or more and is invested exclusively in obligations approved by the Act or

      2. has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

6. **Investment Pools.** Eligible investment pools organized and operating in compliance with the Act that have been authorized by resolution or ordinance of the Board, whose investment philosophy and strategy are consistent with this Policy and the SRWA's ongoing investment strategy, and provide information required by the Act. An investment pool may invest its funds in a public funds investment pool that uses amortized cost or fair value accounting and must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a $1.00 net asset value, when rounded and expressed to two decimal places. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, the governing body of the public funds investment pool must take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable and dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005. All investment pool must be continuously rated no lower than AAA or AAA-m or equivalent rating by a least one nationally recognized rating service. In addition to the requirements of its investment policy

and any other forms of reporting, a public funds investment pools that uses amortized cost must report yield to its investors in accordance with regulations of the Securities and Exchange Commission applicable to reporting by money market funds. If the investment pool operates an Internet website, the information in a disclosure instrument or report as described in the Act and must be posted on the website. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested. If an invested pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

The SRWA expressly allows money market mutual funds and eligible investment pools, authorized by the Board to invest to the fullest extent permissible but within the limitations provided by the Act.

7. **Bankers' Acceptance.** Bankers' Acceptances issued by a domestic bank, which are eligible for collateral for borrowing from the Federal Reserve Bank may be purchased if the following conditions are met as outlined in Section 2256.012 of the Act:

   a. The maturity is no greater than 270 days.
   b. Acceptance will be liquidated in full at maturity.
   c. The short-term paper of the issuer are rated at least "A-1", "P-1", or an equivalent rating by at least one nationally recognized credit rating agency.

B. Investments not Authorized

The following *are not authorized investments under the Act*:

1. Obligations of Governmental Entities:

a. Obligations whose payments represent the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (Interest Only CMO);

b. Obligations whose payments represent the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (Principal only CMO);

c. Collaterized mortgage obligations that have a stated final maturity date of greater than 10 years; and

d. Collaterized mortgage obligations the interest rate of which is determined by an index that adjust opposite to the changes in the market index (Inverse Floater CMO).

2. **Mutual Funds:**

The SRWA may not invest in the following mutual funds described in Section V.A.5.b. above:

a. in the aggregate more than 15% of its monthly average fund balance (excluding bond proceeds, reserves, other funds held for debt service); and

b. any portion of bond proceeds, reserves, and funds held for debt service.

c. The SRWA may not invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described above in an amount that exceeds 10% of the total assets of that mutual fund.

VI. INVESTMENT PARAMETERS

A. Investment Objectives and Protection of Principal

The SRWA shall seek to control the risk of loss on securities by investing only in the safest types of securities as defined in this Policy; by collateralization as required by law; and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the SRWA's safekeeping agent. By so doing, the SRWA's funds are not released until the SRWA has received, through the safekeeping agent, the securities purchased.

B. Diversification by Investment Type

Diversification by investment type shall be established by the following maximum percentages of investment type to the total SRWA's investment portfolio at the time of each investment transaction:

1.	U.S. Treasury Bills/Notes/Bonds	75%
2.	U.S. Agencies & Instrumentalities	75%
3.	Depository Bank	75%
4.	Certificates of Deposit	35%
5.	Money Market Mutual Funds	75%
6.	Eligible Investment Pools	75%
7.	Repurchase Agreements	25%

8.	Commercial Paper	35%
9.	States, Counties, Cities & Other	25%
10.	Bankers' Acceptance	15%

Bond proceeds may be invested in a single security or investment if the Board determines that such an investment is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.

C. Diversification by Investment Maturity; Maturity Limitations

To the extent possible, the SRWA shall attempt to match its investments with the anticipated cash flow requirements. The SRWA will not directly invest in securities maturing more than five (5) years from the date of purchase. Maturity guidelines by fund are as follows: (Investment transactions made prior to the adoption of this Policy are not subject to these guidelines).

1. Operating Funds

The weighted average days to maturity for the operating fund portfolio shall be less than 270 days and the maximum allowable maturity shall be two years.

2. Construction Funds

The investment maturity of construction and capital improvement funds shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable federal regulations. The maximum maturity for all construction or capital improvement funds shall be five years.

3. Debt Service Funds

Debt Service Fund shall be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officers shall invest in such manner as not to exceed an "unfunded" debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy this payment.

D. Ensuring Liquidity

Liquidity shall be achieved by anticipating cash flow requirements, by investing in securities with active secondary markets, and by investing in eligible money market mutual funds and local government investment pools.

A security may be liquidated to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

VII. SELECTION OF BANK, DEALERS, INVESTMENT ADVISORS

A. Depository Agreements

Consistent with the requirements of state law, the SRWA requires all bank and savings bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as the SRWA's depositories will be required to sign a Depository Agreement with the SRWA. The collateralization portion of the agreement shall define the SRWA's rights to the collateral in case of default, bankruptcy, or closing shall identify the independent collateral custodian and shall establish a perfected security interest in compliance with federal and state regulations, including:

- The agreement must be in writing;
- The agreement must be executed by the depository and the SRWA contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board or the designated committee of the Depository and a copy of the meeting minutes must be delivered to the SRWA; and
- The agreement must be part of the depository's "official record" continuously since its execution.

At least every three years with an option to extend an additional two one (1) year period, a Financial Institution shall be selected through the SRWA's banking services procurement process, which includes a formal request for proposals (RFP). The financial institution must comply with all requirements of the PFIA and Texas Local Government Code and will be determined by competitive bid and evaluation of bids based on several criteria such as credit worthiness, financial stability of the bank, cost of banking service, and more.

B. Investment Advisors and Investment Providers

The Board of the SRWA may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract may not be for a term longer than two years. A renewal or extension of the contract must be made by the Board by order, ordinance, or resolution.

Investment Advisors shall adhere to the spirit, philosophy, and specific term of this Policy and shall invest within the same "Standard of Care" as provided in Section IX.D. herein. Investment Brokers shall adhere to the spirit and philosophy of this Policy and shall avoid recommending or suggesting transactions outside that "Standard of Care."

Selection of Investment Advisors and Investment Providers will be performed by the Investment Officers as defined in Section IX.A. The Investment Officers will establish criteria to evaluate Investment Advisors and Investment Providers including:

1. Adherence to the SRWA policies and strategies,
2. Investment performance and transaction pricing within accepted risk constraints,
3. Responsiveness to the request for services, information and open communication,
4. Understanding of the inherent fiduciary responsibility of investing public funds, and
5. Similarity in philosophy and strategy with the SRWA's objectives.

Selected Investment Advisors and Investment Brokers shall provide timely transaction confirmations and monthly activity reports.

Investment Brokers eligible to transact investment business with the SRWA shall be presented a written copy of this Policy. Those firms that request to become qualified bidders for securities transactions will be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience and reputation and shall execute a written instrument substantially in the form attached hereto as Exhibit A, which provides that the registered principal have:

1. Received and thoroughly reviewed this Policy; and

2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment transactions conducted between the SRWA and the organization that are not authorized by the SRWA's Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the SRWA entire portfolio or requires an interpretation of subjective investment standards.

Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All Investment Providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organizations as received and reviewed this Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by this Policy. The SRWA shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above. The Board shall at least annually, review, revise, and adopt a list of qualified Investment Brokers that are authorized to engage in investment transactions with the SRWA.

C. Competitive Bidding

The Investment Officer(s) shall solicit competitive bids from at least three brokers or financial institutions for any investment transaction except for transactions with money market mutual funds and local government investment pools, which are deemed to be made at prevailing market rates. Investment transactions may be done orally, but followed by electronic confirmation. Written confirmation shall be received from the financial institution or broker/dealer. For those situations where it may be impractical or unreasonable to receive three bids for a transaction, due to a rapidly changing market environment or to secondary market availability, documentation of a competitive market survey of comparable securities or an explanation of the specific circumstance must be included with the daily bid sheet. All bids received must be documented and filed for auditing purposes.

VIII. SAFEKEEPING

A. Safekeeping

The SRWA shall contract with a bank or banks for the safekeeping of securities either owned by the SRWA as a part of its investment portfolio or as custodian for its depository agreements.

B. Depository Collateralization

All collateral securing bank and savings bank deposits must be held by a third-party banking institution acceptable to and under contract with the SRWA or by the Federal Reserve Bank.

C. Allowable Collateral

Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act, as amended, Chapter 2257, Texas Government Code, and meet the constraints of this Policy.

D. Collateral Levels

The market value of the principal portion of collateral pledged for certificates of deposit must at all times be equal to or greater than the 102% of the par value of the deposit plus accrued interest less the applicable level of FDIC insurance.

E. Monitoring Collateral Adequacy

The SRWA shall require monthly reports with market values of pledged securities from all financial institutions with which the SRWA has collateralized deposits. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

F. Additional Collateral

If the collateral pledged for a deposit falls below 102% of the par value of the deposit, plus accrued interest and less FDIC insurance, the institution holding the deposit will be notified by an Investment Officer and will be required to pledge additional securities no later than the end of the next succeeding business day.

G. Security Substitution

Collateralized deposits often require substitution of securities. Any financial institution requesting substitution must contact an Investment Officer for approval and settlement. The substituted security's value will be calculated and substitution approved if the substitution maintains a pledged value equal to or greater than the required security level. An Investment Officer must provide written notification of the decision to the bank or the custodian holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

IX. RESPONSIBILITY AND CONTROLS

A. Authority to Invest

The Chief Financial Officer, Controller~~s~~, Assistant Controller, and Treasury & Accounting Manager are the "Investment Officers" of the SRWA. The Investment Officers are authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage the SRWA's funds according to this Policy. The Investment Officers may designate one Investment Officer to deposit, withdraw, or transfer funds out of or into an investment pool or money market mutual fund in order to meet daily operating needs of the SRWA.

B. Training

The SRWA shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the SRWA's investment personnel making investment decisions in compliance with the Act.

The Investment Officers shall attend an investment training session within 12 months of taking office and no less often than once every state fiscal biennium and shall receive not less than 10 hours of instruction relating to investment responsibilities, including education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Act. The investment training session shall be provided by an independent source. For purposes of this Policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning, or any other sponsor other than a business organization with whom the SRWA may engage in an investment transaction. The training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the "Act."

C. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

D. Standard of Care

The standard of care used by the SRWA shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Section 2256.006(a) of the Act states:

> "Investments shall be made with judgment and care, under prevailing circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

E. Standards of Ethics

The Investment Officers shall act as custodians of the public trust avoiding any transaction, which might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, Investment Officers shall file with the Texas Ethics Commission and the SRWA a statement disclosing any personal business relationship with an organization seeking to sell investments to the SRWA or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the SRWA. For the purposes of this subsection, an Investment Officer has a personal business relationship with a business organization if:

1. The Investment Officer owns 10% or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;
2. Funds received by the Investment Officer from the business organization exceed 10% of the Investment Officer's gross income for the previous year; or;
3. The Investment Officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the Investment Officer.

F. Effect of Loss of Required Rating

An investment that requires a minimum rating under the Act does not qualify as an authorized investment during the period the investment does not have the minimum rating. All prudent measures that are consistent with this Policy shall be taken to liquidate an investment that does not have the minimum rating.

G. Establishment of Internal Controls

The Investment Officers will maintain a system of internal controls over the investment activities of the SRWA and ensure that the assets of the SRWA are protected from loss, theft, or misuse. An annual process of independent review by an external auditor to assure compliance with policies and procedures should be required. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the depository bank or 3rd party custodian

The SRWA will abide by the Brownsville Public Utilities Board's Internal Controls.

H. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this Policy. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio.

I. Reporting

Investment performance will be monitored and evaluated by the Investment Officers. Month-end market prices on each security are obtained from a dependable recognized source (e.g. Bloomberg, Wall Street Journal, etc.) The Investment Officers will provide a quarterly comprehensive report signed by all Investment Officers to the Board. This investment report shall:

1. Describe in detail the investment position of the SRWA on the date of the report;
2. Contain a summary of each pooled fund group that states the ~~reporting period~~ beginning ~~book and~~ market value for the reporting period, the ending market value for the reporting period; and the fully accrued interest for the reporting period of each pooled fund group;
3. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
4. State the maturity date of each separately invested asset that has a maturity date;
5. State the fund or account for which each individual investment was purchased; and
6. State the compliance of the investment portfolio with the SRWA Policy and strategy and the Act.

The SRWA, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to this Policy and Investment Strategy Statement. If the SRWA invests in other than money market mutual funds, investment pools, or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the Investment Officers shall be formally reviewed in conjunction with the annual financial audit at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

INVESTMENT STRATEGY STATEMENT

PREFACE

It is the policy of the SRWA, which in regards to the safety and risk of investments, all available funds shall be invested in conformance with state and federal regulations, applicable bond documentation requirements, and adopted Policy. Adopted in accordance with the Act, the SRWA investment strategies shall address the following priorities (in order of importance):

- Understanding the suitability of the investment to the financial requirements of the SRWA,
- Preservation and safety of principal,
- Liquidity,
- Marketability of the investment prior to maturity,
- Diversification of the investment portfolio, and
- Yield.

Effective investment strategy development coordinates the primary objectives of the SRWA's Policy and cash management procedures to enhance interest earnings and reduce investment risk. Aggressive cash management will increase the available "investment period" and subsequently interest earnings. Maturity selections shall be based on cash flow and market conditions to take advantage of various interest rate cycles. The SRWA's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Policy.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore, specific strategies shall be implemented considering the fund's unique requirements. The SRWA's funds shall be analyzed and invested according to the following major fund types:

- Operating Funds,
- Construction Funds
- Debt Service Funds

While the investment strategies of the SRWA include goals to maximize the yield on any investments, the SRWA recognizes that certain investments related to bond proceeds must be made in compliance with applicable bond documentation and Internal Revenue Service Code. When arbitrage rebate or yield restriction rules require rebating excess earnings, the SRWA's bond proceeds may be invested using a more conservative approach that the standard investment strategy. All earning in excess of the allowable earnings ("rebate liability") will be segregated and made available for any necessary payments to the United States Treasury.

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

a. Operating Funds

The SRWA's accounts included are:

- Operating Fund
- Improvement Fund

Suitability - Any investment eligible in the Policy is suitable for the Operating Funds.

Safety of Principal Maturity Limitations - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the weighted average days to maturity for the Operating Fund portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Marketability- SRWA intends to buy and hold investments to maturity. However, securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the fund types. Short-term investment pools, money market mutual funds, and interest-bearing accounts shall provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the SRWA. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

b. Construction Accounts

The SRWA's accounts designated as construction funds or accounts in the SRWA ordinances:

- Construction Fund

Suitability - Any investment authorized by the Policy and any applicable bond documentation is suitable for the Construction Funds.

Safety of Principal - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the Construction and Capital Improvement Fund's portfolio to exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized.

Marketability - SRWA intends to buy and hold investments to maturity. However, Securities with active and efficient secondary market are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Liquidity - The Southmost SRWA's funds used for construction and capital improvement programs have reasonably predictable draw down schedules. Therefore, investment maturities shall generally follow the anticipated cash flow requirements. Investment pools, money market mutual funds, and interest-bearing accounts shall provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds and other construction and capital improvement funds. With bond proceeds, if investment rates exceed the applicable arbitrage yield, the SRWA is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger maturities. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield with any of the SRWA's funds.

Yield - Achieving a positive spread to the applicable arbitrage yield is the desired objective for bond proceeds. Non-bond proceeds construction and capital project funds will target a rolling portfolio of six-month Treasury Bills.

c. Debt Service Fund

The SRWA's accounts are identified and designated in certain ordinance authorizing the issuance of the SRWA's bonds and other obligations.

Suitability - Any investment authorized by the Policy and any applicable bond documentation is suitable for the Debt Service Fund.

Safety of Principal - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the Debt Service

Fund’s portfolio not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Marketability-Securities with active and efficient secondary markets are not necessary, as the event of an unanticipated cash requirement is not probable.

Liquidity - Debt service funds have predictable payment schedules. Therefore, investment maturities shall not exceed the anticipated cash flow requirements. Investment pools, money market mutual funds, and interest-bearing accounts shall provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next “unfounded” payment date. Generally, if investment rates are trending down, the SRWA is best served by locking in most investments. If interest rates are flat or trending up, then concurrent market conditions will determine the attractiveness of extending maturity or investing in shorter alternatives. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three months Treasury Bill portfolio shall be the minimum yield objective.

Exhibit A
Texas Public Funds Investment Act
Certification by Business Organization

This certification is executed on behalf of the Southmost Regional Water Authority ("SRWA") and ______________________________ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the SRWA and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the SRWA as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government and

2. The Qualified Representative of the Business Organization has received and reviewed the SRWA Investment Policy furnished by the SRWA and

3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the SRWA that are not authorized by the SRWA's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of the subjective investment standards.

Qualified Representative of ____
(Business Organization)

Accepted by: ____

Print Name: ____

Title: ____

Date: ____

Phone: ____

Section II
Authorized Personnel

LIST OF AUTHORIZED PERSONNEL

INVESTMENTS:

1. Justin M. Locke
   Chief Financial Officer

2. Tricia Ayers
   Controller

3. Mariafernanda Trevino
   Assistant Controller

4. Guadalupe Granado III
   Treasury & Accounting Manager

WELLS FARGO BANK/TEXAS REGIONAL BANK:

1. Joseph L. Hollmann, Ph.D.
   President

2. Marilyn D. Gilbert, MBA
   General Manager & CEO

3. Justin M. Locke
   Chief Financial Officer

4. Guadalupe Granado III
   Treasury & Accounting Manager

Approved on: _______________

Section III

Broker/Dealer Questionnaire

&

Broker/Dealer Questionnaire Follow-up

Available in Word format upon request

Finance Department
P.O. Box 3270
Brownsville, Texas 78523-3270
(956) 983-6174

Please return to:
Guadalupe Granado III
Treasury & Accounting Manager

BROKER/DEALER QUESTIONNAIRE AND CERTIFICATION

1. Name of Firm:____

   Address: ____

   Telephone: ______________________________ Fax: __________________________________

   Years Established: _______________ Number of Employees: __________________

2. PRIMARY REPRESENTATIVE/MANAGER/PARTNER-IN-CHARGE:

   Primary Representative(s)

   Name: _____________________________________ Name: __________________________________

   Title: _____________________________________ Title: ____________________________________

   Tele. No.: __________________________________ Tele. No.: ________________________________

   Fax No.: ___________________________________ Fax No.: _________________________________

   E-Mail.: ____________________________________ Email: ___________________________________

   Manager/Partner-in-Charge

   Name: _____________________________________ Name: __________________________________

   Title: _____________________________________ Title: ____________________________________

   Tele. No.: __________________________________ Tele. No.: ________________________________

   FAX No.: ___________________________________ Fax No.: _________________________________

   E-Mail.: ____________________________________ Email: ___________________________________

3. Are you a primary dealer in U.S. Government Securities? [ ] Yes [ ] No

   If yes, for how long has your firm been a primary dealer? ___________Years

4. What was your firm's total volume in U.S. Government and Agency Securities last year?

Firm wide $____________________ # Transactions ___________________
(Securities purchase & sale only)

Local Office $_____________________ # Transactions ___________________
(Including repurchase agreements)

5. Which instruments are offered regularly by your local desk?

[ ] T-Bills [ ] Treasury
[ ] Bank CDs [ ] Notes/Bonds
[ ] Agencies (Specify) [ ] S & L CDs
[ ] BAs (Domestic) [ ] BAs (Foreign)
[ ] Instrumentality's [ ] Commercial Paper

[ ] Other (Specify) ____

____

6. Identify the personnel who will be trading with or quoting securities to our employees:

Name: ____________________________________ Name: _________________________________

Title: _____________________________________ Title: __________________________________

Phone: ___________________________________ Phone: _________________________________

Email: ____________________________________ Fax No.: ________________________________

CRD Number: ______________________________ Email: _________________________________

# of years w/firm: ___________________________ Name: _________________________________

(Attach resumes of all the above persons.)

7. Have any of your clients ever sustained a loss on a securities transaction arising from a misunderstanding or misrepresentation of the risk characteristics of the instrument. (If yes, explain.) _______________________

____

8. Has your firm or any of your employees ever been subjected to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disputable or unfair activities related to the sale of securities? (If yes, explain.) ____

____

9. How many and what percentage of your transactions failed:

Last Month? _______ _______% Last Year? _______ _______%

10. Please explain your normal custody and delivery process. Who audits these fiduciary systems?

____

11. Will you provide a faxed and or electronic copy of the trade ticket, yield analysis and/or security description on the same day the offering is made? [ ] Yes [ ] No The following security information will be included but not limited to the following items:

    a. Security Type and Cusip Number
    b. Issue Date, Maturity Date, Settlement Date, Trade Date, Call Date, Pay Date
    c. Risk Class, Risk Factor
    d. Rating
    e. Coupon Rate
    f. Par Value, Price, and Yield

12. Does your firm consistently comply with the Federal Reserve Bank's capital adequacy guidelines? By what factor (1.5x, 2x, etc.) does your firm presently exceed the capital adequacy guidelines measure of risk? Include certified documentation of your capital adequacy as measured by the Federal Reserve standards.

13. Please provide audited financial statements for the most current year and other indicators regarding your firm's capitalization.

14. Please provide the following: (Note: Do not answer with "see financial report" as that will be construed as an unanswered question.)

    a. Debt/Equity ______

    b. Assets (in Millions) ______

    c. Net Capital (in Millions) ______

    d. Vol. Of Security Transactions (in Millions) _______

    e. Total Liabilities (in Millions) ______

    f. Total Stockholders Equity (in Millions) _______

15. Are you representing a parent corporation or a subsidiary of another corporation? If yes, please furnish audited financial statements on your parent corporation as well as your subsidiary.

16. Describe the precautions taken by your firm to protect the interest of the public when dealing with government agencies as investors.

17. Provide a description of the Capital line and trading limits that support/limit the office that would conduct business with our government.

18. Attach a copy of your National Association of Securities Dealers Registration.

19. Attach a copy of your State of Texas Securities Commission Registration.

20. Do you participate in the S.I.P.C. (Securities Investor Protection Corporation) insurance program?
    [ ] Yes [ ] No If not, explain:

21. Enclose a complete schedule of fees and charges for various transactions.

22. Do you give perfected security interest in securities under repurchase agreements? [ ] Yes [ ] No

23. Please identify (at least five for each trader you include in this questionnaire and certification) your most directly comparable public sector clients preferably in our geographical area.

    Entity/Contact Person/Telephone/Client Since

____

____

____

____

____

I hereby certify that have personally read the investment policy of the Southmost Regional Water Authority (SRWA) and the statues of the State of Texas pertaining to the investments of municipal funds and agree to comply with both. For each transaction, we pledge to exercise due diligence in disclosing all information necessary for each party to agree to the details of the transaction. When recommending a transaction, we have reasonable grounds for believing the transaction is suitable based upon information available from the issuer and based upon the facts disclosed by the SRWA as to its financial situation, its other security holdings and its investment policy. We have implemented investment procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the SRWA. I hereby certify that the foregoing responses are true, accurate and complete.

______________________	______________________	______________
Signature and Title	Print Name	Date
______________________	______________________	______________
Signature and Title	Print Name	Date
______________________	______________________	______________
Signature and Title	Print Name	Date

Broker/Dealer's are evaluated by the answers given on this questionnaire. Be sure to complete each question to your fullest ability and return the request by the due date in order for your company to be considered. If a question does not apply to your organization, please place an "N/A" as your answer, so that it is not left blank.

SRWA
Southmost Regional Water Authority

(Available in Word format upon request)

Finance Department
P.O. Box 3270
Brownsville, Texas 78523-3270
(956) 983-6483

Please return to: Conrad Taylor
Treasury Administrator

FOLLOW UP- BROKER/DEALER QUESTIONNAIRE

1. Name of Firm:

Address:

Telephone:

Years Established: Number of Employees:

2. Primary Representative/Manager/Partner-in-Charge:

Primary Representative(s)

Name:	Name:
Title:	Title:
Telephone:	Telephone:
Email:	Email:

Manager/Partner-in-Charge:

Name:	Name:
Title:	Title:
Telephone:	Telephone:
Email:	Email:

3. Which instruments are offered regularly by your local desk?

____ T-Bills ____ Treasury
____ CDs ____ Notes/Bonds
____ Agencies (Specify) ____ Other (Specify)

4. Identify the personnel who will be trading with or quoting securities to our employees: (Attach resumes of all the persons below.)

Name: ____________________ Name: ____________________

Title: ____________________ Title: ____________________

Telephone: ____________________ Telephone: ____________________

SRWA
Southmost Regional Water Authority

(Available in Word format upon request)

Email:		Email:	
CRD#:		CRD#:	
# of yrs w/firm:		# of yrs w/firm:	

5. **In the past 5 years have any of your clients ever sustained a loss on a securities transaction arising from a misunderstanding or misrepresentation of the risk characteristics of the instrument. (If yes, explain.)** ______

6. **In the past 5 years has your firm or any of your employees ever been subjected to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disputable or unfair activities related to the sale of securities?**
(If yes, explain.) ______

7. **Please explain who audits your fiduciary systems such as normal custody and delivery process?**

8. **Please provide audited financial statements for the most current year and other indicators regarding your firm's capitalization.** ______

9. **Describe the precaution taken by your firm to protect the interest of the public when dealing with government agencies as investors.** ______

10. **Does your firm consistently comply with the Federal Reserve Bank's capital adequacy guidelines? By what Factor (1.5x, 2x, etc.) does your firm presently exceed the capital adequacy guidelines measure of risk? Include certified documentation of your capital adequacy as measured by the Federal Reserve standards.** ______

11. **Attach a copy of your National Association of Securities Dealers Registration.**

12. **Attach a copy of your State of Texas Securities Commission Registration.**

(Available in Word format upon request)

13. Do you participate in the S.I.P.C. (Securities Investor Protection Corporation) insurance program?
__ Yes __ No If not, explain.

14. Please identify (at least five for each trader you include in this questionnaire and certification) your most directly comparable public sector clients preferably in our geographical area.

Entity/Contact/Person/Telephone/Client Since

____

____

____

____

____

I, hereby, certify that have personally read the investment policy of the Brownsville Public Utilities Board of the City of Brownsville, Texas (BPUB) and the statues of the State of Texas pertaining to the investments of municipal funds and agree to comply with both. For each transaction, we pledge to exercise due diligence in disclosing all information necessary for each party to agree to the details of the transaction. When recommending a transaction, we have reasonable grounds for believing the transaction is suitable based upon information available from the issuer and based upon the facts disclosed by the BPUB as to its financial situation, its other security holdings and its investment policy. We have implemented investment procedures and a system of controls designed to preclude imprudent investment activities arising out of transaction conducted between our firm and the BPUB. I, hereby, certify that the foregoing responses are true, accurate and complete.

Signature and Title	Print Name	Date
Signature and Title	Print Name	Date

(Available in Word format upon request)

Signature and Title	Print Name	Date

Brokers/Dealers are evaluated by the answers given on this questionnaire. Be sure to complete each question to your fullest ability and return the request by the due date in order for your company to be considered. If a question does not apply to your organization, please place an "N/A" as your answer, so that it is not left blank.

Section IV
List of Authorized
Brokers/Dealers

SRWA
Southmost Regional Water Authority

List of Authorized Brokers/Dealers & Investment Pools

The following list of Brokers, Dealers, and Investment Pools have met the requirements of the SRWA's Investment Policy as approved by the Board of Directors on September 14, 2026 and qualify to transact investment business with SRWA. The Investment Policy requires each firm to submit documents such as financials, questionnaire, audit report, and license and registration.

POOLS/BROKERS/DEALERS:	**Certification Rec'd**
1. TexPool Participant Services Attn: Dianne Parker 1001 Texas Avenue, Suite 1150 Houston, Texas 77002	________________
2. TexasTERM/TexasDaily Local Gov't Investment Pool Attn: Nelson Bush 111 Congress Avenue, Suite 2150 Austin, Texas 78701	________________
3. Hilltop Securities Inc. Attn: Gilbert Ramon 700 Milam Street, Suite 500 Houston, Texas 77002	________________
4. FHN Financial Capital Markets Attn: John "Buddy" Saragusa III 920 Memorial City, 11th Floor Houston, Texas 7702	________________
5. Stifel Nicolaus & Company Attn: David B. Vegh 77d Ridge Lake Blvd. Memphis, TN 38120 (Branch office in Dallas, TX) (Formerly Vining Sparks)	________________

Acceptance and Approval of the Board of Directors:

The list of authorized brokers, dealers, and pools is hereby approved by the Southmost Regional Water Authority Board of Directors on September 14, 2026:

____________________________	_________________________
Joseph L. Hollmann, Ph.D. President	Date

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF CAMERON	§
	§
SOUTHMOST REGIONAL WATER AUTHORITY	§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 14th day of September 2026, the Board of Directors (the *Governing Body*) of the Southmost Regional Water Authority (the *SRWA*) convened in regular session at its regular meeting place of the SRWA (the *Meeting*), the duly constituted members of the Governing Body being as follows:

Joseph L. Hollmann, Ph.D.	President
Andrew Gonzales	Vice-President
Sergio T. Lopez	Treasurer
Pat Pace Jr.	Secretary
Mayor James A. Chambers	Member
Marilyn D. Gilbert, MBA	Deputy Secretary/Treasurer

and all of such persons were present at the Meeting, except the following: ________________________ thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

> RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTHMOST REGIONAL WATER AUTHORITY TO ITS ANNUAL REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES AS REQUIRED BY THE PROVISIONS OF CHAPTER 2256, AS AMENDED, TEXAS GOVERNMENT CODE; APPROVING THE INVESTMENT POLICY AND INVESTMENT STRATEGIES; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Governing Body for passage and adoption. After presentation and due consideration of the Resolution, a motion was made by Member ____________________ that the Resolution be finally passed and adopted. The motion was seconded by Member _____________________and carried by the following vote:

______voted “For” _____voted “Against” _______abstained

all as shown in the official Minutes of the Governing Body for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the SRWA; the duly qualified and acting members of the Governing Body of the SRWA on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Governing Body was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the SRWA, this 14th day of September 2026.

Marilyn D. Gilbert, MBA
Deputy Secretary/Treasurer, Board of Directors

(SEAL)

RESOLUTION NO. ______________

RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTHMOST REGIONAL WATER AUTHORITY RELATING TO ITS ANNUAL REVIEW OF THE BOARD'S INVESTMENT POLICY AND INVESTMENT STRATEGIES AS REQUIRED BY THE PROVISIONS OF CHAPTER 2256, AS AMENDED, TEXAS GOVERNMENT CODE; APPROVING THE BOARD'S INVESTMENT POLICY AND INVESTMENT STRATEGIES; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board of Directors (the "Board") of the Southmost Regional Water Authority (the "SRWA") has previously adopted an investment policy (the "Policy") and certain investment strategies that are attached hereto as Section I to this Resolution and incorporated by reference for all purposes;

WHEREAS, the Board is required by the provisions of Chapter 2256, as amended, Texas Government Code (the "Act") to annually review and approve the Policy;

WHEREAS, pursuant to Section 2256.005(e) of the Act, the Board shall record any changes made to either the Policy or its investment strategies;

WHEREAS, the Board hereby finds and determines that minor changes are being made to the Policy for the fiscal year ending September 30, 2026; and

WHEREAS, the Board hereby finds and determines that these actions are in the best interests of the citizens of the SRWA; now, therefore;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHMOST REGIONAL WATER AUTHORITY THAT:

1. Minor changes were made to the Policy for the fiscal year ending September 30, 2026.

2. The Investment Officers (as defined in the Policy) are authorized to implement the Policy in accordance with the provisions of the Policy and applicable law.

3. The list of Authorized Personnel identified on Section II are hereby approved in accordance with the provisions of the Policy and applicable law.

4. The list of Authorized Brokers/Dealers and Investment Pools identified on Section IV herein are approved and incorporated herein for all purposes as authorized broker dealers pursuant to the Policy and the related Broker/Dealer Questionnaire, Broker/Dealer Questionnaire Follow-up, and Certificates included as Section III herein are also approved.

5. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

6. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

7. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

8. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

9. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

10. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

[The remainder of this page intentionally left blank.]

PASSED AND APPROVED, this 14th day of September, 2026

SOUTHMOST REGIONAL WATER AUTHORITY

____
Joseph L. Hollmann, Ph.D., President
Board of Directors

ATTEST:

____
Marilyn D. Gilbert, MBA, Deputy Secretary/Treasurer
Board of Directors

List of Authorized Brokers/Dealers & Investment Pools

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POOLS/BROKERS/DEALERS: **Certification Rec'd**

1. TexPool Participant Services
   Attn: Dianne Parker ________________
   1001 Texas Avenue, Suite 1150
   Houston, Texas 77002

2. TexasTERM/TexasDaily Local Gov't Investment Pool
   Attn: Nelson Bush ________________
   111 Congress Avenue, Suite 2150
   Austin, Texas 78701

3. Hilltop Securities Inc.
   Attn: Gilbert Ramon ________________
   700 Milam Street, Suite 500
   Houston, Texas 77002

4. FHN Financial Capital Markets
   Attn: John "Buddy" Saragusa III
   920 Memorial City, 11th Floor ________________
   Houston, Texas 7702

5. Stifel Nicolaus & Company
   Attn: David B. Vegh
   77d Ridge Lake Blvd. ________________
   Memphis, TN 38120
   (Branch office in Dallas, TX)
   (Formerly Vining Sparks)

Acceptance and Approval of the Board of Directors:

The list of authorized brokers, dealers, and pools is hereby approved by the Southmost Regional Water Authority Board of Directors on September 14, 2026:

______________________________ ______________________________

Joseph L. Hollmann, Ph.D. Date
President

Meeting Date
September 14, 2026

Posting Language
7 - Consideration and Possible Action to Approve the Rental of a Portable Diesel Generator for Back-Up Power for the SRWA Reverse Osmosis Water Treatment System

Open/Closed Session
OPEN MEETING

Action
Approval

Executive Sponsor
Lead Department: 3120-Water Plant I

Assigned Staff (Presenter): Jose A. Garza

Summary
The Southmost Regional Water Authority's (SRWA) permanent backup generator is currently out of service. To ensure reliable operations, the Brownsville Public Utilities Board (BPUB) has deployed a 1,250-kW portable diesel generator previously rented by BPUB to serve the South Wastewater Treatment Facility. The generator will provide standby power for the reverse osmosis water treatment system and high-service pump station during emergencies and extreme weather events.

Invitation to Bid (B040-25) for the rental of generators was advertised in the Brownsville Herald on March 15 and 22, 2025, posted on BPUB's website, and emailed to eight (8) vendors. Four (4) bids were received and opened on April 4, 2025, through May 31, 2026, with two optional one-year renewals. The first renewal through May 31, 2027, was approved by the Board on April 13, 2026.

Staff requests approval to fund the rental of the 1,250-kW portable diesel generator transferred from the South Wastewater Facility to the SRWA reverse osmosis water treatment system for a 10-month period, from August 1, 2026, through May 31, 2027. During this period, SRWA will assume responsibility for the generator at a total cost of $110,000 to provide uninterrupted standby power for the reverse osmosis water treatment system and the high-service pump station.

Strategic Initiatives

Referring Committee

Name of Committees __________

Date of Meeting __________

Recommendation(s) __________

Vote(s) __________

Fiscal Impact

Budgeted	X Bid Award	Reallocation	No Fiscal Impact

Source of Funding: 101-3190-7325-W64231

Recommended Motion

SRWA staff recommend the rental of a portable diesel generator with Stewart & Stevenson, LLC of Pharr, Texas, for a total amount of $110,000.

BROWNSVILLE
PUBLIC UTILITIES BOARD

February 4, 2026

Attn: Saul Gonzales
Stewart & Stevenson, LLC
DBA Stewart & Stevenson Power Products, LLC
55 Waugh Suite 1000
Houston, TX 77007

RE: Option to Extend (2nd Year)
Bid #040-25 Rental of Portable Diesel Generators with Trailers for Hurricane Preparedness

Brownsville PUB is requesting a one (1) year renewal for the Rental of Portable Diesel Generators with Trailers for Hurricane Preparedness for the period of June 1, 2026 to May 31, 2027. As part of the bid specifications on page 5, "Contract and Purchase Order", Brownsville PUB has the option to renew a period of 6 months and up to one (1) year, on a month-to-month basis and with the option to renew annually for an additional two (2), one (1) year periods, if service and price are satisfactory, and the renewal is agreed upon in writing by both parties. All terms and conditions of the original contract will remain in effect as per the attached sheets, if both parties should agree.

If you agree, respond by returning this extension of contract with the appropriate Agent Signature to the Brownsville Public Utilities Board, Purchasing Department, via e-mail hlopez@brownsville-pub.com. **Please respond by February 12, 2026 no later than 5:00 PM.**

Please check one of the following:

(X) Yes, I agree to extend the contract.
(_____) No, I do not agree to extend the contract. My explanation is noted below.

Company: Stewart & Stevenson , LLC

Agent Name: Andy Hudson -Senior Vice President

Agent Signature: Andy Hudson 2-5-2026

Address: 55 Waugh Drive

City: Houston, TX 77007

Comments: ____________________

If you have any questions, please call (956) 983-6375.

Thank you,

D Solitaire

Diane Solitaire,
Purchasing & Materials Manager
Brownsville Public Utilities Board

BID SCHEDULE

B040-25

Item #	Qty	DESCRIPTION	MONTHLY COST FOR EACH UNIT	Month	TOTAL
1	1 each	Rental of 440 kW stand-by power diesel generator with trailer	4000	x 6 months	24000
	1 Lot	Delivery & pick up charge for Item #1	750		750
	1 Lot	Fire, theft & vandalism insurance & environmental fees (if applicable) for Item #1	N/A w/COI		0
2	1 each	Rental of 550 kW stand-by power diesel generator with trailer	4225	x 6 months	25350
	1 Lot	Delivery & pick up charge for Item #2	750		750
	1 Lot	Fire, theft & vandalism insurance & environmental fees (if applicable) for Item #2	N/A w/COI		0
3	1 *each*	Rental of 1,000 kW with 1000 KVA Step Up Transformer from 480VAC to 2300VAC stand-by power diesel generator with trailer	10450	x 12 *months*	125400
	1 Lot	Delivery & pick up charge for Item #3	1000		1000
	1 Lot	Fire, theft & vandalism insurance & environmental fees (if applicable) for Item #3	N/A w/COI		0
4	3 each	*Rental of 1,000 kW stand-by power diesel* generator with trailer	8350	x 12 months	300600
	1 Lot	Delivery & pick up charge for Item #4	2100		2100
	1 Lot	Fire, theft & vandalism insurance & environmental fees (if applicable) for Item #4	N/A w/COI		0
5	1 each	Rental of 1,250 kW stand-by power diesel generator with trailer	9600	x 12 months	115200
	1 Lot	Delivery & pick up charge for Item #5	750		750
	1 Lot	Fire, theft & vandalism insurance & environmental fees (if applicable) for Item #5	N/A w/COI		0
6	1 Lot	Monthly inspection and testing of each Generator	Included in rental price		0
		GRAND TOTAL FOR LINE ITEMS 1-6			595900

****BPUB may award rental of all generators listed in the bid schedule or may select any combination of generators. The portable diesel generators shall be delivered to various locations throughout the City of Brownsville without diesel fuel.**

Manufacturer: Atlas Copco, CAT, Taylor, Multiquip

Model: Variable by type

BEST AVAILABLE DELIVERY DATE: June 2025

BPUB has the right to increase or decrease quantities as deemed necessary. Stipulate below if an increase or decrease in quantities will affect unit price:

(__X__) Yes, an increase or decrease in quantities will affect unit price

(______) No, an increase or decrease in quantities will not affect unit price

NOTE: The BPUB is considering stand-by rental of the above mentioned portable diesel generators for approximately 6 months and up to one (1) year during hurricane season, beginning in June 2025. **STATE ANY ADDITIONAL CHARGES ON A SEPARATE SHEET OF PAPER.**

- **ADDITIONAL INFORMATION:**

1. The external fuel tank is not a requirement on the bid specifications. If the unit includes the fuel tank as standard item, then it will be considered as part of the bid.

2. The startup services will be required on all generators within one week after being delivered.

3. The remote monitoring is not a requirement; however, it can be supplied as a standard item, then it will be considered as part of the bid.

4. The BPUB is exempt from Texas sales tax on equipment. The prices quoted shall exclude such sales and use tax.

5. The rental prices of equipment set forth herein shall include the cost of delivery of the portable diesel generators w/trailers to the various locations throughout the City of Brownsville as specified by BPUB representative. Such delivery shall be made within _____ days after the receipt of the purchase order from the BPUB.

6. This Bid is made pursuant to the provisions of the Legal Notice and Instructions to Bidders and the vendor agrees to the terms and conditions thereof.

7. The vendor warrants the accuracy of all statements contained in the bid documents and agrees that the BPUB shall rely upon such accuracy as a condition of the contract (purchase order) in the event that this Bid is accepted.

8. The vendor warrants that this Bid is made in good faith and without collusion or connection with any other person or persons bidding for the same work.

9. The vendor agrees that, in the event this Bid is accepted, a purchase order will be issued prior to material being ordered.

10. The vendor warrants that the equipment will conform to the performance data and guarantees, which are attached hereto and by this reference made a part hereof.

11. If, in submitting this Bid, the vendor has made any change in the form of Bid furnished by the BPUB, the vendor understands that the BPUB may evaluate the effect of such change as they see fit or they may exclude the Bid from consideration in determining the award.

12. BPUB reserves the right to award bids to multiple vendors.

Stewart & Stevenson
Name of Vendor

By: Andy Hudson
Signature (Failure to sign will disqualify bid)

2701 N. Cage Blvd
Pharr, TX 78577
Address of Vendor

Vice President of Rental
Title of Officer

3-25-2025
Date

Vendor's contact person for additional information on this Bid:

Name: Saul Gonzales

Telephone: 361-215-7997

Address: 2701 N. Cage Blvd
Pharr, TX 78577

Email: sa.gonzales@kirbycorp.com

SRWA Backup Generation

RENT VS. BUY

SRWA BOARD MEETING | September 14, 2026

Eli Alvarez

Director of Electrical Operations

Electrical Operations

Outline

- SRWA Back-up Power Requirements
- SRWA Generator Assets
- SRWA Generator Deployment Sites
- SRWA's Generator Rental Requirements
- Evaluating Rent Vs. Buy Options
- Cost Comparison Assumptions
- Comparison Results
- Comparison Graph
- Considerations
- Recommendation(s)

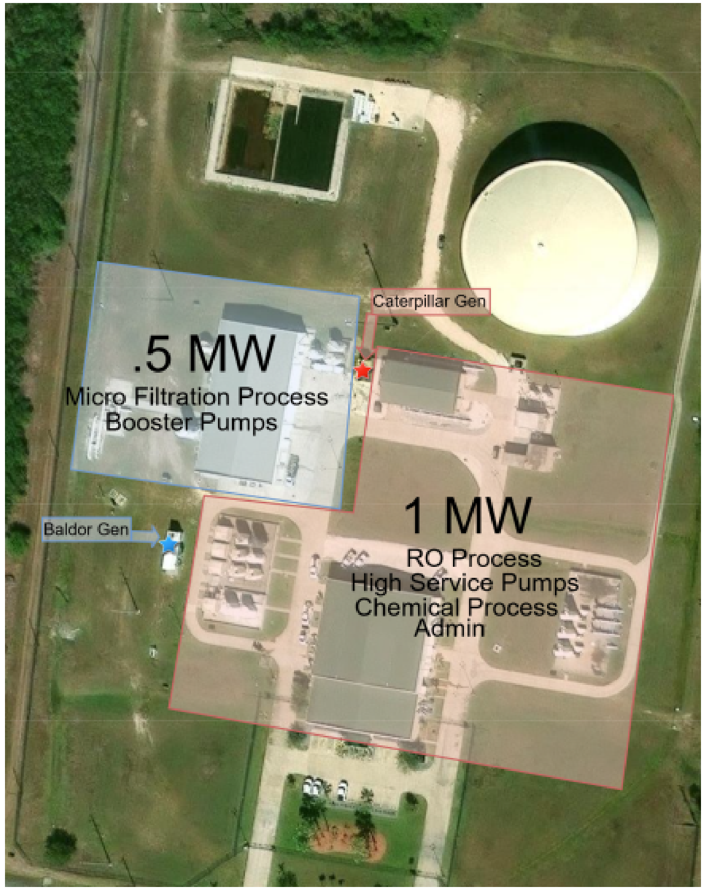
SRWA Back-up Power Requirements

- The Texas Commission on Environmental Quality (TCEQ) regulations and Texas Senate Bill 3 (SB 3) require water utilities to demonstrate (and document) the ability to maintain critical operations and minimum water pressure (at least 20 psi) during an extended power outages.
- SRWA meets this requirement with:
  - Local back up generation to critical loads (most reliable)
  - Alternate electric feeder that served from a different substation.

SRWA Generator Assets

- Existing generators: (2)-1MW Diesel Generators*
  - 1-MW Caterpillar®
    - > 20 years in service
  - 1-MW Baldor®;
    - >12 years in service
- Total capacity: 2 MW

SRWA Generator Deployment Sites



SRWA's Generator Rental Requirements

- Both BPUB owned units are currently out of commission.
  - The Baldor® has been out of commission for several years.
  - The Caterpillar® failed in the summer of 2026.
- Current electrical infrastructure requires two (2) for backup power to critical processes.
- Required capacity: At least 1.5 MW
- Expected rental usage: 12 months/year
- Annual rental cost for both rentals: $200,400.00

Evaluating Rent Vs. Buy Options

RENT OPTION

Pros:
- Lower initial costs
- Flexibility changing generator sizes and quantities
- Minimal Maintenance Costs
- No ownership obsolescence risk

Cons:
- Reoccurring rental charges
- Higher long term costs
- Utilization may be poor

BUY OPTION

Pros:
- Long term asset
- Lower long-term cost
- Greater control over testing and maintenance
- No rental availability risk

Cons:
- Significant initial costs
- Reoccurring maintenance cost and responsibility
- Equipment has a finite useful life (≈12-15 years)
- Utilization may be poor

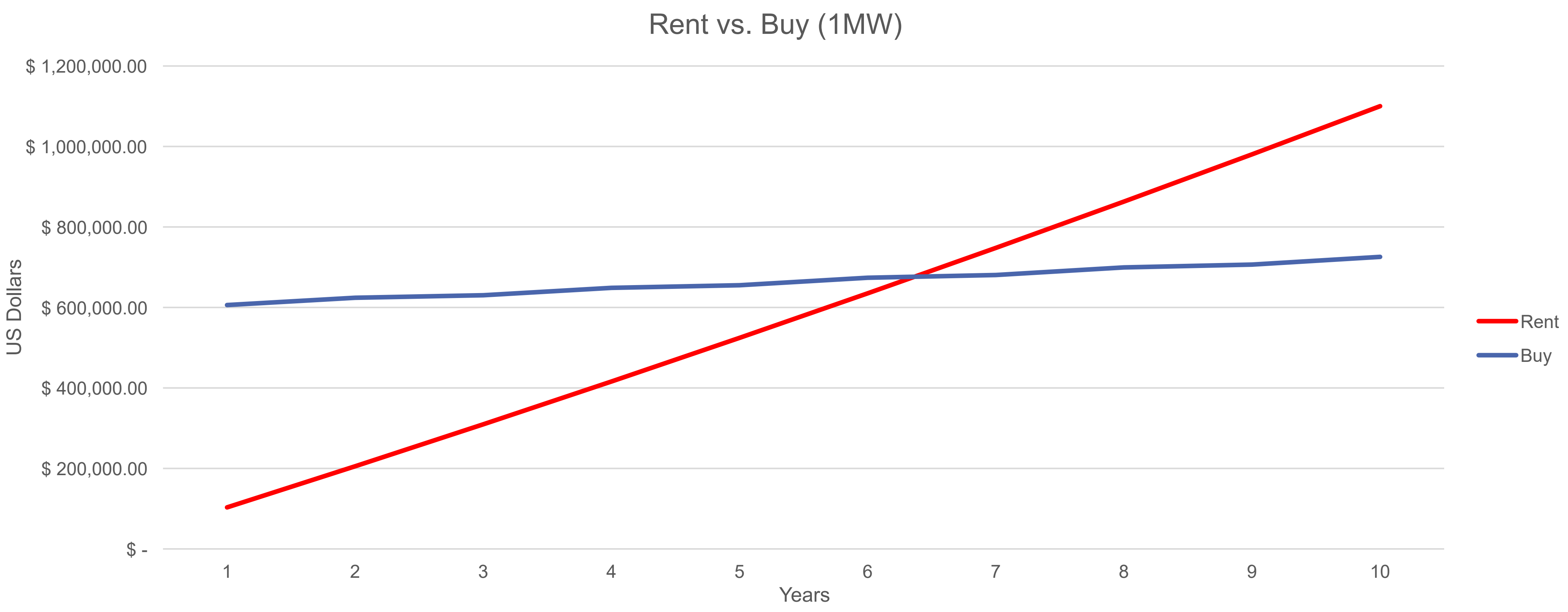
Cost Comparison Assumptions

1. The cost of the 1MW generator is $600k USD.
2. The annual cost of renting a 1MW generator is $100,200 USD.
3. Annual rental, Annual maintenance of generators cost includes a 2% escalator for the duration of the comparison study (study).
4. The time considered for this comparison is 10 years and the expected useful life of the generator is at least equal to the time considered for the study.
5. Annual maintenance of generators includes annual load testing and quarterly testing with a cost equal to 1% of the purchase price.
6. Major maintenance will occur every two years and is equal to 2% of the purchase price.
   - The major maintenance interval is based on Mean time to failure for 750kW-5MW referenced in IEEE Gold Book officially designated as **IEEE Std 493-2007. The IEEE Gold Book** is an industry standard providing recommended practices for the design of reliable industrial and commercial power systems.
7. Insurance and fuel costs are assumed to be equal and were not considered in study.

Comparison Results (1MW)

Year	Rent Option	Buy Option	Rent - Buy
Year 1	$ 103,200.00	$ 606,000.00	$ (502,800.00)
Year 5	$ 524,444.82	$ 655,224.24	$ (130,779.42)
Year 6 + 5 Months (Break Even)	$ 681,169.09	$ 676,608.93	$ 4,560.17
10 Year	$ 1,100,162.04	$ 725,698.33	$ 374,463.72

Comparison Graph (1MW)



Considerations

- Based on cost comparison results, the purchase of generator assets may be more advantageous.
- Uncertainty with plant expansion:
  - Expansion time frame
  - Capacity requirements for expansion scale
- The SRWA Electrical infrastructure within the plant needs to upgraded and consolidated to ensure maximum reliability and expansion capability and flexibility.
- Purchase costs and lead times for generators may increase due to demand (data centers).

Recommendation(s)

- Continue to rent and/or repair current assets while expansion plans are solidified.
- Prioritize electrical infrastructure improvements needed for reliability, capacity expansion, and efficient asset utilization.
- Once electrical requirements are known, and the new electrical infrastructure, rerun the comparison analysis with updated pricing.
- Re-evaluate whether or not the “buy option” is still the most advantageous option.
- If the time to “break-even” is within the comparison’s time horizon (10 years), consider the “buy option”.

SRWA
Southmost Regional Water Authority

Total 10 Year Cost of Renting	Total 10 Year Cost of Ownership
$ 1,100,162.04	$ 725,698.33

Model Year	2026
Original Cost	$ 600,000.00
25% Book Value @ 10 years	$ 28,125.00
Useful Life	12
Salvage Cost @ 12 years	$ 15,000.00

Rental Option for one (1) 1MW Diesel Generator

Monthly Rental Fee $8,350

Cash Flow Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Delivery Cost	$ 3,000.00	$ -	$ -	$ -						
Rental Cost (2% Increase Annually)	$ 100,200.00	$ 102,204.00	$ 104,248.08	$ 106,333.04	$ 108,459.70	$ 110,628.90	$ 112,841.47	$ 115,098.30	$ 117,400.27	$ 119,748.28
Annual Maintenance Cost	$ -	$ -	$ -	$ -						
Major Maintenance Cost	$ -	$ -	$ -	$ -						
Annual Totals	$ 103,200.00	$ 102,204.00	$ 104,248.08	$ 106,333.04	$ 108,459.70	$ 110,628.90	$ 112,841.47	$ 115,098.30	$ 117,400.27	$ 119,748.28
Accumulated Totals		$ 205,404.00	$ 309,652.08	$ 415,985.12	$ 524,444.82	$ 635,073.72	$ 747,915.19	$ 863,013.50	$ 980,413.77	$ 1,100,162.04
Total 10 Year Cost of Renting	$ 1,100,162.04									

Purchase Option for one (1) 1MW Diesel Generator

Cash Flow Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Purchase Cost	$ 600,000.00									
Annual Maintenance	$ 6,000.00	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59	$ 6,624.48	$ 6,756.97	$ 6,892.11	$ 7,029.96	$ 7,170.56
Major Maintenance Cost	$ -	$ 12,000.00	$ -	$ 12,000.00		$ 12,000.00	$ -	$ 12,000.00	$ -	$ 12,000.00
Annual Totals	$ 606,000.00	$ 18,120.00	$ 6,242.40	$ 18,367.25	$ 6,494.59	$ 18,624.48	$ 6,756.97	$ 18,892.11	$ 7,029.96	$ 19,170.56
Accumulated Totals		$ 624,120.00	$ 630,362.40	$ 648,729.65	$ 655,224.24	$ 673,848.73	$ 680,605.70	$ 699,497.81	$ 706,527.77	$ 725,698.33
Total 10 Year Cost of Ownership	$ 725,698.33									

SRWA
Southmost Regional Water Authority

Meeting Date
September 14, 2026

Posting Language
8 - Consideration and Possible Action to Approve the Annual Supply of Chlorine Dioxide Equipment and Service

Open/Closed Session
OPEN MEETING

Action
Approval
Contract

Executive Sponsor
Lead Department: 3120-Water Plant I

Assigned Staff (Presenter): Jose A. Garza

Summary
Chlorine Dioxide is used to reduce arsenic, iron and manganese levels in drinking water. Chlorine Dioxide is generated on-site from a reactive chemical, sodium chlorite, that is considered hazardous to handle.

During the design phase of the chlorine dioxide project, two Millennium III C-250 VF chlorine dioxide generators were submitted for approval to the Texas Commission on Environmental Quality (TCEQ). On May 10, 2019, SRWA received approval to construct a chlorine dioxide generating system consisting of the two Millennium III C-250 VF batch generators.

Evoqua Water Technologies, LLC is a sole source provider of the Millennium III C-250 VF batch generators that are installed; therefore, no competitive bids were solicited. Evoqua Water Technologies, LLC will supply the equipment and provide preventive maintenance for the chlorine dioxide generating system for the annual price of $66,192.00. The term of the contract will be from October 1, 2026 through September 30, 2027.

Strategic Initiatives

Referring Committee
Name of Committees ____________________
Date of Meeting ____________________

Recommendation(s) ______________________________
Vote(s) ______________________________

Fiscal Impact

Budgeted	X Bid Award	Reallocation	No Fiscal Impact

Source of Funding: 101-3190-7278-W61831

Recommended Motion

SRWA staff recommends awarding the annual supply of chlorine dioxide equipment and service to Evoqua Water Technologies, LLC of Sarasota, FL, for a grand total amount of $66,192.00.

Evoqua Water Technologies LLC
2650 Tallevast Road, Sarasota, FL 34243, USA
t +1 941 359-7940, f +1 941 359 7985
utilityservicesinbox@xylem.com, www.xylem.com

August 14, 2026

Jose Garza
City of Brownsville
1155 FM 511
Olmito, TX 78575
Phone: (956) 459-9888
Email: jgarza@brownsville-pub.com
jgarcia@brownsville-pub.com

RE: 2026 CHLORINE DIOXIDE EQUIPMENT AND SERVICE RENEWAL
BROWNSVILLE PUBLIC UTILITIES BOARD – SOUTHMOST REGIONAL WATER AUTHORITY
Evoqua Quote No. 837470

Dear Mr. Garza,

Evoqua is pleased to offer a renewal of the existing contract for equipment maintenance services for your Millennium III Chlorine Dioxide Generators. Under this program, Evoqua shall continue to provide the two (2) chlorine dioxide generators currently in place and monthly maintenance service.

SCOPE OF SUPPLY

1. EQUIPMENT

Evoqua currently supplies SRWA with two (2) Millennium III C250 VF Chlorine Dioxide Generators. Under this program, those generators will remain in service.

QTY	DESCRIPTION
(2)	Millennium III C250 VF Chlorine Dioxide Generator

Evoqua Water Technologies retains ownership of all provided equipment. Evoqua will maintain spare parts for the equipment for emergency replacement.

2. PREVENTATIVE MAINTENANCE AND ANALYTICAL SERVICES

An Evoqua service technician shall visit the site to perform routine maintenance on each generator, optimize chemical dosing, measure generator efficiency, and provide a written report. Evoqua will also provide safety training for the plant staff if requested. On-site routine maintenance service will be scheduled in advance and includes, but is not limited to the following:

Provide monthly routine preventative maintenance and optimization services to the Chlorine Dioxide generators. The service shall include, but is not limited to:

1. Review plant logs and operation of Chlorine Dioxide treatment
2. Check the equipment for leaks or malfunction
3. Perform analysis of generator efficiencies
4. Review laboratory by-products reports with management
5. Perform scheduled preventative maintenance on equipment
6. Submit a written report outlining services and observations during the routine service visit

3. EMERGENCY SERVICE

The program price includes up to six (6) on-site emergency service visits and 24/7 telephone support. Emergency service is un-scheduled service that requires same day response from Evoqua.

4. PRICE

Evoqua is pleased to offer the following price for equipment and monthly services for a one-year period, October 1, 2026, through September 30, 2027. Pricing will be reviewed on an annual basis thereafter.

Equipment & Service: **$5,516 per month**

Total Monthly Price: $5,516

Terms of payment are NET 30 days from date of invoice. This price does not include any applicable taxes.

Terms are per the existing Chlorine Dioxide Generator Service Contract.

Evoqua Water Technologies LLC is owned by Xylem and will be the contracting legal entity.

NOTE: You may be assessed a 3% fee if paying via Credit Card.

The price associated with this quote will remain in effect for a period of ninety (90) days. If we are not in receipt of an order by the end of this firm price period, we reserve the right to modify the prices quoted.

Thank you again for the opportunity to allow Evoqua to provide this quotation. If you have any questions, comments, or if I can be of service to you in any way, please contact me at (724) 612-9377 or via email at justin.griffith@xylem.com.

Sincerely,

Evoqua Water Technologies LLC

Justin Griffith

Justin Griffith
Technical Sales Representative

JG:kwm

RE: 2026 CHLORINE DIOXIDE EQUIPMENT AND SERVICE RENEWAL
BROWNSVILLE PUBLIC UTILITIES BOARD – SOUTHMOST REGIONAL WATER AUTHORITY
Evoqua Quote No. 837470

ACCEPTANCE OF PROPOSAL

Evoqua will process your order when we receive acceptance of this proposal by signing below and returning to utilityservicesinbox@xylem.com or fax to: (941) 359-7985.

Accepted by: ____

This ____________ day of _____________________________________

Title: ____

Company: ____

P.O. Number: ____

xylem

Evoqua Water Technologies LLC
2650 Tallevast Road, Sarasota, FL 34243, USA
t +1 941 359-7940, f +1 941 359 7985
utilityservicesinbox@xylem.com, www.xylem.com

August 14, 2026

Jose Garza
City of Brownsville
1155 FM 511
Olmito, TX 78575
Phone: (956) 459-9888
Email: jgarza@brownsville-pub.com
jgarcia@brownsville-pub.com

RE: SOLE SOURCE MILLENNIUM III™ CHLORINE DIOXIDE GENERATOR SERVICE

Dear Mr. Garza:

Evoqua Water Technologies LLC is the sole source OEM provider of service, parts and repair contracts on our line of chlorine dioxide generation systems. This includes the MILLENNIUM III™ two and three chemical generator lines manufactured exclusively at our facilities. We maintain dedicated, experienced and certified service staff for this purpose. At the present time, no other service firms or 3rd party personnel are trained, certified and authorized to provide the required OEM service, parts and repairs on the Millennium III chlorine dioxide generators.

A license to use MILLENNIUM III™ products is included with the product sale. Patents that cover aspects of the use of MILLENNIUM III™ products include, but are not necessarily limited to, United States Patent Nos. 7,504,074 B2, 8,784,733 B2 and other patents pending. MILLENNIUM III™ and Full Service Disinfection Control are trademarks of Evoqua Water Technologies LLC.

Should you have any questions or require additional information, please feel free to contact me at (724) 612-9377 or via email at justin.griffith@xylem.com.

Sincerely,

Evoqua Water Technologies LLC

Justin Griffith

Justin Griffith
Technical Sales Representative

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*

PWS_0310150_CO_20190510_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 10, 2019

Dr. Chamindra Y. Dassanayake, Ph.D., P.E.
Hazen & Sawyer
8150 North Central Expressway
Dallas, Texas 75206

Re: Southmost Regional Water Authority - Public Water System ID No. 0310150
Proposed Chlorine Dioxide Feed System
Engineer Contact Telephone: (469) 250-3781
Plan Review Log No. P-03132019-077
Cameron County, Texas

CN: 600659858; RN: 103127965

Dear Dr., Dassanayake:

On March 13, 2019, the Texas Commission on Environmental Quality (TCEQ) received planning material with your letter dated March 8, 2019 for the proposed chlorine dioxide feed system. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 – **Rules and Regulations for Public Water Systems** and is **conditionally approved for construction** if the project plans and specifications meet the following requirement(s):

1) The PWS must comply with the requirements of the TCEQ Exception Letter of April 10, 2019. Note: For condition number 3, at this time it does not appear that orthophosphate addition is needed for corrosion control.

2) This submittal constitutes notification of the addition of a treatment as required by 30 TAC Section 290.117(i)(9)(B). In accordance with 30 TAC Section 290.117(d)(2)(E) systems that change treatment may be required by the TCEQ to conduct additional monitoring to ensure that the system maintains minimal levels of corrosion. In this case, the Brownsville PUB completed Lead and Copper Rule testing while the full-scale pilot for Chlorine Dioxide was in process. Those results indicate that there appears to be no need to remove reduced monitoring. The Engineering Report provided shows considerable sampling and analysis of optimizing corrosion control as is required with a reverse osmosis plant. The authority must continue to monitor and optimize corrosion control to assist its customers with compliance with 30 TAC Section 290.117 (Lead and Copper Rule).

The submittal consisted of 30 sheets of engineering drawings and technical specifications. The approved project consists of:

- One (1) Chlorine Dioxide Generating System consisting of:
  - Two (2) 250 lb. per day Millennium III C-250 VF Batch ClO_2 generators;
  - Two (2) 2500 gallon double walled HDPE bulk storage tank with containment; and,
  - Various valves, fittings, and related appurtenances.

This approval is for the construction of the above listed items only. Any wastewater components contained in this design were not considered.

The Southmost Regional Water Authority public water supply system provides water treatment.

The project is located 0.75 miles east of the intersection of Highway 511 and the Old Alice Road in Cameron County, Texas.

An appointed engineer must notify the TCEQ's Region 15 Office in Harlingen at (956) 425-6010 when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC §290.39(h)(3).

Please refer to the Plan Review Team's Log No. **P-03132019-077** in all correspondence for this project.

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

https://www.tceq.texas.gov/drinkingwater/udpubs.html

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on TCEQ's website at the following address:

https://www.tceq.texas.gov/drinkingwater/planrev.html/#status

You can download the latest revision of 30 TAC Chapter 290 - Rules and Regulations for Public Water Systems from this site.

If you have any questions concerning this letter or need further assistance, please contact David Yager at 512-239-0605 or by email at David.Yager@Tceq.Texas.Gov or by correspondence at the following address:

Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,

for David H. Yager, P.E.
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

Vera Poe, P.E., Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

VP/DY/sg

Enclosure: TCEQ Exception Letter of April 10, 2019

cc: Southmost Regional Water Authority, Attn: Martin Arambula, PO Box 3270, Brownsville, Texas 78523-3270

OCTOBER 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12 BPUB Board Meeting	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
		Notes				