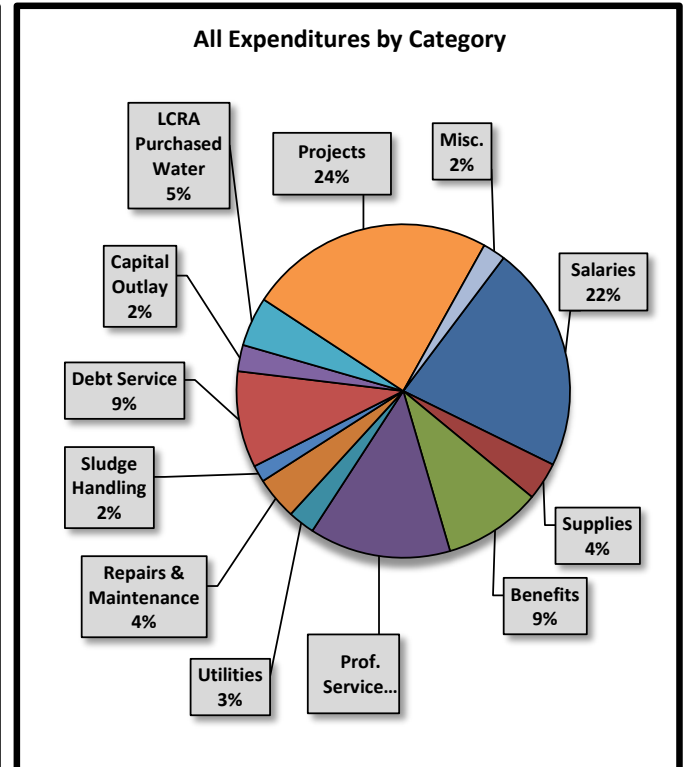
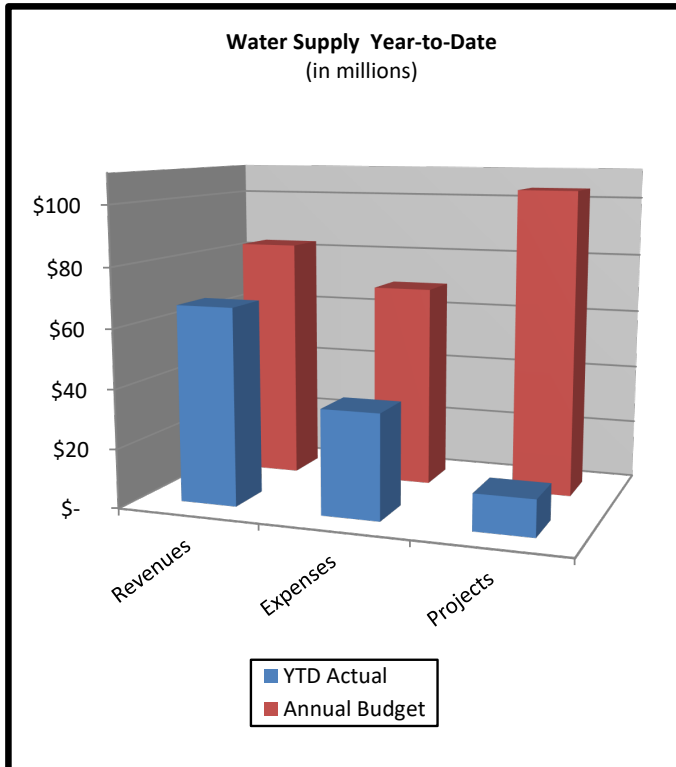




**BRAZOS RIVER AUTHORITY
SUMMARY
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2026
(in thousands)**

	<u>Annual Budget</u>	<u>Year-to-Date Actual</u>	<u>Variance</u>
<u>Water Supply</u>			
Beginning Working Capital	\$ 104,643	\$ 121,395	\$ 16,752
Revenues	82,695	66,605	(16,090)
Less: Expenses	62,917	30,433	32,484
Less: Debt Service	5,921	4,910	1,010
Less: Operating Projects	5,715	1,929	3,786
Surplus/(Deficit)	8,142	29,333	21,191
Plus: Debt Funding	33,000	-	(33,000)
Less: Capital Improvement Projects	97,877	10,336	87,541
Ending Working Capital	\$ 47,908	\$ 140,392	\$ 92,484

<u>Cost Reimbursable</u>			
Revenues	\$ 22,541	\$ 7,536	\$ (15,005)
Less: Expenses	22,541	7,536	15,005
Surplus/(Deficit)	\$ -	\$ -	\$ -





**BRAZOS RIVER AUTHORITY
WATER SUPPLY OPERATIONS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2026
(in thousands)**

	Annual Budget	Year-to-Date Actual	\$ Variance	% of Annual Budget
Beginning Working Capital	\$ 104,643	\$ 121,395	\$ 16,752	
Revenues				
Raw Water Sales - System	51,766	47,019	(4,747)	91%
Raw Water Sales - Non-System	8,255	6,056	(2,199)	73%
East Williamson County RWS	10,120	5,906	(4,214)	58%
Sugar Land WW	5,111	2,122	(2,989)	42%
Lake Operations	540	516	(24)	96%
Grants	1,953	955	(998)	49%
Management Fees	661	257	(404)	39%
Interest Income	4,238	3,709	(529)	88%
Miscellaneous	51	65	14	127%
Total Revenues	82,695	66,605	(16,090)	81%
Operating Expenses				
<u>Reservoir, Water Supply & Treatment Operations</u>				
Operations Management	1,346	579	767	43%
Possum Kingdom Lake	11,595	4,929	6,666	43%
Lake Granbury	5,094	2,048	3,046	40%
Lake Limestone	4,042	1,516	2,526	38%
Allens Creek Reservoir	682	286	396	42%
East Williamson County RWS	3,534	1,492	2,042	42%
Sugar Land WW	5,732	2,259	3,473	39%
<u>Project Delivery Division</u>				
Project Delivery Division Management	1,250	666	584	53%
Project Management	2,214	1,188	1,026	54%
Construction Services	868	433	435	50%
Engineering	1,861	1,213	648	65%
<u>Water Services</u>				
Water Services	2,237	1,001	1,236	45%
Federal Reservoirs	17,123	10,451	6,672	61%
<u>Environmental Services</u>				
Environmental Services	4,434	1,940	2,494	44%
<u>Special Projects & Strategic Initiatives</u>				
Special Projects & Strategic Initiatives	906	433	473	48%
<u>Central Services</u>				
Board of Directors	120	57	63	48%
General Administration	1,324	632	692	48%
Legal	1,805	680	1,125	38%
Public Information	788	322	466	41%
Legislative Government Affairs	763	238	525	31%
Human Resources	1,715	789	926	46%
Finance & Administration	2,627	1,326	1,301	50%
Information Technology	4,000	1,919	2,081	48%
Less Central Services allocated	(13,143)	(5,963)	(7,180)	45%
Total Operating Expenses	62,917	30,433	32,484	48%
Debt Service				
East Williamson County	2,538	2,347	191	92%
Allens Creek	1,934	1,325	609	69%
Federal Reservoirs	1,448	1,238	210	85%
Total Debt Service	5,921	4,910	1,010	83%
Operating Projects	5,715	1,929	3,786	34%
Total Expenses	74,553	37,273	37,280	50%
Surplus/(Deficit) before CIP	8,142	29,333	21,191	
Plus: Debt Funding	33,000	-	(33,000)	0%
Less: Capital Improvement Projects	97,877	10,336	87,541	11%
Ending Working Capital	\$ 47,908	\$ 140,392	\$ 92,484	



**BRAZOS RIVER AUTHORITY
WATER SUPPLY OPERATIONS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2026
VARIANCE DISCUSSION - 50% OF FISCAL YEAR ELAPSED**

REVENUES

Category	% of Budget	Status	Discussion
Raw Water Sales - System	91%		As expected. Most System Water contracts are invoiced at the beginning of the fiscal year. Some customers choose to be invoiced quarterly or monthly.
Raw Water Sales - Non-System	73%		As expected. Most Two-Tier contracts and Residential/Commercial Water Permits are invoiced on a calendar year.
East Williamson County RWS	58%		As expected. Seven months of revenue recorded in Q2.
Sugar Land WW	42%		As expected. Pass through revenues from disinfection chemicals and sludge hauling are lower than budgeted due to lower actual unit costs. This lower revenue will be offset by lower actual expenditures.
Lake Operations	96%		Better than expected. The majority of these contracts are invoiced on a calendar year, which falls in Q2. Increase in Airport Hangar Lease fees collected in Q2.
Grants	49%		As expected. Spending on Brazos G and Region 8 is on track to complete all tasks planned in FY 26.
Management Fees	39%		As expected. Lag salaries due to vacant positions and capital projects waiting for equipment deliveries are responsible for the lower percentage. We expect to make up the capital spending by year end. Lag salaries will depend on job vacancies.
Interest Income	88%		Better than expected. Beginning reserves were \$16M higher than budgeted, CIP spending was fairly low during the second quarter and interest rates are better than the 4% return assumed in the budget (4.12% YTD).
Miscellaneous	127%		Better than expected. The bulk of this revenue is the rebate on our P-card program which usually happens in January.

EXPENSES

Category	% of Budget	Status	Discussion
Reservoir, Water Supply & Treatment Operations	41%		As expected. All expense categories tracking as planned.
Project Delivery Division	57%		As expected. Annual software expenses recognized in the second quarter. All expense categories tracking as planned.
Water Services	59%		As expected. U.S. ACE O&M charges for storage space in the Federal Reservoirs came in \$660K under budget. Other annual charges have been recognized, but overall the expense categories are tracking as planned.
Environmental Services	44%		As expected. All expense categories tracking as planned.
Special Projects & Strategic Initiatives	48%		As expected. All expense categories tracking as planned.
Central Services	45%		As expected. All expense categories tracking as planned.
Debt Service	83%		As expected. The first annual debt service payments for EWC and Allens Creek, which included principal, were made in February. The second debt service payment, which will be interest only, will be made in August.
Operating Projects	34%		As expected. We are forecasting to spend approximately 80% of the total FY 26 Operating Projects budget.
Capital Improvement Projects	11%		Lower than expected. Second quarter spending picked up slightly, and third quarter spending is expected to increase as well. Total Capital Improvement Project Spending for FY 26 is projected to be 36% of budget.



BRAZOS RIVER AUTHORITY
COST REIMBURSABLE OPERATIONS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2026
(in thousands)

	Annual Budget	Year-to- Date	\$ Variance	% of Annual Budget
Operating Revenues				
WCRRWL	\$ 3,083	\$ 1,108	\$ (1,975)	36%
Temple-Belton	5,932	2,474	(3,458)	42%
Hutto	2,528	1,197	(1,331)	47%
Sandy Creek	2,714	1,228	(1,486)	45%
Clute	1,266	390	(876)	31%
Debt Service Revenues				
WCRRWL	3,040	250	(2,790)	8%
Capital Project Funding				
Local Stakeholders Funding	3,978	889	(3,089)	22%
Total Revenues	22,541	7,536	(15,005)	33%
Operating Expenses				
WCRRWL	3,083	1,108	1,975	36%
Temple-Belton	5,932	2,474	3,458	42%
Hutto	2,528	1,197	1,331	47%
Sandy Creek	2,714	1,228	1,486	45%
Clute	1,266	390	876	31%
Debt Service Expenses				
WCRRWL	3,040	250	2,790	8%
Capital Improvement Projects				
WCRRWL Phase 3 Pumps	3,978	889	3,089	22%
Total Expenses	22,541	7,536	15,005	33%
Surplus/(Deficit)	\$ -	\$ -	\$ -	



BRAZOS RIVER AUTHORITY
OPERATING PROJECTS and CAPITAL IMPROVEMENT PROJECTS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2026 Period Ending February 28, 2026

	FY 2026 Annual Budget			FY 2026 Year to Date Actual				Inception to Date			
	Bonds, Grants, Other Expenditures	BRA Reserves Expenditures	Total Annual Budget	Bonds, Grants, Other Expenditures	BRA Reserves Expenditures	Total Actual Expenditures	Budget vs. Actual Variance	Budget	Actual	Balance	
Operating Projects											
BW-ES-Brazos Water Snake Study	5	\$ -	\$ 71	\$ 71	\$ -	\$ 66	\$ 66	\$ 5	\$ 875	\$ 873	\$ 2
BW-IT-Technical Security Upgrades		-	850	850	-	534	534	316	1,050	577	473
BW-PD-Risk Based Capital Planning and Management Support		-	505	505	-	216	216	289	1,915	1,473	442
CB-WH-Lake Whitney Reallocation Study		-	500	500	-	457	457	43	2,117	2,072	46
UB-ES-Comprehensive Water Quality Modeling Tool For PK	5	-	1,245	1,245	-	88	88	1,157	3,250	307	2,943
UB-LG-Embankment Stability Analysis and Assessment		-	159	159	-	50	50	109	710	187	523
UB-LG-Tainter Gate Evaluation		-	700	700	-	324	324	376	2,163	1,881	282
UB-PK-Bay 9 Transition Beam Leak Remediation		-	535	535	-	193	193	342	1,439	193	1,246
UB-PK-COC Recoating and Repairs		-	750	750	-	-	-	750	2,501	-	2,501
UB-PK-Elevators Replacement		-	400	400	-	-	-	400	1,050	229	821
Total Operating Projects		\$ -	\$ 5,715	\$ 5,715	\$ -	\$ 1,929	\$ 1,929	\$ 3,786	\$ 17,070	\$ 7,791	\$ 9,279
Capital Improvement Projects											
CB-BE-Belhouse Drought Preparedness		\$ -	\$ 8,658	\$ 8,658	\$ -	\$ 2,067	\$ 2,067	\$ 6,591	\$ 179,959	\$ 4,867	\$ 175,092
CB-EW-EWCRWS 48 inch Treated Water Pipeline		-	8,530	8,530	-	153	153	8,377	37,925	1,209	36,716
CB-EW-EWCRWS Expansion Phase II		-	28,440	28,440	-	358	358	28,082	150,794	9,431	141,363
CB-EW-EWCRWS Trinity Well #1 Infrastructure		-	25,074	25,074	-	140	140	24,934	27,240	2,178	25,062
CB-WCR-WCRRWL Phase 3 Pumps		3,978	-	3,978	889	-	889	3,089	68,738	3,368	65,370
CO-ES-Environmental Services Building	1	-	4,427	4,427	-	2,328	2,328	2,100	13,592	12,225	1,367
CO-PD-Lake Shore Office Property	3	-	2,050	2,050	-	2,050	2,050	-	2,050	2,050	-
LB-AC-Allens Creek Reservoir		-	8,200	8,200	-	2,374	2,374	5,826	700,326	76,151	624,175
LB-LL-Hydrostatic Relief System Assessment & Replacement		-	500	500	-	-	-	500	14,152	621	13,531
LB-LL-Low Flow Facility Modifications & Improvements		-	750	750	-	-	-	750	20,312	24	20,288
LB-LL-Park 5 Access Pier and Park Upgrades		-	900	900	-	-	-	900	2,919	419	2,500
LB-LL-Tainter Gate Replacement and Improvements	2,4	-	5,187	5,187	-	44	44	5,143	52,126	22,483	29,643
UB-LG-Buttress 1 and 44 Repairs		-	425	425	-	7	7	418	3,098	858	2,240
UB-LG-Hearth Stability Analysis		-	75	75	-	3	3	72	10,141	205	9,936
UB-LG-Low Flow Facilities		-	1,600	1,600	-	592	592	1,008	9,340	7,603	1,737
UB-LG-Stoplog Replacement System		-	2,006	2,006	-	65	65	1,941	14,301	2,241	12,060
UB-PK-Bay #9 Weir Box		-	255	255	-	83	83	172	1,193	133	1,060
UB-PK-Flow Control Gate Replacement		-	800	800	-	72	72	728	2,692	1,023	1,669
Total Capital Improvement Projects		\$ 3,978	\$ 97,877	\$ 101,855	\$ 889	\$ 10,336	\$ 11,225	\$ 90,630	\$ 1,310,898	\$ 147,090	\$ 1,163,808



BRAZOS RIVER AUTHORITY
OPERATING PROJECTS and CAPITAL IMPROVEMENT PROJECTS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2026 Period Ending February 28, 2026

Notes

1. Board of Directors approved a budget amendment to increase the FY26 CO-ES-Environmental Services Building Project Budget from \$1,364,000 to \$4,427,300 to cover timing differences at the September 29, 2025 Board Meeting.
2. Board of Directors approved a budget amendment to decrease the FY26 LB-LL-Tainter Gate Replacement and Improvements Project Budget by (\$440,052) to cover timing differences in FY25 LB-LL-Tainter Gate Replacement and Improvements Project Budget at the November 17, 2025 Board Meeting.
3. Board of Directors approved a budget amendment to increase the Capital Improvement Project budget by \$2,050,000 to purchase additional office space for the CO-PD-Lake Shore Office Property Project at the November 17, 2025 meeting.
4. Board of Directors approved a budget amendment to increase the FY26 LB-LL-Tainter Gate Replacement and Improvements Project Budget from \$3,686,948 to \$5,186,948 for mediation and litigation expenses at the November 17, 2025 Board Meeting.
5. GM approved budget transfer to remove unspent funds from UB-ES-Comprehensive Water Quality Modeling Tool For PK (\$5,000) to cover funding shortfalls for BW-ES-Brazos Water Snake Study (\$5,000).



**BRAZOS RIVER AUTHORITY
DIRECTOR'S FEES AND EXPENSES
2nd QUARTER FY 2026**

	Budget	Actual	Variance
Director Fees	\$ 31,326	\$ 11,050	\$ 20,276
Professional Development	\$ 12,200	5,525	6,675
Transportation	\$ 22,000	7,196	14,804
Lodging	\$ 15,000	4,799	10,201
Meals	\$ 15,000	6,225	8,775
Materials & Supplies	\$ 17,800	16,818	982
Postage & Delivery	\$ 580	16	564
Bonds/Insurance	\$ 5,593	5,161	432
Rental	\$ 800	-	800
Total Directors' Expense	\$ 120,299	\$ 56,788	\$ 63,511



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION
FEBRUARY 28, 2026 and FEBRUARY 28, 2025
(unaudited)
(in thousands)

	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
UNRESTRICTED:		
Cash and cash equivalents	\$ 69,616	\$ 49,449
Investments	87,301	116,121
Accounts receivable	4,716	3,180
Other receivables	248	296
Other current assets	1,306	3,031
TOTAL UNRESTRICTED	163,187	172,077
TOTAL CURRENT ASSETS	163,187	172,077
NONCURRENT ASSETS:		
RESTRICTED:		
Cash and cash equivalents	3,075	2,726
Investments	15,067	15,351
TOTAL RESTRICTED	18,142	18,077
CAPITAL ASSETS:		
Land, storage and water rights	185,722	185,755
Reservoirs, water treatment & sewerage facilities	142,719	139,472
Building, structure & improvements	126,399	122,503
Vehicle, furniture & equipment	25,798	24,898
Construction in progress	74,744	50,643
TOTAL CAPITAL ASSETS	555,382	523,271
Less accumulated depreciation	(171,105)	(165,430)
NET CAPITAL ASSETS	384,277	357,841
OTHER NONCURRENT ASSETS:		
Net pension asset	-	915
Other assets	1,041	1,119
TOTAL OTHER NONCURRENT ASSETS	1,041	2,034
TOTAL NONCURRENT ASSETS	403,460	377,952
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on refunding	129	147
Pension Plans	1,458	2,382
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,587	2,529
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 568,234	\$ 552,558



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION (continued)
FEBRUARY 28, 2026 and FEBRUARY 28, 2025
(unaudited)
(in thousands)

	2026	2025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
PAYABLE FROM CURRENT ASSETS:		
Accounts payable	\$ 9,932	\$ 8,997
Contracts payable	1,327	1,019
Accrued interest	353	374
Unearned revenues	12,098	11,065
TOTAL PAYABLE FROM CURRENT ASSETS	23,710	21,455
PAYABLE FROM RESTRICTED ASSETS:		
Accrued interest	70	73
Construction contracts payable	-	200
Revenue bonds payable	2,835	2,765
Unearned revenues	2,240	3,128
TOTAL PAYABLE FROM RESTRICTED ASSETS	5,145	6,166
TOTAL CURRENT LIABILITIES	28,855	27,621
NONCURRENT LIABILITIES:		
Revenue bonds payable, net of current portion	76,755	82,409
Contracts payable, net of current portion	14,275	14,968
Allens Creek contingent compensation liability	15,000	15,000
Net pension liability	2,791	6,614
Unearned revenues	-	0
Other liabilities	2,864	1,630
TOTAL NONCURRENT LIABILITIES	111,685	120,621
TOTAL LIABILITIES	140,540	148,242
DEFERRED INFLOWS OF RESOURCES	884	459
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	141,424	148,701
NET POSITION:		
Invested in capital assets	274,214	241,627
Restricted for construction and debt service	15,479	14,502
Restricted for pension assets	-	915
Unrestricted	137,117	146,813
TOTAL NET POSITION	426,810	403,857
TOTAL LIABILITIES, DERERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 568,234	552,558



BRAZOS RIVER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE SIX MONTHS ENDED
FEBRUARY 28, 2026 and FEBRUARY 28, 2025
(unaudited)
(in thousands)

	2026	2025
OPERATING REVENUES:		
Water Supply System:		
Raw water sales-system and non-system	\$ 53,076	\$ 52,250
Treated water	5,899	5,560
Wastewater treatment	2,120	1,951
Lake operations	523	425
Other	517	497
Cost Reimbursable Operations:		
Water conveyance	1,266	914
Water treatment	1,188	973
Wastewater treatment	3,917	3,563
TOTAL OPERATING REVENUES	68,506	66,133
OPERATING EXPENSES:		
Personnel services	17,345	15,844
Materials and supplies	2,134	2,229
Utilities	1,515	1,406
Outside services	8,807	7,825
Repair and maintenance	2,595	1,648
Landfill and sludge hauling	898	702
Purchased water	2,640	54
Other	2,387	1,822
TOTAL OPERATING EXPENSES	38,321	31,530
OPERATING INCOME	30,185	34,603
NON-OPERATING REVENUES (EXPENSES):		
Investment income	3,908	4,630
Grants	955	587
Gain/(loss) on sale of capital assets	51	90
Interest expense	(1,515)	(1,672)
Debt service - principal	(3,645)	(3,625)
Other (expenses)/income	(10)	(15)
TOTAL NET NON-OPERATING EXPENSES	(256)	(5)
INCOME BEFORE CONTRIBUTIONS	29,929	34,598
Non-capital contributions	172	-
Capital contributions	500	-
CHANGE IN NET POSITION	30,601	34,598
NET POSITION, BEGINNING	396,209	369,259
NET POSITION, ENDING	\$ 426,810	\$ 403,857