



Brazos

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River Authority

**Annual Comprehensive Financial Report
For the Fiscal Years Ended August 31, 2024 and 2023
Waco, Texas**

Front Cover Photo - BRA Environmental Field Operations Team



Brazos

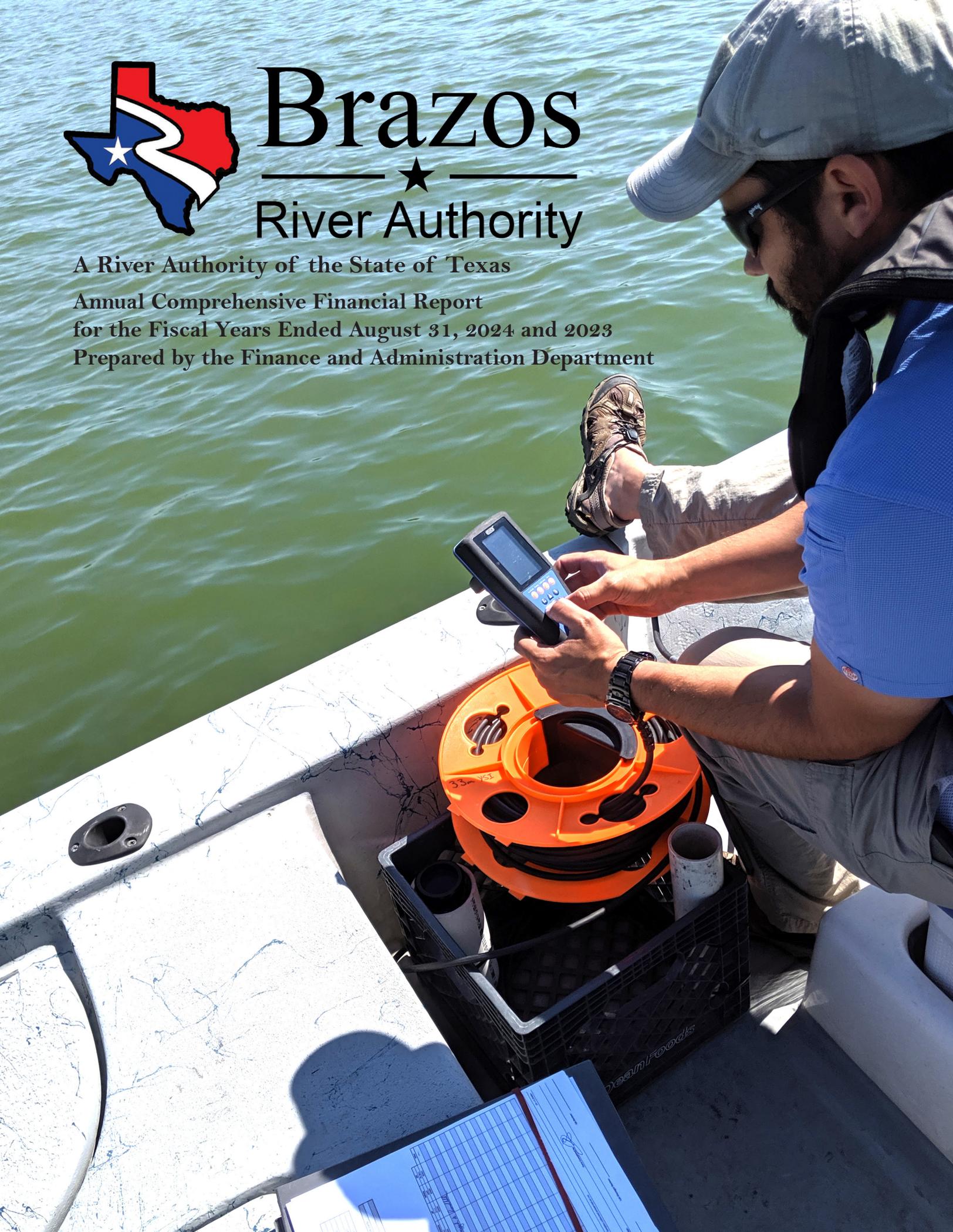
River Authority

A River Authority of the State of Texas

Annual Comprehensive Financial Report

for the Fiscal Years Ended August 31, 2024 and 2023

Prepared by the Finance and Administration Department



**BRAZOS RIVER AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2024 and 2023**

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Introductory Section





Brazos
RIVER AUTHORITY

Board of Directors

Director



Gary Boren

Director



Austin Ruiz, O.D.

Director



Judy Ann Krohn, Ph.D.

Director



Catherine "Cat" Parks

Presiding Officer



Cynthia A. Flores

Director



Jennifer "Jen" Henderson

Director



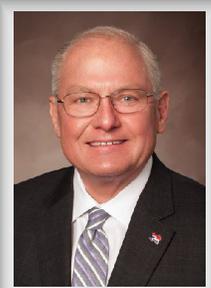
Christine Giese

Director



Mike Fernandez

Director



Jim Lattimore, Jr.

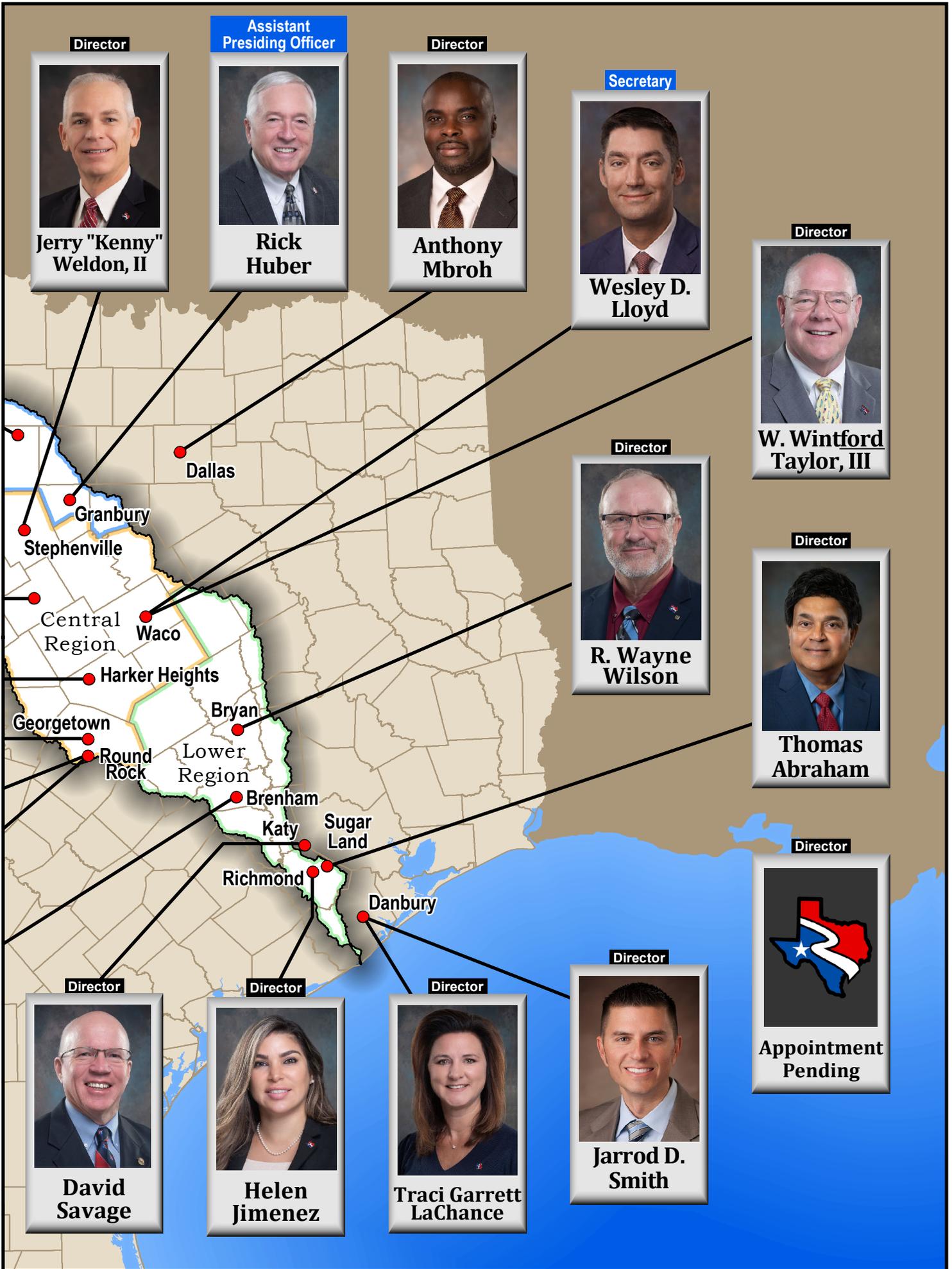
BRAZOS RIVER BASIN

Lubbock

Graford
Upper Region

Abilene

Hamilton





David Collinsworth
General Manager/CEO

Management Team



Aaron Abel
Water Services
Manager



Brad Brunett
Lower/Central Basin
Regional Manager



Luke Collins
Information &
Cyber Technology
Manager



Michele Giroir
Chief Financial
Officer



Blake Kettler
Technical Services Manager



Jon King
Special Projects &
Strategic Initiatives
Manager



Tiffany Malzahn
Environmental &
Compliance Manager



Mike McClendon
Upper Basin
Regional Manager



Matt Phillips
Legislative & Governmental
Affairs Manager



Robert Starnes
Security Manager



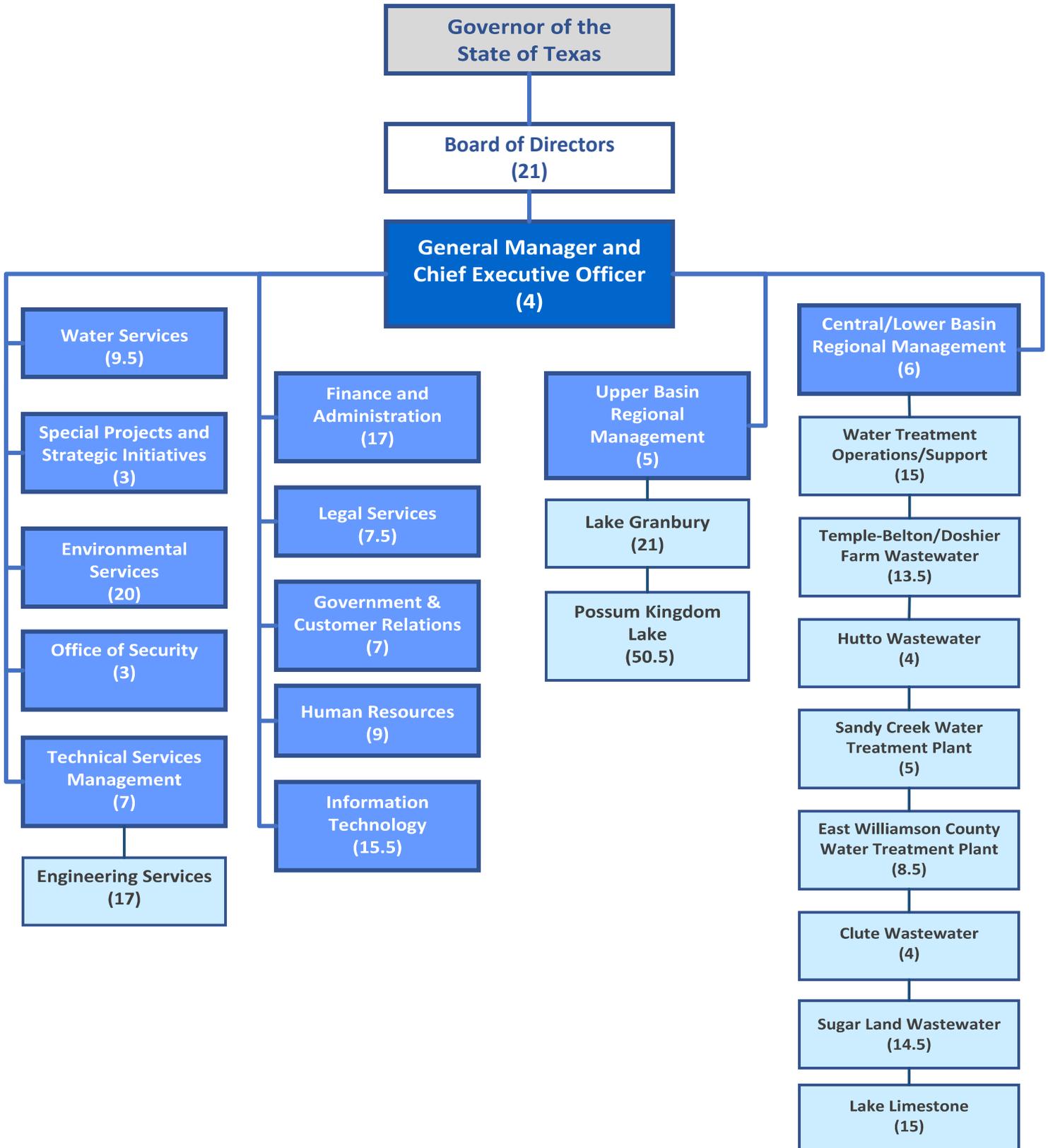
Lauralee Vallon
General Counsel



Monica Wheelis
Human Resources
Manager

Brazos River Authority Organizational Chart

(Including Position Counts)



CONSTITUENCY/CUSTOMERS OF THE BRA:

Advisory Boards, Water Customers, Elected Officials, Bond Rating Companies, and the Citizens of the Brazos River Basin.

January 27, 2025

Mrs. Cynthia Flores, Presiding Officer, Stakeholders,
and Members of the Board of Directors
Brazos River Authority
4600 Cobbs Drive
Waco, TX 76710

Directors:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Brazos River Authority (BRA) for the Fiscal Year ended August 31, 2024. The purpose of the report is to provide the Board of Directors, our customers, stakeholders, and other interested parties with reliable financial information about the BRA. The BRA's Finance Department has prepared the ACFR in accordance with Generally Accepted Accounting Principles (GAAP). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the BRA management. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the BRA.

The BRA's financial statements for the Fiscal Years ended August 31, 2024 and 2023 have been audited by Baker Tilly US, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the BRA for the Fiscal Years ended August 31, 2024 and 2023 are free of material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion and that the BRA's financial statements for the Fiscal Years ended August 31, 2024 and 2023 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

To provide a reasonable basis for making these representations, management of the BRA has established a comprehensive internal control framework designed both to protect the BRA's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the BRA's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the BRA's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The BRA's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE BRA

The BRA was established by the Texas Legislature in 1929 as the first entity in the United States specifically created for the purpose of protecting, developing and managing the water resources of an entire river basin. Although the BRA is a political subdivision of the State of Texas, it does not levy or collect taxes. With the exception of a relatively small number of governmental grants, the BRA is entirely self-supporting. It maintains, operates, and improves reservoirs, transmission facilities, and treatment systems through revenues from the customers it serves.

The BRA's Board of Directors (Board) consists of 21 members appointed by the Governor and subject to confirmation by the Texas Senate. Directors serve six-year, staggered terms, with one-third being either replaced or reappointed each odd-numbered year. The Presiding Officer is designated by the Governor, and the Board elects from among its members an Assistant Presiding Officer and a Secretary. The BRA functions under the direction of a General Manager/CEO, who reports to the Board.

The more than 42,000 square miles that comprise the Brazos River Basin are divided into three geographic regions, Upper, Central and Lower Basins, each with distinctive climate, topography and water needs. Each region falls under the direction of a Regional Basin Manager.

Raw Water Supply

The BRA built, owns, and operates three reservoirs for water supply – Possum Kingdom Lake, Lake Granbury, and Lake Limestone. The BRA also contracts with the U.S. Army Corps of Engineers (USACE) for storage space in eight multi-purpose federal reservoirs – Lakes Whitney, Belton, Proctor, Somerville, Stillhouse Hollow, Granger, Georgetown, and Aquilla. These lakes, owned and operated by the USACE, provide flood control to the Brazos River Basin and also serve as sources for water supply. Additionally, BRA owns the water rights for the proposed Allens Creek Reservoir planned for construction in Austin County.

Together, the eleven reservoirs have conservation storage of more than 1.9 million acre-feet of water. The BRA is permitted by the State of Texas to divert and use 1,095,896 acre-feet of water each year. The BRA contracts to supply water from the system of reservoirs on a wholesale basis to municipal, industrial, mining and agricultural water customers from West Texas to the Gulf Coast.

Water and Wastewater Treatment

The BRA owns and operates the East Williamson County Regional Water System (EWCRRS) at Lake Granger, which supplies treated water to several municipal providers in the area. Approximately 2.7 billion gallons were treated and provided to EWCRRS customers in Fiscal Year 2024. The BRA also operates the Sandy Creek Water Treatment Plant for the City of Leander. This system supplied approximately 1.6 billion gallons of treated water in Fiscal Year 2024.

Wastewater was treated and discharged by the BRA at nine wastewater plants that it operated within the basin during Fiscal Year 2024: Temple-Belton, Doshier Farm, Sugar Land North and South, Sugar Land Greatwood, Sugar Land New Territory, Clute-Richwood, Hutto Central and Hutto South. In addition to the wastewater treatment plants, BRA operations at some of these facilities include lift stations and reuse installations. At the Temple-Belton plant, sludge, which is a by-product of the treatment process, is composted with wood chips and sold as fertilizer and soil enhancers to local municipalities and individuals.

Water Quality

Water quality is a high priority for the BRA. Staff charged with environmental responsibilities work to monitor the quality of water resources and the health of aquatic communities in the Brazos River Basin through sampling and analysis. Since 1991, the BRA has partnered with the TCEQ to conduct the Clean Rivers Program for the basin. The BRA, working with other agencies and basin residents, identifies and

evaluates water quality, the status of instream biological communities, and watershed management issues; establishes priorities for corrective actions, and works to implement those solutions. As part of a basin monitoring program, the staff collects water quality samples and instream biological data at over one hundred and fifty locations throughout the Brazos River Basin.

Environmental Flow Standards

Supporting state environmental goals and standards is very important to the BRA. The BRA is voluntarily performing environmental studies at eight locations in the Brazos River Basin to gather data to support and inform future decisions related to State Senate Bill 3, Environmental Flow Standards. These studies will provide the State's decision-makers with the data necessary to evaluate the current environmental flow standards and revise, if warranted.

Regional Water Planning

The BRA continues to support the state and regional water planning process to help meet water supply needs in the Brazos River Basin. The BRA participates in the development of regional water plans as established by the Texas Legislature in 1997 with the passage of Senate Bill 1. Significant portions of three of the sixteen water planning areas lie within the basin including: Region O (High Plains), Region H (Houston-area), and Region G (Central Texas). The BRA serves as the administrative agency for Region G, and the BRA has a voting member on each of the planning groups for Regions O, G, and H.

Regional Flood Planning

During the 2019 legislative session, the Texas Legislature created a new state flood planning process. Similar to the state water planning process that has existed for many years, flood planning breaks the state up into multiple Regional Flood Planning Groups that develop regional flood plans including local projects to prevent and mitigate flooding in the future. These regional flood plans are consolidated into a State Flood Plan by the Texas Water Development Board (TWDB). The Brazos Basin includes two Regional Flood Planning Groups (Upper Brazos and Lower Brazos), with BRA serving as voting members on both groups. Additionally, BRA serves as the administrative agency for the Lower Brazos Regional Flood Planning Group.

ECONOMIC CONDITION AND OUTLOOK

The Federal Open Market Committee (FOMC) maintained the same restrictive monetary policy throughout Fiscal Year 2024 at the target range of 5.25% - 5.50% which has remained in place since July 2023. The FOMC waited patiently for more evidence that inflation was headed sustainably toward their 2% goal while the U.S. consumer remained stunningly resilient, and the economy maintained higher than anticipated growth. Despite continued turmoil overseas and looming concerns about the U.S. election, the economy continued to demonstrate strength as labor market and inflation risks came into better balance. At the end of August 2024, the FOMC was in a good position to consider a path forward with imminent cuts to the Fed Funds rate.

U.S. Gross Domestic Product exceeded expectations after lower-than-normal growth forecasted for 2024. In December of 2023, the FOMC projected annual growth of 1.4% for 2024, but GDP reached 1.6% for January-March 2024 and 3.0% for April-June 2024. Revised FOMC projections estimate growth of 2.0% for all of 2024. The labor market displayed surprising resilience amid the restrictive monetary policy in place but showed signs of cooling as the unemployment rate ticked up peaking at 4.3% in July 2024 and finishing August 2024 at 4.2%.

The housing sector faced a supply shortage throughout the year as mortgage rates remained elevated. With both high prices and mortgage rates, affordability concerns continued to plague the housing market. The average 30-year mortgage ended August 2024 at 6.35% compared to 7.18% in August 2023 as expectations

of Fed Funds rate reductions drew closer. With each movement in rates, buyers previously on the sidelines hopped back in to take advantage of any slight decline.

The Texas economy slowed as consumers and businesses both dialed back from the post-pandemic recovery spending. Total sales tax revenues rose 1.2% for the year compared to the 19.3% increase in Fiscal Year 2022 and 8.4% increase in Fiscal Year 2023. Texas showed the largest job gains of any state over the year ending August 2024, adding 302,400 jobs, a 2.2% increase from last year. Home sales dipped nearly 11% during 2023 as Texas faced significant affordable housing issues due to an increase in population and demand for housing between 2019 and 2023.

Interest-earning investments permitted by the BRA's Investment Policy and State Law have remained high as the FOMC maintained its restrictive monetary policy to fight inflation. Local Government Investment Pool rates were 5.33% at the end of the last Fiscal Year and held steady throughout 2024 to end August at 5.28%. Banks with appetite for deposits were able to offer rates for Certificates of Deposit (CD) exceeding security rates for similar maturity terms during the year. Rates for both CDs and securities fell in late August as we approached the first anticipated Fed Funds rate decline expected at the September FOMC meeting. At the end of August 2024, a one-year CD was yielding 5.12%, compared to 5.60% at the end of August 2023. One-year Treasury and Agency rates began the Fiscal Year around 5.35% and 5.40%, respectively, and ended August 2024 around 4.38% and 4.41%.

LONG-TERM FINANCIAL AND STRATEGIC PLANNING

In May 2024, the BRA's Board reviewed the Fiscal Year 2025 Proposed Annual Operating Plan, which includes a financial forecast and capital improvement plan. This look into the future is both an inventory of projects anticipated to be undertaken by the BRA to satisfy its mission, as well as an analysis of the implications of those projects on the BRA's System Water Rate (SWR). The inventory of projects is a mixture of infrastructure repair and replacement, new water source development, operations and maintenance needs, central services projects, security, and water quality initiatives. In July 2024, the BRA Board of Directors adopted the Fiscal Year 2025 Annual Operating Plan.

Initial indications based on internal analysis are that the BRA's SWR over the next several decades will continue to be among the lowest in the State of Texas, while maintaining a level of service sufficient to address the obligations placed upon it by our enabling legislation, our Strategic Plan, and the vision of our Board and management. Future ratemaking will be based upon a combination of both debt-funded initiatives and those in which a cash infusion will be made through the use of the Board designated series of reserve funds to balance and stabilize rates. Additional information on the BRA's Board Designated Reserves can be found in Note 13 of the Notes to the Basic Financial Statements.

BRA's Strategic Plan was adopted by the BRA Board of Directors in July 2023 for a five-year term. The Strategic Plan defines our long-term direction, ensures organizational alignment, and articulates the priorities we will undertake to achieve our goals. Throughout Fiscal Year 2024, BRA staff have progressed multiple strategies and initiatives described in the plan, including many of those highlighted in this document. As we look forward to Fiscal Year 2025, our focus will be to continue the advancement of the goals identified in the plan to support the fulfillment of our mission.

RELEVANT FINANCIAL POLICIES

The BRA maintains financial policies regarding budget, investments and management, financial audit, debt financing, industrial development bonds and pollution control bonds, capital improvement plan, and reserve funds. None of these policies had a significant impact on the current period's financial statements.

MAJOR INITIATIVES

During Fiscal Year 2024, the BRA managed many new and ongoing water quality and water supply projects. Development of new water supply remains a priority for the BRA as we continue work to pursue Re-Allocation of Lake Whitney, initiate permitting and design of Allens Creek Reservoir, and pursue other long-term water supply projects. The following is a synopsis of select programs and projects managed by the BRA in Fiscal Year 2024:

WATER SUPPLY

- ***Water Supply Operations***

After continued below normal rainfall spanning over the previous years, the BRA's water supply storage was 72 percent full at the beginning of Fiscal Year 2024. The overall water supply storage across the 11 reservoirs in the system continued to decline to a minimum storage of approximately 69 percent full by late October 2023. This was the lowest recorded storage for the system in over 8 years. Beneficial rainfall from November 2023 through June 2024 brought improvements to the water supply storage over most of the basin increasing the water supply storage to approximately 99 percent full. Significant rainfall amounts over parts of the central and lower portions of the basin during April and May 2024 caused record flooding along some of the major tributaries of the Brazos River, including the Navasota River and Lake Limestone. A new flood of record was established at Lake Limestone on the morning of May 2, 2024, when approximately 78,000 cubic feet per second was released from Sterling C. Robertson Dam. At the end of Fiscal Year 2024, the BRA's water supply system storage was approximately 95 percent full.

- ***Water Conservation***

The BRA continued on-going efforts to develop and encourage water conservation practices in Fiscal Year 2024. These efforts included public education and outreach through the BRA's website, social media pages, newsletters, coordination with other water providers, and evaluation of water conservation information reported to the Texas Water Development Board (TWDB) by the BRA's customers.

The BRA also participated in conservation education by partnering with the TWDB to market the "Major Rivers" water education program. The 10-week water education curriculum targeted toward 4th-grade students is marketed on the BRA website and through social media posts as a free, fully downloadable science and social studies program available to all Texas educators.

- ***Water Management Plan Update***

BRA holds Water Use Permit 5851 (System Operation Permit), which authorizes a maximum basin-wide annual diversion of 334,345 acre-feet per year. The System Operation Permit was approved by the Texas Commission on Environmental Quality (TCEQ) on November 30, 2016. The water authorized under the System Operation Permit mandates an update of the accompanying Water Management Plan (WMP), utilizing the TCEQ permit amendment process, at a minimum of every 10 years to maintain the appropriation under the System Operation Permit. The WMP ensures compliance with the System Operation Permit. An associated technical report accompanies the WMP and provides expanded and quantitatively detailed supporting information. The application of the first required update of the WMP and any necessary amendments to the System Operation Permit must be submitted to TCEQ in November 2026. Initiation of the update and amendment process was initiated in the second quarter of Fiscal Year 2024. A professional services agreement and scope of work was executed with Freese and Nichols (FNI) to facilitate the technical work toward the update and amendment process. Through Fiscal Year 2024, the project engineer (FNI) has completed the majority of Task 1 (review appropriate documents and provide data) and has started Task 2 work (Develop Hydrological Models

and Demand Scenarios). The WMP update and the associated amendment application will be submitted to TCEQ in November 2026.

- ***Water Storage Reallocation in Federal Reservoirs***

The BRA is pursuing a reallocation study at Lake Whitney, one of the reservoirs in which the BRA contracts for water supply with the USACE. Additional water supply can potentially be developed in cases where reservoir storage historically reserved for other purposes, such as flood control or hydroelectric power generation, can be reallocated to water supply. A reallocation feasibility study of Lake Whitney began in April 2023. It will follow the USACE 3x3x3 format – a 3-year study timeframe, a \$3 million budget cost-shared with the Non-Federal Sponsor, and 3 levels of USACE review: District, Division, and Headquarters. The BRA is acting as the Non-Federal Sponsor for this study and has entered into a cost-sharing agreement with the USACE, supporting 50 percent of USACE’s total budget on the study. To assist the BRA in its capacity as a Non-Federal Sponsor, the BRA has retained the services of two external consultants: Jones & Fortuna – a law firm with substantial experience in assisting water suppliers in achieving successful reallocation outcomes across the country, specifically with reallocation projects involving hydropower; and Hazen & Sawyer – a water supply engineering firm that has considerable experience working with USACE modeling products and evaluating USACE reallocation metrics in other reallocation projects across the nation. Through Fiscal Year 2024, the USACE district team, along with BRA staff, generated an array of reallocation alternatives. The USACE staff built a Brazos Basin System RiverWare Model to evaluate the yield and impact of each alternative. A final reallocation alternative is anticipated to be determined in 2025.

- ***Allens Creek Reservoir***

Allens Creek Reservoir is a planned off-channel water storage reservoir that will be constructed on Allens Creek, a tributary of the Brazos River, in Austin County. An off-channel reservoir impounds water pumped from an adjacent river or stream when flows are adequate for storage and subsequent use. The dam for Allens Creek Reservoir will be located on Allens Creek; however, the primary water source for the reservoir will be flows pumped from the Brazos River.

In Fiscal Year 2024, the BRA continued preliminary environmental studies and activities to support permitting and initial design of the reservoir. In addition, BRA staff continued to update stakeholders on the current status and potential timeline associated with the project. Throughout Fiscal Year 2025, staff will advance the project by continuing environmental studies and finalizing procurement of the permitting and design services to support the necessary permit applications needed to construct the reservoir. The permitting, design, and construction activities for the Allens Creek Reservoir project will likely take a decade or more to complete; however, once the project is complete, it is anticipated to provide approximately 99,650 acre-feet of new water supply for our customers.

- ***Conjunctive Use at the East Williamson County Regional Water System***

The BRA has been actively engaged in groundwater development efforts in Williamson County. In 2020, the BRA completed its first Trinity Aquifer groundwater well at the EWCRWS treatment plant adjacent to Lake Granger. The groundwater will be conjunctively used with Lake Granger surface water to help supply the rapidly growing communities along the Interstate 35 and State Highway 130 corridors in Williamson County. Engineering design is nearing completion for infrastructure required to blend the Trinity Aquifer groundwater with treated surface water from Lake Granger. Construction is expected to begin in FY 2025. The potential for aquifer storage and recovery (ASR) is also being investigated. An ASR project would treat excess surface water from Lake Granger and inject it into the Trinity Aquifer for storage and future use. The BRA intends to work with the 89th Texas Legislature in 2025 on legislation that is needed to authorize ASR in Williamson County.

- ***On-Going Identification, Quantification and Assessment of Water Supply Strategies***
The BRA is continuously reviewing potentially feasible water supply strategies to support the future water supply needs of the Brazos River Basin. There are a wide variety of potential strategies available, including not only evolving technologies such as seawater and/or brackish groundwater desalination and aquifer storage and recovery but also more traditional approaches such as surface water projects and groundwater development. In Fiscal Year 2024, the BRA completed development of the Integrated Water Resources Plan (IWRP) focused on the high population growth within the Little River watershed. The plan identified recommendations for potential strategies to meet future water supply needs in this region of our basin. Throughout Fiscal Year 2024, the BRA collaborated with multiple customers to support their assessments of potential projects and evaluate opportunities for BRA participation. With the continued population growth in our basin, efforts in Fiscal Year 2025 will seek to identify and evaluate projects to support the projected increased water demands of our customers.

WATER TREATMENT

- ***East Williamson County Regional Water System***
The EWCRWS and its associated 14 million gallons per day (MGD) water treatment plant supplies treated drinking water to The City of Taylor, the Jonah Water Special Utility District, and the Lone Star Regional Water Authority. In anticipation of the rapid growth currently occurring in this area, the BRA has invested in significant upgrades to the EWCRWS since acquiring the water treatment plant from The City of Taylor in 2004. Some of these upgrades include an initial expansion and re-rating to the current 14 MGD plant capacity, a Trinity Aquifer groundwater well, a new deep-water intake structure on Lake Granger, and a recent slope stabilization project to protect the intake structure from encroaching erosion of the adjacent Lake Granger shoreline. An additional 27 acres of property adjacent to the existing plant was also acquired in 2024 to facilitate future expansion. Planning and design for the next expansion are currently in progress, which will involve a new treated water line and increasing the overall EWCRWS capacity to approximately 27 MGD.

WATER DELIVERY

- ***Williamson County Regional Raw Water Line***
The Williamson County Regional Raw Water Line is a raw water pipeline operated by the BRA for three municipal customers in Williamson County: The City of Georgetown, The City of Round Rock, and Brushy Creek Municipal Utility District. The line delivers water from Lake Stillhouse Hollow in Bell County to Lake Georgetown in Williamson County and is vital for meeting these customers' water needs during dry times. The BRA determines when to pump water based on lake elevation trigger levels. Due to dry conditions in the Lake Georgetown watershed, the WCRRWL was in service for most of Fiscal Year 2024, transferring approximately 32,000 acre-feet of water from Lake Stillhouse Hollow to Lake Georgetown. A comprehensive engineering evaluation of the pump station and pipeline was completed in Fiscal Year 2024 along with planning for the final phase of pumps that will take the system to its ultimate design capacity. Engineering design for the new pumps will begin in Fiscal Year 2025. Additionally, a copper ion generator system was installed at the pump station to help control invasive and destructive zebra mussels within the system. This project is expected to be operational early in Fiscal Year 2025.
- ***Pipeline Connecting Lake Belton to Lake Stillhouse Hollow***
The BRA has been planning for a new pipeline that will connect Lake Belton to Lake Stillhouse Hollow to help meet the growing water needs of customers that divert water from Lake Stillhouse Hollow. These lakes are less than ten miles apart, and this connection will help the BRA better manage water supplies in this part of the basin. Preliminary engineering work for this pipeline was completed in Fiscal Year 2022. Next steps will involve detailed engineering design, agency coordination and

permitting, public outreach, and right-of-way acquisition. The pipeline is expected to be operational in the next five to seven years.

MAINTENANCE

- ***Dam Rehabilitation Projects***

As part of proactively addressing the safety, preventive maintenance and ongoing operational efficiency of the BRA-owned dams, the BRA continues to pursue modifications to low-flow gates at Lake Granbury's DeCordova Bend Dam. Construction began in Fiscal Year 2022; however, manufacturer supplied gates did not meet specifications and project completion has been delayed until a viable replacement option is reached with the gate manufacturer. Engineering design has been completed on the reinforced concrete components project at DeCordova Bend Dam with construction being incorporated into a larger project that includes the Lake Granbury Stoplog Replacement Project and the Lake Granbury Tainter Gate Evaluation Project. These projects are in the scope and fee phase with anticipated assessments or designs being completed in subsequent fiscal years.

At Morris Sheppard Dam, the BRA's Reservoir System Maintenance Unit (RSMU) group constantly seeks to improve its maintenance of the spillway gates which is an annual recurring initiative at Possum Kingdom Lake. RSMU staff obtained design drawings/specifications for the pier plate walls and continues to self-perform maintenance improvements to Morris Sheppard Dam's nine spillway gates. Construction work was completed on Gate two pier plate walls in Fiscal Year 2022 and work began on Gate four in the last quarter of Fiscal Year 2023 after RSMU's five-year maintenance and recoating of the crane barge to limit impacts on Gate four remediation activities. Additionally, BRA's spillway pump and piping project moved into construction in Fiscal Year 2023 with anticipated completion in Fiscal Year 2025. Final design work for the replacement of the flow control gates that assist in operation of the nine spillway gates was completed in Fiscal Year 2024 and is progressing to self-performance construction by our RSMU staff in Fiscal Year 2025. Lastly, Gannett Fleming, our engineering consultant, has completed the final phase of its assessment of Morris Sheppard Dam's concrete components and developed plans and specifications for our RSMU staff to initiate concrete repairs.

The BRA has also begun a series of comprehensive studies to determine the need for future rehabilitation projects on the forty-five-year-old Sterling C. Robertson Dam at Lake Limestone. This is a multi-year effort that initially includes replacement of the five tainter gates that are used to pass floodwater through the dam. Construction activity on the tainter gate replacement project is currently ongoing. The first new gate was installed early in Fiscal Year 2025, and the remaining four gates are expected to be replaced by the end of the Fiscal Year. The BRA is also conducting an assessment of the dam's hydrostatic relief system on the downstream side of the dam in order to identify any needed repairs or improvements necessary to continue safe operation of the dam into the future. Finally, an assessment of needed repairs and/or upgrades to the dam's low flow outlet works will commence in Fiscal Year 2025.

- ***Internal Engineering Design and Project Oversight***

The BRA's most critical assets are the facilities that we own and/or operate to provide water to our customers to fulfill our mission. This includes three dams and associated reservoirs, water treatment facilities, and pipelines. In the past, the BRA has relied heavily on outside consultants to deliver many services related to the investigation, planning, maintenance and rehabilitation of these facilities. While we will continue to use consultants to augment resource needs and staff capabilities, we will continue to perform engineering services and reviews internally to provide engineering support and technical expertise on BRA facilities. Internal Engineering efforts in Fiscal Year 2024 included the following:

Upper Basin

- **Possum Kingdom Lake (Morris Sheppard Dam)**
 - Coordinated the 2023 five-year engineering inspection to include the precision and range line surveys for Morris Sheppard Dam.
 - Coordinated the 2023 Geotechnical and Instrumentation Data Assessment of Morris Sheppard Dam.
 - Reviewed and provided input for final design for the Morris Sheppard Dam Spillway Pump and Piping Project. Construction began in Fiscal Year 2023 and is scheduled to be complete early in Fiscal Year 2025.
 - Coordinated final phase of the Concrete Assessment and Service Life Extension (CAASLE) Project. BRA has implemented a Long-Term Structural Concrete Testing and Repair Program culminating in plans and specifications for our RSMU staff to initiate concrete repairs.
 - Reviewed and provided input for the final design for the Flow Control Gate Replacement Project. RSMU staff has initiated construction phase of this project in Fiscal Year 2024.

- **Lake Granbury (DeCordova Bend Dam)**
 - Coordinated the annual maintenance inspection for DeCordova Bend Dam.
 - Completed the design, awarded and began construction of the DeCordova Bend Dam Low Flow Facilities Project. Manufacturer provided gates that did not meet design specifications; further project work will commence upon mediation of the issue.
 - Coordinated the Final Engineering Analysis as part of the DeCordova Bend Dam Reinforced Concrete Components Project which included repair options that will be completed as part of a larger project.
 - Began coordination for the Lake Granbury Stoplog Replacement Project and the Lake Granbury Tainter Gate Evaluation Project. Assessment to begin in Fiscal Year 2025.
 - Began coordination of the Hearth Stability Analysis Project with assessment to begin in Fiscal Year 2025.

Central Basin

- **East Williamson County Water Treatment Facility**
 - Progressed engineering design efforts associated with incorporation of Trinity Aquifer groundwater, a new treated water pipeline, and expansion of the surface water plant.
 - Worked with TCEQ to rerate the existing plant to 14 million gallons per day.
- **Williamson County Regional Raw Water Line**
 - Continued coordinating the Phase 3 Pump Expansion and 5-Year Inspection Assessment for the WCRRWL intake structure and pipeline.
 - Oversaw construction and installation of the copper ion generator system at the Stillhouse Hollow intake structure.

Lower Basin

- **Lake Limestone (Sterling C. Robertson Dam)**
 - Coordinated the annual maintenance inspection for Sterling C. Robertson Dam.
 - Oversaw construction for the Lake Limestone Tainter Gate Replacement Project. Construction is scheduled to be completed in Fiscal Year 2025.
 - Coordinated the completion of the draft Site Exploration Plan for the Lake Limestone Hydrostatic Relief System Project. Once finalized, BRA will review recommendations to address findings.

- Developing a contract to begin assessing the Low Flow Facilities functionality and any necessary repairs. Assessment will begin in Fiscal Year 2025.

Central Office & Basin Wide

- Executed construction contract for the Environmental Laboratory Complex project. Construction is anticipated to be complete in Fiscal Year 2026.

PROJECT MANAGEMENT OFFICE

The BRA has completed implementation of the Project Management Office (PMO). The purpose of this department is to support the BRA mission by developing and implementing best practices and methodologies to train, equip and enable project managers to deliver projects that exceed stakeholders' expectations. The PMO provides support and direction for project managers on an individual project level and a portfolio level, assists in supporting the Risk Management Committee (RMC) functions, and provides project analytics for reporting purposes.

This will be accomplished by completing the following objectives:

- Develop project management methodology to standardize and improve project delivery
- Support project delivery staff with training and implementation assistance
- Standardize approach and improve efficiency
- Provide project scheduling support for uniformity and accuracy
- Develop consistency and efficiency to deliver projects within scope, schedule, and budget
- Identify industry best practices and standards to improve project delivery

CAPITAL PLANNING

Capital Planning provides a long-range forecast of our portfolio of projects via our Capital Improvement Plan (CIP) which is included within our Annual Operating Plan. The BRA CIP is a planning and fiscal management tool used to coordinate the planning, scheduling and financing of capital improvement projects into the future. Capital improvements are referring to major, non-recurring expenditures such as infrastructure, major studies, land, buildings, and equipment. The CIP provides a working blueprint for sustaining and improving the BRA's infrastructures and coordinates strategic planning, financial capacity, and physical development. It also identifies, prioritizes, and optimizes the financing of the capital projects, links strategic and comprehensive plans with fiscal capacity, and provides information about the BRA's investment in infrastructure. The CIP includes everything from asset management, capital projects, repair & replacement criteria, as well as preventative maintenance of assets.

Currently, our capital planning process consists of prioritizing projects based on needs considering many factors or drivers such as: department and organization priorities, project prioritization matrix, political or customer drivers, resource availability, recommendations from assessments of our operation facilities, and any other significant input. Another component of developing the CIP will be including information derived from the Risk-Based Asset Management and Capital Planning Program, which should start being incorporated within the Fiscal Year 2026 budget cycle.

Risk-Based Asset Management and Capital Planning Program

The BRA is in the process of implementing a risk-based and long-term capital planning approach. BRA is nearing completion of this initiative with Carollo Engineers, which has spanned multiple years. This program will help improve decision making on asset renewal through improved prioritization of assets across the BRA and improve long-term capital forecasting through improved assessment of renewal needs.

BRA is currently implementing the asset management software to support the Risk-Based Asset Management and Capital Planning Program development. Implementation began in Fiscal Year 2024 and should be complete in Fiscal Year 2026. BRA should start to see results from this program during budget preparations for Fiscal Year 2027.

PROPERTY MANAGEMENT

Property Evaluation

In accordance with the direction received by the Property Management Committee and Board of Directors, BRA has begun internally evaluating properties to determine alignment with BRA's Mission Statement and highest and best use on an individual property tract basis. This effort began at Possum Kingdom in Fiscal Year 2024 and will continue into the future by evaluating each property based on established criteria. Through this process, staff will make recommendations to the Property Management Committee and Board of Directors on the highest and best use of property for the organization with our Mission in mind.

ENVIRONMENTAL

Texas Clean Rivers Program and Other Environmental Assessments

Since the 1990's, the BRA has collected and assessed surface water quality data in streams and reservoirs throughout the Brazos River basin as part of the Texas Clean Rivers Program. For FY 2024, BRA had a data completion rate of 98% for the data we planned to collect for the year.

Environmental Services provided support to the BRA's wastewater and reservoir operations. These services included investigating algal blooms and fish kills, invasive species monitoring, assisting with data collection and analysis for regulatory permitting and compliance, and providing technical assistance to basin customer relations staff.

Environmental Flow Standard Studies

In support of the System Operation Permit, Water Management, and the State's environmental flow standards program, Environmental Services staff have completed sixty-four instream flow assessments and thirty-nine channel surveys, riparian assessments, and sediment surveys in eight different river segments to contribute to the verification of adopted environmental flow standards. Two biological assessments, two riparian assessments and two sediment/channel surveys were completed in Fiscal Year 2024.

Endangered Species Issues Engagement

Currently, two Central Texas freshwater mussels are under consideration by the U.S. Fish and Wildlife Service (USFWS) for Federal endangered species protection. These species are known to currently occur in the Brazos River Basin. Listing of these species could impact current and future operations significantly. In response to this concern, the BRA has entered into a Candidate Conservation Agreement with Assurances (CCAA) with the USFWS. In FY 2024, BRA completed its second year of implementation of conservation measures for the CCAA including monitoring of key populations, finalization of Long-Term Monitoring Methodology, annual adaptive management review, public outreach, and drafted and applied to the Texas Parks and Wildlife Department for a standing Aquatic Resource Relocation Plan, should the Freshwater Mussel Drought Contingency Plan ever need to be implemented.

Reservoir Fisheries Habitat Improvement

The BRA, in partnership with the Texas Parks and Wildlife Department, completed reservoir habitat improvements on Lake Somerville, Lake Granger, and Lake Aquilla. The goal of these efforts is to improve deep-water reservoir habitat to mitigate the negative effects of reduced water levels during prolonged drought on reservoir fisheries.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the BRA for its ACFR for the Fiscal Year ended August 31, 2023. This was the 38th consecutive year that the BRA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the BRA must publish an easily readable and efficiently organized ACFR. The report must satisfy both GAAP and applicable legal requirements.

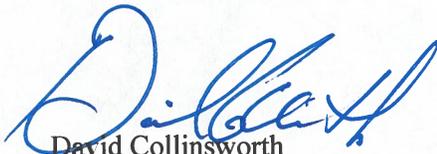
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

In addition, the BRA also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for Fiscal Year beginning September 1, 2023. This was the tenth consecutive year the BRA has achieved this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the BRA's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communication device.

The preparation of this ACFR would not have been possible without the efficient and dedicated endeavors of the entire staff of the Finance and Administration Department. We would like to express our sincere appreciation to Matt Wheelis, David N. Jones, Melissa Anthony, Melodie Trimble, Kim Goolsby, Bryan Gray, Charlie L Shugart, Annie Mikolajewski, Cindy Geer, Kathy Rios, Allison Sheeler, Cassidy Kelley and all other employees who contributed to the preparation of this report.

Our appreciation is also extended to the members of the Board for their support in planning and conducting the financial operations of the BRA in a responsible and professional manner and for providing the tools and resources to ensure the integrity of the assets of the BRA.

Respectfully submitted,



David Collinsworth
General Manager/CEO



Michele Giroir
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Brazos River Authority
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2023

Christopher P. Morill

Executive Director/CEO

Be a Water Guardian: Join the Texas Clean Rivers Program and Help Secure a Brighter Future

Water: It's not just a drink; it's the lifeblood of Texas.

At the Brazos River Authority, we're passionate about safeguarding this vital element for future generations. We regularly monitor the health of the Brazos River Basin, ensuring its water quality remains top-notch, but we can't do it alone.

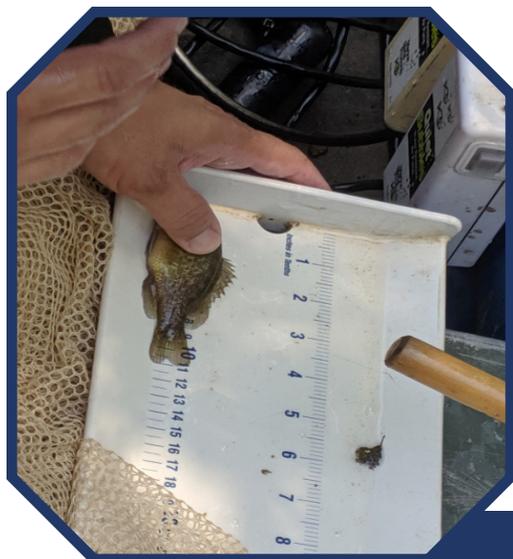
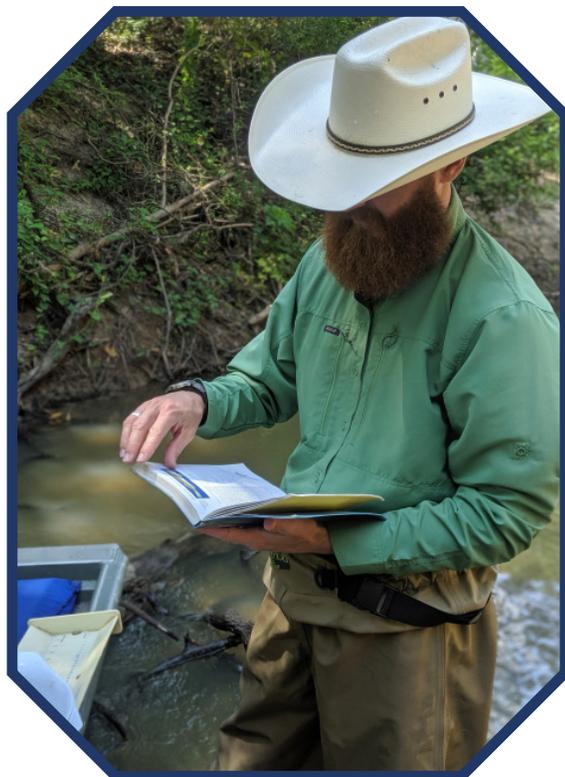
Enter the Texas Clean Rivers Program.

A program you too can be a part of. It requires ongoing assessment of water quality and management strategies statewide. This will guide Texas water policy and decisions in the future.

Water is the center of everything we do at the Brazos River Authority, which develops, manages, and protects the water resources of the basin.

Flashback to 1991, the Texas Legislature passed the Texas Clean Rivers Act. It aimed to move Texas toward comprehensive water resources planning and management to ensure the integrity of the state's water supply over the long term. The Act established the Texas Clean Rivers Program under the TWC, or Texas Water Commission (now the Texas Commission on Environmental Quality, or TCEQ, after TWC's merger with the Texas Air Control Board in 1992). The program is funded by fees assessed on wastewater discharge permittees and water rights holders.

The BRA has participated in the Texas Clean Rivers Program for more than 20 years.



Participation from the public, industry, and local government is crucial to the support of the program's goals and priorities. The BRA holds annual meetings of its Texas Clean Rivers Act Steering Committee to review water quality-related activities in the basin. These meetings are open to the public, and members include representatives from the general public, government, industry, business, education, agriculture, and environmental groups. The focus is to ensure local concerns are expressed to the planning agencies and to aid the prioritization of water quality objectives. Your insights will help guide planning efforts, influence resource allocation, and ultimately contribute to a cleaner, healthier Brazos River Basin.

The Texas Clean Rivers Program provides about 60% of data used by the TCEQ for water quality decisions, according to the TCEQ. The data is then used to help with the development and

implementation of watershed protection plans and other local actions. Joining forces with partners across the state creates a stronger network for monitoring rivers. This means more eyes on the water, ensuring the program is successful and producing informative and reliable water quality data, according to the TCEQ.

Texas has 23 major river basins and more than 700 rivers, lakes, and other bodies of water, according to the TCEQ. That's a lot of water that needs monitoring. Water quality specialists sample 1,000 locations statewide, including streams, creeks, rivers, lakes, and bays, at least quarterly. This produces more than 250,000 water quality measurements each year, creating a detailed snapshot of conditions. This information is invaluable for identifying current and potential issues.

With over 125 Clean River Program (CRP) sites throughout the Brazos River Basin, the BRA collects data every one to three months, depending on the site. The environmental team tests for everything from temperature and salinity to dissolved solids and chemical contaminants.

The data collected by the BRA and other Clean Rivers partners follows a stringent set of protocols in order to produce consistent and reliable water quality data. All the data the BRA collects is sent to TCEQ and is used as part of the Texas Integrated Report of Surface Water Quality, which is an overall assessment of Texas water quality that is produced every two years. The report describes the status of Texas surface waters and the extent to which they meet the surface water quality standards, all based on the data that the BRA and other CRP partners collect.

Between reports, the BRA makes all Clean Rivers monitoring data available online, with links to each monitoring location available via map points. That information can be viewed at brazos.org/clean-rivers. Each monitoring location is indicated by either a blue or red dot. The red dots indicate stations tested by the BRA. Once a site is selected, data can be filtered by several factors, including time range and varying parameters like basic water quality chemistry, nutrients, and bacteriology.

The BRA also produces a Basin Summary Report every five years, which includes assessments of waterways within the basin, recommendations, stakeholder input, and public outreach activities.

Are you ready to make a splash? Let's join forces to create a cleaner, healthier Texas. Together, we can ensure that our state's future is as bright as its waters. Email information@brazos.org to sign up as a member of the Clean Rivers Program Steering Committee or request more information.



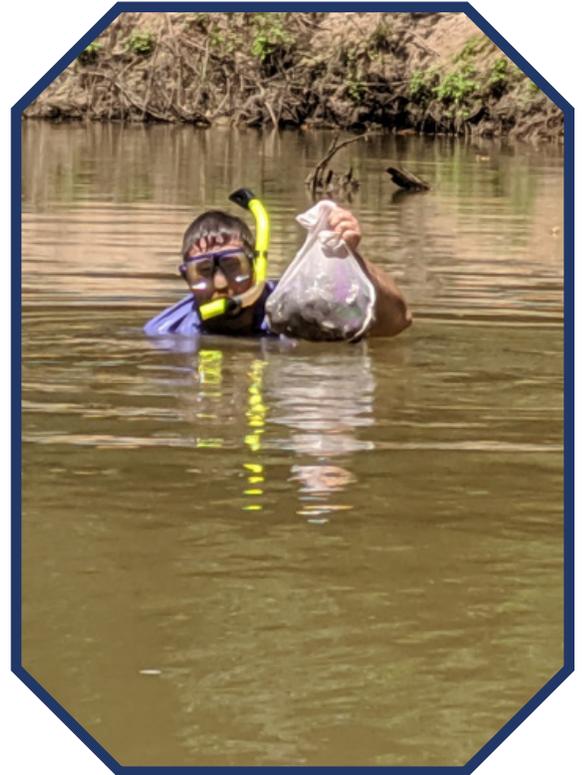
Wading for Wisdom: BRA's Aquatic Scientists Monitor River Health

A Brazos River Authority aquatic scientist, wearing goggles, plunges into the murky depths of a tributary on a hot Texas summer day. A hushed stillness descends, broken only by the distant symphony of birds' songs. Then, with a burst of energy, the aquatic scientist triumphantly emerges from the water, clutching a freshwater mussel in his hand.

What might seem like a casual summer scene of children splashing in a nearby river is actually a valuable data-gathering opportunity for aquatic scientists studying the health of the local ecosystem.

The BRA's Environmental Department has an eight-member Field Operations Team that works throughout the Brazos River Basin testing water quality, monitoring the biological nature of the water, and keeping a record of the physical habitat surrounding the water, among other duties.

"Poison ivy, mosquitoes, snakes – that's just a part of our life," said Jeremy Nickolai, BRA's Field Operations Manager. "We do routine sampling all year in all types of weather. If it's too windy on the lakes, we'll postpone runs, but it doesn't matter if it's cold; we go out there when it's cold. We've sampled in the rain. And, of course, we always go out when it's hot. Of course, nothing we do is worth getting someone hurt, so we remain very safety conscious. But, man, I've been on Possum Kingdom Lake at 32 degrees, running in a boat at 40 miles per hour with my tears freezing to the side of my face. That's not fun, but sometimes it just happens."



BRA aquatic scientists can determine the health of a waterway by seeing how that area's features change or stay consistent. Those changes are shown through monitoring of several variables, including streamflow, stream size and channel dimensions, channel gradient, channel substrate size and type, habitat complexity, vegetative cover and structure, and stream channel-riparian zone interactions at specific places throughout the Brazos River Basin.

Water quality monitoring

A lot of what the field operations team does is conduct routine water quality monitoring. The furthest location north for testing begins near Seymour and extends southeast, all the way down to Rosharon near the Gulf of Mexico. Essentially, this is observing changes, such as the appearance of a pollutant, and determining trends over time.

Monitoring information is used to determine the health of the area, identifying water pollution problems and their causes, and threats to

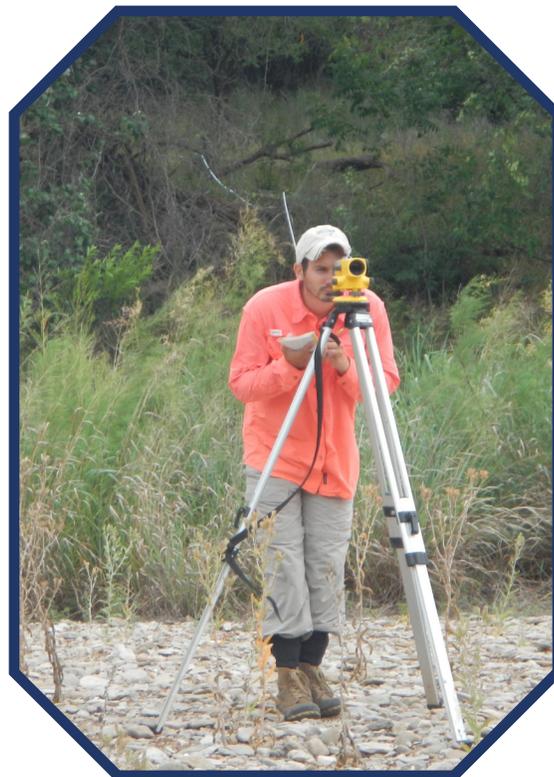


human health. No other agency provides routine, baseline water quality data collection across the Brazos basin.

After collection, water samples are brought back to the laboratory at the BRA's Central Office in Waco. The laboratory can then check the water samples for concerns like bacteria, water clarity, salt content, amounts of silt or sediment, and algae. Due to requirements for bacteria sampling, once collected, the aquatic scientist must have samples in the lab within eight hours.

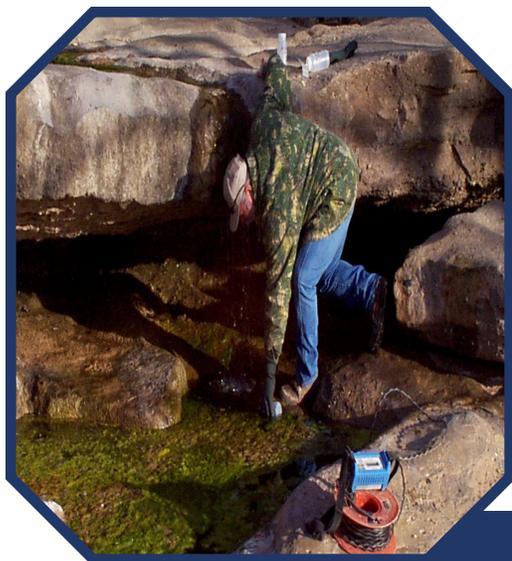
“The team works closely with the TCEQ and other entities that sample in the Brazos River Basin to discuss who’s sampling where, what sites are being added, what needs more focus, among other things,” said Cory Scanes, a BRA Aquatic Scientist. This agency cooperation ensures there is no duplication of effort, streamlining the sampling process for state reporting. When sampling water on a reservoir, for instance, the team uses a water quality wand that has four different probes and captures readings of water temperature, dissolved oxygen, conductivity, and the pH of the water,” said Ryan Byrge, a BRA Aquatic Scientist.

“We also use, if we’re out taking flow, a flow tracker, which measures discharge/cubic feet per second, or how much water is actually moving by in one second,” Byrge said. “It will calculate the area of the stream bottom and the surface, and then it will actually take a velocity measurement at one particular place on the stream bottom.”



The BRA's aquatic scientists can't always just walk up to a water body to scoop up a bottle of water. Due to steep embankments and access limitations due to privately owned property, sometimes those samples are taken from the top of a bridge. Aquatic scientists, wearing hard hats and safety vests, lower equipment into the water below before pulling it back up and logging the information.

“Runoff from urban areas or certain agriculture operations where you’ll have high E. coli levels, the TCEQ will look at that data over time to see if it’s increasing, and that’s when they’ll make a management decision on what needs to be done to mitigate it,” Byrge said. “It’s a long process and a lot of data. It’s a collaborative effort between river authorities, TCEQ and other watershed groups that also go out and do the same kind of sampling that we do.”



Snapshot in time

Another part of the job is the biological monitoring. Remember that mussel story from before? Another part of basin monitoring is identifying what types of fish and other species (like mussels) are found in various streams and adjacent banks. Creeks, streams, and rivers are monitored for health by gathering information on the fish,

plants and animals living on and near the water. Follow-up visits help illustrate what's changed and why changes might be occurring. How many mussels are there? What types? How big are they? And how has the area changed over time?

“That gives us a snapshot of a period of time of how that stream is supporting the aquatic life,” Nickolai said.

Texas boasts a diverse population of over 50 native freshwater mussel species, making on-the-job training crucial for acquiring a comprehensive understanding of these aquatic creatures.

“When we're out there doing biological assessments, we'll catch hundreds of fish; a lot of them will be the same species,” Nickolai said. “There are several different species of sunfish, you just start learning the difference between them.”

Scanes says the whole team loves fish. His master's thesis was on fish identification and before joining the BRA, he worked as an Environmental Protection Agency fish taxonomist.

“Aquatic Scientists Ryan Byrge and Calvin Smith are kind of our 'bug guys' right now,” Scanes said.

The two biologists benefitted from years of training under Jack Davis, the BRA's former field operations manager, who retired last year. Davis was one of the premier macroinvertebrate experts in the state of Texas. Before retiring, he ensured both biologists had the knowledge needed to continue tracking the “bugs,” as he had done for more than 16 years with the BRA.

Byrge said part of his role is looking at macroinvertebrates, which are aquatic organisms that are visible to the naked eye and lack a backbone, such as insects, crustaceans, mollusks, and worms. The team takes a brush and sweeps up the bugs from rocks or wood debris, and then a very fine mesh net to filter them out from the sediment. While the fish can be identified in the field, macroinvertebrates must be brought back to the laboratory for identification.



“We net them and measure them, giving us an idea of what the biological integrity is of the stream over time,” Byrge said. “The mayflies, stoneflies, caddisflies are pretty intolerant of lower water quality. Knowing if these are found in the area is a good indication of water quality. If we start to see fewer of these sensitive species, it might signal that something is affecting the water.”

Feeling tree-mendous

Often times, the field operations team can go out in groups of two or four, depending on the size of the stream. However, when it's

time to do riparian surveys, it requires everyone, Nickolai explained. What does that look like?

A lot of counting and identifying trees.

The team looks at two categories of trees: upland species, which are the trees that are the furthest from the stream or tributaries, and then the riparian trees, which are located on the bank of the waterway and are more adaptive to having wet roots or being inundated for longer periods of time. High water flows are good for riparian tree seed dispersal and adding sediment to the banks, which helps with the germination of those seeds, Nickolai added.

“It’s a super dynamic system,” Nickolai said. “It’s really interesting, actually. When it comes to fish, high flows can affect gravel beds by moving it out and replacing it with sandy substrates. Different fish will prefer different depths and substrates. Changes like this can happen in a year or months, even a day, depending on rainfall events. Meanwhile, with the trees, you’re working on a whole different timescale. Trees operate on a decade timetable. That’s a very long-term project.”

Because of that, monitoring and reporting results are vital in keeping track of how areas are changing.

“We did a riparian assessment recently on the Leon River,” Nickolai said. “In that area, normally the stream runs about 26 cubic feet per second, and it’s probably ankle deep and four feet wide. But recently, flows exceeding 20,000 cubic feet per second went through that stream. When we went back and did the riparian, it was a totally different channel. There was sluffing of the banks, and giant trees were laid in the stream. It was really, really interesting to see. Those are things that happen.”

The Field Operations Team also implements water quality improvement programs and projects and perform monitoring to support BRA operations and water supply projects.

Information is used to develop and implement effective watershed-based strategies to maintain and improve environmental health throughout the Brazos River Basin.

The monitoring also helps other departments within the BRA. For instance, monitoring is required as part of the BRA’s System Operations Permit and to uphold contracts with other agencies, like the Texas Parks and Wildlife Department. Data is used to identify water quality and aquatic life concerns and impairments across the basin. Once a water quality problem is identified, BRA, the Texas Commission on Environmental Quality, watershed stakeholders, and any other relevant federal, state or local



governmental agencies work together to determine the most appropriate course of action to address the concern.

And, of course, traveling from waterbody to waterbody, the field operations team practices ‘Clean, Drain, Dry.’

Invasive species are easily spread by boats and other recreational equipment, especially since they are not always visible to the naked eye. All it takes is one trip between an infested lake and a noninfested waterway with an unclean watercraft to do irreversible damage.

“More than most people, we understand not to drag species across the basin,” Nickolai said. “We’re really careful about that.”

To accomplish these tasks, the BRA also coordinates monitoring activities with a variety of agencies, including, but not limited to the Texas Commission on Environmental Quality, the Texas State Soil & Water Conservation Board, the U.S. Environmental Protection Agency, the Natural Resources Conservation Service, the U.S. Fish & Wildlife Service, Texas Department of Transportation, the Texas Energy Reliability Council, the Texas General Land Office, the Texas Water Resources Institute and the Texas A&M AgriLife Research Extension.

“In our profession, every day is a learning opportunity,” Byrge said. “There’s just constant learning happening. I love to be out in the field.”



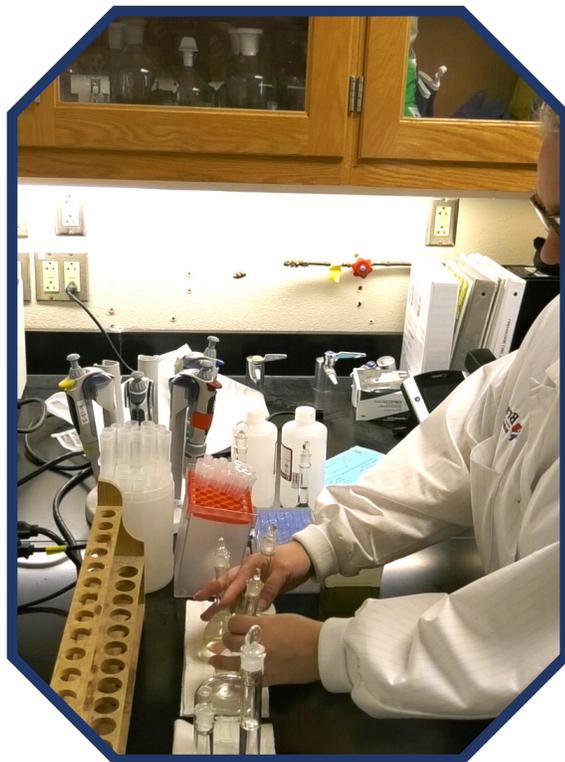
The Water Detectives of the BRA

If water could talk, the Brazos River Authority's environmental services laboratory would be one of its most trusted confidants.

The BRA's team of water detectives is on a constant mission to unravel the mysteries of the Brazos River watershed. From the microscopic to the macroscopic, they analyze every aspect of the water's health.

Maintaining water quality is the highest priority for the Brazos River Authority. Among the many experienced BRA employees are those who work in and run the environmental services laboratory at the BRA's Central Office in Waco.

Created in 1995, the laboratory was established to analyze water quality samples across the Brazos River watershed. Those samples are brought to the lab for analysis, where they're meticulously examined for everything from microscopic organisms to harmful chemicals. Since its inception, as data needs became known, the Brazos River Authority's environmental services laboratory has continuously added new analytical capabilities. With the increase in sample analysis, the number and qualifications of laboratory staff have grown to meet those needs.



Most samples are collected to support the Texas Clean Rivers Program run by the TCEQ. The Clean Rivers Act requires an ongoing assessment of water quality issues and management strategies statewide to guide Texas water resources policy and decision-making. The Texas Clean Rivers Act came online in 1991, mandating partnerships between the Texas Commission on Environmental Quality and river authorities to monitor and manage water quality issues. The laboratory staff works to ensure accurate and timely completion of all required monitoring and reporting to the TCEQ and the Environmental Protection Agency. All BRA-generated surface water quality data is publicly available on the BRA's website.



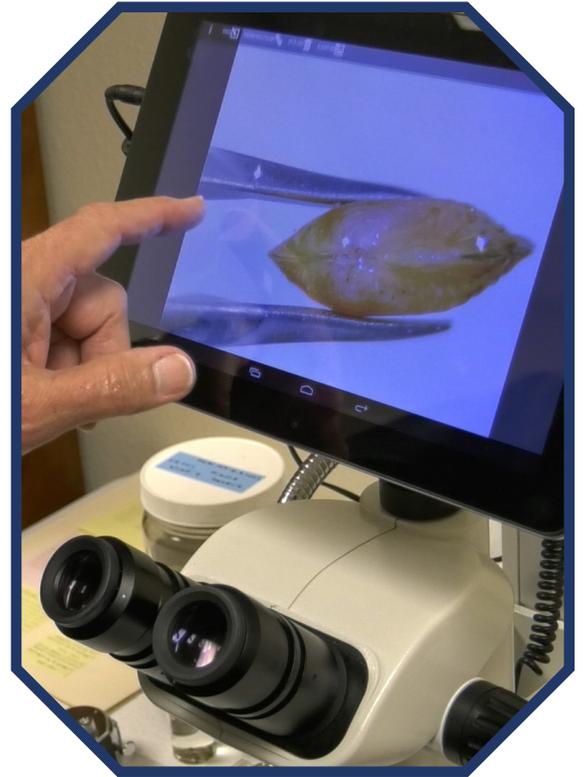
"We're doing 125-160 locations across the Brazos River Basin, depending on weather and safety concerns," said Tiffany Malzahn, Environmental and Compliance Manager. "We do sampling for a variety of surface water parameters to ensure compliance in the basin with the Texas Surface Water Quality standards, which are both Texas Commission on Environmental Quality and U.S. Environmental Protection Agency-approved water quality standards. We monitor water temperature, pH, conductivity, and dissolved oxygen content, which is so critical for our aquatic life."

"We look at chloride, sulfate, total dissolved solid levels, total

suspended solids, turbidity, then we do a whole suite of nutrients from nitrate-nitrogen, orthophosphate, total phosphorus, ammonia-nitrogen and total kieldhal nitrogen,” Malzahn added. “We evaluate the chlorophyll-a content and concentration in the water which captures your single-cell algae. In some areas of the basin, we also monitor E. coli and in other areas, Enterococcus.”

Other samples analyzed by the laboratory include those needed to support regular BRA operations and those for support of intensive water quality studies.

In 2008, the laboratory became accredited by TCEQ under the National Environmental Laboratory Accreditation Program, or NELAP, with guiding documents managed by The NELAC Institute. Under this program, the lab successfully adheres to national standards for laboratory operations. To maintain the state-required laboratory accreditation, the BRA has developed an extensive quality control/quality assessment (QA/QC) program. The water quality laboratory and the QA/QC Program undergoes an audit every two years conducted by TCEQ’s NELAP staff. During this audit, every aspect of the environmental services quality system related to the laboratory analysis of water quality samples is audited for compliance with NELAP standards, the environmental services’ quality manual, and analytical method requirements.



Now, almost three decades after it began, the Environmental Services Department is expanding into a new building at its location at the BRA’s Central Office in Waco.

The lab was originally established in a 12x12 foot space in the organization’s original Waco Central Office, located next door to the current location. That original space was converted from an office to a break room, then to a break room/laboratory, noted BRA General Manager/CEO David Collinworth, who worked in the original lab as a new hire in the mid 1990s. The BRA moved to its current location in 2002.

“Those of us that collected the samples returned back to the BRA annex, which is now the dry cleaners across from the current Central Office, to complete the analysis,” Collinworth said.



The current lab is about 800 square feet. The BRA is in the process of building a new 10,000-square-foot lab – with room for future growth. An additional building will feature enclosed storage for boats, covered storage for trucks, a climate-controlled workshop, and a sediment analysis laboratory, Malzahn explained.

“At the time the lab was originally constructed, the Texas Clean Rivers Program was much smaller and less diverse in terms of what we had to monitor for,” Malzahn said. “Over time, they’ve expanded, and we have just absolutely maxed out the existing lab.”

Part of the new construction will include a space for separate laboratory works and an eye to the future.

“So, (the new building) will be a much-improved environment and provide us with stronger quality control,” Malzahn said. “It will certainly give us extra room, which will improve worker safety. We’ll be looking to purchase additional quipment – right now, we’re maxed out on the number of samples we can process.”

The new lab space construction will be complete in 2025.

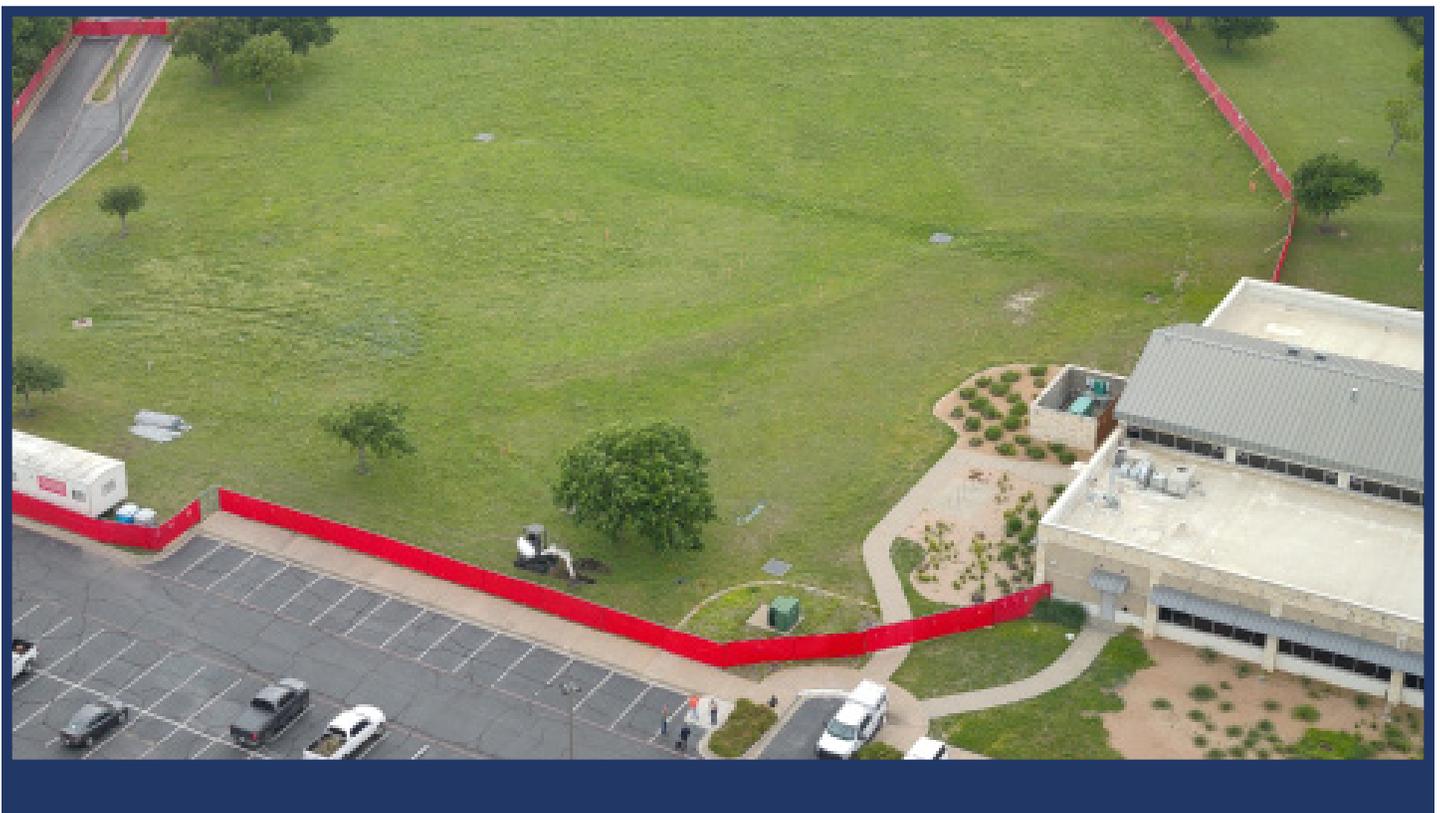
There are going to be a lot of benefits to having the new lab.

One of the benefits will be the “boat barn,” noted Cory Scanes, a BRA Aquatic Acientist.

“Having our boats here, on campus, where it’s easier to work on them, that’s going to be so great,” Scanes said. “We won’t have to drive out and pick them up. We’ll be able to organize and manage our equipment a lot better.”

The Environmental Department’s Field Operations Team has a great deal of equipment that is mostly stored off-site, requiring daily additional time and mileage for the Aquatic Scientists just to get the tools they need to do their jobs. Having that space will allow for room to help keep all the equipment in its best shape, explained Jeremy Nickolai, BRA’s Field Operations Manager.

“Those are our tools; we’ve got to make sure they stay sharp,” Nickolai said.





Financial Section



Independent Auditors' Report

To the Board of Directors of
Brazos River Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Brazos River Authority (BRA), as of and for the years ended August 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the BRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the BRA as of August 31, 2024 and 2023, and the changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the fiduciary activities were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Record. The other information comprises the introductory and statistical information as identified in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the BRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BRA's internal control over financial reporting and compliance.



Austin, Texas
December 20, 2024



Management's Discussion and Analysis



**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

As Management of the Brazos River Authority (BRA), we offer readers of the BRA's financial statements this narrative overview and analysis of the financial activities of the BRA for the Fiscal Years ended August 31, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on Pages 9 to 20 of the Introductory Section of this report.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the BRA's basic financial statements. The BRA's basic financial statements are composed of Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows; Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position, Notes to the Basic Financial Statements; and the Required Supplementary Information. This report also contains other supplementary information and statistical information in addition to the basic financial statements themselves.

Basic Financial Statements. The financial statements are designed to provide readers with an overview of the BRA's finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the BRA's assets and deferred outflows of resources as well as BRA's liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the BRA is improving or deteriorating. The Statement of Net Position can be found on Pages 49 to 50 of this report.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the BRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The increase or decrease in net position may serve as an indicator of the effect of the BRA's current year operations on its financial position. The Statement of Revenues, Expenses and Changes in Net Position can be found on Page 51 of this report.

The *Statement of Cash Flows* summarizes all of the BRA's cash flows into four categories as applicable: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities. The Statement of Cash Flows can be found on Page 52 of this report. The Statement of Cash Flows, along with the related notes and information in other financial statements, can be useful in assessing the following:

- The BRA's ability to generate future cash flows;
- The BRA's ability to pay its debt as the debt matures;
- Reasons for the difference between the BRA's operating cash flows and operating income; and
- The effect on the BRA's financial position of cash and non-cash transactions from investing, capital, and financing activities.

**BRAZOS RIVER AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

The *Statement of Fiduciary Net Position* summarizes the BRA’s single employer plan’s assets and liabilities, with the difference between the two reported as net position held in trust for pension benefits. The Statement of Fiduciary Net Position can be found on Page 53.

The *Statement of changes in Fiduciary Net Position* presents information showing how the fiduciary funds’ net position changed during the years presented on an accrual basis. The Statement of changes in Fiduciary Net Position can be found on Page 53.

The *Notes to the Basic Financial Statements* provides additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Basic Financial Statements can be found starting on Page 55 of this report.

Financial Highlights

Total Assets and Deferred Outflows of Resources

- Total assets and deferred outflows of resources at the end of Fiscal Years 2024, 2023 and 2022 were \$527,796, \$506,198, and \$452,040, respectively. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the end of Fiscal Year 2024, 2023 and 2022 by \$369,259, \$344,694, and \$326,962, respectively.
- Total assets and deferred outflows of resources for Fiscal Year 2024 increased by \$21,598 over prior year, primarily as a net result from operations.
- Total assets and deferred outflows of resources for Fiscal Year 2023 increased by \$54,158 over prior year, primarily as a net result from operations, increase in short term taxable borrowing, as noted in footnote 5 on page 69, and the increase in the net capital assets, as noted in the Capital Asset section of the Management Discussion and Analysis, found on Page 45.



- The BRA’s net position increased by \$24,565 for the Fiscal Year ended August 31, 2024.

**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

Capital Assets

- The increases and decreases in capital assets for the past three years and the events causing these changes are noted below:

	2024	2023	restated 2022
Net additions/(deletions) to land, storage and water rights	\$ 1,646	\$ (2)	\$ 77,212
Additions to construction-in-progress (CIP)	12,430	14,752	9,161
Transfers from CIP to capital assets being depreciated	-	(1,790)	(2,411)
Additions and transfers to capital assets being depreciated	2,012	4,583	2,918
Net deletions and transfers	(37)	(89)	(91)
Normal annual depreciation and amortization	(9,218)	(9,618)	(9,294)
Total	\$ 6,833	\$ 7,836	\$ 77,495

- During Fiscal Year 2024, the BRA had seventeen capital projects that were in progress during the year, with none of those being completed during the year. In addition, the BRA invested \$2,012 in capital equipment. With those additions, the sale of various capital assets, and the recording of depreciation on all depreciable assets, capital assets increased by \$6,833 during the year. Additional information on the BRA's capital assets can be found on Notes 4 & 12 of this report.
- During Fiscal Year 2023, the BRA had twenty-one capital projects that were in progress during the year, with one of those being completed during the year at a current year capitalization amount of \$1,790. In addition, the BRA invested \$4,583 in capital equipment. With those additions, the sale of various capital assets, and the recording of depreciation on all depreciable assets, capital assets increased by \$7,836 during the year.
- During Fiscal Year 2022, the BRA had twenty-four capital projects that were in progress during the year, with five of those being completed during the year at a current year capitalization amount of \$2,411. In addition, the BRA invested \$2,918 in capital equipment, completed the purchase of the land and water rights for the Allens Creek Reservoir Project (Project) for \$75,761, and the purchase of land related to ground water projects for \$1,451. With those additions, the sale of various capital assets, and the recording of depreciation on all depreciable assets, capital assets increased by \$77,495 during the year.
- Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA) was implemented during Fiscal Year 2023, resulting in a restatement of Fiscal Year 2022, and is reflected in the financial statements presented.

**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

Noncurrent Liabilities

Outstanding debt:

- For Fiscal Year 2024, total outstanding debt (current and noncurrent) decreased by \$2,559. This net decrease is a result of the issuance of the *New Series 2023B and 2023C Revenue Bonds* in the amount of \$33,225 and \$16,365, respectively; the payoff of the *Taxable New Series 2023A Water Supply System Revenue Bonds* in the amount of \$46,000; the additional subscription arrangements of \$134; and annual principal payments on revenue bonds, contracts payable, and subscription payable of \$4,975, \$1,006, and \$302 respectively.
- For Fiscal Year 2023, total outstanding debt (current and noncurrent) increased by \$40,515. This net increase is a result of the issuance of the *Taxable New Series 2023A Water Supply System Revenue Bonds* in the amount of \$46,000, annual principal payments on revenue bonds, contracts payable, and subscription payable of \$4,220, \$987, and \$278 respectively.
- For Fiscal Year 2022, total outstanding debt (current and noncurrent) decreased by \$10,393. This net decrease is a result of the early payoff of the *series 2002 Brazos River Authority State Participation Loan for the Allens Creek Project of \$6,000*, recording of right to use assets payable of \$947, and annual principal payments on revenue bonds, contracts payable, and subscription payable of \$4,090, \$956, and \$294, respectively.
- On August 15, 2023, the BRA entered into an agreement for short-term taxable bonds with PNC Bank, N.A. (the “Lender”) in the amount of \$46,000. This short-term financing was needed to bridge the gap between the expenditure reimbursement date requirement and the BRA’s closing date with the TWDB. The refinancing of the short-term debt with the TWDB long term financing will result in the amount to be classified as a long term obligation, in Fiscal Year 2023, as required by GASB 62. Additional information can be found in Note 5 of this report.

Net Pension liability:

- During Fiscal Year 2024, the BRA adjusted its net pension liability from \$9,993 in Fiscal Year 2023 to \$6,614 in Fiscal Year 2024. The reduction was due to the strong earnings experienced with both the Retirement Plan for Employees of the BRA and the Texas County and District Retirement Systems. Additional information on the BRA’s Net Pension Liability can be found in Note 9 of this report.
- During Fiscal Year 2023, the BRA adjusted its net pension liability from \$6,695 in Fiscal Year 2022 to \$9,993 in Fiscal Year 2023. The increase is due to the weak earnings experienced with both the Retirement Plan for Employees of the BRA and the Texas County and District Retirement Systems.
- During Fiscal Year 2022, the BRA adjusted its net pension liability from \$9,654 in Fiscal Year 2021 to \$6,695 in Fiscal Year 2022. The reduction was due to the strong earnings experienced with both the Retirement Plan for Employees of the BRA and the Texas County and District Retirement Systems.

**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

Other Noncurrent Liabilities:

Other Noncurrent Liabilities experienced a substantial increase in Fiscal Year 2022 as result of the Agreement between the City of Houston and the Brazos River Authority where the City of Houston assigned and conveyed all of its rights in or to the Project interest to the BRA. As set forth in the agreement, in the event specific contingencies occur, with regard to the issuance of a 404 Permit for the Project by the US Army Corps of Engineers, the BRA shall pay the City of Houston an additional contingency payment of \$15,000.

Financial Analysis

Schedule of Net Position - As noted earlier, net position may serve over time as a useful indicator of the BRA's financial position. In the case of the BRA, assets and deferred outflows of resources exceeded liabilities for Fiscal Years 2024, 2023, and 2022 by \$369,259, \$344,694, and \$326,962, respectively.

The largest portion of the BRA's net position, in any given year has been its investment in capital assets (e.g., land, storage rights, reservoirs, water treatment and sewerage facilities, buildings, and equipment), less any related outstanding debt used to acquire those assets. Although the BRA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. For Fiscal Year 2024, the net investment in capital assets amounted to 63% of the BRA's net position.

For Fiscal Year 2024, about 67% (\$246,370) of the BRA's net position represent resources that are not available for expenditure (invested in capital assets or restricted for debt service). The remaining balance of *unrestricted net position* (\$122,889) may be used to meet the BRA's ongoing obligations.

For Fiscal Year 2023, about 68% (\$233,509) of the BRA's net position represent resources that are not available for expenditure (invested in capital assets or restricted for debt service). The remaining balance of *unrestricted net position* (\$111,185) may be used to meet the BRA's ongoing obligations.

For Fiscal Year 2022, about 83% (\$270,906) of the BRA's net position represent resources that are not available for expenditure (invested in capital assets, restricted for debt service, or restricted for pension asset). The remaining balance of *unrestricted net position* (\$56,056) may be used to meet the BRA's ongoing obligations.

**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

**Condensed Schedules of Net Position
August 31, 2024, 2023 and 2022**

	2024	2023	restated 2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets - unrestricted	\$ 150,951	\$ 137,700	\$ 88,778
Current assets - restricted	4,457	3,994	3,983
Noncurrent assets - restricted	17,555	14,169	18,396
Capital assets, net	351,185	344,352	336,516
Noncurrent assets	1,119	1,198	1,276
TOTAL ASSETS	525,267	501,413	448,949
DEFERRED OUTFLOWS OF RESOURCES			
	2,529	4,785	3,091
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 527,796	\$ 506,198	\$ 452,040
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities (payable from current assets)	\$ 29,475	\$ 27,033	\$ 26,880
Current liabilities (payable from restricted assets)	8,492	7,389	6,949
Noncurrent liabilities	120,111	126,982	83,775
TOTAL LIABILITIES	158,078	161,404	117,604
DEFERRED INFLOWS OF RESOURCES			
	459	100	7,474
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	158,537	161,504	125,078
NET POSITION			
Net Investment in capital assets	233,305	225,000	257,417
Restricted for debt service	12,150	8,509	8,644
Restricted for pension assets	915	-	4,845
Unrestricted	122,889	111,185	56,056
TOTAL NET POSITION	369,259	344,694	326,962
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
	\$ 527,796	\$ 506,198	\$ 452,040

**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

**Condensed Schedules of Revenues, Expenses and Changes in Net Position
Fiscal Years Ended August 31, 2024, 2023 and 2022**

	2024	2023	restated 2022
OPERATING REVENUES			
Water supply system	\$ 68,972	\$ 61,673	\$ 63,159
Cost reimbursable operations	16,345	14,428	13,866
TOTAL OPERATING REVENUES	85,317	76,101	77,025
OPERATING EXPENSES			
Operating and maintenance	58,319	54,504	51,111
Depreciation and amortization	9,218	9,618	9,294
TOTAL OPERATING EXPENSES	67,537	64,122	60,405
OPERATING INCOME	17,780	11,979	16,620
Total net non-operating revenues (expenses)	6,785	4,420	710
INCOME BEFORE CONTRIBUTIONS	24,565	16,399	17,330
Capital contributions	-	1,333	-
CHANGE IN NET POSITION	24,565	17,732	17,330
NET POSITION, BEGINNING	344,694	326,962	309,632
NET POSITION, ENDING	\$ 369,259	\$ 344,694	\$ 326,962

The Change in Net Position for Fiscal Years 2024, 2023, and 2022 was \$24,565, \$17,732, and \$17,330, respectively. The results of those changes are noted below.

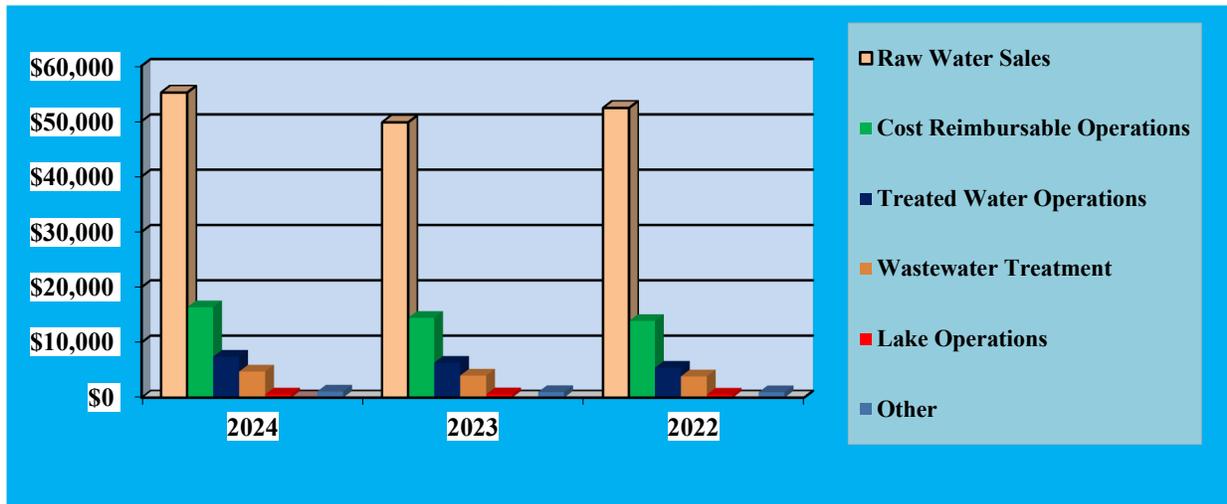
Operating Revenue

For Fiscal Year 2024, operating revenue increased by 12% over the prior year, primarily as a net result of three events: first, an increase in sales of our interruptible water that totaled \$2,085; second, the increase in sales at our water treatment and wastewater treatment operations of \$3,762; and finally, the system rate charged for long term system rate contracts, changed from \$88 per acre-feet to \$93.50 per acre-feet, resulting in additional revenue of \$3,009.

For Fiscal Year 2023, operating revenue decreased by less than 2% over the prior year, primarily as a net result of three events: first, a decrease in sales of our interruptible water that totaled \$5,381; second, the increase in sales at our water treatment and wastewater treatment operations of \$1,579; and finally, the system rate charged for long term system rate contracts, changed from \$83 per acre-feet to \$88 per acre-feet, resulting in additional revenue of \$2,759.

**BRAZOS RIVER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

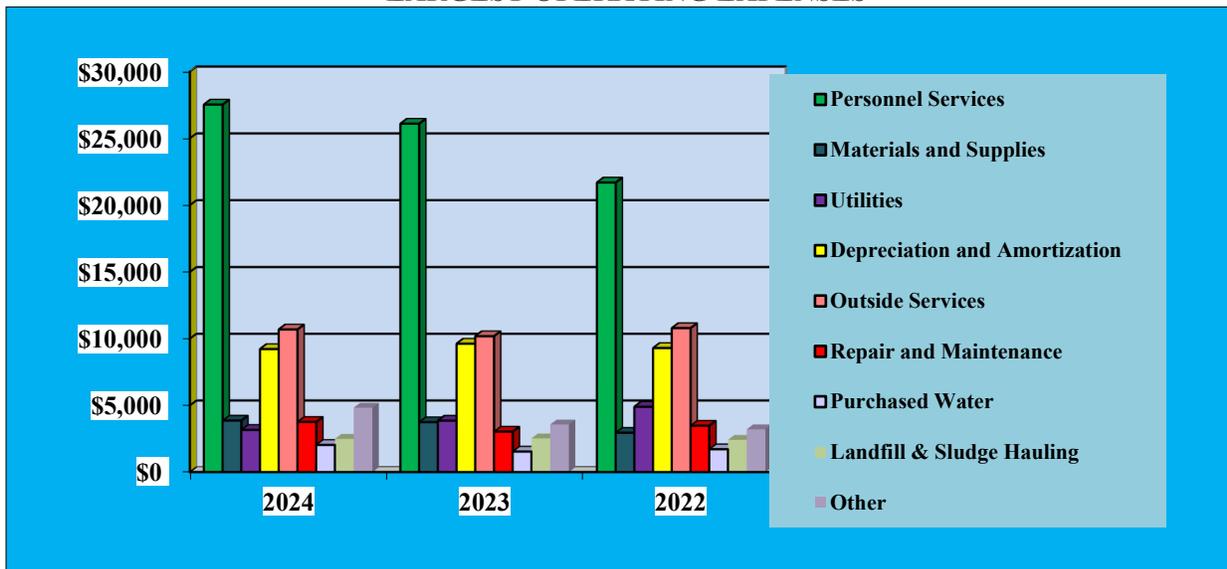
LARGEST OPERATING REVENUES



Operating Expense

Operating expenses, excluding depreciation, over the past two years have fluctuated. In Fiscal Year 2024, it increased by 5% and in Fiscal Year 2023, it increased by 6%. These increases were a net result of steady increases in wages, health insurance, GASB 68 required retirement adjustments, and other expenses related to capital improvement support efforts with our Cost Reimbursable Operations.

LARGEST OPERATING EXPENSES



**BRAZOS RIVER AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

Total Net Non-Operating Revenues (Expenses)

For Fiscal Year 2024, the amount recorded as net non-operating revenues was \$6,785. The majority of the net non-operating revenues represents interest payments on the BRA’s debt, in the amount of \$2,819; net of the investment income of \$8,937 and grants of \$881.

For Fiscal Year 2023, the amount recorded as net non-operating revenues was \$4,420. The majority of the net non-operating revenues represents interest payments on the BRA’s debt, in the amount of \$1,555; net of the investment income of \$4,315 and grants of \$1,471.

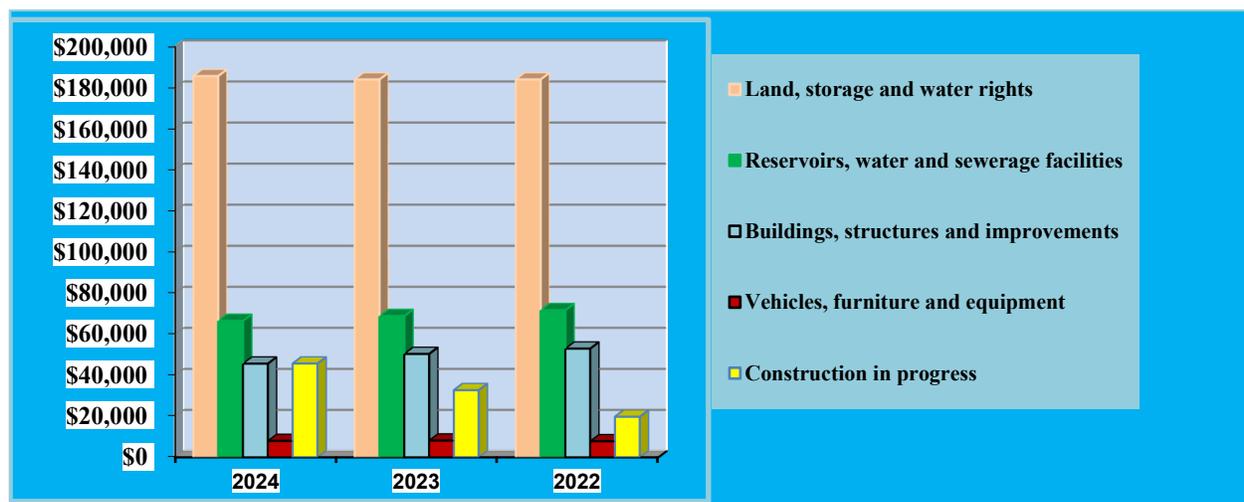
For Fiscal Year 2022, the amount recorded as net non-operating revenues was \$710. The majority of the net non-operating revenues represents interest payments on the BRA’s debt, in the amount of \$1,767; net of the investment income of \$636 and grants of \$1,623.

Capital Assets and Outstanding Debt

Capital Assets - The BRA’s capital assets, (net of accumulated depreciation and amortization), as of August 31, 2024, 2023 and 2022 totaled to \$351,185, \$344,352, and \$336,516, respectively, For Fiscal Years 2024, 2023, and 2022, the BRA continued its commitment to our customers and stakeholders to ensure the longevity of our capital assets. During Fiscal Year 2024, the BRA invested over \$12,430 on seventeen capital improvement projects.

**Capital Assets
(net of accumulated depreciation and amortization)
August 31, 2024, 2023 and 2022**

	2024	2023	restated 2022
Land, storage and water rights	\$ 185,755	\$ 184,109	\$ 184,111
Reservoirs, water and sewerage facilities	66,570	68,887	71,758
Buildings, structures and improvements	45,668	50,419	53,008
Vehicles, furniture and equipment	8,003	8,178	7,842
Construction in progress	45,189	32,759	19,797
Total	\$ 351,185	\$ 344,352	\$ 336,516

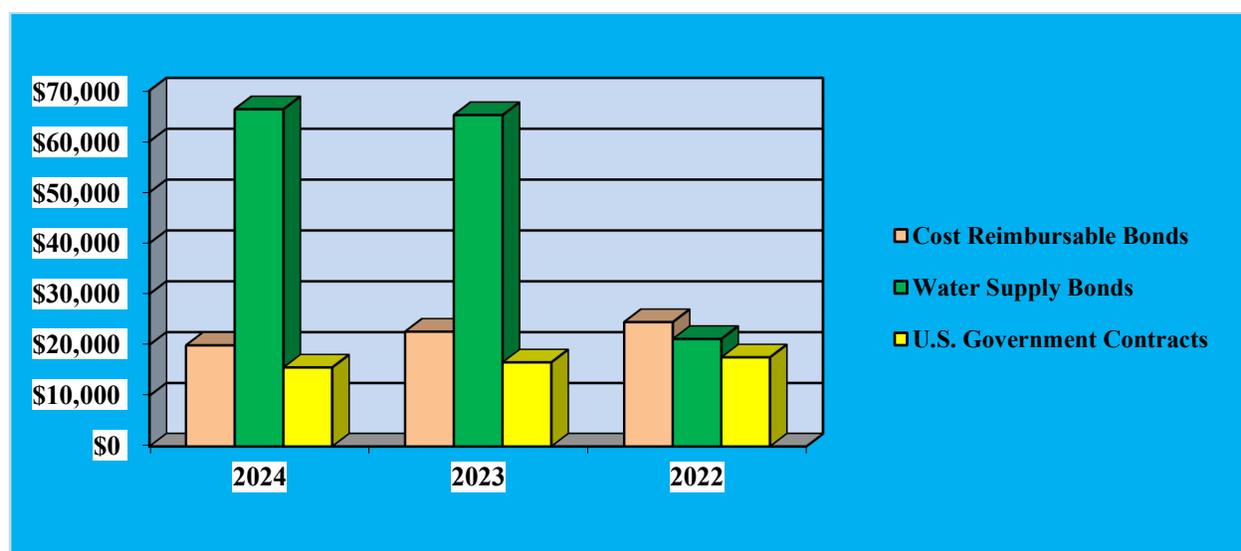


**BRAZOS RIVER AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
AUGUST 31, 2024 AND 2023 (in thousands) (Unaudited)**

Outstanding Debt – At the end of Fiscal Years 2024, 2023 and 2022 the BRA had total outstanding debt of \$101,747, \$104,307, and \$63,793, respectively. Of the Fiscal Year 2024 amount, 81% and 19% is reflected in Water Supply System and Cost Reimbursable Operations, respectively.

On April 19, 2022, the Board of Directors of the Brazos River Authority approved a resolution to redeem its share of the outstanding portion of the Master Agreement Between the Texas Water Development Board, Brazos River Authority, and City of Houston for the Allens Creek Reservoir Project totaling \$6,000. See Footnote 7 for additional information of this transaction.

On July 21, 2009, Standard & Poor’s Global Ratings Services raised its underlying rating (SPUR) on the BRA’s water supply system revenue bonds one notch to ‘AA’ from ‘AA-’ and reaffirmed this on February 28, 2018. This was based on the BRA’s maintenance of a strong and likely sustainable financial position due to its favorable position as the raw water provider of choice throughout a watershed nearly the size of the State of Tennessee, during a time when demand is increasing rapidly from both municipalities and electric power generators.



The changes in the BRA’s debt for Fiscal Years 2024, 2023 and 2022 are shown in the following table:

	2024	2023	2022
Contract Revenue Bonds, New Series 2023A Taxable	\$ (46,000)	\$ 46,000	\$ -
New Series 2023B Revenue Bonds	33,225	-	-
New Series 2023C Revenue Bonds	16,365	-	-
Redeemed Series 2002 TWDB State Participation Loan	-	-	(6,000)
Subscription arrangements	134	-	947
Principal payments made during each year	(6,283)	(5,486)	(5,340)
Increase/(Decrease) In Debt	\$ (2,559)	\$ 40,514	\$ (10,393)

Additional information on the BRA’s long-term debt can be found in Note 7 of this report.

Requests for Information

This financial report is designed to provide a general overview of the BRA's finances and to demonstrate the BRA's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Chief Financial Officer, 4600 Cobbs Drive, P.O. Box 7555, Waco, TX 76714-7555. For more detailed information about the BRA's Annual Operating Plan, CIP projects and Capital Asset additions, please visit our website at www.brazos.org.



Basic Financial Statements



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION
AUGUST 31, 2024 and 2023 (in thousands)

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
UNRESTRICTED:		
Cash and cash equivalents	\$ 45,391	\$ 82,363
Investments	100,769	51,521
Receivables:		
Accounts	2,239	2,173
Accrued interest	367	145
Other current assets	2,185	1,498
TOTAL UNRESTRICTED	<u>150,951</u>	<u>137,700</u>
RESTRICTED:		
Cash and cash equivalents	4,457	3,994
TOTAL RESTRICTED	<u>4,457</u>	<u>3,994</u>
TOTAL CURRENT ASSETS	<u>155,408</u>	<u>141,694</u>
NONCURRENT ASSETS :		
RESTRICTED:		
Cash and cash equivalents	1,372	2,655
Investments	15,206	11,480
Interest	62	34
Net pension asset	915	-
TOTAL RESTRICTED	<u>17,555</u>	<u>14,169</u>
CAPITAL ASSETS:		
Land, storage and water rights	185,755	184,109
Reservoirs, water treatment and sewerage facilities	139,472	139,472
Building, structures and improvements	122,503	122,266
Vehicles, furniture and equipment	24,111	23,358
Construction in progress	45,189	32,759
TOTAL CAPITAL ASSETS	<u>517,030</u>	<u>501,964</u>
Less accumulated depreciation	(165,845)	(157,612)
NET CAPITAL ASSETS	<u>351,185</u>	<u>344,352</u>
OTHER NONCURRENT ASSETS:		
	<u>1,119</u>	<u>1,198</u>
TOTAL NONCURRENT ASSETS	<u>369,859</u>	<u>359,719</u>
TOTAL ASSETS	<u>525,267</u>	<u>501,413</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on refunding	147	165
Pension plans	2,382	4,620
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,529</u>	<u>4,785</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 527,796</u>	<u>\$ 506,198</u>

The accompanying notes are an integral part of these statements.

BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION
AUGUST 31, 2024 and 2023 (in thousands)

	2024	2023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
PAYABLE FROM CURRENT ASSETS:		
Accounts payable	\$ 12,150	\$ 10,746
Contracts payable	912	1,006
Subscription payable	52	287
Accrued interest	374	397
Unearned revenues	15,987	14,597
TOTAL PAYABLE FROM CURRENT ASSETS	29,475	27,033
PAYABLE FROM RESTRICTED ASSETS:		
Accrued interest	388	494
Construction contracts payable	171	33
Revenue bonds payable	5,155	4,345
Unearned revenues	2,778	2,517
TOTAL PAYABLE FROM RESTRICTED ASSETS	8,492	7,389
TOTAL CURRENT LIABILITIES	37,967	34,422
NONCURRENT LIABILITIES:		
Revenue bonds payable, net of current portion and premium	82,409	85,007
Contracts payable, net of current portion	14,624	15,536
Subscription payable, net of current portion	154	88
Allens Creek contingent compensation liability	15,000	15,000
Net pension liability	6,614	9,993
Unearned revenues	-	45
Other liabilities	1,310	1,313
TOTAL NONCURRENT LIABILITIES	120,111	126,982
TOTAL LIABILITIES	158,078	161,404
DEFERRED INFLOWS OF RESOURCES - PENSION PLAN	459	100
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	158,537	161,504
NET POSITION:		
Net investment in capital assets	233,305	225,000
Restricted for debt service	12,150	8,509
Restricted for pension assets	915	-
Unrestricted	122,889	111,185
TOTAL NET POSITION	369,259	344,694
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 527,796	\$ 506,198

The accompanying notes are an integral part of these statements.

BRAZOS RIVER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEARS ENDED AUGUST 31, 2024 AND 2023 (in thousands)

	2024	2023
OPERATING REVENUES:		
Water Supply System:		
Raw water sales	\$ 55,158	\$ 49,776
Treated water	7,410	6,304
Wastewater treatment	4,725	3,986
Lake operations	567	601
Other	1,112	1,006
Cost Reimbursable Operations:		
Water conveyance/supply	5,513	5,279
Water treatment	2,419	2,669
Wastewater treatment	8,413	6,480
TOTAL OPERATING REVENUES	<u>85,317</u>	<u>76,101</u>
OPERATING EXPENSES:		
Personnel services	27,519	26,088
Materials and supplies	3,857	3,737
Utilities	3,159	3,852
Depreciation and amortization	9,218	9,618
Outside services	10,686	10,180
Repair and maintenance	3,755	3,028
Landfill and sludge hauling	2,032	1,536
Purchased water	2,487	2,521
Other	4,824	3,562
TOTAL OPERATING EXPENSES	<u>67,537</u>	<u>64,122</u>
OPERATING INCOME	<u>17,780</u>	<u>11,979</u>
NON-OPERATING REVENUES (EXPENSES):		
Investment income	8,937	4,315
Grants	881	1,471
Interest expense	(2,819)	(1,555)
Other expenses	(382)	(244)
Net gain or (loss) on sale of capital assets	168	433
TOTAL NET NON-OPERATING REVENUES (EXPENSES)	<u>6,785</u>	<u>4,420</u>
INCOME BEFORE CONTRIBUTIONS	24,565	16,399
Capital contributions	-	1,333
CHANGE IN NET POSITION	24,565	17,732
NET POSITION, BEGINNING	<u>344,694</u>	<u>326,962</u>
NET POSITION, ENDING	<u>\$ 369,259</u>	<u>\$ 344,694</u>

The accompanying notes are an integral part of these statements.

BRAZOS RIVER AUTHORITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED AUGUST 31, 2024 AND 2023 (in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 85,135	\$ 77,817
Cash paid to suppliers for goods and services	(35,325)	(34,169)
Cash paid to employees for services	(23,725)	(22,170)
Net cash provided by operating activities	<u>26,085</u>	<u>21,478</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Payments for bond related expenses	(366)	(232)
Cash received from grants	1,343	1,494
Net cash provided by noncapital financing activities	<u>977</u>	<u>1,262</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments for the acquisition and construction of capital assets	(14,861)	(15,737)
Payments of interest on long-term debt	(3,349)	(1,922)
Payments for retirement of long-term debt and subscription arrangements	(52,283)	(5,486)
Proceeds from bond issuance	49,739	46,000
Proceeds from capital contributions	-	1,333
Proceeds from disposal of capital assets	186	172
Net cash provided by/(used) in capital and related financing activities	<u>(20,568)</u>	<u>24,360</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	68,547	58,533
Purchases of investments	(121,025)	(74,407)
Interest received	8,192	4,315
Net cash used by investing activities	<u>(44,286)</u>	<u>(11,559)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(37,792)	35,541
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (including \$6,649 and \$6,787, respectively, reported in restricted accounts)	<u>89,012</u>	<u>53,471</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (including \$5,829 and \$6,649, respectively, reported in restricted accounts)	<u>\$ 51,220</u>	<u>\$ 89,012</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 17,780	\$ 11,979
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,842	9,255
Amortization	376	363
Change in assets, liabilities and deferred inflows and outflows of resources:		
(Increase)/decrease in accounts receivable	(528)	1,339
(Increase)/decrease in other current assets	(306)	502
(Increase)/decrease in net pension asset	(915)	4,845
(Increase)/decrease in deferred outflows of resources	2,238	(1,712)
Decrease in accounts payable	(30)	(45)
Increase/(decrease) in unearned revenue and other liabilities	1,648	(972)
Increase/(decrease) in net pension liability	(3,379)	3,298
Increase/(decrease) in deferred inflows of resources	359	(7,374)
Total adjustments	<u>8,305</u>	<u>9,499</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 26,085</u>	<u>\$ 21,478</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Amounts recorded as accruals for capital assets	5,967	4,040
Amounts recorded as accruals construction contract payable	171	33
Amounts recorded as a new Subscription Based Information Technology Asset in the current year	119	-
Total noncash capital and financing activities	<u>\$ 6,257</u>	<u>\$ 4,073</u>

The accompanying notes are an integral part of these statements.

BRAZOS RIVER AUTHORITY
STATEMENTS OF FIDUCIARY NET POSITION
AUGUST 31, 2024 AND 2023 (in thousands)

	2024	2023
Assets		
Investments, at fair value		
Mutual funds - equities	\$ 9,828	\$ 8,873
Mutual funds - fixed income/GTAA	5,076	4,702
Mutual funds - international funds	3,538	3,087
Mutual funds - REIT	1,079	966
Limited partnership - hedge fund	2,486	2,375
Limited partnership	1,546	1,561
Cash and cash equivalents	204	181
Total Investments	<u>23,757</u>	<u>21,745</u>
Benefits receivable	14	-
Accrued interest	15	12
Total assets	<u>23,786</u>	<u>21,757</u>
Liabilities		
Administrative expenses payable	8	7
Benefits payable	5	-
Total liabilities	<u>13</u>	<u>7</u>
Net position restricted for pensions	<u>\$ 23,773</u>	<u>\$ 21,750</u>

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEARS ENDED AUGUST 31, 2024 AND 2023 (in thousands)

	2024	2023
Additions		
Employer contributions	\$ 1,197	\$ 1,165
Investment income/(loss)	<u>3,209</u>	<u>(1,407)</u>
Total additions	4,406	(242)
Deductions		
Benefits paid to participants	2,300	2,336
Administrative expenses	<u>83</u>	<u>87</u>
Total deductions	<u>2,383</u>	<u>2,423</u>
Net increase / (decrease) in net position	2,023	(2,665)
Total net position restricted for pensions at beginning of the year	<u>21,750</u>	<u>24,415</u>
Total net position restricted for pensions at end of year	<u>\$ 23,773</u>	<u>\$ 21,750</u>

The accompanying notes are an integral part of these statements.



***Notes to the
Basic Financial Statements***



BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

01. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Brazos River Authority (BRA) was created by the Texas Legislature in 1929, pursuant to constitutional Provision Section 59, Article 16, as a governmental agency of the State of Texas. The BRA is governed by a Board of 21 Directors appointed by the Governor for six-year terms, subject to approval by the Texas Senate. The BRA is not financially accountable to the State of Texas. The BRA is responsible for conservation, control, and development of the surface water resources of the Brazos River basin. The BRA cooperates with cities and other local agencies in the construction and operation of water treatment and regional sewerage systems to improve and maintain the quality of water in the Brazos River and its tributaries. The BRA also plans and develops water supply projects and commits the water it can supply under contracts to cities, towns, industries, and other water users throughout the Brazos River basin and adjacent areas.

Principles of Accounting - The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting as prescribed by the Governmental Accounting Standards Board (“GASB”). The BRA consists of a single enterprise fund through which all financial activities are recorded, and one fiduciary fund that reports assets, liabilities and changes in net position for the BRA employee benefit plan.

Basis of Presentation - The BRA presents its financial statements in accordance with the GASB’s Codification of Governmental Accounting and Financial Reporting Standards. Accordingly, the basic financial statements of the BRA consist of Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Notes to the Basic Financial Statements.

Enterprise Funds – Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third-party requirements that the cost of providing services include capital cost, be recovered with fees and charges, or (c) has a pricing policy designed for the fees and charges to record similar cost.

Fiduciary Funds - The BRA’s fiduciary financial statements include one fiduciary fund related to the BRA employee benefit plan, the Retirement Plan for Employees of Brazos River Authority (Plan) with a year end of the last day of February. See Note 9 of this report for additional information.

Revenue and Expense Recognition – Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded in the period in which the liability is incurred. Revenue from grants and contracts, are recorded as revenue when all eligibility requirements imposed by the provider are met and qualifying expenses have been incurred for reimbursement type grants and contracts.

Deposits and Investments - All cash in bank, money market accounts, non-participating certificates of deposit and highly liquid investments (including restricted assets) with original maturities of three months or less are considered to be cash equivalents. All non-participating certificates of deposit with original maturities of more than three months are considered to be investments and are carried at cost plus accrued interest. All investments in debt securities are reported at fair value. Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants. The BRA held no debt securities as of August 31, 2024 or 2023.

State Statute and Board Policy authorizes the BRA to invest any and all of its deposits in fully collateralized Certificates of Deposits (CD), direct securities of the United States of America and other investments specifically allowed by Chapter 2256 of the Texas Government Code (The Public Funds Investment Act).

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

The BRA’s collateral agreement requires that all deposits be fully collateralized by government securities or obligations of other political subdivisions of any State Texas municipal bonds rated A or better, or Letters of Credit issued or guaranteed by the U.S. Government, its agencies and instrumentalities that have a fair value exceeding the total amount of cash and investments held at all times.

Accounts Receivable - Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating revenue when that determination is made.

Other current assets – Included within other current assets are the BRA’s expenditures that represent prepaid items at year end.

Restricted Assets – Certain proceeds of the BRA’s revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. When those proceeds are restricted for the acquisition or construction of noncurrent assets or are restricted for liquidation of long-term debt, then they are further classified as noncurrent restricted assets. Additionally, a pension plan that ends the year with a valuation that results in a Net Pension Asset, will be classified as a restricted asset on the Statement of Net Position.

Capital Assets - All purchased capital assets are stated at historical cost. Donated assets are stated at their estimated acquisition values on the date donated. Newly acquired assets with a cost of five thousand dollars or more and a useful life greater than one year will be capitalized. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Depreciation is calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Reservoir facilities	30 to 85 years
Water and sewerage system facilities	25 to 50 years
Buildings, structures, and improvements	20 to 70 years
Vehicles, furniture, and equipment	5 to 30 years
Subscription assets and software	3 to 10 years

Leases – It has been determined by the BRA that the amount of lessee and lessor transactions for Fiscal Year 2024 and 2023 are immaterial to the financial statements.

Other Noncurrent Assets - By agreement in 1988, the BRA amended a water contract with a utility company which provided for the sale of 162,000 acre feet of water per year through the year 2030. The amendment returned 79,000 acre feet to the BRA. As consideration for the 79,000 acre-foot reduction, the BRA paid the utility company \$3,823 in 1988. The BRA has sold the 79,000 acre-feet to various third parties under long-term water contracts. The balance of \$1,119 and \$1,198 on August 31, 2024 and 2023, respectively is included in other noncurrent assets and will be amortized against related revenues from such contracts over the contract lives.

Net Pension Liability/(Asset) - A net pension liability/(asset) is recorded in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment to GASB Statement No. 27*. The liability/(asset) is the difference between the actuarial total pension liability and the Plan’s fiduciary net position as of the measurement date. For additional information on the BRA’s Pension Plans see Note 9.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Unearned Revenue – Unearned revenue is the result of services or monies received in advance from water customers and contracted parties for projects that the BRA is managing. For additional information see Note 6.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources consist of items not yet charged to pension expense and contributions from the BRA after the measurement date but before the end of the BRA’s reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Other Current and Noncurrent Liabilities – The BRA reports other liabilities as a result of other contractual obligations that require resources to be set aside for future obligations. These amounts are held in place until the contractual obligation has been met.

Compensated Absences – Prior to May 1, 2002, the BRA’s employees were granted vacation and sick leave in specified amounts. Effective May 1, 2002 vacation and sick leave were superseded by Personal Time Off (PTO). The BRA’s current policy states that upon termination an employee will be paid for 100% of unused vacation time, 100% of their carryover PTO and 50% of their remaining PTO balance up to a maximum of 160 hours (20 days) combined. In addition, for retirees, unused sick leave is paid out at a rate of 50% of their balance or 144 hours (18 days) whichever is less. The total short-term liability for compensated absences as of August 31, 2024 and 2023 was \$1,247 and \$789, respectively, and is reported in accounts payable. The total recorded long-term liability for compensated absences, as of August 31, 2024 and 2023 was \$122 and \$128, respectively. Based on historical data, a portion of the accrual for vacation and sick leave are classified as other noncurrent liabilities. See Note 7 on Page 77 for additional information on compensated absences.

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position consists of the following:

- ***Net investment in capital assets:*** Consists of capital asset, net of accumulated depreciation and amortization, reduced by outstanding debt and contract payable obligations attributed to the acquisition of those assets.
- ***Restricted net position:*** Net position is reported as restricted when there are external limitations imposed on its use by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted net position:*** Represents the remaining portion of net position.

Budgets and Budgetary Accounting - The BRA is not required under its enabling act to adopt a budget. Therefore, comparative statements of actual expenses compared to budgeted expenses are not part of the basic financial statements.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

Operating Revenues and Expenses – Operating revenues and expenses for Enterprise Funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing or investing activities. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Contributed Capital – Capital assets that have been funded or contributed by other governmental entities are recorded as contributed capital at the time it is recognized.

Post-Employment Benefits (other than pension benefits) - Except for health insurance, provided pursuant to the *Consolidated Omnibus Budget Reconciliation Act (COBRA)*, the BRA provides no post-employment benefits.

Comparative Data – Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

2. DEPOSITS AND INVESTMENTS

As of August 31, 2024 and 2023, the BRA’s portfolio consisted of:

Description	August 31, 2024		August 31, 2023	
	Fair Value	% of Portfolio	Fair Value	% of Portfolio
Deposits:				
Certificates of Deposit	\$ 115,975	69%	\$ 63,001	41%
Bank Money Market Funds	51,325	31%	88,234	59%
Cash	(687)	0%	226	0%
Investments:				
TexPool	582	0%	552	0%
	<u>\$ 167,195</u>	<u>100%</u>	<u>\$ 152,013</u>	<u>100%</u>

The BRA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level one inputs are quoted prices in active markets for identical assets; Level two inputs are significant other observable inputs; Level three inputs are significant unobservable inputs. For August 31, 2024 and 2023 all BRA investments were in TexPool which is recorded at amortized cost without any limitation or restriction on withdrawals.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. The BRA’s policy is to control risk by investing only in the highest credit quality types of investments; by qualifying the broker/dealers and financial institutions with whom the BRA will transact; by collateralization as required by law; and through portfolio diversification by maturity and type.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Local Government Investment Pools - The local government investment pools in Texas are required by State statute to be rated no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service. Pools must comply with the restrictions of state statute (Local Government Code 2256.016).

Portfolio disclosure as of August 31, 2024 and 2023

- TexPool - S&P rated AAA-m.

Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. In order to limit interest and market rate risk from changes in interest rates, the BRA's adopted Policy sets a maximum maturity on any investment of three years in current operating funds and five years in repair and replacement funds and operating reserve funds. Bond proceeds are to be matched to the planned expenditures of the funds. The Policy restricts the dollar weighted average maturity (WAM) of current operating funds to less than 365 days. The maximum dollar WAM for repair and replacement funds is two years, for operating reserve funds is three years, and for debt service funds is one year.

Portfolio disclosure as of August 31, 2024 and 2023:

- TexPool – WAM 36 days and 23 days respectively.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to a government’s investment in a single issuer. The BRA is not exposed to concentration of credit risk. The BRA's adopted Policy requires diversification on all investments and diversification is monitored on at least a monthly basis and for that reason the BRA is not exposed to concentration of credit risk. Diversification by investment type is established by Policy with the following maximum percentages of investment type to the total BRA investment portfolio:

	<u>Maximum</u>
a. U.S. Treasury Bills/Notes/Bonds.....	90%
b. U.S. Agencies & Instrumentalities	90%
c. States, Agencies, Counties, Cities, & Other	50%
Limit per issuer.....	5%
d. Financial Institution Deposit.....	100%
e. Authorized Local Government Investment Pools.....	75%
Limit per pool.....	50%
f. Money Market Mutual Funds.....	75%
Limit per fund.....	50%
g. Repurchase Agreements.....	50% (excluding bond proceeds)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the BRA will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. To control custody risk, State law and the BRA's adopted Policy requires all BRA owned securities, and all repurchase agreement collateral be transferred delivery versus payment and all owned securities, repurchase agreement collateral and collateral pledged for time and demand deposits be held by an independent party approved by the BRA in the BRA's account. By policy and contract, repurchase agreements and deposits must be collateralized to 102% of principal and interest by obligations of the U.S. Government, its agencies and instrumentalities including mortgage backed

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

securities which pass the high-risk mortgage obligation test or obligations of municipal entities of any state rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent or collateralized at 100% of principal and interest by a Letter of Credit issued or guaranteed by the U.S. Government, its agencies and instrumentalities. All financial institution demand deposits and money market deposit accounts were fully insured and collateralized. All pledged financial institution collateral for demand deposits were held by an independent institution outside the financial institution's holding company.

Brazos River Authority Fiduciary Fund

The fiduciary financial statements include one fiduciary fund related to the BRA's employee benefit plans: the Retirement Plan for Employees of Brazos River Authority.

Retirement Plan for Employees of Brazos River Authority

Investment Policy

The investment policy's objectives are to insulate the Plan's assets against deterioration of purchasing power caused by inflation and over time provide, at a minimum, the Plan's actuarially assumed rate of return of the Plan's assets and provide an acceptable level of volatility in both long and short-term periods. The Plan's Investment Policy spells out the responsibilities of both the investment consultant and the Retirement Committee. The Plan's investment decisions are made by the investment managers following guidelines established by the Committee. The investment managers are responsible for determining investment strategy and implementing security selection within the policy and guideline limitations.

Funding Policy

This Funding Policy outlines a formal long-term strategy for financing the Plan's obligations with the goal of achieving a funded ratio that is equal to or greater than 100%, as required by Texas Government Code 802.2011. This Funding Policy's primary funding priorities are: 1) Ensure the security of accrued benefits by making certain contributions and assets are sufficient to pay benefits when due, 2) Limit the volatility of contribution rates for the Plan, consistent with other funding objectives and, 3) To target a 100% funding percentage that is attained over as brief a period as possible using a closed-period funding.

Investment Policy Target Allocation

The following was the Committee's adopted targeted mixture of asset allocation policy as of the Plan year ended February 29, 2024 and February 28, 2023.

Asset Class	Minimum	Maximum	Target
Domestic Large Cap Equity	15%	40%	30%
Domestic Sm/Mid Cap Equity	7.5%	12.5%	10%
International Equity	12.5%	17.5%	15%
Total Fixed Income	15%	40%	25%
Real Estate Investment Trusts	0%	20%	10%
Global Tactical Assets	0%	15%	10%

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Investments

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level one inputs are unadjusted quoted prices in active markets for identical assets; Level two inputs are significant other observable inputs other than quoted market prices included in Level one that are observable directly or indirectly; Level three inputs are unobservable inputs representing the Plan's own assumptions about the assumptions a market participant would use in valuing the investment. The Plan's investments in mutual funds are classified as level one investments based on quoted market prices. Alternative investments are valued at fair value, determined by the NAV of the partnership shares.

The following table summarizes the inputs used as of February 29, 2024:

	Fair Value Measurements Using			
	2/29/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity Securities				
Mutual funds - equities	\$9,828	\$9,828	-	-
Mutual funds – international funds	3,538	3,538	-	-
Mutual funds - REIT	1,079	1,079	-	-
Total equity securities	14,445	14,445	-	-
Fixed Income Securities				
Mutual funds – fixed income	5,076	5,076	-	-
Total investments by fair value level	19,521	\$19,521	-	-
Limited partnership – hedge fund fixed income strategy	2,486			
Limited partnership	1,546			
Total investments measured at NAV	4,032			
Total investments measured at fair value	\$23,553			

The carrying value for investments measured at NAV as of February 29, 2024 are as follows:

Investments Measured at Net Asset Value	Carrying Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership – hedge fund fixed income strategy ¹	\$ 2,486	None	Semi-annually	90 days
Limited partnership ²	1,546	\$364	Not applicable	
Total investments measured at NAV	\$ 4,032			

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The following table summarizes the inputs used as of February 28, 2023:

	2/28/2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity Securities				
Mutual funds - equities	\$8,873	\$8,873	-	-
Mutual funds – international funds	3,087	3,087	-	-
Mutual funds - REIT	966	966	-	-
Total equity securities	12,926	12,926	-	-
Fixed Income Securities				
Mutual funds – fixed income	4,702	4,702	-	-
Total investments by fair value level	17,628	\$17,628	-	-
Limited partnership – hedge fund fixed income strategy	2,375			
Limited partnership	1,561			
Total investments measured at NAV	3,936			
Total investments measured at fair value	\$21,564			

The carrying value for investments measured at NAV as of February 28, 2023 are as follows:

Investments Measured at Net Asset Value	Carrying Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership – hedge fund fixed income strategy ¹	\$ 2,375	None	Semi-annually	90 days
Limited partnership ²	1,561	\$543	Not applicable	
Total investments measured at NAV	\$ 3,936			

¹Limited Partnership – Starwood Global Opportunity XI Fund

The Partnership intends to acquire real estate assets at significant discounts to replacement cost with the potential for improvement in operations. The Fund will target submarkets in the United States and Europe where new construction is limited or near cyclical lows, and where market fundamentals (including employment projections) indicate strong and growing demand. In the U.S., the Fund seeks to focus on opportunistic real estate investments blended with high-quality cash-flowing assets, with more than half of the fund-level return expected to come from current income. The Fund will focus on real estate opportunities that are undervalued due to micro- and macroeconomic factors. In Europe, the Fund seeks to focus on acquiring distressed real estate assets that may require recapitalization or repositioning, along with cash-flowing real estate assets acquired on an attractive basis.

¹Limited Partnership – Hedge fund – PIMCO Tactical Opportunities Offshore Fund, LP

The Fund invests all or substantially all of its assets in PIMCO Tactical Opportunities Master Fund Ltd. The Fund's and the Master Fund's investment objective is to seek returns by investing principally in (or otherwise gaining exposure to) performing, stressed or distressed securities and loans of any type and with any sector across the global fixed income markets.

²Limited Partnership –LBC Credit Partners IV, LP

The Partnership was established to provide a high degree of current income primarily through the origination and management of a diversified portfolio of privately negotiated, secured, high-yielding loans to middle-market corporate borrowers, cash flow loans, unsecured mezzanine loans, broadly syndicated corporate loans, equity participations, corporate leases, debtor-in-possession loans, loan pools and bonds traded in the primary and secondary markets.

²Limited Partnership –Apollo Total Return Fund

The Fund is a long-only global multi-sector credit strategy designed to leverage Apollo's entire credit platform. The strategy focuses on four main sectors: US corporate credit, global credit, structured credit, and real estate credit. The strategy is unconstrained in nature and can invest in a mix of public and private credits ranging between investment grade and high yield. While the strategy has the ability to invest in CCC rated securities, it will not invest in distressed assets.

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Rate of Return and Risk

For the years ended February 29, 2024, and February 28, 2023 the annual money-weighted rate of return on the Plan investments, net of pension plan investment expense, was 14.75% and -6.33%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

The Plan's investments are subject to various risks that have the potential to result in losses. These risks are custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Each risk is described in detail on the following pages.

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of a counterparty to a transaction, the Plan will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held by the counterparty, its trust or agent, but not in the Plan's name. The Plan has no investment policy regarding custodial credit risk. The Plan is not exposed to custodial credit risk because all securities are held by the Plan's custodian in the Plan's name.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan investment policy manages foreign currency risk by limiting investments in foreign companies to 17.5% of the Plan's assets, and employing investment managers that select companies whose results are not necessarily tied to the currency of their country of origin. The Plan's investment in the SOF-XI VIP fund and the Euro Pacific Growth fund, were the only funds of the Plan that were exposed to foreign currency risk at February 29, 2024, and February 28, 2023.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan's investment policy states that all investment managers have full discretion in the management of those assets of the Plan allocated to the investment manager(s), subject to prospectus or the overall investment guidelines set by the Committee. Those prospectus state that manager(s) shall not purchase common stock or securities convertible into stock of any issuer if the purchase would cause the portfolio's assets to reach five percent (5%) of the outstanding voting stock; or more than ten percent (10%) in fair value of all outstanding securities of a single issuer. Since it is the policy of the Plan to employ multiple managers with different investment strategies and styles, the single issuer concentrations are further reduced. Securities issued by or backed by the full faith and credit of the U.S. Government and mutual funds are not subject to concentration of credit risk.

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There were no investments in any one issuer in excess of 5% of plan investments at February 29, 2024 or February 28, 2023. However, the following were investments in any one organization that represent 5% or more of fiduciary net position at February 29, 2024 and February 28, 2023 (other than those issued or guaranteed by the U.S. Government):

Security Name	Classification	FYE 2024	FYE 2023
		Fair Value >5%	Fair Value >5%
Euro Pacific Growth Fund	International fund	\$3,538	\$3,087
Metropolitan West Fund	Fixed Income	2,150	2,061
PIMCO	Limited Partnership-Hedge Fund	1,227	1,143
SOF-XI VIP	Limited Partnership-Hedge Fund	1,259	1,232
Apollo Total Return Fund	Partnership	1,269	1,249
Vanguard 500 Fund	Equities-large cap	7,421	6,592
Diamond Hill Small Cap	Equities small cap	-	1,146
Vanguard Midcap Fund	Equities-mid cap	1,275	1,134
Blackrock Multi-Asset Income fund	GTAA	1,219	1,117
JPMorgan Income Builder Fund	GTAA	-	1,120

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan investment policy manages credit risk by limiting investments in equities and fixed income securities to those determined as creditworthy by the investment managers and listed as investment grade by nationally recognized rating agencies. Furthermore, the Plan restricts, and is monitored by the Investment Consultant, equity transactions involving:

- Common stock in non-public corporations,
- Short sales of any type,
- Letter stock and buying or selling on margin.

As of February 29, 2024 and February 28, 2023, the credit ratings for mutual funds in fixed income securities were as follows:

Security Name	FYE 2024	FYE 2023
	Credit Rating	Credit Rating
Metropolitan West Fund	AA-	AA-
Vanguard Short Term Fund	A-	A-
Blackrock Multi-Asset Income Fund	BB+	BB+
JP Morgan Income Builder Fund	BB	BB-

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Plan's investment policy states it is set to establish asset allocation parameters that will provide for sufficient diversification of asset classes to control investment risk and achieve the investment return objectives. The Plan is exposed to minimal interest rate risk, since more than 80% of the fixed income allocation of the plan has an average maturity of less than 4 years and is benchmarked to the Bloomberg U.S. Intermediate Government/Credit. The Plan's investment in the Metropolitan West Intermediate Bond fund has a dollar-weighted average maturity expected to range from three to seven years. The average duration of this fund was approximately 4.5 years and 4.4 years at February 29, 2024 and February 28, 2023, respectively. The Plan's investment in the Vanguard Short-Term Investment Grade Admiral Bond fund has a dollar-weighted average maturity expected to range from one to four years. The average duration of this fund was approximately 2.5 years and 3.1 years at February 29, 2024 and February 28, 2023, respectively.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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3. RESTRICTED ASSETS

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

Net position has been restricted for the excess of restricted assets over related liabilities to the extent such restricted assets were accumulated from revenues (i.e., in some cases, restricted assets were obtained in total or in part from the proceeds of bond sales or grants).

Restricted assets represent:

- *Bond Proceeds funds* - Construction of facilities, restricted by purpose of the debt issuance.
- *Debt Service funds* - Current interest and principal of bonded indebtedness, as required by bond covenants.
- *Bond Reserve funds* - Payment of final serial maturity on bonded indebtedness or payment of principal and interest of bonded indebtedness when and to the extent the amount in the debt service funds are insufficient, as required by bond covenants.
- *Repair and Replacement funds* – Unexpected or extraordinary expenditures for which funds are not otherwise available or for debt service to the extent of debt service funds deficiencies as required by bond covenants.
- *Net Pension assets* – Represents the Plan Fiduciary Net Position that is greater than the Plan’s Total Pension Liability which funds must be used to fund employee benefits.
- *Other funds* – On October 1, 2023 the BRA executed an irrevocable standby Letter of Credit in favor of the City of Sugar Land for the purpose of securing the BRA’s performance under a contract for the operation, maintenance, and management of the City of Sugar Land’s wastewater treatment plants and reclaimed water facility in the amount of \$4.9 million. This is in addition to other miscellaneous contractual obligations.

Interest and redemption (sinking funds), reserve funds, and contingency funds have been established as required, in accordance with bond resolutions. Funds may be placed in secured time deposits or invested in direct obligations of, or obligations guaranteed by, the U.S. Government. Interest earned is retained in the applicable funds or transferred to meet debt service requirements in accordance with bond resolutions.

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The cash and cash equivalents, investments, and accrued interest components of each fund represented by restricted assets at August 31, 2024 and 2023 were as follows:

	2024			2023		
	Cash and Cash Equivalents	Investments	Accrued Interest	Cash and Cash Equivalents	Investments	Accrued Interest
CURRENT RESTRICTED:						
Water Supply System:						
Debt service funds	\$ 1,390	\$ -	\$ -	\$ 1,017	\$ -	\$ -
Other funds	152	-	-	216	-	-
Water Supply System Total	<u>1,542</u>	<u>-</u>	<u>-</u>	<u>1,233</u>	<u>-</u>	<u>-</u>
Cost Reimbursable Operations:						
Debt service funds	2,915	-	-	2,761	-	-
Cost Reimbursable Operations Total	<u>2,915</u>	<u>-</u>	<u>-</u>	<u>2,761</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT RESTRICTED	<u>\$ 4,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,994</u>	<u>\$ -</u>	<u>\$ -</u>
NONCURRENT RESTRICTED:						
Water Supply System:						
Bond reserve funds	\$ 876	\$ 4,737	\$ 19	\$ 870	\$ 1,438	\$ 10
Repair and replacement funds	1	5,000	43	-	5,025	20
Other funds	45	4,957	-	-	4,504	-
Water Supply System Total	<u>922</u>	<u>14,694</u>	<u>62</u>	<u>870</u>	<u>10,967</u>	<u>30</u>
Cost Reimbursable Operations:						
Bond proceeds	450	-	-	1,785	-	-
Repair and replacement funds	-	512	-	-	513	4
Cost Reimbursable Operations Total	<u>450</u>	<u>512</u>	<u>-</u>	<u>1,785</u>	<u>513</u>	<u>4</u>
TOTAL NONCURRENT RESTRICTED	<u>\$ 1,372</u>	<u>\$ 15,206</u>	<u>\$ 62</u>	<u>\$ 2,655</u>	<u>\$ 11,480</u>	<u>\$ 34</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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4. CAPITAL ASSETS

A summary of changes in capital assets for August 31, 2024 follows:

Classification	Balance at September 1, 2023	Additions and Transfers	Deletions and Transfers	Balance at August 31, 2024
Capital assets, not being depreciated/amortized:				
Land, storage and water rights	\$ 184,109	\$ 1,646	\$ -	\$ 185,755
Construction in progress	32,759	12,430	-	45,189
Total capital assets, not being depreciated/amortized	216,868	14,076	-	230,944
Capital assets, being depreciated/amortized:				
Reservoirs, water treatment and sewerage facilities	139,472	-	-	139,472
Buildings, structures and improvements	122,266	362	(125)	122,503
Vehicles	5,004	680	(311)	5,373
Furniture	771	90	(228)	633
Computers	4,371	23	(16)	4,378
Right to use subscription based assets	1,093	151	(18)	1,226
Tools and heavy equipment	12,119	706	(324)	12,501
Total capital assets, being depreciated/amortized	285,096	2,012	(1,022)	286,086
Total Capital Assets	\$ 501,964	\$ 16,088	\$ (1,022)	\$ 517,030
Less accumulated depreciation/amortization:				
Reservoirs, water treatment and sewerage facilities	\$ 70,583	\$ 2,318	\$ -	\$ 72,901
Buildings, structures and improvements	71,848	5,113	(125)	76,836
Vehicles	2,996	571	(305)	3,262
Furniture	738	4	(228)	514
Computers	3,793	162	(13)	3,942
Right to use subscription based assets	416	330	-	746
Tools and heavy equipment	7,238	720	(314)	7,644
Total accumulated depreciation/amortization	\$ 157,612	\$ 9,218	\$ (985)	\$ 165,845
Net Capital Assets	\$ 344,352	\$ 6,870	\$ (37)	\$ 351,185

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A summary of changes in capital assets for August 31, 2023 follows:

Classification	Balance at September 1, 2022	Additions and Transfers	Deletions and Transfers	Balance at August 31, 2023
Capital assets, not being depreciated/amortized:				
Land, storage and water rights	\$ 184,111	\$ -	\$ (2)	\$ 184,109
Construction in progress	<u>19,797</u>	<u>14,752</u>	<u>(1,790)</u>	<u>32,759</u>
Total capital assets, not being depreciated/amortized	<u>203,908</u>	<u>14,752</u>	<u>(1,792)</u>	<u>216,868</u>
Capital assets, being depreciated/amortized:				
Reservoirs, water treatment and sewerage facilities	139,472	-	-	139,472
Buildings, structures and improvements	119,818	695	1,753	122,266
Vehicles	4,470	948	(414)	5,004
Furniture	736	35	-	771
Computers	4,251	120	-	4,371
Right to use subscription based asset	964	129	-	1,093
Tools and heavy equipment	<u>11,803</u>	<u>864</u>	<u>(548)</u>	<u>12,119</u>
Total capital assets, being depreciated/amortized	<u>281,514</u>	<u>2,791</u>	<u>791</u>	<u>285,096</u>
Total Capital Assets	<u>\$ 485,422</u>	<u>\$ 17,543</u>	<u>\$ (1,001)</u>	<u>\$ 501,964</u>
Less accumulated depreciation/amortization:				
Reservoirs, water treatment and sewerage facilities	\$ 67,714	\$ 2,869	\$ -	\$ 70,583
Buildings, structures and improvements	66,810	5,072	(34)	71,848
Vehicles	2,893	501	(398)	2,996
Furniture	736	2	-	738
Computers	3,555	238	-	3,793
Right to use subscription based asset	99	317	-	416
Tools and heavy equipment	<u>7,099</u>	<u>619</u>	<u>(480)</u>	<u>7,238</u>
Total accumulated depreciation/amortization	<u>\$ 148,906</u>	<u>\$ 9,618</u>	<u>\$ (912)</u>	<u>\$ 157,612</u>
Net Capital Assets	<u>\$ 336,516</u>	<u>\$ 7,925</u>	<u>\$ (89)</u>	<u>\$ 344,352</u>

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5 SERIES 2023A TAXABLE BONDS

On May 2, 2022, the BRA purchased the City of Houston's share of the Allens Creek Reservoir Project whereby the BRA had a 30 percent ownership in the Project and the City had a 70% percent ownership in the Project. The BRA compensated the City of Houston, \$45,990. Under Federal tax law, an entity can reimburse itself, from tax-exempt debt proceeds, but must do this within 18 months from the expenditure date.

The cutoff date for this reimbursement treatment was November 2, 2023. The BRA had been approved for financing with the Texas Water Development Board (TWDB), but the reimbursement date was scheduled for closing on November 2, 2023. If the closing was delayed by even one day, the BRA would be outside the 18 month reimbursement requirement and could not reimburse itself with the tax-exempt bonds. Due to this timing risk, the short-term financing protected the BRA from the financial consequences.

On August 15, 2023, the BRA entered into an agreement for short-term taxable bonds with PNC Bank, N.A. (the "Lender") in the amount of forty six million dollars. This short-term financing was needed to bridge the gap between the expenditure reimbursement date requirement and the BRA's closing date with the TWDB.

The Lender is engaged in the business of purchasing obligations such as the Bond described below and acknowledges that the BRA is issuing its \$46,000, Brazos River Authority Water Supply System Revenue Bond, Taxable New Series 2023A (the Bond"). The Bonds were issued under the authority of Chapter 8502, Texas Special District Local Laws Code. The principal of the Bond were payable in full on February 15, 2024 or upon prior redemption at the option of the BRA. The outstanding principal balance of the Bond initially beared interest at a rate of 5.92% per annum, calculated on the basis of a 360-day year of twelve 30-day months, through October 15, 2023. On and after October 16, 2023, the outstanding principal of the Bond shall bear interest at the Daily BSBY Rate (as defined in the Resolution) plus 0.45%, until maturity or prior redemption. The Bond does qualify as a direct placement bond, as defined in GASB 88 paragraph 2. The BRA recorded, on the Statement of Net Position and the Statement of Revenue, Expenses and Changes in Net Position and amount for accrued interest payable and accrued interest expense for interest accrued between payment dates in the amount of \$121 as of August 31, 2023.

The refinancing of the short-term debt with the TWDB long term financing, in the following year, resulted in the \$46,000 to be treated as a long term obligation, in Fiscal Year 2023, as required by GASB 62. Additional information can be found in Note 7 of this report.

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6. UNEARNED REVENUES

Amounts collected from contracting parties relating to long-term contracts are recorded as noncurrent unearned revenues and are amortized to income over periods equal to the lives of the assets being used to provide services under the long-term contracts on a straight-line basis. Amounts collected in advance from contracting parties that do not yet meet the criteria for revenue recognition are recorded as current unearned revenues until eligible costs are incurred. Unearned revenues at August 31, 2024 and 2023 were as follows:

	2024		2023	
	Current Unearned Revenues	Noncurrent Unearned Revenues	Current Unearned Revenues	Noncurrent Unearned Revenues
Unrestricted				
Water Supply System:				
Lake Granbury	\$ 3	\$ -	\$ -	\$ -
Lake Limestone	6	-	-	-
Possum Kingdom Lake	11	-	20	-
Federal Reservoirs	8,046	-	9,373	-
Other Water Supply System	93	-	152	-
Total Water Supply System	<u>8,159</u>	<u>-</u>	<u>9,545</u>	<u>-</u>
Cost Reimbursable Operations:				
Williamson County RRWL	4,362	-	246	45
Temple-Belton WWTP	2,483	-	3,020	-
Clute-Richwood RWS	110	-	606	-
Hutto WWS	564	-	902	-
Leander	309	-	278	-
Total Cost Reimbursable Operations	<u>7,828</u>	<u>-</u>	<u>5,052</u>	<u>45</u>
Total Unrestricted	<u>\$ 15,987</u>	<u>\$ -</u>	<u>\$ 14,597</u>	<u>\$ 45</u>
Restricted				
Cost Reimbursable Operations:				
Williamson County RRWL	\$ 2,778	\$ -	\$ 2,517	\$ -
Total Restricted	<u>\$ 2,778</u>	<u>\$ -</u>	<u>\$ 2,517</u>	<u>\$ -</u>

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7. NONCURRENT LIABILITIES

Revenue Bonds Payable

Revenue bonds payable consists of the following at August 31, 2024:

	Balance at September 1, 2023	Additions	Retired	Balance at August 31, 2024	Amount Due Within One Year
<i>Water Supply System:</i>					
Series 2009 Revenue Bonds*	\$ 7,770	\$ -	\$ 1,215	\$ 6,555	\$ 1,245
Series 2015 Revenue Bonds	11,415	-	810	10,605	835
Series 2023A Taxable Bonds	46,000	-	46,000	-	-
Series 2023B Revenue Bonds*	-	33,225	630	32,595	685
Series 2023C Revenue Bonds*	-	16,365	-	16,365	-
Total Water Supply System	<u>\$ 65,185</u>	<u>\$ 49,590</u>	<u>\$ 48,655</u>	<u>\$ 66,120</u>	<u>\$ 2,765</u>
<i>Cost Reimbursable Operations:</i>					
Series 2019 Revenue Bonds	\$ 11,215	\$ -	\$ 1,070	\$ 10,145	\$ 1,100
Series 2020 Revenue Bonds	10,990	-	1,250	9,740	1,290
Total Cost Reimbursable Operations	<u>\$ 22,205</u>	<u>\$ -</u>	<u>\$ 2,320</u>	<u>\$ 19,885</u>	<u>\$ 2,390</u>
<i>Net Premium/(Discount) on revenue bonds payable</i>	<u>\$ 1,962</u>	<u>\$ -</u>	<u>\$ 403</u>	<u>\$ 1,559</u>	<u>\$ -</u>
<i>Total Net Revenue Bonds Payable</i>	<u>\$ 89,352</u>	<u>\$ 49,590</u>	<u>\$ 51,378</u>	<u>\$ 87,564</u>	<u>\$ 5,155</u>

***Bonds represent the BRA's Direct Placement Bonds for the Fiscal Year.**

Revenue bonds payable consists of the following at August 31, 2023:

	Balance at September 1, 2022	Additions	Retired	Balance at August 31, 2023	Amount Due Within One Year
<i>Water Supply System:</i>					
Series 2009 Revenue Bonds*	\$ 8,955	\$ -	\$ 1,185	\$ 7,770	\$ 1,215
Series 2015 Revenue Bonds	12,195	-	780	11,415	810
Series 2023A Taxable Bonds	-	46,000	-	46,000	-
Total Water Supply System	<u>\$ 21,150</u>	<u>\$ 46,000</u>	<u>\$ 1,965</u>	<u>\$ 65,185</u>	<u>\$ 2,025</u>
<i>Cost Reimbursable Operations:</i>					
Series 2019 Revenue Bonds	\$ 12,255	\$ -	\$ 1,040	\$ 11,215	\$ 1,070
Series 2020 Revenue Bonds	12,205	-	1,215	10,990	1,250
Total Cost Reimbursable Operations	<u>\$ 24,460</u>	<u>\$ -</u>	<u>\$ 2,255</u>	<u>\$ 22,205</u>	<u>\$ 2,320</u>
<i>Net Premium/(Discount) on revenue bonds payable</i>	<u>\$ 2,409</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>\$ 1,962</u>	<u>\$ -</u>
<i>Total Net Revenue Bonds Payable</i>	<u>\$ 48,019</u>	<u>\$ 46,000</u>	<u>\$ 4,667</u>	<u>\$ 89,352</u>	<u>\$ 4,345</u>

On November 2, 2023, the Authority redeemed the outstanding debt in the amount of \$46,000 for the *Series 2003A Taxable Short Term Bonds*.

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Revenue bonds payable at August 31, 2024 and 2023 are further detailed as follows:

Water Supply System:

- *Series 2009 (\$22,000) (Direct Placement Bonds) Brazos River Authority* – revenue bonds – with the TWDB - for the construction of a new deep-water intake structure, raw water pump station and transmission pipeline at Granger Lake due in annual installments of \$1,060 to \$1,380 through 2029; interest at .174% to 2.815%
- *Series 2015 (\$16,860) Brazos River Authority Refunding Bonds* – Proceeds from the sale of the bonds were used to refund the Water Supply System Revenue Bonds, Series 2006 (Originally issued to fund the expansion of the East Williamson County Regional Water System.) The new bonds are due in annual installment of \$590 to \$1,120 through 2035; interest at 2.0% to 4.0%
- *Series 2023B (new) (\$33,225) (Direct Placement Bonds) Brazos River Authority Water Supply Revenue Bonds* – Proceeds from the sale of the bonds were used to refund the Series 2023A Short Term Taxable Bonds in order to affect a restructuring the Authority’s debt service. The new bonds are due in annual installment of \$630 to \$1,825 through 2053; interest at 3.02% to 4.27%
- *Series 2023C (new) (\$16,365) (Direct Placement Bonds) Brazos River Authority Water Supply Revenue Bonds* – Proceeds from the sale of the bonds were used to refund the Series 2023A Short Term Taxable Bonds in order to affect a restructuring the Authority’s debt service. The new bonds are due in annual installment of \$475 to \$1,145 starting in 2032 through 2053; interest at 3.66% to 4.96%

Cost Reimbursable Operation:

- *Series 2019 (\$14,095) Brazos River Authority Contract Revenue Refunding Bonds, (Williamson County Regional Raw Water(Line Project) - to refund the outstanding payment obligations pursuant to that certain Master Agreement between the Texas Water Development Board and the BRA relating to the construction and acquisition of the Williamson County Regional Raw Water Line, Effective as of November 3, 1999 (the “refunded Obligations”); due in annual payments of \$830 to \$1,540 through 2032; interest at 3.0% to 5.0%*
- *Series 2020 (\$13,375) Brazos River Authority Contract Revenue Refunding and Improvement Bonds, (Williamson County Regional Raw Water Line Project) - to refund the outstanding Series 2011 Contract Revenue and Refunding Bonds, along with other funds, to (i) add a copper ion generator, (ii) pay the cost of engineering and design, and (iii) pay issuance cost on the Bonds; due in annual payments of \$1,170 to \$1,510 through 2030; interest at 2.0% to 3.0%*

The BRA’s outstanding revenue bonds and outstanding direct placement bonds contain event of default that states the owners may seek a writ of mandamus to compel the BRA or BRA officials to carry out the legally imposed duties with respect to the bonds if there is no other available remedy at law to compel performance of the bonds or the resolution and the BRA’s obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rest with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Management has evaluated the event of default or termination provisions with possible finance-related consequences and in the opinion of BRA’s management, the likelihood is remote that these provisions will have a significant effect on the BRA’s financial position or results of operations. In addition, no collateral is pledged on the bonds, only the Net Revenues of the BRA.

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The Water Supply System bond covenants require that the BRA will fix, establish, maintain and collect such rates, charges and fees for the use and availability of the System at all times as are necessary to produce Net Revenues for each year, which are at least 1.10 times the maximum annual debt service requirements of all then outstanding bonds and additional parity obligations. For the years ended August 31, 2024 and 2023, the BRA’s coverage rate was 6.90 and 8.65, respectively. The BRA was in compliance with this bond covenant.

The BRA has adopted the provisions of Governmental Accounting Standards Board Statement No. 23, as amended, “*Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities.*” The Statement requires that the difference between the reacquisition price and the net carrying amount of the refunded old debt be deferred and amortized as a component of interest expense in a systematic and rational manner over the shorter of the life of the old debt or the life of the new debt. GASB 65 further requires the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflows of resources or a deferred inflows of resources. For the years ended August 31, 2024 and 2023 the cumulative unamortized deferred outflows of resources amounted to \$147 and \$165, respectively. The deferred amount resulted from refunding of debt in 2011 and 2020 for the period ending August 31, 2021 and refunding of debt in 2011 and 2015 for period ending August 31, 2020.

Annual requirements to retire revenue bonds outstanding including interest at August 31, 2024 are:

	Revenue Bonds		Direct Placement Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 3,225	\$ 902	\$ 1,930	\$ 1,409
2026	3,310	818	1,980	1,355
2027	3,415	709	2,035	1,300
2028	3,510	581	2,090	1,242
2029	3,630	462	2,145	1,182
2030-2034	12,280	874	5,765	7,472
2035-2039	1,120	18	7,665	7,916
2040-2044	-	-	9,310	6,150
2045-2049	-	-	11,465	3,860
2050-2053	-	-	11,130	1,037
Total	<u>\$ 30,490</u>	<u>\$ 4,364</u>	<u>\$ 55,515</u>	<u>\$ 32,923</u>

Arbitrage Rebate Requirement:

When investment earnings on bond proceeds exceed the cost of those bonds, there is an arbitrage gain. Federal law requires that arbitrage gains on tax-exempt bonds be rebated back to the United States Treasury. At August 31, 2024 and 2023, the BRA had no material arbitrage liability.

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Contracts Payable consists of the following at August 31, 2024:

	Balance at September 1, 2023	Retired/ (Additions)	Balance at August 31, 2024	Amts Due Within One Year
\$5,124 to acquire water conservation storage space in the Belton Reservoir; due in annual installments of principal and interest of \$170 through 2006 and \$126 from 2007 through 2024; interest at 2.50% to 2.54%	\$ 124	\$ 124	\$ -	\$ -
\$7,383 to acquire water conservation storage space in the Somerville Reservoir; due in annual installments of principal and interest of \$266 through 2023 and \$253 from 2024 through 2027; interest at 2.74%	947	227	720	233
\$15,178 to acquire water conservation storage space in the Granger Reservoir; due in annual installments of principal and interest of \$599 through 2041 and \$598 in 2042; interest at 3.25%	8,393	326	8,067	337
\$7,130 to acquire water conservation storage space in the Georgetown (formerly Northfork) Reservoir; due in annual installments of principal and interest ranging from \$285 through 2032 to \$135 in 2042; interest at 3.25%	3,466	172	3,294	178
\$5,439 to fund the required repair, replacement and rehabilitation of the Belton Reservoir, due in annual installments of principal and interest of \$311 through 2043; interest at 4.25%	3,612	157	3,455	164
Total	<u>\$ 16,542</u>	<u>\$ 1,006</u>	<u>\$ 15,536</u>	<u>\$ 912</u>

Contracts Payable consists of the following at August 31, 2023:

	Balance at September 1, 2022	Retired/ (Additions)	Balance at August 31, 2023	Amts Due Within One Year
\$5,124 to acquire water conservation storage space in the Belton Reservoir; due in annual installments of principal and interest of \$170 through 2006 and \$126 from 2007 through 2024; interest at 2.50% to 2.54%	\$ 244	\$ 120	\$ 124	\$ 124
\$7,383 to acquire water conservation storage space in the Somerville Reservoir; due in annual installments of principal and interest of \$266 through 2023 and \$253 from 2024 through 2027; interest at 2.74%	1,180	233	947	227
\$15,178 to acquire water conservation storage space in the Granger Reservoir; due in annual installments of principal and interest of \$599 through 2041 and \$598 in 2042; interest at 3.25%	8,709	316	8,393	326
\$7,130 to acquire water conservation storage space in the Georgetown (formerly Northfork) Reservoir; due in annual installments of principal and interest ranging from \$285 through 2032 to \$135 in 2042; interest at 3.25%	3,633	167	3,466	172
\$5,439 to fund the required repair, replacement and rehabilitation of the Belton Reservoir, due in annual installments of principal and interest of \$311 through 2043; interest at 4.25%	3,763	151	3,612	157
Total	<u>\$ 17,529</u>	<u>\$ 987</u>	<u>\$ 16,542</u>	<u>\$ 1,006</u>

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Annual requirements to retire contracts payable outstanding, including interest at August 31, 2024, were:

	Contracts Payable		
	Principal	Interest	Total
2025	\$ 912	\$ 536	\$ 1,448
2026	942	506	1,448
2027	973	475	1,448
2028	752	443	1,195
2029	778	417	1,195
2030-2034	4,297	1,654	5,951
2035-2039	4,671	869	5,540
2040-2042	2,211	142	2,353
Total	<u>\$ 15,536</u>	<u>\$ 5,042</u>	<u>\$ 20,578</u>

Subscription Based Information Technology Arrangements (SBITA)

In June of Fiscal Year 2022, the BRA entered into a subscription arrangement with Microsoft for a volume licensing and entered into a three year agreement. The three year contract began on July 1, 2022 and ends June 30, 2025.

In January of Fiscal Year 2021, the BRA entered into a subscription arrangement with TruePoint Solutions, LLC, for the right to use their utility billing software. The five year contract began on January 1, 2021 and ends December 31, 2026.

In December of Fiscal Year 2022, the BRA entered into a subscription arrangement with JPS Management Consulting LTD. for a Job Evaluation System. The five year contract began on January 1, 2022 and ends December 31, 2026.

In September of Fiscal Year 2024, the BRA entered into a subscription arrangement with My COI. for an Insurance tracking System. The ten year contract began on August 11, 2023, and ends August 10, 2033.

Subscription liabilities payable at August 31, 2024 are detailed as follows:

	Balance at September 1, 2023	Retired/ (Additions)	Balance at August 31, 2024	Amts Due Within One Year
Microsoft, expiration date June 30, 2025, incremental borrowing rate 3.05%	\$ 246	\$ 246	\$ -	\$ -
TruePoint utility billing system, expiration date December 31, 2026, incremental borrowing rate .039%	76	25	51	26
Encompassing Vision job evaluation system, expiration date December 31, 2026, incremental borrowing rate 1.24%	53	17	36	17
My COI, expiration date September 10, 2033, incremental borrowing rate 5.56% *	-	(119)	119	9
Total	<u>\$ 375</u>	<u>\$ 169</u>	<u>\$ 206</u>	<u>\$ 52</u>

* This represents the gross subscription payable of \$134 less the first years payment recorded on day one of the contract of \$15.

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Subscription liabilities payable at August 31, 2023 are detailed as follows:

	Balance at September 1, 2022	Retired/ (Additions)	Balance at August 31, 2023	Amts Due Within One Year
Microsoft, expiration date June 30, 2025, incremental borrowing rate 3.05%	\$ 484	\$ 238	\$ 246	\$ 245
TruePoint utility billing system, expiration date December 31, 2026, incremental borrowing rate .039%	101	25	76	25
Encompassing Vision job evaluation system, expiration date December 31, 2026, incremental borrowing rate 1.24%	69	16	53	17
Total	<u>\$ 654</u>	<u>\$ 279</u>	<u>\$ 375</u>	<u>\$ 287</u>

Annual requirements to retire subscription liabilities outstanding, including interest at August 31, 2024, were:

	Subscription Liabilities		Total
	Principal	Interest	
2025	\$ 52	\$ 7	\$ 59
2026	54	7	61
2027	11	6	17
2028	12	5	17
2029	13	4	17
2030-2033	64	9	73
Total	<u>\$ 206</u>	<u>\$ 38</u>	<u>\$ 244</u>

Allens Creek Contingent Compensation Liability

As part of the Allens Creek Reservoir Project (The Project) comprehensive settlement agreement between the City of Houston and the BRA, effective May 2, 2022, where the City of Houston agreed to grant, sell, transfer and convey to the BRA all of the City's rights and interest in any documents, reports and other personal property applicable to the water use permit, the project, the water yield and the reservoir site, the BRA will owe the City an additional amount of \$15 million dollars when the United States Army Corps of Engineers issues the Section 404 Permit, for the project, to the BRA. This liability has no payment schedule or interest requirements and the balance will remain at the \$15 million until the 404 Permit is approved.

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Other Noncurrent Liabilities Other noncurrent liability activity for the years ended August 31, 2024 and 2023 was as follows:

	Balance at September 1, 2023	Additions	Reductions	Balance at August 31, 2024	Amounts Due Within One Year
Other Liabilities:					
Trans TX Phase II	\$ 210	\$ -	\$ -	\$ 210	\$ -
Compensated Absences*	138	-	8	130	9
Due to Jonah SUD	933	837	836	934	-
Other	42	3	-	45	-
Total	<u>\$ 1,323</u>	<u>\$ 840</u>	<u>\$ 844</u>	<u>\$ 1,319</u>	<u>\$ 9</u>

	Balance at September 1, 2022	Additions	Reductions	Balance at August 31, 2023	Amounts Due Within One Year
Other Liabilities:					
Trans TX Phase II	\$ 210	\$ -	\$ -	\$ 210	\$ -
Compensated Absences*	133	14	9	138	10
Due to Jonah SUD	900	1,016	983	933	-
Other	40	2	-	42	-
Total	<u>\$ 1,283</u>	<u>\$ 1,032</u>	<u>\$ 992</u>	<u>\$ 1,323</u>	<u>\$ 10</u>

*Vacation and sick leave are from a frozen plan that employees historically retain until retirement. As a result, the amounts are recorded as long-term liabilities with a portion recorded as a current liability.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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8. NET POSITION

Details of Net Position of investment in capital assets:

	2024	2023
Net capital assets	\$ 351,185	\$ 344,352
Deferred outflows of resources	147	165
Revenue bonds payable - current & noncurrent	(87,564)	(89,352)
Contracts payable & subscription payable - current & noncurrent	(15,742)	(16,917)
Allens Creek contingent compensation liability	(15,000)	(15,000)
Unspent bond proceeds for construction	450	1,785
Construction contracts payable	(171)	(33)
Total Net Position of investment in capital assets	<u>\$ 233,305</u>	<u>\$ 225,000</u>

9. RETIREMENT PLANS

The BRA contributes to two employee retirement plans, the Retirement Plan for Employees of Brazos River Authority and the Texas County and District Retirement System. As of August 31, 2024, and 2023. The BRA had the following balances related to its pension accounts:

	BRA Plan	TCDRS Plan	2024 Total
Net Pension Liability	\$ 6,614	\$ -	\$ 6,614
Net Pension Asset	-	915	915
Deferred Outflows of Resources	-	2,382	2,382
Deferred Inflows of Resources	388	71	459
Pension Expense	64	1,261	1,325

	BRA Plan	TCDRS Plan	2023 Total
Net Pension Liability	\$ 9,170	\$ 823	\$ 9,993
Deferred Outflows of Resources	1,034	3,586	4,620
Deferred Inflows of Resources	-	100	100
Pension Expense	568	1,384	1,952

**BRAZOS RIVER AUTHORITY
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Retirement Plan for Employees of Brazos River Authority (Plan):

Plan Description

The Plan, a single employer plan, was established in 1959 by the BRA, a governmental agency of the State of Texas, and was amended and restated effective September 1, 1997. Prior to the revision, the Plan was an exclusive defined benefit structure. Effective September 1, 1997, the Plan was changed to a combination defined benefit and defined contribution structure (Internal Revenue Code Section 401 (a) plan) for all eligible employees who first become participants (or who reenter plan participation) on or after September 1, 1997. Employees who were active plan participants on August 31, 1997 made a one-time irrevocable election to choose either to remain under the benefit provisions of the prior plan as it existed August 31, 1997 or to have benefits determined under the new benefit provisions effective September 1, 1997. On July 16, 2007, the Board of Directors of the BRA adopted a resolution to freeze the Plan as of September 30, 2007. The resolution amended the Plan by closing the Plan to new entrants, freezing benefit accrual service, limiting compensation and service contributions to the defined contribution component of the Plan. On October 18, 2010, the Board of Directors of the BRA approved a resolution to amend and restate substantially the form of the Plan effective November 30, 2010. The resolution spun-off the defined contribution portion into its own plan and at the same time made effective November 30, 2010 the termination of the Defined Contribution Plan for Employees of Brazos River Authority. The Plan is administered by a Retirement Committee appointed by the BRA's Board of Directors and has a fiscal year end of the last day in February.

Copies of the Plan's audited annual financial report may be obtained from the BRA's office: P.O. Box 7555, Waco, TX 76714-5555 or on the BRA's website at www.brazos.org.

Benefits Provided

Eligible employees of the BRA, those hired before September 30, 2007, are covered by the Plan, which provides retirement, death and disability benefits. Provided, however, compensation for calendar years beginning on or after January 1, 2008 shall not be included in the determination of average monthly compensation. Effective September 1, 1997, the Plan was amended and the structure of benefits was changed. Employees who were active Plan participants on August 31, 1997 made a one-time irrevocable election to choose either to remain under the benefit provisions of the prior plan as it existed August 31, 1997 or to have benefits determined under the new benefit provisions effective September 1, 1997.

If electing the provisions prior to August 31, 1997, the participant was classified as a Prior Plan Electing Participant. The pension participant's retirement benefit under the Prior Plan Electing Participant status is determined by the following Formula A or Formula B (whichever produces the greater amount):

- (1) Formula A: The sum of (i) 1.75 percent of average monthly compensation multiplied by the participant's years of benefit accrual service, plus (ii) .52 percent of that portion, if any, of average monthly compensation that is in excess of monthly covered compensation multiplied by the participant's years of benefit accrual service up to a maximum of 35 years.
- (2) Formula B: The sum of (i) 2.70 percent of average monthly compensation multiplied by the participant's years of benefit accrual service up to a maximum of 22 years, plus (ii) 0.52 percent of average monthly compensation multiplied by the participant's years of benefit accrual service in excess of 22 years (up to a maximum of six years), plus (iii) 0.52 percent of that portion, if any, of average monthly compensation that is in excess of monthly covered compensation multiplied by the participant's years of benefit accrual service up to a maximum of 28 years.

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If electing the provisions after August 31, 1997 the participant’s benefit shall be determined by taking 1% of average monthly compensation multiplied by the participant’s years of benefit accrual service.

Employees covered by the Plan

Participation in the Plan, as of the beginning of the year evaluation date, March 1, 2024, and March 1, 2023, is composed of the following:

Group	2024	2023
Retirees and beneficiaries currently receiving benefits	135	132
Terminated Plan members entitled to but not yet receiving benefits	98	99
Beneficiaries	35	36
Active Plan members	46	53
Total	314	320

Contributions

The BRA’s employees were not required or allowed to contribute to the Plan. The BRA intends to make, but does not guarantee, annual contributions in amounts at least equal to the amounts that would be required to meet the minimum funding requirements of Section 412 of the Code. The actuarial valuations for the Plan for the valuation date of March 1, 2024 and March 1, 2023 were performed by The Howard E. Nyhart Company, Inc., and Arthur J. Gallagher & Co., respectively. A copy of the assumptions used and methods of determining the actuarial determined contribution for the fiscal years commencing September 1, 2023 and 2022 can be obtained by contacting the Human Resources Manager at 254-761-3104. The BRA made the minimum funding requirement for the plan years ending February 29, 2024 and February 28, 2023.

Net Pension Liability

The BRA’s net pension liability was measured as of March 1, 2024 and March 1, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

Actuarial assumptions. The total pension liability in the March 1, 2024 and March 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Information		
	2024	2023
Actuarial valuation date	March 1, 2024	March 1, 2023
Actuarial cost method	Entry age	Entry age
Actuarial Assumptions		
Investment return*	6.5%	6.5%
Projected salary increases	N/A**	N/A**
Inflation	2.5%	3.5%

*Includes inflation at the stated rate

** Not applicable due to the amendment to freeze the Plan to new entrants as of 2007

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The schedules of the BRA’s net pension liability, presented as required supplementary information (“RSI”) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the plan fiduciary net position.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The mortality rates were based on the Pub-2010 General Table, Fully Generational with Scale MP-2021 for the 2024 and 2023 evaluation.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target asset allocation as of the Plan’s fiscal year February 29, 2024 and February 28, 2023 are summarized in the following tables:

Target Allocation

<u>Asset Class</u>	<u>2024 and 2023</u>
Domestic equities	40%
International equity	15%
Domestic fixed income	25%
GTTA	10%
Real estate investment trusts	10%
Cash	0%

Long-Term Expected Real Rate of Return

<u>Asset Class</u>	<u>2024 and 2023</u>
Domestic equities	7.50%
International equity	8.50%
Domestic fixed income	2.50%
GTTA fixed income	5.50%
Real estate investment trusts	4.50%
Global Tactical Assets	7.80%
Cash	0.00%

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Discount rate

The discount rate used to measure the total pension liability was 6.5 % for both years. The projection of cash flows used to determine the discount rate assumed the contributions from the BRA will meet the minimum funding requirements as supplied by the actuarially determined computation. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity in the discount rate

The following presents the net pension liability of the BRA calculated using the discount rate of 6.5 percent, as well as what the BRA’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Brazos River Authority's Net Pension Liability				
	1 % Decrease (5.5%)	Current Discount Rate (6.5%)	1 % Decrease (7.5%)	
August 31, 2024	\$ 9,498	\$ 6,614	\$ 4,144	
August 31, 2023	\$ 12,178	\$ 9,170	\$ 6,602	

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 1, 2023	\$ 30,920	\$ 21,750	\$ 9,170
Changes for the year:			
Service cost	18	-	18
Interest	1,936	-	1,936
Differences between expected and actual experience	(187)	-	(187)
Change in assumptions	-	-	-
Benefit payment, including refunds of employee contributions	(2,300)	(2,300)	-
Employer contributions	-	1,197	(1,197)
Net investment income	-	3,209	(3,209)
Administrative expenses	-	(83)	83
Other	-	-	-
Net changes	(533)	2,023	(2,556)
Balances at August 31, 2024	\$ 30,387	\$ 23,773	\$ 6,614

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	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 1, 2022	\$ 31,110	\$ 24,415	\$ 6,695
Changes for the year:			
Service cost	14	-	14
Interest	1,947	-	1,947
Differences between expected and actual experience	184	-	184
Change in assumptions	-	-	-
Benefit payment, including refunds of employee contributions	(2,335)	(2,335)	-
Employer contributions	-	1,165	(1,165)
Net investment income	-	(1,407)	1,407
Administrative expenses	-	(88)	88
Other	-	-	-
Net changes	(190)	(2,665)	2,475
Balances at August 31, 2023	<u>\$ 30,920</u>	<u>\$ 21,750</u>	<u>\$ 9,170</u>

Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the Plan. Detailed information about the plan fiduciary net position is available in the Plan's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pension

Pension expense:

For the years ended August 31, 2024 and 2023, the Employer GASB 68 pension expense and the components of the expense were as followed:

	2024	2023
Service Cost	\$ 18	\$ 15
Interest	1,936	1,948
Amortization of differences between expected and actual experience	(171)	38
Amortization of changes of assumptions	-	(33)
Projected earnings on pension plan investments	(1,375)	(1,547)
Amortization of differences between projected and actual earnings	(428)	62
Pension plan administrative expenses	84	85
Total	<u>\$ 64</u>	<u>\$ 568</u>

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Deferred outflows and deferred inflows of resources

For the years ended August 31, 2024 and 2023, the BRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: The BRA made no contributions subsequent to the measurement date for the Plan. Employer contributions to the plan occur once a year on September 1st.

August 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 388
Total	\$ -	\$ 388

August 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16	\$ -
Net differences between projected and actual earnings on pension plan investments	1,018	-
Total	\$ 1,034	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31, 2024	
2023	\$ (397)
2024	152
2025	224
2026	(367)
2027	-
Thereafter	-
Total	\$ (388)

Texas County and District Retirement System:

Plan Description

The BRA participates in the Texas County and District Retirement System (TCDRS), an agent, multiple-employer plan. TCERS is a non-profit public trust providing pension, disability, and death benefits for the eligible employees of participating counties and districts. TCERS was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCERS Act (Subtitle F, Title 8, and Texas Government Code) is the basis for TCERS administration. TCERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That annual report may be downloaded at <https://www.tcdrs.org>.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Benefits Provided

The BRA provides retirement, disability, and death benefits for all of its employees through a nontraditional defined benefit pension plan in the statewide TCDRS. A percentage of each employee’s paycheck is deposited into his or her TCDRS account. That percentage has been set by the BRA at 6% and the BRA has elected a matching rate of \$2 to \$1. The employee’s savings grow at a rate of 7%, as set by state law, compounded annually. At retirement, the employee’s account balance is combined with the BRA’s matching and converted into a lifetime monthly benefit. Employees earn one month of service credit for each month that they make a deposit into their account. The amount of service an employee needs to earn a future benefit is called the vesting requirement. When an employee is vested, he or she has the right to a monthly benefit, which includes the employer matching contribution, at age 60 or older.

The plan provisions are adopted by the Board of Directors, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages sixty and above with eight or more years of service, with thirty years of service regardless of age, or when the sum of their age and years of service equals eighty or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the BRA. The plan offers no post-employment benefits.

Any TCDRS member who is a vested member under Section 844.207 (d) may retire and receive a disability retirement annuity if he or she is certified as disabled, as defined by the plan.

Any TCDRS member who has four or more years of service credit with the BRA is eligible for purpose of the Survivor Annuity Death Benefit.

Employees covered by the Plan

Participation in the Plan, as of the evaluation date December 31, 2023 and December 31, 2022, is composed of the following:

Group	2023	2022
Retirees and beneficiaries currently receiving benefits	116	105
Terminated Plan members entitled to but not yet receiving benefits	204	184
Active Plan members	246	246
Total	566	535

Contributions

As an agent, multiple-employer plan, each participating employer in the TCDRS system funds its plan independently. A combination of three elements funds each employer’s plan: employee deposits, employer contributions and investment income.

Pursuant to State law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

The BRA has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer, based on the covered payroll of employee members. Under the TCDRS Act, the annual employer contribution

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

rate for calendar years 2024 and 2023 was 8.78% and 8.83% respectively. The required contribution rate payable by the employee members is 6.0% as adopted by the Board of Directors. The employee and employer contribution rates may be changed by the BRA’s Board of Directors within the options available in the TCDRS Act.

Net Pension Liability

The BRA’s net pension liability was measured as of December 31, 2023 and December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

Actuarial assumptions. The total pension liability in the December 31, 2023 and the December 31, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Information		
	2024	2023
Actuarial valuation date	December 31, 2023	December 31, 2022
Actuarial cost method	Entry age	Entry age
Actuarial Assumptions		
Investment return	7.5%	7.5%
Projected salary increases	2.0%	2.0%
Inflation	2.5%	2.5%

Long-term expected rate of return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 and January 2023 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Long-term Expected rate of return by Asset Class
Actuarial Valuation December 31, 2023
Based on January 2024 information for a 10-year time horizon

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equities	11.50%	4.75%
Global Equities	2.50%	4.75%
International Equities-Developed	5.00%	4.75%
International Equities-Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Private Equities	25.00%	7.75%
Hedge Funds	6.00%	3.25%
Cash	2.00%	.20%

Long-term Expected rate of return by Asset Class
Actuarial Valuation December 31, 2022
Based on January 2023 information for a 10-year time horizon

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equities	11.50%	4.95%
Private Equities	25.00%	7.95%
Global Equities	2.50%	4.95%
International Equities-Developed	5.00%	4.95%
International Equities-Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Hedge Funds	6.00%	2.90%
Cash	2.00%	.20%

Discount rate

The discount rate used to measure the total pension liability as of December 31, 2023 and December 31, 2022 was 7.5%. The projection of cash flows used to determine the discount rate assumed the contributions from the BRA will meet the minimum funding requirements as supplied by the actuarially determined computation. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Sensitivity in the discount rate

The following presents the net pension liability/(asset) of the BRA calculated using the discount rate of 7.5% for August 31, 2024 and 2023, as well as what the BRA's net pension (asset)/liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	TCDRS net pension liability/(net pension asset)		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
August 31, 2024	\$ 6,616	\$ (915)	\$ (7,252)
August 31, 2023	\$ 7,725	\$ 823	\$ (4,975)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at September 1, 2023	\$ 48,664	\$ 47,841	\$ 823
Changes for the year:			
Service cost	2,427	-	2,427
Interest	3,832	-	3,832
Effect of economic/demographic gains or losses	287		287
Benefit payment, including refunds of employee contributions	(1,365)	(1,365)	-
Employer contributions	-	1,751	(1,751)
Member contributions	-	1,190	(1,190)
Net investment gains	-	5,273	(5,273)
Administrative expenses	-	(28)	28
Other	-	98	(98)
Net changes	5,181	6,919	(1,738)
Balances at August 31, 2024	\$ 53,845	\$ 54,760	\$ (915)

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at September 1, 2022	\$ 44,372	\$ 49,217	\$ (4,845)
Changes for the year:			
Service cost	2,233	-	2,233
Interest	3,491	-	3,491
Effect of economic/demographic gains or losses	(64)	-	(64)
Benefit payment, including refunds of employee contributions	(1,368)	(1,368)	-
Employer contributions	-	1,694	(1,694)
Member contributions	-	1,091	(1,091)
Net investment loss	-	(3,006)	3,006
Administrative expenses	-	(28)	28
Other	-	241	(241)
Net changes	4,292	(1,376)	5,668
Balances at August 31, 2023	\$ 48,664	\$ 47,841	\$ 823

Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the plan. Detailed information about the plan fiduciary net position is available in the plan's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

Pension expense and deferred outflows/inflows of resources related to pension

Pension expense:

For the years ended August 31, 2024 and 2023, the Employer GASB 68 pension expense and the components of the expense were as followed:

	2024	2023
Service cost	\$ 2,427	\$ 2,233
Interest	3,832	3,491
Member contributions	(1,190)	(1,091)
Amortization of differences between expected and actual experience	153	86
Amortization of changes of assumptions	505	511
Projected earnings on pension plan investments	(3,697)	(3,801)
Amortization of differences between projected and actual earnings	(699)	168
Pension plan administrative expenses	28	28
Other *	(98)	(241)
Total pension expense	\$ 1,261	\$ 1,384

* Relates to allocation of system-wide items.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

Deferred outflows and inflows of resources:

For the years ended August 31, 2024 and 2023, the BRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

August 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 256	\$ 71
Change in assumption	519	-
Net difference between projected and actual earnings on pension plan investments	391	-
BRA's contributions subsequent to the measurement date *	1,216	-
Total	\$ 2,382	\$ 71

August 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 151	\$ 100
Change in assumption	1,023	-
Net difference between projected and actual earnings on pension plan investments	1,268	-
BRA's contributions subsequent to the measurement date *	1,144	-
Total	\$ 3,586	\$ 100

*For Fiscal Years ending August 31, 2024 and 2023, a total of \$1,216 and \$1,444 was contributed subsequent to the measurement date of the net pension liability, respectively. The amounts are recorded in deferred outflows of resources that will be recognized as a decrease in the net pension liability in the Fiscal Years ending August 31, 2024 and 2023 respectively.

Deferred outflows and inflows of resources-continued:

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31, 2024	
2025	\$ 347
2026	(42)
2027	1,105
2028	(315)
2029	-
Thereafter	-
Total	\$ 1,095

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

10. CONDUIT DEBT

The BRA has also entered into an inter-local agreement with a utility district (contracting party) for the issuance of tax-exempt debt for the benefit of the contracting party to provide for construction of sewerage treatment and water supply systems. The contracting party then makes payments to the BRA in amounts sufficient to service the debt. Those amounts are deposited and invested in accordance with the BRA’s adopted investment policy. The BRA has no liabilities for repayment of the bonds. The contracting party is liable for the repayments of the bonds and has pledged revenues from the project as security for the bondholders. The following is a schedule of the debt issued and outstanding for the contracting party:

Contracting Party	Date of Issue	Original Amount	Date of Maturity	Interest Rate	Balance at August 31, 2024
Jonah Water SUD	2007	\$ 3,170	2009-2028	4.0% to 4.5%	\$ 860
Jonah Water SUD	2008	\$ 2,630	2010-2029	3.0% to 5.0%	885
Jonah Water SUD	2012	\$ 5,090	2015-2032	3.0% to 5.0%	2,685
Total					<u>\$ 4,430</u>

11. RISK MANAGEMENT

The BRA is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions, natural disasters, and job-related injuries or illnesses to employees for which the BRA carries commercial insurance or participates in the Texas Municipal League Intergovernmental Risk Pool (Pool). These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year. The BRA’s relationship with the Pool parallels that with a commercial insurance company. The Pool has the responsibility to defend any suit seeking damages on account of any liability up to the applicable limits of the agreement. The BRA has the responsibility to notify the Pool of all potential claims and pay for any amounts up to the agreement’s deductible. The Schedule of Insurance can be found on Pages 132 to 133 of this report.

12. COMMITMENTS & CONTINGENCIES

Deferred Compensation Plans

The BRA offers its employees a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The BRA’s Board of Directors has the authority to establish or amend this plan. The plan is available to all regular full-time and part-time BRA employees; the plan permits employees to defer a portion of their salary until future years. Participation in the plan is optional.

Investments are managed by the plan’s administrator under various participant-directed investment options. The choice of the investment option(s) is made by the participant. In accordance with GASB Statement 32, this plan is not reported because the assets are not held by the BRA in a trustee capacity or as an agent for the participant.

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

BRA's 401(a) plan

In addition, the BRA also contributes to a 401(a) plan. All regular full-time and part-time employees who contribute to the 457 Deferred Compensation Plan are eligible for employer contributions to the 401(a) plan. The employer contribution is based on 50% of the employee's 457 semi-monthly deferral (maximum employer contribution is 3% of the employee's semi-monthly gross compensation). Employees are vested in the employer contribution and related investment earnings (losses) after completing five or more years of BRA service. Non-vested employer contributions are deposited into the Mass Mutual Sagic Diversified II Fund until vesting occurs. The balances in the non-vested account for the twelve months ended August 31, 2024 and August 31, 2023 were \$123 and \$126, respectively.

Other

The BRA has participated in a number of State and Federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

The BRA is subject to various other claims and lawsuits which may arise in the ordinary course of business. After consulting with counsel representing the BRA in connection with such claims and lawsuits, it is the opinion of management that the disposition or ultimate determination of such claims and lawsuits will not have a material effect on the financial position of the BRA.

Construction Projects

The BRA has several construction contracts related to the capital improvement plan, approved by the Board of Directors. As of August 31, 2024, the BRA had approximately \$42,784 in open contract commitments, including change orders. The BRA has recorded construction in progress (CIP) related to these contracts totaling \$45,189. The following identifies some of those projects and selected details regarding the commitments.

The following identifies some of those projects and selected details regarding the commitments.

Name	Construction In Progress at August 31, 2024	Total Project Budgeted Cost	Estimated Project Comp. Date
Lake Limestone Improvement Projects	\$ 19,212	\$ 69,543	2029+
DeCordova Bend Dam Low Flow Facility	5,988	6,818	2025
Lake Belton-Bellhouse Drought Preparedness	2,422	87,342	2028
Lake Granbury Improvement Projects	1,353	3,871	2026
East Williamson Expansion Project	6,010	347,424	2029+
Possum Kingdom Lake Improvement Projects	3,926	7,481	2026
Williamson County Raw Water Line Projects	3,346	38,615	2026
Allens Creek Reservoir	78	700,524	2029+
Central Office Environmental Services Building	2,854	12,653	2025
Total	\$ 45,189	\$ 1,274,271	

BRAZOS RIVER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023 (in thousands)

13. BOARD DESIGNATED RESERVES

On April 25, 2005, the Board of Directors of the BRA approved and adopted a contingency reserves policy and incorporated such policy into Section 4.06, “Contingency Reserve” of the BRA Operations Policies Manual. Total Board Designated Reserves is the sum of Total Current Assets Unrestricted less the Total Current Liabilities Unrestricted on the Statement of Net Position.

The balances of those reserves at August 31, 2024 are represented as follows:

Working Capital Reserve	\$ 13,639
Contingency Reserve Fund	5,500
Self Insurance Fund	500
Rate Stabilization Reserve Fund	101,837
Total	<u>\$ 121,476</u>

14. RECENTLY ISSUED GASB STATEMENTS

Upcoming GASB Standards:

GASB has approved GASB Statement No. 101, *Compensated Absences*, Statement No. 102, *Certain Risk Disclosures*, Statement No. 103, *Financial Reporting Model Improvements*, and Statement No. 104, *Disclosure of Certain Capital Assets*. When they become effective, application of these standards may restate portions of these financial statements.



***Required
Supplemental Information***



RETIREMENT PLAN FOR EMPLOYEES OF BRAZOS RIVER AUTHORITY

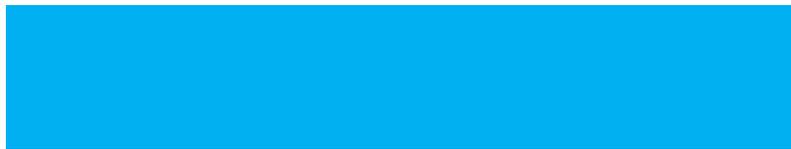
(in thousands) (Unaudited)

**SCHEDULE OF CHANGES IN THE NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS
LAST 10 YEARS**

	<u>8/31/2024</u>	<u>8/31/2023</u>	<u>8/31/2022</u>	<u>8/31/2021</u>	<u>8/31/2020</u>
Measurement Date	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020
Total pension liability					
Service cost	\$ 18	\$ 14	\$ 24	\$ 35	\$ 46
Interest	1,936	1,948	2,030	2,006	2,068
Differences between expected and actual experience	(187)	184	(777)	617	(861)
Change of assumptions	-	-	(201)	-	-
Benefit payment, including refunds of member contributions	<u>(2,300)</u>	<u>(2,335)</u>	<u>(2,310)</u>	<u>(2,250)</u>	<u>(2,148)</u>
Net change in total pension liability	(533)	(189)	(1,234)	408	(895)
Total pension liability --beginning	<u>30,920</u>	<u>31,109</u>	<u>32,343</u>	<u>31,935</u>	<u>32,830</u>
Total pension liability --ending (a)	<u>\$ 30,387</u>	<u>\$ 30,920</u>	<u>\$ 31,109</u>	<u>\$ 32,343</u>	<u>\$ 31,935</u>
Plan fiduciary net position					
Employer contributions	\$ 1,197	\$ 1,165	\$ 1,379	\$ 1,391	\$ 1,425
Net investment income	3,209	(1,407)	1,860	4,049	1,414
Benefit payment, including refunds of member contributions	(2,300)	(2,336)	(2,310)	(2,250)	(2,148)
Administrative expenses	(83)	(79)	(78)	(75)	(79)
Other	-	(7)	(8)	(8)	-
Net change in plan fiduciary net position	<u>2,023</u>	<u>(2,664)</u>	<u>843</u>	<u>3,107</u>	<u>612</u>
Plan fiduciary net position -- beginning	<u>21,750</u>	<u>24,414</u>	<u>23,571</u>	<u>20,464</u>	<u>19,852</u>
Plan fiduciary net position -- ending (b)	<u>\$ 23,773</u>	<u>\$ 21,750</u>	<u>\$ 24,414</u>	<u>\$ 23,571</u>	<u>\$ 20,464</u>
BRA's net pension liability -- (a) - (b)	<u>\$ 6,614</u>	<u>\$ 9,170</u>	<u>\$ 6,695</u>	<u>\$ 8,772</u>	<u>\$ 11,471</u>
Plan fiduciary net position as a percentage of the total pension liability	78.23%	70.34%	78.48%	72.88%	64.08%
Covered payroll	\$ 6,203	\$ 5,990	\$ 6,103	\$ 6,604	\$ 7,130
Net pension liability as a percentage of covered payroll	106.63%	153.09%	109.70%	132.83%	160.88%

Notes to schedule:

Changes in assumptions. Effective May 18, 2015, May 1, 2019, and in September 27, 2021 the Retirement Committee of the BRA voted and approved the change in the mortality table used in the actuary's assumptions.



<u>8/31/2019</u>	<u>8/31/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>	<u>8/31/2015</u>
<u>2/28/2019</u>	<u>2/28/2018</u>	<u>2/28/2017</u>	<u>2/29/2016</u>	<u>2/28/2015</u>
\$ 66	\$ 76	\$ 106	\$ 127	\$ -
1,956	1,934	1,892	1,902	1,765
(16)	550	689	228	638
1,939	-	-	(593)	1,259
<u>(2,260)</u>	<u>(2,137)</u>	<u>(1,892)</u>	<u>(1,713)</u>	<u>(1,656)</u>
1,685	423	795	(49)	2,006
<u>31,145</u>	<u>30,722</u>	<u>29,927</u>	<u>29,976</u>	<u>27,970</u>
<u>\$ 32,830</u>	<u>\$ 31,145</u>	<u>\$ 30,722</u>	<u>\$ 29,927</u>	<u>\$ 29,976</u>
\$ 1,138	\$ 1,018	\$ 911	\$ 827	\$ 682
676	1,256	2,972	(2,201)	1,226
(2,260)	(2,137)	(1,892)	(1,713)	(1,656)
(137)	(84)	(80)	(81)	(79)
<u>-</u>	<u>(256)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(583)	(203)	1,911	(3,168)	173
<u>20,435</u>	<u>20,638</u>	<u>18,727</u>	<u>21,895</u>	<u>21,722</u>
<u>\$ 19,852</u>	<u>\$ 20,435</u>	<u>\$ 20,638</u>	<u>\$ 18,727</u>	<u>\$ 21,895</u>
<u>\$ 12,978</u>	<u>\$ 10,710</u>	<u>\$ 10,084</u>	<u>\$ 11,200</u>	<u>\$ 8,081</u>
60.47%	65.61%	67.18%	62.58%	73.04%
\$ 7,026	\$ 7,405	\$ 7,674	\$ 7,990	\$ 7,962
184.71%	144.63%	131.40%	140.18%	101.49%

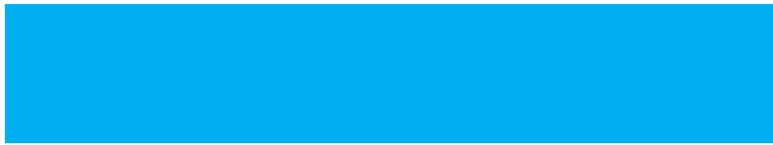
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

(in thousands) (Unaudited)

SCHEDULE OF CHANGES IN THE NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	8/31/2024	8/31/2023	8/31/2022	8/31/2021	8/31/2020
Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total pension liability					
Service cost	\$ 2,427	\$ 2,233	\$ 2,159	\$ 1,903	\$ 1,840
Interest	3,832	3,491	3,170	2,834	2,517
Effect of plan changes	-	-	-	-	-
Differences between expected and actual experience	287	(64)	(82)	204	252
Change of assumptions	-	-	69	2,455	-
Benefit payment, including refunds of member contributions	(1,365)	(1,368)	(973)	(894)	(610)
Net change in total pension liability	5,181	4,292	4,343	6,502	3,999
Total pension liability --beginning	48,664	44,372	40,029	33,527	29,528
Total pension liability --ending (a)	\$ 53,845	\$ 48,664	\$ 44,372	\$ 40,029	\$ 33,527
Plan fiduciary net position					
Employer contributions	\$ 1,751	\$ 1,694	\$ 1,268	\$ 1,218	\$ 1,108
Member contributions	1,190	1,091	1,005	975	932
Net investment income	5,273	(3,006)	8,748	3,545	4,630
Benefit payment, including refunds of member contributions	(1,365)	(1,368)	(973)	(894)	(610)
Administrative expenses	(28)	(28)	(27)	(29)	(26)
Other	98	241	49	42	54
Net change in plan fiduciary net position	6,919	(1,376)	10,070	4,857	6,088
Plan fiduciary net position -- beginning	47,841	49,217	39,147	34,290	28,202
Plan fiduciary net position -- ending (b)	\$ 54,760	\$ 47,841	\$ 49,217	\$ 39,147	\$ 34,290
BRA's net pension (asset) / liability -- (a) - (b)	\$ (915)	\$ 823	\$ (4,845)	\$ 882	\$ (763)
Plan fiduciary net position as a percentage of the total pension liability	101.70%	98.31%	110.92%	97.80%	102.28%
Covered payroll	\$ 19,829	\$ 18,178	\$ 16,751	\$ 16,247	\$ 15,539
Net pension (asset) / liability as a percentage of covered payroll	-4.61%	4.53%	-28.92%	5.43%	-4.91%

(1) Reflects new annuity purchase rates applicable to all TCDRS employers effective January 1, 2018



8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015
12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$ 1,829	\$ 1,841	\$ 1,921	\$ 1,682	\$ 1,615
2,227	1,958	1,640	1,511	1,296
-	-	-	(326) ⁽¹⁾	-
114	31	(153)	(1,320)	32
-	33	-	164	-
(607)	(442)	(349)	(254)	(225)
<u>3,563</u>	<u>3,421</u>	<u>3,059</u>	<u>1,457</u>	<u>2,718</u>
<u>25,965</u>	<u>22,544</u>	<u>19,485</u>	<u>18,028</u>	<u>15,310</u>
<u>\$ 29,528</u>	<u>\$ 25,965</u>	<u>\$ 22,544</u>	<u>\$ 19,485</u>	<u>\$ 18,028</u>
\$ 1,075	\$ 1,028	\$ 1,002	\$ 1,010	\$ 1,023
893	871	843	827	789
(494)	3,314	1,448	(418)	1,049
(607)	(442)	(349)	(254)	(225)
(22)	(18)	(16)	(13)	(13)
43	19	184	(24)	6
<u>888</u>	<u>4,772</u>	<u>3,112</u>	<u>1,128</u>	<u>2,629</u>
<u>27,314</u>	<u>22,542</u>	<u>19,430</u>	<u>18,302</u>	<u>15,673</u>
<u>\$ 28,202</u>	<u>\$ 27,314</u>	<u>\$ 22,542</u>	<u>\$ 19,430</u>	<u>\$ 18,302</u>
<u>\$ 1,326</u>	<u>\$ (1,349)</u>	<u>\$ 2</u>	<u>\$ 55</u>	<u>\$ (274)</u>
95.51%	105.20%	99.99%	99.72%	101.52%
\$ 14,873	\$ 14,524	\$ 14,049	\$ 13,783	\$ 13,148
8.92%	-9.29%	0.01%	0.40%	-2.08%

**Retirement Plan for Employees of
Brazos River Authority**

**SCHEDULE OF BRA'S CONTRIBUTIONS
Last Ten Years (Unaudited)**

Year Ended August 31	Actuarially determined contribution (a)	Contributions in relation to the actuarially determined contribution (b)	Contribution deficiency (excess) (b-a)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$1,197,007	\$1,197,007	-	\$6,160,709	19.43%
2023	\$1,164,997	\$1,164,997	-	\$5,989,876	19.45%
2022	\$1,377,143	\$1,379,022	(\$1,879)	\$5,997,939	22.99%
2021	\$1,390,930	\$1,390,930	-	\$6,248,217	22.26%
2020	\$1,425,166	\$1,425,166	-	\$7,013,273	20.32%
2019	\$1,137,903	\$1,137,903	-	\$7,031,535	16.18%
2018	\$1,018,208	\$1,018,208	-	\$7,255,347	14.03%
2017	\$911,424	\$911,424	-	\$7,412,926	12.30%
2016	\$826,368	\$826,368	-	\$7,887,499	10.48%
2015	\$682,436	\$682,436	-	\$8,028,405	8.50%

**Texas County and District Retirement System
Brazos River Authority**

**SCHEDULE OF BRA'S CONTRIBUTIONS
Last Ten Years (Unaudited)**

Year Ended August 31	Actuarially determined contribution (a)	Contributions in relation to the actuarially determined contribution (b)	Contribution deficiency (excess) (b-a)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$1,823,122	\$1,823,122	-	\$20,725,359	8.80%
2023	\$1,739,548	\$1,739,548	-	\$19,346,102	8.99%
2022	\$1,533,032	\$1,533,032	-	\$17,525,268	8.75%
2021	\$1,238,772	\$1,238,772	-	\$16,414,120	7.55%
2020	\$1,191,350	\$1,191,350	-	\$16,145,852	7.38%
2019	\$1,087,874	\$1,087,874	-	\$15,187,265	7.16%
2018	\$1,061,610	\$1,061,610	-	\$14,785,789	7.18%
2017	\$1,014,973	\$1,014,973	-	\$14,302,486	7.10%
2016	\$1,004,040	\$1,004,040	-	\$13,952,415	7.20%
2015	\$1,019,633	\$1,019,633	-	\$13,636,040	7.48%

BRAZOS RIVER AUTHORITY

Retirement Plan for Employees of Brazos River Authority

SCHEDULE OF INVESTMENT RETURNS Last Ten Years (Unaudited)

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expenses
February 29, 2024	14.75%
February 28, 2023	-6.33%
February 28, 2022	8.10%
February 28, 2021	20.37%
February 29, 2020	7.30%
February 28, 2019	3.44%
February 28, 2018	6.05%
February 28, 2017	15.83%
February 29, 2016	-10.7%
February 28, 2015	5.35%

Note to schedule:

The money-weighted average rate of return expresses investment performance, net of investment expenses, reflecting the estimated effect of the contributions received and the benefits paid during the year.

BRAZOS RIVER AUTHORITY

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

Notes to Schedule of Employer Contributions and Net Pension Liability

**NOTE A – DESCRIPTION OF CHANGES IN THE BRA’S NET PENSION LIABILITY FOR THE
RETIREMENT PLAN FOR EMPLOYEES OF BRAZOS RIVER AUTHORITY**

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the total pension liability as a factor. Isolated analysis of the dollar amounts of actuarial value of assets, total pension liability, and net pension liability can be misleading. The plan fiduciary net position as a percentage of the total pension liability provides an indication of the Plan’s funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the public employee retirement system.

Additional information as of the two most recent actuarial valuation dates as of March 1, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Actuarial cost method	Entry age method	Entry age method
Amortization method	closed 20-year period	closed 20-year period
Payroll growth rate for amortization	N/A	N/A
Remaining amortization period	N/A	N/A
Asset valuation method (Market value)	gains and losses smoothed over a 5-year period	gains and losses smoothed over a 5-year period
 Actuarial Assumptions:		
Investment rate of return	6.5%*	6.5%*
Projected salary increases	N/A**	N/A**
Cost-of-living adjustments	N/A**	N/A**
 * Includes inflation at	 3.5%	 3.5%

** Not applicable due to the amendment to freeze the Plan in 2007

Effective September 27, 2021, the Retirement Committee of the BRA voted and approved the change in the mortality table used in the Actuaries assumptions. The new mortality table is the Pub-2010 General table with fully generational improvements using Scale MP-2021, changed from MP-2018. In addition, the Retirement Committee of the BRA voted and approved the change in the actuarial assumption for termination rates to the 2003 Society of Actuaries Pension Plan Turnover Study table for small pension plans, changed from the Sarason T-7 table.

BRAZOS RIVER AUTHORITY

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

Notes to Schedule of Employer Contributions and Net Pension Liability

NOTE B – DESCRIPTION OF CHANGES IN THE BRA’S NET PENSION LIABILITY FOR THE TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Actuarial Methods and Assumptions Used

Following are the key assumptions and methods used in these schedules:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age actuarial cost method, level percent of payroll
Amortization Method	
Recognition of economic/ demographic gains and losses	Straight-line amortization over expected working life
Recognition of assumption changes or inputs	Straight-line amortization over expected working life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.5%
Salary Increases	3.00% (made up of 2.50% inflation and .05% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.
Investment Rate of Return	7.6% (2)
Cost-of-Living Adjustments	Cost-of-living adjustments for BRA are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments are included in the GASB calculations. No assumption for future cost-of-living adjustments are included in the funding valuation.

Note to schedule:

- (1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.
- (2) Return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.6%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.5%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

BRAZOS RIVER AUTHORITY

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

Notes to Schedule of Employer Contributions and Net Pension Liability

**NOTE B – DESCRIPTION OF CHANGES IN THE BRA’S NET PENSION (ASSETS)/LIABILITY
FOR THE TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (Continued)**

Demographic Assumptions

<u>Age</u>	<u>Retirement age</u>				
	<u>Annual Rates of Service Retirement *</u>				
	<u>Active Svc < 15</u>	<u>Active Svc 15-24</u>	<u>Active Svc 25-29</u>	<u>Active Svc 30+</u>	<u>Deferred All Svc</u>
40-49	5.3%	6.3%	7.7%	8.8%	0.0%
50	5.6	6.8	8.3	9.4	0.0
51	5.6	6.8	8.3	9.4	0.0
52	6.0	7.2	8.8	10.0	0.0
53	6.0	7.2	8.8	10.0	0.0
54	6.8	8.1	9.9	11.3	0.0
55	6.8	8.1	9.9	11.3	0.0
56	6.8	8.1	9.9	11.3	0.0
57	7.5	9.0	11.0	12.5	0.0
58	7.5	9.0	11.0	12.5	0.0
59	7.5	9.0	11.0	12.5	0.0
60	9.0	10.8	13.2	15.0	12.0
61	9.0	10.8	13.2	15.0	12.0
62	13.5	16.2	19.8	22.5	18.0
63	11.3	13.5	16.5	18.8	15.0
64	11.3	13.5	16.5	18.8	15.0
65	22.5	22.5	27.5	27.5	25.0
66	22.5	22.5	27.5	27.5	25.0
67	21.6	21.6	26.4	26.4	24.0
68	18.9	18.9	23.1	23.1	21.0
69	18.9	18.9	23.1	23.1	21.0
70	20.7	20.7	25.3	25.3	23.0
71	20.7	20.7	25.3	25.3	23.0
72	20.7	20.7	25.3	25.3	23.0
73	20.7	20.7	25.3	25.3	23.0
74	20.7	20.7	25.3	25.3	23.0
75& Above	100.0	100.0	100.0	100.0	100.0

* For all eligible members ages 75 and later, retirement is assumed to occur immediately.

Other Terminations of Employment - The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement vary by length of service, entry - age group (age at hire), and sex. No termination after eligibility for retirement is assumed.

BRAZOS RIVER AUTHORITY

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

Notes to Schedule of Employer Contributions and Net Pension Liability

**NOTE B – DESCRIPTION OF CHANGES IN THE BRA’S NET PENSION (ASSETS)/LIABILITY
FOR THE TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (Continued)**

Withdrawals - Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to the BRA’s plan are shown in the table below. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

Probability of Withdrawal*

Years of Service	Probability						
0-1	100%	8	34%	15	26%	22	19%
2	100	9	33	16	25	23	19
3	100	10	32	17	24	24	18
4	100	11	31	18	23	25	18
5	100	12	30	19	22	26	17
6	100	13	29	20	21	27	17
7	100	14	27	21	20	28	16

*Members with more than 29 years of service are not assumed to refund and the probability is 16%.

BRAZOS RIVER AUTHORITY

**Retirement Plan for Employees of
Brazos River Authority**

SCHEDULE OF INVESTMENT RETURNS
Last Ten Years
(Unaudited)

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expenses
February 29, 2024	14.75%
February 28, 2023	-6.33%
February 28, 2022	8.10%
February 28, 2021	20.37%
February 29, 2020	7.30%
February 28, 2019	3.44%
February 28, 2018	6.05%
February 28, 2017	15.83%
February 29, 2016	-10.7%
February 28, 2015	5.35%

Note to schedule:

The money-weighted average rate of return expresses investment performance, net of investment expenses, reflecting the estimated effect of the contributions received and the benefits paid during the year.



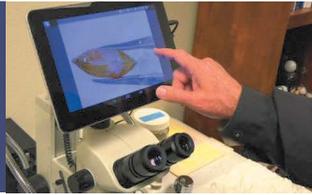
Supplemental Information



BRAZOS RIVER AUTHORITY
SUPPLEMENTAL INFORMATION
COMPARISON OF BUDGETED REVENUES AND EXPENSES TO ACTUAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED AUGUST 31, 2024 (in thousands)

	2024 Budget Unaudited	2024 Actual	Variance	
OPERATING REVENUES:				
Water Supply System:				
Raw water sales	\$ 52,421	\$ 55,158	\$ 2,737	1
Treated water	7,073	7,410	337	
Wastewater treatment	4,907	4,725	(182)	
Lake operations	547	567	20	
Other	648	1,112	464	
Cost Reimbursable Operations:				
Water conveyance	5,608	5,513	(95)	
Water treatment	2,673	2,419	(254)	
Wastewater treatment	9,819	8,413	(1,406)	2
TOTAL OPERATING REVENUES	<u>83,696</u>	<u>85,317</u>	<u>1,621</u>	
OPERATING EXPENSES:				
Personnel services	30,777	27,519	3,258	3
Materials and supplies	4,733	3,857	876	
Utilities	3,920	3,159	761	
Depreciation and amortization	-	9,218	(9,218)	4
Outside services	12,183	10,686	1,497	5
Repair and maintenance	4,136	3,755	381	
Landfill & sludge hauling	2,031	2,032	(1)	
Purchased water	2,737	2,487	250	
Other	10,447	4,824	5,623	6
TOTAL OPERATING EXPENSES	<u>70,964</u>	<u>67,537</u>	<u>3,427</u>	
NON-OPERATING REVENUES (EXPENSES):				
Investment income	3,149	8,937	5,788	7
Grants	1,378	881	(497)	
Interest expense	(3,109)	(2,819)	290	
Other expenses	-	(382)	(382)	
Gain/(loss) on sale of capital assets	-	168	168	
Debt service - principal	(6,466)	-	6,466	8
TOTAL NET NON-OPERATING REVENUES/ (EXPENSES)	<u>(5,048)</u>	<u>6,785</u>	<u>11,833</u>	
CHANGE IN NET POSITION	<u>\$ 7,684</u>	<u>\$ 24,565</u>	<u>\$ 16,881</u>	

- 1 Interruptible Water Sales are not included in the budget
- 2 Delay in completing capital projects at wastewater plants due to a number of factors, including supply chain issues
- 3 Lag salaries in nearly all departments and lower than anticipated benefits costs
- 4 Depreciation and amortization are not budgeted expenditures
- 5 Delays in spending on several grant projects and lower than anticipated Corps of Engineers O&M billings
- 6 Capital Outlay items are not GAAP expenditures
- 7 Investment Income was higher due to higher than expected interest rates on deposits
- 8 Debt service principal payments are not GAAP expenditures



Statistical Section





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**BRAZOS RIVER AUTHORITY
STATISTICAL SECTION**

This part of the BRA's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the Management's Discussion and Analysis, financial statements and note disclosures says about the BRA's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain information to assist the reader in obtaining a better understanding of how the BRA's financial performance and well-being have changed over time.	111-113
Revenue Capacity These schedules contain information to assist the reader in obtaining a better understanding of the BRA's significant revenue sources, water sales and cost reimbursable operations.	114-118
Debt Capacity These schedules present information to help the reader assess the affordability of the BRA's current levels of outstanding debt, the BRA's ability to issue additional debt in the future, and to provide information to comply with the continuing disclosure requirements of SEC Rule 15c2-12.	119-122
Demographic and Economic information These schedules offer demographic and economic indicators to help the reader understand the environment within which the BRA operates and the geographic regions the BRA manages, each with distinctive climate, topography and water needs.	123-129
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the BRA's financial report relates to the services the BRA provides and the activities it performs.	130-134

Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports for the relevant year.

BRAZOS RIVER AUTHORITY
CHANGES IN NET POSITION (in thousands)
LAST TEN FISCAL YEARS (unaudited)
(accrual basis of accounting)

	FISCAL YEAR			
	2024	2023	restated 2022	2021
OPERATING REVENUES:				
Water Supply System:				
Raw water	\$ 55,158	\$ 49,776	\$ 52,382	\$ 48,125
Treated water	7,410	6,304	5,419	5,213
Wastewater treatment	4,725	3,986	3,841	3,589
Lake operations	567	601	538	568
Grants	-	-	-	-
Other	1,112	1,006	979	838
Cost Reimbursable Operations:				
Water conveyance	5,513	5,279	5,763	4,343
Water treatment	2,419	2,669	2,226	2,115
Wastewater treatment	8,413	6,480	5,877	5,399
TOTAL OPERATING REVENUES	85,317	76,101	77,025	70,190
OPERATING EXPENSES:				
Personnel services	27,519	26,088	21,686	21,252
Materials and supplies	3,857	3,737	2,948	2,576
Utilities	3,159	3,852	4,894	3,429
Depreciation and amortization	9,218	9,618	9,294	9,146
Outside services	10,686	10,180	10,785	8,836
Repair and maintenance	3,755	3,028	3,473	2,769
Landfill and sludge hauling	2,032	1,536	1,706	1,757
Purchased water	2,487	2,521	2,414	2,287
Other	4,824	3,562	3,205	2,449
TOTAL OPERATING EXPENSES	67,537	64,122	60,405	54,501
OPERATING INCOME	17,780	11,979	16,620	15,689
NON-OPERATING REVENUES (EXPENSES):				
Investment income	8,937	4,315	636	929
Grants	881	1,471	1,623	1,021
Interest expense	(2,819)	(1,555)	(1,767)	(2,432)
Other expenses	(382)	(244)	(15)	(238)
Gain/(Loss) on sale of capital assets (a),(b)	168	433	233	(163)
TOTAL NET NON-OPERATING REVENUES (EXPENSES)	6,785	4,420	710	(883)
INCOME (LOSS) BEFORE CONTRIBUTIONS & SPECIAL ITEMS:	24,565	16,399	17,330	14,806
CAPITAL CONTRIBUTIONS	-	1,333	-	-
CHANGE IN NET POSITION	\$ 24,565	\$ 17,732	\$ 17,330	\$ 14,806

- a During Fiscal Year 2016, BRA sold the West Central Brazos Water Distribution System to the West Central Texas Municipal Water District. In addition, the BRA sold the remaining PK residential and commercial leased properties held in the FERC project area.
- b During Fiscal Year 2018, as a result of successful negotiations with the City of Graham, the BRA sold the Flood Control Project to the City of Graham.

	2020	restated 2019	2018	2017	2016	2015
\$	49,468	\$ 41,629	\$ 40,285	\$ 39,074	\$ 35,209	\$ 34,133
	4,168	3,028	3,071	2,862	2,388	2,208
	4,019	3,447	2,123	2,119	2,108	1,992
	487	529	590	523	663	1,025
	-	-	-	1,055	644	1,419
	923	820	1,145	1,044	997	1,011
	3,070	3,107	3,828	2,794	2,394	3,230
	2,177	1,528	1,277	1,208	1,232	1,225
	4,953	5,937	9,986	9,285	8,982	8,685
	<u>69,265</u>	<u>60,025</u>	<u>62,305</u>	<u>59,964</u>	<u>54,617</u>	<u>54,928</u>
	22,674	22,808	21,120	20,346	19,881	18,675
	2,383	2,340	2,334	2,198	2,130	2,168
	2,667	1,951	3,479	2,589	2,606	3,814
	8,965	8,768	8,657	8,362	8,279	7,244
	9,970	7,564	6,105	5,489	4,610	4,697
	3,279	2,760	2,372	2,198	2,207	2,281
	1,951	1,229	2,579	2,366	2,561	2,280
	2,279	2,272	2,271	2,267	2,423	2,610
	2,333	2,939	2,724	2,112	2,100	1,239
	<u>56,501</u>	<u>52,631</u>	<u>51,641</u>	<u>47,927</u>	<u>46,797</u>	<u>45,008</u>
	<u>12,764</u>	<u>7,394</u>	<u>10,664</u>	<u>12,037</u>	<u>7,820</u>	<u>9,920</u>
	2,529	3,114	1,830	975	660	493
	1,251	904	1,083	-	-	-
	(3,429)	(3,842)	(3,945)	(4,020)	(4,167)	(4,367)
	(220)	(126)	(15)	(153)	(371)	(268)
	20	(21)	(6,469)	65	10,272	820
	<u>151</u>	<u>29</u>	<u>(7,516)</u>	<u>(3,133)</u>	<u>6,394</u>	<u>(3,322)</u>
	12,915	7,423	3,148	8,904	14,214	6,598
	-	500	-	-	415	874
\$	<u>12,915</u>	<u>7,923</u>	<u>3,148</u>	<u>8,904</u>	<u>14,629</u>	<u>7,472</u>

BRAZOS RIVER AUTHORITY
NET POSITION BY COMPONENTS (in thousands)
LAST TEN FISCAL YEARS (unaudited)
(accrual basis of accounting)

Fiscal Year		Net Invested in Capital Assets	Restricted For Construction and Debt Service	Restricted for Pension Assets	Unrestricted	Total Net Position
8/31/2015	a	\$ 187,640	\$ 8,684	\$ 274	\$ 50,983	\$ 247,581
8/31/2016	b	\$ 189,894	\$ 8,697	\$ -	\$ 63,345	\$ 261,936
8/31/2017		\$ 191,280	\$ 7,667	\$ -	\$ 71,893	\$ 270,840
8/31/2018		\$ 183,910	\$ 7,856	\$ 1,349	\$ 80,873	\$ 273,988
8/31/2019		\$ 186,540	\$ 7,524	\$ -	\$ 87,847	\$ 281,911
8/31/2020		\$ 184,113	\$ 8,444	\$ 763	\$ 101,506	\$ 294,826
8/31/2021		\$ 184,238	\$ 8,505	\$ -	\$ 116,889	\$ 309,632
8/31/2022	c	\$ 257,417	\$ 8,644	\$ 4,845	\$ 56,056	\$ 326,962
8/31/2023	d	\$ 225,000	\$ 8,509	\$ -	\$ 111,185	\$ 344,694
8/31/2024		\$ 233,305	\$ 12,150	\$ 915	\$ 122,889	\$ 369,259

a During Fiscal Year 2015, the BRA implemented GASB 68. The Statement 68 requires entities to restate prior periods for all periods reported, when practical, and if not practical, the entity should report the cumulative effect of applying this Statement, if any, as a restatement of beginning net position for the earliest period restated. The BRA has elected the latter and as a result reduced the unrestricted portion of total net position by \$5,155 for Fiscal Year 2014.

b During Fiscal Year 2016, the BRA sold the remaining PK residential and commercial leased properties held in the FERC project area. The successful sale and disposition of the legislatively mandated properties was completed in March, of 2016 resulting in additional revenue of \$10,179 from the sale. In addition to the sale of leased properties, the BRA sold the West Central Brazos Water Distribution System to the West Central Texas Municipal Water District for \$1,200, in January of 2016.

c During Fiscal Year 2022, the BRA finalized the purchase of the City of Houston's 70% share of the Allens Creek Reservoir Project where the City agreed to grant, sell, transfer and convey to the BRA all of the City's rights and interest in any documents, reports and other personal property applicable to the water use permit, the project, the water yield and the reservoir site. The BRA invested over \$70,000 to finalize the complete purchase of the Project.

d During Fiscal Year 2023, the BRA entered into an agreement for \$46,000 to reimburse itself for the funds used in Fiscal Year 2022 to purchase the City of Houston's 70% share of the Allens Creek Reservoir Project. Under Federal tax law, an entity can reimburse itself, from tax-exempt debt proceeds, but must be within 18 months from the expenditure date. The BRA was approved for reimbursement treatment for financing with the TWDB. A short-term financing agreement with PNC Bank was needed to bridge the gap between the expenditure reimbursement date requirement and the BRA's closing date with the TWDB.

BRAZOS RIVER AUTHORITY
BUDGETED LONG TERM WATER SUPPLY REVENUES BY CONTRACT TYPE
LAST TEN FISCAL YEARS (unaudited)

Year	System Rate		Agriculture		Two-Tier		Other Fixed		Colorado Basin Water		Utilities		Total
	Acre Feet	Avg Price	Acre Feet	Avg Price	Acre Feet	Avg Price	Acre Feet	Avg Price	Acre Feet	Avg Price	Acre Feet	Avg Price	Acre Feet
2015	294,546	69.50	10,285	48.65	100,238	17.14	33,778	18.66	25,000	88.44	205,447	11.04	669,294
2016	320,785	70.50	10,285	49.35	98,999	17.32	33,778	18.87	25,000	88.61	180,447 ^a	12.61	669,294
2017	371,422	72.00	10,285	50.40	98,999	17.25	33,778	18.96	25,000	79.72	97,000 ^b	18.58	636,484
2018	364,572	74.00	10,285	51.80	98,999	17.37	33,778	19.02	21,528	77.95	97,000	18.84	626,162
2019	371,712	76.50	10,285	53.55	98,999	17.54	33,778	19.06	21,528	83.33	97,000	19.28	633,302
2020	467,974 ^c	79.00	12,385	55.30	98,999	17.89	21,336	23.71	21,528	83.33	97,000	19.28	719,222
2021	469,300	79.00	12,106	55.30	98,999	17.98	23,530	19.42	23,328	81.19	97,000	19.28	724,263
2022	483,285	83.00	12,031	58.10	98,999	18.15	9,505 ^d	24.89	23,328	84.38	97,000	19.28	724,148
2023	477,494	88.00	11,911	61.60	98,999	18.69	9,231	25.78	23,328	84.38	97,000	19.28	717,963
2024	477,643	93.50	11,911	65.45	98,999	19.55	8,957	26.88	24,700	85.07	97,000	21.70	719,210

Source: Brazos River Authority Annual Operating Plan.

a - Twenty-five thousand acre-feet, consisting of a Utility Contract, expired and was contracted under a System Rate contract.

b - Eighty-three thousand acre-feet, consisting of a Utility Contract, expired and a portion was contracted under a System Rate contract.

c - After over 15 years of diligent efforts, the System Operations Permit was approved, making available approximately 100,000 acre-feet of water available for sale.

d - Fourteen-thousand acre-feet of Other Fixed water contracts expired and was contracted under a System Rate contracts.

Note: The BRA had 750,220 acre-feet of water committed under long-term contracts as of December 5, 2023. No additional water is currently available for contracting on a long-term basis.

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12

BRAZOS RIVER AUTHORITY
MAJOR CUSTOMERS
ALL OPERATIONS
LAST TEN FISCAL YEARS (unaudited) (in thousands)

Fiscal Year 2024			Fiscal Year 2023		
Customer	Revenues	% of Total Operating Revenues	Customer	Revenues	% of Total Operating Revenues
City of Georgetown	\$ 8,717	10.22	City of Georgetown	\$ 8,119	10.67
Gulf Coast Water Authority	7,672	8.99	Gulf Coast Water Authority	7,289	9.58
City of Round Rock	7,018	8.23	City of Round Rock	6,814	8.95
TXU / Luminant Generation Co.	6,703	7.86	TXU / Luminant Generation Co.	6,314	8.30
City of Sugar Land	6,284	7.37	City of Sugar Land	5,110	6.71
City of Temple	4,789	5.61	City of Temple	4,672	6.14
NRG Texas Power, LLC	4,256	4.99	NRG Texas Power, LLC	4,060	5.34
Jonah Water S. U. D.	3,979	4.66	Jonah Water S. U. D.	3,379	4.44
Dow Chemical Company	3,199	3.75	City of Leander	2,731	3.59
City of Taylor	3,052	3.58	City of Taylor	2,721	3.58
	\$ 55,669	65.26		\$ 51,209	67.30

Fiscal Year 2022			Fiscal Year 2021		
Customer	Revenues	% of Total Operating Revenues	Customer	Revenues	% of Total Operating Revenues
Gulf Coast Water Authority	\$ 7,335	9.52	Gulf Coast Water Authority	\$ 7,119	10.14
City of Georgetown	6,884	8.94	TXU / Luminant Generation Co.	5,684	8.10
TXU / Luminant Generation Co.	5,948	7.72	City of Georgetown	5,484	7.81
City of Sugar Land	5,652	7.34	City of Round Rock	5,480	7.81
City of Round Rock	5,600	7.27	City of Sugar Land	5,143	7.33
Dow Chemical Company	4,564	5.92	City of Temple	4,729	6.74
City of Temple	4,369	5.67	Dow Chemical Company	3,386	4.82
NRG Texas Power, LLC.	3,497	4.54	Jonah Water S. U. D.	3,261	4.65
Jonah Water S. U. D.	3,379	4.39	City of Leander	2,821	4.02
City of Leander	3,056	3.97	City of Hutto	2,355	3.35
	\$ 50,284	65.28		\$ 45,462	64.77

Fiscal Year 2020			Fiscal Year 2019		
Customer	Revenues	% of Total Operating Revenues	Customer	Revenues	% of Total Operating Revenues
Gulf Coast Water Authority	\$ 7,038	10.16	City of Georgetown	\$ 5,919	9.71
City of Georgetown	5,947	8.59	TXU / Luminant Generation Co.	5,495	9.02
City of Round Rock	5,782	8.35	City of Round Rock	5,466	8.97
TXU / Luminant Generation Co.	5,509	7.95	Gulf Coast Water Authority	5,012	8.23
City of Sugar Land	4,347	6.28	City of Sugar Land	3,891	6.39
Dow Chemical Company	4,311	6.22	NRG Texas Power, LLC	3,611	5.93
City of Temple	3,660	5.28	Dow Chemical Company	2,943	4.83
Jonah Water S. U. D.	2,858	4.13	City of Temple	2,691	4.42
Bell County Water C.I.D. #1	2,127	3.07	Jonah Water S.U.D.	2,226	3.65
City of Taylor	1,998	2.88	Bell County Water C.I.D. #1	2,088	3.43
	\$ 43,577	62.91		\$ 39,342	64.58

Fiscal Year 2018		
Customer	Revenues	% of Total Operating Revenues
City of Round Rock	\$ 8,463	13.35
TXU / Luminant Generation Co.	5,956	9.40
City of Georgetown	5,602	8.84
Gulf Coast Water Authority	5,357	8.45
NRG Texas Power, LLC	4,001	6.31
Dow Chemical Company	2,950	4.65
City of Temple	2,886	4.55
City of Sugar Land	2,628	4.15
Jonah Water S. U. D.	2,282	3.60
Bell County Water C.I.D. #1	2,045	3.23
	<u>\$ 42,170</u>	<u>66.53</u>

Fiscal Year 2017		
Customer	Revenues	% of Total Operating Revenues
City of Round Rock	\$ 8,496	14.17
City of Georgetown	5,561	9.27
Gulf Coast Water Authority	5,163	8.61
NRG Texas Power, LLC.	5,145	8.58
City of Temple	3,066	5.11
Dow Chemical Company	2,985	4.98
City of Sugar Land	2,960	4.94
Luminant (TXU/Oakgrove)	2,908	4.85
Bell County Water C.I.D. #1	2,615	4.36
Jonah Water S.U.D.	2,076	3.46
	<u>\$ 40,975</u>	<u>68.33</u>

Fiscal Year 2016		
Customer	Revenues	% of Total Operating Revenues
City of Round Rock	\$ 9,303	16.94
City of Georgetown	5,333	9.71
Gulf Coast Water Authority	4,929	8.97
NRG Texas Power, LLC.	3,375	6.14
City of Temple	3,114	5.67
Dow Chemical Company	2,845	5.18
City of Sugar Land	2,529	4.60
Luminant (TXU/Oakgrove)	2,216	4.03
Bell County Water C.I.D. #1	1,981	3.61
Jonah Water S.U.D.	1,612	2.94
	<u>\$ 37,237</u>	<u>67.79</u>

Fiscal Year 2015		
Customer	Revenues	% of Total Operating Revenues
City of Round Rock	\$ 9,014	16.41
City of Georgetown	5,138	9.35
Gulf Coast Water Authority	3,581	6.52
City of Temple	2,474	4.50
City of Sugar Land	2,440	4.44
Dow Chemical Company	1,994	3.63
Bell County Water C.I.D. #1	1,937	3.53
City of Taylor	1,599	2.91
TXU Electric / Oakgrove	1,583	2.88
NRG Texas Power, LLC.	1,542	2.81
	<u>\$ 31,302</u>	<u>56.98</u>

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12
Source: Brazos River Authority Billing System

**BRAZOS RIVER AUTHORITY
MAJOR CUSTOMERS
WATER SUPPLY SYSTEM
LAST TEN FISCAL YEARS (unaudited) (in thousands)**

Fiscal Year 2024		
Customer	Revenues	% of Total WSS Revenues
Gulf Coast Water Authority	\$ 7,672	9.84
TXU / Luminant Generation Co.	6,703	8.60
City of Sugar Land	6,284	8.06
City of Round Rock	4,269	5.48
NRG Texas Power, LLC	4,256	5.46
City of Georgetown	3,363	4.31
Jonah Water S. U. D.	3,217	4.13
Dow Chemical Company	3,199	4.10
City of Taylor	3,052	3.92
Bell County Water C.I.D. #1	2,424	3.11
	<u>\$ 44,439</u>	<u>57.01</u>

Fiscal Year 2023		
Customer	Revenues	% of Total WSS Revenues
Gulf Coast Water Authority	\$ 7,289	10.88
TXU / Luminant Generation Co.	6,314	9.43
City of Sugar Land	5,110	7.63
City of Round Rock	4,107	6.13
NRG Texas Power LLC	4,060	6.06
City of Georgetown	3,186	4.76
City of Taylor	2,721	4.06
Jonah Water SUD	2,573	3.84
Bell County Water C.I.D. #1	2,332	3.48
Dow Chemical Company	1,851	2.76
	<u>\$ 39,543</u>	<u>59.03</u>

Fiscal Year 2022		
Customer	Revenues	% of Total WSS Revenues
Gulf Coast Water Authority	\$ 7,335	11.68
TXU / Luminant Generation Co.	5,948	9.47
City of Sugar Land	5,353	8.52
City of Round Rock	4,563	7.26
NRG Texas Power LLC	3,951	6.29
Dow Chemical Company	3,497	5.57
Jonah Water SUD	3,379	5.38
City of Georgetown	3,025	4.81
City of Taylor	2,316	3.69
Bell County Water C.I.D. #1	2,251	3.58
	<u>\$ 41,618</u>	<u>66.25</u>

Fiscal Year 2021		
Customer	Revenues	% of Total WSS Revenues
Gulf Coast Water Authority	\$ 7,120	12.28
TXU / Luminant Generation Co.	5,684	9.80
City of Sugar Land	5,143	8.87
City of Round Rock	3,928	6.78
NRG Texas Power LLC	3,424	5.91
Dow Chemical Company	3,386	5.84
Jonah Water SUD	3,261	5.62
City of Georgetown	2,911	5.02
City of Taylor	2,333	4.02
Bell County Water C.I.D. #1	2,162	3.73
	<u>\$ 39,352</u>	<u>67.87</u>

Fiscal Year 2020		
Customer	Revenues	% of Total WSS Revenues
Gulf Coast Water Authority	\$ 7,038	11.98
TXU / Luminant Generation Co.	5,509	9.37
City of Sugar Land	4,346	7.40
Dow Chemical Company	4,310	7.33
City of Round Rock	3,606	6.13
Jonah Water SUD	2,858	4.86
City of Georgetown	2,788	4.74
Bell County Water C.I.D. #1	2,127	3.62
City of Taylor	1,998	3.40
NRG Texas Power LLC	1,948	3.31
	<u>\$ 36,528</u>	<u>62.14</u>

Fiscal Year 2019		
Customer	Revenues	% of Total WSS Revenues
TXU / Luminant Generation Co.	\$ 5,495	10.91
Gulf Coast Water Authority	5,012	9.95
City of Sugar Land	3,891	7.73
NRG Texas Power LLC	3,611	7.17
City of Round Rock	3,555	7.06
City of Georgetown	3,497	6.94
Dow Chemical Company	2,943	5.84
Bell County Water C.I.D. #1	2,088	4.15
City of Taylor	1,599	3.18
Jonah Water SUD	1,429	2.84
	<u>\$ 33,120</u>	<u>65.77</u>

Fiscal Year 2018			Fiscal Year 2017		
Customer	Revenues	% of Total WSS Revenues	Customer	Revenues	% of Total WSS Revenues
TXU / Luminant Generation Co.	\$ 5,956	12.46	Gulf Coast Water Authority	\$ 5,163	11.17
Gulf Coast Water Authority	5,357	11.20	Luminant (TXU/Oakgrove)	5,145	11.13
NRG Texas Power, LLC	4,001	0.37	City of Round Rock	3,468	7.50
City of Round Rock	3,484	7.29	City of Georgetown	3,291	7.12
City of Georgetown	3,382	7.07	NRG Texas Power LLC	2,985	6.46
Dow Chemical Company	2,950	6.17	Bell County Water C.I.D. #1	2,960	6.40
City of Sugar Land	2,628	5.50	Dow Chemical Company	2,908	6.29
Bell County Water C.I.D. #1	2,045	4.28	City of Sugar Land	2,615	5.66
City of Taylor	1,599	3.34	City of Taylor	1,599	3.46
Jonah Water S. U. D.	1,472	3.08	Jonah Water SUD	1,264	2.73
	\$ 32,874	60.76		\$ 31,398	67.92

Fiscal Year 2016			Fiscal Year 2015		
Customer	Revenues	% of Total WSS Revenues	Customer	Revenues	% of Total WSS Revenues
Gulf Coast Water Authority	\$ 4,929	11.92	City of Round Rock	\$ 3,704	8.95
City of Round Rock	3,431	8.30	Gulf Coast Water Authority	3,581	8.66
NRG Texas Power LLC	3,375	8.16	City of Georgetown	3,151	7.62
City of Georgetown	3,222	7.79	NRG Texas Power LLC	2,733	6.61
Dow Chemical Company	2,845	6.88	City of Sugar Land	2,440	5.90
City of Sugar Land	2,529	6.11	Dow Chemical Company	1,994	4.82
Bell County Water C.I.D. #1	2,216	5.36	Bell County Water C.I.D. #1	1,937	4.68
Luminant (TXU/Oakgrove)	1,981	4.79	City of Taylor	1,599	3.87
City of Taylor	1,599	3.87	TXU Electric / Oakgrove	1,583	3.83
City of Cleburne	1,058	2.56	City of Cleburne	1,043	2.52
	\$ 27,185	65.74		\$ 23,765	57.46

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12
Source: Brazos River Authority Billing System

BRAZOS RIVER AUTHORITY
WATER SUPPLY REVENUE BOND DEBT
SERIES 2009, 2015, and 2023 (in thousands)
AMORTIZATION SCHEDULE (unaudited)

Fiscal Year Ended August 31	Series 2015		Series 2009		Series 2023B		Series 2023C		Outstanding Bonds		Total Debt Service Requirements	% Of Principal Retired
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		
2025	\$ 835	\$ 301	\$ 1,245	\$ 157	\$ 685	\$ 1,251	\$ -	\$ -	\$ 2,765	\$ 1,709	\$ 4,474	
2026	855	283	1,275	125	705	1,229	-	-	2,835	1,637	4,472	
2027	875	260	1,310	92	725	1,207	-	-	2,910	1,559	4,469	
2028	900	233	1,345	56	745	1,185	-	-	2,990	1,474	4,464	22.04
2029	930	206	1,380	19	765	1,162	-	-	3,075	1,387	4,462	
2030	960	177	-	-	790	1,138	-	-	1,750	1,315	3,065	
2031	985	148	-	-	810	1,114	-	-	1,795	1,262	3,057	
2032	1,015	118	-	-	835	1,088	615	590	2,465	1,796	4,261	
2033	1,050	87	-	-	860	1,061	475	734	2,385	1,882	4,267	
2034	1,080	53	-	-	885	1,033	495	715	2,460	1,801	4,261	38.46
2035	1,120	18	-	-	915	1,003	510	696	2,545	1,717	4,262	
2036			-	-	945	970	530	675	1,475	1,645	3,120	
2037					975	935	555	652	1,530	1,587	3,117	
2038					1,010	898	575	628	1,585	1,526	3,111	
2039					1,050	859	600	601	1,650	1,460	3,110	51.75
2040					1,085	816	630	572	1,715	1,388	3,103	
2041					1,130	771	655	542	1,785	1,313	3,098	
2042					1,175	723	685	510	1,860	1,233	3,093	
2043					1,220	674	715	477	1,935	1,151	3,086	
2044					1,265	623	750	442	2,015	1,065	3,080	65.83
2045					1,320	569	785	405	2,105	974	3,079	
2046					1,370	512	820	365	2,190	877	3,067	
2047					1,430	453	860	324	2,290	777	3,067	
2048					1,485	391	900	281	2,385	672	3,057	
2049					1,550	326	945	235	2,495	561	3,056	83.17
2050					1,610	259	990	187	2,600	446	3,046	
2051					1,680	188	1,040	137	2,720	325	3,045	
2052					1,750	115	1,090	84	2,840	199	3,039	
2053					1,825	39	1,145	28	2,970	67	3,037	100.00
Total	\$ 10,605	\$ 1,884	\$ 6,555	\$ 449	\$ 32,595	\$ 22,592	\$ 16,365	\$ 9,880	\$ 66,120	\$ 34,805	\$ 100,925	

Source: Combined Bond Resolutions

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12

**BRAZOS RIVER AUTHORITY
WATER SUPPLY REVENUE BONDS
SERIES 2009, 2015, and 2023
COVERAGE AND ACCOUNT BALANCES
AUGUST 31, 2024 (unaudited) (in thousands)**

Average Annual Principal and Interest Requirements, 2025 - 2036	\$ 3,480
Coverage of Average Requirements by August 31, 2024 Net Revenues	9.17
Maximum Principal and Interest Requirements, 2025	\$ 4,474
Coverage of Maximum Requirements by August 31, 2024 Net Revenues	7.14
System Revenue Bonds Outstanding, August 31, 2024	\$ 66,120
Interest and Sinking Account Balance, August 31, 2024	\$ 1,390 ¹
Reserve Account Balance, August 31, 2024 (Series 2009)	\$ 4,737 ²

1 Funds are transferred to the Interest and Sinking Fund in equal monthly installments sufficient to make the next debt service payment when due.

2 At August 31, 2024, all reserve account balances met all coverage requirements.

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12

BRAZOS RIVER AUTHORITY
WATER SUPPLY SYSTEM
CONDENSED SUMMARY OF OPERATING RESULTS
(CALCULATION BASED ON BOND RESOLUTION REQUIREMENTS)
AUGUST 31, 2024 (unaudited) (in thousands)

	Fiscal Year Ended August 31				
	2024	2023	2022	2021	2020
Gross Revenues:					
Raw water	\$ 55,159	\$ 49,776	\$ 52,382	\$ 48,125	\$ 49,468
Treated water	7,410	6,292	5,419	5,213	4,168
Wastewater treatment	4,725	3,986	3,842	3,589	4,019
Lease income	567	614	537	568	487
Other	836	785	873	481	640
Interest	8,530	4,044	604	922	2,495
Grants	881	1,471	1,623	1,021	1,251
TOTAL GROSS REVENUES	\$ 78,108	\$ 66,968	\$ 65,280	\$ 59,919	\$ 62,528
Operation & Maintenance Expenses:					
Personnel services	\$ 24,186	\$ 23,052	\$ 19,164	\$ 18,673	\$ 20,228
Materials, supplies & services	2,475	2,513	1,986	1,774	1,630
Utilities	1,068	1,063	1,580	1,289	941
Outside services	8,499	9,255	9,887	7,971	9,084
Repair and maintenance	2,687	2,163	2,696	2,102	2,715
Landfill and sludge hauling	921	520	715	667	790
Purchased water	2,372	2,424	2,315	2,183	2,184
Other	1,656	1,406	1,696	1,146	1,478
Other non-operating	746	-	14	173	211
Program and project expenditures	-	-	-	-	-
Other debt service (1)	1,574	1,587	7,587	2,229	2,319
TOTAL OPERATION & MAINTENANCE	\$ 46,184	\$ 43,983	\$ 47,640	\$ 38,207	\$ 41,580
NET REVENUES AVAILABLE TO PAY DEBT SERVICE	\$ 31,924	\$ 22,985	\$ 17,640	\$ 21,712	\$ 20,948
DEBT SERVICE WATER SUPPLY SYSTEM BONDS	\$ 4,625	\$ 2,658	\$ 2,538	\$ 2,536	\$ 2,535
COVERAGE PERCENTAGE	6.90	8.65	6.95	8.56	8.26

(1) Debt service related to the purchase of water storage rights in the Federal Reservoirs

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12

BRAZOS RIVER AUTHORITY
SCHEDULE OF DEBT BY TYPE
LAST TEN FISCAL YEARS
AUGUST 31, 2024 (unaudited) (in thousands)

Fiscal Year	Water Supply Revenue Bonds	Contract Revenue Bonds (1)	US Army Corps of Engineers Contracts Payable	Right to Use Assets (SBITAS)	Allens Creek Contingent Compensation Liability	Net Premium/(Discount) on Revenue Bonds Payable
2015	\$ 39,555	\$ 32,300	\$ 24,998	\$ -	\$ -	\$ 687
2016	\$ 37,895	\$ 31,932	\$ 23,819	\$ -	\$ -	\$ 648
2017	\$ 36,210	\$ 31,104	\$ 22,659	\$ -	\$ -	\$ 560
2018	\$ 34,485	\$ 30,240	\$ 21,465	\$ -	\$ -	\$ 500
2019	\$ 32,720	\$ 29,345	\$ 20,356	\$ -	\$ -	\$ 441
2020	\$ 30,915	\$ 27,575	\$ 19,412	\$ -	\$ -	\$ 1,796
2021	\$ 29,060	\$ 26,640	\$ 18,485	\$ -	\$ -	\$ 2,899
2022	\$ 21,150	\$ 24,460	\$ 17,529	\$ 653	\$ -	\$ 2,409
2023	\$ 65,185	\$ 22,205	\$ 16,542	\$ 374	\$ 15,000	\$ 1,962
2024	\$ 66,120	\$ 19,885	\$ 15,536	\$ 206	\$ 15,000	\$ 1,559

- a. During FY 2015, the BRA refunded the Series 2006 Revenue Bonds and refinanced it with the Series 2015 Revenue bonds in the amount of \$17,270 and 16,860 respectively.
- b. During FY 2020, the BRA refunded the Series 1999 State Participation Loan and refinanced it with the Series 2019 Revenue bonds in the amount of \$14,955 and \$14,095 respectively.
- c. During FY 2022, the BRA paid off the Series 2002 State Participation Loan debt of \$6,000 owed to the Texas Water Development Board for the Allens Creek Project.
- d. On August 15, 2023, the BRA entered into an agreement for short-term taxable bonds with PHNC Bank N.A. (the "Lender") for \$46,000. This short-term financing was needed to bridge the gap between the expenditure reimbursement date requirement and the BRA's closing date with the TWDB.
- d. As part of the Allens Creek Reservoir Project comprehensive settlement agreement between the City of Houston and the BRA, effective May 2, 2022, the BRA will owe the City an additional amount of \$15 million dollars when the United States Army Corps of Engineers issues the Section 404 Permit, for the project, to the BRA.
- (1) Contract Revenue Bonds are payable from revenue derived from various contracts between the BRA and the parties securing payments to the BRA for debt service payments on the bonds. Debt coverage is 100% for these bonds. Each customer is billed monthly for 1/6th of the next debt payment due. Each contract revenue bond is insured or credit rated based on the financial strength of the contracting parties

**BRAZOS RIVER AUTHORITY
MISCELLANEOUS DEMOGRAPHIC AND ECONOMIC INFORMATION
AUGUST 31, 2024 (unaudited)**

BRA was created under Acts 1929, 41st Legislature, 2nd C.S., Spec. Leg. Page 22, Ch. 13. as amended

Year created: 1929
Domicile: Waco, Texas
Last revision of Enabling Act: 2001
Last revision of Bylaws: 2021
Population of District: 4,568,265 (Texas Water Development Board 2022)
Area of District: 42,865 square miles

Brazos River

Total River Miles 840 miles
Average Discharge 6,074,000 acre-feet

Average annual rainfall in the Basin ranges from:

West - 26 inches
Southeast - 32 inches

Number of employees: 268 Full-time, 17 Part-time (per Fiscal Year 2024 Annual Operating Plan)

Offices:

- Central Office - Waco, Texas
- Regional Office - Georgetown, Texas
- Operations Office - Belton, Texas
- Operations Office - Clute, Texas
- Operations Office - Lake Granbury, Texas
- Operations Office - Lake Limestone, Texas
- Operations Office - Waco, Texas
- Operations Office - Leander, Texas
- Operations Office - Possum Kingdom Lake, Texas
- Operations Office - Sugar Land, Texas
- Operations Office - Taylor, Texas
- Operations Office - Temple, Texas
- Operations Office - Hutto, Texas

BRAZOS RIVER AUTHORITY
MISCELLANEOUS DEMOGRAPHIC AND ECONOMIC INFORMATION
AUGUST 31, 2024 (unaudited)

Brazos River Authority Operating Statistics: (water/wastewater treated in thousands of gallons)		
	Years Ended August 31	
	2024	2023
Temple Belton Wastewater Treatment Plant	2,900,000	2,840,790
Sugar Land Regional Sewerage System	3,577,000	3,805,924
Hutto Wastewater System	790,000	806,550
Clute/Richwood Regional Sewerage System	950,000	861,910
Sandy Creek Regional Water Treatment Plant	1,840,000	1,667,000
East Williamson County Water Treatment System	2,400,000	2,544,507
Doshier Farm Wastewater Treatment Plant	950,000	804,183

Brazos River Authority Dams and Reservoirs:	
Possum Kingdom	(TWDB Survey December 2016)
	Capacity - 556,340 acre-feet Surface Area - 18,568 acres Top of Conservation Pool Elevation - 1,000.0 ft-msl Permitted Yield - 230,750 acre-feet
Limestone	(TWDB Survey June 2014)
	Capacity - 203,780 acre-feet Surface Area - 12,486 acres Top of Conservation Pool Elevation - 363.0 ft-msl Permitted Yield - 65,074 acre-feet
Granbury	(TWDB Survey July 2016)
	Capacity - 136,326 acre-feet Surface Area - 8,282 acres Top of Conservation Pool Elevation - 693.0 ft-msl Permitted Yield - 64,712 acre-feet

BRAZOS RIVER AUTHORITY
MISCELLANEOUS DEMOGRAPHIC AND ECONOMIC INFORMATION
AUGUST 31, 2024 (unaudited)

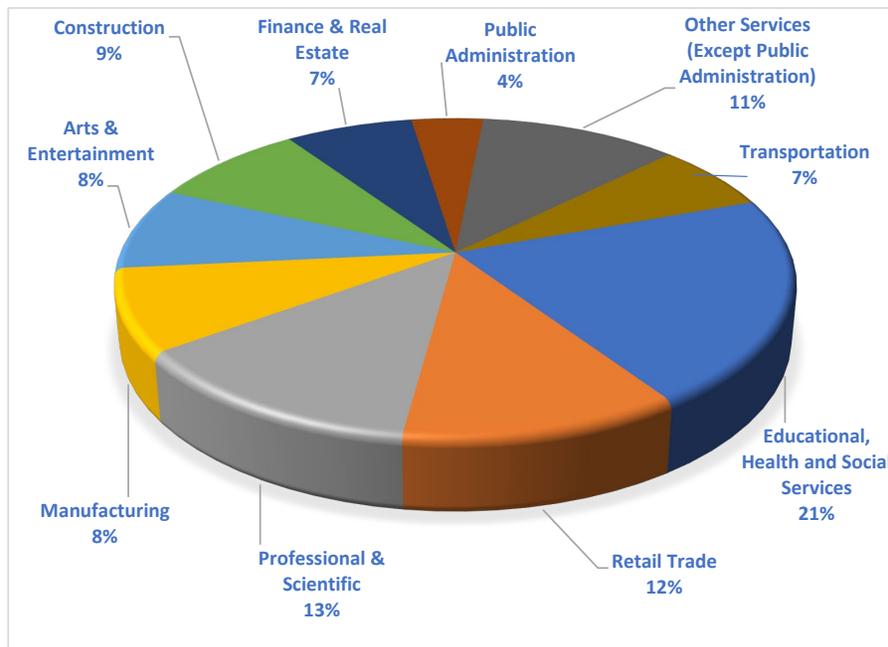
U. S. Army Corps of Engineers Dams and Reservoirs		
Aquilla	Conservation Pool	Flood Control Pool
Capacity	43,293 acre-feet	135,636 acre-feet
Surface Area	3,085 acres	6,999 acres
Elevation	537.5 ft-msl	556.0 ft-msl
Permitted Yield	13,896 acre-feet	TWDB Survey July 2014
Belton	Conservation Pool	Flood Control Pool
Capacity	432,631 acre-feet	1,072,631 acre-feet
Surface Area	12,445 acres	23,605 acres
Elevation	594.0 ft-msl	631.0 ft-msl
Permitted Yield	100,257 acre-feet	TWDB Survey October 2015
Granger	Conservation Pool	Flood Control Pool
Capacity	51,822 acre-feet	230,481 acre-feet
Surface Area	4,159 acres	11,040 acres
Elevation	504.0 ft-msl	528.0 ft-msl
Permitted Yield	19,840 acre-feet	TWDB Survey March 2013
Georgetown	Conservation Pool	Flood Control Pool
Capacity	38,068 acre-feet	131,793 acre-feet
Surface Area	1,307 acres	3,220 acres
Elevation	791.0 ft-msl	834.0 ft-msl
Permitted Yield	13,610 acre-feet	TWDB Survey January 2016
Proctor	Conservation Pool	Flood Control Pool
Capacity	54,762 acre-feet	369,500 acre-feet
Surface Area	4,615 acres	14,010 acres
Elevation	1,162.0 ft-msl	1,197.0 ft-msl
Permitted Yield	19,658 acre-feet	TWDB Survey February 2012
Somerville	Conservation Pool	Flood Control Pool
Capacity	150,293 acre-feet	494,500 acre-feet
Surface Area	11,395 acres	24,400 acres
Elevation	238.0 ft-msl	258.0 ft-msl
Permitted Yield	48,000 acre-feet	TWDB Survey April 2012
Stillhouse Hollow	Conservation Pool	Flood Control Pool
Capacity	229,881 acre-feet	624,581 acre-feet
Surface Area	6,429 acres	11,830 acres
Elevation	622.0 ft-msl	666.0 ft-msl
Permitted Yield	67,768 acre-feet	TWDB Survey December 2015
Waco	Conservation Pool	Flood Control Pool
Capacity	189,773 acre-feet	518,895 acre-feet
Surface Area	8,190 acres	19,440 acres
Elevation	462.0 ft-msl	500.0 ft-msl
Permitted Yield	104,100 acre-feet	TWDB Survey May 2011
Whitney	Conservation Pool	Flood Control Pool
Capacity	617,194 acre-feet	1,989,664 acre-feet
Surface Area	23,215 acres	49,820 acres
Elevation	533.0 ft-msl	571.0 ft-msl
Permitted Yield	18,336 acre-feet	Volumetric Survey March 2019

Source: Brazos River Authority Water Services Department

BRAZOS RIVER AUTHORITY
MISCELLANEOUS DEMOGRAPHIC AND ECONOMIC INFORMATION
AUGUST 31, 2024 (unaudited)

Brazos Basin Geographic Area
Ten Largest Industries

Industry	Percentage of Entities in Category
Educational, Health and Social Services	21.10%
Retail Trade	11.60%
Professional & Scientific	12.90%
Manufacturing	8.40%
Arts & Entertainment	8.30%
Construction	8.70%
Finance & Real Estate	7.10%
Public Administration	4.00%
Other Services (Except Public Administration)	11.10%
Transportation	6.80%

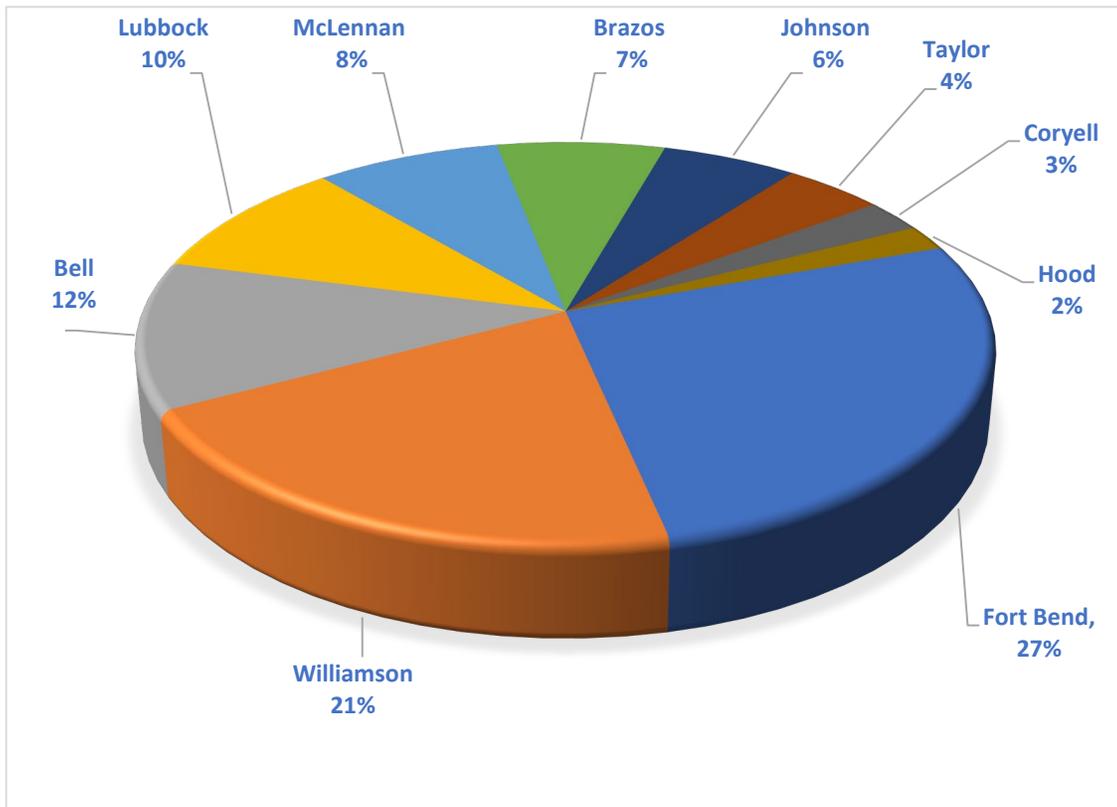


Source: U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates

**BRAZOS RIVER AUTHORITY
 MISCELLANEOUS DEMOGRAPHIC AND ECONOMIC INFORMATION
 AUGUST 31, 2024 (unaudited)**

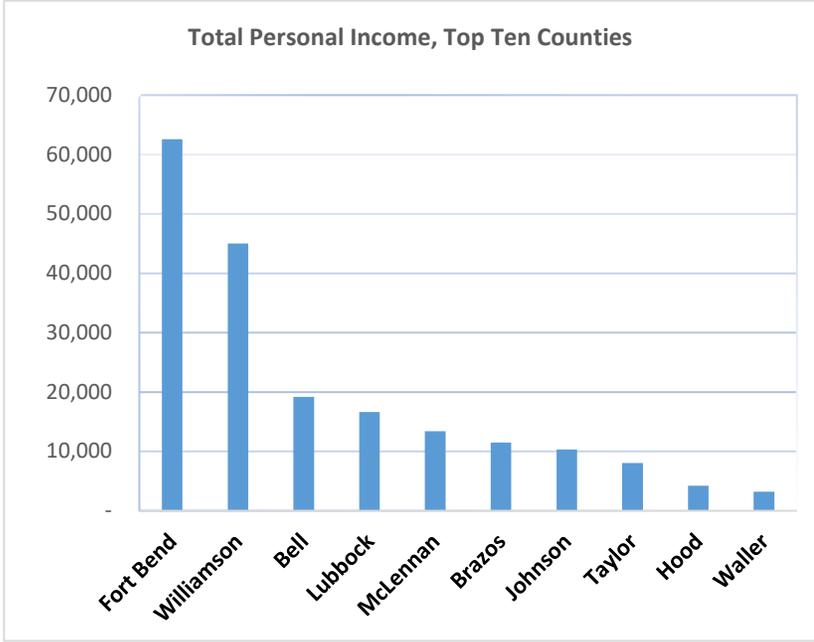
**Brazos River Basin Population
 by County (Largest)**

County	Population
Fort Bend	889,146
Williamson	671,418
Bell	388,386
Lubbock	317,561
McLennan	266,836
Brazos	242,014
Johnson	195,506
Taylor	145,163
Coryell	85,057
Hood	66,373

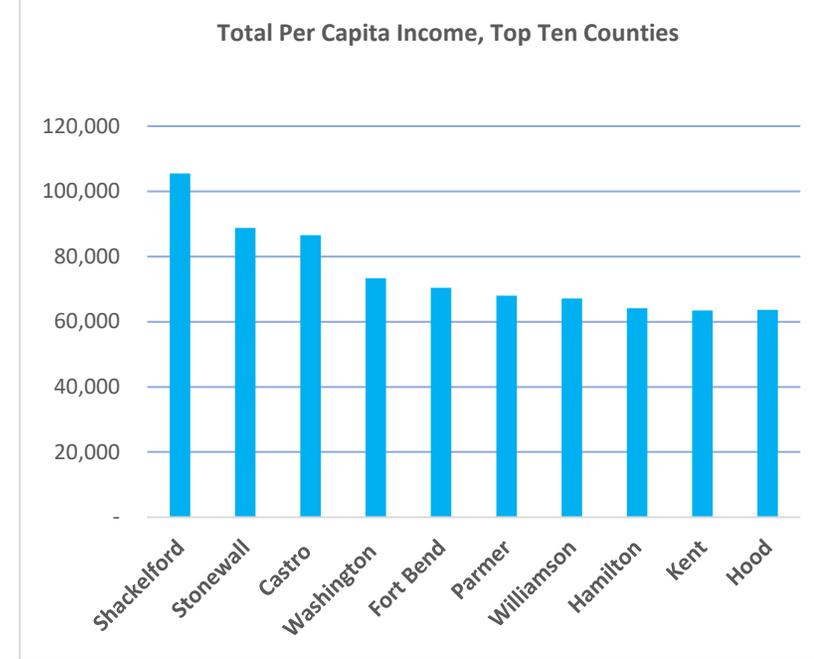


Source: 2022 Bureau of Economic Analysis CAINC1 Population November 16, 2023 release

County (Top Ten)	Total Personal Income (in thousands)
Fort Bend	62,587
Williamson	45,040
Bell	19,192
Lubbock	16,652
McLennan	13,417
Brazos	11,514
Johnson	10,330
Taylor	8,067
Hood	4,224
Waller	3,198



County (Top Ten)	Total Per Capita Income (in dollars)
Shackelford	105,536
Stonewall	88,796
Castro	86,577
Washington	73,301
Fort Bend	70,390
Parmer	67,989
Williamson	67,083
Hamilton	64,110
Kent	63,419
Hood	63,641



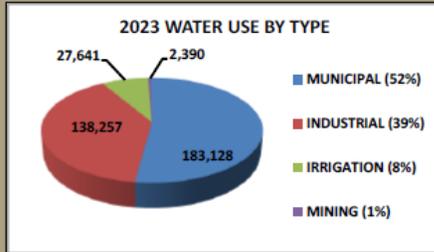
Source: 2022 Bureau of Economic Analysis CAINC5N Population November 16, 2023 release

BRAZOS RIVER AUTHORITY
MISCELLANEOUS DEMOGRAPHIC AND ECONOMIC INFORMATION
AUGUST 31, 2024 (unaudited)

Brazos River Authority 2023
Customer Water Use and
Reservoir Accounting Summary

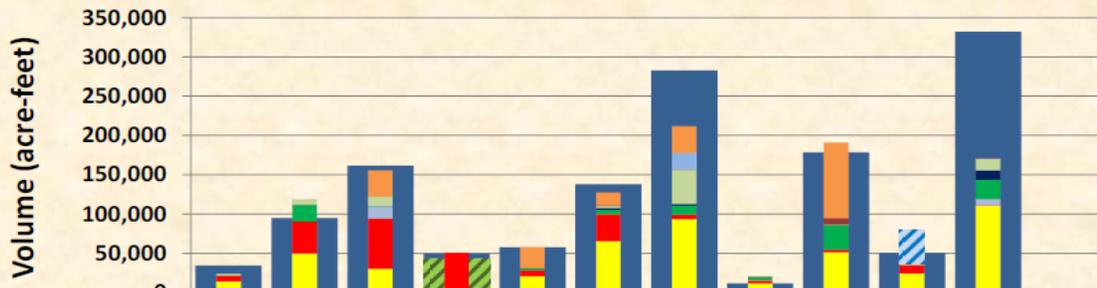


2023 TOTAL WATER USE
351,417 Acre-Feet



AQ=Lake Aquilla
 BE=Lake Belton
 GB=Lake Granbury
 GT=Lake Georgetown
 GG=Lake Granger
 LS=Lake Limestone
 PK=Possum Kingdom Lake
 PR=Lake Proctor
 SV=Lake Somerville
 SH=Stillhouse Hollow Lake
 WH=Lake Whitney

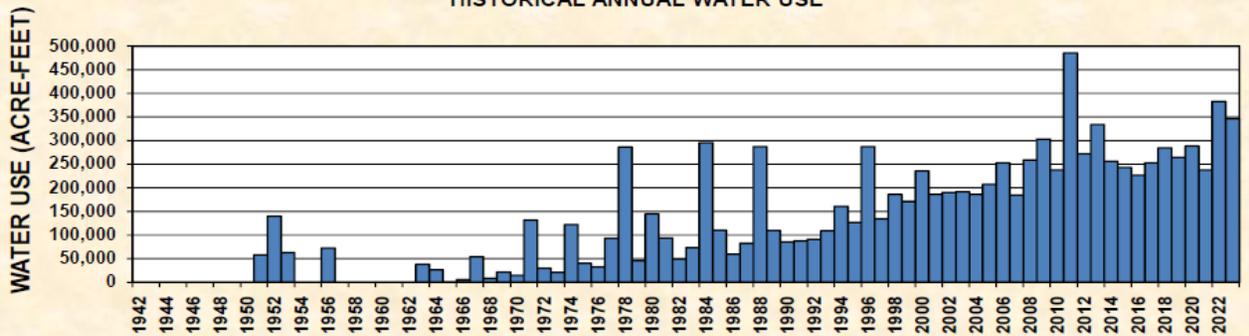
Brazos River Authority 2023 Reservoir Accounting (acre-feet)



	AQ	BE	GB	GT	GG	LS	PK	PR	SV	SH	WH	TOTAL	
Inflow	34,482	94,558	161,455		57,549	137,974	282,684	11,458	178,560	50,452	332,156	1,347,574	
Pumped in from Stillhouse				43,552								43,552	
Flood Release			33,333		26,340	16,216	34,011		96,142			206,042	
Pumped out to Georgetown										43,552		43,552	
Balancing Release to GB							19,148					19,148	
Hydro Electric Release											289	289	
Senior Water Rights Pass-through						583	1,678	464	8,569			11,294	
Undedicated Release (Leakage and/or Environmental Release)*	1,944	6,906	11,569			2,558	43,319		460	724	15,107	82,587	
Undedicated Release used for Water Supply		269	590			1,925	2,132					11,869	16,785
Water Supply Release**		21,033			2,288	5,600	11,958	4,103	31,350			24,928	101,260
Water Supply Release Pass-Through			15,551									7,495	23,046
Lakeside Water Use	7,704	40,997	64,193	46,260	7,808	34,881	5,463	3,661	3,494	10,715	693	225,869	
Evaporation	13,943	49,607	30,210	3,947	20,695	65,127	93,660	11,601	51,056	24,403	110,716	474,965	

* Leakage has not been quantified by the US Army Corp of Engineers for Lakes Georgetown, Granger and Proctor.
 **12,405 acre-feet of the 21,033 acre-feet of water released for water supply from Lake Belton was for the City of Temple under its own water right. Therefore, this 12,405 acre-feet is not reflected in BRA's water use total for 2023.
 ***6,440 acre-feet of water used under NRG's BRA contract was pumped at their downstream pumping point near the City of Richmond under the BRA's Excess Flows permit.
 Since water pumped under the Excess Flows permit is run-of-river water and not released from any of the BRA system reservoirs, it is not reflected in this reservoir accounting.
 NOTE: [Lakeside Water Use (225,869 acre-feet) + Water Supply Release (101,260 acre-feet) + Undedicated Release used for Water Supply (16,785 acre-feet) - Temple water right (12,405 acre-feet) + Excess Flows (6,440 acre-feet) + Water use from the Colorado Basin (4,743 acre-feet) + Run-of-River water use under System Operation Permit (8,725) = Total 2023 BRA Water Use (351,417 acre-feet)]

HISTORICAL ANNUAL WATER USE



BRAZOS RIVER AUTHORITY
SCHEDULE OF CAPITAL ASSETS - NET ADDITIONS/(DELETIONS) BY OPERATIONS
AUGUST 31, 2024(unaudited) (in thousands)
(accrual basis of accounting)

Last Ten Fiscal Years

Year	Water Supply	WCRRWL	BCRWS	Sandy Creek	Total
2015	\$ 1,170	\$ 599	\$ (21)	\$ -	\$ 1,748
2016	(720)	231	-	-	(489)
2017	21,470	-	59	-	21,529
2018	961	50	-	-	1,011
2019	4,184	-	(144)	-	4,040
2020	6,000	-	-	-	6,000
2021	1,966	6	-	-	1,972
2022	75,338	(5)	-	(18)	75,315
2023	3,582	-	-	-	3,582
2024	2,637	-	-	-	2,637
	\$ 116,588	\$ 881	\$ (106)	\$ (18)	\$ 117,345

BRAZOS RIVER AUTHORITY
SCHEDULE OF CAPITAL ASSETS - NET ADDITIONS/(DELETIONS) BY CLASSIFICATION
AUGUST 31, 2024 (unaudited) (in thousands)
(accrual basis of accounting)

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Land, storage and water rights	\$ 278	\$ (29)	\$ 16,660	\$ 6	\$ -	\$ -	\$ -	\$ 75,209	\$ -	\$ 1,646	\$ 93,770
Reservoirs, water treatment and sewerage facilities	13,520	39	-	-	-	-	-	-	-	-	13,559
Building, structures and improvements	(13,542)	(10)	5,491	(36)	2,649	5,088	1,032	26	2,448	238	3,384
Vehicles, furniture and equipment	1,492	(489)	(622)	1,041	1,391	912	940	80	1,134	753	6,632
Total	\$ 1,748	\$ (489)	\$ 21,529	\$ 1,011	\$ 4,040	\$ 6,000	\$ 1,972	\$ 75,315	\$ 3,582	\$ 2,637	\$ 117,345

**BRAZOS RIVER AUTHORITY
SCHEDULE OF INSURANCE
AS OF AUGUST 31, 2024 (unaudited)**

Policy	Name of Company	Policy Number	Summary of Coverage	Limits of Liability	Coverage Period
Aircraft Liability	Texas Municipal League	1970-8292	Non-owned Aircraft Liability Deductible - \$2,500	\$10,000,000	10/1/2023 10/1/2024
Airport Liability	Texas Municipal League	1970-8292	Airport Liability Premises Products & Completed Operations Deductible - \$2,500	\$10,000,000 \$10,000,000	10/1/2023 10/1/2024
Automobile Liability & Physical Damage	Texas Municipal League	1970-8292	Automobile Liability Automobile Medical Payments Hired & Non-Owned Automobile Deductible - None Uninsured/Underinsured Motorist Automobile Physical Damage Deductible: \$ 250	\$5,000,000 \$1,000,000	10/1/2023 10/1/2024
Commercial Crime	Texas Municipal League	1970-8616	Public Employee Dishonesty Forgery or Alteration Computer Fraud Deductible: \$10,000 Theft, Disappearance & Destruction Deductible - None	 \$1,000,000 \$100,000 \$10,000	10/1/2023 10/1/2024
General Liability	Texas Municipal League	1970-8292	General Aggregate Deductible - None	\$10,000,000	10/1/2023 10/1/2024
Marine and Hull/ Mobile Equipment	Texas Municipal League	1970-8616	Coverage for Boats, Motors and Mobile Equipment Deductible: \$10,000	As Scheduled	10/1/2023 10/1/2024
Law Enforcement Liability	Texas Municipal League	1970-8392	Annual Aggregate Deductible: \$2,500	\$10,000,000	10/1/2023 10/1/2024
Errors & Omissions Liability	Texas Municipal League	1970-8292	Annual Aggregate Deductible: \$25,000	\$10,000,000	10/1/2023 10/1/2024
Boiler and Machinery	Texas Municipal League	1970-8616	Annual Aggregate Deductible: \$50,000	\$100,000	10/1/2023 10/1/2024
Real & Personal Property	Texas Municipal League	1970-8616	Annual Aggregate Deductible: \$50,000	As Scheduled	10/1/2023 10/1/2024
Cyber Liability and Data Breach Response	Texas Municipal League	1970-8293	Annual Aggregate Deductible: \$50,000	As Scheduled	10/1/2023 10/1/2024

**BRAZOS RIVER AUTHORITY
SCHEDULE OF INSURANCE
AS OF AUGUST 31, 2024 (unaudited)**

Policy	Name of Company	Policy Number	Summary of Coverage	Limits of Liability	Coverage Period
Fiduciary and Employee Benefits	Great American Insurance	MEP4387691	Annual Aggregate	\$5,000,000	10/1/2023
			Per Occurrence	\$5,000,000	10/1/2024
			Deductible: \$10,000		
Public Officials Bond	Insurors of Texas/ C N A Surety Group	71252612	Board of Director's Bond	\$105,000	5/1/2024
			Deductible - None		5/1/2025
Public Officials Bond	Insurors of Texas/ Hartford Insurance Group	46BSBAE6365	Govt, Federal & Public Official Bonds	\$12,000	2/1/2024
			Deductible - None		2/1/2025
Travel Accident	Insurors of Texas/ Hartford Life	ETB-4333	Aggregate for Hazard	\$5,000,000	11/1/2023
			Excludes Personal Aircraft		11/1/2024
			Deductible - None		
Workers' Compensation	Texas Water Conservation Association	99	Self-insured for first	Aggregate Deduct	7/1/2023
			\$ 50,000 per occurrence	\$150,000	7/1/2024
Workers' Compensation	Texas Water Conservation Association	99	Self-insured for first	Aggregate Deduct	7/1/2024
			\$ 50,000 per occurrence	\$150,000	7/1/2025

BRAZOS RIVER AUTHORITY
FULL -TIME EQUIVALENT
LAST TEN FISCAL YEARS (unaudited)

	Full-Time Equivalent Employees Per Annual Operating Plan									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Upper Basin										
Management	5	5	5	4	4	4	4	4	4	4
Possum Kingdom	46	45	45	45	45	44	44	42	44	48
Lake Granbury	19	19	19	18	18	17	17	15	15	15
Central Basin										
Management & Lab	21	21	21	24	24	27	28	24	24	24
Temple-Belton WWTP	13	13	13	13	13	13	13	16	16	17
Brushy Creek RWS	0	0	0	0	0	16	16	17	17	17
Sandy Creek WTP	5	5	5	5	4	4	4	4	4	4
Hutto WWS	4	3	3	2	2	2	2	2	2	0
East Williamson RWS	8	8	8	8	7	8	8	6	6	6
Lower Basin										
Lake Limestone	14	14	13	12	12	12	11	11	10	10
SLRSS	14	14	14	14	14	14	10	10	10	10
Clute	4	4	4	4	4	4	4	4	4	4
Central Office										
General Administration	3	3	3	3	3	2	2	2	2	3
Legal Services	7	7	7	7	4	4	4	4	4	4
Financial Services	17	16	16	15	15	15	15	15	15	15
Human Resources	8	7	5	5	5	5	5	5	5	5
Gov. Cus. Relations	7	6	7	6	7	6	6	7	7	7
Information Technology	15	15	13	13	13	14	14	14	14	14
Special Projects & Strategic Initiatives	3	3	2	1	1	1	1	2	2	2
Strategic Planning	0	0	0	0	0	0	0	0	0	0
Office of Security	3	3	6	5	4	0	0	0	0	0
Water Services	9	9	8	8	7	0	0	0	0	0
Environmental Services	20	20	18	16	18	0	0	0	0	0
Technical Services	23	21	22	20	22	47	47	46	43	41
	268	261	257	248	246	259	255	250	248	250

Source: Brazos River Authority Annual Operating Plan



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Back Photo - Environmental crew catching fish



Brazos River Authority
4600 Cobbs Drive
Waco, Texas 76710

