

ALLIANCE REGIONAL WATER AUTHORITY

**THE BUILDING BLOCKS OF A LOCAL ALLIANCE
VISION, POLICY & COMMUNICATION**

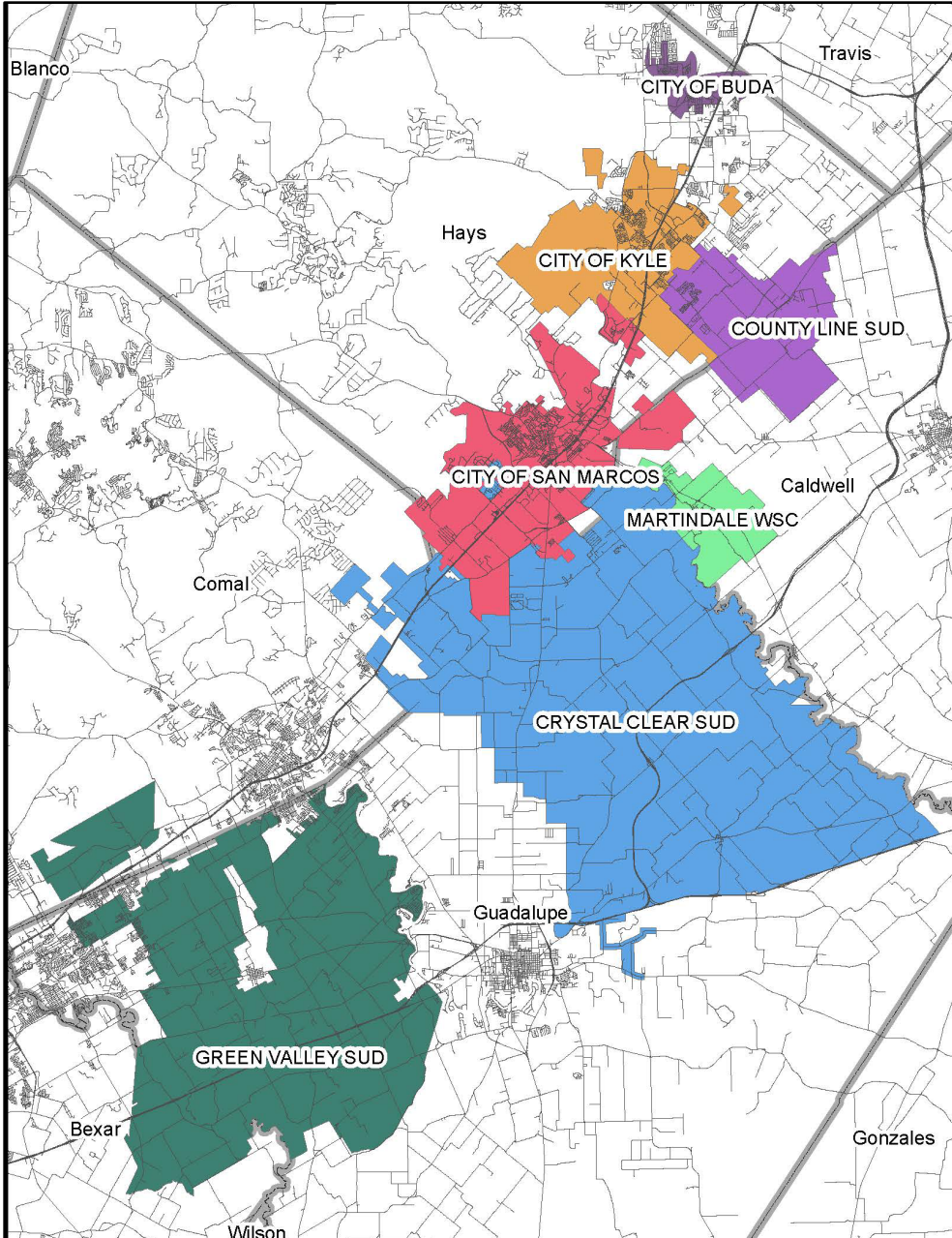
**TEXAS MUNICIPAL UTILITIES ASSOCIATION
UTILITY LEADERSHIP & MANAGEMENT CONFERENCE
MARCH 6, 2025**



Who is Alliance Water?

- Alliance Water is a wholesale only water provider that was formed for the purpose of resolving the long-term water needs of its Sponsors.
- Originally created in 2007 as the Hays Caldwell Public Utility Agency.
- Converted to Alliance Water in the 2017 Legislative Session.

Sponsors



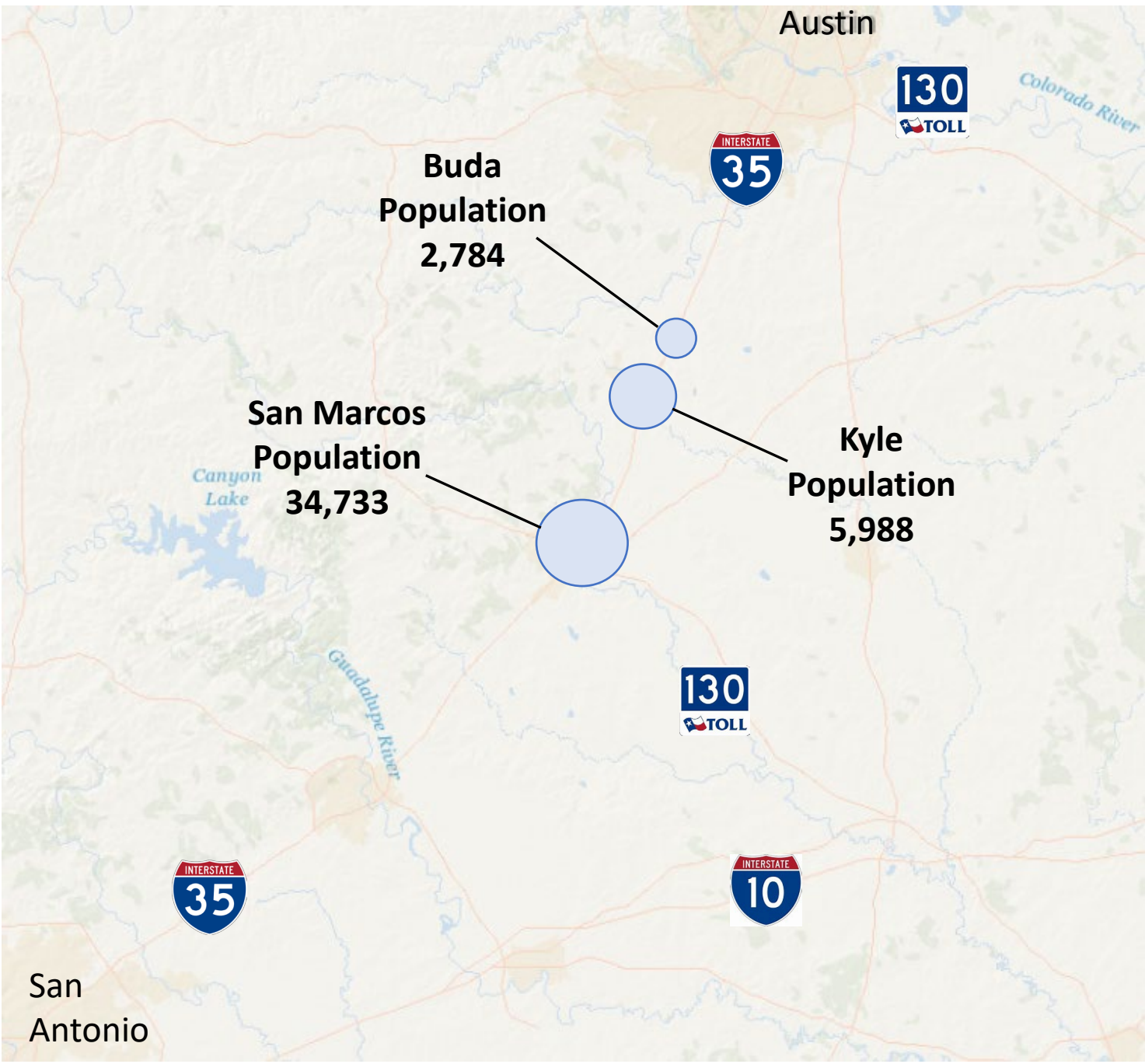
- City of San Marcos
- City of Kyle
- City of Buda
- Canyon Regional Water Authority
 - County Line SUD
 - Crystal Clear SUD
 - Green Valley SUD
 - Martindale WSC

Early 2000's Situation

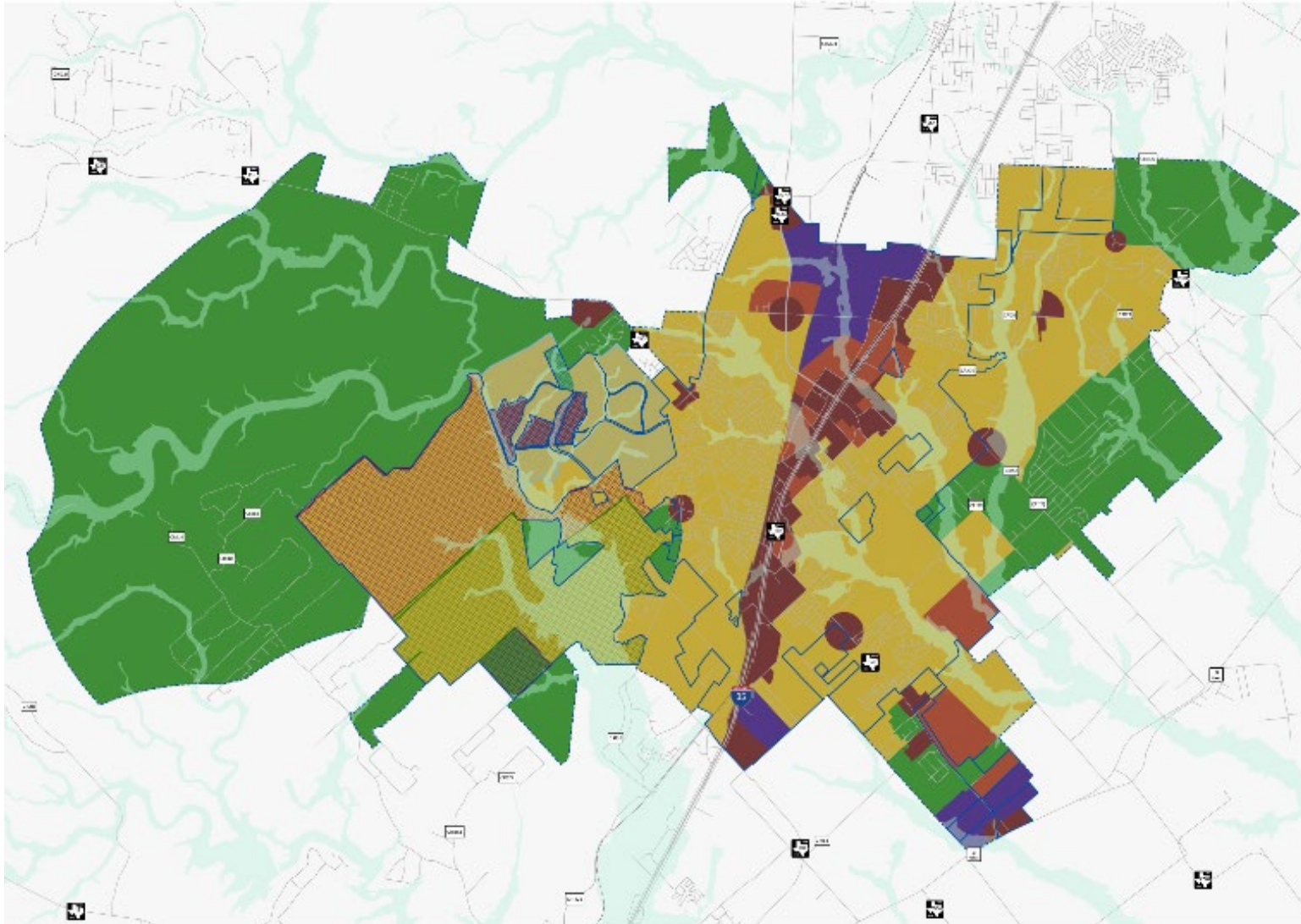
Water Sources:

- Groundwater from Edwards Aquifer
- Surface Water purchased through GBRA originating from Canyon Lake

Firm Groundwater Rights Fully Permitted & Canyon Lake Fully Allocated



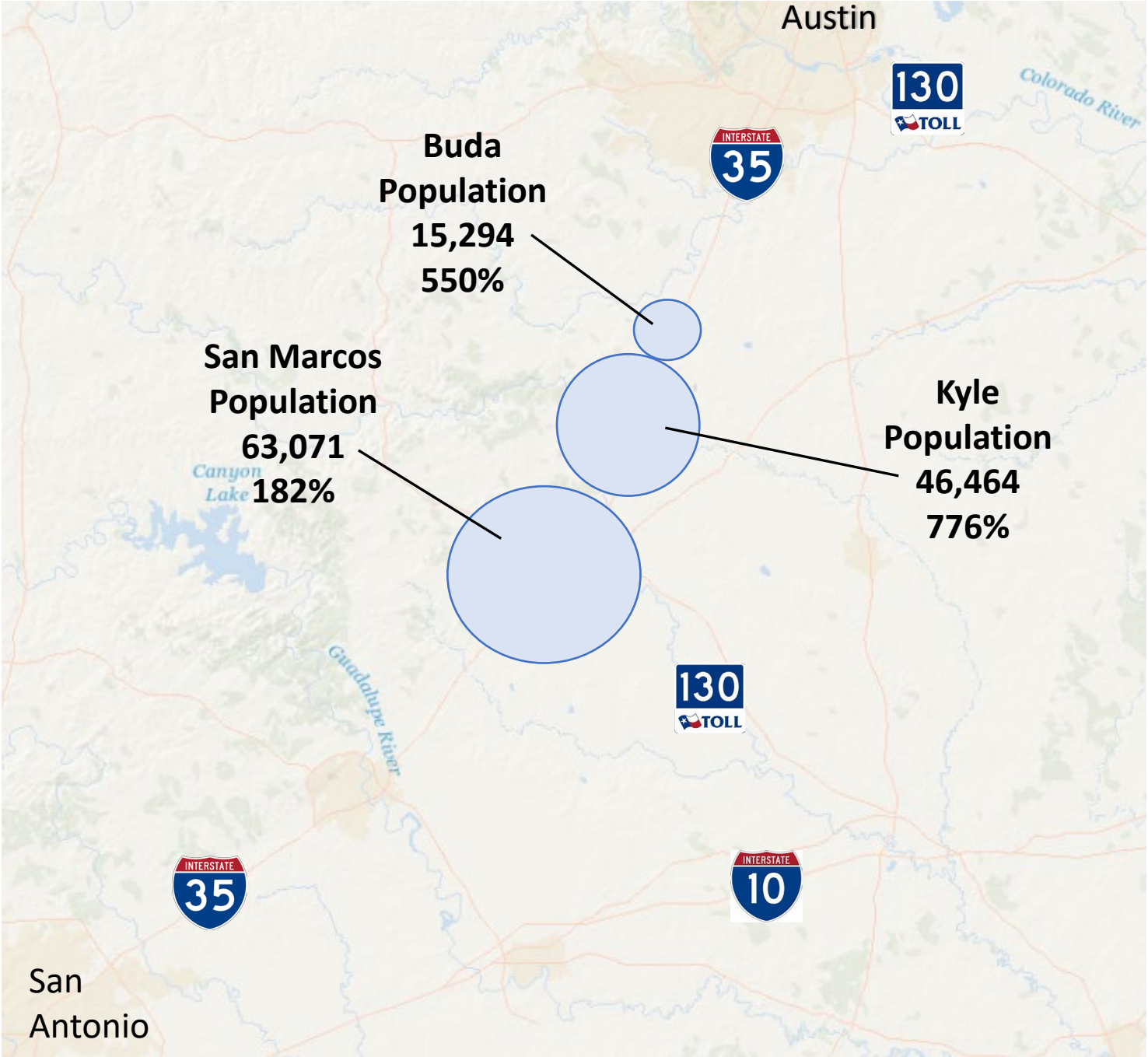
Development Was Imminent



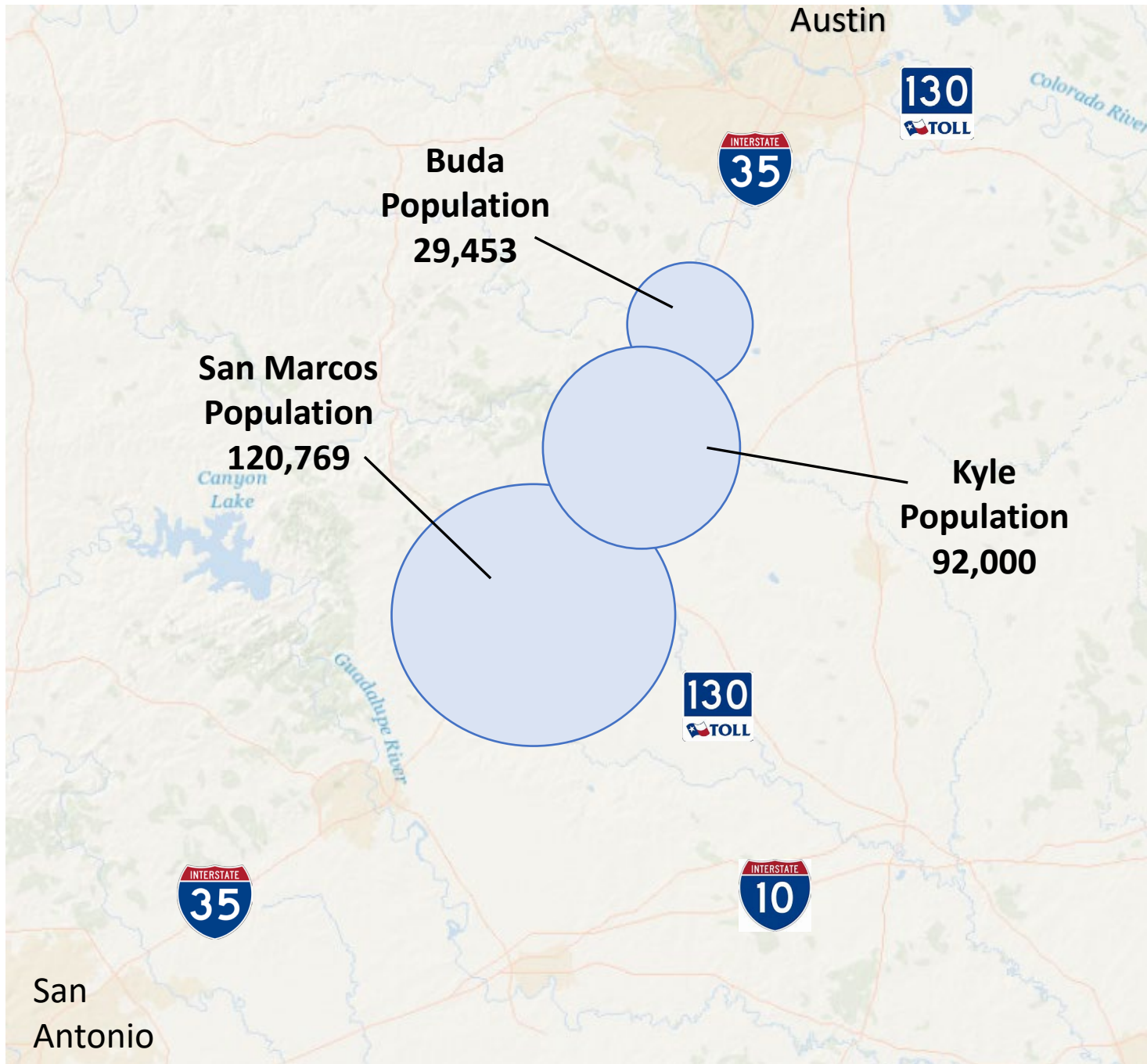
Future Land Use Map



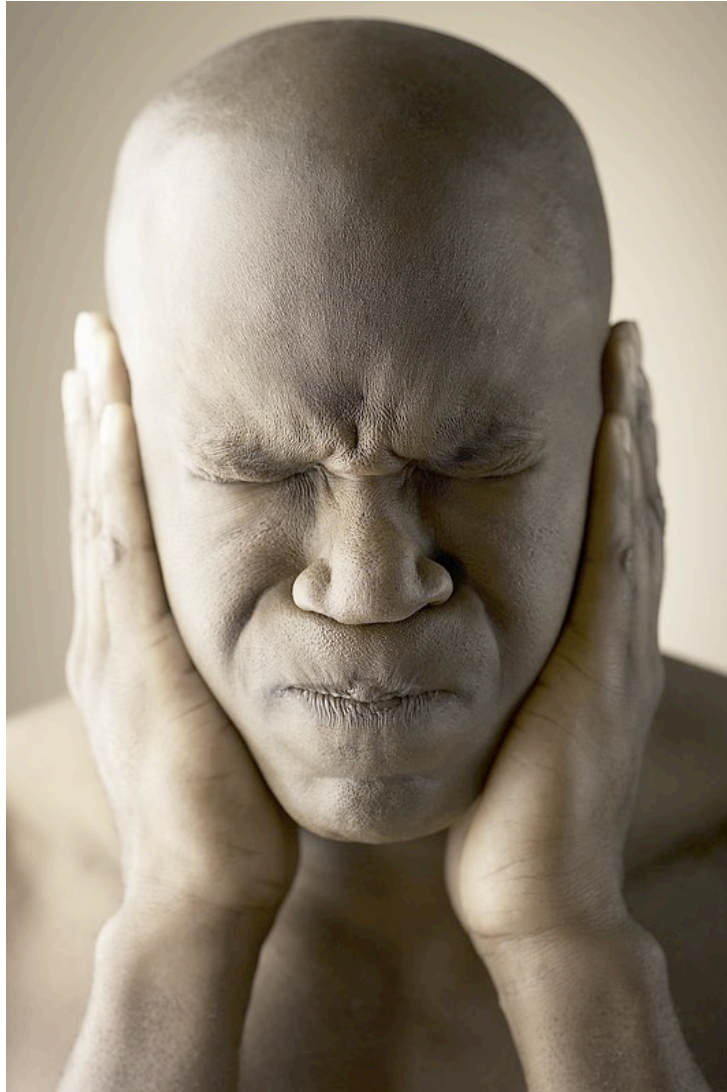
2020 Population



2050 Projected Population



What Happens When People Get Here?



Feasibility Study

- Prior to cooperation the Sponsors were independently looking for alternative supplies
- Long-range water study began to identify the most viable, long-term supply option for the region
- Study had more than 13 entities (cities and/or utilities) involved
- Study did a high-level review of water demands among the Sponsors, identified the Carrizo-Wilcox aquifer as the supply source and laid out the basic infrastructure necessary to delivery the water to the Sponsors

Political Concerns

Inter-Group Dynamics were challenging initially



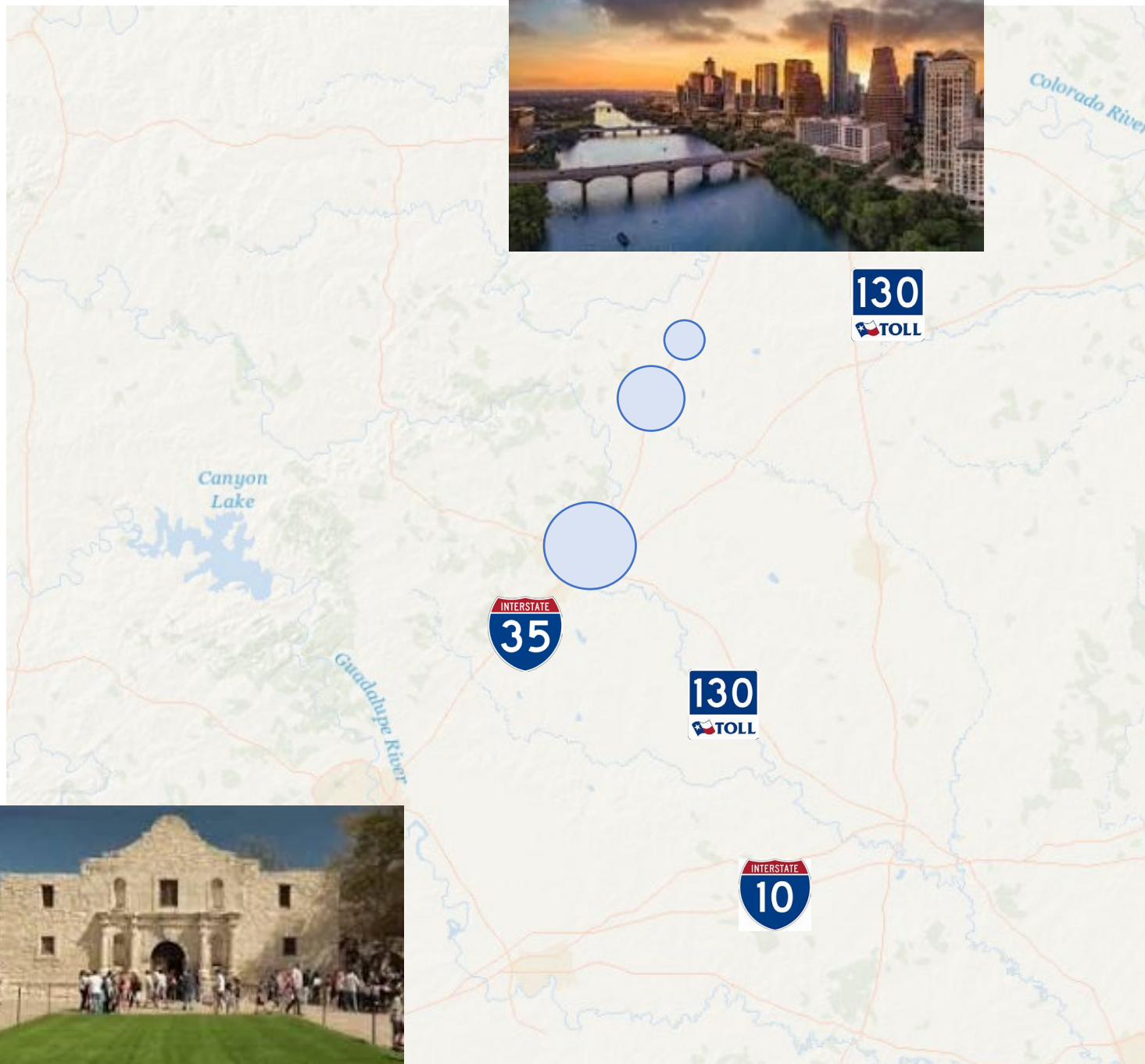
Political Concerns

Local River Authority
– it's complicated!

$$\sqrt{\frac{a^2 + \frac{1}{2}b^2}{y^2}} \cdot \frac{z^3}{a^3} = \frac{(a^2 + b^2 + x^2 + y^2)(x^2 - b^2)}{\sqrt{3x - 2y^2 - z^2}}$$
$$\sqrt[3]{\frac{(2xy)^2 (3ab + 3x)^3}{x^2 y^2}} = \frac{5x^2 + 3y^2 - a^2 - b^2}{z^2 a^2 b^2}$$
$$\frac{x^2 - y^2}{\sqrt{z}} = 2 \sqrt{\frac{(x^2 - y^2)(3z + 2x - y^2)}{a^2 + b^2}}$$



Political Concerns



Bound Together

Given the impending wave of growth that was coming – the Sponsors determined that were better off working together than trying to find supplies separately

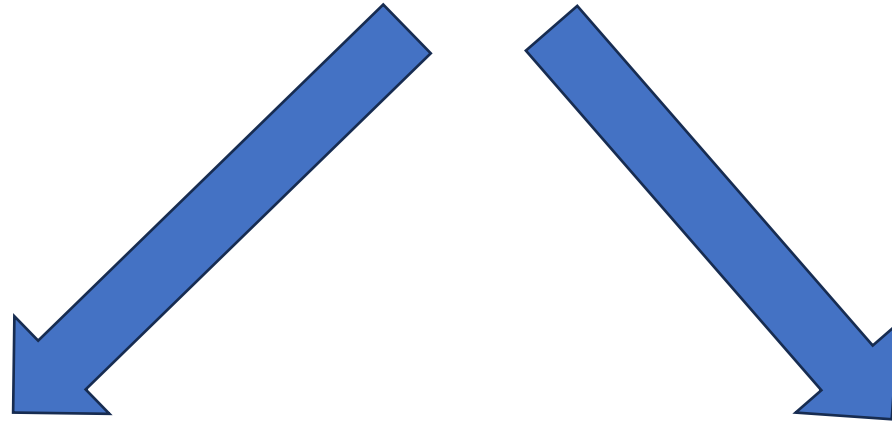


Formation

- Of the 13 in the original Feasibility Study, six entities wanted to move forward with working together
- Investigated multiple entity types for the new organization – ultimately settled on creating the Hays Caldwell Public Utility Agency (HCPUA)
- In 2017 converted to the Alliance Regional Water Authority through the approval of Senate Bill 1198



Immediate Priorities



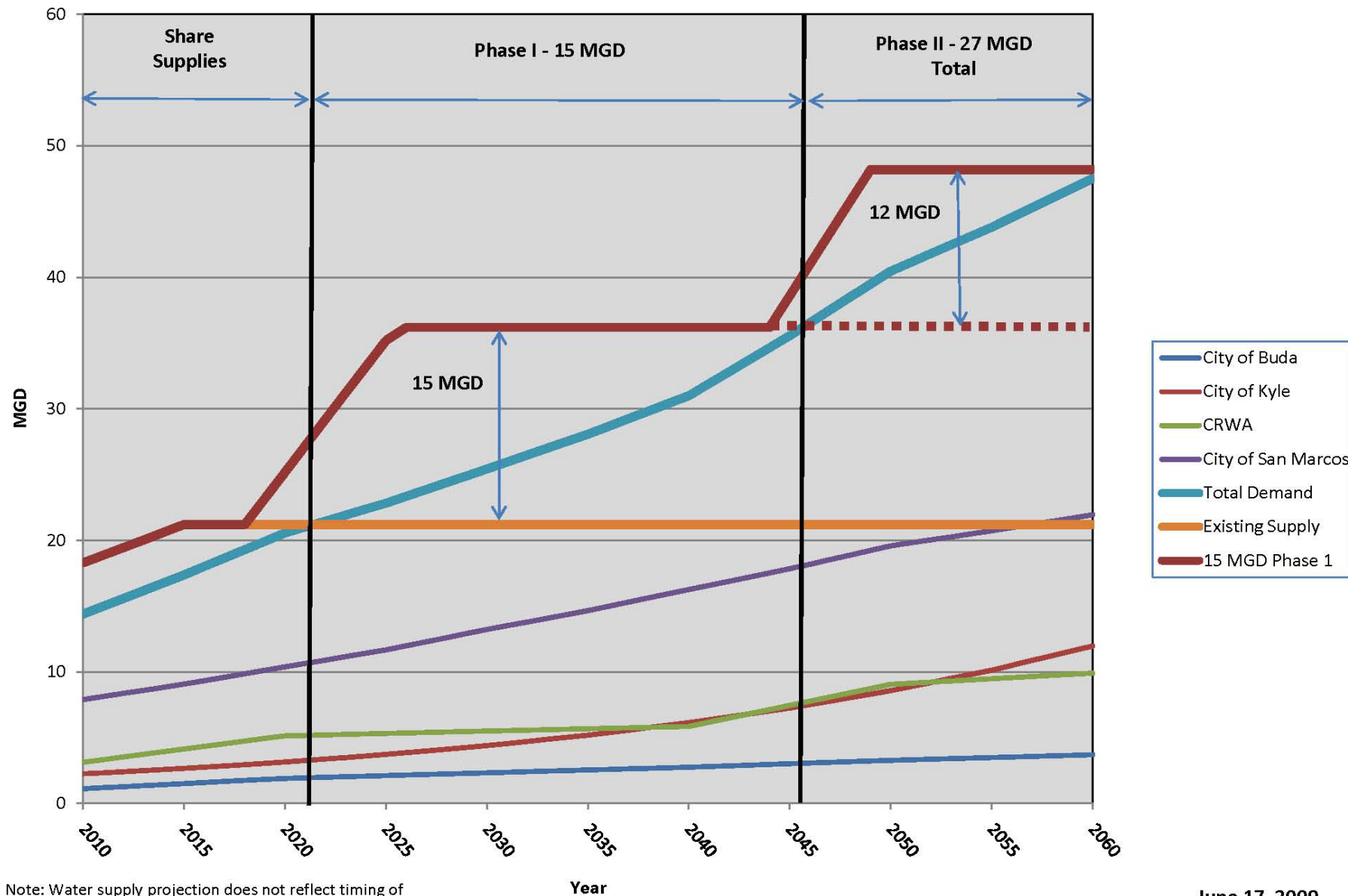
Water Supply

- How Much & When?
- Define Infrastructure
- Water Rights Leasing
- State Water Plan Coordination/
Long-Term Funding

Policy

- Board Structure /
Bylaws
- Water Supply Contract
- Day-to-Day Operations

Timing & Phasing



Note: Water supply projection does not reflect timing of financial expenditures related to the project.

June 17, 2009

Regional Water Planning

- Participate in Region L Water Planning Group
- Necessary for permitting water rights from groundwater conservation district
- Necessary to be eligible for TWDB financing



Board Structure / Bylaws

- 13-member Board of Directors appointed by Sponsors – set number to try and get representation to be apportioned based on water need
- Provided Board authority for most critical decisions
- Created an advisory committee – originally the Executive Committee, later retitled to the Technical Committee – to review technical issues in more details and make recommendations to the Board

Water Supply Contract

- Binds the Sponsors together beyond the simple governance and bylaws
- Take or pay agreement
- Includes provisions for debt issuances, including separate series/terms for each Sponsor
- Shares of water produced and share of payments are apportioned based on project share

Sponsor	Share of Project Costs	Acre-Foot/Year of Capacity
Buda	5.08%	1,687
Kyle	28.17%	9,355
San Marcos	35.86%	11,910
Canyon Regional Water Authority	30.89%	10,260

Communication

- Needed to create policies and procedures to allow the Authority to effectively operate independently from the Sponsors
- Initially managed via a contract through an engineering firm; later hired a full-time Executive Director

- Created an Executive Committee for management
- Engineering, Legal & Financial Advisory Contracts
- Bank Signatory Authority
- Agency Records Policy
- Rules & Procedures for Meetings
- Partnership Request Form
- Annual Audit
- E&O Insurance
- Purchasing, Investment & Financial Policies

Communication

- Must Target Communications to Multiple Different Constituencies
 - Sponsor's Rate Payers
 - Water Rights Leaseholders
 - Groundwater Districts
 - Developers / General Public

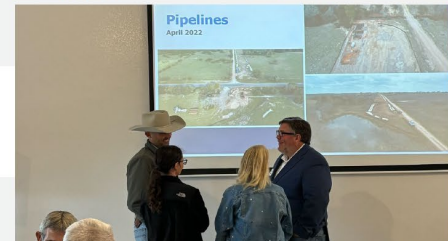
Leaseholder Update

November 11, 2023

During the meeting, Alliance shared information related to:

- Construction progress of the Carrizo-Wilcox Water Project
- Leaseholder royalty rates
- Groundwater mitigation measures

Materials shared in person were made available online through the Leaseholder Webpage alliancewater.org/leaseholders



HIGHLIGHTS

 Delhi Volunteer Fire Department

 35 attendees

 23 properties represented

Public Relations

Facebook post from Alliance Water showing a construction site with two large circular tanks. The post text says: "Recently, our Water Treatment Plant surpassed 75% completion which means that we are still on our way to supplying water by Spring 2024!" It has 8 reactions and 2 shares, reaching 250 people.

Twitter post from alliancewatertx showing a water tower under construction. The text says: "The new year is off to a great start as we cross some exciting project miles more".

Messaging & Materials

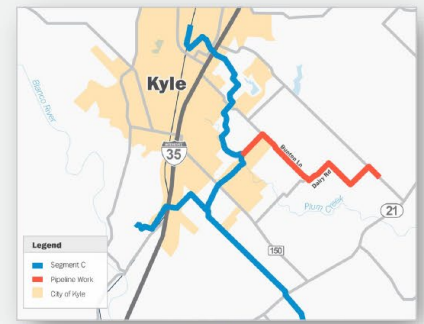
Messaging

- Updated content for GBRA and San Marcos Utilities websites
- Monthly updates of Segment C progress for the City of Kyle
- Sponsor Drought Information webpage
- Proposition 6 educational information
- Media release for Segment C construction kickoff

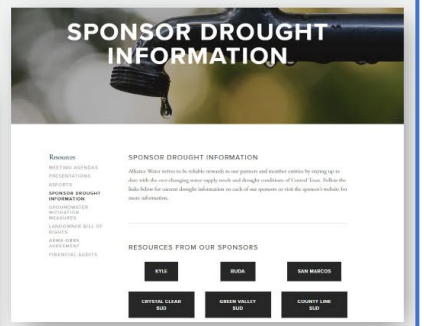
Materials

- Segment C construction map
- Transmission System map update
- Redesigned project timeline

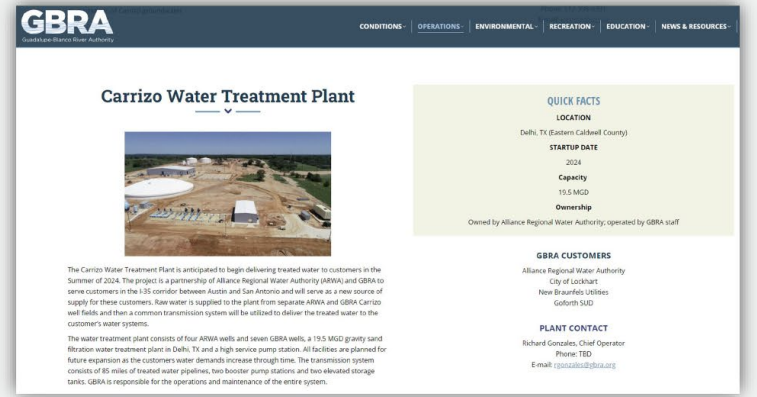
- Updates to Board of Directors page and biographies
- Redesign of project timeline and regular updates
- Transmission System Map update
- Newsletter catalogue
- Social media gallery updates
- Alliance Water in the News updates
- Regular updates of construction photo gallery



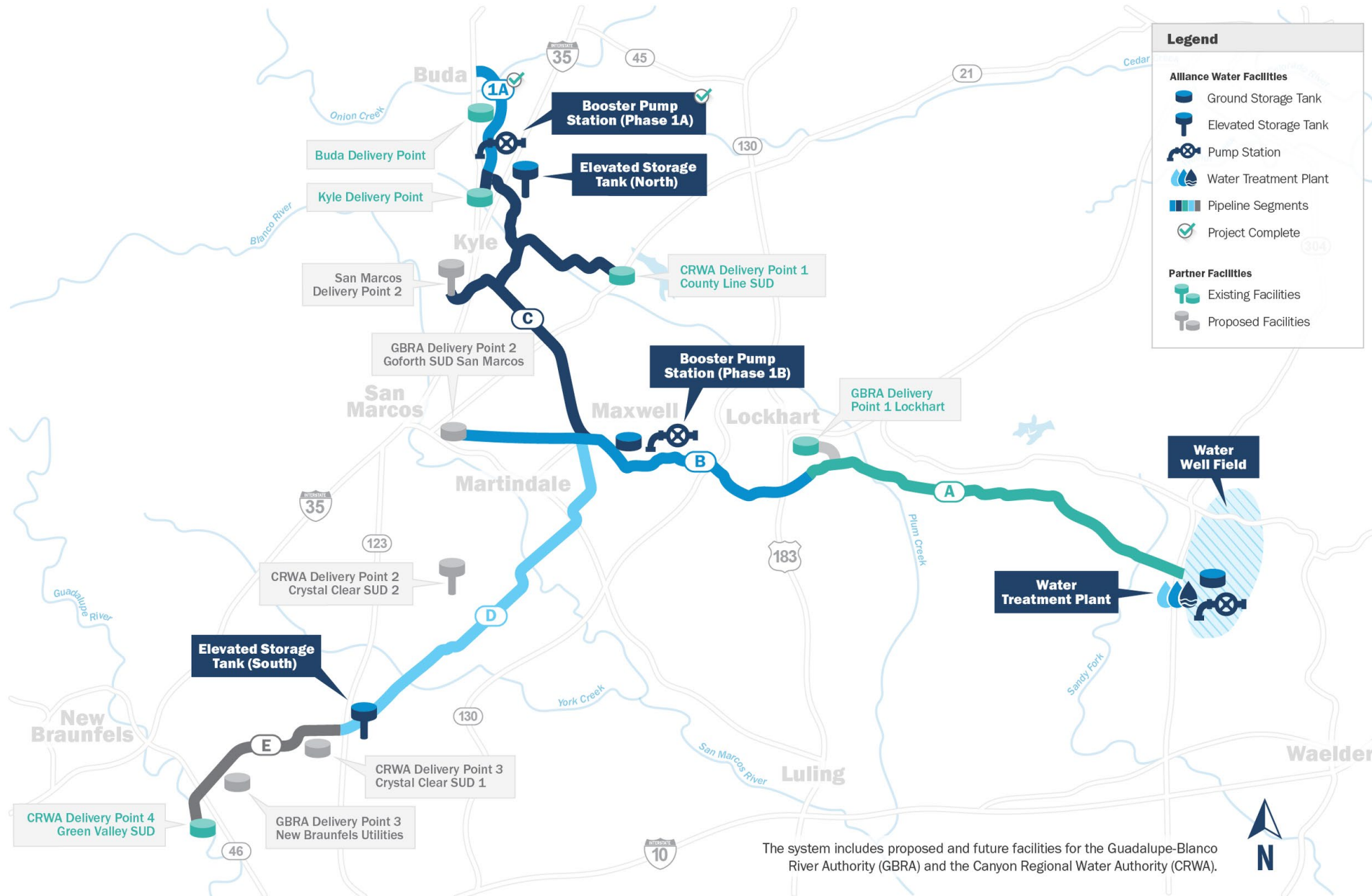
Segment C Construction Map July 2024



Sponsor Drought Information Webpage



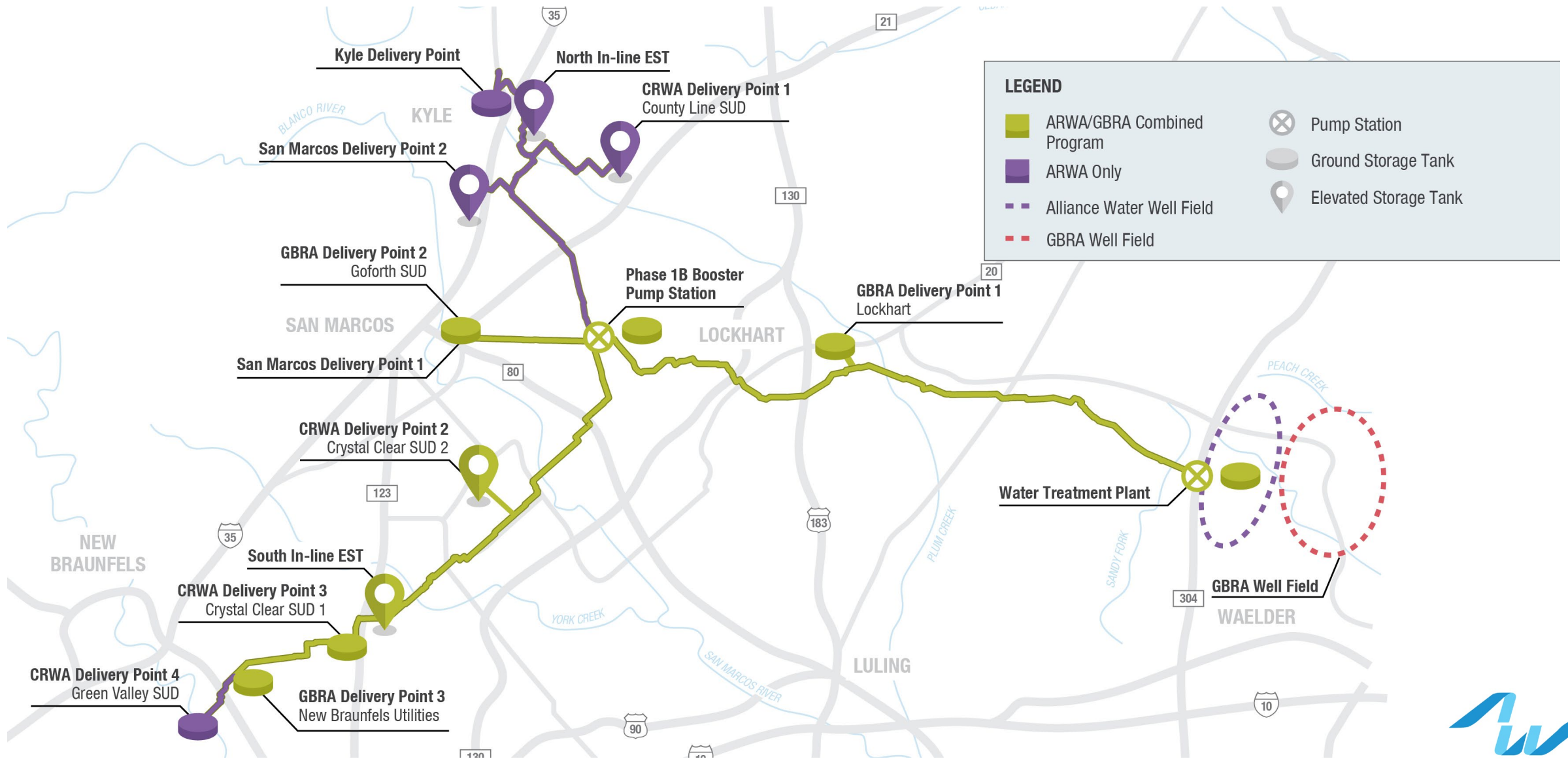
Where We Are Now



The system includes proposed and future facilities for the Guadalupe-Blanco River Authority (GBRA) and the Canyon Regional Water Authority (CRWA).



Partnership with GBRA



Where Are We Now?



Where Are We Now?



Where Are We Now?



ALLIANCE WATER

Lessons Learned

- **EASY** to get distracted from the goal
- Demand projections change – must monitor and update frequently
- Rural areas in particular have challenges planning for “full” future
- Projects / plans of other groups change frequently – may impact us (see Austin & San Antonio)
- Overall key: **Delivered Water Costs** – successful projects must ultimately be affordable to water users

QUESTIONS

www.alliancewater.org

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