

**Aquilla Water Supply District
P.O. Box 959
Hillsboro, Texas 76645**

August 10, 2026
(Date of Posting)

NOTICE OF MEETING

The Board of Directors of the Aquilla Water Supply District will meet at 12:00 p.m. on Friday, August 14, 2026. The meeting will be held at Crain Law located at 71 N. Waco St., Hillsboro, Texas 76645. The matters that will be discussed and acted on at the meeting are:

1. Call to order and determination of a quorum.
2. Discuss and act on a resolution approving the minutes of the meeting of the Board of Directors held on July 10, 2026.
3. Discuss the capital improvement project and funding.
4. Discuss and possibly act on either resolution approving a fourth amendment to the AWSD Contract with Brandon-Irene or a resolution approving the Amended Restated Contract with Brandon-Irene WSC.
5. Report regarding the land acquisition and easement modification from the College.
6. Report and discuss open records requests.
7. Discuss and possibly act to approve an engagement letter for Pattillo, Brown and Hill for the FY2026 audit.
8. Discuss and possibly act to approve the annual requirement for Fiscal year 2027. Annual Requirement FY 2027 attached hereto and incorporated herein.
9. Investment Report for the 2nd Quarter of 2026.
10. Report from General Manager.
11. Approval or ratification of bills for payment.
12. Confirmation of next meeting date.
13. Adjourn.

Certificate of Posting:

I certify that the above notice of the Board of Directors meeting was posed on the website of Aquilla Water Supply District at <https://aquillawsd.org> and in the administrative office of the Aquilla Water Supply District on August 10, 2026. - Jane Jenkins

The Aquilla Water Supply District is an equal opportunity employer and provider.
To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD)

AQUILLA WATER SUPPLY DISTRICT
COMPUTATION AND ALLOCATION OF ANNUAL REQUIREMENT
FISCAL YEAR 2027

October 1, 2026 – September 30, 2027

Assumptions: That the City of Hillsboro, Files Valley W.S.C., and Hill County W.S.C. will purchase water from A.W.S.D. during FY 2027, and they will purchase an average of 1,929,566 gallons per day, 739,016 gallons per day, and 59,155 gallons per day respectively. That Brandon-Irene W.S.C. and Chatt W.S.C. will purchase water from A.W.S.D during FY 2027, and they will purchase their contracted amount of 256,560 gallons per day and 76,960 gallons per day respectively (total 3,061,257 average per day)

(A) Operation and Maintenance Expense:

	2027
Raw Water	689,500
Advertising	1,000
Auto maintenance and fuel	24,000
Bank charges	500
Licenses, dues and publications	6,000
Insurance	60,000
Accounting	500
Attorney's fees	90,000
Auditing	8,000
Election Costs	2,500
Engineering	420,000
Miscellaneous expense	500
Office supplies	19,000
Repairs and maintenance	419,000
Salaries	1,057,000
Employee training	12,000
Employee insurance	206,000
Director's expense	4,000
Employee retirement	110,000
Chemicals	556,000
Lab equipment	44,000
Equipment and Small Tools	20,000
Taxes – payroll	84,000
Telecommunications	15,300
Electricity	390,000
Vehicles	54,000
Depreciation Expense	75,000
Amortization Expense	0
Capital Improvements	2,067,000
Usage Fee	<u>75,000</u>
TOTAL OPERATION AND MAINTENANCE EXPENSE FY 2026	\$6,509,800

(B) Principal and Interest on Bonds:

2016A Refunding Bonds (Nontaxable)	353,175
2016B Refunding Bonds (Taxable)	<u>212,535</u>
TOTAL BOND PRINCIPAL AND INTEREST FOR FY 2026	\$565,710

(C) **Special or Reserve Fund Payments:** -0-

(D) **Deficiency Restoration and Other Requirements:** -0-

FY 2027 GROSS ANNUAL REQUIREMENT	\$7,075,510
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LESS: ESTIMATED NON-WATER-SALE INCOME	
Interest on Investments	\$17,000
Interest on Bank Accounts	71,000
Miscellaneous Income	-0-
Land Lease	-0-
ESTIMATED NON-WATER-SALE INCOME FY 2027	(88,000)
LESS USE OF UNENCUMBERED RESERVE	-0-
TOTAL ADJUSTMENT	(88,000)

FY 2027 ANNUAL REQUIREMENT FROM WATER SALES	\$6,987,510
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Estimated FY 2027 Treated Water Requirements:	
City of Hillsboro	1,929,566 per day
Brandon-Irene W.S.C.	256,560 per day
Files Valley W.S.C.	739,016 per day
Hill County W.S.C.	59,155 per day
Chatt W.S.C.	76,960 per day
Total	3,061,257 per day

City of Hillsboro

1,929,566 Gallons per day
x 365 Days
704,291,590 Gallons per year

$704,291,590 / 1,000 = 704,292$ (1,000 gallons) per year

Brandon-Irene W.S.C.

256,560 Gallons per day
x 365 Days
93,644,400 Gallons per year

$93,644,400 / 1,000 = 93,644$ (1,000 gallons) per year

Files Valley W.S.C.

739,016 Gallons per day
x 365 Days
269,740,840 Gallons per year

$269,740,840 / 1,000 = 269,741$ (1,000 gallons) per year

Hill County W.S.C.

59,155 Gallons per day
x 365 Days
21,591,575 Gallons per year

$21,591,575 / 1,000 = 21,592$ (1,000 gallons) per year

Chatt W.S.C.

76,960 Gallons per day
x 365 Days
28,090,400 Gallons per year

$28,090,400 / 1,000 = 28,090$ (1,000 gallons) per year

704,292 (1,000 gallons)	per year for City of Hillsboro
93,644 (1,000 gallons)	per year for Brandon-Irene W.S.C.
269,741 (1,000 gallons)	per year for Files Valley W.S.C.
21,592 (1,000 gallons)	per year for Hill County W.S.C.
<u>28,090</u> (1,000 gallons)	per year for Chatt W.S.C.
1,117,359 (1,000 gallons)	Total estimated usage for FY 2027

CALCULATION OF PER 1,000 COST OF WATER FY 2027

FY 2027 Annual Requirement (From Water Sales) (From Page 2)	\$6,987,510
LESS: Raw Water Cost (From Page 1)	(689,500)
LESS: Usage Fee to City of Hillsboro (from Page 1)	(75,000)
ANNUAL REQUIREMENT FROM WATER SALES LESS RAW WATER COST AND USAGE FEE	\$6,223,010

Raw Water Costs (Per 1,000 Gallons) for FY 2027

Water under contract from Brazos River Authority: 5,315,000 (gallons per day)
1,939,975,000 (gallons per year -2027)
1,939,975 (1,000 gallons per year 2027)

(FY 2027 Payment to Brazos River Water Authority) $\frac{\$689,500}{1,939,975} = .355417$ (Raw water cost per 1,000 gal. -2027
(1,000 gallons per year under contract – 2027)

Usage Fee Costs (Per 1,000 Gallons) for FY 2027

Usage fee from the City of Hillsboro: $\frac{\$75,000}{408,773 \text{ MG per year}} = .183475$ (Usage fee cost per 1,000 gal. - 2027)
FY 2025 Customer Use (Excluding City)

Cost to Customers Per 1,000 Gallons for Water Delivered in FY 2027
(Exclusive of cost of water under contract but not taken)

6,223,010 (Annual Requirement from Water Sales Less Raw Water Cost and Usage Fee) DIVIDED BY 1,117,359
(Total Estimated Usage for FY 2027 in 1,000 Gal.) EQUALS 5.569391 (Per 1,000 Gallon Cost of Annual
Requirement from Water Sales Without Raw Water Cost and Usage Fee)

\$5.569391 (Per 1,000 Gallon Cost of Annual Requirement from Water Sales without Raw Water Cost and Usage
Fee)

Plus $\frac{.355417}{\$5.924808}$ (Raw Water Cost Per 1,000 Gallons)
(Cost per 1,000 Gallons for Water delivered in FY 2027 (Exclusive of
cost of water under contract but not taken and usage fee)

Plus $\frac{.183475}{\$6.108283}$ (Usage Fee to customers other than City)
(Cost per 1,000 Gallons for Water delivered in FY 2025 (Exclusive of cost of
water under contract but not taken)

**CALCULATION OF PERCENT OF ANNUAL REQUIREMENT (EXCLUSIVE OF RAW WATER COSTS AND
USAGE FEE) ALLOCATED TO EACH CUSTOMER IN FY 2027**

<u>City of Hillsboro</u>	<u>Files Valley W.S.C.</u>	<u>Chatt W.S.C.</u>
$\frac{704,292}{1,117,359} = .630318 = 63.0318\%$	$\frac{269,741}{1,117,584} = .241409 = 24.1410\%$	$\frac{28,090}{1,117,359} = .025139 = 2.5140\%$
<u>Brandon Irene W.S.C.</u>	<u>Hill County W.S.C.</u>	
$\frac{93,644}{1,117,359} = .083808 = 8.3808\%$	$\frac{21,592}{1,117,359} = .019324 = 1.9324\%$	63.0318%
		8.3808%
		24.1410%
		1.9324%
		<u>2.5140</u>
		99.99%

CUSTOMER'S SHARE OF ANNUAL REQUIREMENT FOR FY 2027 (EXCLUSIVE OF RAW WATER COSTS AND USAGE FEE) BEFORE ALLOCATION OF CREDIT (BELOW)

City of Hillsboro:

\$6,223,010 x .630318 = \$3,922,478

Files Valley W.S.C.

\$6,223,010 x .241409 = \$1,502,293

Chatt W.S.C.

\$6,223,010 x .025140 = \$156,444

Brandon-Irene W.S.C.

\$6,223,010 x .083808 = \$521,540

Hill County W.S.C.

\$6,223,010 x .019324 = \$120,254

FY 2025 BOND INTEREST AND PRINCIPAL REALLOCATION CALCULATIONS
(Series 2016 A&B)

TABLE I

BOND	FY 2025 TOTAL INTEREST PAYMENTS	FY 2025 TOTAL PRINCIPAL PAYMENTS
2016A (Non-Taxable)	43,625	305,000
2016B (Taxable)	31,845	190,000
Total Paid	75,470	495,000

TABLE II

Part of Annual Requirement (Exclusive of Raw Water Costs and Usage Fee) Paid by City of Hillsboro after year End Reallocation of FY 2025)

<u>Percentage</u>	<u>Decimal</u>
64.45665%	.644566

TABLE III

**Interest and Principal paid by City of Hillsboro (Billed Amount) FY 2025
Series 2016 A&B Bonds**

Total Interest Paid	\$75,470
Total Principal Paid	<u>495,000</u>
	570,470
<i>Times</i> Part of Annual Requirement Exclusive of Raw Water Costs and Usage Fee) Paid by City of Hillsboro	.644566
Interest and Principal Paid by City of Hillsboro	\$367,706

TABLE IV

**Allocation of Principal and Interest on a Non-Taxable and Taxable Basis
(Based on 63%-37% Division) (FY 2025)**

2016A (Non-Taxable)		2016B (Taxable)	
Interest	43,625	Interest	31,845
Principal	305,000	Principal	190,000
Nontaxable Total	\$348,625	Taxable Total	\$221,845

TABLE V

Reallocation of Principal and Interest to City of Hillsboro

(To give full credit to City for its tax-exempt status, plus part of debt service for taxable bonds allocated to City for water taken in excess of 63% of total) (FY 2025)

100% of Interest and Principal on Non-Taxable Bonds	348,625
Part of Interest and Principal on Taxable Bonds	3231
Total	\$351,856

*.644566 minus .630000 times \$221,845 (.014566 x 221,845 = 3231)

**CALCULATION OF CREDIT DUE CITY OR AMOUNT OWED BY CITY FROM REALLOCATION
OF BOND PRINCIPAL AND INTEREST**

Paid by City (from Table III)	\$367,706
Minus Recalculated Amount Owed by City (from Table V)	(351,856)
OWED BY CITY OR CREDIT TO CITY	CREDIT \$15,850

**ALLOCATION OF CREDIT OR AMOUNT OWED TO CITY OF HILLSBORO FOR FY 2025, BASED
ON REALLOCATION OF BOND PRINCIPAL AND INTEREST PAID FOR 2016 A & B BONDS TO
RECOGNIZE HILLSBORO'S TAX-EXEMPT STATUS**

<u>Customer</u>	<u>Customers Shares of FY 2027 Annual Requirement Exclusive of Raw Water Costs</u>	<u>Allocation of Amount Owed by City</u>	<u>Reallocated Share of Annual Requirement (Exclusive of Raw Water Costs)</u>
<u>City of Hillsboro</u>	\$3,922,478	-15,850 =	\$3,906,628
<u>Brandon-Irene W.S.C.</u>	521,540	+3,593 (1) =	525,133
<u>Files Valley W.S.C.</u>	1,502,293	+10,350 (2) =	1,512,643
<u>Hill County W.S.C.</u>	120,254	+829 (3) =	121,083
<u>Chatt W.S.C.</u>	156,444	+1,078 (4) =	157,522
	\$6,223,009	-0-	\$6,223,009

- (1) $521,540 / 2,300,530^* = .226704 \times 15,850 = 3,593$
(2) $1,502,293 / 2,300,530^* = .653020 \times 15,850 = 10,350$
(3) $120,253 / 2,300,530^* = .052272 \times 15,850 = 829$
(4) $156,444 / 2,300,530^* = .068003 \times 15,850 = 1,078$
2,300,530* 0.99999 \$15,850

* FY2027 Annual Requirement
(Exclusive of Raw Water Costs) for
Customers other than City, before
allocation of amount owed by City.

CUSTOMER'S MONTHLY PAYMENTS OF ANNUAL REQUIREMENT FOR FY 2027
(EXCLUSIVE OF RAW WATER COSTS AND USAGE FEE AFTER REALLOCATION OF
AMOUNT OWED TO CITY)

Customer	Annual Payment/12	Monthly Payment
City of Hillsboro	\$3,906,628/12	\$325,552
Brandon-Irene W.S.C.	525,133/12	43,761
Files Valley W.S.C.	1,512,643/12	126,054
Hill County W.S.C.	121,083/12	10,090
Chatt W.S.C.	157,522/12	13,127
Total	\$6,223,009/12	\$518,584

ALLOCATION OF RAW WATER COST (\$647,000) to CUSTOMERS FOR FY 2026

Customer	Contract Amount (MGD)	Percent of Total MGD	Annual Cost (Percent Times Raw Water Cost)	Monthly Payment for Raw Water
City of Hillsboro	3.250 MGD	61.148%	\$421,615	\$35,135
Brandon-Irene W.S.C.	.25656 MGD	4.827%	33,282	2,774
Files Valley W.S.C.	1.52623 MGD	28.716%	197,997	16,500
Hill County W.S.C.	.20525 MGD	3.862%	26,628	2,219
Chatt W.S.C.	.07696 MGD	1.448%	9,984	832
TOTALS	5.315 MGD	100.00001%	\$689,506	\$57,460

(After Adjustment for short-term sale of .5 MCD by City of Hillsboro to Files Valley W.S.C.)

Check:	\$57,460	Monthly Payments from Customers for Raw Water
	<u> x 12 </u>	Total Annual Raw Water Costs (\$689,500) (Difference is Rounding)
	689,520	

ALLOCATION OF USAGE FEE TO CUSTOMERS OTHER THAN THE CITY (75,000)

(To compensate the City for the use of their water storage, transmission and distribution facilities - based on customer actual use FY 2025)

Customer	Actual Use MGD FY 2024	Percent of Total (MGD) FY 2024	Percent of Usage Fee Annual Cost	Usage Fee Annual Cost	Monthly Payment	Annual Credit	Monthly Credit
City of Hillsboro	741,296	64.46%	0%	-0-	-0-	\$75,000/12	=\$6,250
Brandon-Irene W.S.C.	101,221	8.80%	24.76%	\$18,570/12	\$1,548	-0-	-0-
Files Valley W.S.C.	265,194	23.06%	64.87%	48,653/12	4,054	-0-	-0-
Hill County W.S.C.	20,662	1.80%	5.05%	3,788/12	316	-0-	-0-
Chatt W.S.C.	21,696	1.89%	5.31%	3,983/12	332	-0-	-0-
TOTALS	1,150,069	100.00%	99.99%	\$75,006	\$6,250	\$75,000	\$6,250

Calculation: actual use total – City actual use = total usage by customers who pay usage fee
Actual use/total usage by customers who pay usage fee = % of usage fee annual cost
Customer % of usage fee x usage fee =usage fee annual cost/12 = monthly cost.

DETERMINATION OF MONTHLY PAYMENTS AND CREDITS FY 2027

City of Hillsboro:

Monthly Payment on Annual Requirement (exclusive of raw water costs)	\$325,552
Monthly Payment of Raw Water Cost	35,135
Monthly Credit	(6,250)
TOTAL MONTHLY PAYMENT	\$354,437

Brandon-Irene W.S.C.

Monthly Payment on Annual Requirement (exclusive of raw water costs)	\$43,761
Monthly Payment of Raw Water Cost	2,774
Monthly Usage Fee	1,548
TOTAL MONTHLY PAYMENT	\$48,083

Files Valley W.S.C.

Monthly Payment on Annual Requirement (exclusive of raw water costs)	\$126,054
Monthly Payment of Raw Water Cost	16,500
Monthly Usage Fee	4,054
TOTAL MONTHLY PAYMENT	\$146,608

Hill County W.S.C.

Monthly Payment on Annual Requirement (exclusive of raw water costs)	\$10,090
Monthly Payment of Raw Water Cost	2,219
Monthly Usage Fee	316
TOTAL MONTHLY PAYMENT	\$12,625

Chatt W.S.C.

Monthly Payment on Annual Requirement (exclusive of raw water costs)	\$13,127
Monthly Payment of Raw Water Cost	832
Monthly Usage Fee	332
TOTAL MONTHLY PAYMENT	\$14,291

SUMMARY OF PAYMENTS DUE FROM CUSTOMERS DURING FY 2027
(OCTOBER 1, 2026-SEPTEMBER 31, 2027)

CUSTOMER	MONTHLY PAYMENTS	TOTAL PAYMENTS (col. 1 x 12)
City of Hillsboro	\$354,437	\$4,253,244
Brandon-Irene W.S.C.	48,083	576,996
Files Valley W.S.C.	146,608	1,759,296
Hill County W.S.C.	12,625	151,500
Chatt W.S.C.	14,291	171,492
TOTALS	576,044	6,912,528

CREDIT TO CITY FOR USAGE FEE	\$75,000
TOTAL TO BE PAID BY CUSTOMERS IN FY 2027	<u>6,987,528</u>
LESS FY 2027 ANNUAL REQUIREMENT FROM WATER SALES	6,987,510
Difference (Rounding)	18