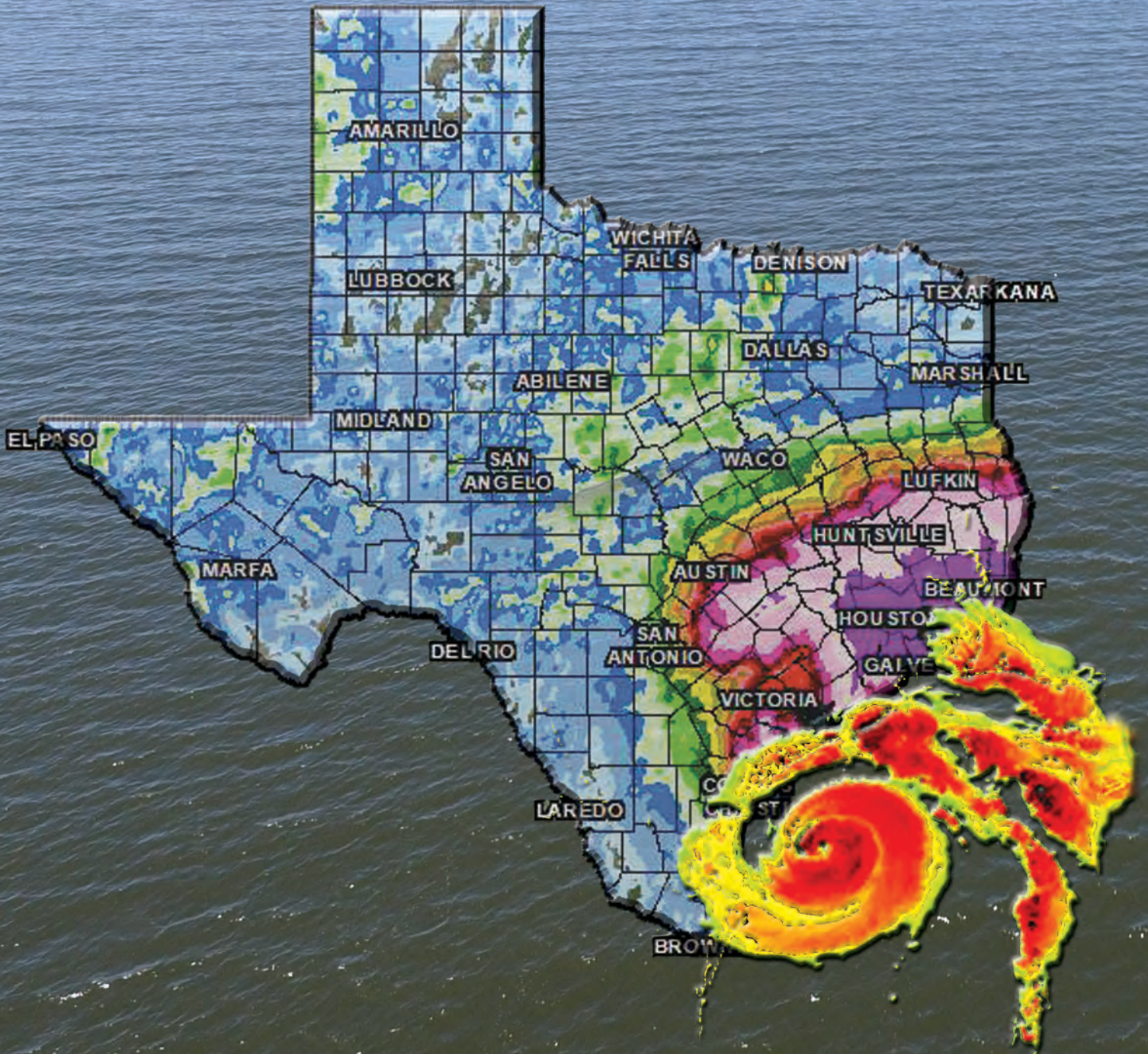


Comprehensive Annual Financial Report for the Fiscal Years Ended August 31, 2018 and 2017

SABINE RIVER AUTHORITY OF TEXAS





SABINE RIVER AUTHORITY OF TEXAS

Comprehensive Annual Financial Report for Fiscal Years Ended August 31, 2018 and 2017

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THIS REPORT PREPARED BY THE AUTHORITY GENERAL OFFICE

The cover features Hurricane Harvey which hit Southeast Texas in late August 2017.

(For more information about the Sabine River Authority’s response to Hurricane Harvey, see page 14)



SABINE RIVER AUTHORITY of Texas

P.O. BOX 579
ORANGE, TEXAS
77631

February 1, 2019

President Earl Williams
and Members of the Board of Directors
Sabine River Authority of Texas

Board Members:

It is our pleasure to submit the Comprehensive Annual Financial Report of the Sabine River Authority of Texas for the fiscal year ended August 31, 2018. The material aspect of the data is accurate in our opinion and the report discloses results of operations and the financial position of the Authority as recorded by the activity of the eight divisions within the Authority. Necessary information to assist the reader in understanding the financial position of the Authority is included. Narratives applicable to each division, along with financial statements are enclosed to provide complete details concerning the Authority's fiscal year activities and related costs.

Management is responsible for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefit, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

The Comprehensive Annual Financial Report includes the management's discussion and analysis which can be found in the financial section immediately following the auditors' opinion letter. The management's discussion and analysis provides an overview of the Authority's financial activities and should be read in conjunction with the financial statements. The Statistical Section includes selected financial and demographic information.

The Authority was created in 1949, pursuant to Vernon's Ann. Civ. Stat. Art. 8280-133, as a conservation and reclamation district. The Authority was determined to be necessary in accomplishing the provisions of Article XVI, Section 59, of the Texas Constitution and for the conservation, protection and development of the waters of the Sabine River. The Authority is governed by a nine-member Board of Directors appointed by the Governor and the Board is vested with the management and control of the Authority. Responsibilities of the Authority include municipal, industrial, mining and agricultural raw water supply; hydroelectric generation; wastewater treatment and water quality; management of three major reservoirs, a canal system and recreation facilities; and an initiative to enhance economic growth in the Sabine River Basin.

LONG-TERM FINANCIAL PLANNING

The Authority continues to pursue planning for meeting future water supply needs of the Basin and plays a major part in the State's regional water planning process. In May of 2018, the Toledo Bend Hydroelectric Power Sales Agreement was executed to sell hydroelectric power from the Toledo Bend Project to Entergy Louisiana, LLC, Southwestern Electric Power Company and CLECO Power, LLC. The Toledo Bend Generating Station Operating and Maintenance Agreement was also executed with Entergy Texas, Inc. to operate and maintain the Generating Station for the Toledo Bend Project. The Authority is proceeding with the development of the Gulf Coast Division Pump Station and Pipeline Project and is currently acquiring right-of-way and finalizing design with construction scheduled to begin in early 2019. The 85 million gallons per day raw water pump station project, funded through the Texas Water Development Board's State Water Implementation Fund for Texas (SWIFT) program, will provide a modernized pumping facility located along the main stem of the Sabine River and will ensure a more reliable water supply for the Authority's customers in the lower basin. Additionally, as approved by the Board, the Authority embarked on a Parks and Recreation Master Plan to evaluate and enhance major recreation facilities throughout the Basin.



FINANCIAL INFORMATION

The Authority accounting system consists of two enterprise funds where all financial activities are recorded. Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected. Through an ongoing review process the Authority assures that internal controls are adequate.

Enterprise Operations. Total revenues for all funds for the fiscal year were \$35,634,701 compared to \$32,128,729 for FY2017.

Budget Controls. A budget is prepared annually in accordance with the Water Code Chapter 49, Subchapter G, Sec. 49.199 and, after approval by the Board of Directors, is used in planning and controlling costs. During the year, necessary budget amendments are submitted and approved by the Board prior to implementation.

Debt Administration. Outstanding large debt at August 31, 2018 totaled \$36,697,305 which consisted of Texas Water Development Board Loan debt of \$17,872,305 and Gulf Coast Division Water Supply System Revenue Bonds of \$18,825,000. The various bond indentures, resolutions and agreements provide for the establishment of separate restricted accounts for debt service.

OTHER INFORMATION

Independent Auditor. V.T.C.A., Water Code Sec. 49.191 requires an annual audit of the Authority's records by the State Auditor or by an independent accountant. The Board of Directors engaged Axley & Rode, LLP to perform this audit. This report will be filed with the Texas Commission on Environmental Quality, the Orange County Clerk and the Pension Review Board.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sabine River Authority of Texas for its comprehensive annual financial report for the fiscal year ended August 31, 2017. This was the eighteenth consecutive year that the Authority has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

On April 27, 2018, Texas Governor Greg Abbott appointed Tom Beall of Milam, Andrew Mills of Hemphill and Janie Walenta of Quitman to the SRA Board of Directors and on August 8, 2018, appointed Jeff Jacobs of Kaufman to the SRA Board of Directors. On behalf of the Executive Staff, we would like to sincerely thank the Board of Directors, Employees and Consultants for their cooperation and commitment to the projects undertaken by the Authority. The preparation of the Comprehensive Annual Financial Report was achieved through cooperative efforts and dedicated service of the Authority's General Office Staff.

Sincerely yours,

SABINE RIVER AUTHORITY OF TEXAS

David Montagne
Executive Vice President
and General Manager

Debra Stagner
Chief Administrative Officer
and Treasurer

Holly Smith
Chief Financial Officer

BOARD OF DIRECTORS - 2018



Earl Williams
President

Orange, Texas

Mr. Williams is CEO of Tool Tech Machining in Beaumont, Texas, and President of Cypress Bayou, Inc. in Orange, Texas. He received a Bachelor of Science degree from Howard Payne University, a Master's degree from Stephen F. Austin State University and completed post graduate work at Texas A&M University. Mr. Williams was appointed to SRA's Board of Directors by Governor Rick Perry in 2001. He previously served on SRA's Board from 1994 to 1999. Mr. Williams and his wife, Suzanne, have two children and live in the Orange area.



David Koonce,
Center, Texas
Vice President

Mr. Koonce is president/ CEO of General Shelters of Texas Ltd., president/CEO of Campbell Portable Buildings, Ltd. and also has partnership interests in three small businesses. He is past president of the Shelby County Chamber of Commerce, past president and treasurer of

the Shelby County Bass Anglers, Director for the Houston Livestock Show and Rodeo, member of Shelby County Area Go Texan Committee, member of Shelby County Cookers, past vice chairperson for the Shelby County Historical Commission, and past board member for Center Crime Stoppers. Mr. Koonce received a bachelor's degree from Stephen F. Austin State University. In his spare time he enjoys hunting, fishing, travel and spending time with his grandson. He and his wife, Angela, are members of the First Baptist Church, where he serves as deacon, and reside in Center.



Jeanette Sterner,
Holly Lake Ranch, Texas
Secretary/Treasurer

Col. Jeanette Sterner was honorably discharged from the United States Army and Texas Army National Guard after 30 years of service. While serving in the Texas Army National Guard, she worked for the Veterans Administration Medical Center in Dallas as a vocational rehabilitation counselor and clinical coordinator for the Veterans Homeless Program. She is an active member of the Military Officers Association of America, VFW Mineola, and the Women's Service Guild Holly Lake Ranch. She is vice president of Greater Hawkins Veterans Memorial Association and president of Holly Lake Ranch Veterans Association and the Women's Auxiliary to Greater Hawkins Memorial Association. Civilian awards include Who's Who in America, Who's Who in the South and Southwest, and Biography of the Directory of Distinguished Americans. Col. Sterner received a Bachelor of Arts from Oklahoma City University, Masters of Science from Trinity University and a master's degree in Strategic Planning for Global Situations from the Army War College.



Cary "Mac" Abney,
Marshall, Texas
Secretary Pro-Tem

Mr. Abney is a certified public accountant and president of Abney and Company, PLLC. He is a member of the American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants, and Texas Forestry Association, and a board member of the Marshall Harrison County Joint Airport Zoning Board, the Harrison County Soil and Water Conservation District, USDA, and is in the TSTC Foundation representing East Texas and the Texas Parks and Wildlife Foundation as Co-chair of Region III. Mr. Abney is also past president of the Harrison County Housing Finance Corporation and Harrison County Airport Advisory Committee, director and secretary of the Turney Foundation and the Slaughter Foundation, and secretary of the Fern Lake Club. He received a bachelor's degree from Southern Methodist University and is a graduate of the College of Financial Planning. Mr. Abney and his wife Claudia have two children and five grandchildren and reside in Marshall.

BOARD OF DIRECTORS



Laurie Woloszyn,
Longview, Texas

Ms. Woloszyn is currently the Gregg County Auditor appointed in 2003. She is the Co-Investment Officer for Gregg County and is a member of the Texas County Auditors Association. Prior to serving as auditor, Ms. Woloszyn served as the elected Gregg County Clerk from 1995-2003. She has worked for Gregg County for over 28 years. Prior to this she worked in both private and public sector positions when the love for public service was first recognized. Ms. Woloszyn graduated from Kilgore College and received a Bachelor of Business Administration from The University of Texas at Tyler in 1982. She has lived in Longview 42 years and has two adult sons. Her hobbies include travel, reading and spending time with her family.



Janie Walenta,
Quitman, Texas

Janie Walenta grew up in Dallas and moved to Quitman in 2006. A Telecom Manager by profession, she retired in 2008 after a 32-year career in telecommunications. In 2010 she was appointed by Governor Rick Perry to the One-Call Board of Texas and reappointed by Governor Greg Abbott in 2015. She holds the office of Board Secretary. Ms. Walenta received a BBA in business management from UT Austin and an MBA from the University of Dallas Graduate School of Management. She is active in the Bay View Century Club and local politics. She and husband Ron enjoy East Texas day trips and reading.



Thomas "Tom" Beall,
Milam, Texas

Tom Beall is the president of Beall's Furniture Inc., and current owner of Cimarron Equipment. Additionally, he is current owner of Red Hill Ranch Cattle and a former owner and manager of several Ashley Furniture Home Stores. Mr. Beall served on the Hemphill Independent School District Board for 15 years and is a current board member for First State Bank in Hemphill. Mr. Beall received an Associate's degree in management from Tyler Junior College. He and his wife Kelly reside in Milam, Texas.



Jeffrey D. "Jeff" Jacobs,
Kaufman, Texas

Jeff Jacobs is the owner and manager of Jacobs Farms. He is a board member on the Texas A&M Agrilife Extension Service Ag Increment Advisory Board and the Rockwall County Farm Bureau Board of Directors. Jacobs attended Eastfield College in Mesquite where he studied drafting. Jeff and his wife, Vera, reside in Kaufman, Texas.



Andrew Mills,
Hemphill, Texas

Andrew Mills is a vice-president at Southside Bank in Hemphill. He serves on the Sabine County Appraisal District Board of Directors, Sabine County Economic Development Committee, First Baptist Church Personnel Committee, FBC Budget & Finance Committee, Orange Kid's Program, and is past Area Chairman for Sabine County Ducks Unlimited. Mr. Mills received a Bachelor of Business Administration in finance from Texas A&M University. He and his wife Ashlee reside in Hemphill, Texas.

BOARD OFFICERS - 2018



Jeanette Sterner David Koonce Earl Williams Mac Abney

Sabine River Authority

Board Officers 2018

President
Earl Williams

Vice President
David Koonce

Secretary/Treasurer
Jeanette Sterner

Secretary Pro-Tem
Cary "Mac" Abney



Board of Directors 2018

Standing from Left:
Andrew Mills, Tom Beall, Mac Abney,
David Koonce, and Jeff Jacobs.

Seated from Left:
Jeanette Sterner, Earl Williams,
Laurie Woloszyn, and Janie Walenta

BOARD HIGHLIGHTS

The Sabine River Authority of Texas is governed by a nine-member Board of Directors. Each board member serves a six-year term. The Governor of Texas appoints three board members every two years. Directors are required to reside within a county situated wholly or partially within the watershed of the Sabine River. The members of the Board of Directors are leaders in their communities. They are dedicated citizens who are active participants in the water issues being addressed by the Sabine River Authority of Texas.



Laurie Woloszyn, Mac Abney, and Cliff Todd present a Community Assistance grant to the City of Longview.



Andrew Mills, David Koonce, Earl Williams, and Tom Beall present a Community Assistance grant to the Beechwood WSC.



Stan Mathews, Mac Abney, Jeanette Sterner, Laurie Woloszyn, Cliff Todd, and Earl Williams present a Community Assistance grant to the Texas Parks and Wildlife Foundation to assist in purchase of side-scan sonar underwater search and rescue equipment.



Janie Walenta, Jeanette Sterner, and Jeff Jacobs present a Community Assistance grant to the City of East Tawakoni.



David Koonce, Tom Beall, and Andrew Mills present a Community Assistance grant to the G-M Water Supply Corporation.

EXECUTIVE STAFF



Troy Henry
Upper Basin
Regional Manager

Bill Hughes, P. E.
Lower Basin
Regional Manager

David Montagne
Executive Vice President
and General Manager

Travis Williams, P. E.
Asst. General Manager,
Operations

Debra Stagner
Chief Administrative
Officer/Treasurer

Ann Galassi
Asst. General Manager,
Administration

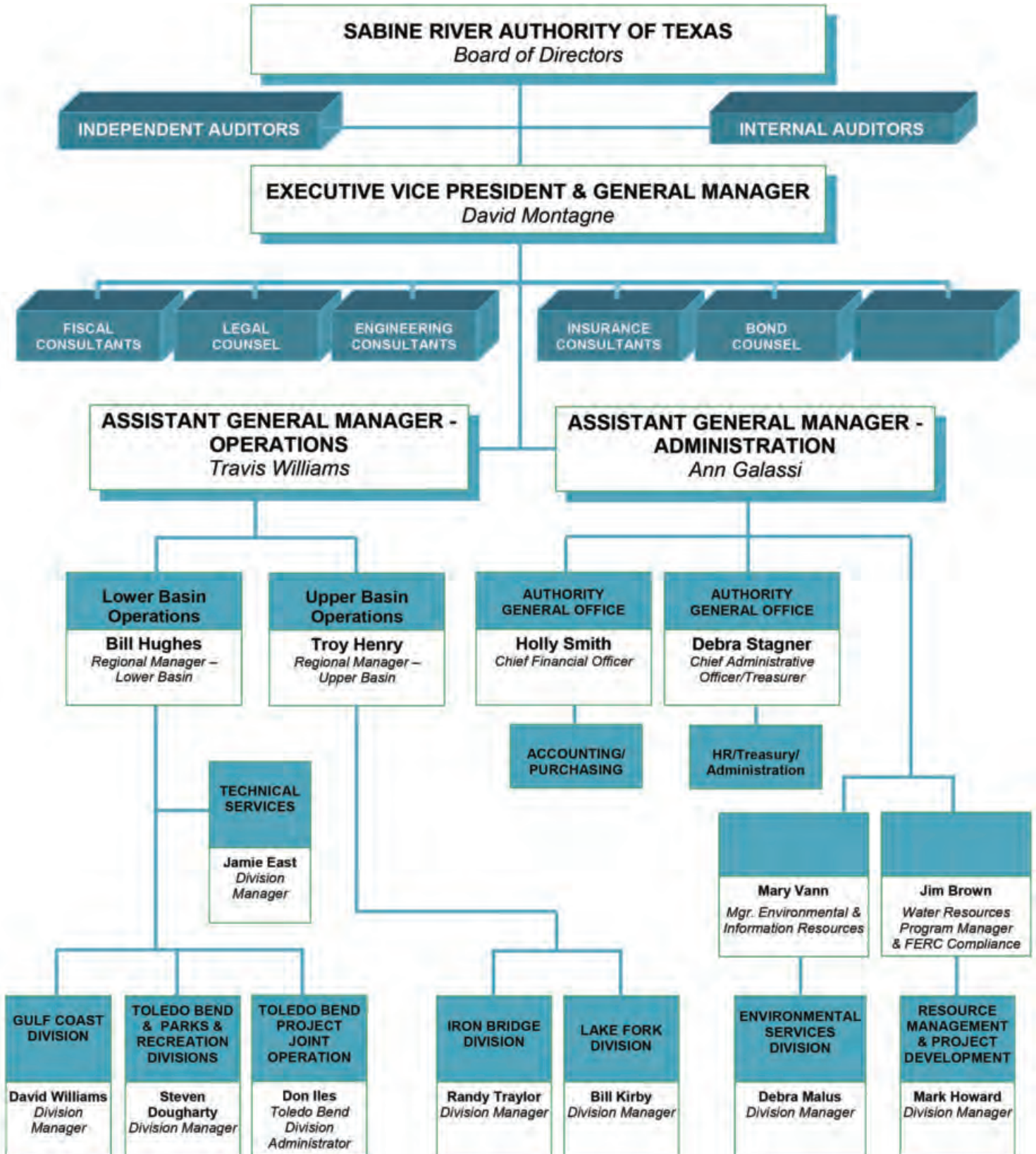
Holly Smith
Chief Financial Officer



For nearly 70 years, the Board of Directors and staff of the Sabine River Authority have taken the lead in managing the resources of the Sabine River Basin to meet the long-term water supply needs of the Basin and protect the value of the resources. As the demand for water grows due to increasing population in the State of Texas, SRA will continue to balance and prioritize the use of the water resources in accordance with state laws.

MANAGEMENT STAFF

As of August 31, 2018





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Sabine River Authority of Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO



The Sabine River Authority of Texas was created by the Legislature in 1949 as an official agency of the State of Texas. The Authority was created as a conservation and reclamation district with responsibilities to control, store, preserve, and distribute the waters of the Sabine River and its tributary system for useful purposes. The boundaries established by the Act of the Legislature comprise all of the area lying within the watershed of the Sabine River and its tributary streams within the State of Texas. The watershed area in Texas includes all or parts of twenty-one counties.

MANAGING EAST TEXAS WATER

AS A POLITICAL SUBDIVISION created by the State Legislature, the Sabine River Authority of Texas (SRA) has the responsibility to manage the long-term water supply needs of the Basin. SRA plays a major part in state and regional water planning issues. Taking the lead in managing the Basin's water resources, SRA's overall plan is to ensure that water rights are maintained in the Basin and the value of the resource is protected.

David Montagne became Executive Vice President and General Manager of SRA in September 2014. Mr. Montagne is responsible for the overall operations of the Authority. He executes the policy and program directives of the Board of Directors, oversees the budget, and serves as the liaison between the agency, the Legislature, and other governmental agencies. He represents the interests of Texas as Project Supervisor for Toledo Bend Project Joint Operation, serving as a member of the Technical Board and is an ex-officio member of the Operating Board. Mr. Montagne has been with the Authority for over 30 years, previously holding the positions of Assistant General Manager and Controller. From 2004 until 2009, Mr. Montagne served as a Texas Ethics Commissioner. In 2009, he was appointed to the Texas State University System Board of Regents by Governor Rick Perry and in 2015 was reappointed for a six year term by Governor Greg Abbott.

Active in water resource planning efforts, David Montagne serves as President-Elect of the Texas Water Conservation Association (TWCA), a statewide organization of water, wastewater and related entities. TWCA works to educate and inform members, the public, and governmental agencies and leaders at all levels regarding water industry issues. Mr. Montagne is also a member of the National Water Resources Association (NWWRA), a federation of state organizations working to balance the needs of people and the environment.

Mr. Montagne was elected as a board member of the


TWCA Risk Management Fund Board of Trustees and is a board member for Region I, one of the Regional Water Planning Groups (RWPG) developed from Texas Senate Bill 1 as a "bottom up" water planning process designed to ensure that the water-needs of all Texans are met as Texas enters the 21st century. Each RWPG prepares regional water plans for their respective areas. These

plans will map out how to conserve water supplies, meet future water supply needs, and respond to future droughts in the planning areas.

Ann Galassi, Assistant General Manager, Administration, and Travis Williams, Assistant General Manager, Operations, assist Mr. Montagne in executing the policy and program directives of the Board of Directors.

Ann Galassi has been with the Authority since 2001 and has held positions of Water Resources Manager and Manager of Economic Development/Public Relations. As Assistant General Manager, Administration, she oversees financial and human resources, water resource planning and water quality, economic development and governmental relations. Prior to coming to the Authority, Ms. Galassi worked in

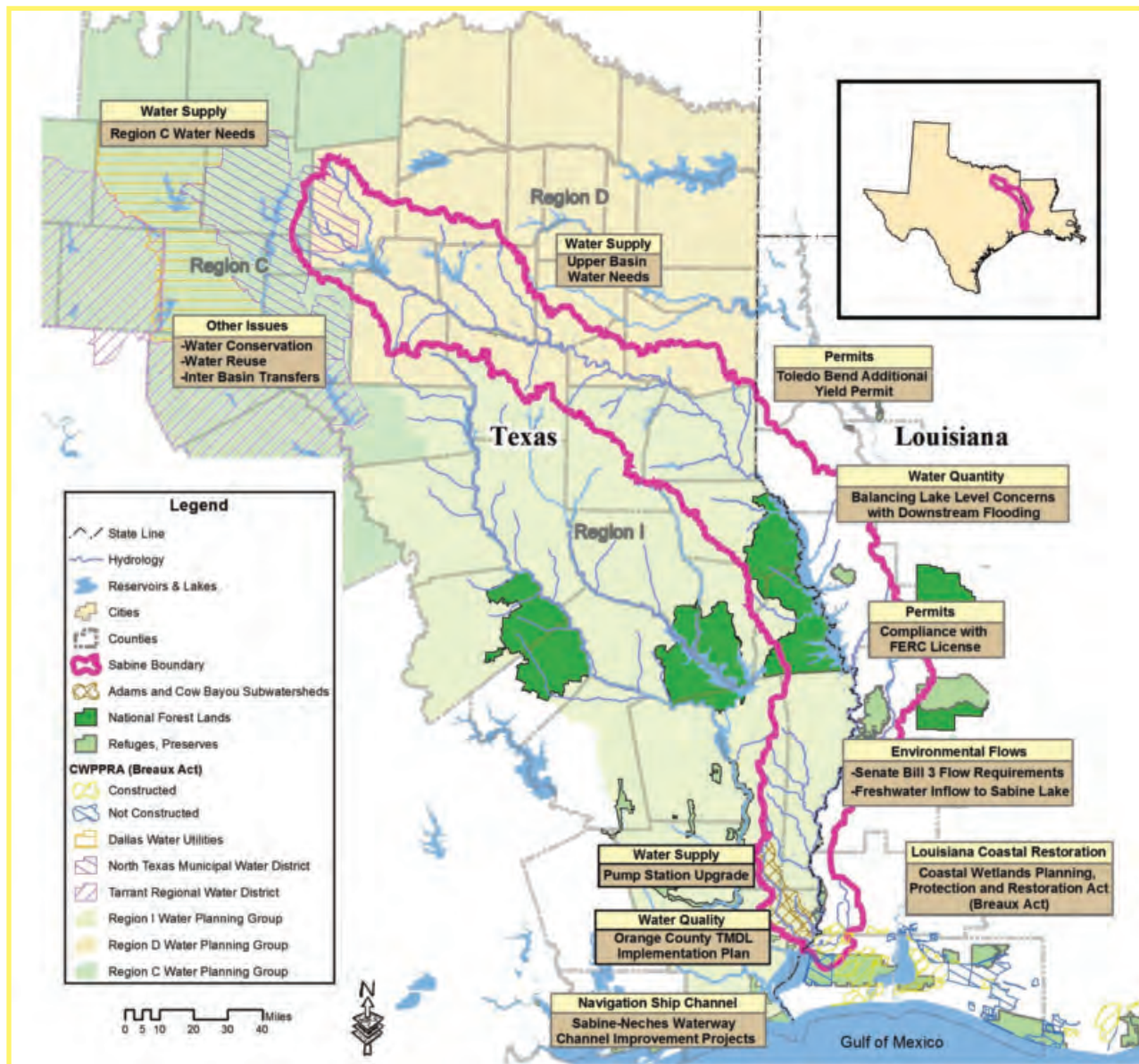
corporate management, strategic planning and economic development and is a Certified Economic Developer with the International Economic Development Council.

Travis Williams, P.E., has been with the SRA since 2010, serving as Engineer and as manager of the Water Resources Branch. Mr. Williams is a licensed professional engineer and has extensive experience in civil design, water treatment facilities, wastewater treatment facilities, project management, and construction methods. He is an active member of the Texas Society of Professional Engineers (TSPE). As Assistant General Manager, Operations, Mr. Williams is responsible for the operation, maintenance, and safety of all operational facilities. 



David Montagne, Executive Vice President and General Manager

SABINE RIVER BASIN PLANNING ISSUES



SPECIAL CONSULTANTS

The following are retained by the Authority to assist in their special capacities:

ATTORNEYS

Jim Graves (Mehaffy & Weber)
 Charlie Goehringer (Germer, PLLC)
 Mike Booth (Booth, Ahrens & Werkenthin)
 Bob Szabo (VanNess Feldman)
 Charles Sensiba (Troutman Sanders, LLP)
 Joe de la Fuente (Lloyd Gosselink)

INDEPENDENT AUDITORS

Axley & Rode, LLP

INTERNAL AUDITOR

James P. Jansen (Jansen & Gregorczyk)

INSURANCE CONSULTANTS

TWCA Risk Management Fund

BOND CONSULTANTS

Financial Advisor – Hilltop Securities, Inc.
 Bond Counsel - McCall, Parkhurst & Horton

ENGINEERING

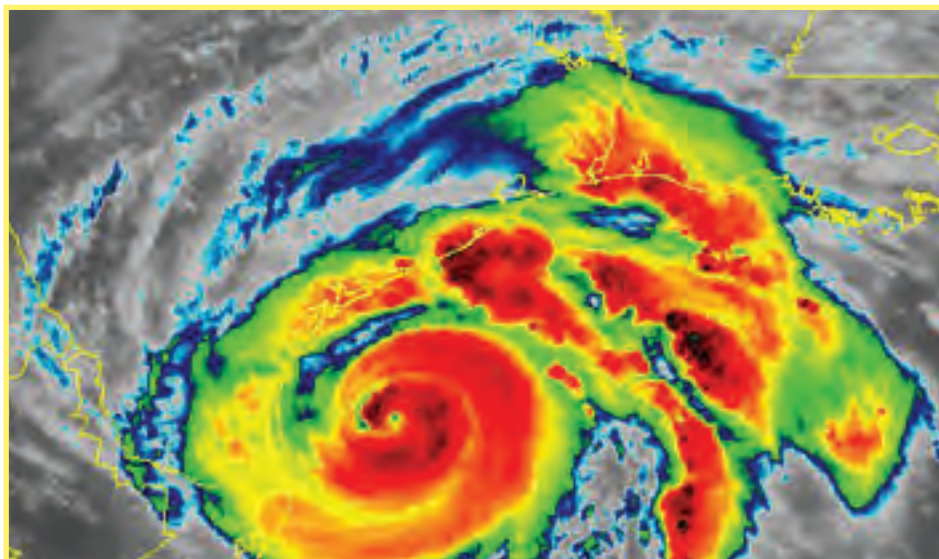
Freese & Nichols, Inc.
 LJA Engineering, Inc.
 HDR

RESPONDING TO HARVEY

HURRICANE/TROPICAL STORM

HARVEY brought a stunning 64.58-inches of rainfall to the Southeast Texas area during August 25th-30th, 2017, the heaviest rainfall total ever logged in the U.S. during a tropical storm. So much rain fell that the National Weather Service added two new colors to its rainfall map to effectively report rainfall accumulation.

Hurricane Harvey initially made landfall as a Category 4 hurricane near Port Aransas, Texas around 10:00 p.m. on August 25th and brought devastating rainfall to the Texas Coastal Bend, Southeast Texas and Southwest Louisiana. As the center of Harvey slowly moved east-southeast, heavy rainfall continued to fall, exacerbating the widespread flooding. Harvey maintained tropical storm intensity the entire time while inland. After moving offshore, Harvey again made landfall just west of Cameron, Louisiana on the morning of August 30th and brought even more heavy rainfall from the western side of the



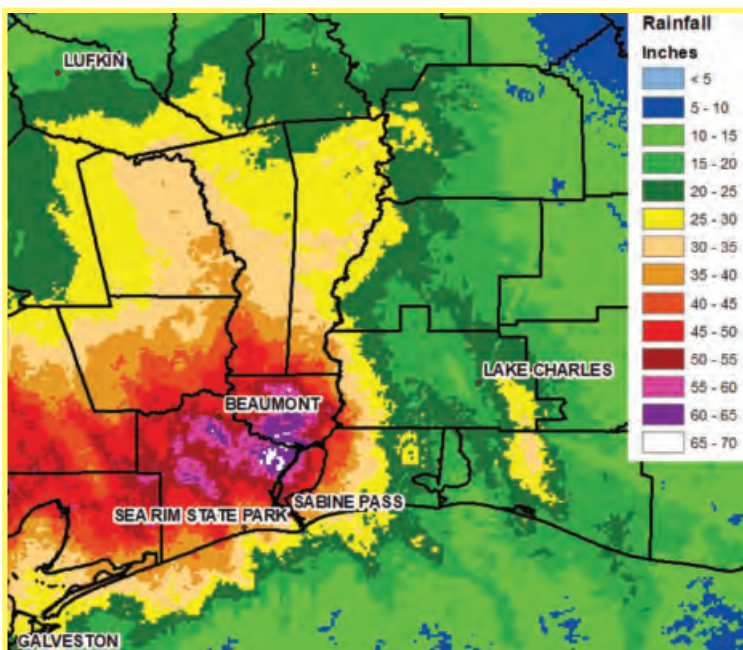
Hurricane Harvey Prior to first Landfall near Port Aransas

storm circulation to the Lower Sabine River and Toledo Bend Reservoir. Approximately 46 percent of the river and stream gaging stations in Southeast Texas reached new record levels.

As local utilities were working to repair flooded equipment and restore services, the SRA expanded its Community Assistance Program (CAP) to assist with immediate storm recovery

funding needs of 29 entities consisting of cities, water supply corporations, municipal water districts, and other water and wastewater utility districts in flood-damaged counties in the Lower Sabine River Basin. These disaster recovery assistance grants assisted in timely restoration of necessary services these utilities provide to the region.

After the torrential floods brought on by Hurricane Harvey, Texas State Legislatures held Senate and House committee hearings to address the

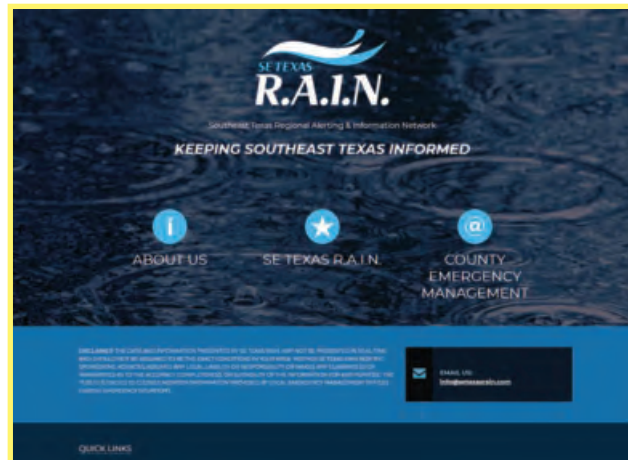


Harvey Five-Day Rainfall, SE Texas/Louisiana Region



Earl Williams and David Montagne present a storm recovery grant to the Orange County WCID #2

need for improved public access to critical information during adverse weather conditions. Judges within a local five-county region responded to the call for action by forming a coalition to identify the necessary components that would best serve residents of Southeast Texas. County Judges from Hardin, Jasper, Jefferson, Newton and Orange Counties working together with other area organizations prioritized a list of required information that would assist residents and emergency management personnel. The Southeast Texas Regional Alerting & Information Network (SE TEXAS R.A.I.N.) was developed for this coalition by the SRA, with assistance from the Lower Neches Valley Authority, the United States Geological Survey (USGS), and the National Weather Service (NWS). SE TEXAS R.A.I.N. was formally launched to the public August 16, 2018 with the support of



www.setexasrain.org

State Senator Robert Nichols, State Representative James White and State Representative Dade Phelan.

The new website, setexasrain.org, provides access to user-friendly information including rainfall, streamflow, water levels, and hydrologic forecasts for major streams, bayous, and reservoirs to help residents throughout Southeast Texas make informed and timely decisions during threatening weather

conditions. This information is also used by emergency management offices and county, local, and regional governments to advise the public of rising water conditions. Users may subscribe and receive alerts by text or email when stream and river gages reach high water levels. The site is mobile-friendly and provides an address look-up feature to check on available gage water levels and weather conditions in the vicinity of the address. Information on the website is compiled from original data sources, including the USGS and the NWS. Links are also provided to the Texas Water Development Board's TexasFlood.org website and the Texas Department of Transportation's DriveTexas.org which provides roadway advisories.



State Senator Robert Nichols

"It's extremely important in emergency situations for people to know what's going on. This website gives everyone direct access to what's happening where they live, whether they are there or away from home."



State Representative James White

"This regional system will greatly improve public access to critical information and is an important testament of regional coordination in the time of need."



State Representative Dade Phelan

"This website could not have come at a better time for the local communities. I encourage everyone to stay informed on SE TEXAS R.A.I.N."

ADMINISTRATIVE OFFICE AND ACCOUNTING

THE AUTHORITY GENERAL OFFICE (AGO) is located in the southeast corner of the state in Orange County near the city of Orange, Texas, approximately eight miles north of Interstate 10 on State Highway 87. All official activities of the SRA are arranged and coordinated through this office by the General Manager and his Executive Staff. Scheduling of meetings for the Board of Directors and management

as well as posting public notices and agendas, disseminating public information and preparation of press releases are handled through the AGO. The General Manager and Executive Staff also consult with attorneys representing SRA concerning contracts and other legal issues and work with the financial advisors and bond counsel concerning bond issues.

Debra Stagner, AGO Chief

Administrative Officer/Treasurer, has a BBA from Lamar University and has been with SRA since 2000. She has the overall responsibility for management and oversight of all SRA investments, human resources, and risk management. Ms. Stagner is one of SRA's Investment Officers and is the Records Management Officer for SRA. Ms. Stagner is a member of the national and state Government Finance Officers Association and the Southeast Texas Human Resources Association as well as TWCA and NWRA.

Investment of SRA's funds is a very important function to ensure that all investments are made in accordance with the Public Funds Investments Act, Chapter 2256 of the Government Code, and the Board-adopted Flow of Funds Resolution and Investment Policy. Investment reports detailing the investment transactions are prepared quarterly and submitted to the Board of Directors as required in the Public Funds Investment Act. In addition, accounts are monitored daily to ensure all funds are properly collateralized by the financial institutions.

The Human Resources Department maintains personnel files for all employees and provides assistance for healthcare benefit issues. Procurement of health, life, property, and liability insurance coverage for SRA is managed through the AGO. SRA has a partially self-insured medical plan. The purpose of this plan is to pay the medical expenses of SRA's employees and their covered dependents, and to minimize the total cost of the medical insurance. SRA obtains property and liability insurance coverage from the TWCA Risk Management Fund and other carriers.

Holly Smith, Chief Financial Officer, joined the SRA staff in September 2017. Ms. Smith



Sabine River Authority General Office

graduated Lamar University in 2001 with a BBA in Accounting and in Finance. Ms. Smith is a CPA, member of the Texas Society of Certified Public Accountants and has sixteen years prior experience as Controller and financial analyst in large manufacturing companies. As Chief Financial Officer for SRA, Ms. Smith is responsible for the accounting records, financial

reporting, the overall fiscal responsibility of SRA, and is an SRA Investment Officer.

The Accounting Department staff processes accounts receivable, accounts payable and generates financial statements on a monthly basis. Working closely with the Division Managers, a budget of revenues and expenses is prepared for each fiscal year and is presented

to the Board of Directors for approval. Revenues and expenses are then monitored on a monthly basis to ensure SRA is operating within the budget and to ensure that approvals for budget amendments are obtained from the Board as needed.

In accordance with Texas Commission on Environmental Quality (TCEQ) rules, SRA contracts with a certified public accounting firm to employ an internal auditor who reports directly to the Board of Directors. The role of the internal auditor is to verify that the internal controls SRA has in place are more than adequate to protect the assets of SRA. Additionally, SRA contracts with a separate certified public accounting firm as an independent auditor for the purpose of forming an opinion on whether the financial statements present fairly the results of the operations of SRA. The Accounting Department staff is instrumental in working with the internal and independent auditors to assist in their objectives.

All purchases of vehicles and heavy equipment are coordinated through the AGO. Texas purchasing laws are followed for major purchases to ensure SRA is receiving the most competitive price on these purchases. The Accounting Department maintains records for all SRA assets and conducts an annual inventory to verify the existence and the condition of the assets. 🇹🇽



December 2017 Board of Directors Meeting



SRA Board President, Earl Williams, receives from David Montagne, Executive Vice President and General Manager, the GFOA Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended August 31, 2017

WATER RESOURCES BRANCH

THE WATER RESOURCES BRANCH (WRB) of the Sabine River Authority directs water resource planning and development, water resource protection, environmental service support, and information resources management efforts that enable SRA to fulfill its mission to control, store, preserve, and distribute the waters of the Sabine River and its tributary system for useful purposes.

In FY-18, the WRB continued compliance activities associated with the Toledo Bend Project Joint Operation Federal Energy Regulatory Commission (FERC) License issued in August 2014 (FERC No. 2305). In FY-18, the FERC Compliance Team, comprised of personnel from SRA and Sabine River Authority, State of Louisiana,



Mary Vann
Manager, Environmental and Information Resources



Jim Brown
Program Manager and FERC Compliance Officer



FERC-Regulated Toledo Bend Powerhouse

consulted with federal and state resource agencies on implementation of several FERC License articles. The agencies include U.S. Fish and Wildlife Service, National Marine Fisheries Service, Texas Commission on Environmental Quality, Texas Parks and Wildlife Department, Texas Water Development Board, Texas Historical Commission, Louisiana Department of Environmental Quality, Louisiana Department of Wildlife and Fisheries, and Louisiana Office of Cultural Development, Division of Archaeology. The FERC Compliance Team consulted with the resource agencies on Continuous Releases from the Spillway (Article 402), Spillway Flow Release Plan (Article 403), Water Quality and Cofferdam Effectiveness Monitoring (Article 404), Seasonal Powerhouse Operations (Article 405), Programmatic Agreement and Historical Properties Management Plan (Article 412), and Section 18 Prescription for Fishways (Upstream Passage Plan for Passage of Juvenile American Eels).

The FERC Compliance Team also obtained temporary amendments from FERC to Article 402, Article 403, and the Upstream Eel Passage Plan to allow for spillway repairs at the Project.

During FY-18, SRA provided Community Assistance Program (CAP) grants to fourteen Sabine Basin applicants for repairs and improvements in the areas including wastewater management, water supply, water quality, and water conservation. Applicants that were awarded grants consisted of three water supply



Students at Boles ISD With CAP Grant Check for Continuing Water Conservation Education Programs

corporations, two water districts, eight cities and municipalities, and one grant to the Texas Parks and Wildlife Department for search and rescue equipment. An additional twenty-nine grants were provided during FY-18 to assist qualified recipients with Hurricane Harvey-related storm damages recovery. SRA's CAP, part of an Economic Development Initiative SRA initiated in 2002, provides competitive grants intended to complement or leverage local project funds for entities within the Basin.



RESOURCE MANAGEMENT AND PROJECT DEVELOPMENT DIVISION



Mark Howard
RMPD
Division
Manager

THE RESOURCE MANAGEMENT AND PROJECT DEVELOPMENT DIVISION (RMPD) assists other SRA divisions by providing technical services including data analysis and reporting, field biology expertise, location data and mapping using SRA's geographical information system (GIS), graphic arts, aerial imaging, information technology support, and content maintenance of the SRA website (www.sratx.org).



USGS Installing New Gage at Adams Bayou in Orange

In FY-18, the RMPD helped implement the Regional Alerting and Information Network, R.A.I.N. web site (www.setexasrain.org). The RMPD worked with a company, OneRain, that gathers rainfall, streamflow, river and reservoir levels and other pertinent information from United States Geological Survey (USGS), National Weather Service (NWS), and others. The website displays this information directly to the public, assisting them in making self-informed decisions during threatening weather conditions. Important features include address location and alert notifications for the nearest gage location.

RMPD staff is working with the USGS to select installation locations for eight new stream gages in the Sabine Basin. These gages are being added to help inform the public and emergency coordinators during hurricane tidal surges and rainstorm events like those experienced during 2016 and 2017. Several of the new gages are now operational and publically available through the USGS and SRA's websites.

As a part of the FERC Compliance Team, RMPD assisted with FERC compliance requirements for the Toledo Bend Project. RMPD staff also coordinates with the Texas Parks and Wildlife Department (TPWD) Aquatic Habitat Enhancement team in nuisance aquatic plant control for giant salvinia on Toledo Bend Reservoir, and water hyacinth and giant salvinia control on Lake Fork Reservoir. The RMPD coordinates with TPWD's zebra mussel and giant salvinia Public Awareness Campaign, which informs boaters and anglers about what they can do to help stop the spread of invasive species in Texas and the Sabine River Basin. 🇺🇸

Southeast Texas Regional Alerting & Information Network (R.A.I.N.)
Regional Rainfall, Stream & Reservoir Data

Welcome to the "Southeast Texas R.A.I.N." site. To learn more about this website, click on the About This Site link in "Additional Resources" below.

2018-10-15 14:54:03

Map showing various gage locations with data points such as 14.32 ft, 12.34 ft, 11.23 ft, etc.

Subscribe to Alerts -

River Level Map Full Screen

Weather for Orange, TX

75° and falling
Rain starting in 2 min.
Wind: 3 mph NE

County	Judge	Emergency Management	Phone
Harris County	Judge Wayne McDaniel	Harris County Office of Emergency Management	Phone: (409) 345-5115
Jasper County	Judge Mark Allen	Jasper/Houston/Sabine Counties Emergency Management	Phone: (409) 694-2542
Jefferson County	Judge Jeff Branch	Jefferson County Emergency Management	Phone: (409) 835-6757
Wheeler County	Judge Paul Price	Wheeler/Houston/Sabine Counties Emergency Management	Phone: (409) 694-2542
Orange County	Judge Devin Davis	Orange County Emergency Management	Phone: (409) 882-7855

SETexasRain.org Website

ENVIRONMENTAL SERVICES DIVISION



Debra Malus

*Environmental Services
Division Manager*

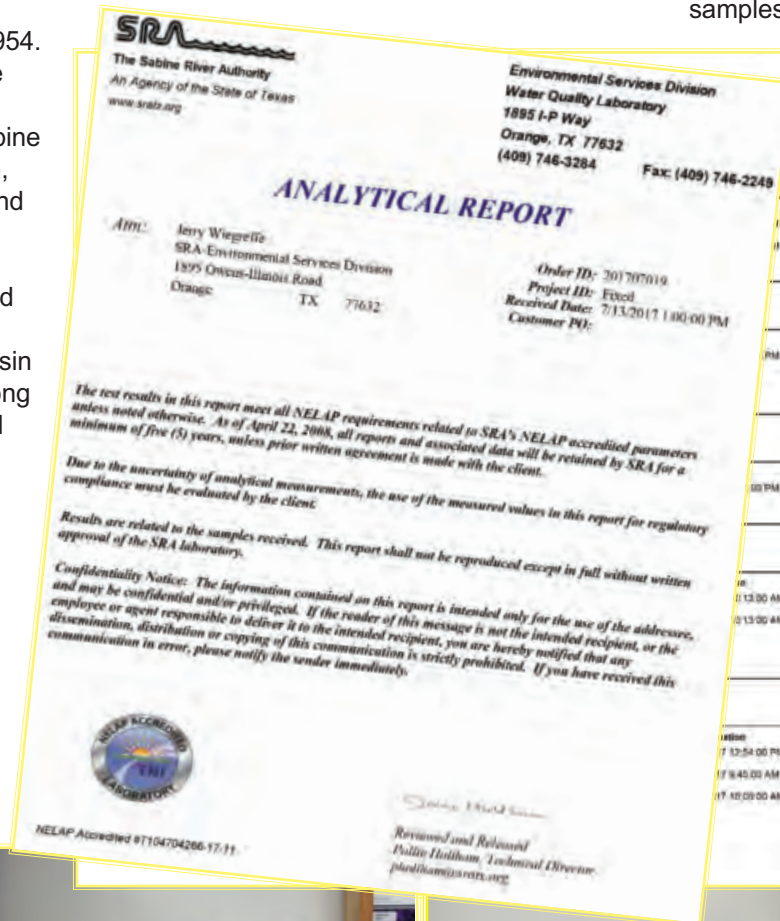
THE ENVIRONMENTAL SERVICES DIVISION (ESD) was established to provide technical support for the Sabine River Authority of Texas (SRA), governmental entities, industries, and municipalities in the areas of water quality monitoring and laboratory analysis. The SRA recognized the importance of proactive water quality monitoring during initial operational activities in 1954. Efforts expanded over the years to meet increasing needs throughout the Sabine River Basin as population, number of water users, and wastewater dischargers increased.

The ESD is comprised of a Water Quality Laboratory and Lower Basin Field Office in Orange along with an Upper Basin Field Office at Lake Fork Reservoir. Staff attends training courses and conferences offered by various professional and technical organizations in order to stay knowledgeable of water quality related regulations and to enhance analytical

skills.

The ESD Water Quality Laboratory provides metals, inorganic, and bacteriological analyses of potable and non-potable water. The laboratory is accredited by NELAP (National Environmental Laboratory

Accreditation Program) and is approved to analyze potable water samples for the Lead and Copper Rule program instituted by the U.S. Environmental Protection Agency. In Fiscal Year 2018 (FY-18), the ESD performed a total of 89,617 water quality tests consisting of the following: 48,183 tests for the Sabine Basin water quality monitoring programs, 6,155 tests for 22 industrial customers, and 10,806 tests for 38 municipal customers which included 1,250 tests for 718 private individuals. ESD provided free Total Coliform analysis in drinking water to private individuals whose water wells were affected after Tropical Storm Harvey dropped 30-60 inches of rainfall in southeast Texas



Test for Total Coliform in Drinking Water



Ion Chromatography Data Quality Assurance Review

ENVIRONMENTAL SERVICES DIVISION



Texas Clean Rivers Program Steering Committee

and southwest Louisiana. A total of 24,473 tests were performed for quality assurance/quality control purposes to support the data generated by the laboratory and field offices.

Upper and Lower Basin Field Office staff collect water quality data and samples monthly at 37 fixed stations within the Sabine Basin for the Texas Clean Rivers Program (TCRP). These stations have been monitored for many years and evaluate water bodies utilized for municipal or industrial water supply sources, recreation areas, and areas that receive treated wastewater. All results from this monitoring are submitted to Texas Commission on Environmental Quality's Surface Water Quality Monitoring Information System under SRA's Quality Assurance Project Plan. A state-wide TCRP Partners meeting was held in Seguin on June 6, 2018, to discuss program updates, status of the statewide monitoring program, and partner highlights.

In FY-18, Upper Basin Field Office staff continued to conduct surveillance and trend monitoring at six sites on Lake Fork, six sites on Lake

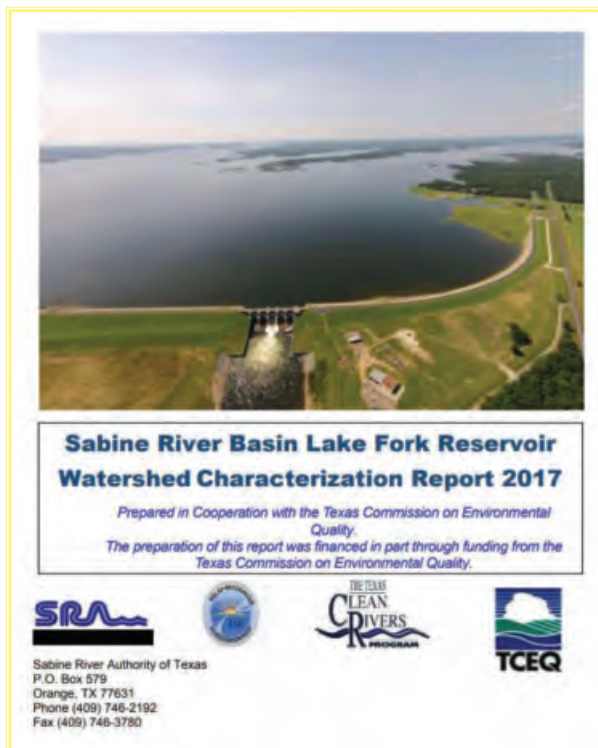
Tawakoni, and one site on the Sabine River. These sites are located near municipal drinking water intakes and provide additional data to characterize water quality trends in the Upper Sabine Basin.

ESD staff interact with local, municipal, state, and federal agencies to investigate incidents that may threaten watersheds within the

Sabine Basin. From September 1, 2017 through August 31, 2018, staff investigated three spills, one fish kill, one invasive species finding (giant salvinia on Lake Fork), two permit amendments, and seven miscellaneous environmental reports. Other ESD responsibilities include collecting and analyzing samples at selected sites on the Gulf Coast

Division canal system in support of water supply contracts, and monitoring the flow of the Sabine River at Cut-off Bayou, the water source for the canal system.

The ESD continues to hold annual meetings with stakeholders and the public to discuss the progress of management measures included in the Orange County Total Maximum Daily Load Implementation Plan. This plan is intended to guide efforts to bring water quality in Adams and Cow Bayou up to meet Texas Surface Water Quality Stream Standards. More information can be found at www.sratx.org/srwmp/octmdl/.



Texas Clean Rivers Program Watershed Characterization Report

OPERATIONS BRANCH OPERATING DIVISIONS



*Iron Bridge Dam & Reservoir
(Lake Tawakoni)*



Lake Fork Dam & Reservoir



Willow Oak Recreation Area



Toledo Bend Dam & Reservoir



John W. Simmons Gulf Coast Canal System



Sabine River Basin

ARKANSAS

LOUISIANA

TEXAS

OPERATIONS OVERVIEW

OPERATIONS OF THE SABINE RIVER AUTHORITY began in the lower Sabine River Basin with the purchase of the pump station and canal system owned by the Orange County Water Company in 1954. SRA's canal system, operating first as the Orange County Canal Division and later as the Gulf Coast Division, consisted of a pumping plant on the lower Sabine River and approximately 75 miles of gravity-flow canals throughout Orange County. The John W. Simmons Gulf Coast Canal System originally provided raw water to industries, a municipality, rice farmers and crawfish producers in Orange County. Although water use for rice farming and crawfish producers has greatly been reduced, the canal system continues to provide a reliable and economical source of water to its industrial and municipal customers.

The next SRA operation facility was a water supply reservoir in the upper Sabine River Basin. The Iron Bridge Dam and Lake Tawakoni Reservoir, which lies partially in Hunt, Van Zandt and Rains Counties, began construction in 1958 and was completed in 1960. Construction of the dam and reservoir was funded through a water supply agreement with the City of Dallas to provide water for municipal and industrial purposes.

Toledo Bend Reservoir was the next project undertaken by SRA. Plans to build Toledo Bend Dam and Reservoir proved feasible with an engineering study completed in 1958. The Toledo Bend Project was built for the primary purposes of water supply and hydroelectric power generation, with a secondary benefit of providing opportunities for recreational activities. The Toledo

Bend Project is located in Louisiana and Texas on the Sabine River, which forms a portion of the boundary between the two states. Partnering with the Sabine River Authority, State of Louisiana, SRA began construction of the dam, spillway, and power plant in April of 1964. Construction was completed in 1968.

The fourth operation facility and third water supply reservoir built by



SRA was the Lake Fork Dam and Reservoir located in the upper Sabine River Basin in Wood, Rains, and Hopkins Counties. Construction of the dam and reservoir began in 1975 and was completed in 1980. Although the reservoir was initially built to provide water for an electric generating facility, it also provided water for many communities in the Basin. In 1981, it became a water supply source for the City of Dallas when they assumed the electric companies' contractual right to use Lake Fork water. Over the years, Lake Fork Reservoir has also become a premier largemouth bass fishery and a popular recreation site.

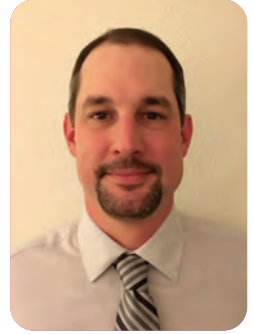
Management of the four operational facilities is headed by

Travis Williams, P.E., Assistant General Manager, Operations. To assist in Operations, Troy Henry serves as the Upper Sabine Basin Regional Manager and Bill Hughes, P.E. serves as the Lower Sabine Basin Regional Manager.

Troy Henry is responsible for the operation, maintenance and safety of the facilities at the Iron Bridge and Lake Fork Divisions. Mr. Henry has been with the Authority for over 27 years and has worked in Environmental Services and Operations. He is a registered Professional Sanitarian and active in the Texas Environmental Health Association. In July 2018, the Texas Parks and Wildlife Department appointed Mr. Henry to serve a four-year term on the Texas Freshwater Fisheries Advisory Council.

Bill Hughes, P.E. is responsible for the operation, maintenance and safety of the facilities at the Toledo Bend Division, Parks and Recreation Division, and Gulf Coast Division. Mr. Hughes also oversees the Technical Services Division created to support and enhance operations throughout the basin. Mr. Hughes has been with the Authority since 2003 and was Director of Engineering Services before becoming Lower Basin Regional Manager. Mr. Hughes, a licensed professional engineer, has over 33 years of experience in civil design, concrete structures, steel structures, geotechnical design, project management and construction methods. He is a long-time standing member of the American Society of Civil Engineers (ASCE). 🇺🇸

GULF COAST DIVISION



David Williams

*Gulf Coast
Division Manager*

THE SABINE RIVER AUTHORITY'S GULF COAST DIVISION (GCD), is responsible for the SRA water supply and related operations in the Orange County area. The division office building, pump station, shop, and maintenance facilities are located at 1922 I-P Way, Orange, Texas, approximately eight miles north of Orange. The John W. Simmons Gulf Coast Pump Station and Canal System are operated on a twenty-four hour per day basis to assure dependable supply of fresh water to customers.

The primary pump station has a capacity of 180 mgd and is located on an intake canal off the Sabine River. The station includes a steel structure on a concrete foundation with two 60,000 gallons per minute centrifugal pumps driven by 400 H.P. electric motors with variable speed drives. Additionally, a smaller 24-inch vertical turbine auxiliary pump, with a capacity of 15 mgd, is located immediately adjacent to the main pump station. The plant lifts water approximately 22 feet to the main canal where water is then conveyed through 40 miles of main canal and 35 miles of lateral canals to customers throughout Orange and Newton Counties. The canal system supplies water to a municipality and several industries, including petro-

chemical plants, pulp and paper mill, steel mill, and two electric generation plants. Water is also supplied for irrigation and other miscellaneous uses.

In FY-18, a total of 47,348 acre-feet or 15,428,550,000 gallons of fresh water were delivered to customers on the canal system.

In August 2017, Tropical Storm Harvey hit the Orange area and produced record breaking amounts of rainfall. Over a six-day period 36.47 inches fell at the Orange County Airport and a new tropical cyclone rainfall record of 64.58 inches fell in Nederland Texas,

twenty-two miles southwest of Orange. As a direct result of Tropical Storm Harvey's rainfall, the pump station flooded. In FY-18 restoration and improvement to the pump station and canal system included relocation and replacement of the 24-inch Auxiliary Pump Control Panel, elevating the existing concrete floodwall four feet to minimize future flooding, installing new steel sheet piling along the intake side of the pump station, and constructing a concrete diversion wall along the pump station's discharge headwall. GCD personnel also repaired canal levees at several locations where Harvey's flood waters caused erosion. The 96-inch flap valves for pumps #1 and #2 were inspected and seals were adjusted to minimize leakage. Flap valves for decommissioned pumps #3 and #4 were permanently welded shut. Temporary bypass pumps were used during these repairs to continue water supply to GCD customers.

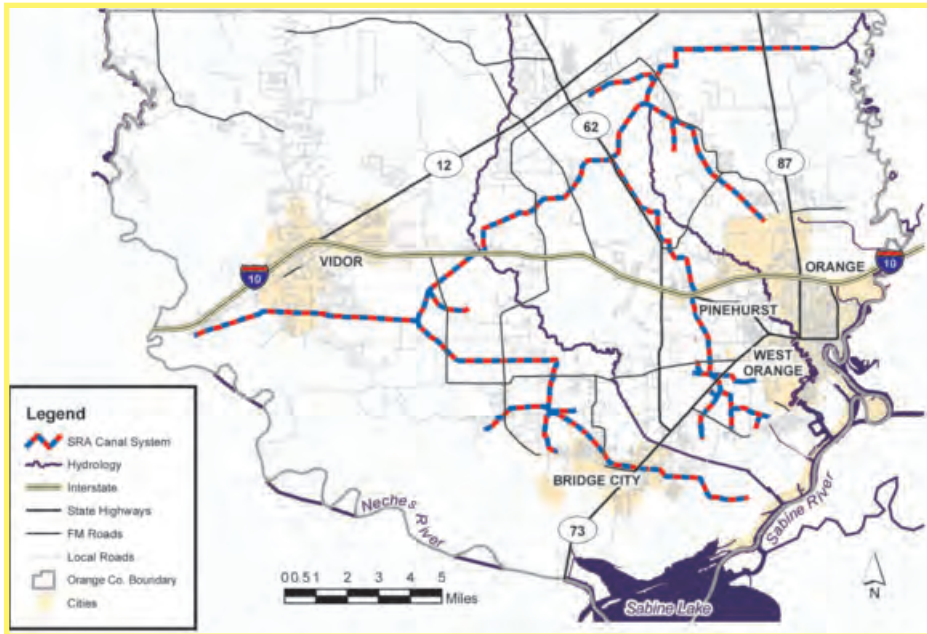
In FY-18, GCD personnel continued the Newton County Flood Hazard Mitigation Project. The GCD continues to furnish demolition services for homes and structures that qualify under the government-funded buy-out



Four-Foot Addition to the Pump Station Flood Wall



GULF COAST DIVISION



John W. Simmons Gulf Coast Canal System - Orange County

program to flood-prone areas along the Sabine River. Nine properties were demolished and cleared of debris in FY-18, and demolition and removal will continue in FY-19. Other projects include installing and replacing road crossing culverts. A new 72-inch aluminized steel pipe was installed along Lateral 5 to improve an existing road crossing. A leaking 42-inch steel siphon pipe on Lateral 14A in the Rose City area was repaired.

The GCD works with county governments on water-related issues to ensure that water flowing through the canal system is not restricted and provides a dependable supply of fresh water now and in the future for all the GCD customers. This year, the GCD assisted the Orange County Drainage District with installation of a 60-inch drainage culvert crossing along Lateral 14A.

Routine infrastructure maintenance and repairs include

inspection of canal levees, removal of floating aquatic plants and accumulated silt, and mowing of the canal rights-of-way. Other routine work includes maintenance of the SH12 boat ramp on the Sabine River in Deweyville, the Blue Bird boat ramp in Orange, and the Cow Bayou boat ramp in Bridge City.

In FY-18, preliminary designs were finalized for the new Sabine River Authority Pump Station and Pipeline Project. The new pump station will be located off SH12 near the Sabine River in Deweyville and will have an initial pumping capacity of 85 mgd. The new seven-mile, 66-inch diameter pipeline will join the new pump station with the existing GCD main canal in Orange County. The project schedule calls for the pump station to be completed in 2020.

Cumulative daily average flow measured at the USGS Ruliff gage on the Sabine River at SH12 in Deweyville totaled 8,323,983 acre feet of water in FY-18, compared to 3,777,239 acre feet in FY-17. Rain measured as of August 31, 2018 at the GCD office was 49.40 inches in FY-18 compared to 110.92 inches in FY-17. 🇺🇸

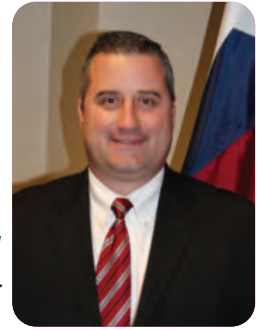


Sealed Pump #4 Flap Valve



Proposed Site for the New Pump Station Near SH12

TOLEDO BEND DIVISION



Steven Dougharty

*Toledo Bend
Division Manager*

TOLEDO BEND RESERVOIR is the largest man-made reservoir in the South, containing 185,000 surface acres and 1,200 miles of shoreline. The reservoir sprawls into parts of Panola, Shelby, Sabine, and Newton Counties in Texas as well as DeSoto and Sabine Parishes in Louisiana and

Authority of Texas (SRA) has rights to 1,043,200 acre-feet/year of water from the reservoir's total 2,086,600 acre-feet/year yield which is shared with the Sabine River Authority, State of Louisiana. The Toledo Bend Division (TBD) supplied 5,914 acre-

feet of water to twelve water customers including municipalities and water supply corporations, a gas-fired electrical generation facility, and miscellaneous oil and gas companies. An additional benefit of the Toledo Bend Reservoir is that it provides a backup source of raw water for the Gulf Coast Division Canal System located downstream, enhancing the Authority's ability to ensure a reliable source of raw water during even the most extreme drought.

The TBD has been responsible for the management and operation of the Texas side of the reservoir for 50 years and administers 762 miles of shoreline, 3,111 Private Limited Use Permits, 26 Commercial



Private Limited Use Permit Facilities

consists of the reservoir, a hydroelectric generating facility, an earthen dam with soil cement facing, and a spillway. The spillway, located at the north end of the dam, is 838 feet wide and includes eleven 40-foot wide by 28-foot tall Tainter gates. The hydroelectric generating facility, located at the south end of the dam, includes two units with a combined capacity of 81-megawatts and began generating power in 1969. Water supply, hydroelectric generation, and recreation are the primary purposes for the reservoir's construction. The Sabine River



Commercial Limited Use Permit Facilities

TOLEDO BEND DIVISION

Permits, 4,457 Private Sewage Facility Licenses, 1,400 on-site sewage facility registrations, more than 600 buoys, two recreation areas, 10 boat ramps, one wastewater treatment facility, and several maintenance facilities.

As a hydroelectric facility, many aspects of the reservoir's operations are regulated by the Federal Energy Regulatory Commission (FERC). FERC compliance activities and development of compliance plans continued during FY-18. Erosion and encroachment monitoring has continued for several years and is still ongoing. The erosion monitoring work this year included an annual inspection and evaluation of thirteen sites on Federal (U.S. Forest Service) and non-Federal lands. The encroachment monitoring work involved aerial imagery evaluation, field investigations, survey work, documentation, and notification.

A wide variety of tasks were done in both shoreline land use permitting and maintenance during the year. Shoreline erosion control work continued in various locations within Shelby, Sabine, and Newton Counties. Miles of boat lanes were maintained by replacing,

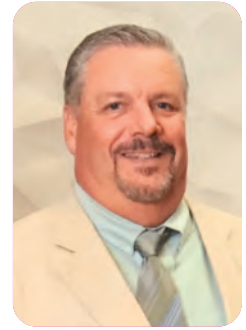
repairing, and repositioning buoys. Several short-term limited water use contracts were permitted, and several encroachments along with many new construction projects were permitted. Numerous inspections were performed on SRA property regarding erosion, hazard trees, permit lines, and park safety. As the TCEQ's designated representative within 2,000 feet of the reservoir, employees performed numerous on-site sewage facility final inspections. Two commercial limited use permits expired in FY-17 and have been reinstated in FY-18 and include new FERC guidelines and requirements.

Giant salvinia, a non-native aquatic plant which has been an ongoing challenge for many years, is most problematic in the backs of coves and upper reaches of Toledo Bend. The Texas Parks and Wildlife Department has continued their control efforts by applying herbicide and through the distribution of salvinia weevils. SRA has continued to support TPWD in their efforts to control giant salvinia and other non-native nuisance aquatic plant species such as water hyacinth. 🇺🇸



The Vast Beauty of Toledo Bend Reservoir

TOLEDO BEND PROJECT JOINT OPERATION



Don Iles

*Toledo Bend Division
Administrator*

THE TOLEDO BEND PROJECT is jointly owned by the Sabine River Authority of Texas (SRA) and the Sabine River Authority, State of Louisiana (SRA-LA). The Toledo Bend Reservoir, at 185,000 acres, is the largest man-made reservoir in the Southern United States. Toledo Bend has over 1,200 miles of shoreline, 503 miles in Louisiana and 762 miles in Texas. The storage capacity of the reservoir is over 4,477,000-acre-feet. It stretches more than 75 miles from the dam to the upper reach of the reservoir, north of Logansport, Louisiana, and inundates land in four Texas counties (Panola, Shelby, Sabine and Newton) and three Louisiana parishes (DeSoto, Sabine and Vernon).



March 2018, During Longest Historical Gate Release

Rules, regulations, financial management, and operation of the Project are directed by the Operating Board, which is comprised of two members from the SRA-LA Board of Commissioners (Ned Goodeaux, Stanley Vidrine) and two members from the SRA-TX Board of Directors (Earl Williams, David Koonce). The General Manager of SRA and the Executive Director of SRA-LA serve on the Operating Board as ex-officio members.

The costs for construction of the Project were shared equally by the two Authorities, and they continue to share in the operating costs.

Each state is entitled to fifty percent of the income from the sale of power generated at the facility, plus the dependable water supply yield is equally divided. Management of matters related to the reservoir, dam, spillway, and power plant are handled jointly, with each state managing its own

shoreline and recreation activities.

Jim Washburn, a 42-year employee of Sabine River Authority of Texas, retired from his position as Toledo Bend Project Administrator in February 2018. Congratulations to Jim and thanks for his many years of service!

Don Iles joined the SRA team in August 2018 as the Toledo Bend Division Administrator, responsible for the Toledo Bend Project Joint Operation administration, community relations, and economic development. Mr. Iles was previously the City Manager for the City of Hemphill.

Two releases through the

spillway occurred during FY-18. The first release occurred as a result of rain from Hurricane Harvey. Five-day total rainfall ranged from 5-inches in the upper reservoir to 21-

inches as measured at the dam. Releases started through the spillway on August 30, 2017, and peaked at 11 gates at 6' for almost 24 hours on August 31 & September 1. Spillway gate openings were decreased in the days following and were closed September 8, 2017, the release spanning ten days. The second spillway release lasted 51

days in February, March, and April, the longest continuous release period in the history of the reservoir. Rainfall caused the reservoir to rise, and on February 25, 2018, the spillway gates were opened. The releases increased and decreased several times, but the overall peak release was 11 gates open 4' on March 30 & 31. The gates were closed on April 16, 2018.

The Toledo Bend Project Joint Operation is participating with Newton County in a Flood Hazard Mitigation project downstream of the dam. The Project is furnishing funding to assist with local fund-matching requirements and in-kind

TOLEDO BEND PROJECT JOINT OPERATION

services in the form of demolition of homes and structures in the floodway which are being purchased through a Federal Emergency Management Agency (FEMA) flood risk reduction grant program. The first two phases were initiated in 2007. In FY-12 Phase III, IV, and V were implemented. Included in these phases were properties along River Road (directly below the dam), Sabine Sands (Bon Wier area), and the Deweyville area. During FY-18, demolition of Phase V structures began and the Joint Operating Board approved participating in Phase VI.

During FY-18, at the powerhouse, the Unit #1 generator was placed in a routine outage for repair and maintenance, starting in late 2017 and ending in early 2018. The powerhouse intake has six sections of trash exclusion racks and each section has seven racks. The racks have been replaced in phases starting in FY-16. During FY-18, the final group of racks were delivered to the powerhouse for installation.

During the record spillway release in 2016, rip-rap immediately



Toledo Bend Hydroelectric Generating Units

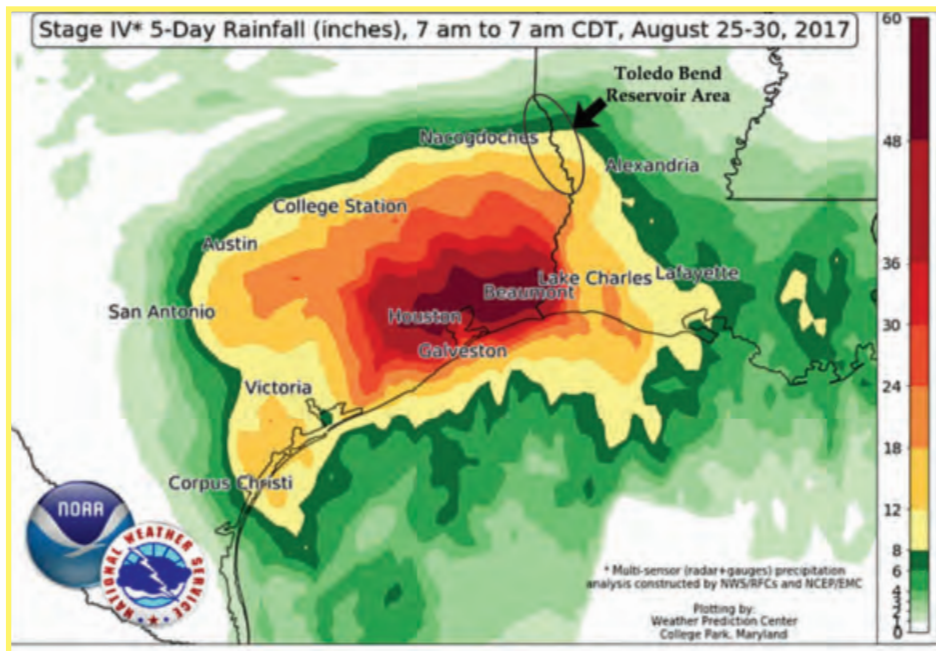
downstream of the spillway apron was displaced. This material will be replaced with larger rock, and spillway apron concrete repairs will be performed during the same period. The specifications and designs for the upcoming spillway repairs were completed and have been approved by the Operating Board and FERC.

The Emergency Action Plan was overhauled this year to comply with

new FERC guidelines which included creation of a new fourth-condition flowchart to be created, among other changes. The review process is complete with pending final authorizations from the Operating Board and FERC.

The Annual FERC Safety Inspection was conducted on August 22 & 23. FERC engineers inspected the dam, spillway, powerhouse, and related facilities and concluded that all facilities are functioning and maintained in compliance with FERC standards and that the security and integrity of the Project is enforced. Representatives from Freese and Nichols, Inc., the project engineer consulting firm, participated in the inspection.

The fiscal year started with a reservoir elevation of 173.7' mean sea level (MSL) on September 1, 2017, as Hurricane Harvey moved inland, and ended the fiscal year at 168.1' MSL on August 31, 2018. Total rainfall during FY-18 was 46.63 inches compared to 77.85 inches in the previous year. Total water released during FY-18 was 4,610,600 acre-feet. The power plant generated 196,426,000 kWh this fiscal year and 112,409,000 kWh during FY-17. 🇺🇸



Hurricane Harvey Five-Day Rainfall, 6-20" on Toledo Bend Reservoir

PARKS AND RECREATION DIVISION



Steven Dougharty

*Parks & Recreation
Division Manager*

THE PARKS & RECREATION DIVISION (PRD) began operation in 1999 with the primary vision to preserve and expand recreation opportunities throughout the Sabine Basin. For the past 19 years, this division has operated and maintained Haley’s Ferry, Ragtown, East Hamilton, Indian Mounds, Lakeview, and Willow Oak Recreation Areas, which are located in Shelby and Sabine Counties. PRD employees maintain about 200 acres of recreation area which includes access roads, five boat ramps, ninety campsites, six restroom buildings, two hiking trails, two water systems, and two dispersed camping areas.

Improvements to the six United States Forest Service (USFS) recreation areas over the past sixteen years include five boat ramp renovations, a boat ramp construction at the Indian Mounds camping area, and a second camping loop opened at Indian

Mounds. All parks have been opened year-round. Buildings, grounds, amenities, and trails have been improved by routine maintenance.

The issuance of the Federal Energy Regulatory Commission (FERC) license August 1, 2014, initiated a capital improvement plan for the USFS-owned and SRA-operated recreation areas. The plan includes upgrades to create ADA-compliant campsites, replacement of current portable restroom facilities with new vault toilet facilities, decommissioning of a few unused facilities, and construction of several new boat-accessible walkway ramps. Consultation with the USFS on these projects is nearly complete and design and layout work is continuing. Several precast concrete vault toilet buildings will be placed once plans and approval are complete. Capital improvement work is planned for

implementation over the next few years.

Numerous maintenance items were completed during FY-18. Asphalt repair was completed for some rough areas on roadways at Indian Mounds, Willow Oak, Ragtown, and East Hamilton recreation areas. Mowing parks, campgrounds, shorelines, and roadways each year keeps accessways and public use areas beautiful and safe for recreation. Indian Mounds and Lakeview campgrounds have TCEQ-regulated drinking water systems which require employee licenses and continuing education, constant monitoring and reporting, along with routine maintenance and repairs. Entrance gate and fence construction continued during this fiscal year at some locations.



Labor Day Boaters near the Sam Collins Recreation Area

PARKS AND RECREATION DIVISION



Sam Collins Boat Ramp

Service, the United States Forest Service, Texas Parks & Wildlife, and others. The Texas Forest Service and SRA are co-sponsors of the event. All Shelby County Schools are invited and most attend each year. Education topics include forest reptiles, forest wildlife, trees, insects, and archeology. Students enjoy a sack lunch in the camping area or near the lake's edge before returning to school. About 140 students and 80 teachers, presenters, workers, and trail guides attended.

As approved by the Board of Directors, the Authority recently embarked on a Parks and Recreation Master Plan to evaluate and enhance major recreation facilities throughout the Basin. The Master Plan includes enhancements for constructing major fishing tournament sites,

The annual Walk in the Forest was a success again this year. The fifth-grade students and teachers love to get out of the classroom for a walk down the Ragtown nature trail. Education stations are set up along the trail. Some stations are nestled along the water's edge, some perched on high bluffs overlooking the lake, some near deep ravines or large hills, but all stations are among the towering trees of the Sabine National Forest. Education stations are presented by the Texas Forest

building and improving day-use and camping facilities, and constructing recreation and family-friendly playground facilities. Existing and potential sites throughout the Basin will be assessed, focusing on those sites having positive economic impact for the Region. 🇹🇽



Fishing Toledo Bend



Annual Walk in the Forest Wildlife Education Station

LAKE FORK DIVISION

THE LAKE FORK DIVISION of the Sabine River Authority of Texas has been responsible for the operation and maintenance of Lake Fork Dam and Reservoir for 38 years. Final closure of the dam was made in 1980 and the reservoir reached full conservation pool elevation of 403' mean sea level (MSL) in 1985.

The full storage capacity of the reservoir is 675,819 acre feet of water, with an annual dependable yield of 188,660 acre feet. Lake Fork Reservoir provided 32,204 acre-feet of raw water to municipal and industrial customers during FY-18. Bright Star-Salem Special Utility District, the City of Quitman, and the City of Dallas have contracts for raw water taken through their pump stations on the reservoir. Downstream customers include the City of Longview, City of Kilgore, City of Henderson, and Texas Eastman. These customers receive their water from reservoir releases made through the spillway and pump these releases from the Sabine

River at TCEQ-permitted diversion points.

Lake Fork Dam has a controlled spillway with five tainter gates that are operated by an electrical cable hoist system. Each gate is 20 feet tall and 40 feet wide. Epoxy coatings and cathodic protection are maintained on the gates to resist corrosion. The earthen embankment is covered in Bermuda grass and is maintained by annual lime and fertilizer applications, weed control, and mowing. Regular maintenance inspections and soil

Bill Kirby

*Lake Fork
Division Manager*



cement repairs have kept the face of the dam in good condition. The dam and spillway are inspected annually by consulting engineers, with a more in-depth inspection occurring every three years.

A soil replacement project for a downstream portion of the earthen dam began in July of 2017 and continued throughout FY-18. The

final embankment lifts (stair-stepped subsurface soil) were installed in September of 2017. The topsoil was replaced and seeded with a mixture of Bermuda, rye, and millet grasses. The slope was then covered with a straw mat to prevent erosion. In August of 2018, the slope project was considered complete when it was determined that there was an 80% coverage of the slope in Bermuda grass.

The Lake Fork



The City of Quitman Raw Water Intake Structure



The City of Longview Raw Water Intake Structure



The City of Dallas Raw Water Intake Structure

LAKE FORK DIVISION

Division has a total of fourteen employees who manage and maintain approximately 315 miles of shoreline in addition to the dam and spillway. Maintenance and Operations (M&O) personnel complete a variety of maintenance, permitting, and inspection tasks every year on the dam, reservoir, shoreline, boat ramps, and surrounding lands. Approximately 35 miles of navigation aids on Lake Fork also require regular maintenance and inspection. Lake Fork M&O personnel are also charged



Lake Fork Division Staff Training

with the upkeep of three boat ramps on the Sabine River downstream of the reservoir. The Sabine River boat ramps at US Highway 69, State Highway 14, and US Highway 276 are cleared of sediment and trash on a regular basis.

The Lake Fork Division has made a number of improvements since taking over the operation of the Lake Fork Country Club Estates Wastewater Treatment Plant. In FY-18, Lake Fork personnel installed a new blower silencer and backup generator which will ensure that the wastewater treatment plant will produce high quality effluent even in times of power outage.

The Sabine River Authority has been delegated administrative oversight of all septic systems adjacent to each of the Authority's reservoirs. The Lake Fork Division reviews all plans for new septic systems and investigates complaints on malfunctioning systems around the reservoir. The Lake Fork Division staff works with homeowners to ensure that all septic systems function properly to protect human health and water quality. In FY-18 the Lake Fork Division issued 55 licenses for on-site sewage disposal and resolved six complaints. Managing the floodplain around Lake Fork Reservoir includes oversight and administration of 1,667 Private Limited Use Permits, 49 Commercial Limited Use Permits, and 68 Grazing Permits. These permits allow

adjoining landowners access to the reservoir and surrounding Authority lands.

Giant salvinia, a non-native invasive aquatic plant, was first discovered on Lake Fork in 2015 in Chaney Branch. The Texas Parks and Wildlife Department (TPWD) believes it has eradicated giant salvinia from Chaney Branch, however, a small pocket of the invasive plant still remains in White Oak Creek. A containment boom is in place across White Oak Creek in an effort to control the spread of giant salvinia. The TPWD continues to apply herbicide to salvinia in White Oak Creek and hopes to eradicate the invasive plant from Lake Fork.

Another invasive species of concern to the water supply industry is the zebra mussel. To date, no adult zebra mussels have been detected in Lake Fork Reservoir; however, the larval form of the mussel and DNA evidence have been found in Lake Fork, indicating possible transfer from a colonized lake via bilge water, live well water, or a boat trailer. The United States Geological Survey conducts regular tests for the presence of zebra mussels in a number of reservoirs including Lake Fork. The TPWD is continuing with a public education and awareness campaign that is financially supported by the Sabine River Authority and other partners.

The average rainfall for the Lake Fork area is approximately 48 inches per year. In the twelve months of FY-18, 32.07 inches of rainfall were recorded at the Lake Fork Dam, compared to 50.48 inches in FY-17. The highest and lowest reservoir elevations in FY-18 were 403.89' MSL on March 2, 2018, and 400.07' MSL on August 31, 2017. 🇺🇸



Lake Fork is a Premier Fishing Destination

IRON BRIDGE DIVISION

LAKE TAWAKONI was originally named the Iron Bridge Reservoir Project during the planning and early construction phase of the project due to its proximity to an old iron bridge across the Sabine River at FM Hwy 47 near where the dam is located. The reservoir was later named Tawakoni after a branch of the Caddo Indians that once lived in the area, but the dam, spillway, and

437.5' MSL, which is the crest of the spillway, for the first time in February 1965. At this elevation the reservoir stores 927,440 acre-feet (289 billion gallons) of water. The dependable annual yield of the reservoir is 238,100 acre-feet per year (212 million gallons a day). Lake Tawakoni was constructed as a water supply reservoir and was

Randy Traylor

*Iron Bridge
Division Manager*



acre-feet of raw water for municipal, industrial, and agricultural uses.

The Iron Bridge Division (IBD) has a total of twelve employees who are responsible for routine maintenance of Authority facilities, vehicles, equipment, buoys, and monitoring instrumentation to ensure the continued safety and reliability of the dam and spillway. In addition to responsibilities related to dam and reservoir maintenance, staff have oversight of over 1,400 active Private Limited Use Permits, 33 Commercial Limited Use Permits, and 47 Grazing Permits. This includes review and inspection of all construction related activities, such as piers, boathouses, retaining walls, and investigating complaints to ensure permit compliance on Authority-owned properties. The Authority also serves as the Authorized Agent for the Texas Commission on Environmental Quality (TCEQ) for all on-site sewage facilities (septic systems) within 2,000 feet of the project boundary. In this capacity, IBD field personnel review design information submitted for new systems, make



The City of Dallas has a Contract for 80% of the Lake Tawakoni Yield

divisional office still carry the Iron Bridge name.

The State Board of Water Engineers issued a permit for the Lake Tawakoni project in 1955, land acquisition began in 1956, and the reservoir was completed in 1960. The reservoir surface covers approximately 37,000 acres and lies within portions of Hunt, Van Zandt, and Rains counties. The dam consists of a 5.5-mile long earthen dam and un-gated concrete ogee spillway. The reservoir reached the conservation pool elevation of

financed through a water supply agreement with the City of Dallas. As part of the funding agreement that allowed for the construction of the reservoir, the City of Dallas has a contract for eighty percent of the available yield. The Sabine River Authority (SRA) has twenty percent of the available yield, nearly 47,620 acre-feet per year (42.5 million gallons a day). In addition to Dallas, the reservoir serves thirteen other cities and water supply entities. During FY-18 Tawakoni supplied 50,821



Tour of the Iron Bridge Dam

IRON BRIDGE DIVISION



Newly Improved Two-Mile Bridge Boat Ramp Facility

inspections, investigate complaints, and work with property owners and local courts as necessary to resolve violations. IBD issued 51 permits for new on-site sewage facilities and worked 28 complaints during FY-18. IBD field personnel also operate wastewater facilities which are owned by the Authority at Tawakoni State Park and Wind Point Park. The wastewater treatment plant at the Tawakoni State Park also serves the adjacent White Deer Landing Mobile Home Park.

Several projects to improve and increase public access to the reservoir were completed in FY-18. IBD staff oversaw the completion of a new boat ramp and asphalt parking surface at the west end of the new Two-Mile Bridge. SRA installed a new floating pier and performed other improvements to the boat

ramp area. IBD personnel also completed cleanup of the old Lone Star property at the east end of the Two-Mile Bridge and opened the area to the public for boating and fishing. A new 80kW emergency standby generator was installed at the Tawakoni State Park Wastewater

Treatment Plant to comply with TCEQ requirements regarding continued service reliability during power outages. SRA began working with consulting engineers in developing plans and specifications to address erosion along the river channel immediately downstream of the spillway. Final engineering and construction will continue in 2019.

The reservoir began FY-18 at an elevation of 437.65' MSL. The reservoir ended the fiscal year at an elevation of 435.20' MSL. The lowest and highest elevations for Lake Tawakoni in FY-18 were 435.20' MSL on August 31, 2018, and 440.83' MSL on February 27, 2018. Rainfall for the fiscal year totaled 31.46 inches compared to 45.56 inches in FY-17. 🇹🇽



West Tawakoni Water Treatment Facility



SABINE RIVER AUTHORITY OF TEXAS

For the Years Ended
August 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sabine River Authority of Texas
Orange, Texas

Report on the Financial Statements

We have audited the accompanying comparative financial statements of Sabine River Authority of Texas (the "Authority") Operations and Gulf Coast Funds, as of and for the year ended August 31, 2018, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents. The August 31, 2017 financial statements were audited by other auditors whose report dated December 7, 2017 included an emphasis-of matter paragraph describing conditions related to a restatement of capital assets and related interfund balances that resulted in the reissuance of the statements on July 2, 2018 with the expression of an unmodified opinion on the August 31, 2017 financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of August 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We did not audit the Toledo Bend - Joint Operation, which represents approximately 0.6% and 13%, respectively, of the revenue and assets of the Authority for the year ended August 31, 2018, and approximately 0.6% and 16%, respectively, of the revenue and assets of the Authority for the year ended August 31, 2017. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the year ended August 31, 2018 and 2017 for Toledo Bend - Joint Operation, is based solely on the reports of the other auditors.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Changes in Total - Other Post-Employment Benefits, Liability and Related Ratios on pages 6 - 11 and 36 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
December 3, 2018



Management's Discussion and Analysis

The following discussion and analysis of the Sabine River Authority of Texas' financial performance provides an overview of the Authority's financial activities for the years ended August 31, 2018 and 2017, in comparison with the prior year financial results. Please read it in conjunction with the financial statements, which follow this section.

Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows

The financial report consists of three parts: *Management's Discussion and Analysis* (this section), the basic financial statements, and the notes to the financial statements.

The basic financial statements include the Statements of Net Position, the Statements of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows that present information for the Authority as a whole and provide an indication of the Authority's financial health. The financial statements are presented with two major Enterprise Funds using the accrual basis of accounting. The Authority uses enterprise funds to account for its Operations and Gulf Coast Division.

The Statements of Net Position report the current and noncurrent assets and liabilities for the Authority as well as delineating the restricted assets from assets to be used for general purposes. The Statements of Revenue, Expenses and Changes in Net Position report all of the revenues and expenses during the time periods indicated. The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for repayment of bonds and capital additions.

Net Position

The net position of the Operations Fund increased during 2018 by \$7.9 million or 4.16% while the net position during 2017 increased by \$4.9 million or 2.87%. Total liabilities increased during 2018 by \$53.1 million and increased during 2017 by \$2.6 million, or 61.3% and 8.6%, respectively. The increase in total liabilities for 2018 and 2017 is the result of an increase in net obligation for post-employment benefits and unearned revenue.

Total Noncurrent Assets increased by \$61.5 million or 32.4% during 2018 after a decrease of 0.7% for 2017. The increase in 2018 is the result of investment increase due to settlement with City of Dallas. The decrease in 2017 is the result of an increase in accumulated depreciation.

The net position of the Gulf Coast fund decreased during 2018 by \$(0.3) million or (6.4)% while the net position during 2017 increased by \$1.63 million or 43.81%. Total assets increased during 2018 by \$2.7 million resulting from an increase in capital assets while total assets increased in 2017 by \$1.59 million. Total liabilities increased during 2018 by \$2.9 million and decreased during 2017 by \$0.4 million, or 145% and (2)%, respectively. The increase in total liabilities for 2018 is the result of an increase in net obligation for post-employment benefits.

Total noncurrent assets in the Gulf Coast Fund increased by \$3.0 million during 2018 after an increase of \$1.7 million for 2017.

Current assets in the Gulf Coast Fund decreased by \$(0.3) million following a decrease of \$(0.12) million for 2017. The decrease in 2018 is mainly attributable to a decrease in cash and cash equivalents.

FINANCIAL HIGHLIGHTS

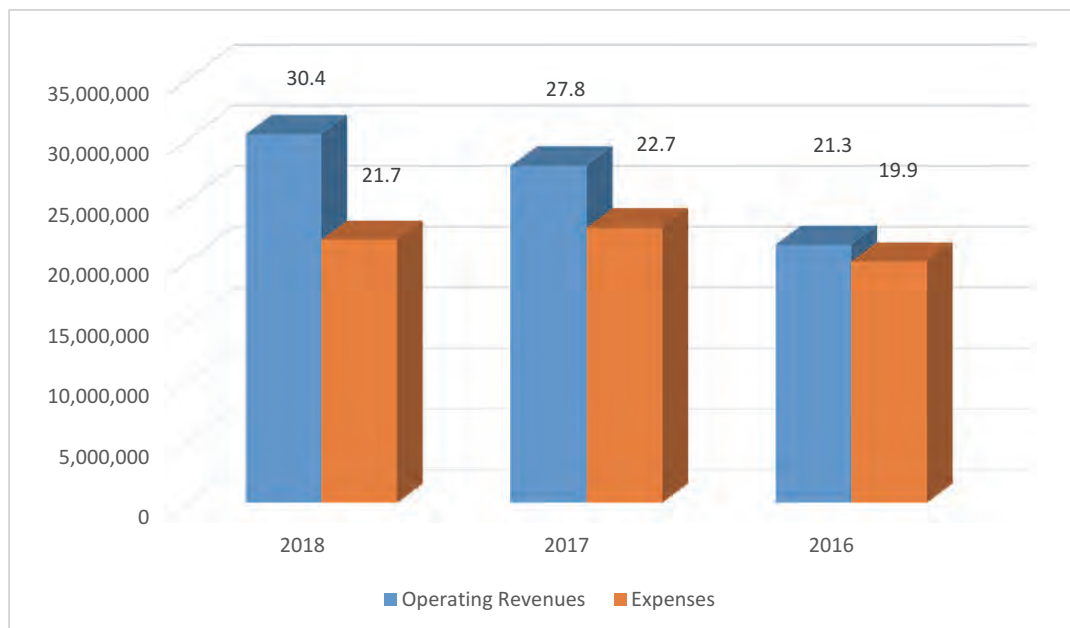
	OPERATIONS		GULF COAST	
	2018	2017	2018	2017
Assets:				
Current assets	\$ 22 529 056	\$ 35 687 349	\$ 770 941	\$ 1 061 345
Restricted cash and investments	98 504 543	34 722 142	2 046 597	1 650 000
Capital assets, net	<u>152 609 255</u>	<u>154 871 860</u>	<u>7 216 379</u>	<u>4 625 810</u>
TOTAL ASSETS	<u>273 642 854</u>	<u>225 281 351</u>	<u>10 033 917</u>	<u>7 337 155</u>
Liabilities:				
Current liabilities	3 777 662	4 337 478	283 580	128 419
Noncurrent liabilities	<u>82 872 172</u>	<u>29 139 304</u>	<u>4 630 483</u>	<u>1 860 999</u>
TOTAL LIABILITIES	<u>86 649 834</u>	<u>33 476 782</u>	<u>4 914 063</u>	<u>1 989 418</u>
Deferred inflows	<u>931 768</u>	-	-	-
Net Position:				
Net investment in capital assets	134 736 950	136 036 015	5 746 379	4 625 810
Restricted	-	801 921	-	-
Unrestricted	<u>51 324 302</u>	<u>54 966 633</u>	<u>(744 992)</u>	<u>721 927</u>
TOTAL NET POSITION	<u>186 061 252</u>	<u>191 804 569</u>	<u>5 001 387</u>	<u>5 347 737</u>
Change in Net Position:				
Operating Revenues:				
Water sales	22 559 972	22 432 318	5 029 908	4 026 654
Power sales	4 538 691	2 455 352	-	-
Wastewater treatment	108 559	50 803	-	-
Permits	1 103 557	969 781	-	-
Water quality activity	810 571	862 367	-	-
Miscellaneous	907 537	404 064	33 036	-
Reservation fee	344 745	651 702	-	-
TOTAL OPERATING REVENUES	<u>30 373 632</u>	<u>27 826 387</u>	<u>5 062 944</u>	<u>4 026 654</u>
Operating Expenses:				
Operation and maintenance	18 091 886	19 212 877	2 488 452	2 344 217
Depreciation	3 596 252	3 446 001	56 465	127 316
TOTAL OPERATING EXPENSES	<u>21 688 138</u>	<u>22 658 878</u>	<u>2 544 917</u>	<u>2 471 533</u>
OPERATING INCOME	<u>8 685 494</u>	<u>5 167 509</u>	<u>2 518 027</u>	<u>1 555 121</u>
Nonoperating Revenues (Expenses):				
Grant program	(536 000)	(157 500)	-	-
Grant revenues	-	-	-	4 331
Gain on disposition of capital assets	6 462	58 675	-	-
Proceeds from insurance	-	-	-	69 754
Investment income	198 125	271 357	-	-
Interest expense	<u>(379 647)</u>	<u>(391 746)</u>	<u>(382 472)</u>	<u>-</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(711 060)</u>	<u>(219 214)</u>	<u>(382 472)</u>	<u>74 085</u>
INCOME BEFORE TRANSFERS	<u>7 974 434</u>	<u>4 948 295</u>	<u>2 135 555</u>	<u>1 629 206</u>
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>7 974 434</u>	<u>4 948 295</u>	<u>2 135 555</u>	<u>1 629 206</u>
Total net position, beginning	191 804 569	172 047 522	5 347 737	3 718 531
Prior period adjustment	<u>(13 717 751)</u>	<u>14 808 752</u>	<u>(2 481 905)</u>	<u>-</u>
TOTAL NET POSITION, ENDING	<u>\$ 186 061 252</u>	<u>\$ 191 804 569</u>	<u>\$ 5 001 387</u>	<u>\$ 5 347 737</u>

Operating Income

Operations for 2018 Operations Fund resulted in operating income of \$8.7 million, while Operations in 2017 resulted in an income of \$5.2 million. The increased operating income in 2018 resulted from increased power sales. The income in 2017 resulted from increased water sales due to the settlement on the Lake Fork contract with Dallas Water Utilities. Operating expenses decreased \$(1.0) million in 2018 while operating revenues increased \$2.6 million.

Total operating revenues consist primarily of water sales and power sales, with additional operating revenues including waste water treatment, permits, and water quality activity as well as miscellaneous income and reservation fees. The increase in operating revenues during 2018 follows an increase of 30.5% during 2017. Power sales increased for 2018 when compared to 2017. The income recognition of the reservation fee on the NTMWD interim water contributed \$1.0 million to total operating revenues in 2018, 2017 and 2016. Additionally, miscellaneous income of \$0.9 million consisting of water sold for frac operations and payments for easements as oil and natural gas operations are ongoing in the basin.

Operating expenses decreased \$(1.0) million, a (4.4)% decrease following a \$2.8 million, or 14%, increase in 2017. While the operating expenses decreased in 2018 and 2017, no single category of expenses accounted for the differences, however, a portion of the increase in 2017 is attributable to major repair work performed at Lake Tawakoni and Lake Fork.



Operations for 2018 Gulf Coast fund resulted in operating income of \$2.5 million, operations in 2017 results in an income of \$1.6 million and 2016 resulted in an income of \$0.11 million. The income in 2018 resulted from an increase in water sales. Operating expenses increased \$0.1 million in 2018 while operating revenues increased \$1.0 million.

Total operating revenues consist primarily of water sales and wastewater treatment. The increase in operating revenues during 2018 follows an increase of 5.3% during 2017. Water sales increased substantially for 2018 when compared to 2017 due to increases in water rates.

Operating expenses increased \$0.1 million, a 3.0% increase following a \$(1.18) million, or (32.4)% decrease in 2017. While the operating expenses increased in 2018 and decreased in 2017, no single category of expenses accounted for the differences.

Overall Financial Position

The Authority has sufficient revenues and reserves to pay the expenses and debt service of the Authority.

Significant Capital Assets

Net capital assets increased from \$159,497,670 to \$159,825,634, an increase of \$327,964 or 0.2%. The increase is the result of the increased work in progress. The Authority's projects and a description of each are as follows:

Gulf Coast Division

The Sabine River Authority, having been created by the legislature in 1949, purchased the Orange County Water Company in 1954. The newly acquired canal system, now known as the Gulf Coast Division, provided the initial catalyst for the operations of SRA. The Gulf Coast Division supplies fresh water from the Sabine River to industries, farmers and a municipality in Orange County by way of a canal system. The pumping plant consists of four horizontal centrifugal pumps with 400 horsepower electric motors capable of pumping 60,000 gallons per minute (gpm) each and one vertical auxiliary pump with a 125 horsepower motor capable of pumping 12,000 gpm. The water is lifted approximately 22 feet from an intake channel to a gravity flow canal system through approximately 75 miles of main canal and laterals to supply fresh water from the east side of Orange County to the west side.

The canal system provides fresh water to six petrochemical plants, two electric power plants, a pulp and paper mill and a steel mill, as well as the city of Rose City, Texas. Water sales for Gulf Coast Division were 42.27 million gallons daily (mgd) for 2018 as compared to the 2017 water sales which were 40.03 mgd.

Lake Tawakoni

This water supply project of the Sabine River Authority of Texas is located on the Sabine River immediately above the old Iron Bridge Crossing on FM 47, about 10 miles northeast of Wills Point, Texas. The reservoir inundates land in Hunt, Rains, and Van Zandt Counties. The State Board of Water Engineers issued a permit for project construction on December 20, 1955. Land acquisition was initiated in 1956 and completed in October 1960. Construction on the dam began in January 1958 and was completed in October 1960.

Construction of the Iron Bridge Dam and Reservoir Project was funded through a water supply agreement with the City of Dallas to provide water for municipal and industrial purposes. The reservoir storage capacity at 437.5 feet mean sea level conservation pool level is 926,000 acre-feet (302 billion gallons). The dependable annual yield of the reservoir is approximately 238,100 acre-feet per year (213 million gallons per day).

In 2018, 45.37 mgd of water was delivered to 15 customers including municipalities and water supply corporations compared to 63.54 mgd delivered in 2017.

Toledo Bend Reservoir

The Sabine River Authority of Texas, and the Sabine River Authority, State of Louisiana constructed Toledo Bend Reservoir, primarily for the purposes of water supply, hydroelectric power generation, and recreation.

This project is located in Texas and Louisiana on the Sabine River, which forms a portion of the boundary between the two states. From the dam site the reservoir extends up the river for about 65 miles to Logansport, Louisiana, and inundates land in Sabine, Shelby, Panola, and Newton Counties, Texas, and Sabine and DeSoto Parishes, Louisiana.

Toledo Bend Reservoir is one of the largest man-made bodies of water in the South and one of the largest in surface acres in the United States, with water normally covering an area of 185,000 acres and having a controlled storage capacity of 4,477,000 acre-feet (1,448,934,927,000 gallons). Toledo Bend Reservoir is distinctive in that it is a public water conservation and hydroelectric power project that was undertaken without federal participation in its permanent financing.

The operation of the project for hydroelectric power generation and water supply provides a dependable yield of 1,868 million gallons per day. Most of this water is passed through the turbines for the generation of electric power and is available for municipal, industrial, and agricultural purposes. An indoor type hydroelectric power plant is located in the south abutment of the dam. It consists of two vertical units of equal size utilizing Kaplan turbines, rated at 55,750 hp each at a minimum net head of 60.8 feet, and water-cooled generators of the umbrella type rated at 42,500 KVA at a 0.95 power factor. It is estimated that the power plant will generate an average of 207,000,000-kilowatt hours annually. Entergy Louisiana, Cleco Power and Southwestern Electric Power Company have contracted with the Sabine River Authorities for the purchase of the hydroelectric power.

The yield of Toledo Bend Reservoir is 2,086,600 acre-feet (ac-ft), of which half is allocated to Texas and half to Louisiana. Of the 1,043,300 ac-ft allocated to Texas, the Authority has a permit for 750,000 ac-ft. In 2003, the Authority made application to Texas Commission on Environmental Quality for the unpermitted 293,300 ac-ft of water in Toledo Bend. In 2018, water sales from Toledo Bend totaled 5.287 mgd compared to 3.2 mgd in 2017. Water is delivered to two municipalities and three industrial customers.

Lake Fork

This project is located on Lake Fork Creek, a major tributary of the Sabine River, about 5 miles west of Quitman, Texas. The reservoir, owned and operated by the Sabine River Authority of Texas, inundates land in Wood, Rains, and Hopkins Counties. Preliminary engineering studies for the Lake Fork Reservoir Project were initiated in November 1972. Construction work on the project began in the fall of 1975. Final closure of the dam was made in February 1980, and conservation pool level was reached in December 1985. A total of 41,100 acres of land were acquired for the project. Lake Fork Reservoir has an estimated surface area of 27,690 acres at conservation pool elevation 403.0 feet above mean m.s.l. (mean sea level) and extends up Lake Fork Creek about 15 miles.

Construction of the Lake Fork Reservoir was funded through a water supply agreement with Texas Utilities, Inc. (TXU) to provide water for municipal and industrial uses. The Cities of Dallas, Longview, Kilgore, Henderson and Quitman have contracted for purchase of water from the reservoir. The reservoir's storage capacity at the 403 feet m.s.l. conservation pool level is 675,819 acre-feet with a minimum firm yield of 188,660 acre-feet per year.

Lake Fork is a world-class fishery and has been identified by many outdoor writers as the best "big bass" reservoir in the state and perhaps the nation. This reputation is due in large part to fishery management efforts of the Texas Parks and Wildlife Department who began stocking the reservoir with Florida largemouth bass in 1978. The current state record largemouth bass was caught in Lake Fork.

Lake Fork customers consist of five municipalities. In 2018, 28.75 mgd of water was delivered to these customers as compared to 51.62 mgd delivered in 2017.

Environmental Services

The Environmental Services Division is responsible for the Authority's water quality monitoring activities in the Sabine River Basin of Texas. These activities are coordinated with State regulatory agencies and also include the review and evaluation of water quality data collected by other agencies in the Sabine Basin. Further, Environmental Services Division staff conducts the assessment of water quality within the Sabine River Basin, Texas, for the Texas Clean Rivers Program.

Tracking water quality conditions in the reservoirs and the streams in the Basin becomes more important to the Authority each year as the number and size of water users and wastewater dischargers increase. Additionally, the Environmental Services Division assists governmental entities, industries, and municipalities by providing them with water quality information to meet their various needs.

The Authority receives funds from the State of Texas to offset costs for administering the Clean Rivers Program in addition to the fees collected for the water testing performed for industrial and municipal customers. In 2018, Environmental Services Division performed 89,617 tests compared to the 97,090 tests performed in 2017.

Net capital assets for the Operating Fund decreased from \$154,871,860 to \$152,609,255 or (1.5)% due to the increase in accumulated depreciation.

Net capital assets for Gulf Coast Fund increased from \$4,625,810 to \$7,216,379 or 56.0%. The increase is primarily the result of an increase in construction in progress.

For more detailed information on capital asset activities, please refer to the capital asset section in Note 3 of the Notes to Financial Statements.

Long-Term Debt

The majority of the assets previously discussed were financed by revenue bonds. Principal payments made during 2018 and 2017 were \$963,540 and \$953,540, respectively. In 2009, payment was made on the final outstanding hydroelectric revenue bonds leaving the Texas Water Development Board loan as the only outstanding debt on Toledo Bend Reservoir. There are no outstanding bonds on Lake Tawakoni or Lake Fork.

The Authority has drawn \$1,470,000 of a \$18,825,000 bond for the Gulf Coast Fund during 2018.

For more detailed information on long-term debt activities, please refer to the Long-Term Liabilities section in Note 3 of the Notes to Financial Statements as well as the Supplementary Information which follows the Notes to Financial Statements.

Designated and Restricted Funds

The Authority maintains bond reserve funds as required by bond covenants and designated funds are set aside by the Board of Directors for specific purposes such as reservoir repair and improvement funds for each reservoir, upper basin water supply project, insurance reserve fund, debt service reserve fund, emergency repair and replacement fund, parks and recreation reserve fund and economic development reserve fund. The Authority receives no state appropriations and has no powers to levy taxes. As such, all expenses associated with the maintenance and operations of existing projects as well as planning for future water needs are the responsibility of the Authority. In order to be a self-sufficient entity, the Authority must maintain adequate reserves to ensure funds are available for ongoing activities as well as meeting the financial needs arising from major repairs on the existing projects and planning for future water needs.

Change in Financial Position

The net position for the Operating Fund has increased from 2016 to 2017 and decreased from 2017 to 2018. Total operating revenues increased from 2016 to 2017 and 2017 to 2018.

The net position for the Gulf Coast Fund has increased from 2016 to 2017 and decreased from 2017 to 2018. Total operating revenues increased from 2016 to 2017 and increased from 2017 to 2018.

This report is intended to provide our legislators, state officials, customers, bondholders, citizens of the State of Texas and other interested parties with a general overview of the Authority's financial position and to indicate accountability for the revenues the Authority receives.

Questions about this report or requests for additional financial information should be directed to Holly Smith, Chief Financial Officer, at P. O. Box 579, Orange, Texas 77631, or call 409.746.2192.

SABINE RIVER AUTHORITY OF TEXAS
STATEMENTS OF NET POSITIONS
August 31, 2018 and 2017

	OPERATIONS		GULF COAST	
	2018	2017	2018	2017
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 12 165 911	\$ 4 594 575	\$ (1 445 113)	\$ 57 163
Investments	7 222 193	6 324 272	-	-
Accounts receivable	2 545 299	24 297 362	561 399	794 520
Due from other funds	-	-	1 654 655	209 662
Accrued interest receivable	300 426	200 065	-	-
Prepaid items	295 227	271 075	-	-
TOTAL CURRENT ASSETS	22 529 056	35 687 349	770 941	1 061 345
Noncurrent Assets:				
Restricted cash and cash equivalents	-	801 921	396 597	-
Investments	98 504 543	33 920 221	1 650 000	1 650 000
Capital Assets:				
Land	55 015 507	55 015 507	9 031	9 031
Dams and electric plant	138 980 662	138 980 662	-	-
Water and pumping plant	26 641 081	26 641 081	3 599 898	3 639 279
Buildings	8 406 536	8 109 308	1 008 107	1 008 107
Equipment	7 000 370	6 592 955	1 629 141	1 629 141
Construction in progress	2 960 720	2 538 238	4 701 277	2 030 575
Less accumulated depreciation	(86 395 621)	(83 005 891)	(3 731 075)	(3 690 323)
NET CAPITAL ASSETS	152 609 255	154 871 860	7 216 379	4 625 810
TOTAL NONCURRENT ASSETS	251 113 798	189 594 002	9 262 976	6 275 810
TOTAL ASSETS	273 642 854	225 281 351	10 033 917	7 337 155
LIABILITIES				
Current Liabilities:				
Accounts payable	1 447 275	3 553 193	258 107	113 165
Current portion of long-term liabilities	210 000	195 000	-	-
Compensated absences	243 132	134 091	25 473	15 254
Accrued liabilities	222 600	245 532	-	-
Due to other funds	1 654 655	209 662	-	-
TOTAL CURRENT LIABILITIES	3 777 662	4 337 478	283 580	128 419
Noncurrent Liabilities:				
Texas Water Development Board loan	17 662 305	18 640 845	1 470 000	-
Net obligation for post-employment benefits	24 562 234	10 032 348	3 122 881	1 815 238
Compensated absences	358 904	463 289	37 602	45 761
Unearned revenue	40 288 729	2 822	-	-
TOTAL NONCURRENT LIABILITIES	82 872 172	29 139 304	4 630 483	1 860 999
TOTAL LIABILITIES	86 649 834	33 476 782	4 914 063	1 989 418
Deferred Inflows:				
Deferred inflow - OPEB	931 768	-	118 467	-
TOTAL DEFERRED INFLOWS	931 768	-	118 467	-
Net Position:				
Net investment in capital assets	134 736 950	136 036 015	5 746 379	4 625 810
Restricted for debt service	-	801 921	-	-
Unrestricted	51 324 302	54 966 633	(744 992)	721 927
TOTAL NET POSITION	\$ 186 061 252	\$ 191 804 569	\$ 5 001 387	\$ 5 347 737

The accompanying notes are an integral part of these financial statements.

TOTAL	
2018	2017
\$ 10 720 798	\$ 4 651 738
7 222 193	6 324 272
3 106 698	25 091 882
1 654 655	209 662
300 426	200 065
295 227	271 075
<u>23 299 997</u>	<u>36 748 694</u>
396 597	801 921
100 154 543	35 570 221
55 024 538	55 024 538
138 980 662	138 980 662
30 240 979	30 280 360
9 414 643	9 117 415
8 629 511	8 222 096
7 661 997	4 568 813
<u>(90 126 696)</u>	<u>(86 696 214)</u>
<u>159 825 634</u>	<u>159 497 670</u>
<u>260 376 774</u>	<u>195 869 812</u>
<u>283 676 771</u>	<u>232 618 506</u>
1 705 382	3 666 358
210 000	195 000
268 605	149 345
222 600	245 532
<u>1 654 655</u>	<u>209 662</u>
<u>4 061 242</u>	<u>4 465 897</u>
19 132 305	18 640 845
27 685 115	11 847 586
396 506	509 050
<u>40 288 729</u>	<u>2 822</u>
<u>87 502 655</u>	<u>31 000 303</u>
<u>91 563 897</u>	<u>35 466 200</u>
<u>1 050 235</u>	<u>-</u>
<u>1 050 235</u>	<u>-</u>
140 483 329	140 661 825
-	801 921
<u>50 579 310</u>	<u>55 688 560</u>
\$ <u>191 062 639</u>	\$ <u>197 152 306</u>

SABINE RIVER AUTHORITY OF TEXAS
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Fiscal Years Ended August 31, 2018 and 2017

	OPERATIONS		GULF COAST	
	2018	2017	2018	2017
Operating Revenues:				
Water sales	\$ 22 559 972	\$ 22 432 318	\$ 5 029 908	\$ 4 026 654
Power sales	4 538 691	2 455 352	-	-
Wastewater treatment	108 559	50 803	-	-
Permits	1 103 557	969 781	-	-
Water quality activity	810 571	862 367	-	-
Miscellaneous	907 537	404 064	33 036	-
Reservation fee	344 745	651 702	-	-
TOTAL OPERATING REVENUES	30 373 632	27 826 387	5 062 944	4 026 654
Operating Expenses:				
Operation and maintenance	18 091 886	19 212 877	2 488 452	2 344 217
Depreciation	3 596 252	3 446 001	56 465	127 316
TOTAL OPERATING EXPENSES	21 688 138	22 658 878	2 544 917	2 471 533
OPERATING INCOME (LOSS)	8 685 494	5 167 509	2 518 027	1 555 121
Nonoperating Revenues (Expenses):				
Grant program	(536 000)	(157 500)	-	-
Grant revenues	-	-	-	4 331
Gain from disposition of capital assets	6 462	58 675	-	-
Proceeds from insurance	-	-	-	69 754
Investment income	198 125	271 357	-	-
Interest expense	(379 647)	(391 746)	(382 472)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(711 060)	(219 214)	(382 472)	74 085
INCOME (LOSS) BEFORE TRANSFERS	7 974 434	4 948 295	2 135 555	1 629 206
Transfer in (out)	-	-	-	-
CHANGE IN NET POSITION	7 974 434	4 948 295	2 135 555	1 629 206
Total net position, beginning	191 804 569	172 047 522	5 347 737	3 718 531
Prior period adjustment	(13 717 751)	14 808 752	(2 481 905)	-
TOTAL NET POSITION, ENDING	\$ 186 061 252	\$ 191 804 569	\$ 5 001 387	\$ 5 347 737

The accompanying notes are an integral part of these financial statements.

TOTAL	
2018	2017
\$ 27 589 880	\$ 26 458 972
4 538 691	2 455 352
108 559	50 803
1 103 557	969 781
810 571	862 367
940 573	404 064
344 745	651 702
<u>35 436 576</u>	<u>31 853 041</u>
20 580 338	21 557 094
3 652 717	3 573 317
<u>24 233 055</u>	<u>25 130 411</u>
11 203 521	6 722 630
(536 000)	(157 500)
-	4 331
6 462	58 675
-	69 754
198 125	271 357
<u>(762 119)</u>	<u>(391 746)</u>
<u>(1 093 532)</u>	<u>(145 129)</u>
10 109 989	6 577 501
<u>-</u>	<u>-</u>
10 109 989	6 577 501
197 152 306	175 766 053
<u>(16 199 656)</u>	<u>14 808 752</u>
\$ <u>191 062 639</u>	\$ <u>197 152 306</u>

SABINE RIVER AUTHORITY OF TEXAS
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2018 and 2017

	OPERATIONS		GULF COAST	
	2018	2017	2018	2017
Cash Flows from Operating Activities:				
Receipts from customers	\$ 91 504 065	\$ 20 073 193	\$ 5 296 065	\$ 4 800 816
Payments to suppliers	(13 170 730)	(10 101 347)	(1 446 836)	(1 706 095)
Payments to employees	(5 325 599)	(5 706 053)	(1 950 409)	(889 797)
Other receipts	907 537	404 064	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	73 915 273	4 669 857	1 898 820	2 204 924
Cash Flows from Noncapital and Related Financing Activities:				
Change in due to/from funds	1 444 993	393 919	(1 444 993)	(393 919)
Grants	(536 000)	(157 500)	-	-
NET CASH USED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	908 993	236 419	(1 444 993)	(393 919)
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	(1 327 185)	(1 237 783)	(2 647 034)	(2 479 652)
Disposal of capital assets	-	238 178	-	641 049
Proceeds from insurance	-	-	1 470 000	69 754
Principal paid on capital debt	(963 540)	(970 181)	-	-
Interest paid on capital debt	(379 647)	(391 746)	(382 472)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2 670 372)	(2 361 532)	(1 559 506)	(1 768 849)
Cash Flows from Investing Activities:				
Proceeds from (sale of) investments, net	(65 482 243)	(3 749 390)	-	-
Interest received	97 764	264 435	-	-
NET CASH USED BY INVESTING ACTIVITIES	(65 384 479)	(3 484 955)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6 769 415	(940 211)	(1 105 679)	42 156
Cash and cash equivalents, beginning	5 396 496	6 336 707	57 163	15 007
CASH AND CASH EQUIVALENTS, ENDING	\$ 12 165 911	\$ 5 396 496	\$ (1 048 516)	\$ 57 163
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 8 685 494	\$ 5 167 509	\$ 2 518 027	\$ 1 559 452
Noncash Items Included in Operating Income:				
Depreciation	3 596 252	3 446 001	56 465	127 316
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	21 752 063	(7 338 033)	233 121	375 912
(Increase) decrease in other assets	(24 152)	(13 919)	-	-
Increase (decrease) in accounts payable	(2 105 918)	2 581 105	144 942	17 243
Increase (decrease) in deferred inflows	-	-	118 467	-
Increase (decrease) in accrued and other liabilities	(22 932)	34 766	-	-
Increase (decrease) in unearned revenue	40 285 907	2 822	-	-
Increase (decrease) in compensated absences	4 656	11 097	2 060	2 539
Increase in net obligation for post-employment benefits	1 743 903	778 509	(1 174 262)	122 462
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 73 915 273	\$ 4 669 857	\$ 1 898 820	\$ 2 204 924
Noncash Capital, Financing, and Investing Activities:				
(Loss) gain from disposition of assets	\$ 6 462	\$ 58 675	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

TOTAL	
2018	2017
\$ 96 800 130	\$ 24 874 009
(14 617 566)	(11 807 442)
(7 276 008)	(6 595 850)
907 537	404 064
<u>75 814 093</u>	<u>6 874 781</u>
-	-
(536 000)	(157 500)
<u>(536 000)</u>	<u>(157 500)</u>
(3 974 219)	(3 717 435)
-	879 227
1 470 000	69 754
(963 540)	(970 181)
(762 119)	(391 746)
<u>(4 229 878)</u>	<u>(4 130 381)</u>
(65 482 243)	(3 749 390)
97 764	264 435
<u>(65 384 479)</u>	<u>(3 484 955)</u>
5 663 736	(898 055)
<u>5 453 659</u>	<u>6 351 714</u>
\$ <u>11 117 395</u>	\$ <u>5 453 659</u>
\$ 11 203 521	\$ 6 726 961
3 652 717	3 573 317
21 985 184	(6 962 121)
(24 152)	(13 919)
(1 960 976)	2 598 348
118 467	-
(22 932)	34 766
40 285 907	2 822
6 716	13 636
<u>569 641</u>	<u>900 971</u>
\$ <u>75 814 093</u>	\$ <u>6 874 781</u>
\$ <u>6 462</u>	\$ <u>58 675</u>

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sabine River Authority of Texas ("Authority") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the Authority's accounting policies are described below.

Reporting Entity:

The Sabine River Authority of Texas was created in 1949, pursuant to Vernon's Annotated Civil Statutes Article 8280-133, as a conservation and reclamation district. The Authority was determined to be necessary in accomplishing the provisions of Article XVI, Section 59 of the Texas Constitution and for the conservation, protection and development of the waters of the Sabine River. Responsibilities of the Authority include municipal, industrial and agricultural raw water supply; hydroelectric generation; water and wastewater treatment; water quality and pollution control activities; and recreation facilities.

Management has determined that there are no other entities that meet the criteria for inclusion in the Authority's reporting entity. The Authority is a separate self-supporting governmental unit with no taxing powers covering all or a portion of 21 counties in the Sabine Basin and is administered by a nine-member Board of Directors appointed by the Governor to six-year staggered terms. The Authority is not included in any other governmental reporting entity. The Authority is in compliance with the requirements of Texas Water Codes 49.191, Duty to Audit, and 49.199, Policies and Audits of Districts.

Fund Financial Statements:

GASB 34 requires special purpose governments engaged only in business-type activities to present only the financial statements required for Enterprise Funds. For these governments, basic financial statements and required supplementary information consist of a Management Discussion and Analysis ("MD&A"), Enterprise Fund financial statements, notes to financial statements and required supplementary information other than MD&A, if applicable.

Required fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows.

The Authority reports the following major enterprise funds:

- The *Operations Enterprise Fund* accounts for the acquisition, operation and maintenance of Authority facilities and services.
- The *Gulf Coast Enterprise Fund* accounts for the acquisition, operation and maintenance of the Gulf Coast Division facilities and services.

Basis of Accounting:

The Authority's basic financial statements are presented as two major Enterprise Funds. These Enterprise Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred inflows and outflows associated with the operation of the funds are included on the Statement of Net Position. The Enterprise Funds are accounted for using the accrual basis of accounting. Their revenue is recognized when it is earned, and its expenses are recognized when they are incurred.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Authority distinguishes between operating and non-operating revenues and expenses consistently with the criteria used to identify cash flows from operating activities in the Statement of Cash Flows. Generally, the Authority classifies revenues generated from water sales, power sales, and related activities and services as operating revenues. Operation and maintenance and depreciation are classified as operating expenses. All other income and expenses, including investment income, interest expense, gain/loss on the sale of capital assets and impairment loss are considered non-operating activity.

Assets, Liabilities and Net Assets:

Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates. Cash equivalents include investments with original maturities of three months or less. Cash equivalents are stated at cost which approximates fair value.

Investments

Investments with quoted fair values are carried at the reported sales price on the last day of the Authority's year and are recorded at fair value in the balance sheet. Certificates of deposit are stated at cost due to their short-term maturities. Investments in TexPool are stated at cost which approximates fair value. The change in the difference between fair value and cost of investments is reported as a component of investment income. All investments are in accordance with Texas Government Code, Title 10, Chapter 2256 (the Public Funds Investment Act).

Accounts Receivable

The Authority uses the direct charge off method to account for bad debts, directly expensing receivables which management deems uncollectible, or realizable at less than full value. This method provides results similar to the reserve method in all material respects. The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded.

Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." The authority currently has no outstanding "advances to/from other funds".

Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Depreciation is provided using the straight-line method at annual rates as follows:

Dams and electric plants	1.50%
Water and pumping plant	1.50 - 5.00%
Buildings	2.00 - 5.00%
Equipment	4.00 - 20.00%

The Authority capitalizes interest on major construction projects.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Restricted Assets

The restricted assets consist of bond reserve funds and sinking funds on various revenue bonds and funds designated by the Board of Directors. The bond reserve and sinking funds are segregated as required by certain bond indentures.

Sick Leave and Vacation

The Authority allows employees to accumulate sick leave and vacation. Pursuant to Governmental Accounting Standards Board pronouncements, the Authority does not accrue sick leave rights since these rights are nonvesting. The Authority does accrue vacation benefits in its financial statements in accordance with generally accepted accounting principles.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events:

Management has evaluated subsequent events through December 3, 2018, the date the financial statements were available to be issued.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting:

The Authority prepares a budget in accordance with The Water Code, Chapter 49, Subchapter G, Section 49.199 for use in planning and controlling costs. The budget and any changes are approved by the Board of Directors. Appropriate sections of the budget are reviewed by the City of Dallas and the Toledo Bend Project Joint Operations Board.

Rates and Regulations:

Water rates are established by the Authority's Board of Directors. These contracted rates can be appealed to the Texas Commission on Environmental Quality. On May 16, 2008, the Public Utility Commission of Texas (PUC) approved the Authority's request for registration as a power generation company pursuant to P.U.C. SUBST.R.25.109. As of August 31, 2018 and 2017, the rate was \$0.05400 and \$0.04523, respectively, per KWH.

Other Post-Employment Benefits:

The Authority provides certain healthcare and insurance benefits to its employees after retirement, and prior to fiscal year 2018, accounted for the benefits in accordance with Government Accounting Standards Board Statement No. 45, *Accounting for Post-employment Benefits Other than Pension*. Beginning with the fiscal year ended August 31, 2018, the Authority was required to prospectively adopt Government Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (see Note 3).

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments:

Interest Rate Risk. In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than five years. Maximum allowable maturity shall be 10 years with the exception of investments made specifically to retire debt.

Credit Risk. The Texas Local Government Investment Pool (TexPool) is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. An Advisory Board reviews the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poors. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poors, as well as the Office of the Comptroller of the Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The Board of Directors has authorized the Authority to invest in compliance with V.A.T.C.S. Government Code, Title 10, Chapter 2256 (Public Funds Investment Act of 1993). Money in any fund may be placed in obligations of the United States or its instrumentalities; direct obligations of this state or its agencies; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by this state or the United States or its instrumentalities; and obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, Certificates of Deposit and any other investment authorized in Chapter 2256. Accordingly, cash is invested in money market funds, certificates of deposit, or interest-bearing demand deposits and is stated at fair value.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of August 31, 2018, all of the Authority's Operating Fund and Gulf Coast Funds deposit balances of \$11,117,395 exceeding depository insurance limits were collateralized with securities pledged by the financial institutions in the Authority's name and held in safekeeping by a third party. Fair values of pledged securities are monitored on a monthly basis to assure that they are in excess of 100% of the carrying values.

The Entity 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 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of August 31, 2018, the District held the following fair value measurements:

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

	OPERATIONS		GULF COAST	
	2018	2017	2018	2017
Cash and Cash Equivalents:				
Cash - Deposits	\$ 12 165 911	\$ 4 594 575	\$ (1 445 113)	\$ 57 163
TOTAL CASH AND CASH EQUIVALENTS	<u>12 165 911</u>	<u>4 594 575</u>	<u>(1 445 113)</u>	<u>57 163</u>
Investments:				
Certificates of deposit	7 222 193	6 324 272	-	-
TOTAL INVESTMENTS	<u>7 222 193</u>	<u>6 324 272</u>	<u>-</u>	<u>-</u>
Restricted Cash:				
Cash deposits	-	801 921	396 567	-
TOTAL RESTRICTED CASH	<u>-</u>	<u>801 921</u>	<u>396 567</u>	<u>-</u>
Restricted Investments:				
Investment pools	22 405	13 286	-	-
Debt securities	60 659 685	10 492 956	-	-
Certificates of deposit	37 822 453	22 413 979	1 650 000	1 650 000
TOTAL RESTRICTED INVESTMENTS	<u>98 504 543</u>	<u>32 920 221</u>	<u>1 650 000</u>	<u>1 650 000</u>
 TOTAL CASH AND CASH EQUIVALENTS AND INVESTMENTS	 \$ <u>117 892 647</u>	 \$ <u>44 640 989</u>	 \$ <u>601 454</u>	 \$ <u>1 707 163</u>

	08/31/2018	FAIR VALUE MEASUREMENT USING			WEIGHTED AVERAGE (DAYS)
		LEVEL 1	LEVEL 2	LEVEL 3	
Investments Measured at Net Asset Value Per Share:					
TexPool Investment Pool	\$ 22 405	\$ -	\$ -	\$ -	32 days
Investments by Fair Value Level:					
State and Municipal Bonds	-	2 953 896	-	-	1,162 days
U.S. Treasury Note	-	42 434 641	-	-	508 days
Federal Farm Credit Bank Bonds	-	2 888 070	-	-	1,305 days
Federal National Mortgage Assoc Bonds	-	4 152 496	-	-	509 days
Federal Home Loan Bank Bonds	-	8 230 582	-	-	1,528 days
TOTAL INVESTMENTS	<u>\$ 22 405</u>	<u>\$ 60 659 685</u>	<u>\$ -</u>	<u>\$ -</u>	

Capital Assets:

Capital asset activity for the Operations Fund for the year ended August 31, 2018 was as follows:

	BALANCE 08/31/2017	INCREASES	DECREASES	BALANCE 08/31/2018
Capital Assets, Not Being Depreciated:				
Land	\$ 55 015 507	\$ -	\$ -	\$ 55 015 507
Construction in progress	2 538 238	422 482	-	2 960 720
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>57 553 745</u>	<u>422 482</u>	<u>-</u>	<u>57 976 227</u>
Capital Assets, Being Depreciated:				
Dams and electric plant	138 980 662	-	-	138 980 662
Water and pumping plant	26 641 080	-	-	26 641 080
Buildings	8 109 307	297 229	-	8 406 536
Equipment	6 592 955	615 608	(208 193)	7 000 370
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>180 324 004</u>	<u>912 837</u>	<u>(208 193)</u>	<u>181 028 649</u>
Accumulated Depreciation	<u>(83 004 114)</u>	<u>(3 596 252)</u>	<u>204 745</u>	<u>(86 395 621)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>97 319 890</u>	<u>(2 683 415)</u>	<u>(3 447)</u>	<u>94 633 028</u>
TOTAL CAPITAL ASSETS	<u>\$ 154 873 635</u>	<u>\$ (2 260 933)</u>	<u>\$ (3 447)</u>	<u>\$ 152 609 255</u>

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital asset activity for the Gulf Coast Fund for the year ended August 31, 2018 was as follows:

	BALANCE 08/31/2017	INCREASES	DECREASES	BALANCE 08/31/2018
Capital Assets, Not Being Depreciated:				
Land	\$ 9 031	\$ -	\$ -	\$ 9 031
Construction in progress	2 030 575	2 670 702	-	4 701 277
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>2 039 606</u>	<u>2 670 702</u>	<u>-</u>	<u>4 710 308</u>
Capital Assets, Being Depreciated:				
Water and pumping plant	3 639 280	-	(39 381)	3 599 899
Buildings	1 008 107	-	-	1 008 107
Equipment	1 629 141	-	-	1 629 141
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>6 276 528</u>	<u>-</u>	<u>(39 381)</u>	<u>6 237 147</u>
Accumulated Depreciation	(3 690 325)	(56 465)	15 715	(3 731 075)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>2 586 203</u>	<u>(56 465)</u>	<u>(23 666)</u>	<u>2 506 072</u>
TOTAL CAPITAL ASSETS	<u>\$ 4 625 809</u>	<u>\$ 2 614 237</u>	<u>\$ (23 666)</u>	<u>\$ 7 216 380</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of August 31, 2018 are as follows:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Gulf Coast Fund	Operations Fund	\$ 1 654 655

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Self-Insurance:

The Authority has established a medical self-insurance plan. The purpose of this plan is to pay the medical expenses of the Authority's employees and their covered dependents, and to minimize the total cost of medical insurance. Cost incurred to provide this plan was \$1,621,149 and \$1,593,889 for the years ended August 31, 2018 and 2017, respectively. Medical claims exceeding \$1,688,040 and \$1,619,801 for 2018 and 2017, respectively, for the group, or \$60,000 per covered individual, were covered through a commercial insurance carrier. The maximum amount of coverage offered through the commercial insurance carrier is \$2,000,000 for a specific incident or \$2,000,000 in the aggregate. The Authority has not exceeded its insurance coverage in the last three years.

Governmental Accounting Standards Board, Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Management has estimated this liability for claims incurred but not reported to be \$150,000, this is included in the accrued liabilities of the Statement of Net Position. As required by this statement, a reconciliation of claims liabilities is shown below:

Reconciliations of Claims Liabilities		
	<u>2018</u>	<u>2017</u>
Claims on liabilities at September 1	\$ 125 000	\$ 125 000
Incurred claims	1 646 149	1 593 889
Payments on claims	(1 621 149)	(1 593 889)
CLAIMS ON LIABILITIES AT AUGUST 31	<u>\$ 150 000</u>	<u>\$ 125 000</u>

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Employee Benefits:

Pension Plan

The Authority has created the Sabine River Authority of Texas Employee Retirement Plan (Plan) by conforming to the requirements of Section 401(a) of the Internal Revenue Code for the exclusive use and benefit of the permanent employees of the Authority and their beneficiaries. The Plan is a qualified plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), Tax Equity and Fiscal Responsibility Act of 1982, Tax Reform Act of 1984, and the Retirement Equity Act of 1984; and a letter of favorable determination has been received from the Internal Revenue Service relating to its qualification. The Plan is authorized by Article 8280-133 of Vernon's Texas Civil Statutes as amended. It is a defined contribution pension plan, whereby the Authority contributes an amount equal to 15% of the employees' compensation which is within the limitations as set out in Section 415(c) of the Internal Revenue Code. Full-time employees, after one year of service, are enrolled in the retirement plan, and the employees are fully vested after seven years. Benefits are based on the amounts accumulated from such contributions. At August 31, 2018, there were 124 plan members consisting of 90 active employees, 21 retirees and 13 inactive. At August 31, 2017, there were 125 plan members consisting of 94 active employees, 19 retirees and 12 inactive. Retirement contribution costs, which are included in Statements of Revenues, Expenses, and Changes in Net Position in Operation and Maintenance Expenses, for the current year and two preceding years are as follows:

	EMPLOYER CONTRIBUTIONS REQUIRED	EMPLOYER CONTRIBUTIONS MADE	PERCENTAGE OF CONTRIBUTIONS MADE
2018	\$ 1 030 888	\$ 1 030 888	100%
2017	\$ 1 029 127	\$ 1 029 127	100%
2016	\$ 1 025 389	\$ 1 025 389	100%

Voluntary employee contributions totaled \$37,415 and \$53,040, and forfeitures of \$-0- and \$-0-, for the years ended August 31, 2018 and 2017, respectively.

Retirement contributions are deposited into each employee's individual account at ICMA-RC (International City/County Management Association-Retirement Corporation). ICMA-RC is a not-for-profit corporation that assists in the establishment and maintenance of retirement plans exclusively for State and Local government employees. Through ICMA-RC, each employee manages and invests the funds in their individual accounts.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS – CONTINUED

The total assets in the plan as of August 31, 2018 are \$39,895,990. The asset allocation breakdown is as follows:

FUND	PERCENTAGE INVESTED	FUND BALANCE
VT PLUS Fund	23.91%	\$ 9 540 037
VT Retirement Inc Advantage	11.55%	4 606 257
VT Vantagepoint Aggressive Ops	5.59%	2 230 101
VT Vantagepoint Growth	6.07%	2 420 291
VT Vantagepoint Equity Income	3.22%	1 283 959
VT Vantagepoint Brd Mkt Idx	2.78%	1 110 669
VT Vantagepoint 500 Stk Idx	5.92%	2 362 312
VT Vantagepoint MP Lng-Trm Gr	2.93%	1 169 386
VT Nuveen Real Est Sec	1.39%	555 666
VT VantagepointMid/Sm Co Idx	2.19%	874 479
VT Vantagepoint Milestone 2025	2.87%	1 145 000
VT Western Asset Core Plus Bnd	2.09%	832 168
VT Vantagepoint MP Glbl Eq Gr	2.90%	1 156 264
VT Vantagepoint Milestone 2030	1.19%	474 952
VT Vantagepoint Cor Bnd Idx	1.50%	600 263
VT Diversified International	<1%	110 199
VT PIMCO High Yield	<1%	251 950
VT Vantagepoint Milestone 2020	1.46%	582 574
VT Vantagepoint Growth & Income	3.05%	1 216 132
VT Vantagepoint Ovrs Eq Idx	2.05%	816 730
VT Contrafund	1.68%	669 953
VT TR Price Growth Stock	2.90%	1 157 612
VT Oppenheimer Discovery	1.11%	441 461
VT Vantagepoint International	1.01%	404 408
VT Vantagepoint Milestone 2010	<1%	287 895
VT Oppenheimer Main Street	<1%	181 709
VT MFS Value	<1%	160 146
VT Vantagepoint Milestone 2040	<1%	274 504
VT Vantagepoint Inflation Focused	<1%	266 557
Vantage-Broker	<1%	220 228
VT Vantagepoint Discovery	<1%	137 953
T Row Price Ret 2030	<1%	155 584
VT Vantagepoint MS Ret Inc	<1%	112 352
Janus Henderson Entrprise	<1%	183 326
VT Victory Sycamore Est Value	<1%	184 487
Vantagepoint Select Value	<1%	105 197
Other Funds w/less than \$100,000 (75 funds)		1 613 217
TOTAL ALL FUNDS		\$ <u>39 895 990</u>

Other Post-Employment Benefits:

Plan Description and Funding Policy

In addition to providing pension benefits, the Authority provides post-employment healthcare benefits, in accordance with federal and state statutes and Board resolution, to employees who attain retirement status. Full time employees hired before January 1, 2003 are eligible to receive retiree health care benefits upon reaching retirement status. Employees hired after January 1, 2003 are not eligible for postemployment health benefits. Employees are eligible for retirement status at age 65 or they may also attain early retirement status prior to age 65 provided that for each year of age prior to age 65, the employee shall have completed one year of service such that the employee's age plus years of service must equal 80. The Plan is a defined benefit plan and the cost for each employee is paid on a "pay-as-you-go" basis. The Authority pays the healthcare costs under its medical self-insurance plan described in Note 3. The Plan's provisions and funding requirements are established and can be amended by the Management of the Authority. The plan is a single employer plan.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Employees Covered by Benefit Terms

At August 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	56
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>61</u>
	<u>117</u>

The OPEB plan is only provided to employees hired prior to January 1, 2003.

Total OPEB Liability

The Authority's total OPEB liability of \$27,685,115 was measured as of August 31, 2018, and was determined by an actuarial valuation as of December 31, 2016. Update procedures were used to roll forward the total OPEB liability to August 31, 2018.

During the fiscal year ended August 31, 2018, the Authority implemented Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

Actuarial Assumptions and Methods

Valuation Date:	December 31, 2016
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.69% as of August 31, 2018
Inflation	2.50%
Salary Increases	3.50% to 12.00%, including inflation
Demographic Assumptions	Due to the size of the plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored during each valuation and adjustments are made to the retirement and withdrawal assumptions as needed.
Mortality	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables are used with male rates set forward one year and no adjustment for female rates. The rates are projected to 2014 with Scale AA. For healthy retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.
Healthcare Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.50% after 14 years; Ultimate trend rate includes a 0.25% adjustment for the excise tax.
Participation Rates	It was assumed that 100% of eligible retirees would choose to receive retiree health care benefits through the employer.
Other Information:	
Notes	The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.69% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.42% as of the prior measurement date.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Year Ending August 31, 2018**

Total OPEB Liability:	
Service cost	\$ 490 866
Interest on the total OPEB liability	959 109
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(131 861)
Changes of assumptions	(1 184 069)
Benefit payments	<u>(495 263)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(361 218)
Total OPEB liability - Beginning	<u>28 046 333</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 27 685 115</u>
Covered-employee payroll	\$ 4 781 634
Total OPEB liability as a percentage of covered-employee payroll	578.99%

The table above contains information for the RSI section of the financials. The ending total OPEB liability is as of August 31, 2018.

Changes of assumptions reflect a change in the discount rate from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018.

The benefit payments during the measurement period were determined as follows:

a. Retiree claims paid by the Authority	\$ 132 088
b. Employer costs for retiree life insurance benefits	16 379
c. Fully insured Medicare Supplement	269 995
d. Administrative fees for retirees	10 933
e. Stop-loss premiums	34 089
f. Stop-loss reimbursements	(4 188)
g. Implicit subsidy for life insurance coverage	<u>35 967</u>
TOTAL BENEFIT PAYMENTS	<u>\$ 495 263</u>

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.69%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease	Current Discount	1% Increase
2.69%	Rate Assumption	4.69%
<u>32 452 717</u>	<u>27 685 115</u>	<u>23 857 879</u>
\$	\$	\$

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Sensitivity of Total OPEB Liability to the Health Care Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the health care cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost Trend	
<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
\$ 23 538 730	\$ 27 685 115	\$ 32 990 365

Recognition of Deferred Outflows and Deferred Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 579 years. Additionally, the total plan membership (active employees and inactive employees) was 117. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 4.9528 years.

Statement of Outflows and Inflows Arising from Current Reporting Period

	RECOGNITION PERIOD (OR AMORTIZATION YEARS)	TOTAL (INFLOW) OR OUTFLOW	2018 RECOGNIZED IN CURRENT OPEB EXPENSE	DEFERRED (INFLOW) OR OUTFLOW IN FUTURE EXPENSE
DUE TO LIABILITIES				
Differences in expected and actual experience	4.9528	\$ (131 861)	\$ (26 624)	\$ (105 237)
Assumption changes	4.9528	(1 184 069)	(239 071)	(944 998)
TOTAL		<u>\$ (1 315 930)</u>	<u>\$ (265 695)</u>	<u>\$ (1 050 235)</u>

This table is provided to document sources of the new deferred inflows and outflows resulting from the current reporting year.

**Statement of OPEB Expense under GASB Statement No. 75
Fiscal Year Ended August 31, 2018**

Service cost	\$ 490 866
Interest on the total OPEB liability	959 109
Current-period benefit changes	-
OPEB plan administrative expense	-
Recognition of current year outflow/(inflow) due to liabilities	(265 695)
Amortization of prior year outflow/(inflow) due to liabilities	-
TOTAL OPEB EXPENSE	<u>\$ 1 184 280</u>

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Deferred Outflows and Deferred Inflows Related to OPEB

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference between expected and actual experience	\$ -	\$ 105 237
Changes in assumptions	-	944 998
TOTAL	\$ -	\$ 1 050 235

Because the measurement date of the total OPEB liability is equal to the last day of the employer's fiscal year, there is no deferred outflow related to the contribution made at the measurement date.

Deferred Outflows and Deferred Inflows to be Recognized in Future OPEB Expense

YEAR ENDING AUGUST 31,		NET DEFERRED OUTFLOWS/ (INFLOWS)
2019	\$	(265 695)
2020		(265 695)
2021		(265 695)
2022		(253 150)
2023		-
Thereafter		-
TOTAL	\$	(1 050 235)

Long-Term Liabilities:

Outstanding long-term liabilities consist of the following (in thousands):

	Date of Issue	Date of Maturity	Interest Rates	Original Amount	Out- standing August 31, 2017	Added	Retired	Out- standing August 31, 2018	Current Portion
Operations Fund: Series 1964 Compensated absences	1964	2034	6.54%	\$ 15 000	\$ 18 836	\$ -	\$ 964	\$ 17 872	\$ 210
Gulf Coast Fund: Series 2017 Compensated absences	-	-	-	\$ -	597	139	134	602	243
	2017	2047	1.50-3.01%	\$ 18 825	-	1 470	-	1 470	-
	-	-	-	\$ -	61	17	15	63	25
TOTAL					\$ 19 494	\$ 1 626	\$ 1 113	\$ 20 007	\$ 478

The Texas Water Development Board Series 1964 total amount outstanding at August 31, 2018, of \$17,872,305 includes \$5,610,000 of principal and \$12,262,305 of deferred interest.

During 2018, the Authority drew \$1,470,000 of the \$18,825,000 Gulf Coast Fund Series 2017 Bond.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Future debt service requirements are as follows:

<u>YEAR ENDED AUGUST 31,</u>	<u>OUTSTANDING LONG-TERM DEBT</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 210 000	\$ 1 643 516	\$ 1 853 516
2020	705 000	1 629 782	2 334 782
2021	725 000	1 607 867	2 332 867
2022	750 000	1 584 315	2 334 315
2023	275 000	1 123 313	1 398 313
2024 - 2028	1 630 000	5 086 935	6 716 935
2029 - 2033	2 240 000	4 478 388	6 718 388
2034 - 2038	545 000	769 848	1 314 848
TOTAL	<u>\$ 7 080 000</u>	<u>\$ 17 923 964</u>	<u>\$ 25 003 964</u>

The various bond indentures, resolutions and agreements provide for the establishment of separate restricted accounts for debt service. The required accounts have been established on the books of the Authority and are reported as restricted assets in the financial statements

Texas Water Development Board Loan:

On December 2, 1994, the Authority entered into a revised agreement with the Texas Water Development Board (TWDB) regarding the state's ownership rights at the Toledo Bend Reservoir. The Authority made a principal payment of \$6,430,186 on December 28, 1994, and received a revised interest rate of 3.6% from April 16, 1964 through December 28, 1994. This reduction in the interest rate resulted in a reduction of \$11,683,809 of interest payable to TWDB. The reduction of accrued interest was a noncash transaction. The interest rate is 6.54% on the remaining \$5,610,000 in principal.

Gulf Coast Fund Bond:

During 2018, the Authority issued the Sabine River Authority of Texas Gulf Coast Division Water Supply System Revenue Bonds, Taxable Series 2017, for \$18,825,000 to be repaid over 30 years with interest of 1.5 to 3.01%. As of August 31, the Authority has drawn \$1,470,000 of these bonds.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

The Authority owes \$5,610,000 of principal and \$12,262,305 of interest at August 31, 2018, related to the state's 21.6075% ownership of the water storage rights at the Toledo Bend Reservoir. The following recaps the payments made on the debt:

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
November 8, 1974	\$ 475 000	\$ -
November 21, 1975	94 815	-
August 20, 1987	500 000	-
March 17, 1988	500 000	-
December 28, 1994	6 430 186	-
July 11, 1996	-	217 000
July 11, 1997	-	217 000
July 1, 1998	-	217 000
June 7, 1999	-	217 000
June 29, 2000	-	217 000
June 18, 2001	-	217 000
June 26, 2002	-	217 000
June 25, 2003	-	217 000
June 24, 2004	-	217 000
June 27, 2005	-	217 000
June 27, 2006	-	217 000
June 25, 2007	-	217 000
June 25, 2008	-	217 000
June 25, 2009	-	217 000
June 25, 2010	120 000	1 226 340
June 25, 2011	125 000	1 218 492
June 25, 2012	135 000	1 210 317
June 25, 2013	150 000	1 201 488
June 25, 2014	150 000	1 192 005
June 25, 2015	160 000	1 182 195
June 25, 2016	175 000	1 171 731
June 25, 2017	185 000	1 160 286
June 25, 2018	195 000	1 148 187

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Commitments and Contingencies:

In October 2017, after three years of litigation, the City of Dallas and Sabine River Authority were able to reach an agreement on the additional compensation in accordance with their contract.

On October 19, 2017, settlement documents were executed for the Lake Fork contract with an initial renewal term of 40 years. Sabine River Authority received a settlement amount from November 2014 through August 2017 which is reflected in the financial statements. All lawsuits on this issue have been dismissed.

TWDB Loan:

During 2018, the Authority was notified by the TWDB that funds loaned during the 1992 Trans-Texas Water Program of \$1,440,000 would be due and payable 2025. The Authority became involved in the Trans-Texas Water Program, which through multiple phases designed to develop a plan to transport water from East to West Texas. The Program involved numerous participants, including the Authority, the TWDB, City of Houston, and several other water authorities being the primary participants. Phase 1 of the plan involved conceptual planning and program formulation by utilizing existing water studies on the region to determine water needs and resources available to meet such demands. Phase 2 of the plan involved a feasibility study for a potential project construction to satisfy regional water needs based on 50 year projections.

The TWDB contributed \$700,000 to fund the \$1.1 million budget for Phase 1, with the Authority funding the remaining \$400,000 portion. The agreements with TWDB cite the \$700,000 will be considered an additional operating cost associated with the TWDB's ownership to be repaid by the Authority to TWDB along with the 1964 bonds. The TWDB also contributed \$740,000 to fund the \$2.385 million budget for Phase 2, along with a grant of \$1.2 million (not requiring repayment). The Authority was tasked by TWDB to secure matching funds for the \$740,000 from City of Houston, Brazos River Authority, and Lower Neches River Authority. These funds, according to the agreement with TWDB, along with local agreements separately signed with City of Houston, Brazos River Authority, and Lower Neches River Authority, would provide the Authority with the funds necessary to repay TWDB should the Trans-Texas Water Program not result in a project to be constructed via funding from a bond issuance of at least \$30 million within 30 years from the agreement. Funding from each party per the agreements is as follows: City of Houston - \$576,680, Brazos River Authority - \$84,700, and Lower Neches River Authority - \$78,620 (Total \$740,000).

The Authority contends that the TWDB loan of \$1,440,000 was forgiven when the bonds were not issued and the project was converted into a project to update the regional water plan, and that is more likely than not that the loan will not be repaid. Therefore, no liability has been recorded at this time pending further investigation by both parties.

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Pollution Control Bonds:

In conformity with the State of Texas Auditors' Report dated October 6, 1986, Pollution Control Bonds have been removed from the Statement of Net Assets and are disclosed instead in the Notes to Financial Statements. The Attorney General has ruled that the Authority is not liable for any of the following bonds:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Authorized And Issued</u>	<u>Cumulative Amount Retired</u>	<u>Balance August 31, 2018</u>
Texas Utilities Electric Company:						
Series 2000A - Construction of solid waste disposal facility at the Martin Lake Station in Rusk County.	2000	2021	6.45%	\$ 51 000 000	\$ -	\$ 51 000 000
Series 2001A - Construction and improvement of a solid waste disposal facility and air and water pollution control at the Martin Lake and Monticello Stations in Rusk and Titus Counties, Texas.	2001	2022	5.50%	91 460 000	-	91 460 000
Series 2001B - Construction and improvement of a solid waste disposal facility and air and water pollution control at the Martin Lake and Monticello Stations in Rusk and Titus Counties, Texas.	2001	2030	5.55%	106 900 000	-	106 900 000
Series 2001C - Construction and improvement of a solid waste disposal facility and air and water pollution control at the Martin Lake and Monticello Stations in Rusk and Titus Counties, Texas.	2001	2028	5.20%	70 000 000	-	70 000 000
Series 2003A - Construction and improvement of a solid waste disposal facility and air and water pollution control at the Martin Lake and Monticello Stations in Rusk and Titus Counties, Texas.	2003	2022	5.80%	12 390 000	-	12 390 000
Series 2003B - Construction and improvement of a solid waste disposal facility and air and water pollution control at the Martin Lake and Monticello Stations in Rusk and Titus Counties, Texas.	2003	2036	Flexible	44 615 000	-	44 615 000
American Electric Power:						
Series 2006 - Construction and improvements of air and water pollution control including solid waste disposal facilities at the generating plant in Harrison County, Texas.	2006	2018	Variable	81 700 000	-	81 700 000
TOTAL				\$ <u>458 065 000</u>	\$ <u>-</u>	\$ <u>458 065 000</u>

SABINE RIVER AUTHORITY OF TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Concentrations:

During the years ended August 31, 2018 and 2017, respectively, approximate 25% and 45% of water sales were to Dallas Water Utilities. The agreement for water sales for Lake Tawakoni is in perpetuity while the Lake Fork agreement remained in effect until 2015. On October 19, 2017, settlement documents were executed for the Lake Fork contract with a renewal period of 40 years.

Joint Operations:

The Authority has a 50% interest in the Toledo Bend Project Joint Operation (TBPJO). The TBPJO is a joint operation between the Sabine River Authority of Texas and Sabine River Authority, State of Louisiana, and was established by joint resolution of the Texas and Louisiana Sabine River Authority in 1955. TBPJO was formed for the purpose of constructing the dam, reservoir, structures, and hydroelectric generating station at Toledo Bend Reservoir. The operation is administered by an Operating Board composed of three members appointed by the Texas Authority and three members appointed by the Louisiana Authority. Sabine River Authority of Texas is responsible for administration of the reservoir and the Texas shoreline. Sabine River Authority of Louisiana is responsible for engineering aspects and the Louisiana shoreline.

The Authority's investment in the net assets of the TBPJO is reflected on the Authority's financial statements as capital assets and investments. Capital contributions are made by the Authority to TBPJO to cover operating costs; the contributions are reflected on the Authority's financial statements as operating expenses.

The audited financial statements of TBPJO are on file at the administrative offices of Sabine River Authority of Texas.

Prior Period Adjustments:

During 2018, the Authority was required by Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions (GASB 75)* to change the methods of accounting for and estimating the liabilities associated with the post-employment benefits. These changes resulted in a prior period adjustment as follows:

Operating Fund	\$ (13 717 751)
Gulf Coast Fund	(2 481 905)
TOTAL	<u>\$ (16 199 656)</u>

During 2017, the Authority settled litigation with the City of Dallas in regard to the Lake Fork water contract. The settlement resulted in an increase of Net Position of \$14,808,752.

SABINE RIVER AUTHORITY OF TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 Last Ten Years Ending August 31, *

	2018
Total OPEB Liability:	
Service cost	\$ 490 866
Interest on the total OPEB liability	959 109
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(131 861)
Changes of assumptions	(1 184 069)
Benefit payments	(495 263)
NET CHANGE IN TOTAL OPEB LIABILITY	(361 218)
Total OPEB liability - Beginning	28 046 333
TOTAL OPEB LIABILITY - ENDING	\$ 27 685 115
OPEB Fiduciary Net Position (Plan Assets)	\$ -
Covered-employee payroll	\$ 4 781 634
Total OPEB liability as a percentage of covered-employee payroll	578.99%
OPEB Fiduciary Net Position as a percentage of total OPEB liability	\$ 0.00%

Changes of assumptions reflect a change in the discount rate from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018.

The benefit payments during the measurement period were determined as follows:

	2018
a. Retiree claims paid by the Authority	\$ 132 088
b. Employer costs for retiree life insurance benefits	16 379
c. Fully insured Medicare Supplement	269 995
d. Administrative fees for retirees	10 933
e. Stop-loss premiums	34 089
f. Stop-loss reimbursements	(4 188)
g. Implicit subsidy for life insurance coverage	35 967
TOTAL BENEFIT PAYMENTS	\$ 495 263

* This schedule illustrates the requirement to show information for 10 years. However, until a full 10 year trend is compiled, this schedule provides information only for those years for which information is available.

See independent auditors' report.

SABINE RIVER AUTHORITY OF TEXAS
 SCHEDULE OF AMORTIZATION OF
 TEXAS WATER DEVELOPMENT BOARD LOAN
 August 31, 2018

<u>FISCAL YEAR</u>	<u>INTEREST RECEIVABLE</u>	<u>PRINCIPAL PAYMENT</u>	<u>INTEREST PAYMENT</u>	<u>TOTAL PAYMENT</u>	<u>TOTAL DEBT SERVICE</u>	<u>DEFERRED</u>	<u>ADJUSTED PAYMENT</u>
2019	\$ 631 690	\$ 210 000	\$ 366 894	\$ 576 894	\$ 1 208 584	\$ 136 850	\$ 1 345 434
2020	631 690	225 000	353 160	578 160	1 209 850	136 850	1 346 700
2021	631 690	235 000	338 445	573 445	1 205 135	136 850	1 341 985
2022	631 690	255 000	323 076	578 076	1 209 766	136 850	1 346 616
2023	631 690	270 000	306 399	576 399	1 208 089	136 850	1 344 939
2024	631 690	285 000	288 741	573 741	1 205 431	136 850	1 342 281
2025	631 690	305 000	270 102	575 102	1 206 792	136 850	1 343 642
2026	631 690	325 000	250 155	575 155	1 206 845	136 850	1 343 695
2027	631 690	345 000	228 900	573 900	1 205 590	136 850	1 342 440
2028	631 690	370 000	206 337	576 337	1 208 027	136 850	1 344 877
2029	631 690	395 000	182 139	577 139	1 208 829	136 850	1 345 679
2030	631 690	420 000	156 306	576 306	1 207 996	136 850	1 344 846
2031	631 690	445 000	128 838	573 838	1 205 528	136 850	1 342 378
2032	631 690	475 000	99 735	574 735	1 206 425	136 850	1 343 275
2033	631 690	505 000	68 670	573 670	1 205 360	136 850	1 342 210
2034	631 690	545 000	35 643	580 643	1 212 333	102 515	1 314 848
	<u>\$ 10 107 040</u>	<u>\$ 5 610 000</u>	<u>\$ 3 603 540</u>	<u>\$ 9 213 540</u>	<u>\$ 19 320 580</u>	<u>\$ 2 155 265</u>	<u>\$ 21 475 845</u>

See independent auditors' report.

SABINE RIVER AUTHORITY OF TEXAS
SCHEDULE OF INSURANCE IN FORCE
August 31, 2018
(Unaudited)

Name of Company	Policy Number	Policy Period	Details of Coverage	Liability Limits	Annual Premium
Texas Water Conservation Association Risk Management Fund	022	07/01/18 - 07/01/19	General Liability	\$ 1 000 000	\$ 17 514
Texas Water Conservation Association Risk Management Fund	022	07/01/18 - 07/01/19	Automobile Liability	1 000 000	28 131
Texas Water Conservation Association Risk Management Fund	022	07/01/18 - 07/01/19	Auto Physical Damage	Scheduled	20 503
Texas Water Conservation Association Risk Management Fund	022	07/01/18 - 07/01/19	Property	10 814 341	45 758
Texas Water Conservation Association Risk Management Fund	022	07/01/18 - 07/01/19	Errors and Omissions	1 000 000	25 970
Texas Water Conservation Association Risk Management Fund	022	07/01/18 - 07/01/19	Excess Liability	9 000 000	14 135
Zurich American Insurance Company	GTU6548008	07/01/18 - 07/01/19	Travel Accident	500 000	1 000
Travelers Casualty Insurance Company	105815971	07/01/18 - 07/01/19	Crime/Employee Dishonesty	1 000 000	6 488
Travelers Casualty & Surety Co.	105648039	07/01/18 - 07/01/19	Blanket Public Official Bond	1 000	100
AEGIS 50% Liberty Surplus Insurance Corporation 30% Ace American 20%	PO5714501P #1000208045-15 EUTN14425536	07/01/18 - 07/01/19	Commercial property All property policies	Scheduled	10 800
Travelers Lloyd's Insurance Company	QT660272D7866	07/01/18 - 07/01/19	Lake Ford dam, watercraft radio tower, and base station, and Kilgore/Henderson Weir	Scheduled	187 801
Deep East Texas Workers' Compensation Insurance Fund	76-134	07/01/97- (Until cancelled)	Worker's compensation	500 000	<u>40 492</u>
					<u>\$ 398 692</u>

See independent auditors' report.

SABINE RIVER AUTHORITY OF TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years

EXHIBIT 1

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Primary Government:										
Net investment in capital assets	\$ 140,483,329	\$ 140,661,825	\$ 140,384,719	\$ 141,541,440	\$ 143,052,238	\$ 143,540,306	\$ 143,503,128	\$ 144,580,865	\$ 121,968,213	\$ 121,806,366
Restricted	-	801,921	800,203	800,079	800,017	825,016	825,016	846,350	847,586	847,680
Unrestricted	50,579,310	55,688,560	34,581,131	31,632,384	27,494,552	27,390,431	29,326,965	31,880,623	34,879,808	33,823,504
TOTAL PRIMARY GOVERNMENT NET ASSETS	\$ 191,062,639	\$ 197,152,306	\$ 175,766,053	\$ 173,973,903	\$ 171,346,807	\$ 171,755,753	\$ 173,655,109	\$ 177,307,838	\$ 157,695,607	\$ 156,477,550

SABINE RIVER AUTHORITY OF TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years

EXHIBIT 2

FISCAL YEAR	OPERATING REVENUES	OPERATING EXPENSES	OPERATING INCOME/(LOSS)	TOTAL NONOPERATING REVENUES/(EXPENSES)	INCOME/(LOSS) BEFORE CAPITAL CONTRIBUTIONS	EXTRAORDINARY ITEMS/CAPITAL CONTRIBUTIONS	CHANGE IN NET POSITION
2010	\$ 21,874,597	\$ 20,575,593	\$ 1,299,004	\$ (80,947)	\$ 1,218,057	\$ -	\$ 1,218,057
2011	\$ 18,271,927	\$ 21,802,675	\$ (3,530,748)	\$ (1,328,653)	\$ (4,859,401)	\$ 24,471,632	\$ 19,612,231
2012	\$ 17,493,956	\$ 20,958,358	\$ (3,464,402)	\$ (188,327)	\$ (3,652,729)	\$ -	\$ (3,652,729)
2013	\$ 19,371,952	\$ 20,864,854	\$ (1,492,902)	\$ (406,454)	\$ (1,899,356)	\$ -	\$ (1,899,356)
2014	\$ 20,500,460	\$ 20,704,342	\$ (203,882)	\$ (205,064)	\$ (408,946)	\$ -	\$ (408,946)
2015	\$ 24,127,984	\$ 21,241,917	\$ 2,886,067	\$ (258,971)	\$ 2,627,096	\$ -	\$ 2,627,096
2016	\$ 25,040,858	\$ 23,522,112	\$ 1,518,746	\$ 273,404	\$ 1,792,150	\$ -	\$ 1,792,150
2017	\$ 31,853,041	\$ 25,130,411	\$ 6,722,630	\$ (145,129)	\$ 6,577,501	\$ -	\$ 6,577,501
2018	\$ 35,436,576	\$ 24,233,055	\$ 11,203,521	\$ (1,093,532)	\$ 10,109,989	\$ -	\$ 10,109,989

SABINE RIVER AUTHORITY OF TEXAS
OPERATING REVENUES BY SOURCE
Last Ten Fiscal Years

EXHIBIT 3

FISCAL YEAR	WATER SALES	POWER SALES	WASTE WATER TREATMENT	PERMITS	WATER QUALITY ACTIVITY	MISCELLANEOUS	BOND ISSUE FEES	RESERVATION FEE	TOTAL
2009	\$ 13 350 041	\$ 2 620 794	\$ 52 763	\$ 816 363	\$ 759 787	\$ 680 059	\$ -	\$ 651 702	\$ 18 931 509
2010	\$ 12 924 928	\$ 6 018 152	\$ 50 411	\$ 810 474	\$ 823 269	\$ 595 661	\$ -	\$ 651 702	\$ 21 874 597
2011	\$ 13 968 823	\$ 557 506	\$ 47 353	\$ 840 931	\$ 844 315	\$ 1 361 197	\$ -	\$ 651 702	\$ 18 271 827
2012	\$ 12 923 569	\$ 1 215 429	\$ 39 934	\$ 867 681	\$ 756 362	\$ 1 039 279	\$ -	\$ 651 702	\$ 17 493 956
2013	\$ 14 593 165	\$ 1 514 146	\$ 46 265	\$ 851 074	\$ 816 696	\$ 898 904	\$ -	\$ 651 702	\$ 19 371 952
2014	\$ 14 493 602	\$ 2 599 284	\$ 70 650	\$ 986 570	\$ 834 104	\$ 864 548	\$ -	\$ 651 702	\$ 20 500 460
2015	\$ 14 484 783	\$ 6 381 340	\$ 67 290	\$ 921 476	\$ 773 787	\$ 847 606	\$ -	\$ 651 702	\$ 24 127 984
2016	\$ 15 209 745	\$ 6 066 553	\$ 54 344	\$ 952 896	\$ 801 770	\$ 1 317 833	\$ -	\$ 637 717	\$ 25 040 858
2017	\$ 26 458 972	\$ 2 455 352	\$ 50 803	\$ 969 781	\$ 862 367	\$ 404 064	\$ -	\$ 651 702	\$ 31 853 041
2018	\$ 27 589 880	\$ 4 538 691	\$ 108 559	\$ 1 103 557	\$ 810 571	\$ 940 573	\$ -	\$ 344 745	\$ 35 436 576

SABINE RIVER AUTHORITY OF TEXAS
OPERATING EXPENSES
Last Ten Fiscal Years

EXHIBIT 4

FISCAL YEAR	OPERATION AND MAINTENANCE	DEPRECIATION	TOTAL OPERATING EXPENSES
2009	\$ 17 356 286	\$ 2 908 410	\$ 20 264 696
2010	\$ 17 626 268	\$ 2 949 325	\$ 20 575 593
2011	\$ 18 084 046	\$ 3 718 629	\$ 21 802 675
2012	\$ 17 363 254	\$ 3 595 104	\$ 20 958 358
2013	\$ 17 284 765	\$ 3 580 089	\$ 20 864 854
2014	\$ 17 036 591	\$ 3 667 751	\$ 20 704 342
2015	\$ 17 527 226	\$ 3 714 691	\$ 21 241 917
2016	\$ 19 982 119	\$ 3 539 993	\$ 23 522 112
2017	\$ 21 557 094	\$ 3 573 317	\$ 25 130 411
2018	\$ 20 580 338	\$ 3 652 717	\$ 24 233 055

SABINE RIVER AUTHORITY OF TEXAS
NONOPERATING REVENUES AND EXPENSES
Last Ten Fiscal Years

EXHIBIT 5

FISCAL YEAR	GAIN/LOSS ON DISPOSAL OF CAPITAL ASSETS		GRANT PROGRAM		GRANT REVENUES		INVESTMENT INCOME		INSURANCE PROCEEDS		INTEREST EXPENSE		BAD DEBT EXPENSE		TOTAL NONOPERATING REVENUES (EXPENSES)	
2009	\$	(29,924)	\$	(391,000)	\$	-	\$	946,269	\$	-	\$	(485,362)	\$	-	\$	39,983
2010	\$	(12,257)	\$	(149,100)	\$	-	\$	555,499	\$	-	\$	(475,089)	\$	-	\$	(80,947)
2011	\$	(967,005)	\$	(169,533)	\$	-	\$	482,909	\$	-	\$	(458,152)	\$	(216,872)	\$	(1,328,653)
2012	\$	(6,832)	\$	(120,000)	\$	-	\$	380,266	\$	-	\$	(441,761)	\$	-	\$	(188,327)
2013	\$	76	\$	(100,000)	\$	-	\$	134,120	\$	-	\$	(432,948)	\$	(7,702)	\$	(406,454)
2014	\$	(663)	\$	(77,995)	\$	-	\$	297,059	\$	-	\$	(423,465)	\$	59,292	\$	(145,772)
2015	\$	-	\$	(81,000)	\$	-	\$	235,684	\$	-	\$	(413,655)	\$	-	\$	(258,971)
2016	\$	97,773	\$	(293,000)	\$	-	\$	390,437	\$	481,385	\$	(403,191)	\$	-	\$	273,404
2017	\$	58,675	\$	(157,500)	\$	4,331	\$	271,357	\$	69,754	\$	(391,746)	\$	-	\$	(145,129)
2018	\$	6,462	\$	(536,000)	\$	-	\$	198,125	\$	-	\$	(762,119)	\$	-	\$	(1,093,532)

SABINE RIVER AUTHORITY OF TEXAS
WATER SUPPLIED, POWER GENERATED AND LABORATORY TESTS PERFORMED
Last Ten Fiscal Years
(Unaudited)

EXHIBIT 6

FISCAL YEAR	GULF COAST DIVISION		LAKE TAWAKONI		TOLEDO BEND DIVISION		LAKE FORK		TOTAL WATER SUPPLIED		MEGAWATT HOURS OF POWER GENERATED		ENVIRONMENTAL SERVICES DIVISION TESTS PERFORMED	
2009		37.99		140.70		2.71		6.98		188.38		136,544		57,211
2010		42.74		37.20		3.32		24.70		107.96		305,027		63,225
2011		43.05		86.68		3.42		38.10		171.25		38,359		68,040
2012		43.75		70.41		4.56		22.62		141.34		60,609		60,755
2013		45.80		131.03		4.23		21.79		202.85		72,499		66,721
2014		42.11		141.32		4.18		28.41		216.02		122,716		65,322
2015		43.93		56.69		4.46		76.27		181.35		293,580		85,366
2016		39.45		47.44		4.94		65.61		157.44		277,933		90,430
2017		40.03		63.54		3.20		51.62		158.39		112,409		97,090
2018		42.27		45.37		5.28		28.75		121.67		196,426		89,617

Notes: Water supplied is presented in million gallons daily (MGD).

SABINE RIVER AUTHORITY OF TEXAS
 NUMBER OF WATER CUSTOMERS AND LABORATORY TESTS PERFORMED BY TYPE
 Last Ten Fiscal Years
 (Unaudited)

EXHIBIT 7

FISCAL YEAR	LABORATORY TESTS PERFORMED										TOTAL TESTS PERFORMED
	MUNICIPAL	INDUSTRIAL	IRRIGATION	OTHER	TOTAL	INDUSTRIAL	MUNICIPAL	WATERSHED MONITORING PROGRAM	QUALITY ASSURANCE	TOTAL	
2009	22	12	1	3	38	6,419	8,186	23,143	19,463	57,211	
2010	22	12	1	3	38	5,662	9,509	23,909	24,145	63,225	
2011	22	14	1	3	40	8,081	8,851	24,486	26,622	68,040	
2012	22	14	1	3	40	7,124	7,154	23,726	22,751	60,755	
2013	23	12	1	4	40	8,327	6,428	26,600	25,366	66,721	
2014	24	12	1	4	41	8,253	6,681	24,433	25,955	65,322	
2015	24	11	1	7	43	7,742	7,241	39,692	30,691	85,366	
2016	25	11	3	9	48	9,347	8,849	44,191	28,043	90,430	
2017	24	11	2	7	44	10,550	10,503	48,770	27,267	97,090	
2018	25	12	2	7	46	6,155	10,806	48,183	24,473	89,617	

SABINE RIVER AUTHORITY OF TEXAS
 FIVE LARGEST CUSTOMERS
 Current Year and Nine Years Ago
 (Unaudited)

EXHIBIT 8

CUSTOMER	FISCAL YEAR 2018 WATER REVENUE			FISCAL YEAR 2017 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Dallas Water Utilities	\$ 14 814 567	53.70%	1	\$ 16 785 823	63.43%	1
International Paper	1 827 346	6.62%	2	1 312 527	4.96%	3
North Texas Municipal Water District	1 615 603	5.86%	3	2 216 177	8.37%	2
Dupont	1 277 122	4.63%	4	1 031 727	3.90%	4
City of Greenville	1 043 790	3.78%	5	1 003 214	3.79%	5
SUBTOTAL (5 LARGEST)	20 578 428	74.59%		22 349 468	84.45%	
Balance from other customers	7 011 452	25.41%		4 113 835	15.55%	
GRAND TOTALS	\$ 27 589 880	100.00%		\$ 26 463 303	100.00%	

CUSTOMER	FISCAL YEAR 2016 WATER REVENUE			FISCAL YEAR 2015 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Dallas Water Utilities	\$ 6 785 290	44.61%	1	\$ 6 246 262	43.12%	1
North Texas Municipal Water District	1 510 928	9.93%	2	1 454 722	10.04%	2
International Paper	1 190 810	7.83%	3	N/A	-	
Inland Orange, Inc.	N/A	-		1 047 938	7.23%	3
City of Greenville	973 831	6.40%	4	952 843	6.58%	5
E. I. Dupont DeNemours	945 720	6.22%	5	954 695	6.59%	4
SUBTOTAL (5 LARGEST)	11 406 579	75.00%		10 656 460	73.57%	
Balance from other customers	3 803 166	25.00%		3 828 323	26.43%	
GRAND TOTALS	\$ 15 209 745	100.00%		\$ 14 484 783	100.00%	

CUSTOMER	FISCAL YEAR 2014 WATER REVENUE			FISCAL YEAR 2013 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Dallas Water Utilities	\$ 6 580 627	45.40%	1	\$ 6 825 000	46.77%	1
North Texas Municipal Water District	1 213 049	8.37%	2	1 491 168	10.22%	2
Inland Orange, Inc.	1 028 505	7.10%	3	915 493	6.27%	3
City of Greenville	905 931	6.25%	4	863 995	5.92%	4
E. I. Dupont DeNemours	954 695	6.59%	5	848 957	5.82%	5
SUBTOTAL (5 LARGEST)	10 621 023	73.28%		10 944 613	75.00%	
Balance from other customers	3 872 579	26.72%		3 648 552	25.00%	
GRAND TOTALS	\$ 14 493 602	100.00%		\$ 14 593 165	100.00%	

SABINE RIVER AUTHORITY OF TEXAS
 FIVE LARGEST CUSTOMERS - CONTINUED
 Current Year and Nine Years Ago
 (Unaudited)

EXHIBIT 8

CUSTOMER	FISCAL YEAR 2012 WATER REVENUE			FISCAL YEAR 2011 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Dallas Water Utilities	\$ 5 587 070	43.23%	1	\$ 5 552 885	39.75%	1
North Texas Municipal Water District	1 056 393	8.17%	2	1 186 871	5.26%	2
Inland Orange, Inc.	836 081	6.47%	5	904 842	6.01%	3
City of Greenville	839 509	6.50%	4	839 509	8.50%	4
E. I. Dupont DeNemours	868 305	6.72%	3	734 422	5.26%	5
SUBTOTAL (5 LARGEST)	9 187 358	71.09%		9 218 529	65.99%	
Balance from other customers	3 736 211	28.91%		4 750 394	34.01%	
GRAND TOTALS	\$ 12 923 569	100.00%		\$ 13 968 923	100.00%	

CUSTOMER	FISCAL YEAR 2010 WATER REVENUE			FISCAL YEAR 2009 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Dallas Water Utilities	\$ 5 480 438	42.40%	1	\$ 5 719 332	42.84%	1
North Texas Municipal Water District	961 961	7.44%	2	1 225 524	9.18%	2
City of Longview	651 703	5.04%	5	651 703	4.88%	5
Inland Orange, Inc.	871 879	6.75%	3	767 055	5.75%	4
City of Greenville	863 843	6.68%	4	985 509	7.38%	3
SUBTOTAL (5 LARGEST)	8 829 824	68.32%		9 349 123	70.03%	
Balance from other customers	4 095 104	31.68%		4 000 918	29.97%	
GRAND TOTALS	\$ 12 924 928	100.00%		\$ 13 350 041	100.00%	

SABINE RIVER AUTHORITY OF TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

EXHIBIT 9

FISCAL YEAR	REVENUE BONDS	TEXAS WATER DEVELOPMENT BOARD LOAN	TOTAL AMOUNT	PERSONAL INCOME ^b	PERCENTAGE OF OUTSTANDING DEBT TO PERSONAL INCOME	POPULATION ^a	TOTAL DEBT PER CAPITA
2009	\$ 416 000	\$ 26 148 645	\$ 26 564 645	\$ 20 449 149 000	-	560 018	47
2010	\$ 164 000	\$ 25 260 105	\$ 25 424 105	\$ 24 244 457 000	-	564 591	45
2011	-	\$ 24 397 085	\$ 24 397 085	\$ 26 041 053 000	-	571 948	43
2012	-	\$ 23 493 545	\$ 23 493 545	\$ 27 674 087 000	-	574 750	41
2013	-	\$ 22 580 005	\$ 22 580 005	\$ 24 500 368 000	-	577 383	39
2014	-	\$ 21 661 465	\$ 21 661 465	\$ 25 237 703 000	-	583 619	37
2015	-	\$ 20 732 925	\$ 20 732 925	\$ 25 728 303 000	-	590 740	35
2016	-	\$ 19 789 385	\$ 19 789 385	\$ 25 925 334 000	-	597 978	33
2017	-	\$ 18 835 846	\$ 18 835 846	\$ 26 852 960 000	-	603 934	31
2018	-	\$ 17 872 305	\$ 17 872 305	\$ N/A	N/A	N/A	N/A

Sources:

^a U. S. Census Bureau through the Labor Market & Career Information Department (LMCI) of the Texas Workforce Commission website: <http://www.tracer2.com>

^b Bureau of Economic Analysis through the LMCI website: <http://www.tracer2.com>

SABINE RIVER AUTHORITY OF TEXAS
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (Unaudited)

EXHIBIT 10

FISCAL YEAR	OPERATING REVENUES	LESS: OPERATING EXPENSES (EXCLUDING DEPRECIATION)	NET AVAILABLE FUNDS		DEBT SERVICE		COVERAGE RATIO
			PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2009	\$ 18,931,509	\$ 17,356,286	\$ 1,575,223	\$ 746,000	\$ 263,132	\$ 1,009,132	1.56
2010	\$ 21,874,597	\$ 17,626,268	\$ 4,248,329	\$ 372,000	\$ 1,245,040	\$ 1,617,040	2.63
2011	\$ 18,271,927	\$ 18,084,046	\$ 187,881	\$ 1,027,021	\$ 458,152	\$ 1,485,173	0.13
2012	\$ 17,493,956	\$ 17,363,254	\$ 130,702	\$ 903,540	\$ 441,777	\$ 1,345,317	0.10
2013	\$ 19,371,952	\$ 17,284,765	\$ 2,087,187	\$ 913,540	\$ 432,948	\$ 1,346,488	1.55
2014	\$ 20,500,460	\$ 17,036,591	\$ 3,463,869	\$ 918,540	\$ 423,465	\$ 1,342,005	2.58
2015	\$ 24,127,984	\$ 17,527,226	\$ 6,600,758	\$ 928,540	\$ 413,655	\$ 1,342,195	4.92
2016	\$ 25,040,858	\$ 19,982,119	\$ 5,058,739	\$ 943,540	\$ 403,191	\$ 1,346,731	3.76
2017	\$ 31,853,041	\$ 21,557,094	\$ 10,295,947	\$ 953,540	\$ 391,746	\$ 1,345,286	7.65
2018	\$ 35,436,576	\$ 20,580,338	\$ 14,856,238	\$ 963,540	\$ 379,647	\$ 1,343,187	11.06

SABINE RIVER AUTHORITY OF TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

EXHIBIT 11

CALENDAR YEAR	PERSONAL INCOME ^b (thousands)	POPULATION ^a	PER CAPITA PERSONAL INCOME		UNEMPLOYMENT RATE		LABOR FORCE ^c	TOTAL HOUSING UNITS ^e
			PERSONAL INCOME	PER PERSONAL INCOME	BASIN ^c	STATE ^d		
2009	\$ 20 449 149	560 018	\$ 36 515	8.1%	277 708	239 581		
2010	\$ 24 244 457	564 591	\$ 42 942	8.5%	281 524	244 163		
2011	\$ 26 041 053	571 948	\$ 45 530	8.2%	286 940	246 284		
2012	\$ 27 674 087	574 750	\$ 48 150	7.1%	289 735	246 749		
2013	\$ 24 500 368	577 383	\$ 42 433	6.8%	289 712	247 444		
2014	\$ 25 237 703	583 619	\$ 43 711	5.6%	276 381	250 497		
2015	\$ 25 728 303	590 740	\$ 44 560	5.0%	272 245	252 606		
2016	\$ 25 925 334	597 978	\$ 44 901	5.3%	272 735	254 942		
2017	\$ 26 852 960	603 934	\$ 46 508	4.8%	276 620	258 906		
2018	N/A	N/A	N/A	N/A	N/A	N/A		

N/A = not available.

Note: Statistics for counties partially in the Sabine Basin have been adjusted to better reflect the geographic portion of the county within the basin.

Sources:

- ^a U. S. Census Bureau through the Labor Market & Career Information Department (LMCI) of the Texas Workforce Commission website: <http://www.tracer2.com>
- ^b Bureau of Economic Analysis through the LMCI website: <http://www.tracer2.com>
- ^c Local Area Unemployment Statistics through the LMCI website: <http://www.tracer2.com>
- ^d State unemployment rate obtained from the U. S. Department of Labor Bureau of Labor Statistics, www.bls.gov
- ^e U. S. Census Bureau website: <http://www.census.gov/housing>

SABINE RIVER AUTHORITY OF TEXAS
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago
 (Unaudited)

EXHIBIT 12
2015

Employer	City	2018		2017		2016		2015	
		Employees	Percentage of Total	Employees	Percentage of Total	Employees	Percentage of Total	Employees	Percentage of Total
L-3 Communications Integrated Systems	Greenville	N/A	N/A	6 500	2.35%	6 500	2.39%	6 500	2.39%
Good Shepard Medical Center	Longview	N/A	N/A	2 529	0.91%	2 529	0.93%	2 630	0.97%
Eastman Chemicals	Longview	N/A	N/A	1 463	0.53%	1 463	0.54%	1 502	0.55%
Trinity Rail	Longview	N/A	N/A	972	0.35%	972	0.36%	1 553	0.57%
Tyson Foods	Center	N/A	N/A	1 600	0.58%	1 600	0.59%	1 400	0.51%
Longview ISD	Longview	N/A	N/A	1 283	0.47%	1 283	0.47%	1 348	0.50%
Texas Utilities/Luminant	Henderson	N/A	N/A	290	0.09%	290	0.09%	896	0.33%
DuPont Sabine River Works	Orange	N/A	N/A	900	0.33%	900	0.33%	900	0.33%
Greenville ISD	Greenville	N/A	N/A	1 255	0.45%	1 255	0.46%	1 120	0.41%
Newell Rubbermaid	Greenville	N/A	N/A	-	N/A	-	0.00%	-	0.00%
Mundy Industrial Contractors	Orange	N/A	N/A	111	0.04%	67	0.02%	77	0.03%
Invista Petrochemical	Orange	N/A	N/A	100	0.04%	100	0.04%	100	0.04%
Inland Paperboard/International Paper	Orange	N/A	N/A	450	0.16%	450	0.17%	450	0.17%
TOTAL		N/A	N/A	17 418	6.30%	18 020	6.62%	18 476	6.79%

Employer	City	2014		2013		2012		2011	
		Employees	Percentage of Total	Employees	Percentage of Total	Employees	Percentage of Total	Employees	Percentage of Total
L-3 Communications Integrated Systems	Greenville	5 700	2.06%	5 700	1.97%	5 700	1.97%	5 700	1.99%
Good Shepard Medical Center	Longview	3 260	1.18%	2 607	0.90%	3 500	1.21%	3 000	1.05%
Eastman Chemicals	Longview	1 500	0.54%	1 530	0.53%	1 549	0.53%	1 477	0.51%
Trinity Rail	Longview	1 856	0.67%	1 875	0.65%	1 160	0.40%	1 143	0.40%
Tyson Foods	Center	1 400	0.51%	1 400	0.48%	1 000	0.35%	1 000	0.35%
Longview ISD	Longview	1 170	0.42%	1 352	0.47%	1 312	0.45%	1 239	0.43%
Texas Utilities / Luminant	Henderson	896	0.32%	896	0.31%	896	0.31%	896	0.31%
DuPont Sabine River Works	Orange	900	0.32%	920	0.32%	866	0.30%	866	0.30%
Greenville ISD	Greenville	741	0.27%	810	0.28%	810	0.28%	810	0.28%
Newell Rubbermaid	Greenville	-	0.00%	-	0.00%	-	0.00%	490	0.17%
Mundy Industrial Contractors	Orange	124	0.04%	275	0.09%	275	0.09%	275	0.10%
Invista Petrochemical	Orange	500	0.18%	732	0.25%	400	0.14%	400	0.14%
Inland Paperboard/International Paper	Orange	425	0.15%	412	0.14%	500	0.17%	500	0.17%
TOTAL		18 472	6.68%	18 509	6.35%	17 968	6.20%	17 796	6.20%

Employer	City	2010		2009	
		Employees	Percentage of Total	Employees	Percentage of Total
L-3 Communications Integrated Systems	Greenville	5 750	2.04%	5 700	2.05%
Good Shepard Medical Center	Longview	2 743	0.97%	2 717	0.98%
Eastman Chemicals	Longview	1 410	0.50%	1 400	0.50%
Trinity Rail	Longview	600	0.21%	600	0.22%
Tyson Foods	Center	1 000	0.36%	1 000	0.36%
Longview ISD	Longview	1 263	0.45%	1 300	0.47%
Texas Utilities/Luminant	Henderson	896	0.32%	896	0.32%
DuPont Sabine River Works	Orange	866	0.31%	866	0.31%
Greenville ISD	Greenville	810	0.29%	810	0.29%
Newell Rubbermaid	Greenville	650	0.23%	650	0.23%
Mundy Industrial Contractors	Orange	275	0.10%	275	0.10%
Invista Petrochemical	Orange	200	0.07%	200	0.07%
Inland Paperboard/International Paper	Orange	500	0.18%	500	0.18%
TOTAL		16 963	6.03%	16 914	6.08%

N/A = not available

Source: Community Profiles and
 Websites from Counties and
 Communities within the Sabine River
 Basin

SABINE RIVER AUTHORITY OF TEXAS
NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY
Last Ten Fiscal Years
(Unaudited)

EXHIBIT 13

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FULL-TIME-EQUIVALENT EMPLOYEES AS OF AUGUST 31,										
Administration:										
Management	18	20	20	20	20	20	21	19	20	20
Administrative Asst/Secretary	13	13	14	14	14	14	16	16	15	15
Accounting	3	3	3	3	3	3	3	3	3	3
GIS	1	1	1	1	1	1	1	1	1	1
Engineer	1	1	1	1	1	1	1	2	1	1
MIS	-	-	-	-	1	1	1	1	1	1
Special Projects	1	1	1	1	1	2	2	3	3	3
Water:										
Environmental Agent/Tech	-	-	-	-	-	4	4	3	3	3
Pumper	3	3	3	3	3	3	3	3	3	3
Equipment Oiler/Operator	19	17	16	16	17	19	19	17	20	20
Mechanic	1	1	1	1	1	1	1	1	1	1
M&O/Field Supervisor	8	8	8	8	7	7	7	7	6	6
Canal Foreman/Crewman	1	1	1	1	1	1	1	1	2	2
Electrician	1	1	1	1	1	1	1	1	1	1
Project Inspector	5	6	5	5	6	1	1	2	1	1
Surveyor/Survey Tech	2	2	2	2	2	2	2	6	2	2
Maintenance Tech	3	3	5	5	5	6	6	6	7	7
Water and Sewer Tech	-	-	-	-	1	1	1	3	1	1
Laboratory:										
Section Leader	1	1	1	1	1	1	1	1	1	1
Laboratory Analyst/Tech	8	7	7	7	7	7	7	6	5	5
Biomonitoring Coordinator	-	-	-	-	1	1	1	1	1	1
Field Coordinator	2	2	2	2	2	2	2	2	2	2
Chemist	-	-	-	-	-	-	-	1	1	1
Quality Assurance Officer	2	1	1	1	-	1	1	1	1	1
Biologist	1	1	2	2	2	2	2	2	2	2
LIMS Administrator	1	1	1	1	1	-	-	1	1	1
Sample Custodian	1	1	1	1	1	1	1	1	1	1
TOTAL EMPLOYEES	96	95	97	97	100	103	106	106	106	106

SABINE RIVER AUTHORITY OF TEXAS
OPERATING AND CAPITAL INDICATORS
(Unaudited)

EXHIBIT 14

Gulf Coast Division Canal System:

Pumping capacity	195 million gallons per day
Canal system length	75 miles
Permitted water rights	147,100 acre-feet per year

Lake Tawakoni (Iron Bridge Dam):

Capacity	927,440 acre-feet
Surface area	36,700 acres
Elevation	437.5 feet mean sea level
Yield	238,100 acre-feet per year

Toledo Bend Reservoir:

Capacity	4,477,000 acre-feet
Surface area	181,600 acres
Elevation	172.0 feet mean sea level
Yield	2,086,600 acre-feet per year*
Hydroelectric capacity	81 megawatt hours

*Half of the yield is allocated to Texas and half is allocated to Louisiana.

Lake Fork Reservoir:

Capacity	675,819 acre-feet
Surface area	27,690 acres
Elevation	403.0 feet mean sea level
Yield	188,660 acre-feet per year

Note: Canal system and reservoir information applicable to all years from 2009 through 2018.



Various SRA Raw Water Customers Throughout the Basin

SABINE RIVER AUTHORITY OF TEXAS

Historical Data through
August 31, 2018

SRA QUICK REFERENCE

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WATER SUPPLY SCHEDULE • GULF COAST DIVISION

For the fiscal years ending August 31. Supplied in Million Gallons Daily (MGD)

YEAR	TOTAL	DUPONT	HONEY- WELL	EN- TERGY	FIRE- STONE	INT'L PAPER	CHEVRON PHILLIPS	A. SCHUL- MAN INC.	AR- LANEXO, INC.	GERDAU- AMERIS- TEEL	CITY OF ROSE CITY	NRG INTER- GEN	CRAWFISH & RICE FARMING (IRRIGATION)	MISC. USAGE
1949	43.10	8.60											34.50	
1950	54.47	9.69											44.78	
1951	66.14	10.53											55.61	
1952	48.25	12.61											35.64	
1953	41.06	10.60											30.46	
1954	41.57	0.50	.15										40.92	
1955	40.08	10.30	.30					.05					29.43	
1956	36.30	9.88	1.44		.54			.05					24.39	
1957	35.10	10.20	1.44		1.36			.05					22.10	
1958	35.09	9.48	1.44		1.03								23.14	
1959	43.86	9.28	1.44		1.11			.04					31.99	
1960	35.37	9.94	1.44		1.11			.21					22.67	
1961	43.89	10.34	1.44	.14	1.34			.21					30.42	
1962	38.95	10.39	.72	.27	1.34			.21					26.02	
1963	36.18	11.11	.37	.25	1.24			.21					23.00	
1964	36.23	11.38	.47	.25	1.45			.21					22.47	
1965	34.51	12.37	.52	.25	1.65			.21					19.51	
1966	42.95	13.00	.49	.25	1.77			.21					27.23	
1967	49.68	14.00	.38	.24	1.94	6.07		.21					26.84	
1968	49.03	12.32	.40	.25	2.00	8.85		.21					25.00	
1969	47.94	12.30	.38	.25	2.08	7.60		.21					25.12	
1970	46.62	15.17	.40	.25	1.78	9.33		.21					19.48	
1971	46.61	15.17	.40	.25	1.77	9.33		.21					19.48	
1972	49.27	16.37	.45	.25	1.58	9.80		.21					20.61	
1973	45.91	12.91	.40		2.09	11.78	.90						17.83	
1974	50.63	11.26	.25		1.77	10.64	1.36						25.35	
1975	50.15	11.95	.38		1.70	11.24	1.25						23.63	
1976	49.69	14.14	.34		1.93	8.77	1.15			.04			23.32	
1977	53.42	15.84	.39		1.68	7.44	1.17			.04			26.86	
1978	37.16	15.23	.32	.25	1.53	11.88	1.17	.09		.80			5.89	
1979	36.85	14.98	.37	.25	1.82	11.07	1.35	.10		.97			5.94	
1980	41.37	14.61	.40	3.27	1.60	12.65	1.29	.10		1.01	.01		6.14	
1981	47.76	16.65	.27	6.38	1.68	12.27	1.58	.10		1.58	.06		6.63	
1982	41.57	13.84	.42	4.49	1.33	11.09	1.58	.08		1.51	.08		7.13	
1983	36.86	12.96	.48	4.76	.16	10.31	1.74	.01		1.63	.08		4.68	
1984	40.38	15.17	.53	5.40	.26	11.76	1.63	.01		1.48	.09		4.00	
1985	40.63	16.65	.58	4.29	.27	13.37	1.78	.01		1.24	.08		2.27	
1986	39.19	15.94	.62	3.84	.27	13.12	1.83	.002		1.14	.08		2.31	
1987	45.02	18.62	.79	3.77	.32	14.45	1.80	.002		1.55	.08		3.58	
1988	50.53	19.93	.98	4.33	.30	17.09	1.99	.002		1.54	.08		4.28	
1989	52.23	19.29	.91	4.72	.34	16.34	2.04	.20		1.46	.09		6.81	
1990	50.08	20.85	.68	4.97	.35	15.18	1.78	.23		1.21	.09		4.72	

Continued on the next page

WATER SUPPLY SCHEDULE • GULF COAST DIVISION (Cont.)

For the fiscal years ending August 31. Supplied in Million Gallons Daily (MGD)

YEAR	TOTAL	DUPONT	HONEY- WELL	EN- TERGY	FIRE- STONE	INT'L PAPER	CHEVRON PHILLIPS	A. SCHUL- MAN INC.	AR- LANXEO, INC.	GERDAU- AMERIS- TEEL	CITY OF ROSE CITY	NRG INTER- GEN	CRAWFISH & RICE FARMING (IRRIGATION)	MISC. USAGE
1991	47.49	19.03	.57	4.49	.33	14.81	1.49	.007	1.30	1.40	.08		4.81	
1992	48.10	19.62	.61	4.12	.32	15.35	1.90	.001	1.41	1.20	.08		2.73	
1993	46.73	19.29	.69	4.02	.33	14.91	1.97	.001	1.78	1.15	.08		2.51	
1994	47.57	18.91	.71	4.47	.44	14.14	2.04	.001	1.79	1.52	.08		3.47	
1995	49.23	19.10	.78	5.44	.69	15.41	2.27	.001	1.93	1.64	.12		1.92	
1996	50.43	20.48	.76	4.56	.62	15.71	2.28	.001	2.07	1.65	.11		2.27	
1997	52.27	22.33	.73	4.77	.70	15.82	2.53	.001	2.11	1.20	.07		2.01	
1998	53.26	23.03	.73	4.26	.72	17.44	2.40	.001	2.15	1.23	.07		2.23	
1999	50.97	22.32	.55	4.34	.73	15.57	2.00	.005	2.64	.93	.07		5.82	
2000	50.79	20.29	.64	5.22	.63	16.40	2.00	.005	3.03	.95	.08		1.54	
2001	36.73	9.06	.70	4.31	.60	16.18	1.46	.004	2.89	.86	.08		1.08	.37
2002	40.21	14.61	.61	3.43	.65	13.98	1.88	.007	2.91	.71	.08		1.09	.27
2003	48.26	16.44	.71	3.25	.95	19.39	.97	.010	3.89	.76	.09	1.30	.02	.48
2004	48.03	16.38	1.03	3.65	.84	16.98	.98		3.97	.83	.15	1.98	.09	1.15
2005	41.72	16.03	1.31	2.18	1.04	14.27	.85		3.20	.72	.08	1.90	.009	.13
2006	39.75	13.51	1.25	3.31	1.17	14.39	.78		2.87	.38	.09	1.75	.21	.04
2007	39.64	13.85	.68	2.67	1.15	14.69	.94		2.70	.41	.09	2.33		.13
2008	42.06	13.54	.57	2.64	1.66	15.70	.96		2.94	.58	.07	2.99	.40	.01
2009	37.99	12.10	.70	2.50	1.00	14.90	.70		2.50	.70	.09	2.50	.20	.10
2010	42.74	11.20	.71	2.80	1.16	17.10	.82		3.60	1.00	.07	2.58	1.10	.60
2011	42.96	14.17	.55	2.67	.84	14.89	.86		3.54	.73	.07	2.84	1.12	.68
2012	43.75	15.25	.56	1.15	.56	15.38	.68		3.44	.66	.07	5.06	.94	.00
2013	45.80	14.11	.63	2.46	.64	16.63	.82		3.53	1.10	.07	4.13	1.51	.17
2014	42.11	14.09	.88	2.01	.56	15.55	.84		3.10	.49	.07	3.84	.68	.00
2015	43.93	13.69	.54	2.87	.82	15.52	.90		3.16	.65	.07	4.57	1.14	.00
2016	39.83	11.92	.70	2.97	1.17	14.49	.93		3.00	.75	.07	3.54	.29	.00
2017	40.02	10.60	.57	2.29	.45	15.43	1.03		2.81	.87	.07	5.69	.21	.00
2018	42.27	10.93	.91	1.67	.74	17.35	.97		3.06	.72	.05	5.46	.41	.00

WATER SUPPLY SCHEDULE • TOLEDO BEND DIVISION

For the fiscal years ending August 31. Supplied in Million Gallons Daily (MGD)

YEAR	TOTAL	CITY OF HUXLEY	CITY OF HEMPHILL	G-M WSC	TENASKA OPERATIONS, INC.	MINING CLASSIC, XTO	MISCELLANEOUS WATER USAGE
1972	.02						.02
1973	.03						.03
1974	.04						.04
1975	.06	.02					.04
1976	.11	.05					.06
1977	.35	.06	.19				.10
1978	.37	.09	.20				.08
1979	.34	.08	.19				.07
1980	.48	.09	.27				.12
1981	.54	.11	.34				.09
1982	.62	.12	.42				.08
1983	.59	.13	.38				.08
1984	.72	.15	.56				.11
1985	.84	.16	.57				.11
1986	.95	.15	.70				.10
1987	.99	.15	.72				.12
1988	.96	.16	.70				.10
1989	.92	.17	.66				.09
1990	.97	.18	.69				.10
1991	.98	.20	.70				.09
1992	.98	.23	.67				.08
1993	1.14	.31	.70				.12
1994	1.04	.18	.72				.14
1995	1.04	.17	.72				.15
1996	1.38	.16	1.02				.20
1997	1.25	.17	.96				.13
1998	1.34	.22	.96				.16
1999	1.25	.22	.88				.15
2000	1.36	.24	.96				.16
2001	2.40	.24	.85		1.16		.15
2002	4.21	.25	1.02		2.82		.13
2003	4.41	.24	.83		3.28		.06
2004	4.07	.22	.75		3.04		.06
2005	3.95	.22	.84		2.84		.05
2006	4.62	.22	.79		3.55		.06
2007	3.77	.22	.65		2.84		.06
2008	3.88	.19	.60		3.03		.07
2009	2.70	.18	.59		1.88		.05
2010	3.32	.17	.64		2.46		.05
2011	3.42	.17	.70		2.36	.13	.06
2012	4.56	.16	.59		3.29	.47	.05
2013	4.22	.17	.59		3.14	.28	.04
2014	4.18	.20	.61		2.81	.52	.04
2015	4.46	.19	.40	.18	3.24	.43	.02
2016	4.94	.19	.33	.31	3.46	.56	.09
2017	3.19	.22	.38	.35	2.07	.09	.08
2018	5.28	.19	.38	.36	2.47	1.81	.07

TOLEDO BEND RESERVOIR DATA • For the fiscal years ending August 31

YEAR	MEGAWATT HOURS POWER GENERATED			WATER RELEASES AT DAM (1,000 AC-FT) THRU SPILLWAY			LAKE ELEVATION LAST DAY OF YEAR FT. M.S.L.	ANNUAL RAINFALL INCHES
	PRIME	SECONDARY	TOTAL	FOR POWER	TOTAL	TOTAL		
1970	51,554	65,614	117,168	1,741.69	242.68	1,984.37	169.87	43.29
1971	14,804	39,158	53,962	780.35	72.64	852.99	168.94	43.22
1972	34,048	128,087	162,135	2,381.49	68.46	2,449.95	168.34	57.63
1973	156,052	183,192	339,244	5,130.22	820.21	5,950.43	170.20	72.13
1974	72,058	280,924	352,982	5,371.21	993.71	6,364.92	168.09	52.66
1975	72,781	366,032	438,813	6,559.87	726.80	7,286.67	169.56	79.44
1976	131,543	47,487	179,030	2,547.69	61.56	2,609.25	168.88	53.87
1977	75,494	118,336	193,830	2,788.76	44.03	2,832.79	168.19	44.74
1978	48,558	37,571	86,129	1,280.88	58.98	1,339.86	168.08	40.72
1979	72,249	286,500	358,749	5,339.78	779.75	6,119.53	169.86	63.79
1980	59,348	183,336	242,684	3,661.29	640.26	4,301.55	168.58	55.37
1981	63,307	10,036	73,343	1,099.35	136.72	1,236.07	168.61	40.90
1982	67,958	-0-	67,958	1,032.06	899.69	1,931.75	168.87	51.34
1983	53,149	228,286	281,435	4,312.85	1,001.45	5,314.30	168.98	75.63
1984	29,873	131,653	161,526	2,463.50	131.84	2,595.34	168.20	53.62
1985	54,561	145,226	199,787	2,904.88	129.84	3,034.72	168.30	46.64
1986	108,129	123,824	231,953	3,365.58	302.14	3,667.72	169.41	52.10
1987	48,548	235,861	284,409	4,229.98	122.64	4,352.62	166.02	61.79
1988	25,045	180,262	205,307	3,045.76	130.73	3,176.49	167.46	48.96
1989	53,044	251,347	304,391	4,637.04	1,778.49	6,415.53	170.32	60.23
1990	69,344	280,797	350,141	5,190.33	798.41	5,988.74	167.85	47.89
1991	44,110	293,719	337,829	5,115.02	1,535.43	6,650.45	169.79	64.80
1992	62,728	313,553	376,281	5,580.32	667.36	6,247.68	169.09	55.40
1993	57,949	296,233	354,182	5,333.34	351.44	5,684.78	167.87	52.72
1994	54,236	161,145	215,381	3,382.03	133.37	3,515.40	170.27	52.60
1995	80,189	405,194	485,383	5,720.85	665.16	6,386.01	167.84	54.38
1996	26,053	7,290	33,343	442.54	145.10	587.64	165.22	42.02
1997	52,491	186,648	239,139	3,438.93	1,795.45	5,234.38	170.33	58.90
1998	55,330	241,396	296,727	4,278.58	705.40	4,983.98	164.54	54.44
1999	70,156	249,573	319,729	4,719.81	882.64	5,602.45	167.98	76.83
2000	62,892	17,789	80,681	1,121.24	127.19	1,248.43	168.76	42.25
2001	66,639	248,714	315,353	4,713.73	1,862.62	6,576.35	168.20	59.91
2002	64,021	169,904	233,925	3,372.89	1,613.49	4,986.38	167.50	49.96
2003	61,690	127,106	188,796	2,653.30	1,125.52	3,778.82	167.75	61.93
2004	71,428	114,101	185,529	2,623.94	1,110.80	3,734.74	169.20	61.70
2005	65,674	210,600	276,274	4,126.21	128.78	4,254.99	164.29	52.12
2006	62,016	8,354	70,370	1,043.84	138.19	1,182.03	164.19	41.10
2007	56,762	116,194	172,956	2,629.63	306.76	2,936.39	170.98	69.82
2008	64,003	132,662	196,665	2,863.27	577.21	3,440.48	168.13	41.24
2009	52,913	83,631	136,544	1,934.87	137.63	2,072.50	168.51	51.06
2010	38,270	266,757	305,027	4,343.56	1,139.70	5,483.26	167.30	51.67
2011	8,579	29,780	38,359	589.73	153.51	743.24	161.27	28.05
2012	19,618	40,991	60,609	907.01	232.49	1,139.50	168.55	65.82
2013	19,216	53,662	72,878	1,091.95	139.63	1,231.58	167.64	39.81
2014	38,539	84,177	122,716	1,797.93	136.53	1,934.46	170.66	52.55
2015	79,272	214,308	293,580	4,299.79	1,605.82	5,905.61	169.6	55.37
2016	43,960	233,973	277,933	4,096.53	5,577.79	9,674.32	170.2	77.85
2017	56,609	55,800	112,409	1,655.67	336.87	1,992.54	173.5	71.09
2018	67,691	128,735	196,426	3,044.40	1,566.20	4,610.60	168.1	45.56

WATER SUPPLY SCHEDULE • IRON BRIDGE DIVISION

For the fiscal years ending August 31. Supplied in Million Gallons Daily (MGD)

YEAR	TOTAL	DALLAS	GREEN-VILLE	POINT	WILLS POINT	EMORY	CASH	TERRELL	WEST TAWAKONI	COM-MERCE	MAC BEE W.S.C.	EDGE-WOOD	COMBINED CONSUMER SUD	SOUTH TAWAKONI W.S.C.	ABLE SPRINGS W.S.C.	NTMWD INTERIM	MISC. USAGE
1964	42.33	42.20		0.03													0.10
1965	32.38	30.86	1.29	0.03	0.06												0.14
1966	30.11	26.71	3.01	0.03	0.20												0.16
1967	33.44	30.54	2.38	0.03	0.24												0.25
1968	35.77	35.17	0.17	0.03	0.30												0.10
1969	43.63	42.96	0.21	0.03	0.27												0.16
1970	43.81	41.99	1.29	0.05	0.30												0.18
1971	57.10	53.00	3.39	0.06	0.33		0.10										0.22
1972	48.87	45.39	2.24	0.07	0.41	0.06	0.42										0.28
1973	47.01	43.79	1.73	0.07	0.41	0.24	0.46		0.03								0.28
1974	39.08	37.55	- 0 -	0.07	0.48	0.27	0.47		0.07								0.17
1975	18.84	17.13	- 0 -	0.06	0.52	0.30	0.61		0.07								0.15
1976	26.72	21.36	3.69	0.07	0.50	0.31	0.52		0.14								0.13
1977	29.25	25.59	1.75	0.07	0.60	0.38	0.57		0.17								0.12
1978	50.97	45.55	2.73	0.09	0.63	0.37	0.71		0.23	0.59							0.07
1979	64.13	59.35	1.88	0.09	0.55	0.37	0.68		0.36	0.73							0.12
1980	45.55	38.88	3.43	0.08	0.58	0.47	0.79		0.35	0.84							0.13
1981	52.15	45.23	3.85	0.08	0.65	0.51	0.74		0.31	0.65							0.13
1982	23.41	19.02	1.34	0.09	0.61	0.45	0.71		0.19	0.82							0.18
1983	39.18	35.01	1.44	0.09	0.68	0.49	0.71		0.23	0.30							0.23
1984	67.93	59.33	2.80	0.12	0.77	0.49	1.12	0.002	0.27	0.89							0.41
1985	53.32	48.31	1.06	0.13	0.83	0.55	0.73	- 0 -	0.24	1.16							0.31
1986	98.41	94.00	1.30	0.20	0.78	0.48	0.59	- 0 -	0.22	0.57							0.27
1987	82.80	78.81	0.53	0.17	0.83	0.44	0.61	- 0 -	0.47	0.69							0.25
1988	118.35	109.93	2.90	0.15	0.96	0.61	0.67	- 0 -	0.22	0.80							0.34
1989	103.52	98.52	1.45	0.16	0.94	0.65	0.57	- 0 -	0.19	0.77							0.27
1990	102.11	96.02	2.22	0.17	0.99	0.59	0.67	0.003	0.18	0.97							0.30
1991	99.56	93.38	2.02	0.14	0.95	0.54	0.70	0.005	0.25	1.25							0.28
1992	82.38	77.18	1.34	0.15	0.91	0.47	0.66	- 0 -	0.23	1.18							0.26
1993	108.49	102.40	1.98	0.17	0.95	0.52	0.66	0.009	0.23	1.22							0.35
1994	83.41	77.00	2.18	0.14	0.86	0.51	0.63	- 0 -	0.30	1.15	0.18				0.004		0.46
1995	47.06	40.65	1.05	0.14	0.82	0.59	0.73	0.003	0.30	1.34	0.36		0.12		0.19		0.46
1996	132.56	118.77	7.47	0.11	0.85	0.63	0.82	0.55	0.26	1.10	0.36	0.27	0.41		0.18		0.19
1997	86.75	77.86	2.68	0.12	0.77	0.64	0.74	0.59	0.31	1.05	0.45	0.003	0.56		0.15		0.12
1998	129.63	119.35	3.99	0.16	0.65	0.82	0.92	0.007	0.33	1.39	0.52	0.003	0.85	0.30	0.19		0.15
1999	127.18	119.09	2.10	0.14	0.61	0.77	0.92	0.003	0.31	1.42	0.51	<0.001	0.72	0.28	0.20		0.11
2000	121.88	111.05	4.40	0.15	0.66	0.75	1.11	0.005	0.31	1.47	0.53	0.008	0.63	0.28	0.30		0.11
2001	161.31	152.95	1.84	0.18	0.69	0.92	1.02	0.003	0.34	1.50	0.46	- 0 -	0.69	0.32	0.28		0.11
2002	126.17	118.91	1.05	0.18	0.56	0.72	0.92	0.002	0.57	1.58	0.40	- 0 -	0.60	0.32	0.26		0.09
2003	76.26	67.15	3.02	0.21	0.57	0.87	0.97	- 0 -	0.41	1.35	0.44	- 0 -	0.66	0.30	0.26		0.05
2004	38.44	28.51	3.71	0.20	0.56	0.79	1.01	0.002	0.40	1.55	0.44	- 0 -	0.61	0.32	0.25		0.08

Continued on the next page

WATER SUPPLY SCHEDULE • IRON BRIDGE DIVISION (Cont.)

For the fiscal years ending August 31. Supplied in Million Gallons Daily (MGD)

YEAR	TOTAL	DALLAS	GREEN-VILLE	POINT	WILLS POINT	EMORY	CASH	TERRELL	WEST TAWAKONI	COM-MERCE	MAC BEE W.S.C.	EDGE-WOOD	COMBINED CONSUMER SUD	SOUTH TAWAKON I W.S.C.	ABLE SPRINGS W.S.C.	NTMWD INTERIM	MISC. USAGE
2005	131.65	119.74	2.82	0.24	0.52	0.94	1.10	2.55	0.38	1.41	0.52	0.03	0.64	0.35	0.27	- 0 -	0.14
2006	165.92	146.49	7.31	0.19	0.59	0.94	1.37	5.21	0.39	1.20	0.57	0.17	0.69	0.37	0.26	- 0 -	0.17
								NTMWD/TERRELL									
2007	127.89	117.05	3.73	0.17	0.48	0.79	1.06	1.34	0.72	0.88	0.47	0.04	0.54	0.28	0.21	- 0 -	0.13
2008	80.44	68.12	4.59	0.15	0.23	0.76	1.13	2.04	0.23	1.21	0.52	0.003	0.64	0.32	0.23	- 0 -	0.27
2009	140.70	81.15	5.88	0.15	0.46	0.83	1.12	16.05	0.21	1.28	0.50	0.003	0.63	0.31	0.23	31.65	0.24
2010	37.20	4.65	1.85	0.19	0.64	0.80	1.27	9.00	0.22	1.37	0.58	<0.001	0.65	0.39	0.26	15.17	0.17
2011	86.68	42.13	6.00	0.16	0.75	0.91	1.32	9.00	0.22	1.83	0.66	0.30	0.68	0.41	0.20	21.96	0.15
2012	70.41	31.59	5.41	0.18	0.62	0.81	1.28	9.00	0.22	1.22	0.84	0.20	0.60	0.36	- 0 -	17.94	0.13
															NTMWD/ABLE SPRINGS W.S.C.		
2013	131.03	84.19	5.42	0.16	0.59	0.82	1.07	9.00	0.23	0.84	0.62	0.03	0.64	0.30	- 0 -	27.00	0.12
2014	141.32	104.90	3.77	0.16	0.60	0.90	1.12	9.00	0.22	0.75	0.56	0.19	0.66	0.29	- 0 -	18.12	0.08
2015	56.69	26.23	3.32	0.17	0.49	0.90	1.32	9.00	0.20	0.43	0.54	0.14	0.70	0.31	- 0 -	12.88	0.06
2016	47.44	23.94	2.86	0.23	0.58	0.83	1.27	9.00	0.22	0.78	0.52	0.11	0.74	0.39	0.30	5.60	0.07
2017	63.54	16.83	4.66	0.24	0.52	0.74	1.10	8.94	0.19	0.80	0.55	0.23	0.68	0.33	0.17	27.46	0.10
2018	45.37	7.05	8.94	0.20	0.77	0.86	1.26	8.98	0.23	1.04	0.65	0.25	0.76	0.33	0.59	13.36	0.10

WATER SUPPLY SCHEDULE • LAKE FORK DIVISION

For the fiscal years ending August 31. Supplied in Million Gallons Daily (MGD)

YEAR	TOTAL	CITY OF DALLAS	CITY OF LONGVIEW	CITY OF KILGORE	CITY OF HENDERSON	CITY OF QUITMAN	BRIGHT STAR SALEM	TEXAS EASTMAN	MISC. USAGE
1986	6.65		6.65			- 0 -			
1987	6.02		6.02			- 0 -			
1988	6.66		6.66			- 0 -			
1989	6.13		6.13			- 0 -			
1990	11.46		8.13			0.21		3.12	
1991	3.25		2.96			0.29		- 0 -	
1992	4.29		4.00			0.29		- 0 -	
1993	4.08		3.77			0.31		- 0 -	
1994	4.44		4.12			0.32		- 0 -	
1995	6.57		5.45	0.79		0.33		- 0 -	
1996	11.95		9.66	2.00		0.29		- 0 -	
1997	9.72		7.41	2.00		0.31		- 0 -	
1998	7.24		4.93	2.00		0.31		- 0 -	
1999	8.39		6.03	2.00		0.36		- 0 -	
2000	13.40		10.84	2.00	0.19	0.37		- 0 -	
2001	15.52		12.14	2.00	1.04	0.34		- 0 -	
2002	16.83		13.00	2.00	1.50	0.33		- 0 -	
2003	18.01		14.68	2.00	1.00	0.33		- 0 -	
2004	18.07		14.74	2.00	1.00	0.33		- 0 -	
2005	18.35		15.00	2.00	1.00	0.35		- 0 -	
2006	11.52		7.69	2.00	1.10	0.40		0.33	
2007	12.59		6.50	2.00	1.01	0.31		2.77	
2008	5.67		2.51	2.00	0.86	0.30		- 0 -	
2009	6.98	0.22	3.51	2.00	0.96	0.29		- 0 -	
2010	24.70	18.80	2.50	2.00	1.00	0.30		- 0 -	
2011	33.50	26.50	3.80	2.00	0.90	0.30		- 0 -	
2012	30.39	20.03	7.09	2.00	0.99	0.28		- 0 -	
2013	21.79	12.53	5.68	2.00	1.15	0.26		- 0 -	0.17
2014	28.41	19.06	4.65	2.00	1.21	0.24	0.02	- 0 -	0.00
2015	76.27	68.91	4.14	2.00	0.88	0.26	0.08	- 0 -	0.00
2016	65.61	58.11	4.32	2.00	0.77	0.27	0.14	- 0 -	0.00
2017	51.62	42.34	6.00	2.00	0.90	0.25	0.13	- 0 -	0.00
2018	28.75	18.81	6.2	2.00	1.30	0.27	0.17	- 0 -	0.00

LABORATORY SAMPLES ANALYZED • For the fiscal years ending August 31

YEAR	INDUSTRIAL	MUNICIPAL	GULF COAST DIVISION	IRON BRIDGE DIVISION	LAKE FORK DIVISION	TOLEDO BEND DIVISION	OTHER	TOTAL	NUMBER OF TESTS
1973	457	204	194	45		17	28	945	
1974	790	233	201	53		28	76	1,381	
1975	856	303	182	61	48	21	411	1,882	11,525
1976	1,063	344	236	58	84	31	774	2,590	16,603
1977	1,455	392	456	28	84	40	931	3,386	20,700
1978	1,582	303	475	29	131	79	982	3,581	21,977
1979	3,211	248	472	66	154	106	670	3,345	22,324
1980	1,590	328	473	60	151	91	762	3,455	24,381
1981	1,909	266	483	55	126	53	938	3,830	24,685
1982	1,414	336	451	57	94	89	851	3,292	19,936
1983	1,622	271	477	104	98	100	644	3,300	19,775
1984	1,230	285	436	81	122	85	752	2,991	18,483
1985	992	331	249	58	87	125	737	2,579	16,914
1986	774	465	239	87	118	140	93	1,916	14,391
1987	1,126	245	263	90	100	205	96	3,125	14,645
1988	1,519	2,412	205	115	114	120	93	4,578	17,835
1989	1,325	2,665	220	113	84	119	652	5,178	17,451
1990	2,426	2,463	211	97	113	120	820	6,278	19,934

NUMBER OF TESTS PERFORMED

YEAR	INDUSTRIAL	MUNICIPAL	WATERSHED MONITORING PROGRAM	QUALITY ASSURANCE	TOTAL
1991	3,173	4,630	12,338	2,298	22,439
1992	6,360	4,276	13,919	2,512	27,067
1993	8,908	4,716	14,317	3,640	31,581
1994	9,516	4,774	21,969	8,555	44,923
1995	9,183	4,228	19,172	14,948	47,532
1996	8,225	4,819	16,023	15,333	44,400
1997	9,525	5,308	21,771	15,431	52,035
1998	7,205	5,699	24,293	11,526	48,723
1999	9,999	7,265	43,509	16,033	76,806
2000	8,159	6,019	24,094	15,504	53,776
2001	9,595	6,494	25,882	14,995	56,966
2002	9,134	6,285	22,231	16,101	53,751
2003	9,796	5,996	21,195	15,845	52,832
2004	9,052	6,977	39,269	20,396	75,714
2005	8,984	7,039	32,463	23,716	72,202
2006	8,665	7,488	40,120	26,793	83,066
2007	8,412	7,490	29,341	23,256	68,499
2008	8,621	8,244	24,244	24,197	65,306
2009	6,419	8,186	23,143	19,463	57,211
2010	5,662	9,509	23,909	24,145	63,225
2011	8,081	8,851	24,486	26,622	68,040
2012	7,124	7,154	23,726	22,751	60,755
2013	8,327	6,428	26,600	25,366	66,721
2014	8,253	6,681	24,433	25,955	65,322
2015	7,742	7,241	39,692	30,691	85,366
2016	9,347	8,849	44,191	28,043	90,430
2017	10,550	10,503	48,770	27,267	97,090
2018	6,155	10,806	48,183	24,473	89,617

In 1991 the Water Quality Monitoring programs were combined into a single Watershed Monitoring Program. The charts now indicate the number of tests performed rather than the number of samples analyzed.

MISCELLANEOUS STATISTICAL DATA

Authority Created Under	Vernon's Civil Statutes, Article 8280-133
Year Created	1949
Domicile	Orange, Texas
Last Revision of Enabling Act.....	1991
Population of District (2017 Est.).....	604,000
Area of District	7,426 sq.mi.
Average Annual Rainfall of District	50" for Sabine Basin
Number of Employees	96

OFFICES:

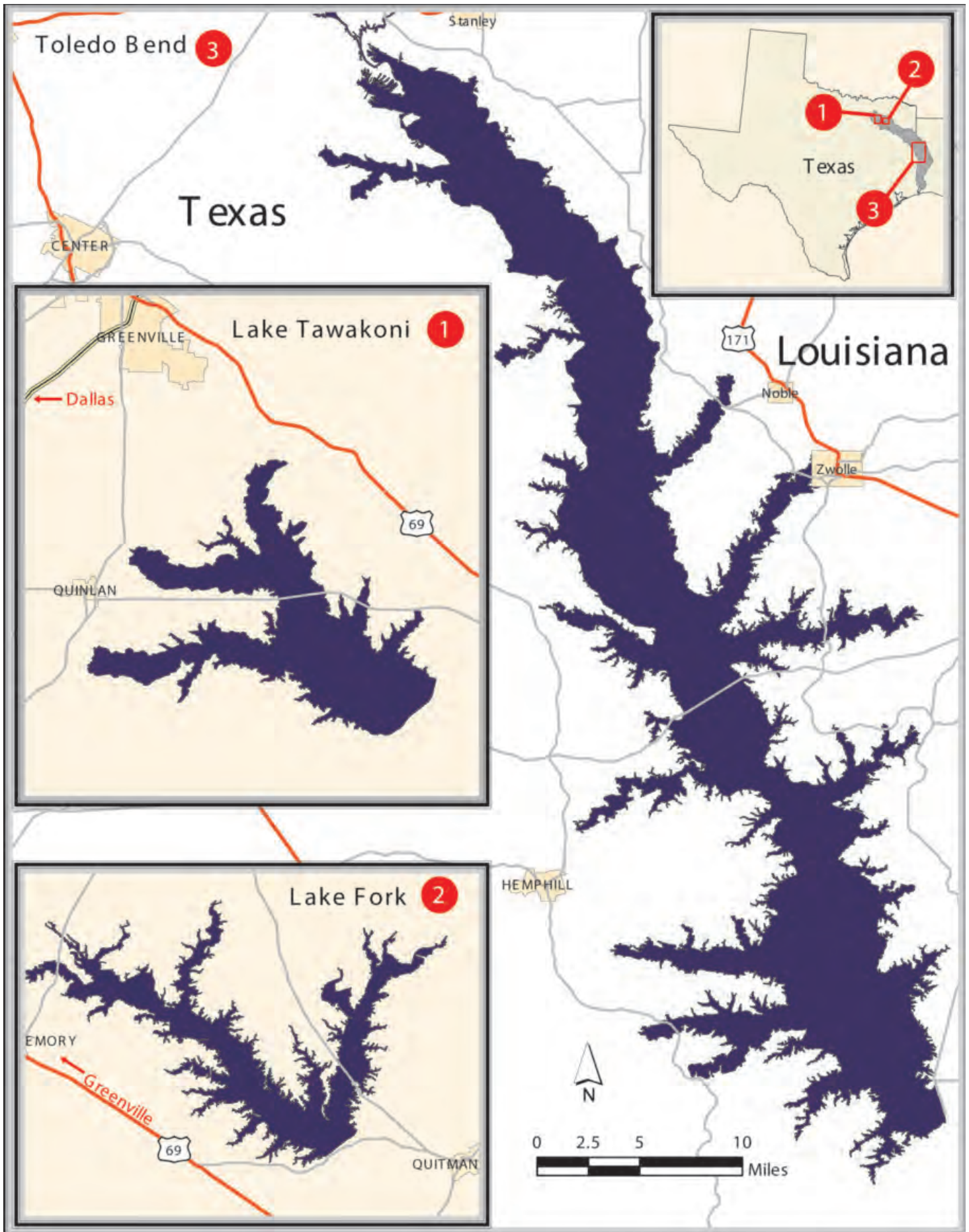
General Office	Orange, Texas
Gulf Coast Division (John W. Simmons Gulf Coast Canal System)	Orange, Texas
Toledo Bend Division & Parks and Recreation Division (Toledo Bend Reservoir)	Burkeville, Texas
Lake Fork Division (Lake Fork Reservoir)	Quitman, Texas
Iron Bridge Division (Lake Tawakoni Reservoir)	Point, Texas
Environmental Services Division (Basinwide Water Quality Protection)	Orange, Texas

RIVERS:

Sabine	
Total River Miles	580
Average Annual Flow (40 years at Ruliff)	5,940,363 acre-feet/year

DAMS AND RESERVOIRS:

Toledo Bend Reservoir	
Conservation Pool	
Capacity	4,477,000 acre-feet
Surface Area.....	185,000 acres
Elevation	172.0 ft. (MSL)
Yield	2,086,600 acre-feet/year
SRA-TX Half of Yield	1,043,200 acre-feet/year
Hydroelectric Information	
Capacity	81 megawatts
Average Annual Production (49 years)	217,959 megawatt hours
Lake Fork Reservoir	
Conservation-Pool	
Capacity	675,819 acre-feet
Surface Area.....	27,690 acres
Elevation	403.0 ft. (MSL)
Yield	188,660 acre-feet/year
Iron Bridge Dam (Lake Tawakoni)	
Conservation-Pool	
Capacity	927,440 acre-feet
Surface Area.....	36,700 acres
Elevation	437.5 (MSL)
Yield	238,100 acre-feet/year
Gulf Coast Division Canal System	
Pumping Capacity.....	195 million gallons/day
Canal System Length	75 miles
Permitted Water Rights	147,100 acre-feet/year



Sabine River Basin





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