

STAFF REPORT

DATE: August 25, 2025

TO: City of Mission

RESOLUTION APPROVING THE RESOLUTION OF MISSION ECONOMIC
DEVELOPMENT CORPORATION AUTHORIZING THE ISSUANCE OF
BONDS ON BEHALF OF PERMIAN BASIN WATER RESOURCES, LLC;
AND MATTERS RELATED THERETO

Background:

Permian Basin Water Resources, LLC (the “Company”) is a holding company designed to provide regulated utility services, including water, wastewater, and reclaimed water, in some unincorporated regions of Midland County, Texas (the “Utility Service Area”). The Company is comprised of three entities: (i) Greenwood Water Corporation, (ii) Park Water Company, and (iii) Park Sewer Company.

Greenwood Water Corporation is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved certificate of convenience and necessity (“CCN”) currently providing potable water services to approximately 303 water connections. Greenwood Water Corporation is classified as a Class D utility under PUCT Substantive Rule §24.3(8). Greenwood Water Corporation has been in existence since 1982 and was previously granted CCN number 11792 from the PUCT.

Park Water Company is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water to approximately 355 water connections and sewer service to approximately 242 sewer connections. Park Water Company is classified as a Class D utility under PUCT Substantive Rule §24.3(8). Park Water Company’s authority to provide water service was established by CCN number 13278 and sewer service by CCN number 21115, both granted by the PUCT on March 10, 2020. Park Water Company currently provides potable water, wastewater, and reclaimed water service.

Park Sewer Company is a Delaware corporation and is the permittee of the wastewater discharge permit (TPDES WQ0015661001) under which Park Water Company is providing sewer service. It is anticipated that the Company will either move the permit to Park Water Company, or merge Park Sewer Company with Park Water in the future.

The Project:

Midland is situated in the Permian Basin region, spanning West Texas and eastern New Mexico. The Permian Basin is one of the United States' most significant mineral reservoirs, with ongoing exploration and drilling for additional reserves. Recognizing the importance of water in the region, the Company is expanding its current operating areas to meet increasing demand for water, wastewater, and reclaimed water service.

The Company's current infrastructure provides 325 gallons per minute of well capacity and 30,000 gallons per day (GPD) of wastewater capacity. An additional 60,000-gallon-per-day tertiary wastewater treatment system is currently under construction, which will have the capacity to serve approximately 642 homes (at the anticipated flow of 140 gallons per home per day of wastewater). The Company's wastewater treatment capacity is designed to easily add 60,000 GPD incremental treatment modules to the TPDES permitted capacity of 360,000 GPD, or 2,500 homes. At full buildout, it is expected that the Park Water System will include 4,500 water connections and 2,500 sewer connections.

The project also includes the refunding of \$15,500 of existing debt.

Terms of Transaction:

Amount:	\$28,000,000
Rating:	N/A
Bond Purchasers:	Public Offering
Estimated Closing:	September, 2025
Maturity:	TBD
Min. Denomination:	\$25,000

Finance Team:

Bond Counsel:	Jackson Walker LLP
Issuer Counsel:	Bracewell LLP
Underwriter:	FMSBonds, Inc.
Underwriter Counsel:	McCall, Parkhurst & Horton LLP
Borrower Advisor:	Government Capital Securities
Issuer Advisor:	Community Development Associates, LLC
Rating:	Unrated

Fiscal Impact & Risks:

The Company anticipates issuing \$28 million of tax-exempt bonds in 2025 for new construction and refinancing of existing debt. The MEDC is expected to receive approximately \$70,000 for serving as Issuer of the bonds, along with an annual fee of \$7,000 until maturity.

Approval of this Resolution does not impose any payment or obligation on the MEDC or the City of Mission in connection with the financing. The Bonds do not constitute a debt or obligation of the MEDC, the City, the County, or the State of Texas. They are solely the obligation and responsibility of the Company. More importantly, the Bonds will not require any general fund support or taxpayer dollars. There is no commitment of the credit ratings, and the Bonds do not, in any manner, restrict, impede, or limit the borrowing or bonding capacity of the MEDC or City of Mission.