

This Agenda is posted pursuant to Chapter 551, Texas Government Code

**Matters to Come Before a Meeting of the Board of Directors
of Tarrant Regional Water District**

To Be Held the 16th Day of November 2021 at 9:00 a.m.

**TRWD Board Room
800 East Northside Drive
Fort Worth, Texas 76102**

PLEASE BE ADVISED THAT A QUORUM OF THE BOARD OF DIRECTORS OF TRWD WILL CONVENE ON THE ABOVE DATE AND TIME FOR THE PURPOSE OF CONSIDERING AND ACTING UPON THE MATTERS SET FORTH IN THIS AGENDA. THE LINK TO VIEW AND LISTEN TO THE MEETING VIA INTERNET IS <HTTPS://WWW.TRWD.COM/BOARDVIDEOS>. A RECORDING OF THE MEETING WILL ALSO BE AVAILABLE AT <HTTPS://WWW.TRWD.COM/BOARDVIDEOS>.

1. Pledges of Allegiance

2. Public Comment

Citizens may present public comment at this time, limited to a total time of three (3) minutes per speaker, unless the speaker addresses the Board through a translator, in which case the limit is a total time of six (6) minutes. If citizens wish to address the Board in person, each proposed speaker must have completed and submitted a speaker card prior to the commencement of the meeting identifying, if the speaker wishes to address the Board regarding a specific agenda item, the agenda item number(s) and topic(s). If citizens wish address the Board virtually, each proposed speaker must have contacted Mr. Chad Lorange of TRWD, by telephone at (817) 720-4367 or by email at chad.lorange@trwd.com, by no later than 3:00 P.M. on Monday, November 15, 2021, identifying, if the speaker wishes to address the Board regarding specific agenda item(s), the agenda item number(s) and topic(s). In such event, each such member of the public will be provided with a dial-in number to address the Board. By law, the Board may not deliberate, debate or take any action on public comment but may place the item on a future agenda.

3. Consider Approval of the Minutes from the Meetings Held on October 14, 2021, and October 19, 2021

4. Consider Approval of Contract with Twin City Security, Inc. for Security Services at LaGrave Field - Darrell Beason, Chief Operations Officer

5. **Consider Approval of Contract with Insituform Technologies, LLC/Fibrwrap Construction Services, Inc. for Repair of One Segment of 72" Cedar Creek Pipe - Darrell Beason, Chief Operations Officer**
6. **Consider Approval of Contract with Robinson Taylor Industries LLC for Maintenance and Technical Services for HVAC Equipment - Darrell Beason, Chief Operations Officer**
7. **Consider Approval of Contract with Bar Constructors, Inc. for Construction of Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications Construction - Jason Gehrig, Infrastructure Engineering Director**
8. **Consider Approval of Contract Amendment with Freese and Nichols, Inc. for On-Site Construction Representation Services for the Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications Construction - Jason Gehrig, Infrastructure Engineering Director**
9. **Consider Approval of Task Orders for Construction Materials and Inspection Testing Services with Accurate Inspections, Inc., Kleinfelder, Inc., and Steel Inspectors of Texas for the Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications Construction - Jason Gehrig, Infrastructure Engineering Director**
10. **Staff Updates**
 - **Social Responsibility Update - Dan Buhman, General Manager**
 - **Summary of Programs: Conservation Impact - Linda Christie, Government Affairs Director**
 - **Public Affairs Update - Chad Lorange, Public Affairs Officer**
 - **Water Resources Update - Rachel Ickert, Chief Water Resources Officer**
11. **Executive Session under Texas Government Code:**

Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation and Ongoing Investigation; and

Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property; and

Section 551.074 to Discuss or Deliberate Regarding Personnel Matters

- 12. Discussion of the Following Proposed Board Policies: Arbitrage Policy, Budget Policy, Capital Asset Policy, General Fund Reserve Policy, Investment Policy, Other Post-Employment Benefits Funding Policy, Public Information Policy, Records Management Policy - Lisa Cabrera, Chief Human Resources Officer**
- 13. Discuss and Consider Approval of the General Manager's Performance Goals - Dan Buhman, General Manager**
- 14. Consider Approval of Authorization to Acquire Real Property by Purchase for the Central City Project - Steve Christian, Real Property Director**
 - TRV Parcels 44 - 45
(Go Investments)**

Fee simple title to the surface estate only, including any improvements located thereon, of Lots 15, 16, 17 and 18, Block 15, Evans-Pearson-Westwood Addition, being an Addition to the City of Fort Worth, Tarrant County, Texas
- 15. Future Agenda Items**
- 16. Schedule Next Board Meeting**
- 17. Adjourn**

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 14th DAY OF OCTOBER 2021 AT 8:30 A.M.

The call of the roll disclosed the presence of the Directors as follows:

Present
Leah King
James Hill
Jim Lane
Marty Leonard
Mary Kelleher

Also present were Dan Buhman, Alan Thomas, Frank Beaty, Lisa Cabrera, Steve Christian, Laramie LaRue, Chad Lorance, Mick Maguire and Rick Odom of the Tarrant Regional Water District (District or TRWD).

Also in attendance were Kathryn Long of Thompson & Horton LLP; Jessica Priest and Christian Argueta Soto of Fort Worth Report; Harrison Mantas of Fort Worth Star-Telegram; Joyce Baker; Claudia Blalock; Lon Burnam of Water District Accountability Project; Jackee Cox; Doreen Geiger; and Thomas Torlincasi.

President King convened the meeting with assurance from management that all requirements of the “open meetings” laws had been met.

1.

All present were given the opportunity to join in reciting the Pledges of Allegiance to the U.S. and Texas flags.

2.

Public comment was received from Thomas Torlincasi regarding public comment procedures. Public comment was received from Lon Burnam regarding proposed board governance policies. Public comment was received from Joyce Baker regarding transparency. Public comment was received from Doreen Geiger regarding proposed

board governance policies.

3.

Kathryn Long of Thompson & Horton LLP reviewed the proposed board governance policies.

4.

The Board next held an Executive Session commencing at 10:53 a.m. under Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation; and Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property.

Upon completion of the executive session at 11:53 a.m., the President reopened the meeting.

5.

There were no future agenda items approved.

6.

There being no further business before the Board of Directors, the meeting was adjourned.

President

Secretary

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 19th DAY OF OCTOBER 2021 AT 9:00 A.M.

The call of the roll disclosed the presence of the Directors as follows:

Present
Leah King
James Hill
Jim Lane
Marty Leonard
Mary Kelleher

Also present were Dan Buhman, Alan Thomas, Darrell Beason, Lisa Cabrera, Steve Christian, Linda Christie, Woody Frossard, Ellie Garcia, Rachel Ickert, Laramie LaRue, Chad Lorange, Mick Maguire, Jahir Martinez, Sandy Newby, Tina Nikolic, Rick Odom, Carol Tackel, and Ed Weaver of the Tarrant Regional Water District (District or TRWD).

Also in attendance were Mike Atchley and Jeremy Harmon of Pope, Hardwicke, Christie, Schell, Kelly & Taplett, L.L.P., General Counsel for the District; Kathryn Long of Thompson & Horton LLP; Molly Carson and Alan Raynor of McCall Parkhurst & Horton; Paulina Williams of Baker Botts LLP; Mark Mazzanti; Jessica Priest of Fort Worth Report; Harrison Mantas of Fort Worth Star-Telegram; Joyce Baker; Lon Burnam of Water District Accountability Project; Jackee Cox; Doreen Geiger; and Thomas Torlincasi.

President King convened the meeting with assurance from management that all requirements of the “open meetings” laws had been met.

1.

All present were given the opportunity to join in reciting the Pledges of Allegiance to the U.S. and Texas flags.

2.

Public comment was received from Joyce Baker regarding forensic audits. Public comment was received from Doreen Geiger regarding forensic audits. Public comment was received from Thomas Torlincasi regarding trustworthy management. Public comment was received from Lon Burnam regarding transparency.

3.

On a motion made by Director Lane and seconded by Director Hill, the Directors voted unanimously to approve the minutes from the Board meetings held on September 20, 2021, September 21, 2021, and September 29, 2021. It was accordingly ordered that these minutes be placed in the permanent files of the District.

4.

With the recommendation of management, Director Hill moved to approve the proposed Board Governance Policies, as amended, with an effective date of November 1, 2021. Director Kelleher seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Leonard moved to approve an order authorizing the issuance of Tarrant Regional Water District, a Water Control and Improvement District, Unlimited Tax Refunding Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Establishing the Procedures of Selling and Delivering the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds. Director Lane seconded the motion and Directors King, Hill, Lane and Leonard voted in favor and Director Kelleher voted against.

6.

With the recommendation of management, Director Lane moved to approve a

resolution designating Tarrant Regional Water District authorized bank representatives as follows: Dan Buhman, General Manager; Robert Alan Thomas, Deputy General Manager; Sandra Newby, Chief Financial Officer; Carol Tackel, Chief Internal Auditor; Lisa M. Cabrera, Chief Human Resources Officer; and Jennifer Mitchell, Finance Director. Director Kelleher seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Kelleher moved to approve an Interlocal Agreement in an amount not-to-exceed \$76,860 between Tarrant Regional Water District, North Texas Municipal Water District, Sulphur River Basin Authority, Upper Trinity Regional Water District, City of Dallas and City of Irving for developing future water supplies in the Sulphur River Basin. Funding for this item is included in the Fiscal Year 2022 Revenue Fund Budget. Director Hill seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Kelleher moved to approve a contract amendment in the not-to-exceed amount of \$5,194,000 with CH2HM Hill Engineers, Inc. for final design, bid and construction phase services for Lake Palestine Pump Station of the Integrated Pipeline Project. The total not-to-exceed contract value, including this amendment is \$35,302,675. Funding for this item is included in the Dallas Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Leonard moved to approve a contract in the amount of \$157,097 with Retzlaff Construction LLC for Lower West Fork trail resurfacing. Funding for this item is included in the Fiscal Year 2022 General Fund

Budget. Director Hill seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Leonard moved to approve operations maintenance expenditures as listed below:

**Tarrant Regional Water District
Board of Directors Meeting
October 2021
Operations Maintenance**

Project	Vendor	Amount	Purpose	Budget Line	Budget
ITB 22-016 Eastern Facilities Grounds Maintenance	H&H Services of Paris, TX	not to exceed \$110,460	Grounds maintenance for eastern administrative and operational facilities. This contract is for one initial eleven month period with the option to renew for four additional one-year periods.	9587, 9588, 9723, 9728, 11453	Revenue \$ 181,000.00
ITB 22-008 Hauling Service for Operations Construction	DCT Trucking	Not to exceed \$309,800 at a rate of \$60/hr	Vendor to provide Tandem Dump Trucks and Operators to haul soil, gravel, rock, etc. on an hourly basis. The contract supplements District Staff and Equipment during peak needs. This contract is for one initial nine month period with the option to renew for four additional one-year periods.	9926, 9931, 9934, 10445	General \$ 309,800.00
New On-Line Vibration Monitoring Equipment at the Benbrook Booster Pump Station	Emerson Automation Solutions	\$82,784.00	The vibration monitoring unit at Benbrook Booster Pump station will be upgraded to the new Emerson 6500 unit. In earlier years, the District standardized with Emerson 4500 units, a model that Emerson no longer supports with replacement components. Multiple pump stations have already been upgraded to the current Emerson 6500 vibration monitoring model.	10925	Revenue \$ 85,000.00

Funding for these items is included in the Fiscal Year 2022 General/Revenue Fund. Director Hill seconded the motion and the vote in favor was unanimous.

11.

Staff Updates

- Administrative Policies Update
- Transparency Update
- Forensic Accounting Update
- Mary's Creek Water Reclamation Facility
- TRWD Trash Bash: A Celebration of the Trinity River video

12.

The Board next held an Executive Session commencing at 10:40 a.m. under Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation and Ongoing Investigation; and Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property; and Section 551.074 to Deliberate Regarding Personnel Matters; and Section 551.076 to Deliberate Regarding Security Personnel, Devices, or Audits.

Upon completion of the executive session at 12:28 p.m., the President reopened the meeting.

13.

The Board of Directors determined it will discuss the General Manager's goals at a future board meeting.

14.

With the recommendation of management and General Counsel, Director Lane

moved to approve the settlement of claims in the Integrated Pipeline Project - B.N Development Company, Inc. (37) lawsuit for payment in the sum of \$1,500,000. Funding for this settlement is included in the Bond Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management and General Counsel, Director Lane moved to approve the settlement of claims in the Integrated Pipeline Project - Brown et al. (1061) lawsuit for payment in the sum of \$195,000. Funding for this settlement is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

16.

With the recommendation of management, Director Lane moved to grant authority to acquire, by purchase, an easement interest in the following described tracts, which are necessary for the public use and purpose of construction and operation of the Integrated Pipeline Project.

**IPL Parcel 639AE
(Jackson)**

A permanent easement interest across a 0.789-acre tract of land situated in the Peter Tumlinson Survey, Abstract Number 755, Henderson County, Texas, and being more particularly described as a portion of that certain tract of land described by Partition Deed to Walter L. Jackson, Jr., recorded in Instrument Number 2018-00017345, Official Records of Henderson County, Texas, and being further described in the accompanying resolution and in the survey plat attached hereto for the negotiated purchase price of \$30,000; and

EXHIBIT "A"
Property Description

Being 0.789 acres (34,377 square feet) of land situated in the Peter Tumlinson Survey, Abstract Number 755, Henderson County, Texas, and more particularly that certain tract of land described by Partition Deed to Walter L. Jackson, Jr., recorded in Instrument Number 2018-00017345, Official Records of Henderson County, Texas (O.R.H.C.T.), and being further described as follows:

COMMENCING at a 5/8 inch iron rod with Pacheco Koch cap found in the south line of a Water Pipeline Easement and Right-of-Way described by deed to Tarrant Regional Water District recorded in Instrument Number 2015-00005877, O.R.H.C.T. (IPL Parcel 639);

THENCE N 74°58'38" E, a distance of 794.38 feet to a 5/8 inch iron rod with TranSystems cap set in the south line of said easement and being the **POINT OF BEGINNING** and the northwest corner of herein described tract (N: 6,751,205.550, E: 2,724,789.115 Grid),

- (1) **THENCE** N 74°58'38" E, along the south line of said easement and the north line of herein described tract, a distance of 30.00 feet to a 5/8 inch iron rod with TranSystems cap set in the east line of said Walter L. Jackson Jr. tract and the west line of that certain tract of land described by said Partition Deed to James William Jackson, being the northeast corner of herein described tract from which a 5/8 inch iron rod with Pacheco Koch cap found bears N 74°58'38" E, a distance of 615.78 feet, and a 5/8 inch iron rod found in the west line of said Walter L. Jackson, Jr. tract and the east line of James William Jackson tract bears N 14°54'37" E a distance of 19.94 feet;
- (2) **THENCE** S 14°54'37" E, along the east line of said Walter L. Jackson, Jr. tract, the west line of said James William Jackson tract, and the east line of herein described tract, a distance of 606.16 feet to a 5/8 inch iron rod with TranSystems cap set;
- (3) **THENCE** S 14°20'26" E, departing the east line of said Walter L. Jackson, Jr. tract and the west line of said James William Jackson tract, and continuing along the east line of herein described tract, a distance of 537.77 feet to a 5/8 inch iron rod with TranSystems cap set in the south line of said Walter L. Jackson, Jr. tract, the north line of a tract of land described by Judgement to the State of Texas recorded in Volume 613, Page 457, Deed Records of Henderson County, Texas, the north right-of-way line of State Highway 31 (a variable width right-of-way), being the southeast corner of the herein described tract from which a 100D nail found bears N 67°33'54" E, a distance of 2.72 feet;
- (4) **THENCE** S 67°33'54" W, along the south line of said Walter L. Jackson Jr. tract, the north line of said State of Texas tract, said north right-of way line of State Highway 31, and the south line of herein described tract, a distance of 27.83 to a 5/8 inch iron rod with TranSystems cap set;
- (5) **THENCE** S 67°23'31" W continuing along the south line of said Walter L. Jackson Jr. tract, the north line of said State of Texas tract, said north right-of way line of State Highway 31, and the south line of herein described tract, a distance of 2.47 to a 5/8 inch iron rod with TranSystems cap set, being the southwest corner of herein described tract;

- (6) **THENCE** N 14°20'26" W, along the west line of herein described tract, a distance of 541.90 feet to a 5/8 inch iron rod with TranSystems cap set;
- (7) **THENCE** N 14°54'37" W continuing along the west line of herein described tract, a distance of 605.95 feet to the **POINT OF BEGINNING**, containing 0.789 acres (34,377 square feet) of land, more or less.

NOTE: Basis of bearing is the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (NAD 83)(2007) with all distances adjusted to surface by project combined scale factor of 0.9999804020.

NOTE: Plat to accompany this legal description.

I do certify on this 7th day of August, 2021, to Attorney's Title Company of Henderson County, Fidelity National Title Insurance Company and Tarrant Regional Water District, that a survey was made on the ground as per the field notes shown on this survey and is true and correct according to the standards of the Texas Society of Professional Surveyors Standards and Specifications for a Category 2, Condition IV Survey, and accurate as to the boundaries and areas of the subject property and the size, location and type of buildings and improvements, if any, and shows the location of all visible easements and rights-of-way and the rights-of-way, easements and other matters of record as listed in Schedule B of the Commitment for Title issued by Fidelity National Title Insurance Company, with an effective date of November 12, 2013, issued November 22, 2013, GF # 13-276-DD affecting the subject property and listed in Exhibit "A-1" attached hereto.

Except as shown on the survey: (i) there are no visible encroachments upon the subject property by visible improvements on adjacent property, (ii) there are no visible encroachments on adjacent property, streets or alleys by any visible improvements on the subject property, and (iii) there are no visible conflicts or discrepancies.

This survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 2, Condition IV Survey.

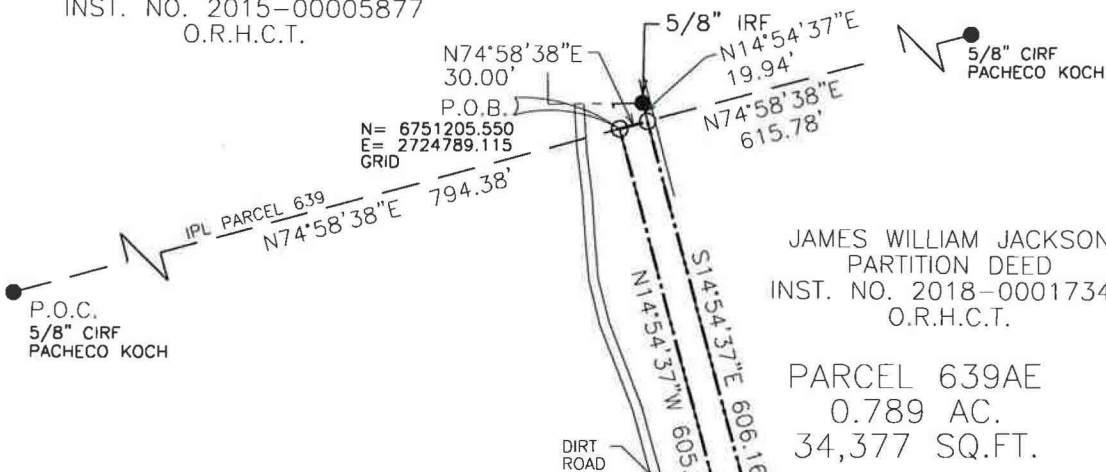


Daniel M. Putman
Registered Professional Land Surveyor
Texas Registration Number 6729
Texas Surveying Firm 10038300
TranSystems Corporation
500 West 7th Street, Suite 1100
Fort Worth, TX 76102



TARRANT REGIONAL WATER DISTRICT
 WATER PIPELINE EASEMENT AND
 RIGHT-OF-WAY
 INST. NO. 2015-00005877
 O.R.H.C.T.

EXHIBIT "A"
 PARCEL 639AE



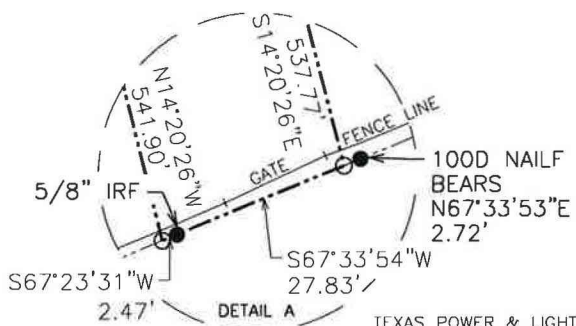
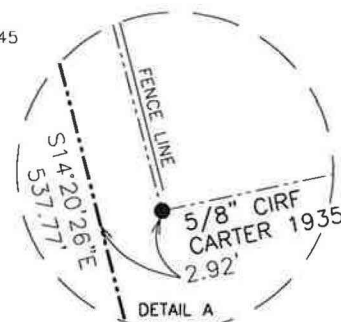
JAMES WILLIAM JACKSON
 PARTITION DEED
 INST. NO. 2018-00017345
 O.R.H.C.T.

PARCEL 639AE
 0.789 AC.
 34,377 SQ.FT.

PETER TURLINSON SURVEY
 ABSTRACT 755

WALTER L. JACKSON, JR.
 PARTITION DEED
 INST. NO. 2018-00017345
 O.R.H.C.T.

JAMES WILLIAM JACKSON
 ACCESS EASEMENT
 INST. NO. 2018-00017345
 O.R.H.C.T.



WALTER L. JACKSON, JR.
 PARTITION DEED
 INST. NO. 2018-00017345
 O.R.H.C.T.

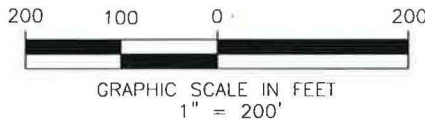


SH 31
 VOL. 613, PG. 457
 D.R.H.C.T.
 VARIABLE WIDTH RIGHT-OF-WAY

NOTE: NO KNOWN UNDERGROUND UTILITIES - 02/01/2013
 NOTE: LEGAL DESCRIPTION TO ACCOMPANY THIS PLAT.

LEGEND

- = MARKER FOUND AS NOTED
- = 5/8 INCH IRON ROD W/
 TRANSYSTEMS CAP SET
 (UNLESS OTHERWISE NOTED)



TranSystems

500 WEST SEVENTH STREET
 SUITE 1100
 FORT WORTH, TX 76102
 (817) 339-8950 (TEL)
 (817) 549-7524 (FAX)
 TX SURV FIRM NO. 10038300

PROJ NO:	P202090330
SCALE:	1" = 200'
DATE:	8-7-2021
DRAWN BY:	JWJ
CHECKED BY:	DMP
REVISED DATE:	

PRINTED ON:
 8/7/2021
 1:38:06 PM

Daniel M. Putman

SHEET TITLE
 EXHIBIT "A"
 SEGMENT 19-2, PARCEL 639AE
 WALTER LOUIS JACKSON

PROJECT
 INTEGRATED PIPELINE PROJECT

BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM (NAD83)(2007) WITH ALL DISTANCES ADJUSTED TO SURFACE BY PROJECT COMBINED SCALE FACTOR 0.9999804020

**IPL Parcel 1161
(Schiller)**

A permanent easement interest across a 5.340-acre tract of land out of the B.B. Sublett Survey, Abstract Number 719, Henderson County, Texas, and being a portion of a called 86.765-acre tract of land described in the Warranty Deed to Martin F. Schiller and Cecilia G. Schiller, recorded in Volume 2242, Page 779, Deed Records of Henderson County, Texas, and being further described in the accompanying resolution and in the survey plat attached hereto for the negotiated purchase price of \$250,000.

Exhibit 'A'
Property Description

Being a 5.340 acre (232,613 square feet) tract of land out of the B.B. Sublett Survey, Abstract Number 719, Henderson County, Texas, and being a portion of a called 86.765 acre tract of land described in the Warranty Deed to Martin F. Schiller and Cecilia G. Schiller, recorded in Volume 2242, Page 779, Deed Records of Henderson County, Texas (D.R.H.C.T.), and being further described as follows:

COMMENCING at a 1/2-inch iron rod found in the east line of said 86.765 acre Schiller tract, and for the southwest corner of the remaining portion of a called 97.593 acre tract of land described in the General Warranty Deed to Bradley Warren Randolph, recorded in Document Number 2018-00014765, Official Public Records of Henderson County, Texas (O.P.R.H.C.T.);

THENCE N00°54'14"W, with the east line of said 86.765 acre Schiller tract and the west line of said 97.593 acre Randolph tract, a distance of 2,345.40 feet to a 5/8-inch iron rod with a yellow plastic cap stamped "SAM, LLC" set for the southeast corner of the tract herein described and the **POINT OF BEGINNING** (N: 6,731,730.475, E: 2,818, 807.465 Grid);

- (1) **THENCE** S71°59'11"W, across said 86.765 acre Schiller tract and with the south line of the tract herein described, a distance of 1,543.79 feet to a 5/8-inch iron rod with a yellow plastic cap stamped "SAM, LLC" set for corner;
- (2) **THENCE** S82°24'21"W, continuing across said 86.765 acre Schiller tract and with the south line of the tract herein described, a distance of 5.58 feet for the southwest corner of the tract herein described, also being in the west line of said 86.765 acre Schiller tract and the apparent east right-of-way line of County Road 4515 (CR 4515) (variable width right-of-way)(no deed of record found);
- (3) **THENCE** N01°45'17"W, with the west line of the tract herein described, the west line of said 86.765 acre Schiller tract, and the apparent east right-of-way line of said CR 4515, a distance of 147.10 feet to a 5/8-inch iron rod with a yellow plastic cap stamped "SAM, LLC" set for corner;
- (4) **THENCE** N02°34'37"E, continuing with the west line of the tract herein described, the west line of said 86.765 acre Schiller tract, and the apparent east right-of-way line of said CR 4515, a distance of 8.31 feet to a 5/8-inch iron rod with a yellow plastic cap stamped "SAM, LLC" set for the northwest corner of the tract herein described;

- (5) **THENCE** N71°59'11"E, across said 86.765 acre Schiller tract and with the north line of the tract herein described, a distance of 1,551.35 feet to a 5/8-inch iron rod with a yellow plastic cap stamped "SAM, LLC" set for the northeast corner of the tract herein described, being in the east line of said 86.765 acre Schiller tract and the west line of said 97.593 acre Randolph tract, from which a 1/2-inch iron rod found for the northwest corner of said 97.593 acre Randolph tract bears N00°54'14"W, a distance of 36.72 feet;
- (6) **THENCE** S00°54'14"E, with east line of the tract herein described, the east line of said 86.765 acre Schiller tract, and the west line of said 97.593 acre Randolph tract, a distance of 156.95 feet to the **POINT OF BEGINNING** and containing 5.340 acres (232,613 square feet) of land, more or less.

NOTE: Basis of bearing is the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (NAD 83)(2007) with all distances adjusted to surface by project combined scale factor of 0.9999804020.

NOTE: Plat to accompany this legal description.

NOTE: All 5/8-inch iron rods set have a yellow cap stamped "SAM LLC."

I do certify on this 5th day of November, 2019, to Fidelity National Title Insurance Company and Tarrant Regional Water District, that a survey was made on the ground as per the field notes shown on this survey and is true and correct according to the standards of the Texas Society of Professional Surveyors Standards and Specifications for a Category 2, Condition (IV) Survey, and accurate as to the boundaries and areas of the subject property and the size, location and type of buildings and improvements, if any, and shows the location of all visible easements and rights-of-way and the rights-of-way, easements and other matters of record as listed in Schedule B of the Commitment for Title issued by Fidelity National Title Insurance Company, with an effective date of November 26, 2018, issued date of December 6, 2018 GF # FT-44122-9001221800297-LE affecting the subject property and listed in Exhibit "A-1" attached hereto.

Except as shown on the survey: (i) there are no visible encroachments upon the subject property by visible improvements on adjacent property, (ii) there are no visible encroachments on adjacent property, streets or alleys by any visible improvements on the subject property, and (iii) there are no visible conflicts or discrepancies.

This survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 2, Condition IV Survey



Michael A. Medina
Registered Professional Land Surveyor
No. 6692 State of Texas

SURVEYING AND MAPPING, LLC
Texas Firm Registration No. 10064300
1341 W. Mockingbird Lane
Suite 400W
Dallas, Texas 75247
241-631-7888

Dated: November 13, 2019

LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCING
- D.R.H.C.T. DEED RECORDS, HENDERSON COUNTY, TEXAS
- O.P.R.H.C.T. OFFICIAL PUBLIC RECORDS HENDERSON COUNTY, TEXAS
- SET 5/8" IRON ROD W/YELLOW PLASTIC CAP STAMPED "SAM LLC"
- FOUND IRON ROD AS NOTED

EXHIBIT "A"
PARCEL 1161

THOMAS HANNA
SURVEY
A-304

200' 100' 0 200'

GRAPHIC SCALE IN FEET
1" = 200'



PHILLIP JACKSON
LEAGUE
A-392

COUNTY ROAD 4515
(VARIABLE WIDTH RIGHT-OF-WAY)
(NO DEED OF RECORD FOUND)

P.O.R.
1/2" IRF

PAVEMENT
OVERHEAD
ELECTRIC LINE

P.O.B.
N:6,731,730.475
E:2,818,807.465
GRID

MATCHLINE SEE SHEET 5

N71°59'11"E 1,551.35'
PARCEL 1161
5.340 ACRES
232,613 SQ. FT.
S71°59'11"W 1,543.79'

**IPL PARCEL 1162
BRADLEY WARREN RANDOLPH
DOC. NO. 2018-00014765
O.P.R.H.C.T.
(REMAINING PORTION OF
CALLED 97.593 ACRES)

MARTIN F. SCHILLER AND
CECILIA G. SCHILLER
VOL. 2242, PG. 779
D.R.H.C.T.
(CALLED 86.765 ACRES)

N00°54'14"W 2,345.40'

W.D. COWAN SURVEY
A-150

B.B. SUBLETT SURVEY
A-719

LINE TABLE

NO	BEARING	DISTANCE
L6	S 00°54'14" E	156.95'
L7	N 00°54'14" W	36.72'

GENERAL NOTES:

1. SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT EXAMINED OR CONSIDERED AS A PART OF THIS SURVEY. NO STATEMENT IS MADE CONCERNING THE LOCATION OF ANY UNDERGROUND UTILITIES, WHICH MAY AFFECT THE USE, OR DEVELOPMENT OF THE SUBJECT AREA.

NOTE: LEGAL DESCRIPTION TO ACCOMPANY THIS PLAT

P.O.C.
1/2" IRF



1341 W. MOCKINGBIRD LANE
SUITE 400W
DALLAS, TEXAS 75247
(214) 631-7888
FAX: (214) 631-7103

FILE NAME: Parcel 1161.DGN
PROJ NO: 1018045677
SCALE: 1"=200'
DATE: 11/13/2019
DRAWN BY: MR
CHECKED BY: MM
REVISED DATE:

PRINTED ON:

11/13/2019
10:00 AM



SHEET TITLE

EXHIBIT "A"
SEGMENT 19-1, PARCEL 1161
MARTIN F. SCHILLER AND
CECILIA G. SCHILLER

PROJECT

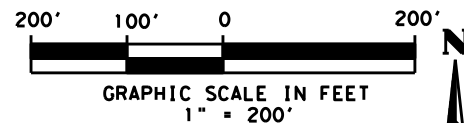
INTEGRATED PIPELINE PROJECT

BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM (NAD83) (2007) WITH ALL DISTANCES ADJUSTED TO SURFACE BY PROJECT COMBINED SCALE FACTOR 0.9999804020.

LEGEND

- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCING
- D.R.H.C.T. DEED RECORDS,
HENDERSON COUNTY, TEXAS
- O.P.R.H.C.T. OFFICIAL PUBLIC RECORDS
HENDERSON COUNTY, TEXAS
- SET 5/8" IRON ROD W/YELLOW
PLASTIC CAP STAMPED "SAM LLC"
- FOUND IRON ROD AS NOTED

**EXHIBIT "A"
PARCEL 1161**



LINE TABLE

NO	BEARING	DISTANCE
L1	S 71°59'11" W	1,543.79'
L2	S 82°24'21" W	5.58'
L3	N 01°45'17" W	147.10'
L4	N 02°34'37" E	8.31'
L5	N 71°59'11" E	1,551.35'

THOMAS HANNA SURVEY
A-304

B.B. SUBLETT SURVEY
A-719

COUNTY ROAD 4515
(VARIABLE WIDTH RIGHT-OF-WAY)
(NO DEED OF RECORD FOUND)

EAST TEXAS RANCH, L.P.
VOL. 2721, PG. 850
O.P.R.H.C.T.
(CALLED 21.606 ACRES)

COUNTY ROAD 4518
(VARIABLE WIDTH RIGHT-OF-WAY)
(NO DEED OF RECORD FOUND)

MARTIN F. SCHILLER AND
CECILIA G. SCHILLER
VOL. 2242, PG. 779
D.R.H.C.T.
(CALLED 86.765 ACRES)

**IPL PARCEL 1157
BRET A. TINNEY
AND JOYCE B. TINNEY
TRACT TWO
VOL. 2272, PG. 181
D.R.H.C.T.
(CALLED 10.0 ACRES)

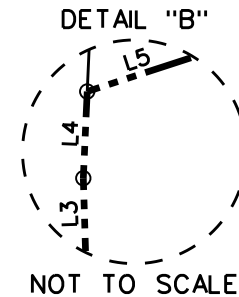
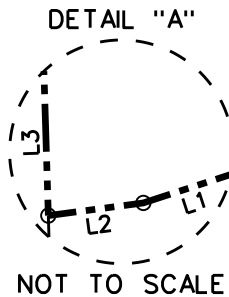
**IPL PARCEL 1157
BRET TINNEY AND
JOYCE TINNEY
DOC. NO. 2012-00008918
O.P.R.H.C.T.
(CALLED 13.336 ACRES)

DETAIL SEE
"B"

OVERHEAD
ELECTRIC
LINE

SEE
DETAIL "A"

TRANSMISSION LINE
EASEMENT CENTERLINE
NEW ERA ELECTRIC
COOPERATIVE, INV.
VOL. 1313, PG. 295
D.R.H.C.T.



MATCHLINE SEE SHEET 4

GENERAL NOTES:

1. SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT EXAMINED OR CONSIDERED AS A PART OF THIS SURVEY. NO STATEMENT IS MADE CONCERNING THE LOCATION OF ANY UNDERGROUND UTILITIES, WHICH MAY AFFECT THE USE, OR DEVELOPMENT OF THE SUBJECT AREA.

NOTE: LEGAL DESCRIPTION TO ACCOMPANY THIS PLAT



1341 W. MOCKINGBIRD LANE
SUITE 400W
DALLAS, TEXAS 75247
(214) 631-7888
FAX: (214) 631-7103

FILE NAME: Parcel 1161.DGN
PROJ NO: 1018045677
SCALE: 1"=200'
DATE: 11/13/2019
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CHECKED BY: MM
REVISED DATE:

PRINTED ON:

11/13/2019
10:00 AM



SHEET TITLE

EXHIBIT "A"
SEGMENT 19-1, PARCEL 1161
MARTIN F. SCHILLER AND
CECILIA G. SCHILLER

PROJECT

INTEGRATED PIPELINE PROJECT

BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM (NAD83) (2007) WITH ALL DISTANCES ADJUSTED TO SURFACE BY PROJECT COMBINED SCALE FACTOR 0.9999804020.

In addition, the General Manager or his designee is granted authority to execute all documents necessary to complete this transaction and to pay all reasonable and necessary closing and related costs. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

17.

With the recommendation of management, Director Lane moved to approve acceptance of the conveyance of real property located in the Edwards Ranch Clearfork Addition, City of Fort Worth, Texas.

Lot 1, Block SW-1, Edwards Ranch Clearfork Addition, a Subdivision located in the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded under Clerk's File No. D212292930, Real Property Records of Tarrant County, Texas (the "Clearfork Property"); and

Lot 1, Block SW-17, Edwards Ranch Clearfork Addition, an addition to the City of Fort Worth, Tarrant County, Texas (the "Cassco Property" and together with the Clearfork Property, the "Property").

The Board approved payment of expenses associated with the conveyance of the Property to TRWD, including the Landowners' reasonable attorneys' fees in an amount not to exceed \$3,000 in the aggregate. Director Hill seconded the motion and the vote in favor was unanimous.

18.

The Board of Directors requested a future discussion of the public comment section of the recently adopted Board Governance Policy.

19.

The next board meeting was scheduled for November 16, 2021 at 9:00 a.m.

20.

There being no further business before the Board of Directors, the meeting was adjourned.

President

Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: November 16, 2021

SUBJECT: Consider Approval of Contract with Twin City Security, Inc. for Security Services at LaGrave Field

FUNDING: Fiscal Year 2022 Recreation Fund - \$177,572

RECOMMENDATION:

Management recommends approval of an annual contract **in an amount not-to-exceed \$177,572** with Twin City Security, Inc. for security services at LaGrave Field. The Contract provides an option to renew for up to four additional one year periods.

DISCUSSION:

LaGrave Field is a baseball venue owned by Tarrant Regional Water District. It is located at 301 NE 6th St. Fort Worth, TX 76164.

Security services are necessary to guard against criminal activity and to prevent additional vandalism of the facility.

The contract with Twin City Security, Inc. will provide one on-site security guard 24 hours a day, 7 days a week for a period of one year beginning December 10, 2021 and ending December 9, 2022.

Bids were advertised as per statute, and bid packets were distributed to various vendors. Twin City Security, Inc. submitted the lowest conforming bid. The evaluation sheet is attached.

All work will be self-performed, therefore there is no diverse business participation for this project.

This item was reviewed by the Construction and Operations and Committee on November 12, 2021.

Submitted By:

Darrell Beason
Chief Operations Officer



Bid Tabulation

ITB No.

22-018

Description

LaGrave Field Site Security

Due Date and Time

November 2, 2021 at 2pm

Company Name	Unarmed Guard Marked Vehicle	Armed Guard Marked Vehicle
Twin City Security, Inc.	\$ 177,572.00	\$ 190,885.00
Star Point Security, LLC	\$ 202,800.00	\$ 214,800.00
Applied Operations Security	\$ 220,923.80	\$ 249,436.80
Metropolitan Security Services Inc. Walden Security	\$ 246,853.02	\$ 283,906.58
S&S Management Group, LLC GuardOne Security	\$ 253,056.00	\$ 270,528.00

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: November 16, 2021

SUBJECT: Consider Approval of Contract with Insituform Technologies, LLC/Fibrwrap Construction Services, Inc. for Repair of One Segment of 72" Cedar Creek Pipe

FUNDING: Fiscal Year 2022 Revenue Fund Budget - \$150,000

RECOMMENDATION:

Management recommends approval of a contract **in the amount of \$163,150** with Insituform Technologies, LLC/Fibrwrap Construction Services, Inc. for repair of one segment of 72" pre-stressed concrete cylinder pipe.

DISCUSSION:

The District targets segments for repair that are identified through the Pipeline Integrity Program. Most repairs are made by excavation and replacement of a segment of pipe. Some require more substantial efforts such as a carbon fiber repair due to location. This repair is made internally and brings the pipe back to original design strength.

The location of one segment in need of repair this year falls in an area that is not conducive to open cut replacement. The location is under Cagle Crow Road in Mansfield, TX.

The Competitive Sealed Proposal was advertised as per statute. Two proposals were received. Insituform Technologies, LLC/Fibrwrap Construction Services, Inc. was the highest evaluated and lowest price offeror that will provide the best value for the District. The evaluation sheet is attached.

All work will be self-performed therefore there is no diverse business participation for this project.

This item was reviewed by the Construction and Operations Committee on November 12, 2021.

Submitted By:

Darrell Beason
Chief Operations Officer



EVALUATION TABULATION

21-144 Cedar Creek CARBON Fiber Lining - Cagle Crow Road

Technical Quality Criteria	Total Points Available	Insituform Technologies, LLC dba Fibrwrap Construction Services	Structural Preservation Systems, LLC
Price	40.00	40.00	21.65
Prior Successful Experience (including references)	30.00	22.50	22.50
Completeness of Proposal Submitted	15.00	12.19	10.31
Available Resources and Experienced Staff to Meet Project Quality and Schedule Requirements	15.00	13.13	9.38
Total	100.00	87.81	63.84

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: November 16, 2021

SUBJECT: Consider Approval of Contract with Robinson Taylor Industries LLC for Maintenance and Technical Services for HVAC Equipment

FUNDING: Fiscal Year 2022 Revenue Fund Budget - \$113,286.98

RECOMMENDATION:

Management recommends approval of a contract **in the amount of \$113,286.98** with Robinson Taylor Industries LLC (RTI) for preventative heating, ventilation and air conditioning (HVAC) equipment maintenance plus contractually established rates for unscheduled repairs (see attached bid tabulation). The initial contract period is from November 16, 2021 to September 30, 2022 with options to renew for four additional one year periods.

DISCUSSION:

The HVAC contract provides all work, services, technical expertise, materials and/or supplies normally associated with maintenance of all HVAC units for the District's pumping facilities. The base annual amount for preventative maintenance is \$113,286.98. The contract also establishes rates for repairs at \$95 per field hour during normal working hours, \$142.50 per field overtime hour, and a material markup of 20%.

Bids were advertised per statute, and bid packets were distributed to various vendors. RTI was the lowest conforming bidder. The District has used RTI for approximately two years with no outstanding issues. The evaluation sheet is attached.

Robinson Taylor Industries, LLC is not a certified diverse business vendor and no certified diverse business subcontractors or suppliers are available for this project.

This item was reviewed by the Construction and Operations Committee on November 12, 2021.

Submitted By:

Darrell Beason
Chief Operations Officer



Bid Tabulation

ITB No.

22-024

Description

HVAC Preventative Maintenance at District Pump Stations

Due Date and Time

November 3, 2021 at 2:00PM

Company Name	Bid Amount	Hourly rate for repairs during regular hours	Hourly rate for repairs after hours	Percent Mark Up
Robinson Taylor Industries	\$113,286.98	\$95.00	\$142.50	20%
Berger Engineering	\$126,672.00	\$85.00	\$127.50	25%
Denali CS	\$128,762.00	\$75.00	\$112.50	20%

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: November 16, 2021

SUBJECT: Consider Approval of Contract with Bar Constructors, Inc. for Construction of Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a contract **in the amount of \$40,505,600** with Bar Constructors, Inc. for the construction of the Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications.

DISCUSSION:

Construction activity to expand and optimize the Kennedale Balancing Reservoir will continue with this contract. The first two phases – 108-inch diameter Bypass Piping and the Foundation for the 3rd Storage Basin are complete. This third phase of construction, expected to be completed by July 2024, involves the installation of 120-inch diameter flow-through inlet and outlet piping for the existing two storage basins. It also includes approximately 8,650 linear feet of steel pipe in various diameters ranging from 54-inch to 120-inch encased in concrete along with valve connections to the Cedar Creek, Richland Chambers and Integrated Pipeline pipelines that supply the Kennedale Balancing Reservoir. Two large concrete splitter box weirs will be removed, and current leakage attributed to existing storage basin inlets plugged. Enhanced operational flexibility and improved water quality will also result. The final remaining phase, expected to begin in 2025, will be to construct the new 165 million-gallon third storage basin at the Kennedale Balancing Reservoir providing additional emergency storage and optimized time of day operational capability.

On October 21, 2021 competitive sealed proposals were received from two offerors. The proposals were evaluated by an internal project selection team staffed from District management. Scoring by the selection team was made on the basis of review of proposals and reports provided from District staff familiar with the performance and current availability of the construction companies submitting proposals. The selection team determined that Bar Constructors, Inc. submitted the proposal that provides the best value to the District, being also the lowest cost of the proposals received. The District has a positive working experience with Bar Constructors, Inc. from the quality of work provided on the Kennedale Balancing Reservoir Bypass Piping and several Integrated Pipeline (IPL) Projects.

The recommendation letter from the design engineer, Freese and Nichols and the offeror selection worksheet are attached.

Bar Constructors, Inc., a certified Diverse Business vendor, will be self-performing 44.59% of available work on this contract. Proposed subcontracted Diverse Business participation is 4.75%. Total proposed Diverse Business participation of 49.34%.

This item was reviewed by the Construction and Operations Committee on November 12, 2021.

Submitted By:

Jason Gehrig, P.E.
Director of Infrastructure Engineering

November 3, 2021

Donna Stephens, PMP
Tarrant Regional Water District
808 E Northside Dr
Fort Worth, TX 76102

Re: Recommendation to accept proposal from BAR Constructors, Inc.
CSP-21-147 KBR Yard Piping and Inlet and Outlet Modifications

Dear Donna:

The Tarrant Regional Water District received two competitive sealed proposals on October 21, 2021 in response to the request for proposals for CSP-21-147 KBR Yard Piping and Inlet and Outlet Modifications.

After reviewing the proposals, Freese and Nichols, Inc. recommends that the District accept the proposal from BAR Constructors, Inc.

Sincerely,



^{11/03/21}
Charles H. Erwin, P.E., CCM
Associate

**KBR Yard Piping and Inlet and Outlet Modifications
 Offeror Selection Worksheet
 Tabulation of Scoring**

Owner's Construction Budget	\$40,000,000.00			
Lowest Proposed Contract Price	\$ 40,505,600.00			
Highest Proposed Contract Price	\$ 41,379,001.00			
Item	Criteria	Points	BAR	Thalle
A	Proposed Contract Price and Contract Time			
	Proposed Contract Price (includes alternates and allowances)		\$40,505,600.00	\$41,379,001.00
	Difference between amount offered and low offer		\$ -	\$ 873,401.00
		40	40.0	39.2
B	Contractor's Approach to the Project and Contract times	20	19.5	17.5
C	Experience / past performance of Offeror	20	20.0	16.3
D	Experience and qualifications of proposed key personnel	20	20.0	18.5
Total Points			99.5	91.4

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: November 16, 2021

SUBJECT: Consider Approval of Contract Amendment with Freese and Nichols, Inc. for On-Site Construction Representation Services for the Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications Construction

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a contract amendment **in an amount not-to-exceed \$2,834,662** with Freese and Nichols for construction representation services for the Kennedale Balancing Reservoir yard piping and inlet and outlet modifications. With this amendment, the contract price with Freese and Nichols for design, bid and construction services related to the Kennedale Balancing Reservoir Expansion project is raised to \$13,157,212.

DISCUSSION:

Construction activity to expand and optimize the Kennedale Balancing Reservoir will continue with this third phase. The first two phases – 108-inch diameter Bypass Piping and the Foundation for the 3rd Storage Basin are complete. This third phase of construction involves the installation of 120-inch diameter flow-through inlet and outlet piping for the existing two storage basins. It also includes approximately 8,650 linear feet of steel pipe in various diameters ranging from 54-inch to 120-inch encased in concrete along with valve connections to the Cedar Creek, Richland Chambers and Integrated Pipeline pipelines that supply the Kennedale Balancing Reservoir. Two large concrete splitter box weirs will be removed, and current leakage attributed to existing storage basin inlets plugged. Enhanced operational flexibility and improved water quality will also result. The final remaining phase will be to construct the new 165 million-gallon third storage basin at the Kennedale Balancing Reservoir providing additional emergency storage and optimized time of day operational capability.

With this contract amendment, Freese and Nichols will provide experienced construction representatives on the project site for the duration of the construction to ensure a quality installation. This work is expected to begin December 2021 with submittal reviews and project coordination. Construction will follow and is scheduled to conclude by July 2024.

Freese and Nichols will be utilizing Diverse Business subconsultants for a total Diverse Business proposed participation of 21%.

This item was reviewed by the Construction and Operations Committee on November 12, 2021.

Submitted by:

Jason Gehrig, PE
Director of Infrastructure Engineering

SCOPE OF SERVICES

KBR Yard Piping and Inlet and Outlet Modifications Construction Phase (4E & 5E) Support Services
CSP-20121 (TCW12234B)

OBJECTIVE

To provide Bid Phase services (see scope Section 1) and Construction Phase support services, including Construction Management services (see scope Section 2) and General Representation (see scope Section 3) services, as part of the Owner's Project Team for the KBR Yard Piping and Inlet and Outlet Modifications project construction phase. Construction related processes and procedures established on the IPL will serve as the basis for this project. The fee for these construction phase services is based on an anticipated construction duration of thirty (30) months. Services for longer construction durations are an additional service. For a shorter construction duration, the fee may be adjusted but may not be reduced if the accelerated construction schedule required additional effort to administer the construction contract. The anticipated period of performance for the services described in this exhibit is from December 1, 2021 to June 30, 2024.

SECTION 1 – TASK 4E- BID PHASE SERVICES

- 1.01 Provide the following service to assist Owner in selecting and contracting with a Contractor to construct the project. Assist Owner in securing proposals using a Competitive Sealed Proposal procurement.
 - A. Assist Owner by responding to questions and interpreting Contract Documents. Prepare responses to bidder questions and for addenda and changes to Contract Documents for Owner to post to Website.
 - B. Assist owner in conducting a pre-offer conference for the project. Prepare and present an overview of the construction expectations. Address comments and questions resulting from the conference. Prepare responses for addenda and changes to Contract Documents after the Pre-bid Conference.
 - C. Assist Owner in analyzing the offers received. Review the offers to determine if they are responsive to the Request for Proposals. Rank Contract Prices offered in responsive bids to determine if they meet the minimum qualifications set forth in the Contract Documents and are considered responsible. If not determined to be responsible, repeat the process with the next most highly ranked responsive offeror. Determine the responsive and responsible Offeror that provides the best value to the Owner. Recommend award of contract or other actions as appropriate to be taken by Owner.
 - D. Conform Contract Documents for execution by incorporating information from the selected Offer and their surety into the Contract Documents. Print ten sets of conformed Contract Documents. Five copies will be used as working documents during construction of the project. Two copies of these conformed documents are provided to the Owner, two sets are to be used by FNI and one copy is to be provided to the contractor for use in maintaining project record documents.

SECTION 2 – PROJECT CONSTRUCTION MANAGER AND RESIDENT REPRESENTATIVE SERVICES

2.01 Project Construction Management (PCM)

- A. A part-time Construction Manager will manage and administer the day-to-day requirements of the project.
- B. Construction Manager serve as the liaison between the construction contractors and the OPT. The Construction Manager provides leadership to the assigned Field Staff in the performance of their duties and manages the administrative efforts required to support the OPT's responsibilities during the project. In performing these services, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for the supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.
- C. Primary roles and responsibilities of Construction Manager includes the following:
 - 1. Serve as the primary point of contact, with primary responsibility for construction contract administration and quality assurance.
 - 2. Provide direction, leadership, and manage the efforts of the Resident Representative.
 - 3. Manage the quality of services provided by Resident Representative to determine that their duties are performed in a timely manner and in accordance with processes and procedures.
 - 4. Observe construction activities for conformance to the Contract Documents.
 - 5. Serve as a backup Resident Representative or reallocate resources to cover a project when a Resident Representative must be away from the project site.
 - 6. Work directly with the Owner to coordinate construction activities with the District's operations.
 - 7. Conduct monthly progress meetings and report on project progress.
 - 8. Provide periodic observation of construction on the project site to determine that construction is in conformance with Contract Documents. Three visits assumed per week. Assist in implementing changes to policies or procedures to incorporate improvements.
 - 9. Work with contractors to resolve any issues or disputes related to construction. Support the Owner in the resolution of any disputes or claims that cannot be resolved at the project level.
 - 10. Work with contractors and Property Owner Coordinator to resolve issues with Property Owners.
 - 11. Recognize risk elements of the risk management plan and initiate countermeasures as directed.

12. Manage the efforts of materials testing laboratories and specialty observers assigned to this project.
13. Coordinate with document management staff to verify that all documentation is filed in accordance with District standards, practices, and procedures.
14. Conduct project team coordination meetings monthly or as often as necessary to discuss and resolve issues relating to the management of the project. Document the meetings and record action items assigned to project team members. Project team members may include OPT and construction contractor staff.
15. Prepare the memorandum to the Board of Directors recommending acceptance for the project and the Notice of Completion.
16. Administer Construction Contracts:
 - a. Prepare project documentation in accordance with the District's Construction Management standards.
 - b. Manage the receipt, logging, control, tracking, and timely processing of all project documents using the District's PMIS.
 - c. Attend and represent the District at weekly coordination meetings.
 - d. Review Shop Drawings received from the contractor for conformance with the Contract Documents' requirements and specifications. Work directly with project designers to see that documentation and submittals provided are adequate and timely. Determine that design issues related to requests for information on construction documents, shop drawing reviews and contract modifications are adequately addressed.
 - e. Provide written comments on Shop Drawings and return to the construction contractor. Coordinate required reviews of Shop Drawings with project team personnel. Distribute Shop Drawings to appropriate reviewers.
 - f. Review and respond to contractor Request for Information. Distribute requests to appropriate staff, and design engineers when applicable and coordinate timely response. Review answers and prepare formal response to contractor pursuant to established Contract Document protocols.
 - g. Prepare notices of defective work. Coordinate the resolution of non-compliant work with the contractor, and the District. Document and follow up on non-conforming work to determine that acceptable correction of defects is accomplished.
 - h. Initiate and review field orders to the contractor. Record the changes in the record contract documents.
 - i. Coordinate evaluation of product substitution requests with District staff, and design consultant.
 - j. Administer and manage resolution of day-to-day construction issues. Coordinate with the District, design consultant and construction contractor on technical issues and concerns. Work to resolve disputes at the project level and keep Owner's Project Team informed of issues.

- k. Review schedules presented in accordance with the Contract Documents.
- l. Review and coordinate approval of a Schedule of Values. Provide monthly updates of project cash flow curves and data to the District. Conduct monthly schedule and progress payment meetings with the construction contractor. Work with the contractor to have pay requests ready for District processing in accordance with the Contract Documents. Determine that documentation required for measurement for payment of work is in place.
- m. Implement the Change Management process in accordance with the Contract Documents. Prepare Requests for a Change Proposals for District initiated changes to the work. Respond to contractors Change Proposals. Prepare written justification statements and include cost estimates for each Change Proposal. Include a description of the background explaining the reason for the change; resolution alternatives and resolution recommendation for action by the District. Prepare and submit Contract Modifications in accordance with the Contract Documents. Change Orders and Contract Amendments require approval from the District.
- n. Public Relations Services.
 - 1). Coordinate with and provide project information to the District's public outreach group and/or contractor retained for public relations services.
 - 2). Document all inquiries or complaints in accordance with requirements of District's public outreach group.
 - 3). Attend public meetings or other meetings as requested.
 - 4). Assist the District's public outreach group and/or contractor retained for public relations services with conducting tours of the project site for District and contractor staff, the public, District's Board of Directors, County Commissioners and others as requested.
 - 5). Coordinate media activities scheduled or emergency related, with the public outreach group and/or contractor retained for public relations services. Follow the guidelines established by the public outreach group for working with the media.
 - 6). Investigate claims for damages by private parties and prepare a report outlining the details of the claim. Include an estimate of associated cost.
- o. Coordinate all necessary pipeline and facility shutdowns with the contractor and District's Operations and Maintenance Department.
- p. Maintain a working set of record documents. Determine that measurements required for record documents are taken before work is covered.
- q. Take photographs to document differing site conditions, change order and claim items, and any special or unique conditions as they arise.
- r. Manage project completion activities as required by the Contract Documents.
- s. Manage the process of closing out the construction contract.

- t. Recommend acceptance of the work in writing in preparation of issuance of the Certificate of Substantial Completion, recommendation to the Board, Notice of Completion, and the District's Internal Notice of Completion.
- u. Prepare final change orders as required. Classify and summarize the change orders and include in the final construction summary report.
- v. Prepare an Internal Notice of Completion addressed to the District's Operations and Maintenance Department.
- w. Provide support to safety reporting to District personnel as required.

2.02 Resident Representatives

1. A full-time resident representative will be provided for the duration of construction. An additional resident representative will be provided for the compacted fills on the embankments (with a 14-month anticipated duration).
2. Observe construction activities for conformance to the Contract Documents as directed by the Construction Manager.
3. Primary roles and responsibilities of Resident Project Representatives include the following:
 - a. Observe the work to verify compliance with the Contract Documents. Inform the Contractor of work that does not comply with the requirements of the Contract Documents. Report defective work to the Resident Engineer so payment can be withheld until corrective work has been completed. Report the status of corrective work and determine that defective work is corrected before payment is made.
 - b. Record the delivery of materials to the site and inspect the materials for apparent defects. Work with the Resident Engineer to provide additional testing as required to resolve any concerns about materials as delivered.
 - c. Review survey data and procedures to see that line, grade, and locations have been properly established, and that they are followed during construction.
 - d. Prepare Daily Construction Reports. Include project photographs to depict work in progress and in place. File additional photographs in the Document Management System.
 - e. Make periodic estimates of the quantity of construction completed.
 - f. Take construction documentation photographs. Take additional photographs to document differing site conditions, change order and claim items, and any special or unique conditions as they arise.
 - g. Support TRWD GIS in the collection of GPS coordinates of work in place to assist with development of real time as-built drawings. Owner will provide collection equipment and training.

**SECTION 3 – TASK 5E- CONSTRUCTION PHASE ENGINEERING SERVICES (GENERAL REPRESENTATION)
FOR KBR YARD PIPING AND INLET AND OUTLET MODIFICATIONS**

- 3.01 Provide Construction Phase Engineering Services (General Representation) for the completion of the KBR Yard Piping and Inlet and Outlet Modifications. Activities include:
- A. Meet with the OPT prior to the pre-construction conference to prepare for the pre-construction conference.
 - B. Participate in a pre-construction conference with the OPT and Contractor. Be prepared to participate in discussions related to the following:
 - 1. Shop Drawing requirements and Shop Drawing workshops,
 - 2. Receiving and installation of Owner furnished equipment,
 - 3. Special construction requirements and pre-installation workshops, and
 - 4. Coordination of shutdowns of existing facilities,
 - C. Participate in monthly progress meetings with the Contractor. Discuss Contractor's progress to date, planned efforts for the coming month, status of submittals, proposed contract modifications and any issues or concerns that need to be addressed to allow construction of the project to progress.
 - D. Review Contractor's submittals in accordance with the requirements of the Contract Documents as requested by the PCM.
 - E. Review Project Decision Register and Action Item Register prior to each meeting. Report discrepancies in the Project Decision Register to the PCM. Update the status on Action items at least two days before meetings.
 - F. Make monthly site visits in conjunction with monthly progress meetings or as appropriate to the stage of construction to the site (as distinguished from the continuous services of a Construction Manager) to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Contract Documents. In this effort FNI will endeavor to protect the Owner against defects and deficiencies in the work of Contractors and will report any observed deficiencies to Owner.
 - G. Make additional site visits to observe material and means demonstrations for soil cements, embankment fills, pipe laying and backfill, cathodic protection, and as requested by the OPT.
 - H. Notify the contractor of non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Contract Documents.
 - I. Review reports of testing laboratories for quality control of the Project.
 - J. Interpret the drawings and specifications for Owner and Contractor.
 - K. Review contract modification requests and the cost and time impacts of these changes. Prepare documentation for design changes.
 - L. Receive and evaluate notices of contractor claims and make recommendations to the Owner on the merit and value of the claim on the basis of information submitted by the Contractor or available in project documentation.

- M. Assist PCM in conducting a final review of the Project for conformance with the design concept of the Project and general compliance with the Contract Documents with the Owner. Review the list of deficiencies to be corrected by the Contractor in accordance with the Contract Documents.
 - 1. Participate in a review of the project when requested to determine if the project is substantially complete. Reviews will be conducted on the Contract date for Substantial Completion to determine the status of the Project on that date. A second review will be conducted if the Project is not substantially complete on the Contract Substantial Completion date at the date the Contractor call for the Substantial Completion Review. Assist the PCM in preparing the list of items required for the project to be considered as substantially complete on each review of the project.
 - 2. Participate in a review of the project when requested to determine if the project is finally complete. Assist the PCM in preparing the list of items required for the project to be considered as finally complete. Participate in a second review if requested by the PCM.
 - 3. Provide substantial completion and final completion reviews of Work to be accepted under the partial utilization provisions of the Contract.
- N. Provide Record Drawings that include construction phase modification data from Contractor and PCM with as-builts and redlines. Adding RTAB data to the sheets is not included.

SECTION 4 – SERVICE PROVIDED BY TRWD

- 4.01 The following services have been provided through FNI on previous projects or phases, but for this scope will be provided by TRWD:
 - A. Factory witness testing
 - B. Plant inspection of pipe fabrication
 - C. Construction materials testing (CMT) (concrete, flowable fill, earth fill classification & compaction)
 - D. Inspection of field welding
 - E. Cathodic protection commission and startup (installation observation will be provided by FNI)
 - F. I/O Checkout

SECTION 5 – SERVICES NOT INCLUDED

- A. Lessons learned memorandum

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 9

DATE: November 16, 2021

SUBJECT: Consider Approval of Task Orders for Construction Materials and Inspection Testing Services with Accurate Inspections, Inc., Kleinfelder, Inc., and Steel Inspectors of Texas for the Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications Construction

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a task order for construction materials and inspection testing services **in an amount not-to-exceed \$315,073** with Accurate Inspections, Inc., **in an amount not-to-exceed \$344,825** with Kleinfelder, Inc., and **in an amount not-to-exceed \$107,380** with Steel Inspectors of Texas for the Kennedale Balancing Reservoir Yard Piping and Inlet and Outlet Modifications Construction Project.

DISCUSSION:

Construction activity to expand and optimize the Kennedale Balancing Reservoir will continue with this third phase. The first two phases – 108-inch diameter Bypass Piping and the Foundation for the 3rd Storage Basin are complete. This third phase of construction, expected to be completed by July 2024, involves the installation of 120-inch diameter flow-through inlet and outlet piping for the existing two storage basins. It also includes approximately 8,650 linear feet of steel pipe in various diameters ranging from 54-inch to 120-inch encased in concrete along with valve connections to the Cedar Creek, Richland Chambers and Integrated Pipeline pipelines that supply the Kennedale Balancing Reservoir. Two large concrete splitter box weirs will be removed, and current leakage attributed to existing storage basin inlets plugged. Enhanced operational flexibility and improved water quality will also result. The final remaining phase will be to construct the new 165 million-gallon third storage basin at the Kennedale Balancing Reservoir providing additional emergency storage and optimized time of day operational capability.

Construction Materials and Inspection Testing Services will be required as follows:

1. Pipe manufacturer audit and inspection services, construction site audits/inspection services with respect to the pipe installation/assembly, and field welding and lining inspection services by **Accurate Inspections, Inc.** In 2018, the District solicited professional services qualifications from materials testing and inspection firms for Non-Destructive Factory Support during Fabrication of Steel

Pipe. District staff determined Accurate Inspections, Inc. to be the most qualified for this work.

2. Concrete, pipeline trench and backfill, and embankment earthwork and backfill inspection and testing throughout construction are necessary for quality control and quality assurance and will be performed by **Kleinfelder, Inc.** In February 2020, the District solicited professional services qualifications from materials testing and inspection firms for Soils Compaction, Concrete and Hot Mixed Asphalt Concrete (HMAC) Testing. District staff determined Kleinfelder, Inc and three additional companies to be the most qualified. All four companies are on a rotation list and Kleinfelder is next on the list.
3. Pipe field weld inspection is needed to monitor the quality of pipe installation during construction and will be performed by **Steel Inspectors of Texas.** In February 2020, the District solicited professional services qualifications from materials testing and inspection firms for Field Certified Welding Inspections. District staff determined Steel Inspectors of Texas and two additional companies to be the most qualified. All three companies are on a rotation list and Steel Inspectors of Texas is next on the list.

Accurate Inspections, Inc. and Steel Inspectors of Texas will be performing all work and are certified Diverse Business firms. Total proposed Diverse Business participation for this project will be 55.06%. There is no opportunity for subcontracting participation.

This item was reviewed by the Construction and Operations Committee on November 12, 2021.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

EXHIBIT A



Date: October 25, 2021 (Rev. 1)

Donna Stephens

Tarrant Regional Water District
808 East Northside Drive
Fort Worth, Texas 76102

Subject: Proposal for Manufacturing/Pipe Installation Inspection & Testing Services

Project(s): RFSOQ 18-071 Task Order #8 - Kennedale Balancing Reservoir Yard Piping and Inlet & Outlet Modifications

Dear Ms. Stephens:

Enclosed you will find the requested revised proposal for inspection services associated with the above referenced project. Included in this proposal are estimated costs associated with pipe manufacturing audits and inspections services, construction site audits/inspections with respect to pipe installation/assembly, field welding, and field lining inspection processes.

This proposal is based on an estimated manufacturing/installation time frame from November 2021 thru November 2023. The noted costs on the attached KBR Cost Summary include all travel expenses to and from the pipe fabricators manufacturing facility (within the United States) and the installation site near Dallas/Fort Worth Texas area. The services noted can be increased or decreased by the owner based on project demands at the individual costs noted. Project Management support, i.e., RFI/Meetings/Conference Calls/Document Review process, has been added.

If awarded this project, all invoicing will be as noted per the attached Accurate Inspections 2021-2023 price list and KBR Cost Summary. All labor rates are subject to rate increase starting on the first day of each new year starting January 1, 2022 thru the duration of this project/proposal. Travel expenses will be billed at cost with no markup.

Services provided by Accurate Inspections will be manufacturing/pipe installation random inspections and audits related to the fabricated pipe and fittings for this project. This will include submittal review as

Accurate Inspection, LLC
11581 Hudson Street, Thornton Colorado, 80233
720.641.3731

requested, verification of pipe and fittings manufactured in accordance with the project specifications and the approved shop drawings, that the specified non-destructive testing of factory welds are/were performed correctly on all weldments by the manufacturer, and that the internal lining and external coating (if any) was applied in accordance with the referenced specification and standards. Crotch Plate Fittings will be inspected at various manufacturing Hold Points such as, fabrication fitup and assembly, welding, stress relieving process (when required for crotch plate thickness greater than 1.5-inches), and wire mesh attachment for cement mortar lining process.

If there are any questions or other items you would like me to consider, please do not hesitate to contact me. Thank you for this opportunity to offer you this proposal. I look forward to working with you on this interesting project.

Sincerely,

Accurate Inspections, LLC



Billy J Fields

AWS Senior Certified Welding Inspector #17100068

AWS Certified Welding Supervisor #0902004S

NACE Certified Coating Inspector #7866

Attachments: KBR Cost Summary

Accurate Inspections, Inc. 2021 thru 2023 Price List

Cc: None

KBR Cost Summary

Date: October 25, 2021
 Customer: Tarrant Regional Water District
 Project: RFSOQ 18-071 Task #8

Task Order #	Discription	Quantity	Cost/Trip	Total Cost
1	AI Project Management	1	\$34,800	\$34,800
2	RC Priority Line #2	4	\$9,735	\$38,940
3	CC Priority Line #3	5	\$9,735	\$48,675
4	CC Priority Line #4	3	\$9,735	\$29,205
5	CC Priority Line #5	3	\$9,735	\$29,205
6	RC Priority Line #6	6	\$9,735	\$58,410
7	KBR Bypass Priority #7	2	\$9,735	\$19,470
8	CC Priority Line #8	2	\$9,735	\$19,470
9	RC Priority Line #9	2	\$9,735	\$19,470
10	Jobsite Inspections/Auditing	2	\$2,655	\$5,310
11		0	\$0	\$0
12		0	\$0	\$0
13		0	\$0	\$0
14				\$0
15				\$0
Accurate Inspections Totals =				\$302,955
Sub Contractor BMX Integrety Totals =				\$0
Inspection/Auditing Totals =				\$302,955
4% Sub Contractor Labor Markup =				\$0.00
Optional Owner's Supplemental Services Total =				\$12,118
Project Totals =				\$315,073

Accurate Inspections, Inc.

2021 thru 2023 Price List

Regular Hourly Rate	\$105.00/HR (Year 2021)
	\$110.00/HR (Year 2022)
	\$115.00/HR (Year 2023)
Company Vehicle Charge (If Used)	\$35.00/Day plus Current IRS \$\$ Rate/Mile
Testing Equipment	\$55.00/Day (Year 2021)
	\$60.00/Day (Year 2022)
	\$65.00/Day (Year 2023)
Travel Expenses	At Cost
Consumables for Test Equipment	At Cost
Authorized Laboratory Testing	At Cost

Note:

- Minimum 4 hour show up time.
- All travel expenses are charged at actual cost. A Per Diem rate can be provided in lieu of actual cost billing for expenses.
- Any additional project expenses, (included but not limited to all testing consumables such as Test-X Surface Profile Tape, Soluble Salt Test Kits, PH Testing, Blotter Testing Paper, and so forth) will be charged at actual costs to the project.
- Time starts portal to portal.
- Accurate Inspection Invoices are to be paid within 30 days of receipt of invoice.

Authorized Agent: _____

Date: _____

Accurate Inspections Rep.: Karen Fielder

Date: 11/2/2021



November 2, 2021
Kleinfelder Proposal No.: DFW21P125816R1

Ms. Donna Stephens
Tarrant Regional Water District
804 East Northside Drive
Fort Worth, Texas 76102

**Subject: Proposal for Construction Observation and Materials Testing Services
TRWD – Kennedale Balancing Reservoir Phase 3
Kennedale, Texas**

Dear Ms. Stephens,

Kleinfelder is pleased to submit this proposal to for construction materials testing and/or observation services for referenced project. Testing activities detailed below will be in accordance with Kleinfelder's selection to provide services for soils and concrete activities. We have based this proposal on our discussions with you and our understanding of your project needs. At this time, we understand that the project activities will generally consist of:

- Over-excavation of pipeline trenching for the new inlet and outlet lines at reservoir Cell 1 and Cell 2
- Concrete encasement over various portions of the pipelines
- Pipeline backfill consisting of compacted embedment aggregates and/or native soils
- Reinforced concrete inlet and outlet structures, vaults and other miscellaneous structures
- Earthwork for backfill of embankment slopes, onsite access roads

SCOPE OF SERVICES

The following scope of services is based, in part, on discussions with TRWD and project plans and specifications and is limited to providing testing and/or observations for the previously mentioned construction activities. We understand that the overall project schedule is anticipated to last for approximately 2.5 years and will occur in various phases of sequencing. Currently, we are planning on staffing the project with a part-time field technicians, on a call-out basis. Additional support technicians can be utilized as needed on a part-time basis to support periods of significant construction activities. Our services will be performed as scheduled by your designated representatives of the District and/or the general contractor. *To most effectively serve the client and facilitate the construction process, our services should be scheduled at least 24-hour in advance. We understand that the construction process incorporates a large degree of variability and as such, we will do our best to accommodate scheduling calls made on the same day as our services are needed but we cannot guarantee that we can satisfy service requests made on the same day as the services are needed to be performed.*

The following describes the general scope of construction materials observation and testing activities which are anticipated for the project.

Project Management and Administration

- Provide coordination and review of construction materials observation and testing services throughout duration of construction
- Attend project meetings, as requested/required by the District to facilitate project coordination and/or address any construction materials testing issues
- Provide review of daily field and laboratory testing reports and distribution to required project team members

Earthwork

Perform earthwork observation and testing services including:

- Obtain field samples and perform laboratory moisture/density relations tests (standard Proctor- ASTM D698) and soil classification tests (liquid limit, plastic limit and percent finer than no. 200 sieve analysis) for each soil type encountered during the construction process (native soils, proposed fill soils and lime-treated materials, if applicable).
- Perform in-place nuclear moisture/density tests at the frequencies stated in the project specifications, unless otherwise directed by the client.
- Perform sieve analysis of proposed backfill aggregates, if applicable.

Cast-In-Place Concrete and Mortar/Grout

Perform field testing and observation services during concrete placement events for the following structural and onsite concrete elements. These concrete field testing and observation services will include:

- Sample concrete and flowable fill at frequencies shown in project specifications or as requested by the client; assumed frequency of 1 set of 5 cylinders per 100 CY
- Determination of: ambient air and concrete temperature, slump and entrained air content.
- Cast concrete sample cylinder sets at anticipated frequency of one set of cylinders per 100 CY for each type of concrete placed. A concrete sample set will consist of 4 cylinders (if 6"x12") or 5 cylinders (if 4"x8"). Additional samples can be cast if approved by the client.
- Concrete compressive strength tests will be performed on sample cylinders as follows: 6"x12" cylinders = one tested at 7 days, two tested at 28 days and one retained as "hold"; 4"x8" cylinders = one tested at 7 days, three tested at 28 days and one retained as "hold". The "hold" specimen will be utilized in the event that additional testing is required or if the 28-day design strength is not met.
- Flowable fill compressive strength tests will be performed on sample cylinders as follows: 3"x6" cylinders = one tested at 7 days, two tested at 28 days and one retained as "hold"
- Mortar/Grout compressive strength tests will be performed on sample cylinders or cubes as follows: one tested at 7 days, two tested at 28 days and one retained as "hold"
- Additional compressive strength samples may be cast for early-age testing, if requested and approved by the District; however they have not been included in this proposal estimate.
- Contractor is responsible for providing means of onsite secure, proper storage of concrete samples.

- Assume separate trips for retrieval of concrete cylinder samples on the day following concrete placement, unless Kleinfelder personnel are already scheduled to be onsite for other activities.

Additional Services

Additional observation or testing services (including stand-by time for contractor delays) not identified above may become necessary over the course of any given project. Kleinfelder can provide other services not listed above if these services are desired, following our receipt of appropriate authorization.

ASSUMPTIONS

- Approximately 30 months construction, approximately 125 weeks
- 1 part-time technician anticipate 6 hrs/trip; 3 trip/week for soils activities and 2 trips/week for concrete activities
- Soil samples: anticipate up to 15 samples collected for proctors, Atterberg Limits and % passing #200 sieve determination; approx. 1 sample per 100 LF at mid-depth and surface; actual quantities will be determined by actual number of samples needed for representation of soils utilized for backfill
- Assume that concrete/flow fill samples will be scheduled for retrieval to coincide with the next scheduled trip for our field personnel; however, we anticipate that periodic trips will be necessary to pick up samples, when we are not already scheduled for onsite activities
- Additional cylinders for early-age testing or contractor convenience NOT included in estimate
- Overtime hours for field personnel will apply to services provided before 7 AM and after 5 PM or in excess of 8 hours in one day; however, OT quantities are NOT included in this estimate

Project Management and Administration

- 30 months construction
- Review of daily field reports, test reports and laboratory results
- Distribution of reports through email or via the District's designated website
- Attend monthly progress/site meetings and be available for project assistance

COMPENSATION

We have estimated a budget of \$344,825.00 for the proposed scope of work for this project. If project costs approach this amount, we will contact you for approval to increase the budget. Invoicing for this project will use the attached Schedule of Fees. This amount will not be exceeded without prior approval. TRWD and Kleinfelder may subsequently agree in writing to provide for additional services to be rendered under this agreement for additional, negotiated compensation. Overtime rates will apply to services provided before 7 AM and after 5 PM or in excess of 10 hours in one day. Kleinfelder will communicate when the fees for services have reach 80% of the above value. Services provided by Kleinfelder will be consistent with the engineering standards prevailing at the time and in the area that the work is performed; no other warranty, express or implied, is intended.

LIMITATIONS

Our work will be performed in a manner consistent with that level of care and skill ordinarily exercised by other members of Kleinfelder's profession practicing in the same locality, under similar conditions and at the date the services are provided. Our conclusions, opinions and recommendations will be based on a limited number of observations and data. It is possible that conditions could vary between or beyond the data evaluated. Kleinfelder makes no guarantee or warranty, express or implied, regarding the services, communication (oral or written), report, opinion, or instrument of service provided.

TERMS OF ENGAGEMENT

We understand that the District will issue Task Orders to Kleinfelder, thereby authorizing funds for the proposed scope of services included in this document. Acceptance of this proposal indicates review and understanding of the scope of services, budget, and terms.

* * *

We appreciate the opportunity to provide you with this proposal and look forward to working with you on this project. If you have any questions or wish to discuss, please contact us at 972.868.5900.

Sincerely,

KLEINFELDER, INC.

Texas Registered Engineering Firm F-16438



Joel D. Peters, PE
Senior Project Manager



Chandraprakash "CP" Nawal, PE
Client Account Manager

Attachment:
Schedule of Fees



**TRWD - KENNEDALE BALANCING RESERVOIR PHASE 3
CONSTRUCTION MATERIALS TESTING SERVICES
SCHEDULE OF FEES**

SERVICES	QTY.	RATE	TOTAL
A. Earthwork Observation and Testing			
Field Technician, (hourly)	1950.00	\$65.00	\$126,750.00
Field Technician, (hourly)-Overtime	0.00	\$97.50	\$0.00
Moisture-Density Relationship (ASTM D 698), each	15.00	\$235.00	\$3,525.00
Atterberg Limits (each)	15.00	\$80.00	\$1,200.00
Sieve Analysis, -#200 (each)	25.00	\$80.00	\$2,000.00
Vehicle/Equipment Charge, trip	325.00	\$60.00	\$19,500.00
		Subtotal:	\$152,975.00
B. Concrete Testing & Inspection			
Field Technician, (hourly)	1950.00	\$65.00	\$126,750.00
Field Technician, (hourly)-Overtime	0.00	\$97.50	\$0.00
Concrete Cylinders (each)	500.00	\$25.00	\$12,500.00
Vehicle/Equipment Charge, trip	325.00	\$60.00	\$19,500.00
		Subtotal:	\$158,750.00
C. Project Management, Administration and Final Reporting			
Project Manager (hourly)	100.00	\$175.00	\$17,500.00
Senior Technician/Dispatcher (hourly)	120.00	\$65.00	\$7,800.00
Administration (hourly)	120.00	\$65.00	\$7,800.00
		Subtotal:	\$33,100.00
		BUDGET TOTAL:	\$344,825.00

Date: April 28, 2021

Donna Stephens / TRWD

Scope – KBR PHASE 3

Project management and Administration

- Provide coordination and review of construction materials observation and testing services throughout duration of construction
- Attend project meetings, as requested/required by the District to facilitate project coordination and/or address any construction materials testing issues
- Provide review of daily field and laboratory testing reports and distribution to required project team members

Weld Inspection

Provide a certified welding inspector (CWI) and certified mag particle inspector (Level II). Observation of welded connections for steel pipe joints, which will include:

- Verify approved Welder performance Qualification records and approved Welding Procedure Specifications applicable to the project elements
- Perform visual observations of field welded steel pipeline connections, according to current welding codes; observations provided on a periodic basis (two times per week of production), including root pass.
- Perform Magnetic Particle Testing of pipeline welded connections; observations/testing provided on a periodic basis

Additional Services

Additional observation of testing services (including stand-by time for contractor delays) not identified above may become necessary over the course of any given project. Other services not listed above may be requested by the Owners Project team. Once the owner has reviewed the request submitted through the PMIS, the owner will choose to authorize or not. Additional services may result in a task order.

We estimate a budget NOT TO EXCEED \$107,380.00 for the propose scope of work for this project.

If you have any questions please do not hesitate to contact me 817-246-8096.

Sincerely,



Tiphony Hulsey

STEEL INSPECTORS OF TEXAS, INC

Date: April 19, 2021

Donna Stephens
TRWD

PROPOSAL: KBR Phase 3

We can provide a certified welding inspector (CWI) and certified magnetic particle inspector (Level II) for the following rates:

\$95.00 NDE (per hour) (5 hour minimum fee portal to portal)
\$142.50 NDE OT (per hour)
\$75.00 Admin Support (report time)
\$75.00 Material Fee

Providing work can be performed and completed during normal business hours (8am to 4pm Monday to Friday).

If you have any questions please do not hesitate to contact me 817-246-8096.

Sincerely,



Tiphony Hulsey

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 11

DATE: November 16, 2021

SUBJECT: Executive Session

FUNDING: N/A

RECOMMENDATION:

Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation and Ongoing Investigation; and

Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property; and

Section 551.074 to Discuss or Deliberate Regarding Personnel Matters

DISCUSSION:

- Conflict of duty of counsel
- Pending litigation
- Real property issues

Submitted By:

Alan Thomas
Deputy General Manager

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 12

DATE: November 16, 2021

SUBJECT: Discussion of the Following Proposed Board Policies: Arbitrage Policy, Budget Policy, Capital Asset Policy, General Fund Reserve Policy, Investment Policy, Other Post-Employment Benefits Funding Policy, Public Information Policy, Records Management Policy

FUNDING: N/A

RECOMMENDATION: N/A

DISCUSSION:

TRWD's Governance Policies state that TRWD shall be guided by Board-adopted written policies accessible to the public that serve as a primary method by which the Board exercises its governance over the operation of the District.

This is an opportunity for Board discussion of the following proposed Board Policies that cover the functional areas of Finance, Public Information, and Records Management:

Arbitrage Policy, Budget Policy, Capital Asset Policy, General Fund Reserve Policy, Investment Policy, Other Post-Employment Benefits Funding Policy, Public Information Policy, and Records Management Policy

Once adopted, these policies will be posted on TRWD's website.

Board policies in the functional areas of Operations, Procurement, and Human Resources are also being drafted and will be proposed at a later date.

This item was reviewed by the Administration and Policy Committee on November 11, 2021.

Submitted By:

Lisa Cabrera
Chief Human Resources Officer

Board Policy Review Table of Contents

FINANCIAL POLICIES

Arbitrage Policy

1. Draft Policy
2. Redlined Policy

Budget Policy

3. Draft Policy
4. Redlined Policy

Capital Asset Policy

5. Draft Policy
6. Redlined Policy

General Fund Reserve Policy

7. Draft Policy
8. Redlined Policy

Investment Policy

9. Draft Policy
10. Redlined Policy

Other Post-Employment Benefits Funding Policy

11. Draft Policy
12. Redlined Policy

IT/RECORDS POLICIES

Public Information Policy

13. Draft Policy
14. Redlined Policy

Records Management Policy

15. Draft Policy
16. Redlined Policy

XXX.0 ARBITRAGE POLICY

To maintain tax-exempt status for its governmental bonds, TRWD, as the issuer of the bonds, must comply with federal tax laws that are in effect at the time of issuance of the bonds and over the period that the bonds are outstanding. To assist in the timely detection and correction of a potential violation of federal tax law, post-issuance compliance policies and procedures should be identified and observed. Compliance with the rules set forth in this Policy and TRWD's post-issuance compliance procedures must be documented by records that meet IRS regulations. This Policy also serves as documentation in the event of an IRS audit.

Federal tax laws and regulations restrict the amount of arbitrage that can be earned and retained from investing the proceeds of tax-exempt bonds. There are two categories of restrictions; if either are not satisfied, the tax-exempt bonds become arbitrage bonds and could lose their tax-exempt status. The two categories of restriction are:

- Yield Restriction – bond proceeds may not be invested at a materially higher yield than the yield on the bonds, and
- Rebate – any actual earnings in excess of the yield on the bonds must be paid as a “rebate” to the federal government. Rebate, if any, is due every five years or when bonds are paid off, either at maturity or redemption.

To comply with both the yield restriction and rebate rules, an issuer needs to have procedures that identify the type of, and return on, investments made with bond proceeds and when proceeds are spent.

XXX.1 Designation of Compliance Officer. The Director of Finance will serve as TRWD's Compliance Officer. The Compliance Officer is responsible for overseeing compliance efforts related to this Arbitrage Policy, identifying any potential or actual noncompliance with the tax rules relating to the tax-exempt bonds and recommending action to correct any identified areas of noncompliance. The Compliance Officer will review any prior post-issuance compliance and remedial action procedures, tax documents for existing and future bonds and the related information returns, if any, filed in connection with the bonds (examples of these returns include IRS Forms 8038, 8038-G, 8038-TC or 8038-CP) and the instructions for such informational returns. The Compliance Officer will consult with bond counsel and other professionals as needed.

XXX.2 Training for Compliance Officer. Compliance training for the Compliance Officer and any individuals delegated duties associated with this Policy includes consulting with bond counsel to discuss monitoring compliance with applicable tax laws prior to the issuance of a new bond and attendance at post-issuance compliance trainings organized by bond counsel, the Internal Revenue Service, or entities such as the National Association of Bond Lawyers, the Government Finance Officers Association or similar organizations once every two years.

XXX.3 Succession Planning. TRWD will ensure that, if the current Compliance Officer leaves this position, the responsibility for tax compliance will be explained in detail to his or her successor and compliance training will be provided to the incoming Compliance Officer.

XXX.4 Annual Due Diligence Reviews. The Compliance Officer will annually review:

- This policy;
- Tax and financing documents relating to the issuer's outstanding bonds;
- Information returns for such bonds; and
- The status and use of the bond-financed or refinanced property.

In addition to this annual review, the Compliance Officer will work with TRWD's Financial Advisor to ensure that a review and, where applicable, any annual required calculation, is completed at the following intervals:

- Six months prior to each five-year anniversary of the issue or the execution and delivery date of the bonds;
- Within 30 days of the date the bonds are retired, defeased, refunded, or terminated;
- When any rebate payment is made; and
- If any of the representations, statements, circumstances, or expectations of the issuer that are set forth in the tax or financing documents for bonds are no longer true, have changed or have not come to pass.

The foregoing review will be made for the purposes of identifying any possible violation of federal tax requirements related to the bonds and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined above or through the voluntary closing agreement program of the Internal Revenue Service. If any possible violation is identified, the Compliance Officer will notify the General Manager, the Chief Financial Officer, and TRWD's bond counsel so that any existing or expected violation can be corrected.

The Compliance Officer shall establish an Arbitrage Policy and Procedures checklist for documentation of annual review.

XXX.5 Records Retention. All records shall, at minimum, be retained in accordance with the Texas State Library and Archives Commission schedules and TRWD's Records Management Policy and Records Retention Schedules. The

Compliance Officer in coordination with the Records Management Officer shall establish and implement specific records retention procedures related to the books and records for any bond issue.

Management and retention of records related to the TRWD's bonds will be supervised by the Compliance Officer in coordination with the Records Management Officer. Records shall be retained an additional three years after the life of the bond or the life of any refunding bonds. These records should include information relating to:

- General information regarding the bond issue;
- Expenditure of the bond proceeds;
- Use, ownership, and disposition of bond-financed facilities; and
- Investment of gross proceeds of the bonds.

Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

The District's Records Management Department maintains the physical and electronic storage of the arbitrage documents. Documents cannot be destroyed without the written authorization of both the Compliance Officer and the Chief Financial Officer.

XXX.6 Post-Issuance Tax Compliance Procedures. The Compliance Officer shall establish and implement Post-Issuance Tax Compliance Procedures for TRWD to:

1. Maximize its compliance with federal law requirements applicable to its outstanding tax-exempt bonds; and
2. Identify and resolve any noncompliance matters, on a timely basis, to preserve the tax-exempt status of the outstanding bonds.

XXX.7 Bond Counsel Review. The Compliance Officer may work with TRWD's retained bond counsel to assist in implementing the Post-Issuance Tax Compliance Procedures including, but not limited to, assistance in the following areas:

- Rebate calculations and compliance;
- Records retention,
- Periodic review of Bond Records for compliance with federal tax laws regarding private business use,
- Determination of whether a violation of federal tax law requirements applicable to that Bond issue may have occurred and the Issuer's options

to address the violation so the preferential tax status of the Bond issue is maintained,

- Termination or modification of any interest rate swaps or other derivatives,
- Modifications to Bond Documents, and
- Other federal tax law compliance, including any annual reporting requirements that may be imposed by the IRS.

XXX.0 ~~TARRANT REGIONAL WATER DISTRICT~~ **ARBITRAGE POLICY**

Overview

~~In order to~~ to maintain tax-exempt status for its governmental bonds, TRWD, as the issuer of the bonds, must comply with federal tax laws that are in effect at the time of issuance of the bonds and over the period that the bonds are outstanding. To assist in the timely detection and correction of a potential violation of federal tax law, post-issuance compliance policies and procedures should be identified and observed. Compliance with ~~these~~ rules set forth in this Policy and TRWD's post-issuance compliance procedures must be documented by records that meet IRS regulations. ~~These procedures~~ This Policy also serves s as documentation in the event of an IRS audit.

Federal tax laws s and regulations restrict the amount of arbitrage that can be earned and retained from investing the proceeds of tax-exempt bonds. There are two categories of restrictions; if either are not satisfied, the tax-exempt bonds become arbitrage bonds and could lose their tax-exempt status. The two categories of restriction are ~~as follows~~:

- Yield Restriction – bond proceeds may not be invested at a materially higher yield than the yield on the bonds, and
- Rebate – any actual earnings in excess of the yield on the bonds must be paid as a “rebate” to the federal government. Rebate, if any, is due every five years or when bonds are paid off, either at maturity or redemption.

To comply with both the yield restriction and rebate rules, an issuer needs to have procedures that identify the type of, and return on, investments made with bond proceeds and when proceeds are spent.

Designation of Compliance Official

XXX.1 Designation of Compliance Officer. The Director of Finance will serve as ~~TRWD's~~ the Compliance Officer ~~for The District.~~ ~~The~~ Compliance Officer is responsible for overseeing compliance efforts related to ~~this~~ a Arbitrage Policy ~~and procedures~~, identifying any potential or actual noncompliance with the tax rules relating to the tax-exempt bonds and recommending action to correct any identified areas of noncompliance. ~~The~~ Compliance Officer will review any prior post-issuance compliance and remedial action procedures, tax documents for existing and future bonds and the related information returns, if any, filed in connection with the bonds (examples of these returns include IRS Forms 8038, 8038-G, 8038-TC or 8038-CP) and the instructions for such informational returns. ~~The~~ Compliance Officer will consult with bond counsel and other professionals as needed.

Training for Compliance Official

XXX.2 Training for Compliance Officer. Compliance training for the Compliance Officer and any individuals delegated ~~to~~ duties associated with ~~this~~ these Policy ies includes

consulting with bond counsel to discuss monitoring compliance with applicable tax laws prior to the issuance of a new bond and attendance at post-issuance compliance trainings organized by bond counsel, the Internal Revenue Service, or entities such as the National Association of Bond Lawyers, the Government Finance Officers Association or similar organizations once every two years.

Succession Planning

XXX.3 Succession Planning. ~~The issuer~~TRWD will ensure that, ~~if when~~ the current Compliance Officer leaves ~~this such person's current~~ position ~~at the issuer~~, the responsibility for tax compliance will be explained in detail to his or her successor and compliance training will be provided to the incoming Compliance Officer.

Regular Due Diligence Reviews

XXX.4 Annual Due Diligence Reviews. ~~Annually,~~ ~~T~~the Compliance Officer will annually review:

- ~~T~~hese policies;
- ~~T~~ax and financing documents relating to the issuer's outstanding bonds;
- ~~I~~nformation returns for such bonds; and
- ~~T~~he status and use of the bond-financed or refinanced property.

In addition to this annual review, the Compliance Officer will work TRWD's Financial Advisor with an outside firm to ensure that a review, and, where applicable, any annual required~~necessary~~ calculation, is completed at the following intervals:

- ~~S~~six months prior to each five-year anniversary of the issue or the execution and delivery date of the bonds;
- ~~W~~within 30 days of the date the bonds are retired, defeased, refunded, or terminated;
- ~~W~~hen any rebate payment is made; and
- ~~I~~f any of the representations, statements, circumstances, or expectations of the issuer that are set forth in the tax or financing documents for bonds are no longer true, have changed or have not come to pass.

~~The foregoing~~is review will be made for the purposes of identifying any possible violation of federal tax requirements related to the bonds and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined above or through the voluntary closing agreement program of the Internal Revenue Service. ~~If any possible violation is identified~~, the Compliance Officer will notify the General Manager, the Chief

~~Financial Officer, and TRWD's general counsel or the issuer's~~ bond counsel so that any existing or expected violation can be corrected.

~~The Compliance Officer shall establish an~~ Refer to Arbitrage Policy and Procedures checklist for documentation of annual review.

~~Record Retention~~

~~**XXX.5 Records Retention.** All records shall, at minimum, be retained in accordance with the Texas State Library and Archives Commission schedules and TRWD's Records Management Policy and Records Retention Schedules. The Compliance Officer in coordination with the Records Management Officer shall establish and implement specific records retention procedures related to the books and records for any bond issue.~~

Management and retention of records related to the ~~TRWD's~~ issuer's bonds will be supervised by the Compliance Officer ~~in coordination with the Records Management Officer~~. ~~Records shall~~ will be retained an additional three years after the life of the bond or the life of any refunding bonds. ~~These records should include information relating to:~~

- ~~g~~ General information regarding the bond issue;
- ~~e~~ Expenditure of the bond proceeds;
- ~~U~~se, ownership, and disposition of bond-financed facilities; and
- ~~I~~ investment of gross proceeds of the bonds.

Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

The District's Records Management ~~D~~epartment maintains the physical and electronic storage of the arbitrage documents. ~~Documents cannot be destroyed without the written authorization of both the Compliance Officer~~ ~~and Controller~~ and the Chief Financial Officer.

~~Tarrant Regional Water District Post-Issuance Tax Compliance Procedures~~

~~**XXX.6 Post-Issuance Tax Compliance Procedures.** Tarrant Regional Water District (the "issuer") is adopting these~~ The Compliance Officer shall establish and implement Post-Issuance Tax Compliance Procedures ~~(the "procedures")~~ for TRWD to:

1. Maximize ~~the Issuer's~~ its compliance with federal law requirements applicable to its outstanding tax-exempt bonds, ~~(the "bonds");~~ and

2. Identify and resolve any noncompliance matters, on a timely basis, to preserve the tax-exempt status of the outstanding Bbonds.

~~Monitoring of Post-Issuance Compliance~~

~~The Finance Director will serve as the Compliance Officer. The Compliance Officer will be responsible for monitoring post-issuance compliance for the Bonds pursuant to these procedures. The compliance officer may designate employees (“responsible persons”) within his office to carry out his duties under these procedures on his behalf.~~

~~Each responsible person shall receive appropriate training regarding the Issuer’s accounting system, contract intake system, facilities management, and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations.~~

~~Compliance with Covenants in Bond Documents~~

~~The Compliance Officer will ensure compliance with all covenants made by the Issuer in the documents related to the Bonds (the “Bond Documents”) which must be complied with to maintain the preferential tax status of the Bonds, including, but not limited to use of the Bond-financed facilities, timely completion of arbitrage rebate calculations, required filings and restrictions on investment of Bond proceeds.~~

~~Federal Tax Law Compliance~~

~~*Proper Use of and Allocation of Bond Proceeds*~~

~~The Compliance Officer will ensure that the Bond proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each Bond issue is undertaken, as set forth in the Bond Documents. The Compliance Officer will also ensure that allocations of Bond proceeds to expenditures are timely made in accordance with the applicable tax regulations. Allocations of Bond proceeds to expenditures must be made within eighteen months after the later of the date of the expenditure was made or the date the project was placed into service, but no later than the earlier of five years after the Bonds were issued or sixty days after the Bond issued is retired.~~

~~*Investment of Bond Proceeds*~~

~~The Compliance Officer will ensure that Bond proceeds are invested in investments that are permissible under the Bond Documents, and any applicable state laws and federal tax laws.~~

Arbitrage Calculations

~~The District currently employs an outside third party to complete arbitrage yield restriction and rebate calculations as well as filings for each issue. Working with the third party, the Compliance Officer will ensure the timely completion of arbitrage yield restriction and rebate calculations and filings for each issue of Bonds. Calculations and filings are prepared annually on each current issue.~~

Yield Reduction/Rebate Payments

~~The Compliance Officer will ensure the timely payment, if applicable, of yield reduction payments and/or rebate, for each issue of Bonds. The calculation of such payments and rebates are prepared for the District by an outside third party and the Compliance Officer reviews the prepared calculations and reviews the related payments.~~

Use of Bond-financed Facilities

~~The Compliance Officer will review any agreement or other arrangement for the sale, lease, or use of any portion of any Bond-financed facilities, including, but not limited to, service, vendor and management contracts, research agreements, licenses to use Bond-financed property or naming rights agreements for compliance with federal tax laws and the Bond Documents. The Compliance Officer will consult bond counsel for further guidance if it is deemed necessary.~~

Post-Issuance Transactions

~~The Compliance Officer will, as directed by the Bond Documents or as otherwise deemed appropriate by the Officer, consult with bond counsel before making any changes or amendments to Bond Documents for a Bond issue, including, but not limited to entering or modifying investment agreements; making any change in security for the Bonds; engaging in post-issuance credit enhancement transactions (e.g., change in letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing a successor trustee; changes in interest rate, releasing any liens; or reissuing a Bond issue.~~

Remedial Action

~~If at any time during the life of a Bond issue, the Compliance Officer discovers that a violation of federal tax law requirements applicable to that issue may have occurred, the Compliance Officer may consult with bond counsel to determine whether any such violation actually has occurred. If the Compliance Officer determines or is advised that a violation has in fact occurred, the Compliance Officer will, in a timely manner, inform the Finance Committee of the District and the Compliance Officer will take prompt action to:~~

- ~~_____ accomplish an available Take remedial action under applicable regulations;~~
- ~~_____ or to Enter into a closing agreement with the IRS under the IRS's Voluntary Closing Agreement Program; and/or~~

- ~~Take such other action as recommended by bond counsel.~~

Record Retention

~~The responsible persons will create a separate file for each bond issue on or before the date of issuance of that bond issue. This file will be maintained as the “books and records” for the bond issue. For each bond issue, the books and records will be maintained for the period beginning on the date of issuance of the bond issue and ending three years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax exempt obligations, such records shall be maintained until the three years after the refunding obligations are completed extinguished. Such records will be maintained in an electronic format.~~

~~All investments, bond holder payments, invoices and cancelled checks will be segregated for bond issue transactions. These records will be electronically scanned and stored in a separate secure drive with limited read only access provided to Records Management and Accounting staff. Written authorization by the Compliance Officer is required to alter, modify, or delete any bond related records on the secure drive. Copies of any written authorization will be scanned and stored with the related bond records.~~

~~The books and records for each bond issue will contain the following:~~

- ~~Bond transcript,~~
- ~~Requisitions to the Bond Trustee,~~
- ~~Information showing how the bond proceeds are spent. This documentation includes:~~
 - ~~Invoices,~~
 - ~~Checks,~~
 - ~~EFTs and wire confirmations, and~~
 - ~~Related journal entries~~
- ~~Project completion certificate,~~
- ~~Records of all investments, bond proceeds and any other “gross proceeds” of the bonds, including investment reconciliations for related bonds,~~
- ~~Records establishing the use of all property financed with the proceeds of the bond issue. This documentation includes:~~
 - ~~Deeds,~~
 - ~~Surveys,~~

- ~~Lease agreements~~
- ~~Records, certifications and opinions relating to any “change of use” of bond-financed property, including remedial action (certificates and opinions);~~
- ~~Records relating to extensions or replacements of guarantees of bonds of the issue, such as letters of credit, and records showing the dates and amounts of any payments for guarantees;~~
- ~~Records relating to interest swaps or other derivatives relating to the bonds entered into before and after issuance, if any;~~
- ~~Records relating to any modifications of the bond or bond documents.~~

~~Each bond issue will have a separate electronic folder within the Arbitrage Records folder on the secure server. Under each bond issue folder there will be sub-folders for the following documentation:~~

- ~~Accounts Payable — this folder will include supporting invoices documenting the use of bond funds along with payment documentation in the form of wires and check stubs. Checks stubs will be automatically saved into the corresponding bond folder by the accounting clerk;~~
 - ~~Arbitrage Invoices — SharePoint metadata is autocreated by the system as invoices are saved, populating information for the related bond fund. The invoices are automatically saved in the Bond Packets folder, which is in the Electronic AP folder~~
- ~~Accounts Receivable — this folder will include investment activity for the bond funds, including investment activity and monthly interest payments;~~
- ~~Journal Entries — this folder will include copies of journal entries made in the accounting system that impact the bond issue’s accounting entity. Bond fund journal entries will be saved individually by the accounting clerk and scanned directly into the correct arbitrage folder;~~
- ~~Bond Issue Documents — this folder will include records relating to the issuance of the bond;~~

~~Each bond issue will have a separate electronic folder within the Arbitrage Records/Bank Statements for monthly bank statements. Monthly bank statements should be saved into the correct bond issue folder.~~

~~Each bond issue will have a separate electronic folder within the Arbitrage Records/Investment Confirmations for broker investment confirmations. These statements will be saved into the correct bond issue folder.~~

Review

~~The Compliance Officer is responsible for an annual review of each outstanding Bond issue pursuant to these Procedures.~~

~~Monthly, the accounting clerk will receive a listing of all bond activity for the prior month. Referencing the listing, the accounting clerk will review the electronic folders to ensure that the related invoices, payment documentation, investment activity and journal entries for the prior month are accurately saved in the corresponding arbitrage records bond folder.~~

~~Quarterly, the Financial Analyst Manager will perform an audit of this monthly review. The Financial Analyst Manager will randomly select ten documents of each type of activity (e.g., ten journal entries, ten invoices, ten investment activity documents) for each bond issue and ensure that the documents are accurately saved in the corresponding arbitrage records bond folder. Upon completion, this quarterly audit will be reviewed by the Controller.~~

Bond Counsel Review

XXX.7 Bond Counsel Review. The Compliance Officer may work with TRWD's retained-engage bond counsel to assist in implementing the Post-Issuance Tax Compliance Proceduresse Procedures, including, but not limited to, assistance in the following areas:

- Rebate calculations and compliance_{1.7}
- Records retention_{1.7}
- Periodic review of Bond Records for compliance with federal tax laws regarding private business use_{1.7}
- Determination of whether a violation of federal tax law requirements applicable to that Bond issue may have occurred and the Issuer's options to address the violation so the preferential tax status of the Bond issue is maintained_{1.7}
- Termination or modification of any interest rate swaps or other derivatives_{1.2}
- Modifications to Bond Documents_{1.2} and
- Other federal tax law compliance, including any annual reporting requirements that may be imposed by the IRS.

XXX.0 BUDGET POLICY

The General Manager or designee shall prepare annual budgets for the General Fund and Revenue Fund to allow TRWD to plan and control costs during the fiscal year. The General Fund Budget and Revenue Fund Budget will be presented to and approved by the TRWD's Board of Directors prior to October 1 of each year.

XXX.1 Annual General Fund Budget. The General Fund Budget will include revenue from investments, lease and concession fees, District property taxes, and other related sources of revenue. General Fund expenditures are related to the flood control and recreation functions of the District. These items are estimated by TRWD staff through historic data, projections and discussion with appropriate District personnel and associates. The Board may designate through the budget process any General Fund revenues or expenses to be included in the Governmental Contingency Fund instead of the annual operating General Fund Budget. The General Fund Budget shall be prepared incorporating the concepts of Fund Accounting.

The General Fund Budget shall be reviewed by the General Manager and the Executive Team or Leadership Team before presentation to the Board.

XXX.2 Annual Revenue Fund Budget. The Revenue Fund Budget includes revenue from the sale of water, investment income, and other related sources of revenue. Revenue Fund expenses are those arising from the sale of water and providing for the on-going maintenance of the water delivery system. These costs will include utility costs, debt service costs, and maintenance on the water delivery system. Like the General Fund, these items are estimated by TRWD staff through historic data, projections and appropriate discussion. The Revenue Fund Budget shall be prepared incorporating the concepts of Fund Accounting.

The Revenue Fund Budget shall be reviewed by the General Manager and the Executive Team or Leadership Team before presentation to the Board.

XXX.3 Changes to the Adopted Budgets. The General Manager is authorized to make adjustments within the General Fund Budget or Revenue Fund Budget so long as the adjustment does not exceed the total fund budget and the adjustment is within the General Manager's authority under other Board policies.

XXX.4 Cost Controls. The General Manager or designee shall control costs by monitoring the General Fund Budget and Revenue Fund Budget on a quarterly basis through a comparison of actual vs. budget. The General Manager shall ensure that the analysis of the comparison, along with an explanation of over-and-under-amounts is furnished to the Board of Directors on a quarterly basis.

~~Revised January 6, 2015~~

TARRANT REGIONAL WATER DISTRICT

XXX.0 BUDGET POLICY

The General Manager or designee shall~~District will~~ prepare annual budgets for the General Fund and Revenue Funds, to allow ~~management~~ TRWD to plan and control costs during the fiscal year. ~~The General Fund budget will be reviewed by District management and the Revenue Fund budget will be reviewed by District management and the District's Advisory Committee. The General Fund Budget and Revenue Fund Budget Both budgets~~ will be presented to and approved by the TRWD's~~District's~~ Board of Directors prior to October 1 of each year.

XXX.1 Annual General Fund Budget. The General Fund ~~B~~budget will include revenue from investments, lease and concession fees, District property taxes, and other related sources of revenue. ~~General Fund expenditures are related to the administrative and flood control and recreation functions of the District. These items are estimated by TRWD staffmanagement through historic data, projections and discussion with appropriate District personnel and associates. The Board may designate through the budget process any General Fund revenues or expenses to be included in the Governmental Contingency Fund instead of the annual operating General Fund Budget. The General Fund Budget shall be prepared incorporating the concepts of Fund Accounting.~~

The General Fund Budget shall be reviewed by the General Manager and the Executive Team or Leadership Team before presentation to the Board.

XXX.2 Annual Revenue Fund Budget. The Revenue Fund ~~B~~budget includes revenue from the sale of water, investment income, and other related sources of revenue. Revenue Fund expenses are those arising from the sale of water and providing for the on-going maintenance of the water delivery system. These costs will include utility costs, debt service costs, and maintenance on the water delivery system. ~~Like the General Fund, these items are estimated by TRWD staffmanagement through historic data, projections and appropriate discussion. The Revenue Fund Budget shall be prepared incorporating the concepts of Fund Accounting.~~

The Revenue Fund Budget shall be reviewed by the General Manager and the Executive Team or Leadership Team before presentation to the Board.

~~These budgets shall be prepared incorporating the concepts of Fund Accounting.~~

XXX.3 Changes to the Adopted Budgets. The General Manager is authorized to make adjustments within the General Fund Budget or Revenue Fund Budget-a budget so long as the adjustment does not exceed the total fund budget and the adjustment is within the General Manager's authority under other Board policies-is not exceeded.

XXX.4 Cost Controls. The General Manager or designee shall Management will control costs by monitoring the General Fund Budget and Revenue Fund Budgets on a quarterly basis through a comparison of actual vs. budget. The General Manager shall ensure that the An analysis of the comparison, along with an explanation of over-and-under-amounts will be-is furnished to the Board of Directors on a quarterly basis.

XXX.0 CAPITAL ASSET POLICY

XXX.1 Purpose. The purpose of this Policy is to establish guidelines regarding TRWD's classification of capital assets and the financial statement impact of those capital assets.

XXX.2 Scope. This Capital Asset Policy applies to all TRWD departments, divisions, and offices.

XXX.3 Definition of Capital Asset. A Capital Asset is a cost which is incurred to increase the future economic benefits of TRWD. In contrast, costs that do not increase the future economic benefits of TRWD and are incurred to maintain the existing benefits are considered expenses or expenditures.

XXX.4 Asset Capitalization Threshold.

Long-Life Assets: To qualify as a capital expenditure, the item must be in excess of \$20,000, have a useful life of greater than twenty (20) years, and one of the following must apply:

The item must:

- Create a new asset;
- Extend the life of an existing asset; or
- Materially increase the value of the asset

The District has the following types of Long-Life Assets depreciated over the following number of years:

- Dams and spillways – 50 years
- Pipelines – 50 years
- Wetlands – 50 years
- Communications – 50 years
- Other Project Costs – 50 years
- Buildings – 20 years

Temporary Assets: To qualify as a capital expenditure, the item must be in excess of \$10,000* and have a useful life of at least five (5) years but fewer than twenty (20) years.

The District has the following types of Temporary Assets depreciated over the following number of years:

- Machinery and Equipment – 5 years
- Technology Systems – 10 years

* individually, the cost must exceed \$10,000 - not the sum total of several pieces.

XXX.5 Asset System Maintenance. The Finance Director is responsible for the maintenance and reporting of capital assets based on this Policy.

XXX.6 Capitalized Interest. Effective in Fiscal Year 2018, the Government Accounting Standards Board (GASB) no longer requires capitalization of interest as part of the cost of acquiring certain assets. The interest cost is now recognized as an expense.

XXX.7 Specified Qualifying Asset. TRWD's Water System, as a whole, constitutes a specified qualifying asset as it is treated, managed, and maintained as one system. Every project that changes any piece of TRWD's Water System must be analyzed for its effect on the System as a whole.

XXX.0 CAPITAL ASSET POLICY

XXX.1 Purpose. The purpose of this ~~P~~policy is to ~~establish-set~~ guidelines regarding ~~TRWD's the~~ classification of capital assets and the financial statement impact of those capital assets.

XXX.2 ~~Departments-Affected~~Scope. This Capital Asset Policy applies to Aall TRWD departments, divisions, and offices.

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XXX.4 ~~Policy—Asset Capitalization Threshold.~~

Long-Life aAssets: —In order-I to qualify as a capital expenditure, the item must be in excess of \$20,000, have a useful life of greater than twenty (20) years, and one of the following must apply:

The item must:

- Creation of a new asset;
- Extend the life of an existing asset; or
- Materially increase the value of the asset

The District has the following types of Long-Life aAssets depreciated over the following number of years:

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The District has the following types of Temporary Assets depreciated over the following number of years:

- Machinery and Equipment – 5 years
- Technology Systems – 10 years

* individually, the cost must exceed \$10,000 - not the sum total of several pieces.

XXX.5 Policy – Asset System Maintenance. ~~Once it is determined that a purchase qualifies as a capital asset, a number is assigned to the item in the Asset Database (Maximo). That number is used within the asset database as well as in the invoicing system to tie costs incurred on the asset with the asset database. The Finance Director is responsible for the maintenance and reporting of capital assets based on this Policy.~~

XXX.6 Policy – Asset Completion. ~~During construction/creation of an asset the cost of the asset are recorded for financial statement purposes in Construction in Progress (CIP). While the asset is in CIP, the asset will not be depreciated. Upon completion of an asset, when all costs have been incurred to get the asset functioning for its intended purposes, the asset will be moved out of CIP and into its specific depreciable asset category.~~

~~It is the policy of the District to move applicable assets out of CIP and into a depreciable asset category on the last day of each fiscal year, and that depreciation will start the day after the asset is moved out of CIP and into a depreciable asset category.~~

~~For feasibility studies that relate to future constructible assets, if those studies are done directly prior to the start of the asset project, the study cost will be rolled into the cost of the asset. If the asset project will not start within 12 months of the completion of the study, or there is expected to a break in the study of more than 12 months, the study will be moved out of CIP and into the applicable depreciable asset category at the end of the fiscal year. Depreciation will begin the day after the asset is moved into the depreciable asset category.~~

XXX.76 Policy – Capitalized Interest. Effective in Fiscal Year 2018FY18, the Government Accounting Standards Board (GASB) 89 supersedes GASB 62 (Previously FASB 34 and 62) and no longer requires capitalization of

interest as part of the cost of acquiring certain assets. The interest cost is now recognized as an expense.

XXX.7 Specified Qualifying Asset. ~~The District maintains a policy that the District's TRWD's~~ Water System, as a whole, constitutes a specified qualifying asset as it is treated, managed, and maintained as one system. Every project that changes any piece of ~~TRWD's Water~~ the sSystem must be analyzed for its effect on the sSystem as a whole.

XXX.0 General Fund Reserve Policy

XXX.1 Purpose. TRWD desires to maintain a prudent level of financial resources to guard against unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The General Fund Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This Policy is intended to document the appropriate General Fund Reserve level to protect TRWD's creditworthiness.

This Policy establishes the amounts the District will strive to maintain in its General Fund Reserve, how the General Fund Reserve will be funded, and the conditions under which General Fund Reserves may be used.

XXX.2 Scope. This Policy shall apply to the General Fund.

XXX.3 Definitions and Acronyms.

Cash Balance: The sum of cash and cash equivalents of an accounting fund.

Cash Equivalent: In the context of cash flows reporting, cash equivalent means short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near the investments' maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, "original maturity" means maturity as of the date the investment is acquired.

Fund Balance: The difference between (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources in a governmental fund.

General Fund: Used to account for all financial resources not accounted for in some other fund.

Non-Recurring Item: An expenditure that has not occurred in the previous two years and is not expected to occur in the following year.

Reserve: The portion of the Fund Balance that is intended to provide stability and respond to unplanned events or opportunities.

TIF: The Tax Increment Finance agreement with the City of Fort Worth which collects incremental revenues from a designated project area.

Unassigned Fund Balance: The difference between total Fund Balance in a governmental fund and its non-spendable, restricted, committed, and assigned components.

Variable Revenues: Those revenues with little predictability or basis for estimate from year-to-year (such as oil and gas revenues or interest income).

XXX.4 Reserve Levels. Reserves will be made up of the following three levels:

1. General Reserves. Equivalent to 25% of yearly budgeted on-going operating expenditures and capital expenditures of the General Fund. TRWD staff will evaluate the financial stability of the General Fund revenues annually to ensure the reserve requirement remains adequate.
2. Variable Revenue Reserves: \$10,000,000
3. Debt Service Reserves – \$10,000,000

The combination of these three levels comprise the total reserves.

TRWD will measure its compliance with this General Fund Reserve Policy on or about September 30 each year, or as soon as practical after final year-end account information becomes available. During the course of the year, the Finance Department shall closely monitor TRWD's revenues and expenditures to ensure Reserves are not used beyond those authorized by the Board of Directors in this Policy.

If, based on the analysis and forecasting of TRWD staff, the target levels of Reserves are not being met or are likely to not be met, Fund Balance levels will be provided by the Finance Department to the General Manager. Should the projected year-end Fund Balance be below the minimum Reserves amount established by this Policy, the General Manager or designee shall establish a plan to replenish the Reserve based on the requirements outlined in this Policy.

XXX.5 Funding the Reserve. Funding of General Fund Reserve targets will generally come from excess revenues over expenditures or one-time revenues.

XXX.6 Conditions for Use of Reserves. It is the Board of Directors' intent to limit use of General Fund Reserves to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for TRWD to restructure its operations in a deliberate manner. Reserves may also be used when TIF revenues are less than debt service.

XXX.7 Authority Over Reserves. The Board of Directors may authorize expenditures from Reserves. The General Manager shall ensure that the Finance Department regularly reports both current and projected Reserve levels to the Finance and Audit Committee and to the Board.

XXX.8 Replenishment of Reserves. In the event that Reserves are used resulting in a balance below the level set forth in this Policy, the Chief Financial Officer shall develop and present a plan to the General Manager that will be included in the formulation of a forecast presented to the Board during the annual budget process.

XXX.9 Excess Reserves. In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used at the discretion of the General Manager for any lawful purpose in a manner that complies with Board policy.

XXX.10 Periodic Review of the Targets. The General Manager or designee shall review Reserves annually to ensure that they are appropriate given the District's economic and financial risk factors.

TRWD

General Fund Reserve Policy

Purpose:

~~The District~~TRWD desires to maintain a prudent level of financial resources to guard against unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The General Fund Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This Policy is intended to document the appropriate Reserve level to protect ~~the TRWD's District's~~ credit-worthiness.

This Policy establishes the amounts the District will strive to maintain in its General Fund Reserve, how the General Fund Reserve will be funded, and the conditions under which General Fund Reserves may be used.

Applicability and Scope:

This Policy shall apply to the General Fund.

Definitions and Acronyms:

- A. Cash Balance:— The sum of cash and cash equivalents of an accounting fund.
- B. Cash Equivalent:— In the context of cash flows reporting, cash equivalent means short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near ~~their~~ investments' maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, “original maturity” means maturity as of the date the investment is acquired.
- C. Fund Balance: —~~Fund Balance is~~ The difference between (1a) assets and deferred outflows of resources and (2b) liabilities and deferred inflows of resources in a governmental fund.
- D. General Fund: —~~The General Fund is the primary fund~~ Used to account for all financial resources not accounted for in some other fund.
- E. Non-Recurring Item:— An expenditure that has not occurred in the previous two years and is not expected to occur in the following year.

- F. Reserve:—~~Reserve refers only to T~~the portion of ~~the~~ Fund Balance that is intended to provide stability and respond to unplanned events or opportunities.
- G. TIF:— ~~The~~ Tax Increment Finance agreement with the City of Fort Worth which collects incremental revenues from a designated project area.
- H. Unassigned Fund Balance:— The difference between total Fund Balance in a governmental fund and its non-spendable, restricted, committed, and assigned components.
- I. Variable Revenues:— Those revenues with little predictability or basis for estimate from year to year (~~i.e. such as o~~Oil and ~~g~~Gas revenues or ~~i~~Interest ~~i~~Income).

Policy:

- A. Reserve ~~L~~levels – Reserves will be made up of the following three ~~layers~~levels:
 - 1) General Reserves ~~e~~Equivalent to 25% of yearly budgeted on-going operating expenditures and capital expenditures of the General Fund. TRWD Staff will evaluate the financial stability of the General Fund revenues annually to ensure the reserve requirement remains adequate.
 - 2) Variable Revenue Reserves – \$10,000,000
 - 3) Debt Service Reserves – \$10,000,000

The combination of these three levels comprise the total reserves.

~~TRWD~~The District will measure its compliance with this General Fund Reserve Policy on or about September 30 each year, or as soon as practical after final year-end account information becomes available. During the course of the year the Finance Department shall closely monitor TRWD's~~the District's~~ revenues and expenditures to ensure Reserves are not used beyond those authorized by the Board of Directors in this Policy.

If, based on ~~the staff's~~ analysis and forecasting of TRWD staff, the target levels of Reserves are not being met or are likely to not be met, Fund Balance levels will be provided by the Finance Department to the General Manager. Should the projected year-end Fund Balance be below the minimum Reserves amount established by this Ppolicy, the General Manager or designee shall establish a plan to replenish the Reserve ~~will be established~~ based on the requirements outlined in this Ppolicy.

- B. Funding the Reserve.— Funding of General Fund Reserve targets will generally come from excess revenues over expenditures or one-time revenues.
- C. Conditions for Use of Reserves.— It is the Board of Directors' ~~of the District~~ intent to limit use of General Fund Reserves to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for ~~TRWD~~the District to restructure its operations in a deliberate manner. Reserves may also be used when TIF revenues are less than debt service.

- D. Authority over Reserves – The Board of Directors may authorize expenditures from Reserves. The General Manager shall ensure that the Finance Department ~~will~~ regularly reports both current and projected Reserve levels to the Finance and Audit Committee and to the Board.
- E. Replenishment of Reserves – In the event that Reserves are used resulting in a balance below the level set forth in this ~~established p~~Policy, the Chief Financial Officer shall develop and present a plan to the General Manager that will be ~~developed and~~ included in the formulation of a ~~five year~~five year forecast presented to the Board during the annual budget process.
- F. Excess Reserves.— In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used at the discretion of the General Manager for any lawful purpose in a manner that complies with Board policy.
- G. Periodic Review of the Targets. —The General Manager or designee~~Staff~~ shall review the ~~current and five year projected~~ Reserves annually to ensure that they are appropriate given the District’s economic and financial risk factors.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: ~~July 17, 2018~~

SUBJECT: ~~Consider Approval of General Fund Reserve Policy~~

FUNDING: ~~N/A~~

RECOMMENDATION:

~~Management recommends approving a policy establishing Reserve Fund levels for the General Fund. The Reserves would consist of three levels: 1) General Reserves—equivalent to 25% of the yearly budgeted on-going operating expenses, 2) Variable Revenue Reserves—a flat \$10,000,000 and 3) Debt Service Reserves—a flat \$10,000,000. The combination of these three levels comprise the total reserves.~~

DISCUSSION:

~~The District desires to maintain a prudent level of financial resources to guard against unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The General Fund Reserves would be accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities, and is intended to document the appropriate Reserve level to protect the District's credit worthiness.~~

~~This item was reviewed by the Finance Committee on July 16, 2018.~~

Submitted By: _____ **Reviewed By:** _____

Sandy Newby _____ Alan Thomas
Finance Director _____ Deputy General Manager

XXX.0 INVESTMENT POLICY

It is the policy of TRWD that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, all available funds shall be invested in conformance with these legal and administrative guidelines, seeing to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to TRWD funds. The District's investment portfolio shall be designed and managed in a manner which maximizes this revenue source, is responsive to public trust, and complies with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal;
- Maintenance of sufficient **liquidity** to meet operating needs;
- **Public trust** from prudent investment activities; and
- Optimization of **interest earnings** on the portfolio.

XXX.1 Purpose. The purpose of this Investment Policy is to comply with Texas Water Code Chapter 49 and Texas Government Code Chapter 2256, the Public Funds Investment Act, which requires the governing body of a local governmental entity, such as TRWD, to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of TRWD's funds.

XXX.2 Scope. This Investment Policy shall govern the investment of all financial assets of TRWD. These funds are accounted for in TRWD's Annual Financial Report and include:

- General Fund;
- Governmental Contingency Fund;
- Capital Projects Fund – TRV;
- Governmental Debt Service Fund;
- Revenue Fund;
- Interest and Redemption Fund;
- Enterprise Contingency Fund;
- Reserve Fund;
- Enterprise Construction Funds;

- Dallas - Revenue Fund;
- Dallas - Interest and Redemption Fund;
- Dallas - Reserve Fund;
- Dallas - Bond Funds; and,
- Any new fund created by the District, unless specifically exempted from this Investment Policy by law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

XXX.3 Investment Objectives. TRWD shall manage and invest its cash with four primary objectives, listed in order of priority: (1) safety; (2) liquidity; (3) public trust; and (4) yield, expressed as optimization of interest earnings. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with local, state, and federal law.

TRWD shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

XXX.3.1 Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

Credit Risk. TRWD will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:

- Limiting investments to the safest type of investments;
- Researching the financial institutions and broker/dealers with which TRWD will do business; and,
- Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

Interest Rate Risk. TRWD will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that investments mature to meet

cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity; and

- Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

XXX.3.2 Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

XXX.3.3 Public Trust. All participants in TRWD's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any cash management transaction that might impair public confidence in TRWD's ability to effectively manage the District's financial assets.

XXX.3.4 Yield (Optimization of Interest Earnings). The investment portfolio shall be designed with the objective of attaining a market rate of return sufficient to meet operating needs, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

XXX.4 Responsibility and Control.

XXX.4.1 Delegation of Authority to Investment Officer(s). In accordance with the Public Funds Investment Act and the Water Code, the Board of Directors may designate one or more officers or employees of TRWD to be Investment Officer(s) or may contract with a person to act as an Investment Officer. An Investment Officer is authorized to execute investment transactions on behalf of the District. No person may engage in an investment transaction or the management of District funds except as provided under the terms of this Investment Policy as approved by the Board of Directors. The investment authority granted to the investing officers is effective until rescinded by the Board of Directors.

XXX.4.2 Quality and Capability of Investment Management. All TRWD's designated investment officers and other investment personnel must receive all required training under Section 49.157 of the Water Code to ensure the quality and capability of investment management. The Board may designate approved training from an independent source for TRWD's investment officers and other investment personnel.

XXX.4.3 Internal Controls. TRWD's Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss; theft; or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Avoidance of collusion;
- Separation of transaction authority;
- Custodial safekeeping;
- Clear delegation of authority to subordinate staff members; and,
- Written confirmation for investments and wire transfers.

The Chief Financial Officer shall establish a process for annual independent review by an external auditor, consistent with Sections 11.2 and 11.3 of the Board Governance Policies, to assure compliance with policies and procedures.

XXX.4.4 Standard of Prudence. The standard of prudence to be applied by the Investment Officer(s) shall be the "prudent investor" rule. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under TRWD's control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written, approved investment policy of the District.

XXX.4.5 Indemnification. The Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are timely reported and the appropriate action is taken to control adverse developments.

XXX.4.6 Ethics and Conflicts of Interest. Investment Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to TRWD shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and TRWD.

An investment officer has a personal business relationship with a business organization if:

- The investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization'
- Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

XXX.5 Suitable and Authorized Investments.

XXX.5.1 Portfolio Management. TRWD currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. Investments may be liquidated prior to maturity, however, for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the District require that the investment be liquidated.

XXX.5.2 Investments. TRWD funds governed by this Investment Policy may be invested in the instruments described below, along with any other instruments authorized by the Public Funds Investment Act. Investment of District funds in any instrument or security not authorized for investment under the Act is prohibited. TRWD will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized Investments: Authorized investments in which TRWD funds governed by this policy may be invested include:

- Obligations of the United States of America, its agencies, and instrumentalities.
- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the District.
- Money Market Mutual funds that are (1) registered and regulated by the Securities and Exchange Commission; (2) have a dollar weighted average stated maturity of 90 days or less; (3) rated AAA by at least one nationally-recognized rating service, and (4) seek to maintain a net asset value of \$1.00 per share.
- Local government investment pools, which (1) meet the requirements of Texas Government Code § 2256.016; (2) are rated no lower than AAA or an equivalent rating by at least one nationally-recognized rating service; (3) seek to maintain a \$1.00 net asset value; and, (4) are authorized by resolution or ordinance adopted by the Board of Directors.
- Municipal bonds issued by a state or local municipality, which (1) meet the requirements of Section 2256.009 of the Public Funds Investment Act; and (2) are rated no lower than AAA or equivalent rating by at least one nationally-recognized rating service.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Investments Not Authorized. Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral,

collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over ten years are strictly prohibited.

XXX.5.3 Maximum Maturities. The longer the maturity of investments, the greater their price volatility. It is, therefore, TRWD's policy to concentrate its investment portfolio in shorter-term securities to limit principal risk caused by changes in interest rates.

TRWD attempts to match its investments with anticipated cash flow requirements. Specific maturity limitations are discussed below with respect to each Fund's strategy.

XXX.5.4 Diversification. TRWD recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification that shall be achieved by using the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law);
- Limiting investment in investments that have higher credit risks, such as commercial paper;
- Investing in investments with varying maturities; and,
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

XXX.6 Selection of Banks and Dealers

XXX.6.1 Depository. At least every five years, the Finance and Audit Committee, along with TRWD staff, will review TRWD's Depository agreement. As part of this review, the Finance and Audit Committee will seek updated pricing and services offered to ensure alignment with TRWD's procedures and goals.

XXX.6.2 Authorized Brokers/Dealers. In consultation with the Finance and Audit Committee, TRWD shall, at least annually, review, revise and adopt a list of qualified brokers/dealers and financial institutions authorized to engage in securities transactions with the District. Those firms that request to become qualified bidders for securities transactions will be required to provide a completed

broker/dealer questionnaire that provides information regarding creditworthiness, experience, and reputation. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1, and qualified depositories. TRWD will provide a copy of this Investment Policy to all broker/dealers authorized to engage in securities transactions with the District. Investment pools must sign a certification acknowledging that the organization has received and reviewed TRWD's Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by this Investment Policy.

XXX.6.3 Competitive Bids. It is TRWD's policy to use competitive bidding for all individual security purchases and sales except for: (a) transactions with money market mutual funds and local government investment pools and (b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.

XXX.6.4 Delivery vs. Payment. Securities shall be purchased using the delivery vs. payment method with the exception of investment pools and mutual funds. Funds will be released after notification that the purchased security has been received.

XXX.7 Safekeeping of Securities and Collateral

XXX.7.1 Safekeeping and Custodian Agreements. TRWD shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by TRWD shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be retained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third-party bank approved by the District.

XXX.7.2 Collateral Policy. Consistent with the requirements of Chapter 2257 of the Texas Government Code, the Public Funds Collateral Act, it is TRWD's policy to require full collateralization of all District funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, TRWD may require a higher level of collateralization for certain investment securities. Securities pledged as collateral

shall be held by an independent third party with whom TRWD has a current custodial agreement. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership must be supplied to the District and retained.

Collateral shall be reviewed annually by TRWD's external auditors to assure that the market value of the pledged securities is adequate.

XXX.7.3 Accepted Collateral. The District shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the State of Texas or its agencies and instrumentalities;
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized rating firm not less than A or its equivalent with a remaining maturity of ten years or less;
- A surety bond issued by an insurance company rated as to investment quality by a nationally-recognized rating firm not less than A; and
- A letter of credit issued to the District by the Federal Home Loan Bank.

XXX.7.4 Subject to Audit. All collateral may be subject to inspection and audit by TRWD's external auditors.

XXX.8 Performance.

XXX.8.1 Performance Standards. TRWD's investment portfolio will be managed in accordance with the parameters specified within this Investment Policy. The portfolio shall be designed with the objective of obtaining a rate of return through operating cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

XXX.8.2 Performance Benchmark. It is TRWD policy to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, TRWD shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value.

XXX.9 Reporting.

XXX.9.1 Reporting Methods. The Investment Officer(s) shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities and maturities and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally-accepted accounting principles. This summary will be prepared in a manner that will allow TRWD to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The quarterly investment report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Listing of investments by maturity date.
- Fully-accrued interest for the reporting period.
- The percentage of the total portfolio that each type of investment represents.
- A statement of compliance of the District's investment portfolio with state law and this Investment Policy.

TRWD's external auditor will perform a formal annual review of the quarterly reports with the results reported to the Board of Directors as part of the yearly audit.

XXX.9.2. Monitoring Market Value. The market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed quarterly in a written report provided to the Board of Directors.

The Investment Officer(s) shall monitor the credit ratings on securities that require minimum ratings. This may be accomplished through website research, or with the assistance of investment advisors, broker dealers, banks, or safekeeping agents. If any security falls below the minimum rating required by this Investment Policy, the Investment Officer(s) shall notify the General Manager of the loss of rating,

conditions affecting the rating and possible loss of principal with liquidation options available.

XXX.10 Fund Strategies

XXX.10.1 Objectives. Investments in all funds discussed below shall be made with the primary objectives of: (1) safety and preservation of principal; (2) liquidity; (3) diversification; and (4) optimization of interest earnings, as follows:

Safety and Preservation of Principal. TRWD maximizes safety and preservation of principal by limiting investments to the safest types of investments and researching the financial institutions and broker/dealers with which the District conducts business.

Liquidity. Liquidity needs are discussed below within each fund type.

Diversification. Within each of TRWD's funds, diversification is achieved by staggering both maturities and purchase dates to minimize the impact of market movements over time.

Optimization of Interest Earnings. Each fund's investment portfolio shall be designed to obtain a market rate of return sufficient to meet operating needs.

An explanation of each fund's specific purpose and primary strategy is listed below.

XXX.10.2 General Fund. The General Fund accounts for flood control, recreation, economic development, and general operations of the District. Funds available in the General Fund are used to pay the ongoing operational expenditures each fiscal year.

The primary strategy is to match the operational expenditures of the General Fund with tax revenues, investment interest, maturing investments, and other income sources, and invest any surplus fund balance to match future expenditure cash flow needs.

Maximum Maturity – 3 Years

XXX.10.3 Governmental Contingency Fund. This fund holds non-tax revenue for the Governmental Funds and can be used for Board-approved projects including but not limited to recreation and economic development.

All interest earnings from the Governmental Contingency Fund are reinvested in the Governmental Contingency Fund.

The primary strategy of the Governmental Contingency Fund is to purchase investments utilizing current coupon obligations to meet liquidity needs.

Maximum Maturity – 3 Years

XXX.10.4 Capital Projects Fund. This fund accounts for unexpended construction proceeds for Governmental Capital projects. Interest earnings from this fund are transferred to the Debt Service Fund to help pay the debt service on the governmental bonds; if no bonds are outstanding interest earnings will remain in the Capital Projects fund.

The primary strategy of this fund is to match maturing investments with anticipated project cash flow needs. Shorter-term obligations and Investment Pools are used to match any immediate liquidity needs that arise due to the estimation of the construction process and its related cash flows.

Maximum Maturity – 3 Years

XXX.10.5 Governmental Debt Service Fund. The Governmental Debt Service Fund accounts for the monies used to pay the debt service on outstanding governmental bonds. Interest earnings from the Capital Projects Funds are transferred to the Interest and Redemption Fund for debt service.

The primary strategy of this fund is to use investments with maturity dates on or before the debt service payment dates.

Maximum Maturity – 6 Months

XXX.10.6 Revenue Funds. The Revenue Funds account for the operation of TRWD's water supply and water sales functions. Income from water sales, interest earnings, and other income sources are used to pay the ongoing operational expenses each fiscal year. In addition, monies required to supplement the District's and Dallas's revenue bonds debt service are transferred to the District's and Dallas's Interest and Redemption Funds semi-annually (respectively).

The primary strategy is to keep all investments short-term in nature, allowing maturities to match the semi-annual outflows to the Interest and Redemption Fund and any operational expenses as they arise.

Maximum Maturity – 9 Months

XXX.10.7 Enterprise Construction Funds –Bond Issue Funds. These funds account for unexpended construction proceeds for the various Construction Funds projects. Interest earnings from these funds are transferred to the Interest and

Redemption Fund (TRWD and Dallas respectively) to help pay the semi-annual debt service on the revenue bonds.

The primary strategy of these funds is to match maturing investments with anticipated construction cash flow needs. Shorter-term obligations and Investment Pools are used to match any immediate liquidity needs that arise due to the estimation of the construction process and its related cash flows.

Maximum Maturity – 3 Years

XXX.10.8 Interest and Redemption Funds. These funds account for the monies used to pay the semi-annual debt service on outstanding revenue bonds. Interest earnings from the Enterprise Construction Funds and the Reserve Funds are transferred to the Interest and Redemption Funds (for TRWD and Dallas respectively) prior to the semi-annual debt service dates. Any remaining funds needed are transferred from the respective Revenue Funds.

The primary strategy of these funds is to use investments with maturity dates on or before the semi-annual debt service payment date.

Maximum Maturity – 6 Months

XXX.10.9 Reserve Funds. These funds represent bond reserve funds associated with outstanding revenue bonded debt. These funds were originally established with proceeds from bond issues, with the amount retained in the Reserve Fund approximating the maximum debt service payment in any given year. Interest earnings from these funds are transferred to the Interest and Redemption Fund (for TRWD and Dallas respectively) to help pay the semi-annual debt service on the revenue bonds.

The primary strategy of the Reserve Funds is to purchase investments with intermediate to longer-term maturities.

Maximum Maturity – Not to exceed the District's last maturing revenue bond

XXX.10.10 Enterprise Contingency Fund. This fund is established by bond covenant and is to be used primarily for unexpected or extraordinary expenses of the water supply system for which other funds are not otherwise available. This fund can also be used to pay debt service when funds in the Interest and Redemption Fund are insufficient for that purpose. The Enterprise Contingency Fund contains moneys received as buy-in premiums from additional water customers who purchased the right to buy water at the system rate. These buy-in premiums are kept in the Enterprise Contingency Fund at the request of the District's customer advisory board. All interest earnings from the Enterprise Contingency Fund are reinvested in the Enterprise Contingency Fund.

The primary strategy of the fund is to purchase investments, utilizing current coupon obligations to meet liquidity needs.

Maximum Maturity – 3 Years

XXX.11 Investment Policy Adoption and Amendment. TRWD's Board of Directors shall adopt this Investment Policy by a resolution of the Board of Directors. It is TRWD's intent to comply with state laws and regulations. Accordingly, this Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

TARRANT REGIONAL WATER DISTRICT

INVESTMENT POLICY

July 29, 2021

POLICY

It is the policy of ~~TRWD the Tarrant Regional Water District (District)~~ that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management.

Investment interest is a source of revenue to ~~TRWD District~~ funds. The District's investment portfolio shall be designed and managed in a manner which maximizes this revenue source, to be responsive to public trust, and ~~to be in compliance complies~~ with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal
- Maintenance of sufficient **liquidity** to meet operating needs
- **Public trust** from prudent investment activities
- Optimization of **interest earnings** on the portfolio

PURPOSE

The purpose of this investment policy is to comply with Texas Water Code Chapter 49 and Texas Government Code Chapter 2256, ~~of the Government Code ("Public Funds Investment Act")~~, which requires the governing body of a local governmental entity, such as TRWD, each Entity to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of ~~TRWD's the District's~~ funds.

SCOPE

This Investment Policy shall govern the investment of all financial assets of TRWD ~~the District~~. These funds are accounted for in ~~the District's~~ TRWD's Annual Financial Report and include:

- General Fund
- Governmental Contingency Fund
- Capital Projects Fund – TRV
- Governmental Debt Service Fund
- Revenue Fund
- Interest and Redemption Fund
- Enterprise Contingency Fund
- Reserve Fund
- Enterprise Construction Funds
- Dallas - Revenue Fund
- Dallas - Interest and Redemption Fund
- Dallas - Reserve Fund
- Dallas - Bond Funds
- Any new fund created by the District, unless specifically exempted from this Investment Policy by law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

INVESTMENT OBJECTIVES

~~The District~~ TRWD shall manage and invest its cash with four primary objectives, listed in order of priority: (1) -safety; (2) -liquidity; (3) public trust; and (4) -yield, expressed as optimization of interest earnings. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with local, state, and ~~local~~ federal law.

~~The District~~ TRWD shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

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Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- **Credit Risk** – ~~The District~~ TRWD will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
 - Limiting investments to the safest type of investments;
 - Researching the financial institutions and broker/dealers with which the District will do business; ~~and~~;
 - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

- **Interest Rate Risk** – ~~The District~~TRWD will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
 - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity; ~~and~~;
 - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

Public Trust

All participants in the ~~District's~~ TRWD's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any cash management transaction that might impair public confidence in ~~the District's~~ TRWD's ability to effectively manage the District's financial assets.

Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return sufficient to meet operating needs, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

RESPONSIBILITY AND CONTROL

Delegation of Authority to Investment Officer(s)

In accordance with the Public Funds Investment Act ~~and the Water Code~~, the ~~District's~~ Board of Directors ~~may~~ designate one or more officers or employees of ~~TRWD~~~~the District~~ to be Investment Officer(s) ~~or may contract with a person to act as an Investment Officer~~. An Investment Officer is authorized to execute investment transactions on behalf of the District. No person may engage in an investment transaction or the management of District funds except as provided under the terms of this Investment Policy as approved by the Board of Directors. The investment authority granted to the investing officers is effective until rescinded by the Board of Directors.

Quality and Capability of Investment Management

~~All TRWD's~~~~The District shall provide periodic training in investments for the~~ designated investment officers and other investment personnel ~~must receive all required training under Section 49.157 of the Water Code to ensure the quality and capability of investment management, through courses and seminars offered by professional organizations, associations and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act. The Board may designate approved training from an independent source for TRWD's investment officers and other investment personnel.~~

Internal Controls

~~The TRWD's~~ Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

~~Accordingly, the Chief Financial Officer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.~~ The internal controls shall address the following points:

- ~~Control Avoidance~~ of collusion;
- Separation of transaction authority;
- Custodial safekeeping;
- Clear delegation of authority to subordinate staff members; ~~and~~
- Written confirmation for investments and wire transfers.

The Chief Financial Officer shall establish a process for annual independent review by an external auditor, consistent with Sections 11.2 and 11.3 of the Board Governance Policies, to assure compliance with policies and procedures.

Standard of Prudence

The standard of prudence to be applied by the Investment Officer(s) shall be the “prudent investor” rule. ~~This rule states that~~ “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”²²

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under ~~TRWD’s~~ ~~the District’s~~ control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved investment policy of the District.

Indemnification

The Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment’s credit risk or market price changes, provided that these deviations are reported and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

~~Employees and~~ Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the District who has a personal business relationship with an organization seeking to sell an investment to ~~the District~~ TRWD shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement

required under this subsection must be filed with the Texas Ethics Commission and TRWD.

An investment officer has a personal business relationship with a business organization if:

- The investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization'
- Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

~~The District TRWD~~ currently has a “buy and hold” portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. ~~However, if~~ investments may be liquidated prior to maturity, however, for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the District require that the investment be liquidated.

Investments

~~District TRWD~~ funds governed by this Investment pPolicy may be invested in the instruments described below, all of which are authorized by ~~Chapter 2256 of the Government Code (Public Funds Investment Act).~~ Investment of District funds in any instrument or security not authorized for investment under the Act is prohibited. TRWD~~The District~~ will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

I. Authorized Investments: Authorized investments in which TRWD funds governed by this policy may be invested include:

1. Obligations of the United States of America, its agencies, and instrumentalities.

2. Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the District.
3. Money Market Mutual funds that are (1) registered and regulated by the Securities and Exchange Commission, (2) have a dollar weighted average stated maturity of 90 days or less, (3) rated AAA by at least one nationally-recognized rating service, and (4) seek to maintain a net asset value of \$1.00 per share.
4. Local government investment pools, which (1) meet the requirements of ~~Texas Government Code Chapter § 2256.016 of the Public Funds Investment Act~~, (2) are rated no lower than AAA or an equivalent rating by at least one nationally-recognized rating service, (3) seek to maintain a \$1.00 net asset value, and (4) are authorized by resolution or ordinance adopted by the Board of Directors.
5. Municipal bonds issued by a state or local municipality, which (1) meet the requirements of Section 2256.009 of the Public Funds Investment Act and (2) are rated no lower than AAA or equivalent rating by at least one nationally-recognized rating service.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

II. Investments Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over ten years are strictly prohibited.

Maximum Maturities

The longer the maturity of investments, the greater their price volatility. ~~It is,~~ therefore, ~~it is the District's TRWD's~~ policy to concentrate its investment portfolio in shorter-term securities ~~in order~~ to limit principal risk caused by changes in interest rates.

~~The District-TRWD~~ attempts to match its investments with anticipated cash flow requirements. Specific maturity limitations are discussed later within each Fund's strategy.

Diversification

~~The District~~ TRWD recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law);~~;~~
- Limiting investment in investments that have higher credit risks, such as commercial paper;~~;~~
- Investing in investments with varying maturities;~~;~~ and~~,~~
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained ~~in order~~ to meet ongoing obligations.

SELECTION OF BANKS AND DEALERS

Depository

At least every five years, the Finance and Audit Committee, along with TRWD staff, ~~District~~ will review TRWD's its Depository agreement ~~with the Finance Committee~~. As part of this review, the Finance and Audit Committee ~~they~~ will seek updated pricing and services offered to ensure alignment with TRWD's ~~District~~ procedures and goals.

Authorized Brokers/Dealers

In consultation with the Finance and Audit Committee, TRWD, ~~The District~~ shall, at least annually, review, revise and adopt a list of qualified brokers/dealers and financial institutions authorized to engage in securities transactions with the District. Those firms that request to become qualified bidders for securities transactions will be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience, and reputation. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1, and qualified depositories. The District ~~TRWD~~ will provide a copy of this Investment Policy to all broker/dealers authorized to engage in securities transactions with the District. Investment pools must sign a certification acknowledging that the organization has received and reviewed ~~the District's~~ TRWD's ~~investment~~ Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by this Investment ~~District's~~ policy.

Competitive Bids

It is ~~the policy of the District~~TRWD's policy to ~~use~~competitive bidding for all individual security purchases and sales except for: (a) transactions with money market mutual funds and local government investment pools and (b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.

Delivery vs. Payment

Securities shall be purchased using the delivery vs. payment method with the exception of investment pools and mutual funds. Funds will be released after notification that the purchased security has been received.

SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreements

~~The District~~TRWD shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by ~~TRWD~~the District shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be retained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third-party bank approved by the District.

Collateral Policy

Consistent with the requirements of Chapter 2257 of the Texas Government Code, the Public Funds Collateral Act, it is ~~TRWD's the policy of the District~~ to require full collateralization of all District funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, ~~TRWD~~the District may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom ~~TRWD~~the District has a current custodial agreement. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership must be supplied to the District and retained.

Collateral shall be reviewed annually by TRWD's external auditors to assure that the market value of the pledged securities is adequate.

Accepted Collateral Defined

The District shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the Sstate of Texas or its agencies and instrumentalities;
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized rating firm not less than A or its equivalent with a remaining maturity of ten years or less;
- A surety bond issued by an insurance company rated as to investment quality by a nationally-recognized rating firm not less than A; and
- A letter of credit issued to the District by the Federal Home Loan Bank

Subject to Audit

All collateral may be subject to inspection and audit by the District's independent TRWD's external auditors.

PERFORMANCE

Performance Standards

The District's TRWD's investment portfolio will be managed in accordance with the parameters specified within this Investment Policy. The portfolio shall be designed with the objective of obtaining a rate of return through operating cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

Performance Benchmark

It is the policy of the District TRWD policy to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, TRWD the District shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value.

REPORTING

Reporting Methods

The Investment Officer(s) shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities and maturities and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally-accepted accounting principles. This summary will be prepared in a manner that will allow ~~TRWD~~~~the District~~ to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The quarterly investment report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Listing of investments by maturity date.
- Fully-accrued interest for the reporting period.
- The percentage of the total portfolio that each type of investment represents.
- A ~~S~~statement of compliance of the District's investment portfolio with state law and ~~the investment strategy and policy approved by the Board of Directors.~~ this Investment Policy.

~~An independent TRWD's external~~ auditor will perform a formal annual review of the quarterly reports with the results reported to the ~~governing body~~Board of Directors as part of the yearly audit.

Monitoring Market Value

~~The M~~market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed ~~to the governing body~~ quarterly in a written report provided to the Board of Directors.

The Investment Officer(s) shall monitor the credit ratings on securities that require minimum ratings. This may be accomplished through website research, or with the assistance of investment advisors, broker dealers, banks or safekeeping agents. If any security falls below the minimum rating required by this Investment Policy, the Investment Officer(s) shall notify the General Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

INVESTMENT POLICY ADOPTION

~~The District's investment policy shall be adopted by resolution of the Board of Directors. It is the District's intent to comply with state laws and regulations. The District's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.~~

FUND STRATEGIES

Objectives

Investments in all funds discussed below shall be made with the primary objectives of: (1) safety and preservation of principal; (2) liquidity; (3) diversification; and (4) optimization of interest earnings as follows:

- **Safety and Preservation of Principal**
~~The District~~TRWD maximizes safety and preservation of principal by limiting investments to the safest types of investments and researching the financial institutions and broker/dealers with which the District conducts business.
- **Liquidity**
Liquidity needs are discussed below within each fund type.
- **Diversification**
Within each of ~~the District's~~ TRWD's funds, diversification is achieved by staggering both maturities and purchase dates to minimize the impact of market movements over time.
- **Optimization of Interest Earnings**
Each fund's investment portfolio shall be designed to obtain a market rate of return sufficient to meet operating needs.

An explanation of each fund's specific purpose and primary strategy is listed below.

General Fund

~~The Generalis #F~~und accounts for flood control, recreation, economic development and general operations of the District. Funds available in the General Fund are used to pay the ongoing operational expenditures each fiscal year.

The primary strategy is to match the operational expenditures of the General Fund with tax revenues, investment interest, maturing investments and other income sources, and invest any surplus fund balance to match future expenditure cash flow needs.

Maximum Maturity – 3 Years

Governmental Contingency Fund

This fund holds non-tax revenue for the Governmental Funds and can be used for Board-approved projects including but not limited to recreation and economic development.

All interest earnings from the Governmental Contingency Fund are reinvested in the Governmental Contingency Fund.

The primary strategy of the fund is to purchase investments utilizing current coupon obligations to meet liquidity needs.

Maximum Maturity – 3 Years

Capital Projects Funds

~~This~~ ~~ese funds~~ ~~accounts~~ for unexpended construction proceeds for Governmental Capital projects. Interest earnings from ~~this fund are~~ ~~ese funds are~~ transferred to the Debt Service Fund to help pay the debt service on the governmental bonds; if no bonds are outstanding interest earnings will remain in the Capital Projects fund.

The primary strategy of ~~this fund~~ ~~these funds~~ is to match maturing investments with anticipated project cash flow needs. Shorter-term obligations and Investment Pools are used to match any immediate liquidity needs that arise due to the estimation of the construction process and its related cash flows.

Maximum Maturity – 3 Years

Governmental Debt Service Fund

The Governmental Debt Service Fund ~~These fund~~ accounts for the monies used to pay the debt service on outstanding governmental bonds. Interest earnings from the Capital Projects Funds are transferred to the Interest and Redemption Fund for debt service.

The primary strategy of this fund is to use investments with maturity dates on or before the debt service payment dates.

Maximum Maturity – 6 Months

Revenue Funds

These ~~Revenue~~ Funds accounts for the operation of ~~TRWD's~~ ~~the District's~~ water supply and water sales functions. Income from water sales, interest earnings, and other income sources ~~are~~ used to pay the ongoing operational expenses each fiscal year. In addition, monies required to supplement the District's and Dallas's revenue bonds debt service are transferred to the District's and Dallas's Interest and Redemption Funds semi-annually (respectively).

The primary strategy is to keep all investments short-term in nature, allowing maturities to match the semi-annual outflows to the Interest and Redemption Fund and any operational expenses as they arise.

Maximum Maturity – 9 Months

Enterprise Construction Funds –Bond Issue Funds

These funds account for unexpended construction proceeds for the various Construction ~~F~~unds projects. Interest earnings from these funds are transferred to the Interest and Redemption Fund (TRWD and Dallas respectively) to help pay the semi-annual debt service on the revenue bonds.

The primary strategy of these funds is to match maturing investments with anticipated construction cash flow needs. Shorter-term obligations and Investment Pools are used to match any immediate liquidity needs that arise due to the estimation of the construction process and its related cash flows.

Maximum Maturity – 3 Years

Interest and Redemption Funds

These funds accounts for the monies used to pay the semi-annual debt service on outstanding revenue bonds. Interest earnings from the Construction Funds and the Reserve Funds are transferred to the Interest and Redemption Funds (for TRWD and Dallas respectively) prior to the semi-annual debt service dates. Any remaining funds needed are transferred from the respective Revenue Funds.

The primary strategy of these ~~ese~~ funds is to use investments with maturity dates on or before the semi-annual debt service payment date.

Maximum Maturity – 6 Months

Reserve Funds

The ~~se~~ funds represent bond reserve funds associated with outstanding revenue bonded debt. These funds were originally established with proceeds from bond issues, with the amount retained in the Reserve Fund approximating the maximum debt service payment in any given year. Interest earnings from these funds are transferred to the Interest and Redemption Fund (for TRWD and Dallas respectively) to help pay the semi-annual debt service on the revenue bonds.

The primary strategy of the Reserve Funds is to purchase investments with intermediate to longer-term maturities.

Maximum Maturity – Not to exceed the District’s last maturing revenue bond

Enterprise Contingency Fund

This fund is established by bond covenant and is to be used primarily for unexpected or extraordinary expenses of the water supply system for which other funds are not otherwise available. ~~This fund~~ can also be used to pay debt service when funds in the Interest and Redemption Fund are insufficient for that purpose. The Enterprise Contingency Fund contains moneys received as buy-in premiums from additional water customers who purchased the right to buy water at the system rate. These buy-in premiums are kept in the Enterprise Contingency Fund at the request of the District’s customer advisory board. All interest earnings from the Enterprise Contingency Fund are reinvested in the Enterprise Contingency Fund.

The primary strategy of the fund is to purchase investments, utilizing current coupon obligations to meet liquidity needs.

Maximum Maturity – 3 Years

Investment Policy Adoption and Amendment. TRWD’s Board of Directors shall adopt this Investment Policy by a resolution of the Board of Directors. It is TRWD’s intent to comply with state laws and regulations. Accordingly, this Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

XXX.0 OTHER POST-EMPLOYMENT BENEFITS FUNDING POLICY

XXX.1 **Purpose.** The purpose of this Other Post-Employment Benefits (“OPEB”) Funding Policy and TRWD’s established Other Post-Employment Benefits Trust (the “OPEB Trust”) is to finance other post-employment benefits as they are earned and to earn a higher yield on those funds to better be able to pay for future post-employment benefits.

XXX.2 **Funding Policy.** It is TRWD’s policy to fund the OPEB Trust annually with \$1,000,000, increasing by 10% each year beginning in Fiscal Year 2016 until the OPEB Trust has accumulated 75% of the total Actuarial Accrued Liability, as defined in the notes to TRWD’s annual audited Financial Report.

XXX.3 **Distribution Policy.** It is TRWD’s policy to use funds in the OPEB Trust for current retiree benefits in the following scenarios:

- If, at the end of the prior year, the OPEB Trust fund has accumulated more than 75% of the total Actuarial Accrued Liability, TRWD may use that excess for current retiree costs.
- If, as of August 31 of each fiscal year, TRWD determines it expects to be over budget for health costs by more than 15% in the current fiscal year, the OPEB Trust may reimburse the District for all retiree benefits up to the amount the overall health costs are over budget, so long as this does not drop the balance of the fund below \$500,000. (Note: Only retiree benefits paid may be reimbursed by the OPEB Trust fund; therefore, the reimbursement may not pay for the full budget overage.)
- If the District determines it wishes to decrease the percentage of the Actuarial Accrued Liability it wishes to fund, this change must be submitted to the Finance and Audit Committee for review and approved by the Board.

XXX.4 **Policy Review.** TRWD shall review this Policy annually with the Finance and Audit Committee to determine if any changes to this Policy should be recommended to the Board due to changes in the practices, activities, or circumstances of the District.

XXX.0 OTHER POST-EMPLOYMENT BENEFITS FUNDING POLICY

Date: 10/1/14

XXX.1 OPEB Purpose. The purpose of this Other Post-Employment Benefits (“OPEB”) Funding Policy and TRWD’s established Other Post-Employment Benefits Trust (the “OPEB Trust”) is to finance other post-employment benefits as they are earned and to earn a higher yield on those funds to better be able to pay for ~~the~~ future post-employment benefits.

XXX.2 Funding Policy. It is TRWD’s the policy of the Tarrant Regional Water District to fund the OPEB Trust annually with \$1,000,000, increasing by 10% each year beginning in Fiscal Year 2016 until the District is funding the Annual Required Contribution (ARC) calculated by the District’s OPEB actuary, until the OPEB Trust has accumulated 75% of the total Actuarial Accrued Liability, as defined in the notes to TRWD’s annual audited Financial Report.

XXX.3 Distribution Policy. It is TRWD’s the policy of the District to use funds in the OPEB Trust for current retiree benefits in the following scenarios:

- If, at the end of the prior year, the OPEB Trust fund has ~~sd~~ accumulated more than 75% of the total Actuarial Accrued Liability, TRWDthe District may use that excess for current retiree costs.
- If, as of August 31 of each fiscal year8/31/XX, TRWDthe District determines ~~they it~~ expects to be over budget for health costs by more than 15% in the current fiscal year, the OPEB Trust may reimburse the District for all retiree benefits up to the amount the overall health costs are over budget, so long as this does not drop the balance of the fund below \$500,000. (Note: Only retiree benefits paid may be reimbursed by the OPEB Trust fund; therefore, the reimbursement may not pay for the full budget overage.)
- If the District determines ~~itthey~~ wishes to decrease the percentage% of the Actuarial Accrued Liability it they wishes to fund, this change must be would have to be approved by submitted to the Finance and Audit Committee for review and approved by the Board.

XXX.4 Funding Policy Review. TRWD shall review this Policy annually

~~It is the Policy of the District to review this funding policy~~ with the Finance and Audit Committee annually to determine if any changes to this Policy should be recommended to the Boardmade due to changes in the practicespolicies, activities, or circumstances of the District.

XXX.0 PUBLIC INFORMATION POLICY

TRWD is committed to upholding its obligations under the Texas Public Information Act, Texas Government Code §§ 552.001 *et seq.* (the Act) and ensuring public access to its records in accordance with the Act. All TRWD records are available to the public unless one of the exceptions to disclosure listed in the Act applies.

XXX.1 Purpose. The purpose of this Policy is to provide transparency through compliance with the Texas Public Information Act and to give members of the public the right to access TRWD's records that are subject to disclosure under the Act.

XXX.2 Scope. This Public Information Policy applies to the Board, all departments, divisions, and offices within TRWD, and all TRWD staff.

XXX.3 Public Information Defined. Public information under Section 552.002 of the Public Information Act means information that is written, produced, collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business: (1) by TRWD; (2) for TRWD and the District owns the information, has a right of access to the information, or spends or contributes public money for the purpose of writing, producing, collecting, assembling, or maintaining the information; or (3) by an individual officer or employee of TRWD in the officer's or employee's official capacity and the information pertains to official business of TRWD.

Information is in connection with the transaction of TRWD's official business if the information is created by, transmitted to, received by, or maintained by an officer or employee of TRWD in the officer's or employee's official capacity, or a person or entity performing official business or a governmental function of behalf of TRWD and pertains to official business of TRWD.

Public information includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business.

The media on which public information is recorded include: paper; film; a magnetic, optical, solid state, or other device that can store an electronic signal; tape; Mylar; and any physical material on which information may be recorded, including linen, silk, and vellum. The general forms in which the media containing public information exist include a book, letter, document, e-mail, Internet posting, text message, instant message, other electronic communication, printout, photograph, film, tape, microfiche, microfilm, photostat, sound recording, map, and drawing and a voice, data, or video representation held in computer memory.

XXX.4 Public Information Officer. TRWD's General Manager serves as TRWD's Public Information Officer. The General Manager shall designate a Public

Information Coordinator who serves as the Public Information Officer's designee for the purpose of receiving and coordinating responses to all requests for public information submitted to the District.

XXX.5 Public Information Requests. TRWD accepts requests for public information in writing using the following methods:

- Electronically: using the Open Records Request form available at <https://www.trwd.com/request/> or via email to openrecords@trwd.com;
- Mail: TRWD, Attn: Open Records Request, 800 E. Northside Drive, Fort Worth, Texas 76102;
- Hand-delivery to 800 E. Northside Drive, Fort Worth, Texas 76102 Administration Building front desk; or
- Fax: 817-877-5137, Attn: Open Records Request.

All Board members and TRWD staff in all departments, divisions, and offices should contact the Public Information Coordinator immediately upon receipt of any request for public information. Board members and TRWD staff shall forward information requests to openrecords@trwd.com as soon as they are received for the District to timely respond and comply with all requirements of the Act. Anyone who attempts to make an oral request for public information should be directed to submit the request in writing using one of the methods listed above.

XXX.6 Responding to Public Information Act Requests. TRWD shall make available to any person who submits a public information request the information required to be released under the Act in accordance with the requirements of the Act. Access to public information shall always be provided in a fair, objective, courteous, and prompt manner. The General Manager, as TRWD's Public Information Officer, and the Public Information Coordinator, as the General Manager's designee, shall treat all requests for information uniformly without regard to the position or occupation of the requestor, the person on whose behalf the request for public information is made, or the status of the individual as a member of the media, except as provided under the Act.

XXX.7 Training. The General Manager shall ensure that TRWD's Public Information Coordinator attends the training required by Texas Government Code Section 552.012 not later than the 90th day after the Public Information Coordinator assumes this role. The General Manager shall ensure the Public Information Coordinator attends or receives annual training regarding TRWD's responsibilities under the Public Information Act.

XXX.8 Procedures for Responding to Public Information Requests. The General Manager or designee from TRWD's Executive Team or Leadership Team shall establish and implement administrative procedures or guidelines for processing and responding to requests for information to ensure TRWD's compliance with the Public Information Act.

March 1, 2005

TARRANT REGIONAL WATER DISTRICT

PUBLIC INFORMATION POLICY

TRWD is committed to upholding its obligations under the Texas Public Information Act, Texas Government Code §§ 552.001 *et seq.* (the Act) and ensuring public access to its records in accordance with the Act. All TRWD records are available to the public unless one of the exceptions to disclosure listed in the Act applies.

1.0 PURPOSE

The purpose of this Policy is to provide transparency through compliance with the Texas Public Information Act and to give members of the public the right to access TRWD's records that are subject to disclosure under the Act. ~~outline procedures for handling all Public Information Requests.~~

2.0 DEPARTMENTS AFFECTED Scope.

This Public Information Policy applies to the Board, ~~All~~ departments, divisions, and offices within TRWD, and all TRWD staff.

3.0 DEFINITIONS Public Information Defined.

Public Information ~~—The Public Information Act (under Section 552.0021, *et seq.* of the Public Information Act means Texas Government Code [the “Act”]) defines “public information” as:—~~ information that is written, produced, collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business; (1) ~~by TRWD a governmental body;~~ (2) ~~or for TRWD a governmental body and the governmental body~~ District owns the information or has a right of access to the information, or spends or contributes public money for the purpose of writing, producing collecting, assembling, or maintaining the information; or (3) by an individual officer or employee of TRWD in the officer's or employee's official capacity and the information pertains to official business of TRWD†.

Information is in connection with the transaction of TRWD's official business if the information is created by, transmitted to, received by, or maintained by an officer or employee of TRWD in the officer's or employee's official capacity, or a person or entity performing official business or a governmental function of behalf of TRWD and pertains to official business of TRWD.

Public information includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business.

The media on which public information is recorded include: paper, film, a magnetic, optical, ~~or~~ solid-state, or other device that can store an electronic signal, tape, Mylar, and any physical material on which information may be recorded including, linen, silk, and velum. The general forms in which the media containing public information exist include a book, ~~paper~~, letter, document, e-mail, Internet posting, text message, instant message, other electronic communication, printout, photograph, film, tape, microfiche, microfilm, photostat, sound recording, map and drawing and a voice, data, or video representation held in computer memory.

~~XXX.4~~ Public Information Officer – ~~The District has determined that the Records Manager will serve as the designee of the TRWD's General Manager serves as TRWD's Public Information Officer. The General Manager shall designate a Public Information Coordinator who serves as the Public Information Officer's designee~~ for the purpose of receiving and coordinating responses to all ~~Public Information Requests~~ for public information submitted to the District.

~~XXX.5~~ Public Information Requests ("Requests") – TRWD accepts requests for public information in writing using the following methods:

- Electronically: using the Open Records Request form available at <https://www.trwd.com/request/> or via email to openrecords@trwd.com;
- Mail: TRWD, Attn: Open Records Request, 800 E. Northside Drive, Fort Worth, Texas 76102;
- Hand-delivery to 800 E. Northside Drive, Fort Worth, Texas 76102 Administration Building front desk; or
- Fax: 817-877-5137, Attn: Open Records Request.

All Board members and TRWD staff in all departments, divisions, and offices should contact the Public Information Coordinator immediately upon receipt of any request for public information. Board members and TRWD staff shall forward information requests to openrecords@trwd.com as soon as they are received for the District to timely respond and comply with all requirements of the Act. Anyone who attempts to make an oral request for public information should be directed to submit the request in writing using one of the methods listed above.

~~All written Requests for Public Information fall under the provisions of the Act. This includes any correspondence, form, or other writing that requests information. A request for information need not name the Act or be addressed to the Public Information Officer. However, a request made by electronic mail or facsimile transmission must be sent to the Public Information Officer or the officer's designee.~~

~~It is the District's practice to require the Requestor to submit a request for Public Information in writing.~~

~~Manipulation—The process of modifying, reordering, or decoding of information with human intervention.~~

~~Processing—The execution of a sequence of coded instructions by a computer producing a result.~~

~~Programming—The process of producing a sequence of coded instructions that can be executed by a computer.~~

~~Requestor—A person who submits a request in writing to a governmental body for inspection or copies of public information.~~

~~Standard Copies—Printed impressions on paper that measures up to 8 ½ by 14 inches. Each side of a piece of paper on which an impression is made is counted as a copy.~~

~~Non Standard Copies—Copies of information made available to a Requestor in any format other than a standard copy. This includes, but is not limited to, microfiche, microfilm, diskettes, CDs, magnetic tapes, videocassettes, and paper copies on specialty paper and/or larger than 8 ½ by 14 inches.~~

4.0 POLICY Responding to Public Information Act Requests.

~~In recognition of its responsibilities as a local government, the Tarrant Regional Water District-TRWD shall make available to any^H persons who submits a public information request the complete information required to be released under the Act in accordance with the requirements of the Act, regarding the affairs of government and the official acts of those who represent them as public officials and employees, unless that information is exempt from disclosure by law. Access to Ppublic iInformation shall always be provided in a fair, objective, courteous, and timely-prompt manner.~~

~~The General Manager, as TRWD's Public Information Officer, and the Public Information Coordinator, as the General Manager's-or-the-officer's designee, shall treat all rRequests for information uniformly without regard to the position or occupation of the Rrequestor, the person on whose behalf the rRequest for public information is made, or the status of the individual as a member of the media, except as provided under the Act.~~

XXX.7 Training. The General Manager shall ensure that TRWD's Public Information Coordinator attends the training required by Texas Government Code Section 552.012 not later than the 90th day after the Public Information Coordinator assumes this role. The General

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Manager shall ensure the Public Information Coordinator attends or receives annual training regarding TRWD's responsibilities under the Public Information Act.

XXX.8 Procedures for Responding to Public Information Requests. The General Manager or designee from TRWD's Executive Team or Leadership Team shall establish and implement administrative procedures or guidelines for processing and responding to requests for information to ensure TRWD's compliance with the Public Information Act.

5.0 RESPONSIBILITY

~~This policy establishes practices and procedures for processing Requests for information that may be considered routine and also provides guidance for handling Requests whose content may require review by the Staff Attorney.~~

5.1 Departments

~~**5.1.1** The Records and Information Management (RIM) Department is generally the first point of contact and the distribution point for Public Information Requests. Departments may refer a Request for Public Information to the RIM Department or may receive the Request and promptly fax it to the RIM Department, whichever is more expeditious for the Requestor.~~

~~**5.1.2** Department heads are responsible for responding immediately to any inquiries from the RIM Department or Staff Attorney regarding Requests for departmental Public Information.~~

~~**5.1.3** Departments are responsible for promptly referring a copy of any Request for information to the RIM Department.~~

~~**5.1.4** If a Public Information Request will result in a charge of more than \$40, the department shall provide the Requestor a written itemized statement that details all the estimated charges. If there is a less costly alternative to view the information, the notice shall inform the Requestor to contact the department about the alternate method. If the Requestor does not respond in writing to the itemized statement within 10 business days after the statement is sent, the Request is considered withdrawn. If the actual charges exceed the written itemized statement by 20% or more, the department shall send the Requestor an updated itemized statement.~~

5.2 Records and Information Management (RIM) Department

~~**5.2.1** The RIM Department advises departments on costs associated with providing copies of, or access to, Public Information.~~

~~5.2.2~~—The RIM Department assists departments in providing copies or access to Public Information in response to non-routine Requests.

~~5.2.3~~—The RIM Department is responsible for advising and informing the General Manager on noteworthy or sensitive requests, or providing reports from the Public Information Request log as requested.

~~5.2.4~~—If a Request requires information from more than one department, the RIM Department shall assist in coordinating a response.

~~5.3~~—Staff Attorney's Office

~~5.3.1~~—The Staff Attorney reviews all written Requests for Public Information forwarded by the RIM Department and other departments to determine whether any portion of the requested information may fall under an exception under the Act.

~~5.3.2~~—The Staff Attorney may send a Request to the Texas Attorney General, according to the provisions and time allowances articulated in the Act, for decisions on Public Information Requests that are either confidential as defined in the Act or requests that may be exceptions to disclosure under the Act.

~~5.3.3~~—The Staff Attorney provides guidance, as needed, to the General Manager, the RIM Department, and other departments on all Requests for Public Information.

~~6.0~~—GENERAL

~~6.1~~—Staff shall ask any Requestor to put a Public Information Request in writing addressed to the RIM Department. The request may be submitted by mail, facsimile, or delivered in person. While most requests should begin with, or be forwarded immediately to, the RIM Department for distribution, certain routine Requests for which information is readily available and it is clear that no exceptions exist should be handled by the department of record in order to expedite the response to the Request. Upon provision of information in response to this kind of request, departments shall issue a copy or otherwise report to the RIM Department of what information is being provided and when. All requests requiring distribution shall be forwarded immediately to the RIM Department. Upon receipt, the Records Manager shall immediately forward copies of the request to all relevant departments and to the Staff Attorney, and issue a response to the Requestor confirming receipt and indicating status and department(s) of record.

~~6.2~~—All Public Information maintained by the District at the time of a request that is not otherwise excepted by law must be copied and/or made available for inspection within a reasonable amount of time after the request has been made.

~~The difficulty or inconvenience involved in making this information available is not a factor in determining whether or not information shall be released. The availability and volume of information requested, however, are highly relevant to what constitutes a reasonable period of time. For more voluminous requests, the task of compilation will be much greater. If the request is unclear, staff may ask the Requestor to clarify what information is being sought. If a large amount of information has been requested, staff may discuss with the Requestor how the scope of the request might be narrowed, but staff may not inquire into the purpose for which Public Information is sought or will be used.~~

- ~~6.3 Requests for Public Information shall be handled promptly and in the order in which they are received. When the compilation or provision of requested information is to exceed ten (10) business days from the date of the original Request, the departments shall certify in writing to the Requestor of the date and approximate hour within a reasonable time when the information will be available, copying the RIM Department.~~
- ~~6.4 (a) If Public Information exists in an electronic or magnetic medium, the Requestor may request a copy either on paper or in an electronic medium, such as on diskette or magnetic tape. District staff shall provide a suitable copy in the requested medium if:~~
- ~~(1) the District has the technological ability to produce a copy of the requested information in the requested medium;~~
 - ~~(2) the District is not required to purchase any software or hardware to accommodate the Request; and~~
 - ~~(3) provision of a copy of the information in the requested medium will not violate the terms of any copyright agreement between the District and a third party.~~
- ~~(b) If staff is unable to comply with a Request to produce a copy of information in a requested medium for any of the reasons described above, staff shall provide a paper copy of the requested information or a copy in another medium that is acceptable to the Requestor. Staff is not required to copy information to a diskette or other material provided by the Requestor but may use its own supplies.~~
- ~~6.5 (a) If staff determines that responding to a Public Information Request will require Programming or Manipulation of data and that compliance with the Request is not feasible or will result in substantial interference with ongoing operations, or that the information could be made available in the requested form only at a cost that covers the Programming and Manipulation of data, staff shall provide to the Requestor a written statement that must include:~~

~~(1) a statement that the information is not available in the requested form;~~

~~(2) a description of the form in which the information is available;~~

~~(3) a description of any contract or services that would be required to provide the information in the requested form;~~

~~(4) a statement of the estimated cost of providing the information in the requested form, in accordance with charges outlined in Appendix A of this policy; and~~

~~(5) a statement of the anticipated time required to provide the information in the requested form.~~

~~(b) Staff shall provide the written statement to the Requestor within 20 days after the date of receipt of the request. Staff has an additional 10 days to provide the statement if staff gives written notice to the Requestor that additional time is needed.~~

~~(c) After providing the written statement to the Requestor, staff has no further obligation to provide the information in the requested form or in the form in which it is available until the Requestor states in writing to the staff that the Requestor:~~

~~(1) wants staff to provide the information in the requested form according to the cost and time parameters set out in the statement or according to other terms to which the Requestor and staff agree; or~~

~~(2) wants the information in the form in which it is available.~~

~~(d) Staff shall maintain a file containing all written statements issued under this section in a readily accessible location as authorized or required by law.~~

~~6.6 Staff shall consult with the Information Technology (IT) Department in providing the written statement described in Section 6.5, as well as a "suitable copy" described in Section 6.4, when IT has service responsibility for the electronic recordkeeping systems from which the information is being requested.~~

~~6.7 For both convenience and security, all information requested shall be located by departmental staff, inspected by the Requestor, and copied by departmental staff.~~

~~6.8 District staff shall not remove or allow to be removed from District offices any original copies of Public Information. Inspections of Public Information shall take place on-site in District offices. Departments shall provide facilities and accommodations to accomplish such inspections.~~

~~6.9 — Persons requesting access to Public Information must complete examination of the information within 10 days from the date material is made available to them. This period may be extended an additional 10 days provided the Requestor, during the initial period, files a written request for additional time. An additional 10 days may be granted if, within the additional period, the Requestor files another written request for additional time. This examination period may be interrupted if the information is needed for use by the District. This period of interruption is not included in the time period during which persons may examine information.~~

~~6.10 — Departments shall keep records of labor involved in compiling all Requests for information so that proper charges can be assessed.~~

~~6.11 — Copies of materials requested in Public Information Requests may be mailed to the Requestor by first class United States certified mail.~~

~~6.12 — Destruction of Public Information shall take place on a regular and systematic basis according to approved records retention and disposition schedules, and state law. No information shall be destroyed, however, including information whose retention minimum has expired, while subject to a pending Request for that information or if notification of such a pending Request has been received until such time as the Request is resolved.~~

~~6.13 — Any questions regarding the nature or handling of a particular Public Information Request shall be referred to the RIM Department.~~

7.0 — PROCEDURES

~~7.1 — All Public Information Requests, as defined in Section 3 of this policy, shall be logged in by the RIM Department. Routine Requests for Public Information may be submitted directly to departments, who then should handle Requests in a timely and statutory manner, after forwarding a copy to the RIM Department. Departments shall refer or forward all non-routine Requests for Public Information by facsimile or other immediate provision to the RIM Department, which will then distribute copies of the Request to all applicable departments for response.~~

~~7.2 — The RIM Department refers Requests to the Staff Attorney to determine whether all or any portion of the information requested is exempted or excepted from public access.~~

~~7.3 — For any written Request for Public Information that the Staff Attorney considers within the exceptions stated in the Act but for which there has been no previous determination of exception, the Staff Attorney must request a decision on the matter from the Attorney General within ten business days of the District's receipt of the written request. If such a decision is not requested, the requested~~

~~information shall be presumed to be Public Information. Departmental staff must refer all non-routine Public Information Requests immediately to the RIM Department to enable the District to comply with the 10-day deadline for seeking a decision from the Attorney General, if it is necessary. Failure to comply with the provisions of the Act that require production of requested information if no Attorney General decision is sought within the 10-day time period is a misdemeanor punishable by a fine up to \$1,000, confinement in jail up to 6 months, or both. In addition, an offense is committed if Public Information is willfully destroyed, mutilated, removed without permission, or altered, and is punishable by a fine from \$25 to \$4,000, confinement in jail from 3 days to 3 months, or both the fine and confinement.~~

~~7.4 — The Staff Attorney shall notify the Requestor, relevant departments, and the RIM Department upon determination that the requested information is subject to exception from disclosure or release. The Staff Attorney shall oversee the redaction of information determined to be confidential or otherwise excepted from public disclosure.~~

~~7.5 — When mailing copies of Public Information, certified mail shall be used.~~

~~8.0 — CHARGES FOR PUBLIC INFORMATION~~

~~8.1 — Charges for Public Information are governed by cost regulations promulgated by the Texas Building and Procurement Commission (1 Texas Administrative Code, §§ 111.61-.70), are summarized in Appendix A of this policy, are designed to match the actual cost of providing requested information, and are based primarily on the volume and availability of the information.~~

~~8.2 — As a general rule, staff should provide to a Requestor a written estimate of costs anticipated for information that will require manipulation, programming, personnel time, or other cost categories over and above simple paper copies.~~

~~8.3 — As a general rule, there is no charge for inspection of Public Information if a copy is not requested. The following are exceptions to this rule, for which fees may be charged:~~

~~(a) — In the case of paper records on which a page or pages contain mandatory confidential information that must be edited or redacted before the Public Information can be made available, departments may charge only for the cost of a copy of the page from which information must be redacted.~~

~~(b) — In the case of information in an electronic medium that is not available directly online to a Requestor and that will require programming or manipulation of data to comply with a Request, departments may impose charges for access to the information. Departments shall provide an estimate of related charges to the Requestor before assembling the information.~~

~~8.4~~ When charges for copying are projected to exceed \$100, a deposit not to exceed one half the estimated charges shall be collected, and a receipt for this amount shall be given when the deposit is received.

~~8.5~~ Sales tax may not be added to the charges for copying Public Information.

~~8.6~~ The following are procedures for responding to ~~non-routine~~ Public Information Requests, including those, which may relate to pending or threatened litigation.

~~Responsibility~~ ~~Action~~

~~Departments~~ Send all Public Information Requests to the RIM Department immediately, retaining one copy for record purposes.

~~RIM Department~~ Log and number all requests.

~~Distribute Request by facsimile or delivery both to the Staff Attorney and all departments related to the Request.~~

~~Issue a response to the Requestor confirming Request receipt and indicating the distribution status.~~

~~Notify General Manager and department heads on noteworthy or sensitive requests.~~

~~Assist Staff Attorney with collection, examination, and editing of requested information, as needed.~~

~~Staff Attorney~~ Review Requests to determine whether any portion may be protected information, including information which may be related to pending or threatened litigation, in which event counsel responsible for the pending or threatened litigation should be notified prior to any response to the Requestor or release of any information. Collect and examine information from departments as needed and consult with them regarding exceptions to disclosure of information. If it is necessary, to request a determination from the Attorney General.

~~Submit Request to Attorney General within 10 business days of District's receipt of Request.~~

Notify Requestor of submission to Attorney General.

Submit written comments stating the reasons why the stated exceptions apply not later than the 15th business day after the date of receiving the written Request.

Approve and/or release any portion of the Request that is Public Information.

Inform Requestor of Attorney General decision when received.

Departments

Notify Requestor of availability of material requested and arrange time and place for viewing. Hold all materials approved for release.

For large copying requests, provide Requestor with an estimate of anticipated charges.

Arrange for copying of materials as requested, assess charges according to fee schedule, attached as Appendix A, and itemize same on invoice when the latter is used for billing purposes.

Deliver materials and provide receipt of payment.

Keep official record of communications and materials prepared for each Request for five years after final decision on Request.

APPENDIX

A. Fee Schedule, Charges for Public Information

APPENDIX A

**FEE SCHEDULE
CHARGES FOR PUBLIC INFORMATION**

The following is to be used as a guide when charging for copying or providing Public Information and is drawn from Texas Administrative Code, § 111.70, with more detailed explanations in §111.63. Contact the RIM Department with questions.

<u>Services Rendered</u>	<u>Charge</u>
(1) Standard paper copy	\$.10 per page (each printed side is one page)
(2) Nonstandard size copy:	
(A) Diskette	\$ 1.00 each
(B) Magnetic tape:	Actual Cost
(C) Data Cartridge:	Actual Cost
(D) Tape Cartridge:	Actual Cost
(E) Rewriteable CD (CD-RW)	\$ 1.00 each
(F) Non-rewriteable CD (CD-R)	\$ 1.00 each
(G) Digital video disc (DVD)	\$ 3.00 each
(H) JAZ drive	Actual Cost
(I) Other electronic media	Actual Cost
(J) VHS video cassette	\$ 2.50 each
(K) Audio cassette	\$ 1.00 each
(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper)	\$.50
(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic)	Actual Cost
(3) Personnel charge:	

~~(A) Programming personnel \$28.50 per hour~~

~~(B) Other personnel \$15.00 per hour~~

~~(Note: This charge may only be assessed if the volume of information exceeds 50 pages, or if the information is located in more than one building or in a remote storage facility. This charge may be assessed to redact confidential information, but not to research which information is confidential, nor to request a ruling from the Attorney General).~~

~~(4) Overhead charge 20% of personnel charge~~

~~(5) Microfiche or microfilm charge:~~

~~(A) Paper copy \$.10 per page~~

~~(B) Fiche or film copy Actual cost~~

~~(6) Remote or document retrieval charge Actual cost~~

~~(7) Computer resource charge:~~

~~(A) Mainframe \$10.00 per minute~~

~~(B) Midsize \$ 1.50 per minute~~

~~(C) Client/Server \$ 2.20 per hour~~

~~(D) PC or LAN \$ 1.00 per hour~~

~~(8) Miscellaneous supplies Actual cost~~

~~(9) Postage and shipping charge Actual cost~~

~~(10) Photographs Actual cost~~

~~(11) Other costs Actual cost~~

~~(12) Outsourced/Contracted Services Actual cost~~

~~(13) Sales tax No sales tax shall be applied to copies of public information~~

XXX.0 RECORDS MANAGEMENT POLICY

TRWD is committed to upholding its obligations under the Local Government Records Act, Texas Local Government Code §§ 201.001 *et seq.* (the Act), and ensuring that TRWD's records are preserved and maintained under an active and continuing records management program administered by TRWD's Records Management Officer.

XXX.1 Purpose. The purpose of this Policy is to establish rules for managing and maintaining the records of TRWD and to ensure TRWD complies with the Local Government Records Act.

XXX.2 Scope. This Records Management Policy applies to the Board, to all departments, divisions, and offices within TRWD, and to all TRWD staff.

XXX.3 District Records. District records include all items identified as a "local government record" in Texas Local Government Code § 201.003(8). This means that any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic, created or received by TRWD or any of its Board members or staff under the law, including an ordinance, or in the transaction of public business is a District record, regardless of whether public access to it is open or restricted under the laws of the state.

A District record does not include: (1) extra identical copies of documents created for convenience of reference or research by Board members or TRWD staff; (2) notes, journals, diaries, and similar documents created by a Board member or TRWD staff; (3) blank forms; (4) stocks of publications; (5) library and museum materials acquired solely for the purpose of reference or display; (6) copies of documents in any media furnished to members of the public to which they are entitled under the Texas Public Information Act or other state law; or (7) any records, correspondence, notes, memoranda, or documents, other than a final written agreement to which TRWD (or other governmental body) is a signatory, associated with a matter conducted under an alternative dispute resolution procedure as described in Texas Government Code Chapter 2009.

All District records shall be considered the property of the District. No employee has any personal property right to such records even though he or she may have developed or compiled them. The unauthorized destruction or removal of District records is prohibited.

XXX.4 Designation of Records Management Officer. The Board of Directors designates TRWD's Chief Administrative Officer to serve as and perform the duties of the District's Records Management Officer, as prescribed under Texas Local Government Code § 203.023.

XXX.5 Filings by the Records Management Officer. The Records Management Officer shall file his or her name with the Texas State Library and Archives Commission (TSLAC) within 30 days of assuming the position. The Records Management Officer shall file TRWD's plan establishing a records management program and any amendments to the plan with the TSLAC. The Records Management Officer shall also file with the TSLAC a written declaration that TRWD has adopted records control schedules that comply with records retention schedules issued by the TSLAC as provided by law.

XXX.6 Development of Processes for Management of District Records. The General Manager, in consultation and collaboration with the Records Management Officer, shall establish and implement administrative procedures or guidelines for the administration of TRWD's records management program. These administrative procedures will set forth the processes all TRWD staff must follow for effective and efficient control of the creation, maintenance, use, preservation, and any disposition of District records in accordance with the Local Government Records Act, this Policy, and generally-accepted records management practices.

XXX.7 Maintenance of District Records. The Board and all departments, divisions, and offices within TRWD, and all TRWD staff, shall maintain all District records in accordance with this Policy, any administrative procedure or guideline for the administration of TRWD's records management program, and all local records control and/or retention schedules established by TRWD as part of its records management program.

XXX.8 Records Retention Schedules. TRWD shall maintain District records, at a minimum, in accordance with the Local Government Retention Schedules adopted by the TSLAC and applicable to the District, as follows:

- Local Schedule GR for Records Common to All Local Government, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_gr;
- Local Schedule UT for Records of Utility Services, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_ut;
- Local Schedule TX for Records of Property Taxation, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_tx;
- Local Schedule EL for Records of Elections and Voter Registration, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_el;
- Local Schedule PW for Records of Public Works and other Government Services, which may be found at: https://www.tsl.texas.gov/slr/localretention/schedule_pw; and
- Local Schedule PS for Records of Public Safety Agencies (Police, Fire,

EMS, ME, etc.), which may be found at <https://www.tsl.texas.gov/slr/localretention#PS>.

TRWD's records management program shall address the length of time records will be posted on TRWD's website when applicable law does not specify a posting period.

XXX.9 Records Destruction Practices. TRWD shall follow its records control schedules, records management program, and all applicable laws regarding records destruction. TRWD shall preserve records, including electronically-stored information, and suspend routine record destruction practices where appropriate and in accordance with the administrative procedures developed by the Records Management Officer, which shall describe the circumstances under which District records scheduled for destruction must be retained by TRWD.

XXX.10 Training. The Records Management Officer shall receive appropriate training regarding the Local Government Records Act and shall ensure that custodians of records, as defined by law, and other applicable TRWD staff are trained on the District's records management program, including this Records Management Policy and TRWD's administrative procedures created in accordance with this Policy.

TRWD is committed to upholding its obligations under the Local Government Records Act, Texas Local Government Code §§ 201.001 et seq. (the Act), and ensuring that TRWD's records are preserved and maintained under an active and continuing records management program administered by TRWD's Records Management Officer.

1.0 **PURPOSE**

Title 6, Subtitle C, Local Government Code (Local Government Records Act) provides that the Tarrant Regional Water District (the District) must establish an active and continuing records management program to be administered by a Records Management Officer. The purpose of this Policy is to establish rules for managing and maintaining the records of the Water District, TRWD and to ensure TRWD complies with the Local Government Records Act.

2.0 **DEPARTMENTS AFFECTED**Scope

This Records Management Policy applies to the Board, to All departments, divisions, and offices within TRWD, and to all TRWD staff.

3.0 **DEFINITION OF DISTRICT RECORDS**

District records include all items identified as a "local government record" in Texas Local Government Code § 201.003(8). This means that any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic, created or received by TRWD or any of its Board members or staff under the law, including an ordinance, or in the transaction of public business is a District record, regardless of whether public access to it is open or restricted under the laws of the state.

A District record does not include: (1) extra identical copies of documents created for convenience of reference or research by Board members or TRWD staff; (2) notes, journals, diaries, and similar documents created by a Board member or TRWD staff; (3) blank forms; (4) stocks of publications; (5) library and museum materials acquired solely for the purpose of reference or display; (6) copies of documents in any media furnished to members of the public to which they are entitled under the Texas Public Information Act or other state law; or (7) any records, correspondence, notes, memoranda, or documents, other than a final written agreement to which TRWD (or other governmental body) is a signatory, associated with a matter conducted under an alternative dispute resolution procedure as described in Texas Government Code Chapter 2009.

All District records shall be considered the property of the District. No employee has any personal property right to such records even though he or she may have developed or compiled them. The unauthorized destruction or removal of District records is prohibited.

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~~All papers, books, correspondence, memoranda, accounts, reports, maps, plans, photographs, sound and video recordings, files, microfilm, magnetic or paper tape, electronic media, or other information recording media, or other documents regardless of physical form or characteristic created, received, filed or recorded by any officer or employee of the District, in pursuance of any business, duty, or function of public business, or pursuant to law, including an ordinance, whether or not confidential or restricted in use under the laws of the State of Texas or the United States, are records of the District. District records will be created, maintained and disposed of in accordance with the provisions of this policy document and in no other manner. Library materials acquired solely for reference, stocks of publications and other documents listed in Texas Local Government Code, Section 201.003 (8), do not constitute District records.~~

~~**3.1 Additional Definitions:**~~

~~(1) "Department head" means the person in charge of an office of the District that creates or receives records.~~

~~(2) "Vital record" means any record of the District necessary to the resumption or continuation of operations of the District in an emergency or disaster, to the recreation of the legal and financial status of the District, or to the protection and fulfillment of obligations to the people of the state.~~

~~(3) "Permanent record" means any record of the District for which the retention period on a records retention schedule is given as permanent.~~

~~(4) "Records retention schedule" means a document prepared by or under the authority of the Records Management Officer listing the records maintained by the District, their retention periods, and other records disposition information that the records management program may require.~~

~~(5) "Records management" means the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records for the purposes of reducing the costs and improving the efficiency of recordkeeping. The term includes the development of records control schedules, the management of filing and information retrieval systems, the protection of essential and permanent records, the economical and space-effective storage of inactive records, control over the creation and distribution of forms, reports, and correspondence, and the management of micrographics and electronic and other records storage systems.~~

~~(6) "Records coordinators" mean the persons designated by their department head to assist with the implementation of the records management program in the department.~~

~~(7) "Records management officer" means the person designated by the Board of Directors to systematically manage the recorded information generated and received by the District.~~

~~(8) "Records management plan" means the plan developed by the records management officer that contains policies and procedures designed to reduce the costs and improve the efficiency of recordkeeping, to adequately protect the vital records of the District, and to properly preserve those records of the District that are of historical value. The records management plan shall be binding on all offices, departments, divisions, programs, commissions, bureaus, boards, committees, or similar entities of the District and records shall be created, maintained, stored, imaged, or disposed of in accordance with the plan.~~

~~(9) "Retention period" means the minimum time that must pass after the creation, recording, or receipt of a record, or the fulfillment of certain actions associated with a record, before it is eligible for destruction.~~

DISTRICT RECORDS DECLARED PUBLIC PROPERTY

All District records ~~shall be considered are~~ the property of the District. No employee has, ~~by virtue of position,~~ any personal property right to such records even though he or she may have developed or compiled them. The unauthorized destruction, removal ~~from files or use of such of~~ District records is prohibited.

POLICY

~~The efficient, economical and effective control over the creation, distribution, organization, maintenance, use and disposition of all District records is achieved through a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements by the Texas Local Government Records Act and accepted records management practices.~~

DESIGNATION OF RECORDS MANAGEMENT OFFICER

The Board of Directors ~~will~~ designates TRWD's Chief Administrative Officer to serve as and ~~perform the duties of the District's a~~ Records Management Officer, ~~as prescribed under Texas Local Government Code § 203.023,~~ who will administer records management, be responsible for District records management, and direct the retention and disposition of the District's records.

DUTIES OF RECORDS MANAGEMENT OFFICER

The Records Management Officer will:

- ~~1. administer the records management program and provide assistance to department heads in its implementation;~~
- ~~2. prepare records retention and disposition schedules in cooperation with department heads for all District offices and departments, define and identify vital and permanent records, and establish retention periods for all records;~~

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- ~~3. develop, disseminate and coordinate files maintenance and records disposition procedures, including, but not limited to, those prescribed in this policy, to meet the current and long-term information needs of the District;~~
- ~~4. in cooperation with department heads identify essential records and establish a disaster plan for each office and department to ensure maximum availability of the records in order to re-establish operations quickly and with minimum disruption and expense;~~
- ~~5. develop procedures to ensure the permanent preservation of the historically valuable records of the District;~~
- ~~6. provide records management advice and assistance by preparation of a manual or other materials necessary to aid in records management, including a complete index of District records, listing them by title or subject matter and showing the location thereof and whether microfilmed and/or electronically stored and/or destroyed;~~
- ~~7. monitor records retention schedules and regulations issued by the Texas State Library and Archives Commission to maintain the District's records management program in compliance with State regulations;~~
- ~~8. disseminate within the District information concerning State laws and administrative rules relating to local government records;~~
- ~~9. ensure that the maintenance, preservation, microfilming, electronic storage, destruction or other disposition of District records is carried out in accordance with the policies and procedures of the records management program and the requirements of State law;~~
- ~~10. maintain records on the volume of records destroyed under approved records retention schedules, and on the volume of records microfilmed or stored electronically;~~
- ~~11. report annually to the General Manager and Board of Directors on the implementation of the records management plan in each department of the District;~~
- ~~12. correct any non-compliance by department heads or other District personnel with the policies and procedures of the records management program or the Texas Local Government Records Act;~~
- ~~13. review retention schedules annually and update or amend as needed;~~
- ~~14. train personnel in the fundamentals of records management and their responsibilities in the records management program;~~
- ~~15. perform any necessary microphotography, electronic storage, destruction or transfers according to records retention schedules;~~

- ~~16. maintain a central location or Records Center for the low-cost storage of inactive records and as a facility for a centralized imaging program;~~
- ~~17. establish standards for filing and storage equipment and supplies in all offices and departments; and~~
- ~~18. prepare and file a records retention schedule with the Texas State Library and Archives Commission.~~

RESPONSIBILITIES OF DEPARTMENT HEADS

All department heads will:

- ~~1. document the transaction of government business and the services, programs and duties for which the department is responsible;~~
- ~~2. ensure the maintenance of records as well as preservation, microfilming, electronic storage, destruction or other disposition only in accordance with the policies and procedures of the records management program of the district as prescribed by this policy and State law.~~

Filings by the Records Management Officer. The Records Management Officer shall file his or her name with the Texas State Library and Archives Commission (TSLAC) within 30 days of assuming the position. The Records Management Officer shall file TRWD's plan establishing a records management program and any amendments to the plan with the TSLAC. The Records Management Officer shall also file with the TSLAC a written declaration that TRWD has adopted records control schedules that comply with records retention schedules issued by the TSLAC as provided by law.

Development of Processes for Management of District Records. The General Manager, in consultation and collaboration with the Records Management Officer, shall establish and implement administrative procedures or guidelines for the administration of TRWD's records management program. These administrative procedures will set forth the processes all TRWD staff must follow for effective and efficient control of the creation, maintenance, use, preservation, and any disposition of District records in accordance with the Local Government Records Act, this Policy, and generally-accepted records management practices.

Maintenance of District Records. The Board and all departments, divisions, and offices within TRWD, and all TRWD staff, shall maintain all District records in accordance with this Policy, any administrative procedure or guideline for the administration of TRWD's records management program, and all local records control and/or retention schedules established by TRWD as part of its records management program.

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Records Retention Schedules. TRWD shall maintain District records, at a minimum, in accordance with the Local Government Retention Schedules adopted by the TSLAC and applicable to the District, as follows:

- Local Schedule GR for Records Common to All Local Government, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_gr;
- Local Schedule UT for Records of Utility Services, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_ut;
- Local Schedule TX for Records of Property Taxation, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_tx;
- Local Schedule EL for Records of Elections and Voter Registration, which may be found at https://www.tsl.texas.gov/slr/localretention/schedule_el;
- Local Schedule PW for Records of Public Works and other Government Services, which may be found at: https://www.tsl.texas.gov/slr/localretention/schedule_pw; and
- Local Schedule PS for Records of Public Safety Agencies (Police, Fire, EMS, ME, etc.), which may be found at <https://www.tsl.texas.gov/slr/localretention#PS>.

TRWD's records management program shall address the length of time records will be posted on TRWD's website when applicable law does not specify a posting period.

DEVELOPMENT OF RECORDS RETENTION AND DISPOSITION SCHEDULE

~~Retention periods to be included in records retention schedule are developed by the Records Management Officer in cooperation with Department Heads. After review and approval by the Assistant General Manager, the records retention schedule serves as sufficient authorization for records destruction or other action.~~

~~Before its adoption, a records retention schedule must be submitted to and adopted for filing by the director and librarian of the Texas State Library and Archives Commission as provided by State law. The Records Management Officer or a designee shall submit the records retention schedule to the director and librarian.~~

~~Revision of retention schedule shall be submitted for review in the same manner as the original retention schedule.~~

IMPLEMENTATION OF RECORDS RETENTION SCHEDULES

~~(A) Destruction of Records under Schedule.~~

- ~~i. A record whose retention period has expired shall be destroyed in the manner required by law unless an open records request is pending on the record, the subject matter of the record is pertinent to a pending litigation or the department head requests in writing to the Records Management Officer that the record be retained for an additional period.~~
- ~~ii. Prior to the destruction of a record under an approved records retention schedule, authorization for the destruction must be obtained by the Records Management Officer or designee from the Assistant General Manager.~~

~~(B) Destruction of Unscheduled Records.~~

- ~~i. A record that has not yet been listed on an approved records control schedule may be destroyed if its destruction has been approved in the same manner as a record destroyed under an approved schedule and the Records Management Officer has submitted to and received back from the director and librarian an approved destruction authorization request.~~

~~(C) Destruction of Other Records. The following records may be destroyed without having appeared on a records retention schedule or list of obsolete records or having been approved by the Texas State Library and Archives Commission:~~

- ~~i. Records the destruction or obliteration of which is directed by an expunction order issued by a District Court pursuant to State law; and~~
- ~~ii. Records defined as exempt from scheduling or filing requirements by rules adopted by the Texas State Library and Archives Commission or listed as exempt in a records retention schedule issued by such Commission.~~

Records Destruction Practices. TRWD shall follow its records control schedules, records management program, and all applicable laws regarding records destruction. TRWD shall preserve records, including electronically-stored information, and suspend routine record destruction practices where appropriate and in accordance with the administrative procedures developed by the Records Management Officer, which shall describe the circumstances under which District records scheduled for destruction must be retained by TRWD.

RECORDS CENTER

A records center shall be established to store inactive records; to insure the security of such records from deterioration, theft or damage during the period of storage; and to permit fast, efficient retrieval of information from stored records.

PRESERVATION OF PERMANENT RECORDS

~~The Records Manager shall develop procedures to ensure the permanent preservation of the historically valuable records of the District.~~

MICROGRAPHICS AND ELECTRONIC STORAGE

~~Imaging and electronic storage of records shall be centralized and under the direct supervision of the Records Management Officer. The records management plan will establish policies and procedures for the filming or scanning and electronic storage of District records. The plan will also establish criteria for determining the eligibility of records for filming or scanning and electronic storage and a protocol for ensuring that a microfilming and electronic storage program that is exempted from the centralized operations is subject to periodic review by the Records Management Officer to evaluate cost effectiveness, administrative efficiency and compliance with Texas State Library and Archives Commission rules.~~

Training. The Records Management Officer shall receive appropriate training regarding the Local Government Records Act and shall ensure that custodians of records, as defined by law, and other applicable TRWD staff are trained on the District's records management program, including this Records Management Policy and TRWD's administrative procedures created in accordance with this Policy.

Next Scheduled Board Meeting

December 14, 2021