

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 18th Day of October 2022 at 9:00 a.m.

Front Doors to the Main Admin Building at 800 East Northside Drive Will Open to
the Public at 8:30am and Close Fifteen (15) Minutes After the Meeting Adjourns

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 any agenda item number(s) and topic(s) the speaker wishes to address with the Board. If citizens wish to 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, October 17, 2022, identifying any agenda item number(s) and topic(s) the speaker wishes to address with the Board. In such event, the speaker will be provided with a dial-in number to address the Board. By law, the Board may not deliberate, debate, or take action on public comment but may place the item on a future agenda.

3. Consider Approval of the Minutes from the Meetings Held on September 19, 2022, and September 20, 2022
4. Consider Approval of Consent Agenda
All items listed on the consent agenda are considered to be regular, routine, and ministerial items that require little or no discussion. Therefore, in the

interest of efficiency there will be no separate discussion of these items and the board will act on them through one motion and vote. If a board member wishes for an item to be discussed and considered individually, upon the board member's request the item will be removed from the consent agenda and considered separately.

5. **Consider Approval of Contract with QBE to Provide Stop Loss Coverage for TRWD Health Insurance - Lisa Cabrera, Chief Human Resources Officer**
6. **Consider Approval of 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 - Sandy Newby, Chief Financial Officer**
7. **Consider Approval of Resolution Authorizing the Issuance, Sale, and Delivery of Tarrant Regional Water District, a Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2022, Pledging Revenues for the Payment of the Bonds, and Authoring Other Instruments and Procedures Relating Thereto - Sandy Newby, Chief Financial Officer**
8. **Consider Approval of Contract with Jacobs Engineering Group, Inc. for Engineering Services for the Pump Stations Design for the Cedar Creek Wetlands Project - Jason Gehrig, Infrastructure Engineering Director**
9. **Consider Approval of Contract with Pure Technologies for Pipeline Inspection - Jason Gehrig, Infrastructure Engineering Director**
10. **Staff Updates**
 - **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

Section 551.074 Regarding Personnel Matters
12. **Future Agenda Items**
13. **Schedule Next Board Meeting**
14. **Adjourn**

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 19th DAY OF SEPTEMBER 2022 AT 2:00 P.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, Frank Beaty, Kelly Harper, Natasha Hill, Rachel Ickert, Jennifer Mitchell, Sandy Newby, Rick Odom, and Stephen Tatum of the Tarrant Regional Water District (District or TRWD).

President King convened the meeting with assurance from management that all requirements of the Texas Open Meetings Act 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.

Sandy Newby discussed the proposed tax rate of \$.0269/\$100 valuation for tax year 2022.

3.

Public comment was received from Lon Burnam, who spoke regarding item 3.

4.

There were no future agenda items approved.

5.

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 20th DAY OF SEPTEMBER 2022 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, Darrell Beason, Frank Beaty, Linda Christie, Dustan Compton, Woody Frossard, Kelly Harper, Natasha Hill, Zach Hatton, Zachary Huff, Rachel Ickert, Courtney Kelly, Jennifer Mitchell, Sandy Newby, Stephen Tatum, and Ed Weaver of the Tarrant Regional Water District (District or TRWD).

President King convened the meeting with assurance from management that all requirements of the Texas Open Meetings Act 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 LaVonne Cockrell, who spoke regarding the tax percentage rate. Public comment was received from Daniel J. Bennett who spoke regarding public comments.

3.

On a motion made by Director Lane and seconded by Director Hill, the Directors voted to approve the minutes from the Board meetings held on August 16, 2022. It was

accordingly ordered that these minutes be placed in the permanent files of the District.

4.

With the recommendation of management, Director Kelleher moved to approve the consent agenda which includes capital expenditures, disposal of surplus equipment, contract renewals for fiscal year 2023, and operations maintenance expenditures. Consent agenda items are detailed in the attached spreadsheets. Funding for these items is included in the Fiscal Years 2023 General and Revenue Funds. Director Hill seconded the motion and the vote in favor was unanimous.

**Tarrant Regional Water District
Board of Directors Meeting
September 2022
Capital Expenditures**

Project	Vendor	Amount	Purpose	Budget	
				Source	Amount
1 ITB No. 23-000 3/4 Ton 4wd Utility Van - Unit 2-423	Caldwell Country Chevrolet	\$45,950.00	New unit will replace unit 2-278 2010 Ford 1/2 Ton E150 Van with approximately 166,000 miles. New unit will be assigned to HVAC Technician. Unit 2-278 will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.		
Total for Unit 2-423		\$45,950.00		General	\$44,000.00
2 ITB No. 23-000 1 Ton 4wd Cab & Chassis W/Utility Bed - Unit 2-424	Caldwell Country Chevrolet	\$66,130.00	New unit will replace unit 2-328 2014 Ford 1 Ton 4wd Ext Cab Utility Truck with approximately 110,000 miles. New unit will be assigned to Operations & Maintenance Technician. Upon receipt of new unit, unit 2-328 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.		
Total for Unit 2-424		\$66,130.00		Revenue	\$61,000.00
3 ITB No. 23-000 1 Ton 4wd Cab & Chassis W/Utility Bed - Unit 2-426	Caldwell Country Chevrolet	\$66,130.00	New unit will replace unit 2-239 2007 Chevrolet 3/4 Ton 4wd Reg Cab Utility Truck with approximately 150,500 miles. New unit will be assigned to Fleet. Upon receipt of new unit, unit 2-239 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.		
Total for Unit 2-426		\$66,130.00		General	\$67,000.00
4 ITB No. 23-000 3/4 Ton 4wd Cab & Chassis W/Utility Bed - Unit 2-428	Caldwell Country Chevrolet	\$63,190.00	New unit will be an addition to the Fleet and assigned to Instrumentation & Electrical Group. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.		
Total for Unit 2-428		\$63,190.00		Revenue	\$55,000.00

5 ITB No. 23-000 3/4 Ton 4wd Cab & Chassis W/Utility Bed - Unit 2-430	Caldwell Country Chevrolet	\$63,190.00	New unit will replace unit 2-336 2015 Ford 3/4 Ton 2wd Ext Cab Utility Truck with approximately 121,000 miles. New unit will be assigned to Instrumentation & Electrical Group. Upon receipt of new unit, unit 2-336 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.
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Total for Unit 2-430 Revenue **\$55,000.00**

6 ITB No. 23-000 3/4 Ton 4wd Cab & Chassis W/Utility Bed - Unit 2-438	Caldwell Country Chevrolet	\$63,190.00	New unit will replace unit 2-303 2012 Ford 1 Ton 2wd Ext Cab Utility Truck with approximately 101,000 miles. New unit will be assigned to Instrumentation & Electrical Group. Upon receipt of new unit, unit 2-303 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.
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Total for Unit 2-438 Revenue **\$55,000.00**

7 ITB No. 23-000 3/4 Ton 4wd Cab & Chassis W/Utility Bed - Unit 2-442	Caldwell Country Chevrolet	\$63,190.00	New unit will replace unit 2-295 2011 Ford 3/4 Ton 2wd Ext Cab Utility Truck with approximately 82,000 miles. New unit will be assigned to Instrumentation & Electrical Group. Upon receipt of new unit, unit 2-295 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.
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Total for Unit 2-442 Revenue **\$55,000.00**

8 ITB No. 23-000 1/2 Ton 4wd Crew Cab SWB Pickup - Unit 2-434	Caldwell Country Chevrolet	\$47,235.00	New unit will replace unit 2-372 2017 Chevrolet 1/2 Ton 4wd Crew Cab Pickup. Unit 2-372 was involved in an accident and due to cost of repairs Fleet recommends replacement. The cost of repair is 77% of the current value and 57% of the replacement cost. New unit will be assigned to Facilities Maintenance Supervisor. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.
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Total for Unit 2-434 Revenue **\$38,000.00**

9 ITB No. 23-000 1/2 Ton 4wd Crew Cab SWB Pickup - Unit 2-441	Caldwell Country Chevrolet	\$47,235.00	New unit will replace unit 2-299 2011 Chevrolet 1/2 Ton 4wd Crew Cab Pickup with approximately 105,000 miles. New unit will be assigned to Land Row Manager. Upon receipt of new unit, unit 2-299 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791 025	
Total for Unit 2-441		\$47,235.00		General \$42,000.00
10 ITB No. 23-000 Mid Size SUV - Unit 2-440	Caldwell Country Chevrolet	\$36,275.00	New unit will replace unit 2-326 2014 Dodge 4 door Journey SUV. Unit 2-326 was totaled in an accident. New unit will be assigned to Administration Pool. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.	
Total for Unit 2-440		\$36,275.00		General \$38,000.00
11 ITB No. 23-000 Full Size SUV 4wd - Unit 2-439	Caldwell Country Chevrolet	\$50,970.00	New unit will replace unit 2-315 2013 Chevrolet 3/4 Ton 4wd Crew Cab Pickup with approximately 102,000 miles. New unit will be assigned to Reservoir Director. Upon receipt of new unit, unit 2-315 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #601-19 in accordance with Government Code 791.025.	
Total for Unit 2-439		\$50,970.00		General \$55,000.00
12 ITB No. 23-000 Commercial Remote Control Slope Mower - Unit 6-189	Kinloch Equipment & Supply, Inc.	\$65,908.01	New unit will be an addition to the Fleet and assigned to Floodway Operations. A remote controlled mower will allow our employees to guide the unit from a safe distance, eliminating the risk of roll over, reduce the cost of labor cost and challenge of weedeating steep slopes. The unit will increase productivity on difficult terrain with the climbing ability of 55%. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #611-20- in accordance with Government Code 791 025	
Total for Unit 6-189		\$65,908.01		General \$64,000.00

13 ITB No. 23-000 Tractor 140 Hp W/Cab - Unit 6-187	United AG & Turf	\$122,407.53	New unit will replace 6-132 2006 Case MXM155 4wd Tractor with approximately 5764 hours. New unit will be assigned to Operations. Upon receipt of the new unit, unit 6-132 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GR01-20 in accordance with Government Code 791.025.		
Total for Unit 6-187		\$122,407.53		Revenue	\$108,100.00
14 ITB No. 23-000 Heavy Duty LGP Dozer W/Winch - Unit 8-80	RDO Equipment Company	\$486,196.75	New unit will replace 8-65 2005 Komatsu D65 PX-15 LGP Dozer with approximately 6900 hours. New unit will be assigned to the Operations Resource Calendar. Unit 8-65 will be sold at auction. The purchase will be made utilizing the Sourcewell Contract #032119-JDC in accordance with Government Code 791.025.		
Total for Unit 8-80		\$486,196.75		General	\$450,000.00
15 ITB No. 23-000 Heavy Duty Motor Grader - Unit 8-61	Kirby-Smith Machinery Inc.	\$274,880.00	New unit will replace 8-61 2002 John Deere 770 CHII Motor Grader with approximately 6300 hours. New unit will be assigned to the Operations Resource Calendar. Unit 8-61 will be sold at auction. The purchase will be made utilizing the Sourcewell Contract #032119-KOM in accordance with Government Code 791.025.		
Total for Unit 8-81		\$274,880.00		General	\$275,000.00
16 ITB No. 23-000 150KW Stand-by Generator - Unit 12-218	Loftin Equipment Company, Inc.	\$53,084.00	New unit will replace 12-18 1990 Cummins 40KW Stand-by Generator and will provide emergency power for EM Spillway Structures. Unit 12-18 is now 32 years old and parts are becoming obsolete. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GE02-20 in accordance with Government Code 791.025.		
Total for Unit 12-218		\$53,084.00		Revenue	\$65,000.00
17 ITB No. 22-156 All Terrain Side by Side 6WD Utility Vehicle - Unit 12- 222	Hoffpauir Outdoor Superstore		New unit will be an addition to the Fleet and assigned Ft. Worth Operations for Floodway & Recreation Support. The purchase will be made utilizing competitive sealed proposals in accordance with Government Code 252.021.		
Total for Unit 12-222		\$26,298.58		General	\$25,000.00

18 ITB No. 22-156 All Terrain Side by Side 6WD Utility Vehicle - Unit 12-223

Hoffpauir Outdoor Superstore

New unit will replace 12-147 2011 John Deere XUV855D Utility Vehicle with approximately 1900 hours and overall condition poor. New unit will be assigned to Pipeline Operations for Cathodic & Pipeline Support. Upon receipt of the new unit, unit 12-147 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing competitive sealed proposals in accordance with Government Code 252.021.

Total for Unit 12-223

\$26,298.58

Revenue **\$22,800.00**

General Actuals

\$1,099,843.34

General Budget

\$1,060,000.00

Revenue Actuals

\$567,915.11

Revenue Budget

\$514,900.00

Capital Equipment Actual Total

\$1,667,758.45

Capital Equipment Budget Total

\$1,574,900.00

VENDOR TOTALS

Grand Total for Caldwell Cheverolet

\$612,685.00

Grand Total for Kirby Smith

\$274,880.00

Grand Total for RDO Equipment Co.

\$486,196.75

Grand Total for Loftin Equipment Company, Inc.

\$53,084.00

Grand Total for United AG & Turf

\$122,407.53

Grand Total for Kinloch Equipment & Supply, Inc.

\$65,908.01

Grand Total for Hoffpauir Outdoor Store

\$52,597.16

Capital Equipment Total

\$1,667,758.45

**Tarrant Regional Water District
Surplus Equipment Disposal**

Item	Fund	Disposal Explanation
1 Surplus Lawn Mowers	General	Three Self Propelled 22 inch Push Mowers
2 Surplus Tractor Tires	General	Goodyear 16.9-30 John Deere Wheel & Tire, Goodyear 13.6-24 Case Wheel & Tire, Firestone 13.6-24 Case Wheel & Tire, Firestone 18.4-R38 Case Wheel & Tire
3 Welder	General	Miller Syncrowave 180 SD Welder, S/N LF067568
4 Truck Crane	Revenue	Liftmoore 2700 Truck Mount Crane, S/N M645W40
5 Surplus Excavator Buckets	Revenue	1 - Hensley 1.25 yd. Bucket, Misc. Bucket
6 Surplus Truck Parts	General	8 Crossover Toolboxes, 2 Headache Racks, 3 GM Rear Bumpers, 1 Utility Ladder Rack

**Tarrant Regional Water District
Board of Directors Meeting
September 2022
Contract Renewals**

Project	Vendor	Annual Amount	Total Potential Spend	Purpose	Budget	
					Source	Amount
1 ITB 22-045-1 Pest Control - Facilities (East, Central and West)	Longhorn Termite & Pest Control	\$46,210.00	\$211,752.50	Pest control for District facilities (East, Central, and West). Original contract term was for seven months with up to four annual renewal options. FY 2023 is the first annual renewal option.	General	\$10,900.00
					Revenue Recreation	\$33,810.00 \$1,500.00
					Total	\$46,210.00

Project	Vendor	Annual Amount	Total Potential Spend	Purpose	Budget	
					Source	Amount
2 ITB 22-035 Fleet PM Service Contract	Christian Brothers Automotive	\$35,000.00	\$175,000.00	Contract includes preventative maintenance, state inspections, oil changes, tire rotations etc. Original contract term was for one year with up to four annual renewal options. FY 2023 is the first annual renewal option.	General	\$24,000.00
					Revenue	\$11,000.00
					Total	\$35,000.00

Project	Vendor	Annual Amount	Total Potential Spend	Purpose	Budget	
					Source	Amount
3 ITB 22-038-1 Airfield Falls Trailhead Conservation Park Landscape Maintenance	Landtec Services	\$44,000.00	\$220,000.00	Landscape maintenance services for Airfield Falls Trailhead and Conservation Park. Original contract term was for one year with four annual renewal options. Fiscal Year 2023 is the first annual renewal option.	Recreation	\$44,000.00

Project	Vendor	Annual Amount	Total Potential Spend	Purpose	Budget	
					Source	Amount
4 ITB 18-122 Grounds Maintenance - Central Facilities	Lawn Patrol Service, Inc.	\$54,705.00	\$273,525.00	Grounds maintenance at Central Facilities. Original contract term was for one year with four annual renewal options. FY 2023 is the fourth annual renewal option.	Revenue	\$54,705.00

5.

With the recommendation of management, Director Lane moved to approve the Fiscal Year 2023 General Fund budget of \$22,367,363. This budget consists of \$22,367,363 related to Flood Control expenditures offset by projected revenues of \$24,800,000 from property tax revenues and interest income. Funding for this item is included in the Fiscal Year 2023 General Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Lane moved to approve the Fiscal Year 2023 Revenue Fund budget of \$158,074,893. This budget consists of Water Supply expenditures of \$158,074,893 offset by projected non-contract revenues of \$6,279,574 for a proposed net revenue requirement from contract customers of \$151,795,319. Funding for this item is included in the Fiscal Year 2023 Revenue Fund. Director Hill seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Leonard moved to approve the Fiscal Year 2023 Special Projects/Contingency Fund budget of \$9,491,815. This budget consists of net recreation expenditures of \$1,731,262, special project expenditures of \$450,000, and debt service expenditures for the Panther Island/Central City project of \$7,310,553. These expenditures are offset by expected revenues for oil and gas royalties of \$7,000,000, interest and other income of \$1,036,930, and TIF revenues of \$7,310,553. Funding for this item is included in the Fiscal Year 2023 Special Projects/Contingency Fund. Director Hill seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Lane moved to adopt the ad valorem tax rate of \$.0269/\$100 valuation, for tax year 2022. Director Hill seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Lane moved to approve an annual on-call service contract in an amount not-to-exceed \$100,000 annually with an option to renew for two additional one-year periods with Hydros Consulting for technical support services. Funding for this item is included in the Fiscal Year 2023 Revenue Fund. Director Kelleher seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Lane moved to approve a contract in an amount not-to-exceed \$652,248 with Freese and Nichols, Inc. for professional services to perform Upstream Flood Mitigation Analysis. Funding for this item is included in the Fiscal Year 2023 General Fund Budget. The Board requested the District provide the evaluation sheet for responding firms, see attached. Director Kelleher seconded the motion and the vote in favor was unanimous.



Evaluation Sheet

RFSOQ 22-151 Upstream Flood Mitigation Analysis for the FW Floodway

Technical Quality Criteria	Total Points Available	<i>Halff Associates</i>	<i>Freese and Nichols</i>	<i>Walter P. Moore and Associates</i>
Experience and Qualifications of Key Personnel	30.00	17.50	29.17	13.33
Project Approach	30.00	20.00	30.00	10.00
Commitment of Staff and Schedule	30.00	22.50	26.67	10.83
Experience and Qualifications of Firm	10.00	6.94	9.17	3.89
Total	100.00	66.94	95.00	38.05

11.

With the recommendation of management, Director Kelleher moved to approve a joint-funding agreement in an amount not-to-exceed \$422,410 with the U.S. Geological Survey for Gage Network Support Services. This agreement has a total cost of \$481,160. The USGS contribution is \$58,750. The District is responsible for the remaining \$422,410 for services provided during the October 1, 2022 through September 30, 2023 period. Funding for this item is included in the Fiscal Years 2023 General and Revenue Funds. Director Hill seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Hill moved to approve a discretionary services agreement in an amount not to exceed \$150,000 with Oncor Electric Delivery Company LLC for initial routing and design of a 138-kV electrical transmission main to the IPL Project Lake Palestine Pump Station site for the purpose of providing electrical power for the pump station and appurtenances. Funding for this item is included in the Bond Fund. Director Kelleher seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Kelleher moved to approve a contract in an amount not-to-exceed \$155,000 with The National Theatre for Children, Inc., for elementary school water conservation education services. Funding for this item is included in the Fiscal Year 2023 Revenue Fund Budget. Director Leonard seconded the motion and the vote in favor was unanimous.

14.

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

contract in an amount not-to-exceed \$75,000 with Tinker LLC for elementary school water conservation education services. Funding for this item is included in the Fiscal Year 2023 Revenue Fund Budget. Director Hill seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Lane moved to approve a design contract in an amount not-to-exceed \$2,962,188 with HNTB for completion of the Central City Flood Control Project value-engineered pedestrian bridges. Funding for this item is included in the Fiscal Year 2023 General Fund Budget. Director Kelleher seconded the motion and the vote in favor was unanimous.

16.

Staff Updates

- Water Resources Update
- General Manager Update

The Board of Directors recessed for a break from 10:16 a.m. to 10:21 a.m.

17.

The Board next held an Executive Session commencing at 10:21 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 Discuss Pending or Contemplated Litigation; Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property; and Section 551.074 Regarding Personnel Matters.

Upon completion of the executive session at 11:00 a.m., the President reopened

the meeting.

18.

With the recommendation of management, Director Leonard moved to approve an exchange of land in the following described tracts, the Board having determined that it is reasonable, necessary, and appropriate to acquire a permanent easement interest over and across the easement property; that the exchange of the real property interests is necessary and advantageous to TRWD, and that the fee property being conveyed by TRWD is surplus land and is being exchanged for fair market value.

TRWD will convey an approximately 9-acre tract of land located in the J. G. W. Clayton Survey, Abstract No. 150, Wise County, Texas, such tract of land being further described and depicted as Tract 1 on the survey attached as Exhibit "A" to the accompanying resolution, such survey being incorporated herein by reference (the "Fee Property"), to Lyle E. Brennan, as Trustee of the Brennan Family Trust ("Brennan"). The conveyance of the Fee Property will be subject to TRWD's reservation of all minerals and a flowage easement across the portion to the Fee Property described and depicted as Tract 2 on the survey attached as Exhibit "A".

Brennan will convey to TRWD a permanent easement interest over and across a thirty-foot wide tract of land located in the C. B. Mixon Survey, Abstract No. 536, Wise County, Texas, such tract of land being more particularly described and depicted on the survey attached as Exhibit "B" to the accompanying resolution, such survey being incorporated herein by reference (the "Easement Property").

In addition to the conveyance of the Easement Property, Brennan will (i) pay to TRWD the fair market value of the Fee Property in the amount of \$165,600.00 (the "Fair Market Value"), (ii) pay all survey, appraisal, title insurance, and closing costs, and (iii) pay to TRWD an administrative fee in the amount of \$1,500.

Tract No. 1

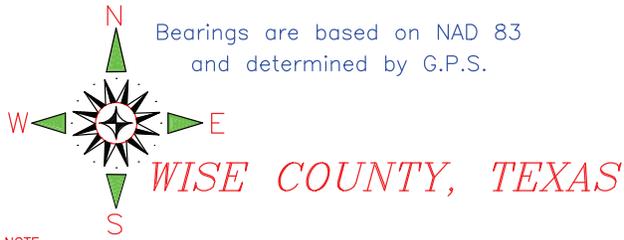
Tract of land containing 9.00 acres in the J. G. W. Clayton Survey, Abstract No. 150, Wise County, Texas, being part of the tract conveyed to Tarrant County Water Control & Improvement District Number One recorded in Volume 119, Page 409, Deed Records of Wise County and being more particularly described as follows:

BEGINNING at an unmarked corner on the 840 foot contour line of Lake Bridgeport, being the southeast corner of this tract, on the east line of the said Tarrant County Water Control & Improvement District Number One Tract and on the west line of the Brennan Family Trust Tract recorded in Instrument No. 202117535, Official Public Records of Wise County, from which a bolt found in a rock mound bears North 00 degrees 03 minutes 51 seconds West a distance of 84.63 feet.

THENCE following the meanders of the said 840 foot contour line generally along the following calls:

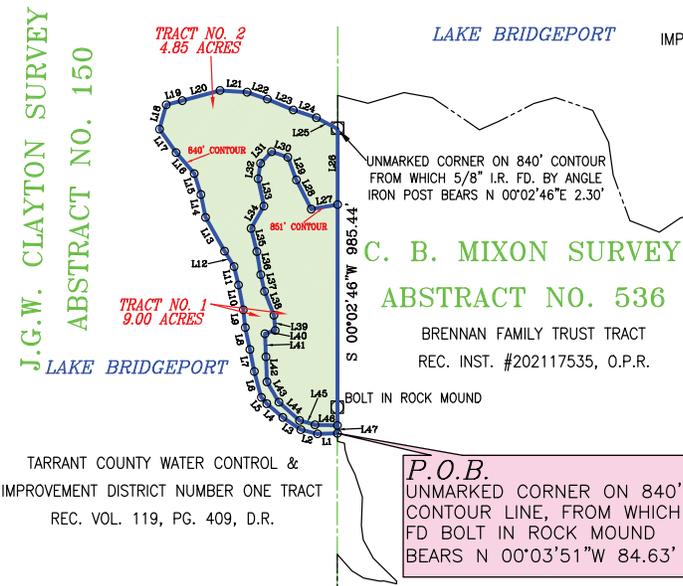
South 88 degrees 30 minutes 15 seconds West for a distance of 64.24 feet, North 75 degrees 59 minutes 46 seconds West for a distance of 55.62 feet, North 55 degrees 51 minutes 23 seconds West for a distance of 70.63 feet, North 49 degrees 15 minutes 25 seconds West for a distance of 68.27 feet, North 40 degrees 44 minutes 48 seconds West for a distance of 27.14 feet, North 15 degrees 11 minutes 18 seconds West for a distance of 72.68 feet, North 11 degrees 15 minutes 42 seconds West for a distance of 72.55 feet, North 06 degrees 12 minutes 53 seconds West for a distance of 57.78 feet, North 10 degrees 59 minutes 21 seconds West for a distance of 81.90 feet, North 13 degrees 28 minutes 37 seconds West for a distance of 61.19 feet, North 31 degrees 40 minutes 53 seconds West for a distance of 58.78 feet, North 29 degrees 23 minutes 45 seconds West for a distance of 125.54 feet, North 11 degrees 19 minutes 19 seconds West for a distance of 75.56 feet, North 17 degrees 48 minutes 48 seconds West for a distance of 71.17 feet, North 40 degrees 45 minutes 28 seconds West for a distance of 89.83 feet, North 35 degrees 09 minutes 38 seconds West for a distance of 92.88 feet, North 15 degrees 31 minutes 04 seconds East for a distance of 81.75 feet, North 75 degrees 22 minutes 11 seconds East for a distance of 53.33 feet, North 74 degrees 53 minutes 56 seconds East for a distance of 126.47 feet, South 86 degrees 22 minutes 12 seconds East for a distance of 87.86 feet, South 71 degrees 03 minutes 24 seconds East for a distance of 69.13 feet, South 67 degrees 18 minutes 00 seconds East for a distance of 91.13 feet, South 71 degrees 33 minutes 03 seconds East for a distance of 78.96 feet and South 61 degrees 51 minutes 55 seconds East for a distance of 77.80 feet to an unmarked corner on the said 840 foot contour line, being the northeast corner of this tract, on the east line of the said Tarrant County Water Control & Improvement District Number One Tract and on the west line of the said Brennan Family Trust Tract, from which a 5/8 inch iron rod found by an angle iron post bears North 00 degrees 02 minutes 46 seconds East a distance of 2.30 feet.

THENCE leaving the said 840 foot contour line, South 00 degrees 02 minutes 46 seconds West for a distance of 985.44 feet to the place of beginning.



NOTE: TRACT NO. 1 AS SHOWN, COVERS THE AREA FROM THE 840' CONTOUR LINE, ALL THE WAY UP TO EXISTING WEST LINE OF THE BRENNAN TRACT.

TRACT NO. 2 AS SHOWN, COVERS THE AREA FROM THE 840' CONTOUR LINE UP TO THE 851' CONTOUR LINE, TO CREATE THE FLOWAGE EASEMENT REQUIRED BY THE TARRANT REGIONAL WATER DISTRICT.



Tract No. 2

Tract of land containing 4.85 acres in the J. G. W. Clayton Survey, Abstract No. 150, Wise County, Texas, being part of the tract conveyed to Tarrant County Water Control & Improvement District Number One recorded in Volume 119, Page 409, Deed Records of Wise County and being more particularly described as follows:

BEGINNING at an unmarked corner on the 840 foot contour line of Lake Bridgeport, being the southeast corner of this tract, on the east line of the said Tarrant County Water Control & Improvement District Number One Tract and on the west line of the Brennan Family Trust Tract recorded in Instrument No. 202117535, Official Public Records of Wise County, from which a bolt found in a rock mound bears North 00 degrees 03 minutes 51 seconds West a distance of 84.63 feet.

THENCE following the meanders of the said 840 foot contour line generally along the following calls:

South 88 degrees 30 minutes 15 seconds West for a distance of 64.24 feet, North 75 degrees 59 minutes 46 seconds West for a distance of 55.62 feet, North 55 degrees 51 minutes 23 seconds West for a distance of 70.63 feet, North 49 degrees 15 minutes 25 seconds West for a distance of 68.27 feet, North 40 degrees 44 minutes 48 seconds West for a distance of 27.14 feet, North 15 degrees 11 minutes 18 seconds West for a distance of 72.68 feet, North 11 degrees 15 minutes 42 seconds West for a distance of 72.55 feet, North 06 degrees 12 minutes 53 seconds West for a distance of 57.78 feet, North 10 degrees 59 minutes 21 seconds West for a distance of 81.90 feet, North 13 degrees 28 minutes 37 seconds West for a distance of 61.19 feet, North 31 degrees 40 minutes 53 seconds West for a distance of 58.78 feet, North 29 degrees 23 minutes 45 seconds West for a distance of 125.54 feet, North 11 degrees 19 minutes 19 seconds West for a distance of 75.56 feet, North 17 degrees 48 minutes 48 seconds West for a distance of 71.17 feet, North 40 degrees 45 minutes 28 seconds West for a distance of 89.83 feet, North 35 degrees 09 minutes 38 seconds West for a distance of 92.88 feet, North 15 degrees 31 minutes 04 seconds East for a distance of 81.75 feet, North 75 degrees 22 minutes 11 seconds East for a distance of 53.33 feet, North 74 degrees 53 minutes 56 seconds East for a distance of 126.47 feet, South 86 degrees 22 minutes 12 seconds East for a distance of 87.86 feet, South 71 degrees 03 minutes 24 seconds East for a distance of 69.13 feet, South 67 degrees 18 minutes 00 seconds East for a distance of 91.13 feet, South 71 degrees 33 minutes 03 seconds East for a distance of 78.96 feet and South 61 degrees 51 minutes 55 seconds East for a distance of 77.80 feet to an unmarked corner on the said 840 foot contour line, being the northeast corner of this tract, on the east line of the said Tarrant County Water Control & Improvement District Number One Tract and on the west line of the said Brennan Family Trust Tract, from which a 5/8 inch iron rod found by an angle iron post bears North 00 degrees 02 minutes 46 seconds East a distance of 2.30 feet.

THENCE leaving the said 840 contour line, South 00 degrees 02 minutes 46 seconds West for a distance of 244.66 feet to an unmarked corner on the 851 foot contour line, the east line of the said Tarrant County Water Control & Improvement District Number One Tract and on the west line of the said Brennan Family Trust Tract.

THENCE following the meanders of the said 851 foot contour line generally along the following calls:

South 80 degrees 11 minutes 54 seconds West for a distance of 86.37 feet, North 27 degrees 00 minutes 44 seconds West for a distance of 106.29 feet, North 20 degrees 37 minutes 15 seconds West for a distance of 78.22 feet, North 71 degrees 07 minutes 53 seconds West for a distance of 55.65 feet, South 43 degrees 21 minutes 03 seconds West for a distance of 52.13 feet, South 08 degrees 37 minutes 12 seconds West for a distance of 50.17 feet, South 11 degrees 47 minutes 17 seconds East for a distance of 90.58 feet, South 29 degrees 51 minutes 35 seconds West for a distance of 83.39 feet, South 14 degrees 07 minutes 24 seconds East for a distance of 77.30 feet, South 09 degrees 26 minutes 55 seconds East for a distance of 75.60 feet, South 12 degrees 43 minutes 08 seconds East for a distance of 55.68 feet, South 21 degrees 29 minutes 09 seconds East for a distance of 83.04 feet, South 05 degrees 08 minutes 56 seconds East for a distance of 49.42 feet, South 72 degrees 26 minutes 14 seconds West for a distance of 35.22 feet, South 02 degrees 40 minutes 12 seconds East for a distance of 74.90 feet, South 02 degrees 16 minutes 24 seconds East for a distance of 81.10 feet, South 30 degrees 33 minutes 36 seconds East for a distance of 76.34 feet, South 48 degrees 14 minutes 56 seconds East for a distance of 89.26 feet, South 74 degrees 22 minutes 27 seconds East for a distance of 51.79 feet and South 88 degrees 34 minutes 06 seconds East for a distance of 72.57 feet to an unmarked corner on the 851 foot contour line, the east line of the said Tarrant County Water Control & Improvement District Number One Tract and the west line of the said Brennan Family Trust Tract.

THENCE South 00 degrees 02 minutes 46 seconds West for a distance of 25.72 feet to the place of beginning.

Table with 3 columns: LINE, BEARING, DISTANCE. Contains survey data points L1 through L47.

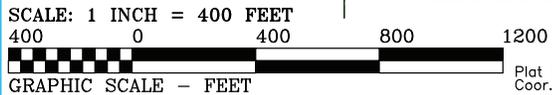
TARRANT COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NUMBER ONE TRACT REC. VOL. 122, PG. 306, D.R.

Double Z Surveying LLC Surveying & Mapping Services Firm No. 10194391 P.O. BOX 305, JACKSBORO, TEXAS 76458 (940)-567-3962 zach@doublezsurveying.com

"Thou Shalt Not Remove Thy Neighbor's Landmark" Deut. 19:14 This plat represents a survey conducted on the ground under my supervision on March 30, 2022.

Clinton W. Farris, R.P.L.S.

EXHIBIT "A"



Plat No.: J2203161 Coord. File: J1810111

This plat or description is not intended to express or imply a warranty or guarantee of ownership or that there are no encumbrances on the tract described. It is not intended to imply that any adjoining tracts referenced on this document have been actually surveyed on the ground. Any easements of record, restrictive covenants or encumbrances that may be shown are only from visible inspection and are not intended to reflect a survey based on a current title search.

WISE COUNTY, TEXAS

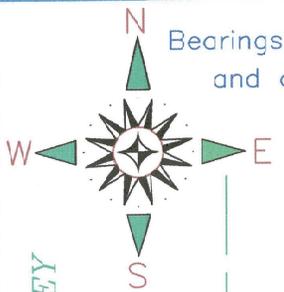
Surveyor's Description

Bearings are based on NAD 83
and determined by G.P.S.

Strip of land in the C. Mixon Survey, Abstract No. 536, Wise County, Texas, lying within the tract conveyed to Brennan Family Trust in Instrument No. 202117535, Official Public Records of Wise County, being 30 feet in width, 15 feet on each side of the following described centerline:

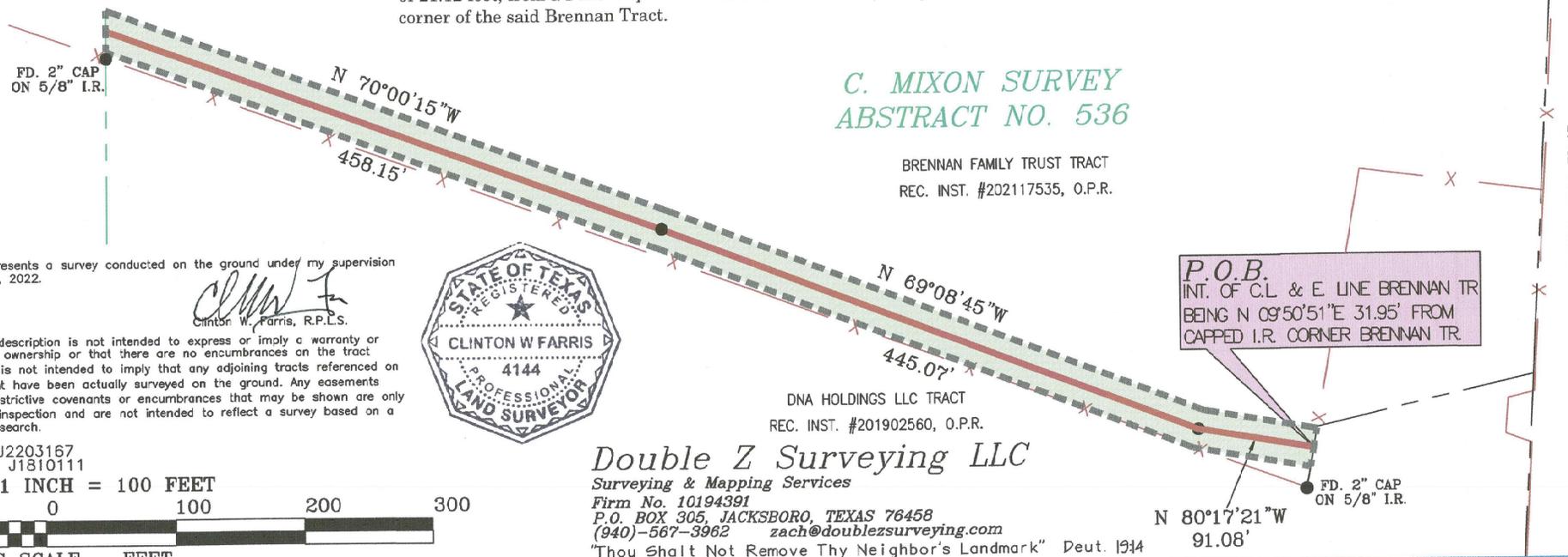
BEGINNING at the intersection of the said centerline, an east line of the said Brennan Family Trust Tract and a west line of the DNA Holdings LLC Tract recorded in Instrument No. 201902560, Official Public Records of Wise County, also being North 09 degrees 50 minutes 51 seconds East a distance of 31.95 feet from a 2 inch cap on a 5/8 inch iron rod found, being the most southern southeast corner of the said Brennan Tract and an ell corner of the said DNA Tract.

THENCE along the said centerline and an existing gravel road the following:
North 80 degrees 17 minutes 21 seconds West for a distance of 91.08 feet,
North 69 degrees 08 minutes 45 seconds West for a distance of 445.07 feet and
North 70 degrees 00 minutes 15 seconds West for a distance of 458.15 feet to the intersection of the said centerline, the west line of the said Brennan Tract and an east line of the Tarrant County Water Control & Improvement District Number One recorded in Volume 119, Page 409, Deed Records of Wise County, also being North 00 degrees 03 minutes 15 seconds East a distance of 21.12 feet, from a 2 inch cap on a 5/8 inch iron rod found, being the most southern southwest corner of the said Brennan Tract.



J. G. W. CLAYTON SURVEY
ABSTRACT NO. 150

EXHIBIT "B"



**C. MIXON SURVEY
ABSTRACT NO. 536**

BRENNAN FAMILY TRUST TRACT
REC. INST. #202117535, O.P.R.

DNA HOLDINGS LLC TRACT
REC. INST. #201902560, O.P.R.

P.O.B.
INT. OF C.L. & E. LINE BRENNAN TR
BEING N 09°50'51"E 31.95' FROM
CAPPED I.R. CORNER BRENNAN TR.



Double Z Surveying LLC
Surveying & Mapping Services
Firm No. 10194391
P.O. BOX 305, JACKSBORO, TEXAS 76458
(940)-567-3962 zach@doublezsurveying.com
"Thou Shalt Not Remove Thy Neighbor's Landmark" Deut. 19:14

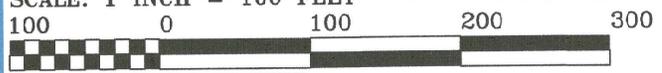
This plat represents a survey conducted on the ground under my supervision on March 30, 2022.

Clinton W. Farris
Clinton W. Farris, R.P.L.S.

This plat or description is not intended to express or imply a warranty or guarantee of ownership or that there are no encumbrances on the tract described. It is not intended to imply that any adjoining tracts referenced on this document have been actually surveyed on the ground. Any easements of record, restrictive covenants or encumbrances that may be shown are only from visible inspection and are not intended to reflect a survey based on a current title search.

Plat No.: J2203167
Coord. File: J1810111

SCALE: 1 INCH = 100 FEET



GRAPHIC SCALE - FEET

SABRINA POLK TRACT
REC. VOL. 2351, PG. 812, O.P.R.

In addition, the General Manager or his designee is granted authority to take all steps as may be reasonable and necessary to facilitate the exchange of the above-described property with title to the permanent easement over and across the easement property to be held in the name of TRWD, including, without limitation, the execution of an exchange agreement and all conveyance and closing documents. Director Hill seconded the motion and the vote in favor was unanimous.

19.

With the recommendation of management, Director Lane moved to approve acceptance of the conveyance of approximately 1.08 acres of land located adjacent to Shelby at Northside Apartments and being a portion of Lot 1, Block 1, Riverfront Lofts Addition to the City of Fort Worth, Tarrant County, Texas, to enable TRWD to construct a pedestrian bridge providing further trail access.

EXHIBIT "A"
LEGAL DESCRIPTION
TRACT 1

BEING 0.0357 acre of land and being a portion of Lot 1, Block 1, RIVERFRONT LOFTS, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in County Clerk's File No. D217147861, of the Plat Records of Tarrant County, Texas. Said 0.0357 acre of land being more particularly described by metes and bounds as follows:

BEGINNING at a ½" iron rod found in the Westerly boundary line of aforesaid Lot 1, Block 1, having Texas State Plane Grid Coordinates N: 6,969,092.71 and E: 2,330,093.80, and said POINT OF BEGINNING also being located N 12° 31' 41" W 116.28 feet, Thence N 55° 23' 15" W 50.40 feet, from a ⅝" iron rod found at the Southwest corner of aforesaid Lot 1, Block 1, Riverfront Lofts;

THENCE N 11° 47' 47" W 111.60 feet, along the West boundary line of said Lot 1, Block 1, to a ½" iron rod marked "Brittain & Crawford" set at the East edge of a concrete sidewalk;

THENCE along the Easterly edge of said sidewalk, as follows:

1. SOUTHEASTERLY 63.56 feet, along a curve to the left, having a radius of 527.79 feet, a central angle of 06° 53' 59", and a chord bearing S 26° 43' 00" E 63.52 feet, to a ½" iron rod marked "Brittain & Crawford" set at the end of said curve and the beginning of another curve to the right;
2. SOUTHEASTERLY 71.00 feet, along said curve to the right, having a radius of 1690.62 feet, a central angle of 02° 24' 22", and a chord bearing S 14° 30' 03" E 70.99 feet, to a ½" iron rod marked "Brittain & Crawford" set;

THENCE N 55° 23' 15" W 28.58 feet, to the POINT OF BEGINNING containing 0.0357 acre (1,554 square feet) of land.



OCTOBER 19, 2021

EXHIBIT "B"

PAGE 1 OF 3

BEARING BASE:
NAD 83: TX83-NCF

MATCH LINE TRACT 2
TRACT 1

LEGEND:

BRS: BEARS (LOCATED)
C.M. - CONTROLLING MONUMENT
IRF - IRON ROD FOUND
IRS - IRON ROD SET
P/L - PROPERTY LINE
C/L - CENTER LINE
P.R.T.C.T. - PLAT RECORDS OF
TARRANT COUNTY, TEXAS

TRACT 1 CALL TABLE

Course	Bearing	Distance
L1	N 11°47'47" W	111.60'
L2	Rad: 527.79' Tan: 31.82' Chd: S 26°43'00" E	A: 63.56' CA: 6°53'59" 63.52'
L3	Rad: 1690.62' Tan: 35.51' Chd: S 14°30'03" E	A: 71.00' CA: 2°24'22" 70.99'
L4	N 55°23'15" W	28.58'

TRACT 1
0.0357 ACRE
(1,554 SQ.F.)
OF LAND

W W WHEAT
SURVEY, A-1647

POINT OF
BEGINNING

TRACT 1
GRID COORDINATE:
N: 6969092.71
E: 2330093.80

SURVEYED ON THE GROUND
OCTOBER 19, 2021

Krystian Golebiewski
KRYSTIAN GOLEBIEWSKI
REGISTERED PROFESSIONAL
LAND SURVEYOR
STATE OF TEXAS NO. 6400



TARRANT REGIONAL WATER DISTRICT
800 East Northside Drive Fort Worth, TX 76102

BRITTAIN & CRAWFORD
LAND SURVEYING &
TOPOGRAPHIC MAPPING
FIRM CERTIFICATION# 1019000
TEL (817) 926-0211 - FAX (817) 926-9347
P.O. BOX 11374 * 3908 SOUTH FREeway
FORT WORTH, TEXAS 76110
EMAIL: admin@brittain-crawford.com
WEBSITE: www.brittain-crawford.com

EXHIBIT MAP
OF:
0.0357 ACRE OF LAND
LOCATED IN THE
LOT 1, BLOCK 1
RIVERFRONT LOFTS
AN ADDITION TO THE CITY OF FORT
WORTH, TARRANT COUNTY, TEXAS

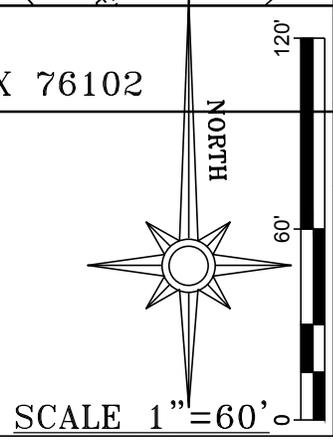


EXHIBIT "B"
LEGAL DESCRIPTION
TRACT 2

BEING 1.0463 acre of land and being a portion of Lot 1, Block 1, RIVERFRONT LOFTS, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in County Clerk's File No. D217147861, of the Plat Records of Tarrant County, Texas. Said 1.0463 acre of land being more particularly described by metes and bounds as follows:

BEGINNING at a ½" iron rod marked "Brittain & Crawford", set in the Northwest boundary line of aforesaid Lot 1, Block 1, having Texas State Plane Grid Coordinates N: 6,969,843.49, and E: 2,329,945.37, and said POINT OF BEGINNING also being located S 65° 25' 08" W 0.78 feet, Thence S 45° 09' 43" W 161.35 feet, from a ⅝" iron rod found at the North corner of aforesaid Lot 1, Block 1, Riverfront Lofts;

THENCE N 45° 09' 43" E 76.23 feet, along the Northwest boundary line to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 45° 18' 44" E 42.41 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 70° 41' 59" E 26.28 feet, to a point in the West line of an existing fire lane and access easement recorded in the aforesaid County Clerk's file No. D217147861 of the Plat Records of Tarrant county, Texas;

THENCE SOUTHEASTERLY 15.05 feet, along the fire lane and access easement with a curve to the left, having a radius of 56.00 feet, a central angle of 15° 23' 36", and a chord bearing S 04° 22' 13" E 15.00 feet, to a point at the end of said curve;

THENCE N 70° 51' 14" W 43.72 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE N 85° 18' 54" W 17.13 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 01° 24' 52" W 44.49 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 29° 55' 44" E 107.38 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 67° 48' 27" W 173.26 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE N 66° 58' 12" W 71.49 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 22° 04' 20" W 14.98 feet, to a ½" iron rod marked "Brittain & Crawford", set;

THENCE S 04° 29' 57" E 33.20 feet, to a point at the Northeast edge of a sidewalk;

THENCE along the Northeast edge of the sidewalk as follows:

1. S 39° 43' 22" E 170.72 feet, to a point;
2. SOUTHEASTERLY 12.80 feet, with a curve to the left, having a radius of 31.02 feet, a central angle of 23° 38' 46", and a chord bearing S 52° 32' 48" E 12.71 feet, to a point at the end of said curve;
3. SOUTHEASTERLY 20.52 feet, with a curve to the right, having a radius of 36.55 feet, a central angle of 32° 09' 56", and a chord bearing S 49° 54' 05" E 20.25 feet, to a point at the end of said curve;
4. S 25° 34' 57" E 8.75 feet, to a point;
5. S 32° 49' 16" E 36.68 feet, to a point;
6. S 26° 26' 34" E 93.81 feet, to a point;
7. S 26° 30' 33" E 50.30 feet, to a point;
8. S 31° 07' 53" E 4.68 feet, to a point;
9. SOUTHEASTERLY 51.80 feet, with a curve to the right, having a radius of 128.64 feet, a central angle of 23° 04' 22", and a chord bearing S 11° 18' 38" E 51.45 feet, to a point at the end of said curve;
10. S 01° 30' 07" E 14.99 feet, to a point in the Southwest boundary line of aforesaid Lot1, Block 1;

THENCE along the Southwest boundary line of said Lot 1, Block 1 as follows:

1. N 19° 26' 23" W 59.88 feet, to a ½" iron rod marked "Brittain & Crawford", set;
2. N 22° 05' 57" W 99.77 feet, to a point;
3. N 30° 19' 56" W 98.54 feet, to a point;
4. N 40° 51' 58" W 99.96 feet, to a point;

5. N 47° 56' 57" W 99.90 feet, to a ½" iron rod marked "Brittain & Crawford", set;
6. N 65° 06' 52" W 154.40 feet, to a point at the most Westerly corner of aforesaid Lot 1, Block1;

THENCE N 60° 54' 26" E 316.29 feet, along the Northwest boundary line of said Lot 1, Block 1 to the point of beginning, containing 1.046 acre, (45,576 Square Feet), of land.



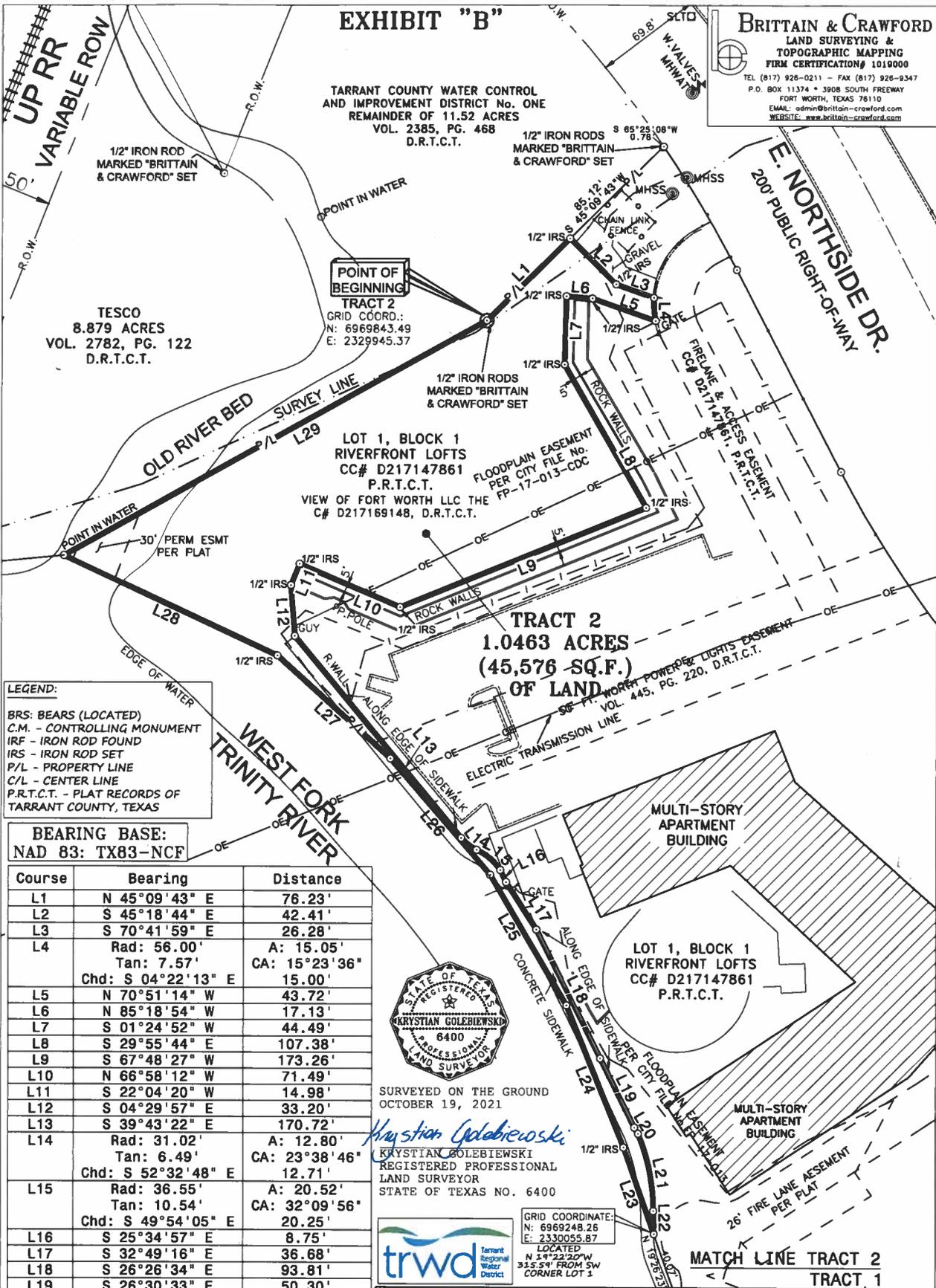
Krystian Golebiewski

OCTOBER 19, 2021

EXHIBIT "B"

BRITTAIN & CRAWFORD
 LAND SURVEYING &
 TOPOGRAPHIC MAPPING
 FIRM CERTIFICATION # 1019000
 TEL (817) 926-0211 - FAX (817) 926-9347
 P.O. BOX 11374 • 3908 SOUTH FREWAY
 FORT WORTH, TEXAS 76110
 EMAIL: admin@brittain-crawford.com
 WEBSITE: www.brittain-crawford.com

TARRANT COUNTY WATER CONTROL
 AND IMPROVEMENT DISTRICT NO. ONE
 REMAINDER OF 11.52 ACRES
 VOL. 2385, PG. 468
 D.R.T.C.T.



LEGEND:
 BRS: BEARS (LOCATED)
 C.M. - CONTROLLING MONUMENT
 IRF - IRON ROD FOUND
 IRS - IRON ROD SET
 P/L - PROPERTY LINE
 C/L - CENTER LINE
 P.R.T.C.T. - PLAT RECORDS OF TARRANT COUNTY, TEXAS

BEARING BASE:
 NAD 83: TX83-NCF

Course	Bearing	Distance
L1	N 45°09'43" E	76.23'
L2	S 45°18'44" E	42.41'
L3	S 70°41'59" E	26.28'
L4	Rad: 56.00' Tan: 7.57' Chd: S 04°22'13" E	A: 15.05' CA: 15°23'36" 15.00'
L5	N 70°51'14" W	43.72'
L6	N 85°18'54" W	17.13'
L7	S 01°24'52" W	44.49'
L8	S 29°55'44" E	107.38'
L9	S 67°48'27" W	173.26'
L10	N 66°58'12" W	71.49'
L11	S 22°04'20" W	14.98'
L12	S 04°29'57" E	33.20'
L13	S 39°43'22" E	170.72'
L14	Rad: 31.02' Tan: 6.49' Chd: S 52°32'48" E	A: 12.80' CA: 23°38'46" 12.71'
L15	Rad: 36.55' Tan: 10.54' Chd: S 49°54'05" E	A: 20.52' CA: 32°09'56" 20.25'
L16	S 25°34'57" E	8.75'
L17	S 32°49'16" E	36.68'
L18	S 26°26'34" E	93.81'
L19	S 26°30'33" E	50.30'
L20	S 31°07'53" E	4.68'
L21	Rad: 128.64' Tan: 26.26' Chd: S 11°18'38" E	A: 51.80' CA: 23°04'22" 51.45'
L22	S 01°30'07" E	14.99'
L23	N 19°26'23" W	59.88'
L24	N 22°05'57" W	99.77'
L25	N 30°19'56" W	98.54'
L26	N 40°51'58" W	99.96'
L27	N 47°56'57" W	99.90'
L28	N 65°06'52" W	154.40'
L29	N 60°54'26" E	316.29'



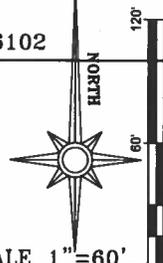
SURVEYED ON THE GROUND
 OCTOBER 19, 2021
Krystian Golebiewski
 KRYSZTIAN GOLEBIEWSKI
 REGISTERED PROFESSIONAL
 LAND SURVEYOR
 STATE OF TEXAS NO. 6400



GRID COORDINATE:
 N: 6969248.26
 E: 2330055.87
 LOCATED
 N 14°22'20"W
 355.54' FROM SW
 CORNER LOT 1

TARRANT REGIONAL WATER DISTRICT
 800 East Northside Drive Fort Worth, TX 76102

EXHIBIT MAP
 OF:
1.0463 ACRES OF LAND
 LOCATED WITHIN
LOT 1, BLOCK 1
RIVERFRONT LOFTS
 AN ADDITION TO THE CITY OF FORT
 WORTH, TARRANT COUNTY, TEXAS



In addition, the General Manager or his designee is granted authority to execute all documents necessary to complete this transaction. Funding for this item is included in the Fiscal Year 2023 General Fund Budget. Director Hill seconded the motion and the vote in favor was unanimous.

20.

There were no future agenda items approved.

21.

The next board meeting was scheduled for October 18, 2022 at 9:00 a.m.

22.

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

President

Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: October 18, 2022

SUBJECT: Consider Approval of Consent Agenda

FUNDING: Fiscal Year 2023 General, Revenue and Recreation Funds; Dallas Bond Fund

RECOMMENDATION:

Management recommends approval of the Consent Agenda.

DISCUSSION:

The following items are on the Consent Agenda and are described in more detail in the attached spreadsheets:

Consider Approval of IPL Expenditures

(1) Allterra

- Global Positioning System (GPS) Instruments for IPL Phase 3 Surveying
- Total expenditure amount: \$104,473.33

Consider Approval of Technology Expenditures

(2) Dell Technologies

- Purchase 260 laptops and 260 docking stations
- Total expenditure amount: \$362,400

Consider Approval of Operations and Maintenance Expenditures

(3) Emerson Automation Solutions

- One (1) new Emerson 6500 Vibration Monitoring Unit for Rolling Hills PS
- Total expenditure amount: \$90,548

(4) Stovall Commercial Contractors

- ITB 23-00 Removal and Replacement of Fuel Dispensers and Card Readers Systems at Fort Worth Operations
- Total expenditure amount: \$49,670.50

(5) Stovall Commercial Contractors

- ITB 23-000 Removal and Replacement Card Reader System at Bridgeport Lake
- Total expenditure amount: \$27,275.10

(6) Stovall Commercial Contractors

- ITB 23-000 Removal and Replacement of Fuel Dispensers and Card Reader System at Cedar Creek Lake
- Total expenditure amount: \$49,767.70

(7) Stovall Commercial Contractors

- ITB 23-000 Removal and Replacement of Diesel Fuel Dispenser and Card Reader System at Eagle Mountain Lake
- Total expenditure amount: \$40,174.60

(8) Crispin

- RFP 22-178 Furnish 42" & 48" Suction/Discharge Valves at RC3L
- Total expenditure amount: \$375,000

This item was reviewed by the Construction and Operations Committee on October 14, 2022.

**Tarrant Regional Water District
 October 18, 2022 Board of Directors Meeting
 Consent Agenda**

IPL EXPENDITURES

	Project	Vendor	Amount	Purpose	Budget
1	Global Positioning System (GPS) Instruments for IPL Phase 3 Surveying	Allterra	\$104,473.33	Replaces the existing GPS instruments that have been in service since 2013-2014. These instruments are used to collect positional data on newly constructed pipelines and facilities to provide accurate as built records.	Dallas Bond Fund
			Total		
			<u>\$104,473.33</u>		

TECHNOLOGY EXPENDITURES

	Project	Vendor	Amount	Purpose	Budget
2	Purchase 260 laptops and 260 docking stations	Dell Technologies	\$362,400	Laptop replacement schedules were delayed by multi-year supply chain issues. Over 50% of our laptop equipment is currently operating beyond asset lifecycle and out of warranty, increasing to over 80% by the end of FY2023. This necessary catch-up refresh moves TRWD to a more secure and supportable computer standard that includes new features to improve the TRWD distributed work environment.	General \$400,000
			Total		Total
			<u>\$362,400</u>		<u>\$400,000</u>

OPERATIONS AND MAINTENANCE EXPENDITURES

	Project	Vendor	Amount	Purpose	Budget
3	Upgrade of Pump/Motor Vibration Monitoring Equipment at Rolling Hills Booster Pump Station	Emerson Automation Solutions	\$90,548	All of TRWD's pump stations have on-line vibration monitoring units since 2001, which provide vital data on motor and pump bearings to help identify necessary preventative maintenance prior to costly failures from occurring. The 4500 units originally installed are no longer being manufactured and supported with replacement parts. TRWD has been upgrading these units to Emerson's 6500 units over several years.	Revenue \$145,000
4	ITB 23-00 Removal and Replacement of Fuel Dispensers and Card Readers Systems at Ft. Worth Operations	Stovall Commercial Contractors	\$49,670.50	Replace obsolete unleaded, diesel dispensers and fuel card reader.	General 35,000

OPERATIONS AND MAINTENANCE EXPENDITURES

	Project	Vendor	Amount	Purpose	Budget
5	ITB 23-000 Removal and Replacement of Card Reader System at Bridgeport Lake	Stovall Commercial Contractors	\$27,275.10	Replace obsolete fuel card reader.	Revenue 17,000
6	ITB 23-000 Removal and Replacement of Fuel Dispensers and Card Reader System at Cedar Creek Lake	Stovall Commercial Contractors	\$49,767.70	Replace obsolete unleaded, diesel dispensers and fuel card reader.	Revenue 32,000
7	ITB 23-000 Removal and Replacement of Diesel Fuel Dispenser and Card Reader System at Eagle Mountain Lake	Stovall Commercial Contractors	\$40,174.60	Replace obsolete diesel dispenser and fuel card reader.	Revenue 24,500
8	RFP 22-178 Furnish 42" & 48" Suction/Discharge Valves at RC3L	Crispin	\$375,000	Asset management driven based on condition assessment and age to replace (3) 48" valves and (3) 42" valves.	Revenue 175,000
		Total	<u>\$632,435.90</u>		Total <u>\$428,500</u>

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: October 18, 2022

SUBJECT: Consider Approval of Contract with QBE to Provide Stop Loss Coverage for TRWD Health Insurance

FUNDING: General/Revenue Fund FY23 Budgets

RECOMMENDATION:

Management recommends approval of a contract with QBE for stop loss coverage at the rates outlined in the discussion below.

DISCUSSION:

The District's health insurance coverage is partially self-funded. This means the District pays the actual claims cost, per member, up to \$100,000 per member. The District utilizes fully-insured stop loss coverage for claims greater than \$100,000 per member. This provides a balance that allows the District to reap the benefits of a healthy workforce while limiting exposure in the event of a catastrophic claims year.

To ensure competitive rates for 2023, the District solicited bids for stop loss insurance through HUB International via a Request for Proposal (RFP) process.

Two bids were received: QBE and UNUM.

Management recommends contracting with QBE, the lowest bidder, at the following rates (per employee / per month):

Employee	\$130.55
Employee + Family	\$374.91

The annual District cost fluctuates as the number of employees fluctuates throughout the year. The current estimated annual cost for stop loss coverage and administration is \$1,186,109.

This contract does not include opportunities for diverse business participation.

This item was reviewed by the Administration and Policy Committee on October 12, 2022.

Submitted By:

Lisa Cabrera
Chief Human Resources Officer

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: October 18, 2022

SUBJECT: CONSIDER APPROVAL OF 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

FUNDING: N/A

RECOMMENDATION:

Management recommends approval of a resolution 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.

DISCUSSION:

The Resolution authorizes the sale of Unlimited Tax Refunding Bonds to refund any ECP Bonds Series B outstanding under the District's Extendable Commercial Paper Financing Program. This resolution gives the District the flexibility to refund the Extendable Commercial Paper Bonds ("ECP") to long-term fixed rate bonds at any time over the next 12 months. This Resolution is necessary should the District need quick access to the bond market if the ECP Bonds are no longer marketable at a cost effective interest rate. The decision to refund will depend on the market conditions, costs and/or market accessibility.

Please see attached Bond Resolution. The Finance Committee has reviewed this resolution.

Submitted By:

Sandy Newby
Chief Financial Officer

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

THE STATE OF TEXAS §
COUNTY OF TARRANT §
TARRANT REGIONAL WATER DISTRICT
A WATER CONTROL AND IMPROVEMENT DISTRICT §

WHEREAS, Tarrant Regional Water District, a Water Control and Improvement District, (formerly known as "Tarrant County Water Control and Improvement District Number One") (the "Issuer" or the "District") is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution, pursuant to the general laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, and pursuant to the provisions of Chapter 268, Acts of 1957, 55th Legislature of Texas, Regular Session, as amended (collectively the "District Act"); and

WHEREAS, among other bonds, pursuant to a Master Resolution Establishing the Tarrant Regional Water District, A Water Control and Improvement District Extendable Commercial Paper Financing Program, Series B And Authorizing Extendable Commercial Paper Mode Bonds, Series B, adopted on October 16, 2018 (the "Master Resolution"), the Issuer has previously authorized to be outstanding the following described bonds:

Tarrant Regional Water District, a Water Control and Improvement District Extendable Commercial Paper Mode, Series B (Tax-Exempt) and Tarrant Regional Water District, a Water Control and Improvement District Extendable Commercial Paper Mode Bonds, Series B (Taxable), in the original principal amount not to exceed \$150,000,000 (collectively, the "ECP Series B Bonds"); and

WHEREAS, at an election held on May 5, 2018 (the "Bond Election"), the voters of the District authorized the Board of Directors (the "Board") of the District to issue bonds of the District maturing serially or otherwise over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at a rate not to exceed the maximum authorized by law at the time such bonds are issued (in whole or in part thereof), all as may be determined by the Board, in the maximum amount of two hundred fifty million dollars (\$250,000,000) for the purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing, improving, or extending land, improvements, facilities, plants, equipment, and appliances for flood control and drainage facilities in order to gather, conduct, divert, and control local harmful excesses of water, as well as all expenses in any manner incidental thereto, all in accordance with the engineer's report filed in the office of the district; making payments under contracts pursuant to section 49.213 of the Texas Water Code; refunding bond anticipation notes; and paying such expenses as are incidental to the administration and financing of the District, which under applicable law may properly be paid from the proceeds of such bonds; and in an amount not in excess of one and one-half times the amount of bonds or other evidences of indebtedness previously issued by the District for the purpose of

refunding any bonds or other evidences of indebtedness issued by the District for any of the foregoing purposes; and shall the Board be authorized to provide for the payment of the principal of and the interest and redemption price on all of such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District which, together with other funds of the district available therefor, will be sufficient to pay the bonds, as authorized by the Constitution and laws of the State of Texas, including particularly (but not by way of limitation Chapter 268, Acts of the 55th Legislature of the State of Texas, Regular Session, 1957, as amended) Chapters 49 and 51 of the Texas Water Code, to the extent applicable, together with all amendments and additions thereto.

WHEREAS, the District now desires to issue refunding bonds to refund all or part of the of the outstanding ECP Series B Bonds (the "Refundable Bonds," and those Refundable Bonds designated by the Authorized Officer in the Approval Certificate, each as defined herein, the "Refunded Bonds"); and

WHEREAS, all the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, the refunding bonds hereafter authorized are being issued and delivered pursuant to Chapter 1207, Texas Government Code, as amended ("Chapter 1207"); and

WHEREAS, Chapter 1207 authorizes the District to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Bonds or eligible trust company or commercial bank, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, Chapter 1207 further authorizes the District to enter into an escrow or similar agreement with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit; and

WHEREAS, the Deposit Agreement hereinafter authorized, constitutes an agreement of the kind authorized and permitted by Chapter 1207; and

WHEREAS, the Board hereby specifies that to the extent the principal amount of the refunding bonds authorized hereby, together with any net premium thereon, exceeds the principal amount of the Refunded Bonds, such difference shall be counted against the amount authorized by the Bond Election for refunding purposes; and

WHEREAS, the issuance of the Bonds and the application of the proceeds of the Bonds to refund the Refunded Bonds, which consist of bonds in an extendable commercial paper mode, makes it impracticable to determine the maximum amount by which the aggregate amount of payments to be made under the Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds for purposes of Section 1207.008(a)(2), Texas Government Code; and

WHEREAS, the Board of Directors of the District deems it advisable and in the best interest of the District to refund the Refunded Bonds, among other information and terms to be included in a Approval Certificate to be executed by the Authorized Officer, both as hereinafter defined, all in accordance with the provisions of Chapters 1207 including Section 1207.007 thereof, and 1371, Texas Government Code, as amended.

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT:

ARTICLE ONE

PREAMBLE

SECTION 1.01 **INCORPORATION OF PREAMBLE.** The Board of Directors of the District hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that the recitals are true and correct.

ARTICLE TWO

DEFINITIONS AND INTERPRETATIONS

SECTION 2.01. **DEFINITIONS.** When used in this Order, except in Article Six, and in any resolution or order amendatory or supplemental hereto, the terms listed below shall have the meanings specified below, unless it is otherwise expressly provided or unless the context otherwise requires:

"Additional Bonds" means the additional bonds payable from ad valorem taxes which the Board of Directors expressly reserves the right to issue in Section 11.01 of this Order.

"Approval Certificate" means the certificate to be executed and delivered pursuant to Section 3.02 hereof in connection with the issuance of the Bonds.

"Authorized Denominations" means the denomination of \$5,000 or any integral multiple thereof with respect to the Bonds.

"Authorized Investments" means authorized obligations as set forth in the Public Funds Investment Act, Chapter 2256, Texas Government Code and the District's Investment Policy.

"Authorized Officer" means the President, Vice President, Secretary or Assistant Secretary of the District.

"Authorized Representative" means the General Manager, the Deputy General Manager, and the Chief Financial Officer of the District authorized, appointed, and designated to act on behalf of the District as provided herein.

"Bank" means U.S. Bank National Association, as paying agent for the Refunded Bonds.

"Board of Directors" or "Board" means the governing body of the District.

"Bond Election" means the election held on May 5, 2018, at which the issuance of a maximum amount of \$250,000,000 in bonds was authorized to be issued by the District for the purpose of providing flood control and drainage facilities and an amount not exceeding one and one-half times the amount of bonds or other evidences of indebtedness previously issued by the District was authorized for the purpose of refunding bonds or other obligations of the District issued for providing flood control and drainage facilities.

"Bond Order" or "Order" means, this Order of the Board of Directors authorizing the issuance of the Bonds.

"Bonds" means the Bonds, as defined in section 3.01 of the Order, issued and delivered pursuant to this Order and all substitute Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Business Day" means any day which is not a Saturday, Sunday, or day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent.

"Deposit Agreement" means the agreement by and between the District and the Bank relating to the defeasance of the Refunded Bonds.

"District" or "Issuer" means Tarrant Regional Water District, A Water control and Improvement District and any other public agency succeeding to the powers, rights, privileges, and functions of the District and, when appropriate, the Board of Directors of the District.

"DTC" means The Depository Trust Company of New York.

"ECP Series B Bonds" means the ECP Series B Bonds as defined in the Preamble hereto.

"Exchange Bonds" means Bonds registered, authenticated, and delivered by the Registrar, as provided in Section 4.01 of this Order.

"Federal Securities" means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the twelve-month accounting period for the District, which presently is the twelve-month period beginning on October 1 of each year and ending on September 30 of the following year, but which may be changed from time to time by the Board of Directors.

"Initial Bond" means the Bond authorized, issued, and initially delivered as provided in Section 3.02 of this Order.

"Interest Payment Date" means a date on which interest on the Bonds is due and payable. Interest on the Bonds is due and payable semi-annually on each March 15 and September 15, commencing on the Interest Payment Date set forth in the Approval Certificate thereafter until the earlier of maturity or redemption.

"Issuance Date" means the date of initial delivery of the Bonds to the Underwriter.

"Master Resolution" means the Master Resolution as defined in the Preamble hereto.

"MSRB" means the Municipal Securities Rulemaking Board.

"Outstanding" when used with reference to Bonds, means, as of a particular date, all Bonds theretofore and thereupon delivered except; (a) any Bond canceled by or on behalf of the District at or before said date, (b) any Bond defeased or no longer considered Outstanding pursuant to the provisions of this Order or otherwise defeased as permitted by applicable law and (c) any such Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Order.

"Paying Agent/Registrar" or "Registrar" means BOKF, NA, or such other bank, trust company, financial institution, or other entity as may hereafter be designated by the District to act as paying agent and registrar for the Bonds in accordance with the terms of this Order.

"Record Date" means the last calendar day of the month immediately preceding an Interest Payment Date whether or not a business day.

"Redemption Date" means a date fixed for redemption of any Bond pursuant to the terms of this Order.

"Refundable Bonds" means any of the Refundable Bonds as defined in the Preamble hereto.

"Refunded Bonds" means those Refundable Bonds to be refunded as designated by the Authorized Representative in the Approval Certificate.

"Register" means the registry system maintained on behalf of the District by the Registrar in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

"Registered Owner" means any person or entity in whose name a Bond is registered.

"Replacement Bonds" means the Bonds authorized by the District to be issued in substitution for lost, apparently destroyed, or wrongfully taken Bonds as provided in Section 4.02 of this Order.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Underwriter" means the initial purchaser or purchasers of the Bonds.

SECTION 2.02. INTERPRETATIONS. The titles and headings of the articles and sections and the page numbers of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the taxes levied in payment thereof.

ARTICLE THREE

AUTHORIZATION, REGISTRATION, EXECUTION, AND AUTHENTICATION OF BONDS

SECTION 3.01. AMOUNT, NAME, PURPOSE, AND AUTHORIZATION. Each Bond issued pursuant to this Order shall be issued under and by virtue of the Constitution and laws of the State of Texas, including particularly Article XVI, Section 59 of the Texas Constitution, the District Act, Chapters 1207 and 1371, Texas Government Code, as amended, and, to the extent applicable, Chapters 49 and 51, Texas Water Code, as amended, and shall be known and designated as "Tarrant Regional Water District, A Water Control and Improvement District Unlimited Tax Refunding Bonds," shall be dated the date and shall be issued in the aggregate principal amount set forth in the Approval Certificate (but in no event to exceed one and one-half times the amount of the Refunded Bonds) for the purpose of refunding the Refunded Bonds and paying certain costs of issuing the Bonds. The authority of the Authorized Representative to execute the Approval Certificate shall expire on October 18, 2023. Bonds priced on or before October 18, 2023, may close after such date.

SECTION 3.02. FORM, DATE, NUMBERS, AND DENOMINATION. (a) There initially shall be issued, sold and delivered fully registered bonds, without interest coupons, numbered consecutively from R-1 upward (except the initial Bonds delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial Registered Owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof, in Authorized Denominations, maturing not later than forty (40) years from their

date, serially or otherwise on the dates, in the years and in the principal amounts, respectively, all as set forth in the Approval Certificate to be executed and delivered by the Authorized Representative pursuant to subsection (b) of this Section. The Approval Certificate is hereby incorporated in and made a part of this Order and shall be filed in the minutes of the Board as a part of this Order.

(b) As authorized by Chapters 1207 and 1371, Texas Government Code, as amended, the General Manager, the Deputy General Manager, and the Chief Financial Officer of the Issuer are each hereby designated as an "Authorized Representative" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by a certificate executed by such Authorized Representative (the "Approval Certificate") for a period not to extend beyond October 18, 2023, in selling and delivering the Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded Bonds" in this Order and carrying out the other procedures specified in this Order, including the use of a book-entry only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date and the date of delivery of the Bonds, any additional or different designation or title by which the Bond shall be known (including, if the Bonds are issued on a taxable basis, inclusion of an appropriate designation as such), the price at which the Bonds will be sold (but in no event less than 95% of the principal amount of the Bonds), the principal amount (but in no event to exceed one and one-half times the amount of the Refunded Bonds) of the Bonds, the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest, to be borne by each such maturity (but in no event to result in the net effective interest rate on the Bonds exceeding 10% per annum), the initial interest payment date, the date or dates of any optional redemption thereof, any mandatory sinking fund redemption provisions, and approving modifications to this Order and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds.

(c) The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BOND set forth in this Order to their respective dates of maturity or redemption at the rates per annum set forth in the Approval Certificate.

SECTION 3.03. PAYMENT OF PRINCIPAL AND INTEREST. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of the Bonds, shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable, whether at maturity or by prior redemption in the case of the Bonds, at the designated office for payment of the Registrar. The interest on each Bond shall be payable as provided in the Form of Bond by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Registered Owner as shown on the Register on the Record Date or, at the request of a Registered Owner, and at the Registered Owner's risk and expense, in such other manner as may be acceptable to the Registered Owner and the Registrar. Any accrued interest payable at maturity or

earlier redemption, in the case of the Bonds, shall be paid upon presentation and surrender of the Bond to which such interest appertains.

If the date for payment on any Bond is a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions are authorized by law or executive order to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 3.04. SUCCESSOR REGISTRARS. The District covenants that at all times while any Bonds are outstanding it will provide a bank, trust company, financial institution or other entity duly qualified and duly authorized to act as Registrar for the Bonds. The District reserves the right to change the Registrar on not less than 30 days written notice to the Registrar, so long as any such notice is effective at such time as to not disrupt payment on the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Registered Owner, by United States mail, first-class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SECTION 3.05. SPECIAL RECORD DATE. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first-class, postage prepaid, not later than 5 days prior to the Special Record Date, to each affected Registered Owner of record as of the close of business on the day prior to the mailing of such notice.

SECTION 3.06. REGISTERED OWNERS. The District, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Registered Owner of such Bond for the purpose of making payment of principal or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the District, nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Registered Owner of any Bond in accordance with this Section 3.06 shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

SECTION 3.07. EXECUTION OF BONDS. The Bonds shall be signed on behalf of the District by the President of the Board of Directors and attested by the Secretary or other Authorized Officer of the Board, by their manual, lithographed, or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. The facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually

and in person by each of said officers, and the facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 3.09. AUTHENTICATION. The Initial Bond shall bear thereon a certificate of registration of the Comptroller of Public Accounts of the State of Texas, substantially in the form provided in Section 6.02 of this Order, manually executed by the Comptroller or a duly authorized deputy. All other Bonds shall bear a certificate of authentication, substantially in the form provided in Section 6.03 of this Order, manually executed by an authorized officer of the Registrar. No Bond shall be valid or obligatory for any purpose unless either the registration certificate of the Comptroller or the authentication certificate of the Registrar has been signed by a duly authorized officer thereof.

ARTICLE FOUR

REGISTRATION, TRANSFER, AND EXCHANGE

SECTION 4.01. REGISTRATION, TRANSFER, AND EXCHANGE. So long as any Bonds remain outstanding, the Registrar shall keep at its designated office for payment the Register, in which, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the designated office for payment of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or an authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall authenticate and deliver in exchange therefor, within 72 hours after such presentation, a new Bond or Bonds of the same type, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the designated office for payment of the Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 4.01. Each Bond delivered in accordance with this Section 4.01 shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with

the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the District.

SECTION 4.02. MUTILATED, LOST, OR STOLEN BONDS. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like amount, bearing a number not contemporaneously outstanding.

The District or the Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The District or the Registrar may require the Registered Owner of a lost, destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (a) furnish to the District and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnish such security or indemnity as may be required by the Registrar and the District to save them harmless;
- (c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (d) meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond which such replacement Bond was issued presents for payment such original Bond, the District and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

If any such mutilated, lost, destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section 4.02 shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement is delivered.

SECTION 4.03. BOOK-ENTRY-ONLY SYSTEM. (a) The Bonds issued in exchange for the Initial Bond shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in subsection (b) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Register Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, but to the extent permitted by law, the District and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the District to make payments of principal, and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

(b) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being

registered in the Register Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Order.

(c) Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations of the District to DTC.

(d) DTC Blanket Letter of Representations. The District authorizes execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds.

(e) Cancellation of Initial Bond. On the closing date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the Underwriter of the Bonds or its designee set forth in Section 15.01 of this Order, executed by manual or facsimile signature of the President and Secretary or other Authorized Officer of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such Underwriter or its designee set forth in Section 15.01 of this Order. Upon payment for the Initial Bond, the Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all the Bonds for such maturity.

SECTION 4.04. **CANCELLATION OF BONDS.** All Bonds paid in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated, registered, and delivered in accordance herewith, shall be canceled and disposed of upon the making of proper records regarding such payment, redemption, exchange, or replacement. The Registrar shall furnish the District with appropriate certificates of disposition of such Bonds.

ARTICLE FIVE

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 5.01. **REDEMPTION OF BONDS.** The Bonds shall be subject to redemption, including redemption at the option of the District, as set forth in the FORM OF BOND in Section 6.01.

ARTICLE SIX

FORM OF BOND

SECTION 6.01. **FORM OF BOND.** The Bonds authorized by this Order shall be in substantially the following form, with such omissions, insertions, and variations, including

set forth above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from _____, ____*, at the interest rate per annum specified above. Interest is payable semiannually on each March 15 and September 15 (each, an "Interest Payment Date"), commencing on _____ 15, ____*, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the Interest Payment Date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at BOKF, NA, which is the "Registrar" or "Paying Agent/Registrar" for this Bond at its designated office for payment in Dallas, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Registrar by United States mail, first-class postage prepaid, on or before each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the last calendar day of the month next preceding each such date (the "Record Date") on the Register kept by the Registrar listing the names and addresses of the Registered Owners (the "Register"). In addition, interest may be paid by such other method, acceptable to the Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Register at the close of business on the last business day next preceding the date of mailing of such notice. Notwithstanding the foregoing, during any period in which ownership of the Bond is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

* From Approval Certificate.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Registrar, from the "Debt Service Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the designated office for payment of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of _____, ____* and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of \$_____* **FOR THE PURPOSE OF REFUNDING BONDS OF THAT ISSUE OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT EXTENDABLE COMMERCIAL PAPER MODE BONDS, SERIES B AND PAYING CERTAIN COSTS OF ISSUING THE BONDS.**

ON SEPTEMBER 15, ____*, OR ON ANY DATE THEREAFTER, the Bonds maturing on and after September 15, ____*, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the District, and if less than all of a maturity is to be redeemed the Registrar shall determine by lot or other customary method of random selection the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

****[THE BONDS MATURING ON _____ AND _____** (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts on the following dates and at a price of par plus accrued interest to the redemption date.

Term Bonds Maturing on _____

Redemption Date

Principal Amount

* From Approval Certificate.

** From Approval Certificate, if applicable.

Term Bonds Maturing on _____

Redemption Date

Principal Amount

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the direction of the District by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.]

AT LEAST 30 calendar days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Register on the 45th calendar day prior to such redemption date at least 30 days prior to the date fixed for redemption and to major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Registrar for the payment of the required redemption price for the Bonds or portions for which such payment is made, all as provided above. The Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Order.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the District and the securities depository.

WITH RESPECT TO any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the principal denomination of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Registrar shall not be required to make any such transfer, conversion or exchange of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or Interest Payment Date or (ii) within 45 calendar days prior to its redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Registrar for the Bonds is changed by the District, resigns, or otherwise ceases to act as such, the District has covenanted in the Bond Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

THE BONDS are payable from the proceeds of an ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order further provides that the pledge of taxes to the payment of the Bonds shall terminate at such time, if ever, as (i) money and/or Defeasance Securities (as defined in the Bond Order) are deposited with or made available to the Registrar in accordance with the Bond Order or (ii) the District is abolished and the obligations of the District are assumed pursuant to existing Texas law.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing, direct annual ad valorem tax, without legal limit as to rate or amount, on taxable property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date with respect to the Bonds, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owners of the Bonds. By acceptance of this Bond the Registered Owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties refinanced by the proceeds of the Bonds, is encumbered by any lien for the benefit of the Registered Owner of this Bond.

THE DISTRICT RESERVES THE RIGHT to issue additional bonds heretofore or hereafter duly authorized at elections held in the District payable from a lien on and pledge of taxes; bonds, notes and other obligations of inferior liens, and revenue bonds, notes and other obligations payable solely from revenues of the District or revenues to be received under contracts with other persons, including private corporations, municipalities and political subdivisions or from any other source. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund any bonds (including the Bonds) at or prior to their respective dates of maturity or redemption.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the Registered Owners of the Bonds may be modified with, in certain circumstances, the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the Registered Owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Registrar.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds by the levy of a continuing, direct annual ad valorem tax upon all taxable property within the District and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or other Authorized Officer of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT
DISTRICT**

XXXXXXXXXXXX

Secretary, Board of Directors

XXXXXXXXXXXX

President, Board of Directors

(SEAL)

SECTION 6.02. REGISTRATION OF INITIAL BOND BY STATE COMPTROLLER AND CERTIFICATE. The Initial Bond shall be registered by the Comptroller of Public Accounts of the State of Texas as provided by law. The registration certificate of the Comptroller of Public Accounts of the State of Texas shall be printed on the face of the Initial Bond and shall be in substantially the following form:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

SECTION 6.03. FORM OF AUTHENTICATION CERTIFICATE. The following form of authentication certificate shall be printed on the face of each of the Bonds other than the Initial Bond:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:

BOKF, NA,
Registrar

By _____
Authorized Representative

SECTION 6.04. FORM OF ASSIGNMENT. A form of assignment shall be printed on the back of each of the Bonds and shall be in substantially the following form:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer
Identification Number of Transferee

(Please print or typewrite name and address,
including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____
Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

SECTION 6.05. CUSIP REGISTRATION. The President of the Board of Directors may secure the printing of identification numbers on the Bonds through the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association.

SECTION 6.06. LEGAL OPINION AND BOND INSURANCE. (a) The approving opinions of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, and Kintop Smith, PLLC, Dallas, Texas may be printed on the back of the Bonds over the certification of the Secretary of the Board of Directors which may be executed in facsimile.

(b) If bond insurance is obtained for the Bonds, a Statement of Insurance may be placed on the back of, or attached to, the Bonds.

SECTION 6.07. INITIAL BOND. The Initial Bond shall be in the form set forth in this Section, except that:

A. immediately above the name of the Bond, the two paragraphs with respect to DTC shall be removed.

B. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown in below" and "CUSIP NO." shall be deleted.

C. the principal amount specified in the Approval Certificate shall be entered under the heading "PRINCIPAL AMOUNT."

D. the first paragraph shall be deleted and the following will be inserted:

"TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT (the "District"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the principal amount specified above, payable in annual installments on September 15 in each of the years and in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------	-------------------------	----------------------

(Information from Approval Certificate to be inserted)

The District promises to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid principal amount hereof from _____, ____*, at the respective interest rate per annum specified above. Interest is payable semiannually on each March 15 and September 15, commencing _____ 15, ____,* thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

E. The Initial Bond shall be numbered "T-1."

* From Approval Certificate.

ARTICLE SEVEN

SECURITY OF THE BONDS

SECTION 7.01. SECURITY OF BONDS AND PERFECTION OF LIEN. The Bonds are secured by and payable from the levy of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, upon all taxable property within the District.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the ad valorem taxes granted by the District under this Article Seven, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the District under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Owners of the Bonds the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 7.02. LEVY OF TAX. To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes, there is hereby levied, and there shall be assessed and collected in due time, a continuing, direct annual ad valorem tax without legal limit as to rate or amount on all taxable property in the District for each year while any of the Bonds are outstanding. All of the proceeds of such collections, except expenses incurred in that connection, shall be paid into the Debt Service Fund, and the aforementioned tax and such payments into such fund shall continue until the Bonds and the interest thereon have been fully paid and discharged, and such proceeds shall be used for such purposes and no other. While said Bonds, or any of them, are outstanding and unpaid, an ad valorem tax that will be ample and sufficient to provide funds to pay the interest on said Bonds and to provide the necessary sinking fund to pay the principal when due, full allowance being made for delinquencies and costs of collection, together with revenues and receipts from other sources that are legally available for such purpose, shall be levied and collected and applied to the payment of principal and interest on the Bonds, as follows:

- (a) By September 1 in each year, or as soon thereafter as practicable, the Board shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and levy the tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board shall consider among other things:
 - (i) the amount which should be levied for maintenance and operation purposes;
 - (ii) the amount which should be levied for the payment of principal, interest, and redemption price of each series of bonds or notes payable in whole or in part from taxes;

- (iii) the amount which should be levied for the purpose of paying all other contractual obligations of the District payable in whole or in part from taxes; and
 - (iv) the percentage of anticipated tax collections and the cost of collecting the taxes.
- (c) In determining the amount of taxes which should be levied each year, the Board shall consider whether proceeds from the sale of Bonds have been placed in the Debt Service Fund (as defined in Section 8.01 of this Order) to pay interest on the Bonds and whether the Board reasonably expects to have revenue or receipts available from other sources which are legally available to pay debt service on the Bonds.

SECTION 7.03. PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS. The District covenants to pay promptly the principal of and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Order, and to keep and perform faithfully all of its covenants, undertakings, and agreements contained in this Order, or in any Bond executed, authenticated, and delivered hereunder.

SECTION 7.04. ABOLITION OF DISTRICT. To the extent provided by law, the pledge of taxes set forth in Section 7.02 will terminate if properties and assets are taken over, all debts, liabilities, and obligations are assumed, and all functions and services of the District are assumed, and the District is abolished pursuant to law.

ARTICLE EIGHT

FLOW OF FUNDS AND INVESTMENTS

SECTION 8.01. FUNDS. The ECP Series B Refunding Debt Service Fund is hereby created or confirmed. The Debt Service Fund shall be kept separate and apart from all other funds of the District. Each fund shall be kept separate and apart from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the owners of the Bonds. All funds shall be used solely as provided in this Order until all of the Bonds have been retired, both as to principal and interest.

SECTION 8.02. SECURITY OF FUNDS. Any cash balance in any fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be continuously secured in the manner provided by law for the security of funds of counties of the State of Texas.

SECTION 8.03. DEPOSIT AND USE OF DEBT SERVICE FUND. The District shall deposit or cause to be deposited into the Debt Service Fund the aggregate of the following at the time specified:

- (a) As soon as practicable after the Bonds are sold, accrued interest on the Bonds from their date to the date of their delivery; and
- (b) The proceeds from collection of the ad valorem taxes levied, assessed and collected for and on account of the Bonds pursuant to Section 7.02 hereof, less costs of collection, as collected.

On or before the date for payment of the principal and/or Interest Payment Date on the Bonds, the Board of Directors shall cause the transfer of moneys out of the Debt Service Fund to the Registrar in an amount not less than that which is sufficient to pay the principal which matures on such date and the interest which accrues on such date. The District shall pay fees and charges of the Registrar for its services as paying agent and registrar for the Bonds from the Debt Service Fund.

SECTION 8.04. INVESTMENTS; EARNINGS. Moneys deposited into the Debt Service Fund and any other fund or funds which the District may lawfully create may be invested or reinvested in Authorized Investments. All investments and any profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such fund. After such sale the moneys resulting therefrom shall belong to the fund from which the moneys for such investments were initially taken. The District shall not be responsible to the Registered Owners for any loss arising out of the sale of any investments.

ARTICLE NINE

APPLICATION OF BOND PROCEEDS

SECTION 9.01. BOND PROCEEDS. Proceeds from the sale of the Bonds will be disbursed in accordance with this Article.

SECTION 9.02. ACCRUED INTEREST. Moneys received from the Underwriter of the Bonds representing accrued interest on the Bonds from their date to the date of their actual delivery shall be deposited into the Debt Service Fund.

SECTION 9.03. DEPOSIT AGREEMENT. The proceeds from the sale of the Bonds after making the deposit provided in Section 9.02 and paying or making provisions for the payment of the costs in connection with issuing the Bonds, shall be deposited pursuant to the instructions of an Authorized Representative or the District's financial advisor, Hilltop Securities Inc., including deposits required by the Deposit Agreement to be made into the Payment Account created therein. The Deposit Agreement, in substantially the form attached hereto as Exhibit "A", is hereby approved and the President and any Vice President is authorized and directed, for and on behalf of the District, to execute, and the Secretary or any Assistant Secretary or other Authorized Officer of the Board is authorized to attest, the Deposit Agreement with such changes as approved by such Officers.

ARTICLE TEN

PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION

SECTION 10.01. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. If the Bonds are to be issued on a tax-exempt basis, the following shall apply: (a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the District, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less, until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Compliance with Code. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs any Authorized Representative to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. The District covenants to comply with the covenants contained in this section after defeasance of the Bonds.

(c) Disposition of Project. The District covenants that the property refinanced with the proceeds of the Bonds (the "Project") will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The District covenants to account for the expenditure of sale proceeds and investment earnings on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the District shall not expend sale proceeds or investment earnings thereon more than 60 days after the later of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the District obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation, the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(f) Written Procedures. Unless superseded by another action of the District to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the District hereby adopts and establishes the instructions attached hereto as Exhibit "B" as their written procedures applicable to the Bonds and Additional Bonds.

ARTICLE ELEVEN

ADDITIONAL BONDS AND REFUNDING BONDS

SECTION 11.01. ADDITIONAL BONDS. The District expressly reserves the right to issue, in one or more installments, for the purpose of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving, or extending the System, or for any other lawful purpose:

- (a) the unissued unlimited tax bonds which were authorized pursuant to the Bond Elections; and

- (b) such other unlimited tax bonds as may hereafter be authorized at subsequent elections.

SECTION 11.02. OTHER BONDS AND OBLIGATIONS. The District further reserves the right to issue unlimited tax bonds and combination unlimited tax and revenue bonds, if authorized by election, and such other bonds or other obligations as may be lawfully issued by the District including any obligations issued for special projects or defined areas.

SECTION 11.03. REFUNDING BONDS. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund the Bonds at or prior to their respective dates of maturity or redemption.

ARTICLE TWELVE

DEFAULT PROVISIONS

SECTION 12.01. REMEDIES IN EVENT OF DEFAULT. In addition to any other rights and remedies provided by the laws of the State of Texas, the District covenants and agrees that in the event of default in payment of principal of or interest on any of the Bonds when due, or, in the event it fails to make the payments required to be made into the Debt Service Fund, or defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Registered Owners shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations, or conditions prescribed in this Order. Any delay or omission to exercise any right or power or be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 12.02. BOND ORDER IS CONTRACT. In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by the Registered Owners, the provisions of this Order shall be deemed to be and shall constitute a contract between the District and the Registered Owners; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection, and security of each of the Registered Owners. The Bonds, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction of any Bond over any other, except as expressly provided herein.

ARTICLE THIRTEEN

DISCHARGE BY DEPOSIT

SECTION 13.01. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been

made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Order. Any money so deposited with the Paying Agent/Registrar as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

(c) Notwithstanding any provision of any other Section of this Order which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Order.

(d) Notwithstanding anything elsewhere in this Order, if money or Defeasance Securities have been deposited or set aside or made available to with the Paying Agent/Registrar pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of the Order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is

taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

ARTICLE FOURTEEN

MISCELLANEOUS PROVISIONS

SECTION 14.01. DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Order the District is named and referred to, it shall be deemed to include its successors and assigns, and all covenants and agreements in this Order by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

SECTION 14.02. NO RECOURSE AGAINST DISTRICT OFFICERS OR DIRECTORS. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any officer or director of the District or any person executing the Bonds.

SECTION 14.03. REGISTRAR. The Registrar shall act as agent for the payment of principal of and interest on the Bonds and shall maintain the Register for the Bonds, all in accordance with the terms of this Order. If the Registrar or its successor becomes unable for any reason to act as Registrar hereunder, or if the Board of Directors of the District determines that a successor Registrar should be appointed, a successor Registrar shall be selected by the District. Any successor Registrar shall be either a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

SECTION 14.04. REGISTRAR MAY OWN BONDS. The Registrar, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Registrar.

SECTION 14.05. BENEFITS OF PROVISIONS. Nothing in this Order or in the Bonds, expressed or implied, shall give or be construed to give any person, firm, or corporation, other than the District, the Registrar, and the Registered Owners, any legal or equitable right or claim under or in respect of this Order, or under any covenant, condition, or provision herein contained, all the covenants, conditions, and provisions contained in this Order or in the Bonds being for the sole benefit of the District, the Registrar, and the Registered Owners.

SECTION 14.06. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication, and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 14.07. SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section, or other part of this Order, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Order and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Order to any other persons or circumstances shall not be affected thereby.

SECTION 14.08. ACCOUNTING. The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Registered Owner on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts by a certified public accountant or firm of certified public accountants, based on its Fiscal Year, and copies of such audits will be made available to any Registered Owner upon request.

SECTION 14.09. FURTHER PROCEEDINGS. The President and Secretary or other Authorized Officer of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Order.

ARTICLE FIFTEEN

SALE AND DELIVERY OF BONDS AND APPROVAL OF DOCUMENTS

SECTION 15.01. SALE OF BONDS. Pursuant to the authorizations in Article 3 hereof, as approved by the Authorized Representative, the Bonds may be sold either pursuant to the taking of bids therefor as provided in the Official Notice of Sale or by negotiated sale or placement pursuant to a purchase agreement or other agreement (the "Purchase Agreement") with a purchaser or purchasers (collectively, the "Underwriters") to be approved by an Authorized Representative, and any supplements thereto which may be necessary to accomplish the issuance of Bonds. Such Purchase Agreement is hereby authorized to be dated, executed and delivered on behalf of the Issuer by an Authorized Representative, with such changes therein as shall be approved by an Authorized Representative, the execution thereof by an Authorized Representative to constitute evidence of such approval. The delegation of authority to an Authorized Representative to approve the final terms of the Bonds as set forth in this Order is, and the decisions made by an Authorized Representative pursuant to such delegated authority will be, in the best interests of the Issuer, and an Authorized Representative is authorized to make a finding to such effect in the Approval Certificate.

SECTION 15.02. APPROVAL, REGISTRATION, AND DELIVERY. The President of the Board of Directors of the District and representatives of McCall, Parkhurst & Horton L.L.P. and/or Kintop Smith, PLLC are each hereby authorized and directed to submit the Initial Bond and a transcript of the proceedings relating to the issuance of the Bonds to the Attorney General of the State of Texas for approval and, following said approval, to submit the Initial Bonds to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bond, the Comptroller of Public Accounts (or a deputy designated in writing to act for the

Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on the Initial Bond, and the seal of the Comptroller shall be impressed or placed in facsimile on the Initial Bond. After the Initial Bond has been registered, signed, and sealed by the Comptroller, they shall be delivered to the Underwriter, but only upon receipt of the full purchase price.

SECTION 15.03 APPROVAL OF OFFERING DOCUMENTS AND PAYING AGENT/REGISTRAR AGREEMENT. The Authorized Representative is hereby authorized to approve the Preliminary Official Statement, the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto (collectively, the "Offering Documents"). For the purpose of review by the Underwriter prior to purchasing the Bonds, the District deems said Preliminary Official Statement to have been "final as of its date" within the meaning of the Rule. The District further approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as an Authorized Representative executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof

The Paying Agent/Registrar Agreement by and between the District and BOFK, NA ("Paying Agent Agreement") in substantially the form and substance attached hereto as Exhibit "C" is hereby approved and the President or Vice President is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement, as necessary and the Secretary or Assistant Secretary or other Authorized Officer of the Board is authorized and directed to attest such agreement.

SECTION 15.04. REFUNDING OF REFUNDED BONDS. (a) The Refunded Bonds shall be paid upon the earlier of their stated maturity dates or the earliest redemption dates for which notice of redemption can be given pursuant to the Master Resolution, in each case at a price of par plus accrued interest to the date of payment. As soon as practicable after sale of the Bonds, appropriate notices of redemption shall be delivered to the paying agent/registrar for the Refunded Bonds to notify, in accordance with the requirements of the Master Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

(b) Concurrently with the delivery of the Bonds, the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Bonds, together with, to the extent necessary, available funds of the Issuer, with the paying agent/registrar for the Refunded Bonds, sufficient to provide for the refunding and redemption, on the date or dates fixed for redemption, of all of the Refunded Bonds, in accordance with Subchapter C of Chapter 1207, Texas Government Code, as amended. In addition, the Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund) as may be necessary for the Payment Account described in such Deposit Agreement. It is hereby found and determined that the refunding of the Refunded Bonds, which consist of bonds in an extendable commercial paper mode, makes it impracticable to determine the maximum amount by which the aggregate amount of payments to be made under the Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds for purposes of Section 1207.008(a)(2), Texas Government Code.

ARTICLE SIXTEEN

OPEN MEETING AND EFFECTIVE DATE

SECTION 16.01. OPEN MEETING. The Board of Directors officially finds, determines, and declares that this Order was reviewed, carefully considered, and adopted at a meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that the meeting was open to the public as required by law at all times during which this Order and the subject matter hereof has been discussed, considered, and acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 16.02. EFFECTIVE DATE OF BOND ORDER. This Order shall take effect and be in full force and effect upon and after its passage.

ARTICLE SEVENTEEN

AMENDMENTS

SECTION 17.01. AMENDMENTS. (a) Amendment with Consent of Owners of 51% of Bonds. The owners of 51% in aggregate principal amount of then outstanding Bonds shall have the right from time to time to approve any amendment to this Order which may be deemed necessary or desirable by the District; provided however, that, other than as permitted by subsection (f) of this Section 17.01, nothing herein contained shall permit or be construed to permit the amendment, without the consent of the owner of each of the outstanding Bonds affected thereby, of the terms and conditions of this Order or the Bonds so as to:

- (1) change debt service requirements, interest payment dates or the maturity or maturities of the outstanding Bonds;
- (2) reduce the rate of interest borne by any of the outstanding Bonds;
- (3) reduce the amount of the principal of, redemption premium, if any, or interest on the outstanding Bonds or impose any conditions with respect to such payments;
- (4) modify the terms of payment of principal of, redemption premium, if any, or interest on the outstanding Bonds, or impose any conditions with respect to such payments;
- (5) affect the right of the Registered Owners of less than all of the Bonds then outstanding;
or
- (6) decrease the minimum percentage of the principal amount of Bonds necessary for consent to any such amendment.

(b) Notice of Amendment. If at any time the District shall desire to amend this Order it may cause a written notice of the proposed amendment to be published at least once on a business day

in a financial newspaper, journal, or publication of general circulation in the City of New York, New York, or in the State of Texas. If, because of temporary or permanent suspension of the publication or general circulation of all such newspapers, journals, or publications, it is impossible or impractical to publish such notice in the manner provided herein, then such publication in lieu thereof as shall be made by the Registrar shall constitute a sufficient publication of notice. In addition to such publication, the Registrar shall cause a written notice of the proposed amendment to be given by registered or certified mail to Registered Owners of the Bonds as shown on the Registration Books maintained by the Registrar; provided, however, that failure to receive such written notice of the proposed amendment, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding in connection with, or the adoption of, such amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all Registered Owners of Bonds.

(c) Consent to Amendment. Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other services of written notice the District shall receive an instrument or instruments executed by the Registered Owners of at least 51% in aggregate principal amount of all Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment, the District may adopt the amendatory resolution or order in substantially the same form.

(d) Effect of Amendment. Upon the adoption of any amendatory resolution or order pursuant to the provisions of this Section, this Order shall be deemed to be amended in accordance with such amendatory resolution or order, and the respective rights, duties, and obligations under such amendatory resolution or order of all the Registered Owners shall thereafter be determined and exercised subject in all respects to such amendments.

(e) Consent of Registered Owners. Any consent given by a Registered Owner pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the Bonds during such period. Such consent may be revoked by the Registered Owner who gave such consent at any time after six months from the date of the first giving of such notice, or by a successor in title, by filing notice thereof with the Registrar and the District, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the then outstanding Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Amendments Without Consent. Notwithstanding the provisions of (a) through (e) of this Section, and without notice of the proposed amendment and without the consent of the Registered Owners, the District may, at any time, amend this Order to cure any ambiguity or to cure, correct, or supplement any defective or inconsistent provision contained therein, or to make any other change that does not in any respect materially and adversely affect the interest of the Registered Owners, provided that no such amendment shall be made contrary to the provision to Section 17.01 (a), and a duly certified or executed copy of each such amendment shall be filed with the Registrar.

ARTICLE EIGHTEEN

CONTINUING DISCLOSURE UNDERTAKING

SECTION 18.01. CONTINUING DISCLOSURE UNDERTAKING. (a) Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

"*Authority*" means Trinity River Authority.

"*Cities*" means the Cities of Arlington, Fort Worth and Mansfield.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Obligated Person*" means the Issuer, the Authority, and the Cities, or any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) in the Rule.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

(b) General. Pursuant to a Continuing Disclosure Agreement by and among the Issuer, the Cities, and the Authority, the Issuer, the Cities and the Authority have undertaken for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Issuer, Cities and Authority in accordance with the Rule as promulgated by the SEC.

(c) Annual Reports. (i) The Issuer shall provide annually to the MSRB, within six months after the end of the most recent fiscal year, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 15.03 of this Order, being the information described in Exhibit "D". Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit "D", or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official

statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB, or filed with the SEC.

(d) Disclosure Event Notices. The Issuer shall notify the MSRB, in a timely manner, of any of the following events with respect to the Bonds, not in excess of ten Business Days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer, any of the Cities or the Authority;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, any of the Cities, or the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer or an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or an Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or an Obligated Person, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) as used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with this subsection by the time required. As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board of Directors and official or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(e) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule,

except that the Issuer in any event will give notice of any deposit made in accordance with this Order or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell ECP Series B Refunding Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Order for purposes of any other provision of this Order. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions

of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

ARTICLE NINETEEN

OTHER ACTIONS

SECTION 19.01. ATTORNEY GENERAL FEES. The District hereby authorizes and directs payment from legally available funds of the District, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

SECTION 19.02. OTHER ACTIONS. The President or Vice President and Secretary or other Authorized Officer of the Board of Directors of the District, and all other officers, employees and agents of the District, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all instruments as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Bonds, the sale of the Bonds and the Official Statement. In addition, prior to the initial delivery of the Bonds, President, Vice President or Treasurer and Secretary of the Board of Directors of the District, the District's Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office.

SECTION 19.03. APPROPRIATION. To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

EXHIBIT "A"

FORM OF DEPOSIT AGREEMENT

DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (the "Agreement"), dated as of _____, _____, made by and between Tarrant Regional Water District, a Water Control and Improvement District (the "Issuer"), a political subdivision of the State of Texas acting by and through the President and Secretary or other Authorized Officer of the Board of Directors of the Issuer (the "Board"), and U.S. Bank National Association (the "Bank"), a banking association organized and existing under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Issuer has heretofore issued and delivered and there is currently outstanding the obligations described on Exhibit "A" hereto (hereinafter called the "Refunded Obligations"); and

WHEREAS, in accordance with the provisions of Chapter 1207, Texas Government Code (the "Act"), the Issuer is authorized to sell refunding bonds in an amount sufficient to provide for the full and complete payment of obligations, deposit the proceeds of such refunding bonds with the place of payment for the obligations being refunded and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the Issuer on _____, _____, pursuant to a resolution (the "Bond Resolution") passed and adopted by the Board, authorized the issuance of bonds known as "Tarrant Regional Water District, a Water Control and Improvement District Unlimited Tax Refunding Bonds" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Obligations; and

WHEREAS, a portion of the proceeds of sale of the Bonds, together with other available funds of the Issuer, are to be deposited with the Bank under this Agreement, which deposit of funds will be sufficient to pay and redeem in full the Refunded Obligations on _____, (the Redemption Date);

NOW, THEREFORE, in consideration of the mutual agreements herein contained and the payment to the Bank of amounts provided in Section 8 hereof, and to secure the payment of the principal of and the interest on the Refunded Obligations, the Issuer and the Bank hereby agree as follows:

SECTION 1. A trust clearing account (hereinafter called the "Payment Account") shall be maintained at the Bank for the benefit of the holders of the Refunded Obligations, and, immediately following the delivery of the Bonds, the Issuer agrees and covenants to cause to be deposited with the Bank for the credit of the Payment Account the sum of \$_____.

The Bank agrees to establish such Payment Account and further agrees to receive said moneys, apply the same as set forth herein, and to hold uninvested the cash deposited and credited to the Payment Account for application and disbursement for the payment and redemption of the Refunded Obligations on the Redemption Date.

SECTION 2. In reliance upon the Sufficiency Certificate of Financial Advisor, a copy of which is attached hereto as Exhibit "B", the Issuer represents that the amount deposited to the credit of the Payment Account, as provided in Section 1 hereof, will be sufficient to pay and redeem in full all the Refunded Obligations on the Redemption Date, and the Bank acknowledges the sufficiency of the deposit for said purpose.

The Bank acknowledges receipt of a copy of the Bond Resolution providing for the redemption of the Refunded Obligations on the Redemption Date at the price of par and accrued interest and acknowledges receipt of the form of notice of redemption attached hereto. The Bank will give the notice of redemption as required by the order authorizing the issuance of the Refunded Bonds.

SECTION 3. The Bank agrees that all funds held in the Payment Account shall constitute a dedicated interest and sinking fund for the payment of the principal of and interest on the Refunded Obligations which will mature and become due on and after the date of this Agreement, such funds deposited to the credit of the Payment Account shall be applied solely in accordance with the provisions of this Agreement and the Issuer shall have no right or title with respect thereto, except as otherwise provided herein. Such funds shall not be subject to checks or drafts drawn by the Issuer.

SECTION 4. If, for any reason, the funds on hand in the Payment Account shall be insufficient to pay the redemption price of the Refunded Obligations on the Redemption Date, notice of any such insufficiency shall be immediately given by the Bank to the Issuer by the fastest means possible.

SECTION 5. The Bank represents that the deposit covered by this Agreement shall constitute firm banking arrangements to insure payment of the Refunded Obligations and such deposit is collateralized to insure against any loss or diminution by virtue of any action of the Bank or as a result of its lack of financial integrity by a pledge of direct obligations of the United States of America, in the par or face amount at least equal to the principal amount of said monies to the extent such money is not insured by the Federal Deposit Insurance Corporation.

SECTION 6. The Bank, as paying agent for the Refunded Obligations, shall, without further direction from anyone, including the Issuer, cause to be paid with funds on deposit in the Payment Account the amount required to pay and redeem in full the Refunded Obligations on the Redemption Date when such obligations are presented for payment in accordance with their terms.

SECTION 7. The Bank shall have no lien whatsoever upon any of the moneys deposited to the credit of the Payment Account for payment of services rendered hereunder, services rendered

as Paying Agent for the Refunded Obligations, or for any costs or expenses incurred hereunder and reimbursable from the Issuer.

SECTION 8. Moneys on deposit in the Payment Account shall be held uninvested pending the disbursement of moneys. In consideration for the services rendered hereunder, the Issuer shall pay to the Bank the sum of \$_____. No investment of funds deposited to the credit of the Payment Account shall be made on or after the Redemption Date. Neither the Issuer nor the Bank shall invest any moneys deposited in the Payment Account.

SECTION 9. The Bank hereby agrees that the compensation noted in Section 8 is full and complete payment for the administration of this Agreement, and the Bank acknowledges and agrees that such amount is and represents the total amount of compensation due the Bank for services rendered as paying agent for the Refunded Obligations. The Bank hereby agrees to pay, assume and be fully responsible for any additional charges that it may incur in the performance of its duties and responsibilities as paying agent for the Refunded Obligations.

SECTION 10. The Bank shall not be responsible for any recital herein, except with respect to its organization, its powers and authority and to the safety and security of the deposit of funds to be made by the Issuer hereunder. As to the existence or nonexistence of any fact relating to the Issuer or as to the sufficiency or validity of any instrument, paper or proceedings relating to the Issuer, the Bank shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Issuer Secretary or other Authorized Officer as sufficient evidence of the facts therein contained. The Bank may accept a certificate of the Secretary or other Authorized Officer of the Board under the Issuer's seal, to the effect that a resolution or other instrument in the form therein set forth has been adopted by the Board, as conclusive evidence that such resolution or other instrument has been duly adopted and is in full force and effect.

The duties and obligations of the Bank shall be determined solely by the express provisions of this Agreement, and the Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank.

In the absence of bad faith on the part of the Bank, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Bank, conforming to the requirements of this Agreement; but notwithstanding any provision of this Agreement to the contrary, in the case of any such certificate or opinion or any evidence which by any provision hereof is specifically required to be furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether it conforms to the requirements of this Agreement.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Bank unless it shall be proved that the Bank was negligent in ascertaining or acting upon the pertinent facts. The Bank shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness, or validity of the deposits made pursuant to this Agreement, or for the form or execution thereof, or for the identity

or authority or any person making or executing such deposits.

The term "Responsible Officers" of the Bank, as used in this Agreement, shall mean and include the Chairman of the Board of Directors, the President, any Vice President and any Second Vice President, the Secretary and any Assistant Secretary, the Treasurer and any Assistant Treasurer, and ever other officer and assistant officer of the Bank customarily performing functions similar to those performed by the persons who at the time shall be officers, respectively, or to whom any corporate trust matter is referred, because of his knowledge of an familiarity with a particular subject; and the term "Responsible Officer" of the Bank, as used in this Agreement, shall mean and include any of said officers or persons.

SECTION 11. This Agreement is between the Issuer and the Bank only, and in connection herewith the Bank is authorized by the Issuer to rely upon the representations of the Issuer with respect to this Agreement and the deposits made pursuant hereto and as to the Issuer's right and power to execute and deliver this Agreement, and the Bank shall not be liable in any manner as a result of such reliance. The duties of the Bank hereunder shall only be to the Issuer and the holders of the Refunded Obligations. In the event conflicting demands or notices are made upon the Bank growing out of or relating to this Agreement or the Bank in good faith is in doubt as to what action should be taken hereunder, the Bank shall have the right at its election to:

(a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) File a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses and attorney fees suffered or incurred by the Bank as a result thereof. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in _____.

The Bank may consult with legal counsel in the event of any dispute or question regarding the construction of any of the provisions hereof or its duties hereunder, and in the absence of negligence or bad faith on the part of the Bank, no liability shall be incurred by the Bank for any action taken pursuant to this Section and the Bank shall be fully protected in acting in accordance with the opinion and instructions of legal counsel that is knowledgeable and has expertise in the field of law addressed in any such legal opinion with respect to the instructions given.

Nothing in this Agreement shall be construed to require the Bank to expend or risk its own funds in the performance of any of its duties or the exercise of any of its rights hereunder.

SECTION 12. Time shall be of the essence in the performance of obligations from time to

time imposed upon the Bank by this Agreement.

SECTION 13. Following the final payment and redemption of the Refunded Obligations, the Bank shall forward by letter to the Issuer, to the attention of the President, or other designated official of the Issuer, a final accounting statement with respect to the payment and discharge of the Refunded Obligations, together with all canceled Refunded Obligations.

SECTION 14. Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

Tarrant Regional Water District, a Water Control and Improvement District
800 East North Side Drive
Fort Worth, Texas 76102-1097

Attention: Chief Financial Officer

U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005

Attention: Corporate Trust Services

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery.

Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

SECTION 15. Whenever under the terms of this Agreement the performance date of any provision hereof, including the date of maturity of interest on or principal of the Refunded Obligations, shall be a Sunday or a legal holiday or a day on which the Bank is authorized by law to close, then the performance thereof, including the payment of principal of and interest on the Refunded Obligations, need not be made on such date but may be performed or paid, as the case may be, on the next succeeding business day of the Bank with the same force and effect as if made on the date of performance or payment and with respect to a payment, no interest shall accrue for the period after such date.

SECTION 16. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every said Refunded Obligation as executed, authenticated and delivered and in all proceedings pertaining thereto as said Refunded Obligations shall have been modified as provided in this Agreement. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of said Refunded Obligations as provided herein and the execution and delivery of this Agreement have been duly and effectively taken and that said Refunded Obligations and coupons in the hands of the holders and

owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof as provided in this Agreement.

SECTION 17. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 18. This Agreement shall terminate either (i) when the Refunded Obligations and coupons appertaining thereto have been paid and discharged in accordance with the provisions of this Agreement or (ii) at the expiration of four (4) years after the Redemption Date, whichever circumstance shall first occur. Subject to applicable unclaimed property laws of the State, moneys held in the Payment Account at the termination of this Agreement shall be remitted and transferred to the Issuer.

SECTION 19. Neither the Issuer nor the Bank shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and be without effect.

SECTION 20. This Agreement shall inure to the benefit of and be binding upon the Bank and the Issuer and their respective successors.

SECTION 21. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. This Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Section 2271.002, Texas Government Code. To the extent this Deposit Agreement constitutes a contract for goods or services for which a written verification is required pursuant to Section 2271.002, Texas Government Code, the value of the services provided by the Bank does not exceed \$100,000.

SECTION 23. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

SECTION 24. Chapter 2274, Texas Government Code (No Discrimination Against Fossil-Fuel Companies). To the extent this Deposit Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the value of the services provided by the Bank does not exceed \$100,000.

SECTION 25. Chapter 2274, Texas Government Code (No Discrimination Against Firearm Entities and Firearm Trade Associations). To the extent this Deposit Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, the value of the services provided by the Bank does not exceed \$100,000.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and attested as of the date first written above.

TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT

President

ATTEST:

Secretary

(Issuer Seal)

U.S. BANK NATIONAL ASSOCIATION

Title: _____

EXHIBIT "A"
TO DEPOSIT AGREEMENT

Schedule of Refunded Obligations

EXHIBIT "B"
TO DEPOSIT AGREEMENT

Sufficiency Certificate

EXHIBIT "B"

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds and any Additional Bonds (the "Obligations") the District's Bookkeeper and Financial Advisor (the "Responsible Persons") will :

For Obligations issued for newly acquired property or constructed property:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within 6 months of the date of delivery of the Obligations ("Issue Date");
- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the Issue Date;
- restrict the yield of the investments (other than those in the Reserve Fund) to the yield on the Obligations after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Debt Service Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;
- assure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;

For Obligations issued for refunding purposes:

- monitor the actions of the escrow agent (to the extent an escrow is funded with proceeds) to assure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

For all Obligations:

- maintain any official action of the District (such as a reimbursement resolution) stating its intent to reimburse itself with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;

- assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations the Responsible Persons will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- monitor whether, at any time the Obligations are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Obligations are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Obligations are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at any time the Obligations are outstanding, any person, other than the District, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the resolution authorizing the Obligations.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) 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 (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the District'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. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT "C"

PAYING AGENT/REGISTRAR AGREEMENT

Located elsewhere in transcript

EXHIBIT "D"

CONTINUING DISCLOSURE

1. Annual Financial Statements and Operating Data

The financial information and operating data with respect to the District to be provided annually in accordance with such Section are of the general type included in the Offering Documents under the headings "PLAN OF FINANCING - Debt Service Requirements," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)" except for "Estimated Overlapping Debt," "TAX DATA," and in APPENDIX A (Financial Statements of the District including supplemental schedules).

2. Accounting Principles

The accounting principles to be applied to the financial statement of the District are described in the financial statement contained in Appendix A to the Offering Documents .

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: October 18, 2022

SUBJECT: CONSIDER APPROVAL OF RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, WATER TRANSMISSION FACILITIES CONTRACT REVENUE BONDS (CITY OF DALLAS PROJECT), SERIES 2022, PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS, AND AUTHORIZING OTHER INSTRUMENTS AND PROCEDURES RELATING THERETO

FUNDING: N/A

RECOMMENDATION:

Management recommends approval of a resolution authorizing the issuance, sale, and delivery of the Tarrant Regional Water District, a Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2022, pledging revenues for the payment of the bonds, and authorizing other instruments and procedures relating thereto.

DISCUSSION:

The Board of Directors approved a Resolution Authorizing Final Application with the Texas Water Development Board (TWDB) for SWIRFT funding at the May 17, 2022 board meeting. The Financing Agreement with the TWDB was approved at the August 16, 2022 board meeting for bonds in an aggregate principal amount of \$255,000,000. The purpose of these funds will be to pay for design, acquisition, and construction costs related to the Dallas Project Component (as defined in the Contract) of the Integrated Pipeline Project; to fund a debt service reserve fund; and to pay costs of issuance of the Series 2022 Bonds. The TWDB issued the bonds on October 13, 2022 and the District, upon approval, will issue the private placement bonds on December 1, 2022.

Please see attached Bond Resolution. The Finance Committee has reviewed this sale.

Submitted By:

Sandy Newby
Chief Finance Officer

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, WATER TRANSMISSION FACILITIES CONTRACT REVENUE BONDS (CITY OF DALLAS PROJECT), SERIES 2022, PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS, AND AUTHORIZING OTHER INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS §
COUNTY OF TARRANT §
TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT §

WHEREAS, Tarrant Regional Water District, a Water Control and Improvement District, (formerly known as "Tarrant County Water Control and Improvement District Number One") (the "Issuer" or "District") is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59, of the Texas Constitution, pursuant to the general laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, and pursuant to the provisions of Chapter 268, Acts of 1957, 55th Legislature of Texas, Regular Session, as amended (collectively, the "District Act"); and

WHEREAS, a Water Transmission Facilities Financing Agreement, dated November 16, 2010 (the "Contract"), has been duly executed by the Issuer and the City of Dallas, Texas (the "City"), with respect to the acquisition, construction, and financing of an integrated pipeline project (as defined therein and as used herein, the "Project"); and

WHEREAS, the Issuer will authorize the Series 2022 Bonds (hereinafter defined) pursuant to the Contract, the District Act, and other applicable laws; and

WHEREAS, by adoption of its Resolution No. 22-068 Approving an Application for Financial Assistance, dated July 27, 2022, the Texas Water Development Board ("TWDB") has agreed to purchase the Issuer's hereinafter authorized bonds; and

WHEREAS, the meeting was open to the public and public notice of the time, place and purpose of said meeting was given pursuant to Chapter 551, Texas Government Code.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, THAT:

Section 1. AMOUNT AND PURPOSE OF THE BONDS. The bond or bonds of the Issuer are hereby authorized to be issued and delivered, in one or more series, in an aggregate principal amount of \$255,000,000, and in the manner hereinafter provided, for the purpose of obtaining funds to (i) pay for design, acquisition, and construction costs related to the Dallas Project Component (as defined in the Contract) of the Project, (ii) fund a reserve fund for the Series 2022 Bonds, and (iii) pay costs of issuance of the Series 2022 Bonds.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, WATER TRANSMISSION FACILITIES CONTRACT REVENUE BOND (CITY OF DALLAS PROJECT), SERIES 2022." Initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and exchanged for a like aggregate amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Series 2022 Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Series 2022 Bond" shall mean any of the Series 2022 Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND. (a) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, dated November 1, 2022, in the denomination and aggregate principal amount of \$255,000,000, numbered TR-1, payable in annual installments of principal to the initial registered owner thereof, to-wit: Texas Water Development Board ("TWDB") or to the registered assignee or assignees of said Initial Bond or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, stated in the FORM OF INITIAL BOND set forth in this Resolution.

(b) The Initial Bond (i) may be prepaid or paid on the respective scheduled due dates of installments of principal thereof, (ii) may be assigned and transferred, (iii) may be converted and exchanged for other bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Initial Bond shall be payable, all as provided, and in the manner required or indicated, in the FORM OF INITIAL BOND set forth in this Resolution.

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the date of delivery (the "Issue Date") of the Initial Bond to the TWDB to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Bond, and such interest shall be payable in the manner, at the rates, and on the dates, respectively, as provided in the FORM OF INITIAL BOND, set forth in this Resolution.

Section 5. FORM OF INITIAL BOND. The form of the Initial Bond, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Bond, shall be substantially as follows:

FORM OF INITIAL BOND

NO. TR-1

\$255,000,000

UNITED STATES OF AMERICA
STATE OF TEXAS
TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT,
WATER TRANSMISSION FACILITIES CONTRACT REVENUE BOND
(CITY OF DALLAS PROJECT),
SERIES 2022

TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to TEXAS WATER DEVELOPMENT BOARD (the "TWDB") or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of TWO HUNDRED FIFTY-FIVE MILLION and No/100 DOLLARS in annual installments of principal due and payable on September 1 in each of the years, in the respective principal amounts, and bearing interest at the respective interest rates, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2024	\$5,820,000	2.78%	2039	\$8,540,000	4.00%
2025	5,935,000	2.82	2040	8,840,000	4.04
2026	6,065,000	2.85	2041	9,145,000	4.08
2027	6,190,000	2.89	2042	9,465,000	4.13
2028	6,325,000	2.92	2043	9,795,000	4.08
2029	6,465,000	2.95	2044	10,160,000	4.08
2030	6,610,000	3.01	2045	10,535,000	4.08
2031	6,765,000	3.07	2046	10,930,000	4.08
2032	6,925,000	3.11	2047	11,335,000	4.08
2033	7,090,000	3.27	2048	11,755,000	4.17
2034	7,290,000	3.45	2049	12,190,000	4.17
2035	7,505,000	3.55	2050	12,640,000	4.17
2036	7,740,000	3.87	2051	13,110,000	4.17
2037	7,985,000	3.91	2052	13,595,000	4.17
2038	8,255,000	3.95			

Interest will be payable, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of initial delivery of this Bond to the TWDB, on the balance of each such installment of principal, with said interest being payable semiannually on each March 1 and September 1, commencing March 1, 2023, while this Bond or any portion hereof is outstanding and unpaid.

THE INSTALLMENTS OF PRINCIPAL OF AND THE INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The installments of principal and the interest on this Bond are payable to the registered owner hereof through the services of BOKF, NA, DALLAS, TEXAS, which is the "Paying Agent/Registrar" for this Bond. Payment of all principal of and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal and/or interest payment date by check, dated as of such date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such principal and/or interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the 15th day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/ Registrar, as hereinafter described; provided that, if the TWDB is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. The Issuer covenants with the registered owner of this Bond that on or before each principal and/or interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$255,000,000, for the purpose of obtaining funds to (i) pay for design, acquisition, and construction costs related to the Dallas Project Component of the Project, as such terms are defined in the Bond Resolution, consisting generally of a portion of the share of the City of Dallas, Texas (the "City") of the costs of an integrated pipeline to serve the City and the Issuer, (ii) fund a reserve fund for this Bond, and (iii) pay costs of issuance of this Bond.

ON MARCH 1, 2033, or any date thereafter, the unpaid installments of principal of this Bond may be prepaid or redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, in inverse order of principal installments. If less than a whole principal installment is to be called, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the portion of the principal installment to be redeemed (only in an integral multiple of \$5,000), at the redemption price of the principal amount to be prepaid or redeemed, plus accrued interest to the date fixed for prepayment or redemption.

AT LEAST 30 days prior to the date fixed for any such prepayment or redemption a written notice of such prepayment or redemption shall be mailed by the Paying Agent/Registrar to the registered owner hereof. By the date fixed for any such prepayment or redemption due provision

shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required prepayment or redemption price for this Bond or the portion hereof which is to be so prepaid or redeemed, plus accrued interest thereon to the date fixed for prepayment or redemption. If such written notice of prepayment or redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so prepaid or redeemed, thereby automatically shall be treated as prepaid or redeemed prior to its scheduled due date, and shall not bear interest after the date fixed for its prepayment or redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the prepayment or redemption price plus accrued interest to the date fixed for prepayment or redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such prepayments or redemptions of principal of this Bond or any portion hereof.

THIS BOND, to the extent of the unpaid or unredeemed principal balance hereof, or any unpaid and unredeemed portion hereof in any integral multiple of \$5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such transfer, this Bond must be presented and surrendered to the Paying Agent/ Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Bond, or any portion or portions hereof in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Bond Resolution, this Bond, to the extent of the unpaid or unredeemed principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute bond issued in exchange for any portion of this Bond shall have a single stated principal maturity date), upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. If this Bond or any portion hereof is assigned and transferred or converted each bond issued in exchange for any portion hereof shall have a single stated principal maturity

date corresponding to the due date of the installment of principal of this Bond or portion hereof for which the substitute bond is being exchanged, and shall bear interest at the rate applicable to and borne by such installment of principal or portion thereof. Such bonds, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date. AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

IN THE EVENT any Paying Agent/Registrar for this Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owner of this Bond.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond and the interest thereon are special obligations of the Issuer which, together with other outstanding parity revenue bonds of the Issuer, are payable from and secured by a first lien on and pledge of the "Gross Revenues", as defined in the Bond Resolution, consisting of payments received by the Issuer from the City, designated as "Dallas Bond Payments", pursuant to a Water Transmission Facilities Financing Agreement, dated November 16, 2010 (the "Contract"), between the Issuer and the City with respect to the acquisition, construction, and financing of an integrated pipeline designated as the "Project" in the Contract. It is specifically provided in the Contract that the City is obligated to make payments in amounts sufficient to pay the principal of and interest on this Bond, when due, and that such payments will be made solely from the gross revenues of the City's combined waterworks and sewer system.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM AND TO THE EXTENT OF THE GROSS REVENUES DERIVED FROM THE DALLAS BOND PAYMENTS TO BE RECEIVED FROM THE CITY. NO OTHER ENTITY, INCLUDING THE STATE OF TEXAS, ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY), OR ANY OTHER PUBLIC OR PRIVATE BODY, IS OBLIGATED, DIRECTLY, INDIRECTLY, CONTINGENTLY, OR IN ANY OTHER MANNER, TO PAY SUCH PRINCIPAL OR INTEREST FROM ANY OTHER SOURCE WHATSOEVER. THE OWNER OF THIS BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND

OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (INCLUDING SPECIFICALLY TAXES RAISED OR TO BE RAISED BY THE CITY) OR FROM ANY OTHER FUNDS OF THE ISSUER EXCEPT THE GROSS REVENUES PLEDGED TO THE PAYMENT OF THIS BOND. NO REPRESENTATION IS MADE HEREIN WITH RESPECT TO THE ANTICIPATED SUFFICIENCY OF THE GROSS REVENUES PLEDGED TO THE PAYMENT OF THIS BOND. NO PART OF THE PHYSICAL PROPERTY OF THE CITY IS ENCUMBERED BY ANY LIEN OR SECURITY INTEREST FOR THE BENEFIT OF THE OWNERS OF THIS BOND.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Bonds payable from and secured by a first lien on and pledge of the Gross Revenues on a parity with this Bond.

THE ISSUER also has reserved the right to amend the Bond Resolution, with the approval of the owners of 51% of the outstanding bonds secured by a first lien on the Gross Revenues, subject to the restrictions stated in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon from any source whatsoever other than specified in the Contract and the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between the registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary or Vice President of the Board of Directors of the Issuer, has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond, and has caused this Bond to be dated as of November 1, 2022.

Secretary, Board of Directors

President, Board of Directors

(DISTRICT SEAL)

FORM OF REGISTRATION CERTIFICATE OF THE
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

Section 6. CHARACTERISTICS OF THE SERIES 2022 BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Series 2022 Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Series 2022 Bond to which payments with respect to the Series 2022 Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Series 2022 Bonds shall be made within three Business Days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Series 2022 Bond or Series 2022 Bonds shall be paid as provided in the FORM OF BOND set forth in this Resolution. Registration of assignments, transfers, conversions and exchanges of Series 2022 Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Series 2022 Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall

provide for the printing, execution, and delivery of the substitute Series 2022 Bonds in the manner prescribed herein, and said Series 2022 Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Series 2022 Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Series 2022 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2022 Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Series 2022 Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Series 2022 Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Series 2022 Bonds.

(c) In General. The Series 2022 Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2022 Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2022 Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Series 2022 Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF Series 2022 Bond set forth in this Resolution. The Series 2022 Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Series 2022 Bond issued in conversion of and exchange for any Series 2022 Bond or Series 2022 Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF SERIES 2022 SUBSTITUTE BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Series 2022 Bonds that at all times while the Series 2022 Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Series 2022 Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Series 2022 Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying

Agent/Registrar to each registered owner of the Series 2022 Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Reporting Requirements of Paying Agent/Registrar. To the extent required by the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the Issuer, to report to the owners of the Series 2022 Bonds and the Internal Revenue Service (i) the amount of "reportable payments", if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Series 2022 Bonds and (ii) the amount of interest or amount treating as interest on the Series 2022 Bonds and required to be included in gross income of the owner thereof.

(f) Book-Entry Only System. The Series 2022 Bonds issued in exchange for the Series 2022 Bonds initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Series 2022 Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2022 Bond shall be registered in the name of Cede & Co., as nominee of Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Series 2022 Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2022 Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Series 2022 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2022 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Series 2022 Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on, as the case may be, the Series 2022 Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2022 Bond is registered in the Registration Books as the absolute owner of such Series 2022 Bond for the purpose of payment of principal, premium, if any, and interest, as the case may be, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Series 2022 Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, or as the case may be, the Series 2022 Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Series 2022 Bond certificate evidencing

the obligation of the Issuer to make payments of principal, premium, if any, and interest, as the case may be, pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC. The Issuer has executed and delivered to DTC a "Blanket Letter of Representation" to effect the use of a book-entry-only system for obligations such as the Series 2022 Bonds.

(g) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Letter of Representation of the Issuer to DTC and that it is in the best interest of the beneficial owners of the Series 2022 Bonds that they be able to obtain certificated Series 2022 Bonds, the Issuer or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2022 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Series 2022 Bonds and transfer one or more separate Series 2022 Bonds to DTC Participants having Series 2022 Bonds credited to their DTC accounts. In such event, the Series 2022 Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2022 Bonds shall designate, in accordance with the provisions of this Resolution.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, or as the case may be, such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

Section 7. **FORM OF SERIES 2022 SUBSTITUTE BONDS.** The form of all Series 2022 Bonds issued in conversion and exchange or replacement of any other Series 2022 Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Series 2022 Bonds, and the Form of Assignment to be printed on each of the Series 2022 Bonds, shall be, respectively, substantially as follows with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SERIES 2022 SUBSTITUTE BOND

NO. _____

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT,
WATER TRANSMISSION FACILITIES CONTRACT REVENUE BOND
(CITY OF DALLAS, TEXAS PROJECT),
SERIES 2022

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP NO.</u>
%	September 1, _____	_____, 2022	

ON THE MATURITY DATE specified above TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to CEDE & CO. or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of _____ DOLLARS and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date specified above, to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on each March 1 and September 1, commencing March 1, 2023, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the 15th day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, however, for Bonds, the registered owner of which is the Texas Water Development Board (the "TWDB"),

at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. However, notwithstanding the foregoing provisions, (1) the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof and (2) upon the written request, and at the risk and expense of, the registered owner of any Bond of this Series in the amount of \$1,000,000 or more, delivered to the Paying Agent/Registrar not less than 15 days prior to any interest payment date, payment of the interest due on such Bond on such date shall be paid on such date by wire transfer to any designated account in the United States of America which has available to it the wire service facilities of the Federal Reserve Bank. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of bonds (the "Bonds") dated as of November 1, 2022, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$255,000,000 for the purpose of obtaining funds to (i) pay for design, acquisition, and constructions costs related to the Dallas Project Component of the Project, as such terms are defined in the Bond Resolution, consisting generally of a portion of the share of the City of Dallas, Texas (the "City") of the costs of an integrated pipeline to serve the City and the Issuer, (ii) fund a reserve fund for the Bonds, and (iii) pay costs of issuance of the Bonds.

ON MARCH 1, 2033, or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the particular maturities and amounts of Bonds to be redeemed so long as any of the Bonds are owned by the TWDB, in inverse order of maturity, and otherwise the Issuer shall select the maturity, or maturities, and the amount that is to be redeemed. If less than a whole maturity of the Bonds is to be redeemed, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the particular Bonds or portions thereof to be redeemed (only in an integral multiple of \$5,000), at the redemption price of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

DURING ANY PERIOD in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing

such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity at the option of the Issuer, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner appearing on the Registration Books at the close of business on the day next preceding the date of mailing of such notice; provided, however, that any notice so mailed shall be conclusively presumed to have been duly given and the failure to receive such notice, or any defect therein shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond at the option of the Issuer. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be

deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for this Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of this Bond.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond and the interest thereon are special obligations of the Issuer, which, together with other outstanding parity revenue bonds of the Issuer, are payable from and secured by a first lien on and pledge of the "Gross Revenues", as defined in the Bond Resolution, consisting of payments received by the Issuer from the City designated as "Dallas Bond Payments", pursuant to a Water Transmission Facilities Financing Agreement, dated November 16, 2010 (the "Contract"), between the Issuer and the City with respect to the acquisition, construction, and financing of an integrated pipeline designated as the "Project" in the Contract. It is specifically provided in the Contract that the City is obligated to make payments in amounts sufficient to pay the principal of and interest on this Bond, when due, and that such payments will be made solely from the gross revenues of the City's combined waterworks and sewer system.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM AND TO THE EXTENT OF THE GROSS REVENUES DERIVED FROM THE DALLAS BOND PAYMENTS TO BE RECEIVED FROM THE CITY. NO OTHER

ENTITY, INCLUDING THE STATE OF TEXAS, ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY), OR ANY OTHER PUBLIC OR PRIVATE BODY, IS OBLIGATED, DIRECTLY, INDIRECTLY, CONTINGENTLY, OR IN ANY OTHER MANNER, TO PAY SUCH PRINCIPAL OR INTEREST FROM ANY OTHER SOURCE WHATSOEVER. THE OWNER OF THIS BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (INCLUDING SPECIFICALLY TAXES RAISED OR TO BE RAISED BY THE CITY) OR FROM ANY OTHER FUNDS OF THE ISSUER EXCEPT THE GROSS REVENUES PLEDGED TO THE PAYMENT OF THIS BOND. NO REPRESENTATION IS MADE HEREIN WITH RESPECT TO THE ANTICIPATED SUFFICIENCY OF THE GROSS REVENUES PLEDGED TO THE PAYMENT OF THIS BOND. NO PART OF THE PHYSICAL PROPERTY OF THE CITY IS ENCUMBERED BY ANY LIEN OR SECURITY INTEREST FOR THE BENEFIT OF THE OWNERS OF THIS BOND.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Bonds payable from and secured by a first lien on and pledge of the Gross Revenues on a parity with this Bond.

THE ISSUER also has reserved the right to amend the Bond Resolution, with the approval of the owners of 51% of the outstanding bonds secured by a first lien on the Gross Revenues, subject to the restrictions stated in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon from any source whatsoever other than specified in the Contract and the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the facsimile signature of the Secretary or Vice President of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

XXXXX
Secretary, Board of Directors

XXXXX
President, Board of Directors

(DISTRICT SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated BOKF, NA dba BANK OF TEXAS,
Dallas, Texas

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please Insert Social Security or
Other Identifying Number of Assignee

/ _____ /

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____
to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever; and

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

Section 8. **ADDITIONAL DEFINITIONS.** In addition to the definitions heretofore provided for, the following terms as used in this Resolution shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in the future on a parity with the Bonds, as hereinafter provided in Section 19 hereof.

The term "Board" shall mean the Board of Directors of the District, being the governing body of the District, and it is further resolved that the declarations and covenants of the District contained in this Resolution are made by, and for and on behalf of the Board and the District, and are binding upon the Board and the District for all purposes.

The terms "Bond Resolution" and "Resolution" shall mean this resolution authorizing the Series 2022 Bonds.

The term "Bonds" shall mean (i) the unpaid and unrefunded Series 2014 Bonds, Series 2015 Bonds, Series 2021A Bonds, and Taxable Series 2021B Bonds to be outstanding after the delivery of the Series 2022 Bonds, (ii) the Series 2022 Bonds, and (iii) any Additional Bonds.

The term "Business Day" shall mean a day other than a Saturday, a Sunday, a legal holiday, or a day on which banking institutions are authorized by law or executive order to close in the City or the city where the principal corporate trust office of the Paying Agent/Registrar is located.

The term "City" shall mean the City of Dallas, Texas.

The term "Contract" shall mean the "Water Transmission Facilities Financing Agreement," dated November 16, 2010, between the Issuer and the City.

The term "Credit Facility" shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a nationally recognized rating agency having an outstanding rating on outstanding Bonds would rate the Bonds fully insured by a standard policy issued by the issuer on the date the policy of insurance or surety bond is issued in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a rating agency having an outstanding rating on the Bonds would rate the Bonds in its two highest generic rating categories for such Bonds on the date such letter of line of credit is issued if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Bonds and the interest thereon.

The term "Dallas Bond Payments" shall mean the payments received by the Issuer from the City pursuant to Contract and designated in the Contract as "Dallas Bond Payments."

The term "Dallas Project Component" shall have the same meaning given such term in the Contract.

The term "Gross Revenues" shall mean the Dallas Bond Payments received by the Issuer from the City pursuant to the Contract, together with any interest earnings thereon.

The terms "Issuer" and "District" shall mean Tarrant Regional Water District, a Water Control and Improvement District.

The term "Project" shall mean the integrated pipeline designated as the "Project" in the Contract.

The term "Series 2014 Bond Resolution" shall mean the resolution authorizing the issuance of the Series 2014 Bonds.

The term "Series 2014 Bonds" shall mean all unpaid and unrefunded "Tarrant Regional Water District, a Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2014."

The term "Series 2015 Bond Resolution" shall mean the resolution authorizing the issuance of the Series 2015 Bonds.

The term "Series 2015 Bonds" shall mean all unpaid and unrefunded "Tarrant Regional Water District, a Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2015."

The term "Series 2021A Bond Resolution" shall mean the resolution authorizing the issuance of the Series 2021A Bonds.

The term "Series 2021A Bonds" shall mean all unpaid and unrefunded "Tarrant Regional Water District, a Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2021A."

The term "Series 2022 Bonds" shall mean collectively the Initial Bond as described and defined in Sections 1, 2, and 3 of this Bond Resolution, and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant to this Resolution, all as provided for herein.

The term "Taxable Series 2021B Bond Resolution" shall mean the resolution authorizing the issuance of the Taxable Series 2021B Bonds.

The term "Taxable Series 2021B Bonds" shall mean all unpaid and unrefunded "Tarrant Regional Water District, a Water Control and Improvement District, Water Transmission Facilities Contract Revenue Refunding Bonds (City of Dallas Project), Taxable Series 2021B."

The term "TWDB" shall mean the Texas Water Development Board.

The terms "year" and "fiscal year" shall mean the District's fiscal year, which initially shall be the twelve month period ending on September 30, but which subsequently may be any other 12 month period hereafter established by the District as a fiscal year for the purposes of the Contract and any resolution authorizing the Bonds.

Section 9. PLEDGE. (a) The Series 2022 Bonds and the interest thereon, are and shall be secured equally and ratably, on a parity, by and payable from a first lien on and pledge of the Gross Revenues; and the Series 2022 Bonds are Additional Bonds payable from and secured by, on a parity with all outstanding Bonds, a first lien on and pledge of the Gross Revenues, as permitted by Section 19 of the Series 2014 Bond Resolution, the Series 2015 Bond Resolution, the Series 2021A Bond Resolution, and the Series 2021B Bond Resolution.

(b) It is specifically recognized that the City is required to make Dallas Bond Payments from the gross revenues of its combined waterworks and sewer system, to the Issuer pursuant to the Contract sufficient to enable the Issuer to make all deposits and payments provided for herein, and that the Bonds, and the interest thereon, are and shall be payable from and secured by a first lien on and pledge of all of the Gross Revenues, and said Gross Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter created.

(c) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Gross Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 10. SPECIAL FUNDS. All Gross Revenues shall be accounted for separate and apart from all other funds of the Issuer, and the following special Funds have been created and established and are hereby confirmed and shall be and maintained on the books of the Issuer, so long as any of the Bonds, or interest thereon, are outstanding and unpaid:

- (a) the Revenue Fund;
- (b) the Interest and Redemption Fund; and
- (c) the Reserve Fund.

Section 11. REVENUE FUND. All Gross Revenues shall be credited as received by the Issuer to the Revenue Fund, and shall be deposited from the Revenue Fund into the Interest and Redemption Fund and the Reserve Fund in the manner and amounts hereinafter provided.

Section 12. INTEREST AND REDEMPTION FUND. (a) There shall be deposited into the Interest and Redemption Fund the following:

- (i) immediately after the delivery of the Bonds all accrued interest, if any, from the proceeds from the sale of the Bonds;

- (ii) on or before each interest payment date on the Bonds, an amount sufficient, together with other amounts, if any, on hand therein, to pay the interest coming due on the Bonds on each such interest payment date;
- (iii) on or before each principal payment date on the Bonds, an amount sufficient, together with other amounts, if any, on hand therein, to pay the principal coming due on the Bonds on each such principal payment date; and
- (iv) on or before each redemption date for the Bonds, an amount sufficient, together with other amounts, if any, on hand therein, to pay the redemption price, including interest accrued, on Bonds called for redemption on such redemption date.

(b) The Interest and Redemption Fund shall be used solely to pay the principal of and interest on the Bonds when due, whether upon scheduled payment dates or upon earlier redemption.

Section 13. RESERVE FUND. Subject to the provisions of Section 28 of this Resolution, the Issuer shall maintain in the Reserve Fund an amount not less in market value than the average annual principal and interest requirements on all Bonds outstanding (the "Required Reserve") as of the date of any computation thereof. Immediately after the delivery of the Initial Bond, the Issuer shall cause to be deposited from the proceeds from the sale and delivery of the Initial Bond into the Reserve Fund an amount, if any, sufficient to cause the Reserve Fund to have on deposit an amount equal to the Required Reserve.

The Reserve Fund shall be used to pay the principal of or interest on the Bonds, at any time when there is not sufficient money available in the Interest and Redemption Fund for such purpose, or to pay the principal of or interest on the last maturing Bonds.

For the purpose of determining the amount on deposit to the credit of the Reserve Fund investments in which money in such account shall have been invested shall be computed at the market value of such investment. The amount on deposit to the credit of the Reserve Fund shall be computed by the Issuer at least annually, and shall be computed immediately upon any withdrawal from the Reserve Fund. The Issuer may at any time substitute a Credit Facility for all or part of the cash or other Credit Facility on deposit in, or held for the benefit of, the Reserve Fund. The amount of a Credit Facility shall be the remaining amount or remaining coverage amount thereof.

When and so long as the money and investments and/or coverage afforded by a Credit Facility in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but when and if the Reserve Fund at any time contains less than the Required Reserve, the Issuer covenants and agrees to require the City to cure the deficiency in the Required Reserve pursuant to the Contract within twelve (12) months from the date the deficiency in funds occurred. So long as the Reserve Fund contains the Required Reserve in market value, all amounts in excess of Required Reserve, if any, shall, at least annually, on or before the 25th day of August of each year, be deposited to the credit of the Interest and Redemption Fund.

Section 14. PROJECT CONSTRUCTION FUND. (a) Requirement. There shall be established a Project Construction Fund with the Issuer's depository bank and upon the delivery of each series of Bonds (other than Bonds issued for refunding purposes), the net proceeds of such

Bonds, after making any required deposits to the Interest and Redemption Fund and the Reserve Fund for such Bonds, shall be deposited into the Project Construction Fund. Money in the Project Construction Fund shall be subject to disbursements by the Issuer for payment of all costs incurred in carrying out the purposes for which the Bonds are issued.

(b) Series 2022 Project Construction Fund Created. There is hereby created, established and maintained on the books of the Issuer, a fund, separate from all other funds and accounts of the Issuer, to be entitled the "Tarrant Regional Water District, a Water Control and Improvement District Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project) Series 2022 Project Construction Fund" (hereinafter called the "Series 2022 Project Fund"). Monies in the Series 2022 Project Fund shall be maintained at a official depository bank of the Issuer.

(c) Use of Funds. Except as otherwise may be provided in Sections 13, 33(c), and 34 hereof, the proceeds of the Series 2022 Bonds shall be deposited in the Series 2022 Project Fund and used by the Issuer for payment of the costs of construction, improvements, and extensions of the System, and the payment of costs associated therewith, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Funds in the Series 2022 Project Fund may also be used to pay costs of issuance of the Bonds. Amounts in the Project Fund shall be timely and expeditiously used to pay such costs, in compliance with applicable federal and State law.

(d) Surplus Proceeds. Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Series 2022 Project Fund, from the Series 2022 Bonds remaining on deposit in the Series 2022 Project Fund after completing the improvements for the Project and upon the completion of the final accounting as described in Section 35(b) hereof, if requested, shall be transferred to the Interest and Redemption Fund to redeem, in inverse order of maturity, the Series 2022 Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible costs of improving or extending the Project by funding projects that are part of the State Water Plan.

Section 15. INVESTMENTS. Money in any Fund maintained pursuant to this Resolution or any resolution authorizing Additional Bonds may, at the option of the Issuer, be invested in any or all of the authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code (or any successor statute), in which the Issuer may purchase, sell and invest its funds and funds under its control. Such deposits and investments shall be made consistent with the estimated requirements of such Funds, and any obligation in which money is so invested shall be kept and held at the bank at which the Fund is maintained for the benefit of the owners of the Bonds, and shall be promptly sold and the proceeds of sale applied to the making of all payments required to be made from the Fund from which the investment was made. All earnings from the deposit or investment of any such Fund shall be credited to such Fund. All investment earnings on deposit in the Interest and Redemption Fund shall reduce the amounts which otherwise would be required to be deposited therein, with the result that the City's principal and/or interest payments under the Contract shall be reduced accordingly.

Section 16. DEFICIENCIES OR SURPLUSES IN FUNDS. (a) If the Issuer should fail at any time to deposit into the Interest and Redemption Fund and the Reserve Fund created by this Resolution or any resolution authorizing Additional Bonds the full amounts required, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available

Gross Revenues, and such payments shall be in addition to the amounts otherwise required to be deposited into said Funds.

(b) Subject to making the required deposits to the Interest and Redemption Fund and the Reserve Fund when and as required by this Resolution, excess Gross Revenues may be used by the Issuer for any lawful purpose related to the Dallas Project Component of the Project.

Section 17. ISSUER'S EXPENSES. The Gross Revenues in excess of those necessary to establish and maintain the Funds as required in this Resolution, or as hereafter may be required in connection with the issuance of Additional Bonds, shall be used by the Issuer to pay its expenses attributable to the Bonds and the Project, including the fees and charges of the Paying Agent/Registrar, all to the extent provided in the Contract.

Section 18. SECURITY FOR FUNDS. All Funds created by this Resolution or any resolution authorizing Additional Bonds shall be secured in the manner prescribed by law, including particularly, the Public Funds Collateral Act, Chapter 2257, Texas Government Code, for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 19. ADDITIONAL BONDS. The Issuer reserves the right to issue additional parity revenue bonds ("Additional Bonds") for the purpose of completing the acquisition, by purchase and construction, of the Project in accordance with the Contract, and/or for the purpose of refunding any of the Bonds. Such Additional Bonds shall be considered, constitute, and be defined as "Bonds", for all purposes of this Resolution and the Contract, and when issued and delivered, they shall be payable from and secured by a first lien on and pledge of the Gross Revenues, in the same manner and to the same extent as the other Bonds; and all of the Bonds shall in all respects be on a parity and of equal dignity. The Additional Bonds may be issued in one or more installments or series, provided, however, that no such installment or series shall be issued unless:

(a) a certificate is executed by the President and Secretary of the Board of Directors of the Issuer to the effect that no default exists in connection with the Contract or any of the covenants or requirements of the resolution or resolutions authorizing the issuance of all then outstanding Bonds, and that the Reserve Fund contains the amount then required to be on deposit therein.

(b) the resolution authorizing the issuance of such installment or series of Additional Bonds shall provide for the payment of the principal of and interest on such Additional Bonds and shall confirm the Reserve Fund, as additional security for all such Additional Bonds, and the Reserve Fund shall be increased to the extent required to cause the Reserve Fund to be maintained in an amount not less than the Required Reserve after the issuance of such then proposed Additional Bonds (or any greater amount as may, at the option of the Issuer, be provided for in any resolution authorizing the issuance of any Additional Bonds), and shall make provision for funding such Reserve Fund from Gross Revenues, or, at the option of the Issuer, from proceeds of such Additional Bonds or other available sources. The Reserve Fund may be funded in whole or in part initially, or may be funded in whole or in part from Gross Revenues by approximately equal periodic payments, not less than annual, and within not more than five years from the date of such then proposed Additional Bonds.

All calculations of principal and interest requirements of any Bonds made in connection with the issuance of any then proposed Additional Bonds shall be made as of the date of such Additional Bonds, and also in making calculations for such purpose, or for any other purpose under any resolution authorizing any Bonds, the principal amounts of any Bonds which must be redeemed prior to maturity pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal.

Section 20. ACCOUNTS AND RECORDS. The Issuer shall keep proper books of records and accounts, separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the Contract. The Issuer shall have said books audited once each Issuer fiscal year by a Certified Public Accountant.

Section 21. ACCOUNTING REPORTS. Within one hundred fifty days after the close of each Issuer fiscal year hereafter, the Issuer will furnish, without cost, to any owner of at least twenty-five percent (25%) of any outstanding Bonds who may so request, a signed or certified copy of a report by a Certified Public Accountant covering such fiscal year, showing the following information:

- (a) A detailed statement of all Gross Revenues;
- (b) Balance sheet as of the end of said fiscal year;
- (c) Accountant's comment regarding the manner in which the Issuer has complied with the requirements of this Resolution and his or her recommendations, if any, for any changes or improvements.

Section 22. INSPECTION. Any owner or owners of any Bonds shall have the right at all reasonable times to inspect all records, accounts, and data of the Issuer relating to the Contract and the Funds created by this Resolution.

Section 23. SPECIAL COVENANTS. The Issuer further covenants as follows:

- (a) that other than for the payment of the Bonds, the Gross Revenues have not in any manner been pledged to the payment of any debt or obligation of the Issuer.
- (b) that while any of the Bonds are outstanding, the Issuer will not, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, additionally encumber the Gross Revenues, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of each resolution authorizing the issuance of the Bonds, but the right of the Issuer to issue obligations for any lawful purpose payable from a subordinate lien on the Gross Revenues is specifically recognized and retained.
- (c) that the Issuer will carry out all of its obligations under the Contract; and when or if necessary will promptly enforce and cause the City to carry out all of its obligations under the Contract, for the benefit of the Issuer and the owners of the Bonds, by all legal and equitable means, including the use of mandamus proceedings against the City.

Section 24. BONDS ARE SPECIAL OBLIGATIONS. The Bonds shall be special obligations of the Issuer payable from the pledged Gross Revenues, and the registered owner or owners of the Bonds shall never have the right to demand payment thereof from any source other than as provided for in the Contract and this Bond Resolution. The Issuer is not authorized to, and shall not levy, collect, or use any tax of any nature to pay the principal of or interest on any of the Bonds.

Section 25. AMENDMENT OF RESOLUTION. (a) The holders or owners of Bonds aggregating at least a majority in principal amount of the aggregate principal amount of then outstanding Bonds shall have the right to approve any amendment to any resolution authorizing the issuance of Bonds, which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in said resolutions or in the Bonds so as to:

- (1) Make any change in the maturity of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the holders of less than all of the Bonds then outstanding;
- (6) Change the minimum percentage of the principal amount of Bonds necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend a resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, or in the City of Austin, Texas, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent/Registrar of any Bonds for inspection by all owners of Bonds. Such publication is not required, however, if notice in writing is given to each owner of Bonds.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of all Bonds and then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the resolution being amended shall be deemed to be amended in accordance with the

amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all the holders or owners of then outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendment.

(e) Any consent given by the owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar for such Bond, and the Issuer, but such revocation shall not be effective if the owners of at least a majority in aggregate principal amount of the then outstanding Bonds as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the ownership of any Bond shall be ascertained by the registration books pertaining thereto kept by the Paying Agent/Registrar therefor. The Issuer may conclusively assume that such holding or ownership continues until written notice to the contrary is served upon the Issuer.

Section 26. DEFEASANCE OF BONDS. (a) The Bonds and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Gross Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer.

(c) The term "Government Obligations" as used in this Section shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

Section 27. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, this Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 28. COVENANTS REGARDING TAX-EXEMPTION. (a) Covenant. The Issuer covenants to refrain from any action which would adversely affect, or to take such action to assure, the treatment of the Series 2022 Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Series 2022 Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code, or if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Series 2022 Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Series 2022 Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Series 2022 Bonds (less amounts deposited into a reserve fund, if any) is, directly or indirectly, used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Series 2022 Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Series 2022 Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Series 2022 Bonds, directly or indirectly, in a manner that would cause the Series 2022 Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to

acquire or to replace funds which were used, directly or indirectly to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the purchase of the Series 2022 Bonds (the "Source Series Bonds"), other than Nonpurpose Investments acquired with:

(A) proceeds of the Source Series Bonds invested for a reasonable temporary period of up to three (3) years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Series 2022 Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Series 2022 Bonds, 125% of average annual debt service on the Series 2022 Bonds, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Series 2022 Bonds;

(7) to otherwise restrict the use of the proceeds of the Series 2022 Bonds or amounts treated as proceeds of the Series 2022 Bonds, as may be necessary, so that the Series 2022 Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage), section 149(g) of the Code (relating to hedge bonds), and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) refrain from using the proceeds of the Series 2022 Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period beginning on the date of delivery of the Series 2022 Bonds an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2022 Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Compliance with Code. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any

regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Series 2022 Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2022 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2022 Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Series 2022 Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs its President, General Manager or Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Series 2022 Bonds.

(d) Written Procedures. Unless superseded by another action of the Issuer to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Issuer hereby adopts and establishes the instructions attached hereto as Exhibit A as their written procedures applicable to Bonds issued pursuant to the Contract.

Section 29. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the later of (1) the fifth anniversary of the delivery of the Series 2022 Bonds, or (2) the date the Series 2022 Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Series 2022 Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 30. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 31. CUSTODY, APPROVAL, AND REGISTRATION OF INITIAL BOND; CO-BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND PREAMBLE. The President of the Board of Directors of the Issuer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to the Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon

registration of the Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. The approving legal opinion of the Issuer's Co-Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Initial Bond or on any Series 2022 Bonds issued and delivered in conversion of and exchange or replacement of any Series 2022 Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Series 2022 Bonds. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes.

Section 32. INTEREST EARNINGS ON SERIES 2022 BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Series 2022 Bonds shall be used along with other bond proceeds for the acquisition and construction of the Project in accordance with the Contract; provided that after completion of the Project, if any of such interest earnings remain on hand, such interest earnings shall be used as provided in Section 14(c) hereof. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to this Resolution in order to prevent the Series 2022 Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 33. SALE OF SERIES 2022 BONDS; USE OF PROCEEDS.

(a) Sale to TWDB. The Series 2022 Bonds are hereby sold to TWDB, acting through the TWDB's designated trustee, for the price of par. The Series 2022 Bonds have been purchased by the TWDB pursuant to its Resolution No. 22-068 adopted on July 27, 2022 ("TWDB Resolution No. 22-068"). The Series 2022 Bonds initially delivered shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Series 2022 Bonds to the TWDB is approved. The Issuer has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Series 2022 Bonds is on terms advantageous to, and in the best interests of, the Issuer.

(b) Notice from TWDB of Sale of Series 2022 Bonds. It is the intent of the parties to the sale of the Series 2022 Bonds that if TWDB ever determines to sell all or a part of the Series 2022 Bonds, it shall notify the Issuer at least 60 days prior to the sale of the Series 2022 Bonds of the decision to so sell the Series 2022 Bonds

(c) Proceeds. The proceeds from the sale of the Series 2022 Bonds shall be used in the manner described in the letter of instructions executed by the Issuer, or on behalf of the Issuer by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Series 2022 Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF INITIAL BOND and the FORM OF SUBSTITUTE BOND.

(e) Investment of Bond Proceeds. Proceeds from the sale of the Series 2022 Bonds shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

Section 34. ESCROW AGREEMENT. The President, any Vice President, the Secretary, and/or the General Manager are each authorized to execute and deliver an escrow agreement in substantially the form attached as Exhibit C. The TWDB agrees that proceeds of the Series 2022 Bonds required to be deposited under the Escrow Agreement shall be disposed of and released in accordance with TWDB Rules Relating to Financial Programs or as otherwise authorized and directed by the TWDB.

Section 35. TWDB REQUIREMENTS. The Issuer covenants and agrees, so long as the TWDB owns any of the Series 2022 Bonds, as follows:

(a) Compliance with the TWDB's Laws and Rules. The Issuer covenants to comply with the rules and regulations of the TWDB.

(b) Accounting Reports. Upon request by the Executive Administrator, the Issuer shall submit annual audits of contracting parties for the Executive Administrator's review.

(c) Environmental Indemnity. Proceeds from the Series 2022 Bonds shall not be used by the Issuer when sampling, testing, removing, or disposing of contaminated soils and/or media at the Project site. To the extent permitted by law, the Issuer agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the Issuer, its contractors, agents, officials, and employees as a result of activities relating to the Project funded with proceeds of the Series 2022 Bonds.

(d) Environmental Determination. In connection with the Project financed with the Series 2022 Bonds, the Issuer agrees to comply with all conditions as specified in the final environmental findings of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

(e) Insurance. The Issuer agrees that it will maintain insurance on the Project in an amount sufficient to protect TWDB's interest in the Project financed with the proceeds of the Series 2022 Bonds. The Issuer may satisfy this covenant with self-insurance.

(f) Water Conservation Program. The Issuer has implemented or will implement an approved water conservation program in compliance with Texas Water Code §16.4021 and 31 Texas Administrative Code §363.1309(b)(1).

(g) No Purchase of TWDB Bonds. The Issuer agrees that it, nor any related party to the Issuer, will acquire, as a investment or otherwise, bonds issued by TWDB including bonds, the proceeds of which were used by TWDB to purchase the Series 2022 Bonds.

(h) Compliance with Federal Contracting Law. The Issuer acknowledges that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises.

(i) Compliance with State Contracting Law. The Issuer shall report to the TWDB the amount of proceeds of the Series 2022 Bonds, if any, that were used to compensate historically underutilized businesses that worked on the Project, in accordance with 31 Texas Administrative Code §363.1312.

(j) TWDB Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of this Resolution that restricts or limits the full exercise of such remedies by the TWDB shall be of no force or effect.

(k) Limitation on Conveyances of Bonds. Prior to any action by the Issuer to convey the Series 2022 Bonds of the Issuer held by the TWDB to another entity, the conveyance and assumption of the Series 2022 Bonds must be approved by the TWDB.

(l) Iron and Steel Requirements. The Issuer shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G and Texas Water Code §17.183.

(m) Notice of Change in Legal Status. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as by conversion to a conservation and reclamation district or a sale-transfer-merger with another retail public utility.

Section 36. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment, from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 37. FURTHER PROCEDURES. The President, the Vice President, and the Secretary of the Board of Directors and the General Manager and the Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, and all details in connection therewith. In case any officer whose signature shall appear on any Series 2022 Bond shall cease to be such officer before the delivery of such Series 2022 Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 38. CONTINUING DISCLOSURE UNDERTAKING.

(a) Annual Reports.

The Issuer shall provide or cause the City to provide annually to the MSRB, within six months after the end of each fiscal year of the City ending in or after 2022, financial information and operating data (i) of the general type described in Exhibit B hereto. Any financial information so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit B hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements of the City are not complete within such period, then the Issuer shall provide or cause the City to provide unaudited financial information and operating data which is customarily prepared by the City by the required time to the MSRB, and will provide audited information when and if the audit report becomes available.

If the City changes its fiscal year, the Issuer will notify or cause the City to notify the MSRB the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer or the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating date to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(b) Disclosure Event Notices.

The Issuer shall notify or cause the City to notify the MSRB, in a timely manner, of any of the following events with respect to the Series 2022 Bonds, not in excess of ten Business Days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notes of Proposed Issue (IRS Form 5701-TEB) or other material notes or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;

7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer or an Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or an Obligated Person or the sale of all or substantially all of the assets of the Issuer or an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (11) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) as used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states

and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Section 38(a) of this Resolution by the time required by such Section.

(c) Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform or cause the City to observe and perform the covenants specified in this Section, except that the Issuer in any event will give notice of any deposit made in accordance with Section 26 hereof that causes Series 2022 Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Series 2022 Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide or cause the City to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide or cause to be provided any other information that may be relevant or material to a complete presentation of the City's financial results, condition or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2022 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2022 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT VERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identify, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Series 2022 Bonds in the primary offering of the Series 2022 Bonds in compliance with the Rule, taking into account

any amendments or interpretations of the Rule since such offering as well s such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Series 2022 Bonds consent to such amendment or (b) a Person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Series 2022 Bonds. If the Issuer so amends the provisions of this Section, it shall include, or cause the City to include, with any amended financial information or operating data next provided in accordance with Subsection (a) hereof an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2022 Bonds in the primary offering of the Series 2022 Bonds.

(d) Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission and any successor to its duties.

Section 39. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 40. PUBLIC NOTICE. It is hereby officially found and determined that public notice of the time, place and purpose of said meeting was given, all as required by the Government Code, Chapter 551.

EXHIBIT A

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds (the "Obligations") the Issuer's General Manager, Assistant General Manager, and Chief Financial Officer (the "Responsible Persons") will :

For Obligations issued for newly acquired property or constructed property:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within 6 months of the Issue Date;
- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the date of delivery of the Obligations ("Issue Date");
- restrict the yield of the investments (other than those in the Reserve Fund) to the yield on the Obligations after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Interest and Redemption Fund and the Reserve Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;
- assure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;
- assure that the maximum amount of the Reserve Fund invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the original principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date;

For Obligations issued for refunding purposes:

- monitor the actions of the escrow agent (to the extent an escrow is funded with proceeds) to assure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

For all Obligations:

- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse itself or the City with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations the Responsible Persons will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the resolution authorizing the Obligations.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) 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 (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. 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. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 38 of this Resolution.

I. Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified under the caption "Debt Service Requirements" and in tables 1 through 14 in Appendix B and in Appendix C to the Official Statement relating to the Issuer's Taxable Series 2021B Bonds (as defined herein).

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

EXHIBIT "C"

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (Agreement), made by and between Tarrant Regional Water District, a political subdivision of the State of Texas in Tarrant County, Texas, (District), acting by and through BOFK, NA, as Escrow Agent together with any successor in such capacity;

WITNESSETH:

WHEREAS, pursuant to a Resolution finally adopted on October 18, 2022, (the "Resolution"), the District authorized the issuance of \$255,000,000 Tarrant Regional Water District, A Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2022, dated November 1, 2022 (Obligations) to obtain financial assistance from the Texas Water Development Board (TWDB) for the purpose of funding water or wastewater system improvements (Project); and

WHEREAS, the Escrow Agent is a state or national bank designated by the Texas Comptroller as a state depository institution in accordance with Texas Government Code, Chapter 404, Subchapter C, or is a designated custodian of collateral in accordance with Texas Government Code, Chapter 404, Subchapter D and is otherwise qualified and empowered to enter into this Agreement, and hereby acknowledges its acceptance of the terms and provisions hereof; and

WHEREAS, a condition of the Obligations is the deposit of the proceeds of the Obligations (Proceeds) in escrow subject to being withdrawn only with the approval of the Executive Administrator or another designated representative; provided, however, the Proceeds can be transferred to different investments so long as all parties hereto consent to such transfer;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and in consideration of the amount of fees to be paid by the District to the Escrow Agent, as set forth on EXHIBIT A, the receipt of which is hereby acknowledged, and in order to secure the delivery of the Obligations, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives and successors, as follows:

SECTION 1: ESCROW ACCOUNT(S). Upon the delivery of the Obligations described above, the Proceeds identified under TWDB Commitment Number L1001531 shall be deposited to the credit of a special escrow account(s) (Escrow Account(s)) maintained at the Escrow Agent on behalf of the District and the TWDB and shall not be commingled with any other accounts or with any other proceeds or funds. The Proceeds received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the District, and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement.

The Escrow Account(s) shall be entitled "TWDB Commitment Number L1001531, Tarrant Regional Water District, A Water Control and Improvement District, Water Transmission Facilities Contract Revenue Bonds (City of Dallas Project), Series 2022 Escrow Account" and shall not be subject to warrants, drafts or checks drawn by the District but shall be disbursed or withdrawn to pay the costs of the Project for which the Obligations were issued or other purposes in accordance with the Resolution and solely upon written authorization from the Executive Administrator or his/her designated representative. The Escrow Agent shall provide to the District and to the TWDB the Escrow Account(s) bank statements upon request.

SECTION 2: COLLATERAL. All cash deposited to the credit of such Escrow Account(s) and any accrued interest in excess of the amounts insured by the FDIC and remaining uninvested under the terms of this Agreement shall be continuously secured by a valid pledge of direct obligations of the United States of America or other collateral meeting the requirements of the Public Funds Collateral Act, Texas Government Code, Chapter 2257.

SECTION 3: INVESTMENTS. While the Proceeds are held in escrow, the Escrow Agent shall only invest escrowed Proceeds in investments that are authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256 (PFIA). It is the District's responsibility to direct the Escrow Agent to invest all public funds in a manner that is consistent not only with the PFIA but also with its own written investment policy.

SECTION 4: DISBURSEMENTS. The Escrow Agent shall not honor any disbursement from the Escrow Account(s), or any portion thereof, unless and until it has been supplied with written approval and consent by the Executive Administrator or his/her designated representative. However, no written approval and consent by the Executive Administrator shall be required if the disbursement involves transferring Proceeds from one investment to another within the Escrow Account(s) provided that all such investments are consistent with the PFIA requirements.

SECTION 5: UNEXPENDED FUNDS. Any Proceeds remaining unexpended in the Escrow Account(s) after completion of the Project and after the final accounting has been submitted to and approved by the TWDB shall be disposed of pursuant to the provisions of the Resolution. The District shall deliver a copy of such TWDB approval of the final accounting to the Escrow Agent together with instructions concerning the disbursement of unexpended Proceeds hereunder. The Escrow Agent shall have no obligation to ensure that such unexpended Proceeds are used as required by the provisions of the Resolution, that being the sole obligation of the District.

SECTION 6: CERTIFICATIONS. The Escrow Agent shall be authorized to accept and rely upon the certifications and documents furnished to the Escrow Agent by the District and shall not be liable for the payment of any funds made in reliance in good faith upon such certifications or other documents or approvals, as herein recited.

SECTION 7: LIABILITY OF ESCROW AGENT. To the extent permitted by law, the Escrow Agent shall not be liable for any act done or step taken or omitted by it or any mistake of fact or law, except for its negligence or default or failure in the performance of any obligation

imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner for any proceedings in connection with the Obligations or any recitation contained in the Obligations.

SECTION 8: RECORDS. The Escrow Agent will keep complete and correct books of record and account relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Account, and investments of the Escrow Account and all proceeds thereof. The records shall be available for inspection and copying at reasonable hours and under reasonable conditions by the District and the TWDB.

SECTION 9: MERGER/CONSOLIDATION. In the event that the Escrow Agent merges or consolidates with another bank or sells or transfers substantially all of its assets or corporate trust business, then the successor bank shall be the successor Escrow Agent without the necessity of further action as long as the successor bank is a state or national bank designated by the Texas Comptroller as a state depository institution in accordance with Texas Government Code, Chapter 404, Subchapter C, or is a designated custodian of collateral in accordance with Texas Government Code Chapter 404, Subchapter D. The Escrow Agent must provide the TWDB with written notification within 30 days of acceptance of the merger, consolidation, or transfer. If the merger, consolidation or other transfer has occurred between state banks, the newly-created entity shall forward the certificate of merger or exchange issued by the Texas Department of Banking as well as the statement filed with the pertinent chartering authority, if applicable, to the TWDB within five business days following such merger, consolidation or exchange.

SECTION 10: AMENDMENTS. This Agreement may be amended from time to time as necessary with the written consent of the District and the TWDB, but no such amendments shall increase the liabilities or responsibilities or diminish the rights of the Escrow Agent without its consent.

SECTION 11: TERMINATION. In the event that this Agreement is terminated by either the District or by the Escrow Agent, the Escrow Agent must report said termination in writing to the TWDB within five business days of such termination. The District is responsible for ensuring that the following criteria are satisfied in selecting the successor escrow agent and notifying the TWDB of the change in escrow agents: (a) the successor escrow agent must be an FDIC-insured state or national bank designated by the Texas Comptroller as a state depository; (b) the successor escrow agent must be retained prior to or at the time of the termination; (c) an escrow agreement must be executed by and between the District and the successor escrow agent and must contain the same or substantially similar terms and conditions as are present in this Agreement; and (d) the District must forward a copy of the executed escrow agreement with the successor escrow agent within five business days of said termination. No funds shall be released by the TWDB until it has received, reviewed and approved the escrow agreement with the successor escrow agent. If the District has not appointed a successor escrow agent within thirty (30) days of the notice of termination, the Escrow Agent may petition any court of competent jurisdiction in Texas for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the District. Whether appointed by the District or a court, the successor escrow agent and escrow agreement must be approved by the TWDB for the appointment to be effective. The Escrow Agent is responsible for

performance under this Agreement until a successor has been approved by the TWDB and has signed an acceptable escrow agreement.

SECTION 12: EXPIRATION. This Agreement shall expire upon final transfer of the funds in the Escrow Account(s) to the District.

SECTION 13: POINT OF CONTACT. The points of contact for the Escrow Agent and the TWDB are as follows:

BOFK, NA
5956 Sherry Lane, Suite 1201
Dallas, TX 75225
Telephone: 214-987-8886
Email: ctankersley@bankoftexas.com

Executive Administrator
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

SECTION 14: CHOICE OF LAW. This Agreement shall be governed exclusively by the applicable laws of the State of Texas. Venue for disputes shall be in the District Court of Travis County, Texas.

SECTION 15: ASSIGNABILITY. This Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

SECTION 16: ENTIRE AGREEMENT. This Agreement evidences the entire Escrow Agreement between the Escrow Agent and the District and supersedes any other agreements, whether oral or written, between the parties regarding the Proceeds or the Escrow Account(s). No modification or amendment of this Agreement shall be valid unless the same is in writing and is signed by the District and consented to by the Escrow Agent and the TWDB.

SECTION 17: VALIDITY OF PROVISIONS. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 18: COMPENSATION FOR ESCROW SERVICES. The Escrow Agent shall be entitled to compensation for its services as stated in Exhibit A, which compensation shall be paid by the District but may not be paid directly from the Escrow Account(s).

SECTION 19: MISCELLANEOUS.

(A) For purposes of Subchapter F of Chapter 2252 of the Texas Government Code, the Escrow Agent hereby represents that (i) it does not, nor does any Affiliate of the Escrow Agent, engage in business with Iran, Sudan or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, and (ii) it, and any Affiliate of the Escrow Agent, is not a company identified on the lists maintained by the Texas Comptroller of Public Accounts under Sections 808.051 or

2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used herein has the meaning assigned to such term in Section 2270.0001 of the Texas Government Code. For purposes of the foregoing, the Escrow Agent understands the term "Affiliate" to mean an entity that controls, is controlled by, or is under common control with the Escrow Agent within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

(B) For purposes of Section 2271.002, Texas Government Code, the Escrow Agent and the Issuer acknowledge and agree that the value of this Agreement and the compensation paid to the Escrow Agent does not and shall not exceed \$100,000. Accordingly, the provisions of Section 2271.002 do not apply to this Agreement.

(C) For the purposes of Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), the Escrow Agent and the Issuer acknowledge and agree that the value of this Agreement and the compensation paid to the Escrow Agent does not and shall not exceed \$100,000. Accordingly, the provisions of Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session) do not apply to this Agreement.

(D) For the purposes of Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), the Escrow Agent and the Issuer acknowledge and agree that the value of this Agreement and the compensation paid to the Escrow Agent does not and shall not exceed \$100,000. Accordingly, the provisions of Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session) do not apply to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective upon signature of both parties.

TARRANT REGIONAL WATER DISTRICT

By: _____
Authorized Representative

Date: _____

(Seal)

Address: 800 E. Northside Drive
Fort Worth, Texas 76102

BOKF, NA,
as Escrow Agent

By: _____
Title: _____
Date: _____

Address:

5956 Sherry Lane, Suite 1201
Dallas, TX 75225

(Bank Seal)

EXHIBIT A
Fee Schedule

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: October 18, 2022

SUBJECT: Consider Approval of Contract with Jacobs Engineering Group, Inc. for Engineering Services for the Pump Stations Design for the Cedar Creek Wetlands Project

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a contract **in an amount not-to-exceed \$12,540,655** with Jacobs Engineering Group, Inc. for engineering services for the Pump Stations Design for the Cedar Creek Wetlands Project. These engineering services include preliminary design investigations, final design plans, specifications for the pump stations, and bid and construction phase services.

DISCUSSION:

The District recently completed an update to the District's 50 Year Water Demand Study, with findings used to determine that additional water supply is needed within the next 10 years. The Cedar Creek Wetlands Project will provide the District with an efficient, cost effective approach for treating reuse water from the Trinity River, while enhancing supply storage and yield of Cedar Creek Reservoir.

The Cedar Creek Wetlands is a complementary project to the existing George Shannon Wetlands System, which has been in operation at Richland-Chambers Reservoir since 2013. The reuse water from the Trinity River is pumped into a wetland system for treatment prior to delivery into the reservoir.

The location of the proposed constructed wetlands is immediately east of the main stem of the Trinity River, approximately ten miles to the northwest of Cedar Creek Reservoir. Since 2014, the District has owned most of the real estate and permanent pipeline easements needed to construct the Cedar Creek Wetland Project.

The District's existing water rights permit authorizes delivery of 90,799 acre-feet of water from the Trinity River into the Cedar Creek Wetland System annually. The District is exploring additional reuse water sources that could further expand the system's capacity. The water supply from the wetlands to Cedar Creek Reservoir will be conveyed through the existing Cedar Creek pump station and pipeline system and the new Joint Cedar Creek Pump Station 1 (JCC1) and Integrated Pipeline. The District's goal is to have the new Cedar Creek Wetland completed by 2032.

Jacob's contract includes preliminary design investigations and design services for the pump station systems, which are planned to each have 176 million gallons per day of peak pumping capacity (while the largest pump is out of service). Plummer Associates, Inc. is already under contract with the District to design the wetland system, including environmental permitting for the entire project. The design contract for the pipeline systems is expected to be presented to the Board late in 2022.

The Request for Statement of Qualifications was solicited per statute. The District received statements of qualifications from three engineering firms. Attached is the list of submitting firms that were evaluated. Jacobs was deemed to be the most qualified firm for this project. Staff recommends contracting with Jacobs for the Pump Station Design for the Cedar Creek Wetlands Project.

Basic services of \$9,517,022 are included to complete the pump station design. Based upon a potential need for a third pump station depending on the final configuration of the expanded wetland footprint, along with other potential unknowns encountered from the District's previous experience with the Shannon Wetland System, Additional Services totaling \$3,023,633 are included. The Engineer will not conduct any Additional Services without written authorization from the District.

These engineering services will take place through the next four years with construction planned to begin in 2026.

The overall diverse business proposed participation for this contract is 15%. The overall diverse business participation commitment for the Cedar Creek Wetlands program is currently at 27%.

This item was reviewed by the Construction and Operations Committee on October 14, 2022.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director



**Pump Station Design for the Cedar Creek Wetlands Project
Request for Statement of Qualifications
22-125**

June 09, 2022

List of Submitting Firms:

- 1) AECOM
- 2) Freese and Nichols, Inc.
- 3) Jacobs Engineering Group

EXHIBIT A-1



TRWD Pump Station Design for the Cedar Creek Wetlands Project

This agreement is for professional services between Jacobs Engineering Group Inc. (Jacobs or Engineer) and Tarrant Regional Water District (TRWD or District). Jacobs will provide professional services on a cost plus not to exceed basis in accordance with the Contract.

Introduction

TRWD is proceeding with design and construction of the Cedar Creek Wetlands System (CCWL). The CCWL will divert water from the Trinity River, treat the water in wetlands constructed for the project, and convey the treated water to the Cedar Creek Reservoir. The conveyance system capacity will be 156 million gallons per day (MGD) average and 176 MGD peak. Both pump stations will be designed for a maximum firm capacity of 176 MGD with the largest pump out of service. The actual number of pumps installed will be phased in over time (this also applies to the potential third pump station). The CCWL is to be on-line and operational by January 2030. Jacobs (formerly CH2M HILL) performed preliminary design for the CCWL River Pump Station (CCRPS) and CCWL Re-lift Pump Station (CCRLPS).

A portion of TRWD land that is not currently planned for the wetlands may be utilized, and if so, this will require the design of a means to collect the water, such as a third pump station or an intake and pipeline.

The purpose of this scope is to provide design, procurement, and construction phase services for the CCRPS and CCRLPS, and additional services for the CCWL.

Scope of Professional Services

Engineer will provide the professional engineering services for the following activities:

- Task 1: Project Management Services
- Task 2: Field Investigations
- Task 3: Modeling and Evaluations
- Task 4: Preliminary 30% Design
- Task 5: 60% Design
- Task 6: Permitting and Envision Sustainability Support
- Task 7: Final Design Documents
- Task 8: Procurement Phase Services
- Task 9: Construction Phase Services
- Task 10: Additional Services

The scope of services for each of these activities is further defined in the sections below. Additional services will be authorized by future approval. Engineer shall not perform unauthorized services without written approval by the District.

Subconsultants to Jacobs on this project and as part of this Agreement include the following:

- JQ Infrastructure (JQ) – structural engineering design and professional services
- Plus Six Engineering (PSE) – technical advisory services
- HVJ North Texas (HVJ) – geotechnical engineering services
- Northwest Hydraulic Consultants (NHC) – geomorphology and physical hydraulic modeling services

1. Project Management Services

The Engineer shall manage the services required to complete the Project tasks from start of the design phase through the end of the construction. Project management consists of: project monitoring and administration; monitoring and communicating budget and progress on a regular basis; day-to-day management activities; coordination and supervision of the project team and resources including subconsultants; allocating resources necessary to meet project objectives; coordination of subconsultant participation and monitoring of subconsultants' MWBE certification and participation status; external project coordination; and quality management in order for project milestones and deliverables to meet the project schedule and budget. Project management services shall be consistent with Project Management Institute (PMI) guidelines. Project management tasks include:

- The Engineer shall share, manage, and store all project related documents on the District's project portal site.
- The Engineer shall coordinate with the design team: the District, Plummer (who is designing the wetlands and preparing the environmental permit and Envision Verification application for the entire project), the Pipeline Consultant, and the Construction Manager.
- The Engineer shall develop a Project Management Plan to define procedures and processes used to successfully control the project through all phases. The Project Management Plan shall be submitted at the beginning of the project.
- The Engineer shall develop a Health and Safety Plan for employees working on the project, including site visits. The Health and Safety Plan shall be submitted at the beginning of the project.
- The Engineer shall develop and implement a Quality Assurance and Quality Control (QA/QC) Plan that addresses how the quality of information will be managed before incorporating into the design, and how each deliverable will be reviewed. The QA/QC plan shall be submitted at the beginning of the project. All deliverables prepared and submitted under this scope of work shall be reviewed in accordance with the QA/QC plan prior to submittal to the District. Level of effort for QA/QC reviews is included under each project phase.
- The Engineer shall develop a project schedule in Microsoft Project format for work under this scope. The baseline schedule shall be submitted at the beginning of the project. The schedule shall include, at a minimum, monthly meetings, 30% and 60% preliminary design, permitting, 90% and final design, procurement, construction, and startup. The schedule shall include two weeks for the District to review each deliverable. The schedule shall be updated monthly with each status report and for each project phase.
- The Engineer shall submit a spending plan based on the fee and schedule. The spending plan shall be compared to the earned value and actual cost for each status report to track project progress.
- The Engineer shall submit monthly invoices in the approved format for the District's review and approval. The Monthly status reports will indicate work completed for each task and subtask and the value of the work completed based upon the fee estimate. The status report will indicate upcoming tasks and include tasks the District will need to perform to assist with project development. Monthly schedule updates will reflect work progress, changes in scope, changes in schedule, and any other changes that impact project completion. Decision, Design Change, and Action Item Logs will be included with the status report.
- The Engineer shall attend meetings with the District and other consultants throughout the project to discuss the progress of the work. Engineer's attendees will include the Project Manager. Design Managers, Design Discipline Leads, Principal-In-Charge, Subconsultants, or other engineer staff will attend meetings on an as-needed basis. It is assumed for budgeting purposes that up to two (2) Jacobs staff will attend each monthly meeting. Engineer will prepare the meeting agenda and

meeting minutes. Meeting agendas will be issued to the District at least two (2) business days in advance of the meeting, and meeting minutes will be issued within two (2) business days after the meeting date. Meetings shall include the following: Kickoff meeting and monthly meetings with the District and other consultants. Meetings will be conducted in-person at the District's office. Monthly meetings will address technical and project management issues, work in progress, and decisions and directions from the District. Monthly meetings will be conducted throughout the design phase, which is assumed to occur from October 2022 through December 2025. Design review meetings for each submittal and additional meetings and workshops are listed under the tasks for each project phase. Construction phase monthly progress meetings are included under Task 6, Construction Phase Services.

The Project Management Task includes the following subtasks by project phase:

- 1.1 Project Management – Modeling and Evaluations
- 1.2 Project Management – 30% Design
- 1.3 Project Management – 60% Design
- 1.4 Project Management – Permitting and Envision Sustainability Support
- 1.5 Project Management – Final Design Documents
- 1.6 Project Management – Procurement Phase Services
- 1.7 Project Management – Construction Phase Services

Deliverables for this task include the following:

- Project Management Plan
- Health and Safety Plan
- QA/QC Plan
- Spending Plan
- Monthly narrative status report
- Monthly invoice
- Baseline schedule, monthly schedule update, and schedule updates at each project phase
- Monthly completed Vendor Participation Form
- Monthly Decision, Design Change, and Action Item Log update
- Meeting agendas and meeting minutes

2. Field Investigations

Field investigation tasks, including survey and geotechnical to be performed by the Engineer, are listed below.

2.1 Survey

2.1.1 Review Existing Survey

- Review lidar and bathymetric surveys provided by wetlands design consultant. Compare updated bathymetry to 2011 bathymetry obtained by the District to inform the geomorphology study.

2.1.2 Supplemental Survey

- Perform supplemental topographic and bathymetric surveys for the CCRPS and CCRLPS sites to confirm the provided survey. Recover existing control monumentation to perform control check. For budgeting purposes, it is assumed that two weeks of field work by a survey crew will be performed.

2.1.3 Deliverables

- Memorandum documenting review of existing survey data, and supplemental survey plan
- CAD file combining existing and newly obtained survey data

2.2 Geotechnical

2.2.1 Geotechnical Investigation

- Develop a Geotechnical Investigation Plan (GIP) for the project.
- Conduct geotechnical investigations and testing in accordance with the Geotechnical Investigation Plan. The scope assumes the following soil borings and drilling footage for the CCRPS and CCRLPS:

CCRPS Soil Borings			
Structure Type	Number of Borings	Depth of Boring (feet)	Drilling Footage (feet)
Intake (On land)	2	120	240
Bridge	3	80	240
Slope	6	30	180
Valve Station	1	40	40
Control Building	1	80	80
Pipeline	1	20	20
Total	14	-	800

CCRLPS Soil Borings			
Structure Type	Number of Borings	Depth of Boring (feet)	Drilling Footage (feet)
Intake (On Land)	2	80	160
Bridge	4	80	320
Slope	3	30	90
Levee	2	50	100
Pump Station	2	80	160
Maintenance Building	1	80	80
Control Building	1	80	80
Pipeline	2	20	40
Total	17	-	1,030

- No offshore borings are included. Borings on land will be drilled using either an ATV-mounted drilling rig or truck-mounted drilling rig depending on accessibility. Site clearing will be performed to access boring locations in wooded areas. Sampling will be performed continuously to a depth of 10 feet and then at 5-foot intervals until the boring termination depth. The borings will be used to determine site stratigraphy and to obtain samples for laboratory testing. Selected laboratory testing will be conducted on samples that are representative of the material obtained during the field exploration. The tests will be used to evaluate and classify the soils, identify subsurface characteristics, and provide data for analysis. All field and laboratory tests will be performed according to American Society for Testing and Materials (ASTM) and Texas Department of Transportation (TxDOT) standards, where applicable, or other established procedures.

2.2.2 Geotechnical Reports

- Data from the field exploration and laboratory testing will be presented in a Geotechnical Data Report (GDR). The GDR will include narrative descriptions of the findings, a plan of the boring locations, soil boring logs, generalized subsurface conditions, groundwater level observations, and testing data from field and laboratory testing. The report shall be sealed by a registered professional engineer in the State of Texas.
- A Geotechnical Design Memorandum (GDM) will be prepared for the design team that provides an interpretation of the subsurface conditions affecting design and construction and provides design recommendations on such issues such as allowable bearing pressure, lateral earth pressures, foundation axial capacity recommendations, pile parameter recommendations, groundwater, permeability of subsurface soils, E' , soil unit weight, pipeline recommendations, pavement design parameters, shoring considerations, slope stability, general earthwork considerations, and other design considerations. The report shall be sealed by a registered professional engineer in the State of Texas.

2.2.3 Deliverables

- Draft and final copies of the GIP
- Draft and final copies of GDR

- Draft and final copies of GDM

3. Modeling and Evaluations

The original preliminary design for the project was completed in 2013. In the interim, the District has considered some changes and modifications they would like to make to the original concepts. The Engineer will perform modeling and evaluations for the revised concepts, and tasks are listed below.

3.1 Floodplain Modeling

3.1.1 Confirmation of Flood Plain Models to Set Critical Elevations

- The Engineer will acquire from the District the current effective Federal Emergency Management Agency (FEMA) model (hydrologic and hydraulic) of the Trinity River in the vicinity of the project area.
- The Engineer will utilize the existing flood model for the project area to evaluate the implications of the project on flood levels. The Engineer will confirm that the new facilities do not cause a rise in floodplain elevations per FEMA criteria.
- The Engineer will confirm design flood elevations and recommend critical structure elevations.

3.1.2 Deliverables

- Updated model with the preliminary project included
- Summary of modeling results in a technical memorandum (draft and final)

3.2 Intake Evaluation

3.2.1 Evaluation

- The Engineer will evaluate moving the CCRPS intake from within the river channel as shown in the previous 30% design to the bank, and options for moving the intake to the bank will be evaluated. The bankside intake configurations will consist of a bankside intake with integral pump station wet well and bridge access to the existing levee. The Engineer will also evaluate an option of constructing a fill pad to access the CCRPS bankside intake and pump station instead of a bridge.
- The Engineer will evaluate screen type and screen cleaning options for the CCRPS and CCRLPS. Trash rack (flat panel screens) and tee screen options will be evaluated for the CCRPS. A trash rack option will be evaluated for the CCRLPS. Mechanical brush-cleaned tee screens and integral sediment jetting systems will be evaluated for the tee screen options. Automated rake cleaning systems for trash rack intakes or vertical traveling screens will be evaluated for coarse screen options. For the CCRPS, the District prefers flat panel screen option instead of tee screens. Designs for one screen option only will be developed for the option selected by TRWD. If feasible, the intake design will be configured to require minimal changes between the two screen options. Additional designs or revisions to the design would be an Additional Service under Task 10.6. The U.S. Army Corps of Engineers (USACE) will determine which screen option will be required for the project after submittal of the 404 permit at 60% design. Robust guide rail systems will be evaluated for screens and bulkheads.
- The Engineer will evaluate options for control of biofouling and invasive species at the river intake.
- The Engineer will perform technical, operation and maintenance (O&M), and cost evaluations of intake alternatives, and consider factors such as District equipment preferences, permitting, and Envision. The Engineer will provide a recommended intake alternative. The Engineer will provide a technical memorandum summarizing the results of the evaluation.

- A workshop will be conducted with the District to present the results of the evaluation and recommendation.

3.2.2 Deliverables

- Summary of intake evaluation results in a technical memorandum (draft and final)
- Meeting minutes

3.3 Raw Water Hydraulic Evaluation

3.3.1 Evaluation

- The Engineer will evaluate the raw water system (CCRPS and CCRWPL) hydraulics and recommend the optimum number and diameter of pipelines, based on supply schedules provided by the District. The Engineer will coordinate with the other design consultants regarding delivery points, required flows, and delivery elevations.
- The Engineer will review and update the previous river stage analysis to confirm design water elevations for the CCRPS.
- The Engineer will evaluate pump type for the CCRPS. It is assumed submersible pumps will be used for the CCRPS.
- The Engineer will coordinate with the Trinity Valley Electric Cooperative (TVEC) regarding requirements for starting of pumps. The Engineer will evaluate design provisions to address potentially unstable power supply, and lightning and surge protection.
- The Engineer will perform a surge analysis for the raw water system to confirm the previous recommendations and will provide a summary technical memorandum.
- The Engineer will perform technical, O&M, and cost evaluations to confirm the number and size of pumps, pipelines, and variable frequency drives (VFDs) or reduced voltage soft starters (RVSS), and will provide a recommended alternative. The Engineer will provide a technical memorandum summarizing the results of the evaluation.
- A workshop will be conducted to present the results of the evaluation and recommendation. This will be combined with the workshop for Treated Water Hydraulic Evaluation.

3.3.2 Deliverables

- Summary of hydraulic evaluation in a technical memorandum (draft and final)
- Meeting minutes

3.4 Treated Water Hydraulic Evaluation

3.4.1 Evaluation

- The Engineer will evaluate the treated water system (CCRLPS and CCTWPL) hydraulics and recommend the optimum number and diameter of pipelines based on supply schedules provided by the District. The Engineer will coordinate with the other design consultants regarding delivery points, required flows, and delivery elevations.
- The Engineer will evaluate pump type for the CCRLPS. It is assumed submersible or vertical turbine pumps will be used for the CCRLPS.

- The Engineer will coordinate with the TVEC regarding requirements for starting of pumps. The Engineer will evaluate design provisions to address potentially unstable power supply, and lightning and surge protection.
- The Engineer will perform a surge analysis for the treated water system to confirm the previous recommendations and will provide a summary technical memorandum.
- The Engineer will perform technical, O&M, and cost evaluations to confirm the number and size of pumps, pipelines, and VFDs or RVSS, and will provide a recommended alternative. The Engineer will provide a technical memorandum summarizing the results of the evaluation.
- A workshop will be conducted to present the results of the evaluation and recommendation. This will be combined with the workshop for Raw Water Hydraulic Evaluation.

3.4.2 Deliverables

- Summary of hydraulic evaluation in a technical memorandum (draft and final)
- Meeting minutes

3.5 Bank Stabilization Evaluation

3.5.1 Evaluation

- The Engineer will review available hydraulics, hydrology, and geomorphology studies.
- The Engineer will perform additional hydraulics and hydrology (H&H) modeling and geomorphology studies to address key risks, including ultimate scour depth and potential for river migration over time. The updated geomorphology study will include the following:
 - Historical Data Gathering and Review
 - Gather and review available streamflow and sediment data, past aerial photographs and topographic maps, existing reports and publications on river geomorphology and sediment processes, geotechnical data, and existing HEC-RAS models.
 - Site Investigation
 - Perform site visit during low flow period (September or October); site visit will be overland and by boat.
 - Collect up to five bed material samples from the river channel along the project reach.
 - Compare surveyed water level at site to the closest United States Geological Survey (USGS) gage elevation.
 - Geomorphic Assessment
 - Evaluate ongoing morphological processes (meandering, avulsion, sequence of pools and riffles, hard points, head cutting, large woody debris, etc.).
 - Evaluate historical channel migration analysis from past and present aerial photographs and topographic maps.
 - Evaluate historical changes in river bend geometry (radius, sinuosity).
 - Evaluate past and projected bank erosion at the proposed intake site.
 - Evaluate bed scour (based on Bench regime equation).
 - Sediment Transport Assessment

- Evaluate bed material gradations (to be collected during the site visit).
- Evaluate suspended sediment gradations, concentrations, and loads (based on USGS data).
- Evaluate bed forms (from field observations and bathymetric survey).
- Determine estimated annual sediment loads (suspended sediment and bed load).
- Reporting
 - A draft and final report will be prepared summarizing the results of the geomorphology study.
- Workshop
 - A workshop will be conducted following the draft report submittal to present the results of the study.
- The Engineer will evaluate options and develop a conceptual bank stabilization design, including sheet pile and riprap, based on modeling, studies, and permit restrictions. The evaluation will also consider costs and secondary effects in the river and along the banks.
- The Engineer will develop a technical memorandum summarizing the results of the evaluation and recommendations.
- A workshop will be conducted to present the results of the evaluation and recommendation.

3.5.2 Deliverables

- Summary of bank stabilization evaluation in a technical memorandum (draft and final)
- Geomorphology study (draft and final)
- Meeting minutes

3.6 Sediment Management Evaluation

3.6.1 Evaluation

- The Engineer will evaluate options to minimize floating debris and sediment accumulation in front of the intake and within the intake and wet well, and for providing effective means for removing debris and sediment that does accumulate. The evaluation will consider costs and reliability.
- The Engineer will develop a technical memorandum summarizing the results of the evaluation and recommendations.
- A workshop will be conducted to discuss the results of the evaluation and recommendation.

3.6.2 Deliverables

- Summary of sediment management evaluation in a technical memorandum (draft and final)
- Meeting minutes

3.7 Solar Power Purchase Agreement (PPA) Conceptual Evaluation

3.7.1 Evaluation

- The Engineer will perform a conceptual level study on the viability of and potential siting for a solar power purchase agreement (PPA) (third party own, operate, and maintain) for the CCRLPS where there is available land owned by the District out of the flood plain.
- The Engineer will develop a technical memorandum summarizing the results of the evaluation and recommendations.
- A workshop will be conducted to discuss the results of the evaluation and recommendation.

3.7.2 Deliverables

- Summary of solar PPA evaluation in a technical memorandum (draft and final)
- Meeting minutes

3.8 Computational Fluid Dynamics (CFD) Modeling

3.8.1 Evaluation

- CFD modeling will be performed for the river, intake, and CCRPS and CCRLPS wet wells.
- The CFD model for the river will be used to improve the recommended bank stabilization design and to mitigate scour.
- The CFD model for the river intake and wet well will be used to improve the geometry to minimize sediment and debris accumulation, and minimize sediment under normal conditions considering the flushing cycle. The CFD will be used to improve the recommended sediment management system.
- The CFD model of the CCRPS and CCRLPS is to confirm the wet well dimensions, and to verify proper flow into the pumps and submergence.
- The Engineer will develop a technical memorandum summarizing the results of the evaluations and recommendations.

3.8.2 Deliverables

- Draft and final technical memorandum

3.9 Physical Modeling

3.9.1 Evaluation

- Physical modeling will be performed for the pump intakes for the CCRPS and CCRLPS. The physical models will be used to confirm or improve upon the results of the CFD models. The CCRPS model will also include the sediment management system. Physical model for the river and intake are not included.
- The physical models for the CCRPS and CCRLPS include the following subtasks:
 - Model design
 - Model layout drawings will be submitted for review.
 - Model construction

- The models will be constructed with viewing windows to allow visual inspection of the flow patterns entering the pumps.
- Model testing
 - A series of tests will be conducted for a range of pump operation and water levels.
 - Testing will follow Hydraulic Institute (HI) guidelines.
- Witness testing workshop at NHC's laboratory
 - A witness test workshop will occur near the end of the modeling effort and will allow the Engineer and District to evaluate what is proposed and test one or more options.
 - It is assumed the witness test is one day in duration.
- Reporting
 - Draft and final reports will be prepared.
- Model demolition
 - Upon completion of the model study and acceptance of the final report, the model will be demolished.

3.9.2 Deliverables

- Draft and final technical reports
- Witness test workshop summaries

4. Preliminary 30% Design

The Engineer shall update the previous 30% design for the CCRPS and CCRLPS to include the modifications determined as part of Task 3. This will include preparation of an updated 30% design report and 30% design drawings. Preliminary 30% design tasks are listed below.

4.1 30% Design Drawings and Preliminary Design Report

- The Engineer will prepare the Preliminary Design Report to include changes/improvements to the design, based on the studies completed in Task 3. The Engineer will determine design requirements for individual systems and coordinate with the District. The Engineer will select equipment that meets individual system needs and is acceptable to the District.
- The Engineer will prepare 30% design drawings to incorporate the recommended improvements. Design drawings will include a single option for screens for the CCRPS, to be selected by TRWD. Additional designs or revisions to the design would be an Additional Service under Task 10.6. The Engineer will develop PFDs and P&IDs for the individual systems (pump and pipes, electrical, HVAC, hoisting, etc.) required for the design. The Engineer will coordinate normal and contingency operational requirements with the District. The Engineer will develop 3D models for all CCRPS and CCRLPS facilities.
- The anticipated sheet list is included in Attachment C. Not all drawings will be included in the 30% submittal.

4.2 30% Opinion of Probable Construction Cost and Construction Schedule

- The Engineer will prepare Class 4 construction cost estimates as described in ACEC Recommended Practice No. 17R-97 and 56R-08 for alternatives for use in evaluation and selecting a preferred alternative.
- The Engineer will use the Class 4 construction cost estimates to prepare life-cycle cost estimates (construction and O&M costs) for the project. The life-cycle costs will be developed over a 50-year time frame and use a real discount rate based on current published rates from the Congressional Budget Office at the time of the analysis. The Engineer will request actual historical O&M cost data from the District for this evaluation, and the Engineer will fill in any data gaps.
- Following selection of preferred alternatives by the District, the Engineer will prepare 30% Engineer's OPCC and Basis of Estimate. This cost estimate will be a Class 3 Estimate as described in ACEC Recommended Practice No. 17R-97 and 56R-08.
- The OPCC, life-cycle costs, and Basis of Estimate will be escalated to the anticipated midpoint of construction.
- Costs presented will include appropriate design and construction contingencies. Engineer will verify the estimate methodology and values for indirect and soft costs with the District prior to developing the construction cost estimate.
- Cost estimates (OPCCs, life-cycle costs) and Basis of Estimate will be included in the final Preliminary Design Report as appendices.
- The construction schedule will address construction timing and phasing, construction method, and other factors relevant to meeting the project schedule. The schedule will be included in the Preliminary Design Report. The schedule will be developed as a MS Project schedule.

4.3 30% Design Review Workshop

- The Engineer shall conduct a 30% Design Phase review workshop with the District within two (2) weeks after delivery of the 30% Design Phase submittal. This workshop shall be planned to review specific aspects of the design and to receive and discuss comments from the District. The Engineer shall prepare the meeting agenda and action items list for the critical design/decision items that need to be addressed by the District, and distribute at least two business days prior to the workshop.
- The Engineer shall conduct a Design Phase Contractor Involvement Workshop at 30% design. Subtasks include the following:
 - Develop a list of up to four (4) contractors experienced in pump station construction similar to anticipated project conditions. Develop a request for contractors to participate in one on one workshop meetings. Contractors will receive no compensation for participation in these meetings.
 - Host and lead discussions in workshops with contractors. At 30% design, workshop topics to include procurement approach and project bundling/packaging, identification of project risks (cost, schedule, and quality), development of mitigation strategies, and identification of viable alternatives.
 - Compile data received during workshops and draft a report of findings with recommended approach to project packaging and risk management.

4.4 Response to Comments

After submittal of all deliverables, the Engineer shall respond in writing to all District comments and redlines within the amount of time specified in the Project Schedule. The Engineer shall incorporate the responses to the District's comments into the final version of reports and technical memoranda or into the subsequent design phase documents for drawings and specifications.

4.5 QA/QC of Preliminary 30% Design Phase Deliverables

The Engineer will perform quality management (QA/QC) prior to submitting work products and design deliverables to the District in accordance with the QA/QC Plan. The Engineer will maintain these documents as part of the project records

4.6 Deliverables

- Preliminary Design Report (draft and final), 30% drawings, OPCC, and construction schedule
- Contractor involvement report
- Meeting minutes

5. 60% Design

The Engineer will provide 60% design tasks are listed below.

5.1 60% Design Drawings and Specifications

- The Engineer shall prepare a 60% drawing submittal that incorporates the District's comments on the 30% submittal and that meets the permitting needs. Design drawings will include a single option for intake screens for the CCRPS as previously selected by TRWD. Additional designs or revisions to the design would be an Additional Service under Task 10.6.
- The Engineer shall prepare a 60% set of specifications. The specifications will be based on the District's standard specifications that will be updated by others for the CCWL program.
- The anticipated sheet list is included in Attachment C. Not all drawings will be included in the 60% submittal.

5.2 60% Opinion of Probable Construction Cost and Construction Schedule

- The Engineer shall prepare the OPCC per AACE International. Estimate will be Class 2 Estimate as described in AACE Recommended Practice No. 17R-97 and 56R-08. The Engineer shall also submit a detailed construction schedule. The Engineer shall outline how they have derived the construction duration, and attach it to the schedule.

5.3 60% Design Review Workshop

- The Engineer shall conduct a 60% Design Phase review workshop with the District within two (2) weeks after delivery of the 60% Design Phase submittal. This workshop shall be planned to review specific aspects of the design and to receive and discuss comments from the District. The Engineer shall prepare the meeting agenda and action items list for the critical design/decision items that need to be addressed by the District and distribute at least two business days prior to the workshop.
- The Engineer shall assess project and market conditions and develop procurement plan for CCRPS and CCRLPS, and a summary memorandum will be provided. It is assumed the CCRPS and CCRLPS will be procured in a single contract package. Procurement plan to assess schedule constraints and equipment lead times to determine need for pre-purchase or pre-selected equipment.

5.4 Response to Comments

After submittal of all deliverables, the Engineer shall respond in writing to all District comments and redlines within the amount of time specified in the Project schedule. The Engineer shall incorporate the responses to the District's comments into the final version of reports and technical memoranda or into the subsequent design phase documents for drawings and specifications.

5.5 QA/QC of Preliminary Design Phase Deliverables

The Engineer will perform quality management (QA/QC) prior to submitting work products and design deliverables to the District in accordance with the QA/QC Plan. The Engineer will maintain these documents as part of the project records.

5.6 Deliverables

- 60% drawings, specifications, OPCC, and construction schedule

- Procurement plan memorandum
- Meeting minutes

6. Permitting and Envision Sustainability Support

The Engineer shall provide permitting and Envision sustainability support as described herein.

6.1 Permitting Support

The Engineer anticipates preparation of documents and analyses as specified in the table below. The Engineer will coordinate with the project team (Plummer and the District) to determine requirements and planned permit application preparation dates. It is anticipated that the Engineer will provide support and deliverables as specified, up to the budget limit for Task 6.1, unless authorized by Additional Services. Deliverables will be submitted electronically in Word, Excel, or Adobe format. It is assumed meeting attendance and obtaining all permits will be performed by Plummer and the District.

6.1.1 Deliverables

Permit	Permit Grantor/ Permit Holder	Tasks/ Deliverables	Key Assumptions
Federal			
CWA Section 404 Permit	USACE is the permit grantor, and TRWD is the permit holder.	<ul style="list-style-type: none"> -Prepare approximately 10 figures, dredge and fill calculations, and a project description for each pump station to support application prepared by others -Meetings related to the 404 permit will be attended by others -Presentation materials will be prepared by others 	<ul style="list-style-type: none"> -Approximately 10 figures for each pump station will be needed for the permit application -Project description will be brief (5-10 pages) -Meetings will be attended by others -Permit application and report(s) needed for USACE review (e.g., hydrologic modeling guidelines (HMG), wetlands delineations, biological assessments (if needed), cultural resources investigations) will be prepared by others
CWA Section 401 Water Quality Certification for individual Section 404 Permit	TCEQ (for USACE) is the permit grantor, and TRWD is the permit holder.	<ul style="list-style-type: none"> -Include appropriate best management practices in the plans and specifications 	<ul style="list-style-type: none"> -Meetings will be attended by others -Certification application will be prepared and filed by others

Permit	Permit Grantor/ Permit Holder	Tasks/ Deliverables	Key Assumptions
State			
Public Water Well Permit (For pump station in Kaufman County that does not have a groundwater conservation district)	TCEQ is the permit grantor, and TRWD is the permit holder.	<ul style="list-style-type: none"> -Prepare plans and specifications, plan review checklist for a groundwater well and submit to TCEQ 30 to 60 days prior to well drilling -After construction, review as-built information and public well completion data for interim prepared by the licensed well driller -After construction, review water quality laboratory analysis 	-TCEQ Water Well Permit application will be completed by others.
Permanent Aboveground Fuel Storage Tank	TCEQ is the permit grantor, and TRWD is the permit holder.	-Prepare plans and specifications for permanent petroleum storage tanks for emergency generators	-Pre-construction notification to TCEQ will be conducted by others
Spill Prevention, Control and Countermeasure (SPCC) plan	TCEQ is the permit grantor, and the contractor/TRWD is the permit holder.	-Prepare specification requiring contractor to prepare SPCC Plan if temporary storage tanks of 1,100 gallons or more will be used to store petroleum products during construction	- SPCC will be prepared by the contractor if needed
Permit-by-Rule for Emergency Diesel-Driven Equipment (air emissions)	TCEQ is the permit grantor, and TRWD is the permit holder.	-Provide specifications and process information to others to prepare air quality modeling to demonstrate that diesel-driven equipment meets requirements for a Permit-B-Rule	Not anticipated for this project.
Texas Pollutant Discharge Elimination System General Permit No. TXR150000 Stormwater Pollution Prevention Plan (SWPPP)	TCEQ is the permit grantor, and the contractor is the permit holder.	<ul style="list-style-type: none"> -Prepare specifications requiring contractor to prepare SWPPP -Provide standard details on best management practices consistent with permit requirements -Review SWPPP prepared by contractor 	<ul style="list-style-type: none"> - SWPPP will be prepared by the contractor -Monthly inspections will be conducted by others.
Texas Accessibility Standards	Texas Department of Licensing and Regulation (TDLR) is the permit grantor, TRWD is the permit holder.	-Prepare plans and specifications for submittal by others to TDLR for accessibility review	-Plan review submittal completed by others

Permit	Permit Grantor/ Permit Holder	Tasks/ Deliverables	Key Assumptions
Regional			
Well Drilling & Operating Permits	Neches and Trinity Valleys Groundwater Conservation District is the grantor, and TRWD is the permit holder.	<ul style="list-style-type: none"> -Prepare site location maps <ul style="list-style-type: none"> - All known existing wells within a quarter (1/4) mile radius of the proposed well -Map from the county Appraisal District indicating the location of the proposed well or the existing well to be modified, the subject property, and adjacent owner's physical addresses and mailing addresses -Provide technical information as required by the District's application forms -Review well drillers completion reports and other documents required to be submitted to the District after well completion 	<ul style="list-style-type: none"> -Well daily maximum capacity will not exceed 2 million gallons nor will the outside casing be greater diameter than 10 inches; therefore, a detailed hydrological report will not be required -A conservation plan if required by the District will be prepared by others -The applications will be prepared and filed by others
Local – Kaufman County			
Onsite Sewage Facility Permit	Kaufman County Public Works Dept. is the permit grantor, and TRWD is the permit holder.	-Prepare plans and specifications compliant with TCEQ Chapter 285 requirements for septic system	-Coordination with County and submittal of the application form will be completed by others
Floodplain Development Permit	Kaufman County Floodplain Administrator is the grantor, and TRWD is the permit holder.	-Prepare plans and specifications compliant with Kaufman County Subdivision and Land Development Rules and Regulations (June 2006 ed.) including County's Floodplain Regulations	<ul style="list-style-type: none"> -Coordination with County and submittal of the application form will be completed by others -Hydraulic modeling conducted in Task 2 will not result in a Conditional Letter of Map Revision or Letter of Map Revision
Water Supply Approval	See TCEQ requirements above.	Provide letter to Kaufman County stating approval from supplier or TCEQ.	
Driveway and Culvert Permit	Kaufman County Public Works Dept. is the permit grantor, and TRWD is the permit holder.	-Preparation of plan sheets and specifications for culverts and driveways on county roads	-Coordination with County and submittal of the application form will be completed by others
Building, Drainage and Erosion Control Permits	Kaufman County Engineer is the permit grantor, and TRWD is the permit holder.	-Preparation of construction and site plans	<ul style="list-style-type: none"> -Coordination with County and submittal of the application form will be completed by others -Property plat approval (if the property is unplatted) will be completed by others

Permit	Permit Grantor/ Permit Holder	Tasks/ Deliverables	Key Assumptions
Local – Henderson County			
Onsite Sewage Facility Permit	TCEQ is the permit grantor, TRWD is the permit holder.	-Prepare plans and specifications compliant with TCEQ Chapter 285 requirements for septic system	-Coordination with County and submittal of the application form will be completed by others
Floodplain Development Permit	Henderson County Commissioner’s Court is the grantor, TRWD is the permit holder.	-Prepare plans and specifications compliant with Kaufman County Subdivision and Land Development Rules and Regulations (June 2006 ed.) including County’s Floodplain Regulations	-Coordination with County and submittal of the application form will be completed by others -Hydraulic modeling conducted in Task 2 will not result in a Conditional Letter of Map Revision or Letter of Map Revision
Water Supply Approval	See TCEQ requirements above.	Provide letter to Henderson County stating approval from supplier or TCEQ.	-Coordination and meetings with the County will be completed by others
Driveway and Culvert Permit	Henderson County Commissioner’s Court is the grantor, and TRWD is the permit holder.	-Preparation of plan sheets and specifications for culverts and driveways on county roads	-Coordination with County and submittal of the application form will be completed by others
Building, Drainage and Erosion Control Permits	Henderson County Designated Engineer is the permit grantor, and TRWD is the permit holder.	-Prepare plans and specifications compliant with County Subdivision and Land Development Rules and Regulations including County’s Floodplain Regulations	-Coordination with County and submittal of the application form will be completed by others -Property plat approval (if the property is unplatted) will be completed by others

6.2 Envision Sustainability Support

Design and construction of an Envision Certified project requires that designers in all disciplines have a working understanding of key sustainability concepts and best practices from the earliest design phase through construction. Collaboration is a key component to achieving the project’s sustainability goals and will be critical to fulfilling the District’s vision for the project. It is anticipated that the Engineer will provide support and deliverables as specified, up to the budget limit for Task 6.2, unless authorized by Additional Services. It is assumed that this task will be led by Plummer and the District, with support from the Engineer. It is assumed that the Engineer will provide support related to the pump stations portion of the CCWL.

- The first step of engagement will be to convene a multi-disciplinary group from the design team, the District, and Plummer to baseline performance levels of the preliminary design reports. The collaborative group will identify anticipated strategies and constraints to implement priorities in the detailed design. The initial half-day workshop will also establish target performance objectives for key priorities and rating system credits (key performance indicators). The Engineer will provide an Envision Subject Matter Expert to work with the team during workshop preparation, in the workshop, and review post-workshop summaries.
- This collaboration will continue at regular intervals as the project advances including major project milestones. It is anticipated that a portion of monthly status meetings will be dedicated to

sustainability objectives supplemented by interactive workshops at key milestones to identify and integrate sustainable performance into each step of the design, such as early selection of sustainable materials. These sustainable requirements will become part of the documentation and development of contract documents that will transition to the construction team for final implementation and verification.

- The Engineer will develop specifications that will incorporate materials and other best practices to advance achievement of the key performance indicators determined for the project.
- The Engineer will provide an Envision Subject Matter Expert with experience as an ISI Verifier to provide an internal quality control review on the Envision coversheets and annotated documentation. Subject Matter Expert will provide review comments similar to what will be experienced by the formal verification review, and also mentor the team on polishing the clarity and content of narratives and supporting documentation.

While the Envision verification submittal will be prepared by others, it is anticipated that the Engineer will provide documentation of the collaborative process and design, materials specifications and documentation requirements for construction practices.

6.2.1 Deliverables

- Initial workshop presentation materials and meeting notes
- Specifications that incorporate sustainability elements and best practices
- Review comment on the verification documentation prepared by others
- Edited meeting notes from monthly status meetings and mentoring meetings

7. Final Design Documents

Engineer will provide 90% design, not-for-construction (NFC), and Issued for Bid submittals for the project.

7.1 90% Design

The final design engineering team will update the 60% design drawings and specifications. The 90% design includes further design development and detailed engineering resulting in a complete set of drawings and specifications that is nearly bid-ready except for final detailing and incorporation of minor revisions and coordination comments. Design drawings will include the selected intake screen option for the CCRPS. Additional designs or revisions to the design would be an Additional Service under Task 10.6. Major tasks are as follows.

7.1.1 Drawings and Technical Specifications

Incorporate changes arising from the 60% design review. 90% design development includes reconciling, incorporating, and responding to comments received on the 60% design submittal. The anticipated sheet list is included in Attachment C.

7.1.2 Opinion of Probable Construction Cost and Construction Schedule

The Engineer will revise and update the opinion of probable construction cost (OPCC) and the construction schedule. The Engineer shall prepare the OPCC per the AACE International. Estimate will be a Class 1 Estimate as described in AACE Recommended Practice No. 17R-97 and 56R-08. The Engineer shall update the construction schedule, and submit with the plans and specifications. The Engineer shall outline how they derived the final construction duration, and attach it to the schedule.

7.1.3 90% Design Review Workshop

The Engineer shall conduct a 90% Design Phase review workshop with the District within two (2) weeks after delivery of the 90% Design Phase submittal. This workshop shall be planned to review specific aspects of the design and to receive and discuss comments from the District. The Engineer shall prepare an action items list for the critical design/decision items that need to be addressed. The Engineer shall prepare the meeting agenda and action items list for the critical design/decision items that need to be addressed by the District, and distribute at least two business days prior to the workshop.

7.1.4 90% Design Deliverables

- 90% drawings and technical specifications
- Bid form
- Updated OPCC and construction schedule
- Meeting minutes

7.2 Not-for-Construction (NFC)

Update the 90% complete drawings and specifications to deliver NFC documents that are complete and considered bid ready for final comment by the District. It is assumed the NFC drawings will only include a single screen type that has been approved by the USACE. Key activities are presented below.

7.2.1 Drawings and Technical Specifications

Incorporate minor changes arising from the 90% design review. The anticipated sheet list is included in Attachment C.

7.2.2 Opinion of Probable Construction Cost and Construction Schedule

The Engineer will prepare the final opinion of probable construction cost (OPCC) and the construction schedule. The Engineer shall prepare the OPCC per the AACE International. Estimate will be a Class 1 Estimate as described in AACE Recommended Practice No. 17R-97 and 56R-08. The Engineer shall update the construction schedule and submit with the plans and specifications. The Engineer shall outline how they derived the final construction duration, and attach it to the schedule.

7.2.3 NFC Comment Resolution Meeting

The Engineer shall conduct an NFC comment resolution meeting with the District.

7.2.4 Deliverables

- NFC drawings and technical specifications that are complete and considered bid ready for final comment by the District
- Response to 90% review comments
- Updated construction cost estimate (OPCC) and construction schedule
- Participation in draft NFC comment resolution meeting
- Meeting minutes and comment responses

7.3 Issued for Bid

This Issued for Bid task defined below includes back-checks and minor revisions resulting from the NFC design submittal so that drawings and specifications can be finalized and signed/sealed commensurate with bid advertisement.

Drawings and technical specifications:

- Incorporate minor changes arising from the NFC design review.
- Sign and seal with a Texas Professional Engineer's seal.
- Prepare CAD and 3D modeling/BIM files and transmit to District.

Deliverables:

- Signed/sealed Contract Documents including drawings and specifications. The anticipated sheet list is included in Attachment C.

7.4 Response to Comments

After submittal of all deliverables, the Engineer shall respond in writing to all District comments and redlines within the amount of time specified in the Project schedule. The Engineer shall incorporate the responses to the District's comments into the subsequent design phase documents for drawings and specifications.

7.5 QA/QC of Final Design Phase Deliverables

The Engineer will perform quality management (QA/QC) prior to submitting work products and design deliverables to the District in accordance with the QA/QC Plan. The Engineer will maintain these documents as part of the project records.

8. Procurement Phase Services

The Engineer shall provide procurement phase services as listed below.

8.1 Procurement Packages

- For construction packages:
 - Using TRWD standard documents, coordinate with District and Construction Manager on Division 00 contract documents for competitive sealed proposal procurement packages. Manage the project advertisement, public opening, evaluation, selection, and negotiation process for award of construction project. Coordinate solicitation through District and utilize civcastusa.com for procurement website.
 - It is assumed the CCRPS and CCRLPS will be procured in a single contract package.
- Deliverables:
 - Division 00 input for advertisement package for CCRPS and CCRLPS
 - Evaluation, selection, and recommendation report for CCRPS and CCRLPS

8.2 Respond to Questions from Bidders

- Review questions from prospective bidders, and assist the District in responding to questions. Issue addenda to clarify the design documents if necessary.

8.3 Pre-bid Conference

- Attend the pre-bid conference to provide a general overview of the project and answer bidder questions. The District will lead the pre-bid conference, and the Engineer will prepare the meeting agenda and meeting minutes. It is assumed that up to two (2) Jacobs staff, one (1) PSE staff, and one (1) JQ staff will attend the pre-bid conference.

8.4 Addenda

- Prepare addenda to the Contract Documents to document any changes to the Contract Documents. Provide the completed addendum signed and sealed by the participating design professionals for changes to the Contract Documents. It is assumed that up to four (4) addenda will be provided.

8.5 Evaluation of Proposals and Recommendation of Award

- Assist the District in evaluation of the bids received. The Engineer will prepare a recommendation letter for award of the construction contract. The District will select the contractor.

8.6 Conformed Documents

- Provide "Conformed for Construction" Drawings and Specifications for use during the construction phase incorporating addenda items into the Contract Documents. Provide PDF files of revised documents for use by the District, Construction Manager, and Contractor.

9. Construction Phase Services

The Engineer shall provide construction phase services as listed below. It is assumed that the construction duration is 36 months.

9.1 Attend Pre-Construction Conference

- Attend pre-construction conference. It is assumed up to two (2) Jacobs staff and one (1) JQ staff will attend the pre-construction conference. It is assumed meeting agendas and meeting minutes will be prepared by the Construction Manager.

9.2 Attend Construction Progress Meetings

- Attend monthly construction progress meetings. It is assumed up to two (2) Jacobs staff will attend each construction progress meeting, and one (1) JQ staff will attend up to 16 progress meetings. It is assumed meeting agendas and meeting minutes will be prepared by the Construction Manager.

9.3 Perform Periodic Site Visits

- Engineer shall make monthly visits to the Site in conjunction with Monthly Progress meetings to observe the progress and quality of the Work. Engineer is to determine, in general, if the Work is proceeding in accordance with the Contract Documents based on observations made during these visits. Engineer is not required to make exhaustive or continuous inspections to check the quality or quantity of the Work. In this effort, Engineer will endeavor to protect the District against defects and deficiencies in the work of Contractor and will report any observed deficiencies to the Construction Manager.
- It is assumed up to two (2) Jacobs staff will attend each site visit, and one (1) JQ staff will attend up to 16 site visits. Engineer will submit a site visit report within two (2) days of each site visit.

9.4 Perform Additional Site Visits

- Engineer shall attend up to twenty (20) additional site visits during construction to observe the progress and quality of the Work. Engineer is to determine, in general, if the Work is proceeding in accordance with the Contract Documents based on observations made during these visits. Engineer is not required to make exhaustive or continuous inspections to check the quality or quantity of the Work. In this effort, Engineer will endeavor to protect the District against defects and deficiencies in the work of Contractor and will report any observed deficiencies to the Construction Manager.
- It is assumed up to two (2) Engineer staff will attend each site visit. Engineer will submit a site visit report within two (2) days of each site visit.

9.5 Review Submittals (Shop Drawings) and O&M Manuals

- Review submittals (shop drawings) and O&M manuals as necessary to provide continuation of the design concept into construction.
- Attend pre-submittal workshops conducted prior to submittal of Shop Drawings on complex equipment or prior to Work on selected parts of the Work.
- Review Shop Drawings submitted as part of a request for substitutions in accordance with the Contract documents. Recommend acceptance or rejection of the request for substitutions. It is assumed up to 300 submittals and resubmittals will be reviewed. Additional submittals and resubmittals will be reviewed up to the budget limit included in Task 9.5, unless authorized by Additional Services.

9.6 Requests for Information

- The Engineer shall respond to all requests for information (RFIs) that arise during the construction phase. Clarifications and interpretations of the Contract Documents shall be consistent with the intent of and reasonably inferable from the Contract Documents. Responses shall be provided in writing using the District's standard RFI format.
- It is assumed that responses will be prepared for up to 100 RFIs. Additional RFIs will be reviewed up to the budget limit included in Task 9.6, unless authorized by Additional Services.

9.7 Requests for Proposal and Change Orders

The Engineer shall prepare requests for proposal (RFPs) and subsequent change orders (COs). The services shall include the following:

- Evaluate impact on design intent (calculations, drawings, specifications, construction cost, and construction duration).
- Provide calculations and sketches as required to facilitate construction.
- Provide an independent cost estimate (ICE) for change order work.
- Develop drawing revisions.
- Provide contract changes using the District's standard change order form.

The Engineer shall receive and review the Contractor's response to each RFP and shall obtain further information as necessary to evaluate the basis of the Contractor's proposal. The Engineer shall assist the District with negotiations.

All official responses for RFPs and COs will be signed off by the Engineer of Record.

It is assumed support for RFPs and COs will be provided up to the budget limit included in Task 9.7, unless authorized by Additional Services.

9.8 Substantial and Final Completion Inspections

- Perform substantial and final completion inspections and prepare a punch list of items required to achieve Substantial and Final Completion.

9.9 Record Drawings

- Prepare a "Record Drawings" submittal that incorporates the changes that were made during construction. The record drawings will be prepared based on clean, clear, and legible record drawing markups provided by the Contractor. Items will be cross-checked with change order and field order records. Items will not be confirmed in the field unless specifically requested by the District. The anticipated sheet list is included in Attachment C.

9.10 Operation and Maintenance Manual

Prepare an O&M Manual for the facility and equipment within the Project scope at the completion of construction. The O&M Manual will include Standard Operating Procedures (SOPs) for the facility. The Engineer shall submit one draft Adobe .pdf copy to the District for review, address all review comments, and submit one final Adobe .pdf copy. The final copy shall also contain all MS Word files of the manual. This document will be incorporated into the overall CCWL O&M Manual being prepared by Plummer.

9.11 Start-Up Services

The Engineer shall provide assistance during the initial startup, integration and optimization of the new equipment and facilities included in the Project. The Contractor is expected to conduct and be responsible for system startup, testing, and commissioning as will be described in the Contract Documents. The Engineer will assist the District in periodic monitoring of the Contractor's startup, testing, and commissioning activities. It is assumed the Construction Manager will lead commissioning and startup for the Project.

- Coordinate with the District and Construction Manager the schedule for testing, start-up, and training, and prepare a "Plan of Operation" to identify specific actions and related completion dates for startup and operation of the new facilities and training of staff.
- Provide assistance during the initial startup and optimization of the new equipment by assisting the operating personnel assigned by the District. It is assumed up to ten (10) site visits will be performed.

10. Additional Services

The Engineer shall provide additional services as listed below. These services shall require written authorization of the District.

10.1 Evaluation of Options to Convey and Treat Additional Water

10.1.1 Evaluation

- The Engineer will coordinate with the District and other design consultants and evaluate alternatives for conveyance of additional water rights and system flow requirements. It is assumed for budgeting purposes that the conveyance system for the additional wetlands capacity may consist of a third pump station (approximate capacity of 60 MGD) and pipeline to the CCRLPS. The Engineer will coordinate with the wetlands design consultant. The Engineer will prepare a technical memorandum summarizing the results of the evaluation and providing a recommendation for sizing and hydraulics of the additional conveyance system. A workshop will be conducted with the District to present the results of the evaluation and recommendation.
- Deliverables:
 - Draft and final technical memorandum
 - Meeting minutes

10.1.2 Geotechnical Investigation

- The Engineer will perform geotechnical investigations for the additional conveyance system. It is assumed that up to 540-feet of additional drilling footage will be provided. The location, number, and depth of borings will be determined by the Engineer. Field and laboratory testing will be conducted as stated under Task 2.2, Geotechnical. The GIP, GDR, and GDM reports prepared under Task 2.2 will be updated to include the results from the geotechnical investigations for the additional conveyance system. The reports shall be sealed by a registered professional engineer in the State of Texas.
- Deliverables:
 - GIP, GDR, and GDM prepared under Task 2.2 updated to include geotechnical investigation results for the additional conveyance system.

10.1.3 CFD Modeling

- A CFD model will be prepared for the additional conveyance system.
- Deliverables:
 - Draft and final technical memorandum

10.1.4 Physical Modeling

- A physical model will be prepared for the additional conveyance system. A witness test will be conducted at NHC's laboratory. A summary report will be prepared for the physical model results.
- Deliverables:
 - Draft and final reports
 - Witness test workshop summary

10.1.5 Preliminary Design Report and 30% Design Drawings

- Engineer will prepare preliminary design report and 30% design drawings for the additional conveyance system, and will conduct a review workshop with the District.
- Deliverables:
 - Draft and final preliminary design report
 - 30% design drawings – the anticipated sheet list is included in Attachment C (not all drawings will be included in the 30% submittal)
 - OPCC and construction schedule
 - Comment responses
 - Meeting minutes

10.1.6 60% Design

- Engineer will prepare 60% design drawings for the additional conveyance system, and will conduct a review workshop with the District.
- Deliverables:
 - 60% design drawings and specifications – the anticipated sheet list is included in Attachment C (not all drawings will be included in the 60% submittal)
 - OPCC and construction schedule
 - Comment responses
 - Meeting minutes

10.1.7 90% Design

- Engineer will prepare 90% design drawings for the additional conveyance system, and will conduct a review workshop with the District.
- Deliverables:
 - 90% design drawings and specifications – the anticipated sheet list is included in Attachment C
 - OPCC and construction schedule
 - Comment responses
 - Meeting minutes

10.1.8 Not for Construction (NFC)

- Update the 90% complete drawings and specifications to deliver NFC documents that are complete and considered bid ready for final comment by the District, and participate in an NFC comment resolution meeting.
- Deliverables:
 - NFC design drawings and specifications – the anticipated sheet list is included in Attachment C
 - OPCC and construction schedule
 - Comment responses
 - Meeting minutes

10.1.9 Issued for Bid

- This Issued for Bid task includes back-checks and minor revisions resulting from the NFC design submittal so that drawings and specifications can be finalized and signed/sealed commensurate with the bid advertisement.
- Deliverables:
 - Signed and sealed contract documents – the anticipated sheet list is included in Attachment C

10.1.10 Procurement Phase Services

- The Engineer will provide procurement phase services for the additional conveyance system.
- Deliverables:
 - Addenda – it is assumed up to one (1) addenda will be provided
 - Conformed documents

10.1.11 Construction Phase Services

- The Engineer will provide construction phase services for the additional conveyance system, including:
 - Performing periodic site visits – it is assumed up to five (5) site visits will be provided by one (1) Engineer staff
 - Review submittals (shop drawings) and O&M manuals – up to 50 submittals and resubmittals
 - Respond to RFIs – up to 40 RFIs
 - Review RFPs and COs – up to 2 RFPs/COs
 - Provide substantial and final completion inspections
 - Prepare record drawings – the anticipated sheet list is included in Attachment C
 - Provide facility O&M manual – to be included in overall CCWL O&M Manual being prepared by Plummer
 - Provide start-up support – up to two (2) site visits by one (1) Engineer staff
- Deliverables:
 - Review of shop drawings and O&M manuals
 - RFI responses
 - RFP and CO reviews
 - Site visit reports
 - Substantial and final completion punch lists
 - Record drawings
 - Facility O&M manual
 - Start-up reports

10.2 Additional Geotechnical Investigations

- The Engineer will perform additional geotechnical investigations for the project. It is assumed that up to 280-feet of additional drilling footage will be provided. The location, number, and depth of

borings will be determined by the Engineer. Field and laboratory testing will be conducted as stated under Task 2.2, Geotechnical. The GIP, GDR, and GDM reports prepared under Task 2.2 will be updated to include the results from the additional geotechnical investigations. The reports shall be sealed by a registered professional engineer in the State of Texas.

- Deliverables:
 - GIP, GDR, and GDM prepared under Task 2.2 updated to include additional geotechnical investigation results.

10.3 Additional Support for USACE Permit Submittal

- The Engineer will provide additional support for the USACE permit submittal including the following:
 - Evaluate the design of the CCRPS on the Trinity River levee with all associated USACE requirements.
 - Prepare figures for an alternate intake design for the CCRPS. It is assumed up to five (5) figures will be prepared.
 - Prepare materials necessary for USACE review.
 - Participate in up to two (2) Safety Assessment Review meetings at the 60% and 90% design levels to present the design and levee impacts. All comments received from the USACE will be evaluated and responses provided. Accepted comments will be incorporated into subsequent design submittals.
- Deliverables:
 - Design materials for USACE permit submittal
 - Meeting minutes
 - Comment responses

10.4 Additional Construction Phase Services

- The Engineer will perform additional construction phase services including the following:
 - Attend up to thirty (30) additional site visits and/or construction progress meetings.
- Deliverables:
 - Site visit reports

10.5 Pre-Selected Equipment Negotiation

- Coordinate with TRWD and Equipment Suppliers for one (1) pre-selected equipment item. Negotiate with Supplier for cost and schedule terms. Pre-selection and negotiation terms to be included as Allowance amounts in the general construction procurement package.
- Deliverable: Preselected Equipment Terms for GC Allowance.

10.6 Additional Services for Unforeseen Conditions

- Task 10.6 is allocated for additional professional services in the event there is unforeseen project conditions. Engineer shall only perform services on Task 10.6 upon written authorization from the District, after agreeing upon defined scope and not-to-exceed subtask budgets. Task 10.6 includes scope of work subtasks, if needed, such as the following:
 - **Intake Screening Preferences** – The base scope and budget include both an intake evaluation and final design of a preferred intake configuration. Engineer will collaborate and work with the District to develop and present a preferred intake screening and sediment management approach to the USACE but there is risk that the USACE requires revisions to the intake and pump station design after the 60% design submittal. Task 10.6 may be utilized, if needed and upon written authorization by TRWD, should there be changes to the preferred intake configuration, cleaning and sediment management features, or streambank erosion protection design requirements, particularly resulting from direction provided by USACE.
 - **Additional Conveyance Facilities** – The base scope and budget define as Task 10.1 include final design services for a potential third pump station. Task 10.1 is based on best available information as of September 2022 as defined herein; however, the District may request additional final design drawings resulting from unforeseen conditions considering current uncertainties with the hydraulics, features, layouts, and operations requirements of the additional conveyance facilities.
 - **Envision Sustainability Certification** – The base scope and budget includes scope and budget for Envision Sustainability Certification for the pump stations. The District may request additional professional services by Engineer in support of the overall CCWL Envision application for facilities such as wetlands, conveyance, and solar energy.

Attachment A: Budget Summary Table

Summary by Task:

Task	Total
Basic Services	
1. PM Services	\$882,260
2. Field Investigations	\$400,961
3. Modeling and Evaluations	\$1,199,278
4. Prelim 30% Design	\$707,747
5. 60% Design	\$1,823,237
6. Permit & Envision	\$84,481
7. Final Design	\$2,149,952
8. Procurement	\$177,366
9. Construction	\$2,091,741
Total - Basic Services	\$9,517,022
Additional Services	
10. Additional Services	\$3,023,633
Total - Basic Services + Additional Services	\$12,540,655

Summary by Firm:

Firm	Discipline	MWBE	Basic Services Total	Percentage	Total (Basic + Additional Services)	Percentage
Jacobs	Prime	N	\$7,402,343	78%	\$9,869,634	79%
JQ	Structural	Y	\$944,080	10%	\$1,154,940	9%
Plus Six	Technical Advisor	Y	\$227,390	2%	\$296,830	2%
HVJ	Geotechnical	Y	\$309,976	3%	\$456,789	4%
NHC	Geomorphology and Physical Hydraulic Modeling	N	\$633,233	7%	\$762,462	6%
Total	-	-	\$9,517,022	100%	\$12,540,655	100%
MWBE Total	-	-	\$1,481,446	16%	\$1,908,559	15%

Notes: 1. Jacobs total includes labor, expenses, and subconsultant markup.

Schedule and Period of Performance

The Period of Performance for the Pump Station Design for the CCWL is anticipated to occur from October 2022 through January 2030.

The project has the following milestones:

- 30% Design Completion – August 1, 2023
- 60% Design Completion and USACE Permit Submittal – April 1, 2024
- 90% Design Completion – September 2025
- Not for Construction Submittal – November 2025
- Issued for Bid Submittal – January 2026
- Procurement Phase Services – January 2026 – July 2026 (subject to change based on TRWD's bid advertisement)
- Construction Phase Notice to Proceed – July 2026
- Construction Phase Substantial Completion – April 2029
- Project On-line and Operational – January 1, 2030

ID	Task Name	Duration	Start	Finish	22	2023	2024	2025	2026	2027	2028	2029	20
					H2	H1 H2	H1						
0	Cedar Creek Wetlands Project - Pump Station Design	1803 days	Mon 10/24/22	Tue 1/1/30									
1	NTP	0 days	Mon 10/24/22	Mon 10/24/22									
2	1 Project Management	1634 days	Mon 10/24/22	Mon 4/30/29									
3	1.1 Project Manament - Modeling and Evaluations	396 days	Mon 10/24/22	Wed 5/22/24									
4	Submit PM Plan, QC Plan, Safety Plan, Spending Plan	15 days	Mon 10/24/22	Mon 11/14/22									
5	1.2 Project Management - 30% Design	142 days	Tue 1/10/23	Tue 8/1/23									
6	1.3 Project Management - 60% Design	156 days	Wed 8/16/23	Mon 4/1/24									
7	1.4 Project Management - Permitting and Envision Sustainability Support	583 days	Tue 9/19/23	Thu 1/15/26									
8	1.5 Project Management - Final Design	179 days	Wed 4/30/25	Thu 1/15/26									
9	1.6 Project Management - Procurement Phase	251 days	Fri 1/16/26	Fri 1/15/27									
10	1.7 Project Management - Construction Phase	708 days	Mon 7/6/26	Mon 4/30/29									
11	2 Field Investigations	141 days	Tue 10/25/22	Thu 5/18/23									
12	Project Kick-Off Meeting	1 day	Tue 10/25/22	Tue 10/25/22									
13	2.1 Survey	65 days	Wed 10/26/22	Wed 2/1/23									
14	2.2 Geotechnical	140 days	Wed 10/26/22	Thu 5/18/23									
15	3 Modeling and Evaluations	379 days	Wed 10/26/22	Wed 5/1/24									
16	3.1 Flood Plain Modeling	65 days	Wed 10/26/22	Wed 2/1/23									
17	3.2 Intake Evaluation	65 days	Wed 10/26/22	Wed 2/1/23									
18	3.3 Raw Water Hydraulic Evaluation	65 days	Wed 10/26/22	Wed 2/1/23									
19	3.4 Treated Water Hydraulic Evaluation	65 days	Wed 10/26/22	Wed 2/1/23									
20	3.5 Bank Stabilization Evaluation	65 days	Wed 10/26/22	Wed 2/1/23									
21	3.6 Sediment Management Evaluation	65 days	Wed 10/26/22	Wed 2/1/23									
22	3.7 Solar PPA Conceptual Evaluation	65 days	Wed 10/26/22	Wed 2/1/23									
23	3.8 CFD Modeling	60 days	Thu 2/2/23	Thu 4/27/23									
24	3.9 Physical Modeling	254 days	Fri 4/28/23	Wed 5/1/24									
25	4 Preliminary 30% Design	126 days	Thu 2/2/23	Tue 8/1/23									
26	4.1 Prepare 30% Design Report and Drawings	79 days	Thu 2/2/23	Wed 5/24/23									
27	4.2 Prepare 30% OPCC and Schedule	15 days	Thu 5/4/23	Wed 5/24/23									
28	Internal Review and Fixup	20 days	Thu 5/25/23	Thu 6/22/23									
29	Submit 30% Design	1 day	Fri 6/23/23	Fri 6/23/23									
30	4.3 30% Design Phase Review Workshop	1 day	Mon 7/3/23	Mon 7/3/23									
31	TRWD Review	10 days	Wed 7/5/23	Tue 7/18/23									
32	4.4 Response to Review Comments	10 days	Wed 7/19/23	Tue 8/1/23									
33	30% Design Complete	0 days	Tue 8/1/23	Tue 8/1/23									
34	5 60% Design	156 days	Tue 8/15/23	Mon 4/1/24									
35	NTP for 60% Design	0 days	Tue 8/15/23	Tue 8/15/23									
36	5.1 Prepare 60% Design Drawings and Specs	109 days	Wed 8/16/23	Wed 1/24/24									
37	5.2 Prepare 60% OPCC and Schedule	15 days	Wed 1/3/24	Wed 1/24/24									
38	Internal Review and Fixup	20 days	Thu 1/25/24	Thu 2/22/24									
39	Submit 60% Design	1 day	Fri 2/23/24	Fri 2/23/24									
40	5.3 60% Design Phase Review Workshop	1 day	Mon 3/4/24	Mon 3/4/24									
41	TRWD Review	10 days	Tue 3/5/24	Mon 3/18/24									
42	5.4 60% Design Phase Response to Comments	10 days	Tue 3/19/24	Mon 4/1/24									
43	60% Design Complete	0 days	Mon 4/1/24	Mon 4/1/24									
44	6 Permitting and Envision Sustainability Support	583 days	Tue 9/19/23	Thu 1/15/26									
45	6.1 Coordinate with Plummer for Permits	583 days	Tue 9/19/23	Thu 1/15/26									
46	USACE Permit Submittal	0 days	Mon 4/1/24	Mon 4/1/24									

ID	Task Name	Duration	Start	Finish	22	2023	2024	2025	2026	2027	2028	2029	20
					H2	H1	H2	H1	H2	H1	H2	H1	H2
47	6.2 Coordinate with Plummer for Envision	583 days	Tue 9/19/23	Thu 1/15/26									
48	7 Final Design Documents	440 days	Mon 4/15/24	Thu 1/15/26									
49	NTP for 90% Design	0 days	Mon 4/15/24	Mon 4/15/24									
50	7.1 Prepare 90% Plans, Specs, Bid Form, OPCC, Schedule	326 days	Tue 4/16/24	Thu 7/31/25									
51	Internal Review and Fixup	20 days	Fri 8/1/25	Thu 8/28/25									
52	Submit 90% Plans, Specs, Bid Form, OPCC, Schedule	1 day	Fri 8/29/25	Fri 8/29/25									
53	90% Design Phase Review Workshop	1 day	Tue 9/9/25	Tue 9/9/25									
54	TRWD Review	10 days	Wed 9/10/25	Tue 9/23/25									
55	90% Design Phase Response to Comments	5 days	Wed 9/24/25	Tue 9/30/25									
56	90% Design Complete	0 days	Tue 9/30/25	Tue 9/30/25									
57	7.2 Prepare NFC Submittal	20 days	Wed 10/1/25	Tue 10/28/25									
58	Internal Review and Fixup	10 days	Wed 10/29/25	Wed 11/12/25									
59	NFC Submittal	1 day	Thu 11/13/25	Thu 11/13/25									
60	TRWD Review	10 days	Fri 11/14/25	Mon 12/1/25									
61	NFC Response to Comments	5 days	Tue 12/2/25	Mon 12/8/25									
62	7.3 Prepare IFB Submittal	15 days	Tue 12/9/25	Tue 12/30/25									
63	Internal Review and Fixup	10 days	Wed 12/31/25	Wed 1/14/26									
64	IFB Submittal	1 day	Thu 1/15/26	Thu 1/15/26									
65	Final Design Complete	0 days	Thu 1/15/26	Thu 1/15/26									
66	Float	0 days	Thu 1/15/26	Thu 1/15/26									
67	8 Procurement Phase Services	105 days	Fri 1/30/26	Tue 6/30/26									
68	NTP for Procurement Phase Services	0 days	Fri 1/30/26	Fri 1/30/26									
69	Advertise	45 days	Mon 2/2/26	Mon 4/6/26									
70	8.3 Pre-bid Conference	1 day	Tue 2/17/26	Tue 2/17/26									
71	8.4 Addenda	12 days	Tue 3/10/26	Wed 3/25/26									
72	Bids Due	1 day	Mon 4/6/26	Mon 4/6/26									
73	8.5 Review Bids	35 days	Tue 4/7/26	Tue 5/26/26									
74	8.6 Conformed Documents	10 days	Wed 5/27/26	Tue 6/9/26									
75	TRWD Board Approval	0 days	Tue 6/16/26	Tue 6/16/26									
76	Execution of Construction Contract	10 days	Wed 6/17/26	Tue 6/30/26									
77	9 Construction Phase Services	708 days	Thu 7/2/26	Mon 4/30/29									
78	Construction Phase NTP	0 days	Thu 7/2/26	Thu 7/2/26									
79	9.1 Pre-Construction Conference	1 day	Mon 7/6/26	Mon 7/6/26									
80	9.2 Construction Progress Meetings	656 days	Tue 7/7/26	Thu 2/15/29									
81	9.3 Periodic Site Visits	656 days	Tue 7/7/26	Thu 2/15/29									
82	9.5 Submittal and O&M Manual Reviews	656 days	Tue 7/7/26	Thu 2/15/29									
83	9.6 Requests for Information	656 days	Tue 7/7/26	Thu 2/15/29									
84	9.7 Requests for Proposals and Change Orders	656 days	Tue 7/7/26	Thu 2/15/29									
85	9.8 Subst Comp Walk-Through and Punchlist	30 days	Fri 2/16/29	Fri 3/30/29									
86	9.8 Final Completion Walkthrough and Punchlist	10 days	Mon 4/2/29	Fri 4/13/29									
87	Final Change Order	5 days	Mon 4/16/29	Fri 4/20/29									
88	9.9 Record Drawings	20 days	Mon 4/2/29	Fri 4/27/29									
89	9.10 O&M Manual	20 days	Mon 4/2/29	Fri 4/27/29									
90	9.11 Start-up Services	40 days	Fri 2/2/29	Fri 3/30/29									
91	Final Approval	1 day	Mon 4/30/29	Mon 4/30/29									
92	Float	169 days	Tue 5/1/29	Tue 1/1/30									
93	Project On-Line and Operational	0 days	Tue 1/1/30	Tue 1/1/30									

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 9

DATE: October 18, 2022

SUBJECT: Consider Approval of a Contract with Pure Technologies for Pipeline Inspection Services

FUNDING: Fiscal Years 2023-25 Revenue Fund Budget (FY23 \$275,000)

RECOMMENDATION:

Management recommends approval of a three-year contract **in an amount not-to-exceed \$843,093** with Pure Technologies for the pipeline condition assessment program.

DISCUSSION:

Pure Technologies, previously the Pressure Pipe Inspection Company, has performed all standard electromagnetic pipeline inspection work for the District since 1998. The inspection results identify locations and quantities of wire breaks in the pre-stressed concrete cylinder pipelines, which is then used to prioritize pipeline segment repairs and replacements to mitigate risk of failure. To date, the pipeline inspection work, and subsequent repairs, has increased the life of the District's pipelines and delayed substantial pipeline replacement costs.

During the upcoming winter maintenance shutdown, the District plans to inspect 9.28 additional miles of its Cedar Creek pipeline in Section 4 between the Ennis Pump Station and Cedar Creek Lake that has not been inspected since 2010. Over the following two fiscal years, the District will have Pure Technologies perform inspections on portions of the East Texas pipelines which have not been inspected since the early 2000s.

Using the pricing structure, the anticipated cost over the next three years for the electromagnetic inspection work, and the corresponding GIS data input, is to be the following:

Each year, for the next three years	FY 2023	FY 2024	FY 2025
Expected Miles of Electromagnetic Inspection for FY23	9.28 mi	10 mi	10 mi
Pricing for contiguous pipeline inspection extending 5-miles or greater (lump sum)	\$ 125,000	\$125,000	\$125,000
Technology report cost	\$ 10,000	\$10,000	\$10,000
Additional cost beyond 5 miles (\$18,125/mile)	\$ 77,575	\$90,625	\$90,625
Populate GIS system with inspection results (\$3,100/mile)	\$ 28,768	\$31,000	\$31,000
Additional cost for Electromagnetic Inspection beyond 2 days (\$20,000/day)	\$ 20,000	\$20,000	\$20,000
Annual GIS Support (\$9,500/year)	\$ 9,500	\$9,500	\$9,500
Total:	\$ 270,843	\$286,125	\$286,125

This technology is proprietary and available only from Pure. This sole source purchase will be made utilizing Local Government Code 252.022. As a sole source technology service procurement with no subcontractors, the opportunity for diverse business participation with this contract does not exist.

This item was reviewed by the Construction and Operations Committee on October 14, 2022.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

October 11, 2022

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

RE: Pipeline Inspection Services

Dear Courtney:

Pure Technologies US Inc. (Texas Engineers License F-13679) is pleased to present the following 3-year price proposal in support of Tarrant Regional Water District's (TRWD) on-going pipeline condition assessment program.

PROPOSED SCOPE OF SERVICES

1. ELECTROMAGNETIC INSPECTION OF PRESTRESSED CONCRETE CYLINDER PIPE (PCCP)

Manned Delivery Platform

The manned delivery platform requires the pipeline to be completely de-watered. Pricing is based on TRWD performing the de-watering, as well as providing confined space entry requirements, traffic control, top side support and mechanical ventilation as may be required. If requested, Pure can perform de-watering and provide a team to accommodate top-side support at an additional negotiated fee.

Pricing for Manned Electromagnetic Inspection of Pre-stressed Concrete Cylinder Pipe (PCCP)

Standard Pricing:

Mobilization	\$28,000 lump sum
Includes project planning, equipment, travel, etc.	\$30,100 per mile
Unit Technology and Data Analysis Fee	

<u>Alternative pricing for contiguous pipeline extending 5-miles or greater</u>	\$125,000 lump sum
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Technology Report	\$10,000 lump sum
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- Applicable on projects within the TRWD system or service area. Includes: Project planning, equipment and team mobilization, up to two (2) days of electromagnetic inspection and analysis of five (5) miles of data. Ingress/egress to accommodate pipeline configuration as may be accomplished in a ten (10) hour work day for a 4-man crew.
- If additional services are required to complete the proposed inspection, the following pricing schedule shall apply:

Additional cost for electromagnetic inspection (beyond 2 days)	\$20,000 per day
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Additional cost for analysis of data (beyond 5 miles) Allow 6 to 8 weeks for data analysis results	\$18,125 per mile
Calibration	\$16,900 per day
Rope Support (2-man crew, as required)	\$7,060 per day

Robotic Delivery Platform

Electromagnetic inspection of pipe using a robotic delivery platform requires the pipeline to be de-pressurized (water can remain in the pipe).

The PureRobotics® delivery system is a long range, multi-sensor system that can incorporate additional sensor technologies in addition to the electromagnetic inspection capabilities. The system is equipped with a tethered cable that is approximately 9,000 feet long; however, actual deployment lengths will depend on field conditions and pipe configuration. When utilizing the electromagnetic inspection sensor technology, the PureRobotics unit can be deployed into pipes that are 24-inches in diameter and greater. The system is equipped with a pan-tilt-zoom CCTV camera that allows for visual inspection of the pipe interior. Additional sensor technologies that can be incorporated onto the system include SONAR, LIDAR and laser profiling. The PureRobotics® unit requires a minimum 18-inch access for deployment. No de-watering of the pipe is required; only that the pipeline be de-pressurized. The quality of the CCTV camera will vary depending on clarity of the water.

PureRobotics® Electromagnetic Inspection

Mobilization Includes project planning, equipment, expenses, etc.	\$55,000 lump sum
Unit Technology and Analysis Fee for EM Inspection of PCCP Including CCTV recording and electromagnetic inspection only	\$ 11.88 per foot
Unit Technology and Analysis Fee for EM Inspection of Metallic Pipe Including CCTV and electromagnetic inspection Only	\$ 10.98 per foot
Technology Report	\$18,000 lump sum

Free-Swimming Delivery Platform (PipeDiver®)

The PipeDiver® delivery platform is a “free-swimming” unit that is typically inserted and retrieved from a de-pressurized pipeline. The PipeDiver® unit can navigate in-line valves; however, the disc on a butterfly valve must be positioned appropriately and verified by Pure. Should the PipeDiver® unit become lodged on a butterfly valve or other pipeline configuration that has been reviewed and acknowledged by Pure, Pure will be responsible for costs incurred to retrieve the PipeDiver® unit. Under any other circumstances, TRWD will be responsible for costs incurred to retrieve the PipeDiver® unit.

PipeDiver Electromagnetic Inspection

Mobilization Includes project planning, equipment, travel, etc.	\$75,000 lump sum
Unit Technology and Analysis Fee for EM Inspection of PCCP	\$ 14.85 per foot
Unit Technology and Analysis Fee for Inspection of Metallic Pipe	\$ 16.50 per foot

External Electromagnetic Inspection - PipeScanner®

The PipeScanner® technology works from the outer surface of PCCP to detect wire breaks. It is a wheeled device that is rolled over the outer surface of an exposed pipe, creating an electromagnetic field in the same manner as the other electromagnetic inspection tools deployed inside a pipe. The technology offers exceptional accuracy since the signal is not attenuated or distorted by having to pass through the steel cylinder in the pipe wall. PipeScanner® can be used to verify or refine wire break counts on distressed PCCP, and offers greater precision when verifying wire breaks on PCCP manufactured with shorting straps. De-watering is not required, however, the length of the pipe section shall be exposed to springline and extend beyond each joint. PipeScanner® is used to verify if an exposed PCCP pipe section is indeed in a state of distress, and will confirm the state of distress prior to initiating rehabilitation.

PipeScanner Electromagnetic Inspection

Mobilization Includes project planning, equipment, travel, etc.	\$19,500 lump sum
Unit Technology and Analysis Fee	\$ 15,600 per pipe

Miscellaneous Services Associated with Electromagnetic Inspection

Calibration	\$15,600 per day
Expedited Analysis	\$ 9,100 per 25 pipe joints
Top-Side Support (3-man team)	\$ 9,750 per day
De-Watering Services	On Request
Standby Rates	\$2,500 per man per day
Remobilization - Manned	\$19,500 each
Remobilization - Robotic	\$40,000 each
Remobilization - PipeDiver	\$55,000 each

2. VISUAL AND SOUNDING INSPECTION

In many cases where an electromagnetic inspection is performed, a visual and sounding inspection is also performed, due to its complimentary nature with electromagnetic inspections. Pure Technologies has been performing internal evaluations of PCCP mains relying on visual and sounding inspections since 1979, as we often perform such an inspection while the electromagnetic inspection is performed on larger diameter pipelines. The main intent is to identify pipes in a state of incipient failure allowing their rehabilitation or replacement prior to

putting the line back into service. Additionally, any observed pipeline deficiencies, such as joint spalling, will also be documented during the inspection.

Ultimately, there are four main objectives of performing a visual and sounding inspection:

1. Pipes in the State of Incipient Failure: The major objective of visual and sounding inspections is to identify pipes in a state of incipient failure allowing their rehabilitation or replacement prior to rupture.
2. Laying Schedule: These inspections provide a detailed laying schedule with a numbering system that is coordinated with the electromagnetic inspection.
3. Joints: During these inspections the joints are closely investigated to see if there are any problems in the joints such as open joints. The joints will also be inspected for damage resulting from missing mortar.
4. Documentation of Distress: The inspections document will also provide photos of distress in the pipeline for documentation purposes. Cracks, staining, efflorescence, hollows, open joints, and joint spalling will be documented in the Visual and Sounding Inspection Report. This report can be used to facilitate future decisions on the main and for comparison with future inspections.

The visual portion of the inspection consists of observing visible features and cracks indicative of potential distress. This inspection requires experienced personnel to know which cracks are normal and which are indicative of a problem. It also requires an understanding of the width and length of cracks that are normally produced during the production of pipe as opposed to those that might indicate lack of prestressing, or distress, in the pipe. The visual inspection also encompasses examination of the joints as well as the width of joints or the amount of pull the pipeline was subjected to in order to maintain line and grade. All specials are noted with the distance and location from known features. In many instances closure pieces, adapters, shorts, and other specials have been inserted in lines in order to make station on outlets and other tie-in features. At the same time that the visual inspection is being conducted the pipeline is also sounded.

Sounding techniques developed for inspection of AWWA C301-E utilize a steel striking rod consisting of a half inch diameter steel pipe with a length approximately six inches less than the inside diameter of the pipeline. The striking rod is used to strike the interior surface of the pipe every two feet or so in a spiral manor to detect any lining hollows which may exist. In general, the existence of a hollow itself does not necessarily mean that there is distress in the pipe. It may be an indication of distress and should be judged based on experience in combination with any cracks and other data developed for the pipe (i.e. the visual inspection data, electromagnetic data, and/or acoustic monitoring data).

Any pipes judged to potentially be in a state of incipient failure during the inspection are immediately brought to the attention of the client so that external evaluation and possible replacement or rehabilitation can be performed immediately to mitigate the risk of short term pipeline ruptures.

Visual Inspection and Sounding

Mobilization	\$28,000 lump sum
Visual and Sounding Inspection	\$ 5.16 per foot

Report

\$17,000 lump sum

3. LEAK DETECTION

Tethered Delivery Platform (Sahara®)

The Sahara® system is a tethered unit that can be deployed into pipelines via a 2-inch or 4-inch access equipped with a 2-inch or 4-inch full port valve, respectively. The system requires a minimum flow rate in the range of 2 to 4 fps to deploy the system through the pipeline. Although the Sahara® system is equipped with a tether approximately 5,000 feet long, the length of deployment will vary depending on the pipeline configuration and flow rate. Typical deployment lengths usually run 2,000 to 3,000 feet. The Sahara® system can also utilize a fixed CCTV camera eye to provide a visual verification of obstructions in the pipeline. With either type of deployment, Pure utilizes an on-board pipe locating technology that allows us to track (in real time) and mark (in the x-y plane on the ground surface) the location of any identified leak or air pocket. The locating resolution of the Sahara® system is typically within a foot.

Sahara Tethered Leak Inspection

Mobilization Includes project planning, site reconnaissance, equipment, crew mobilization, etc.	\$12,000 lump sum
Technology/Analysis Fee Includes video recording from CCTV camera	\$10,000 per day
Report	\$5,500 each

Free-Swimming Delivery Platform (Smartball®)

The Smartball® leak detection system is a free-swimming device that is deployed into a fully flowing and operational pipeline. The Smartball® is deployed via a 4-inch (minimum) outlet equipped with a full port valve, and requires a minimum flow rate of 0.5 fps. For pipeline configurations with significant slopes or vertical risers, and increased flow rate of 1 to 2 fps may be required. The Smartball® is tracked using proprietary receiver technology, as the distance between fixed reference points provided by the Smartball Receivers (SBR) will affect the locating resolution of any identified leak or air pocket. Given an SBR spacing of a half mile, locating resolution with the Smartball® is typically within two meters.

SmartBall Free-Swimming Leak Detection

Mobilization Includes project planning, equipment, travel, etc.	\$20,000 lump sum
Unit Technology and Analysis Fee	\$15,000 per mile
Report	\$15,000 lump sum

Tethered Delivery Platform in Zero Flow Conditions (Sahara®)

In zero flow conditions (i.e., where hydrostatic pressure testing does not hold a required pressure over a given duration, etc.), the Sahara® sensor head can be pulled through the pipe via a mule tape. The system requires a 2-

inch access equipped with a 2-inch full port valve. Although the Sahara® system is equipped with a tether approximately 5,000 feet long, the length of deployment will vary depending on the pipeline configuration and access spacing. Pure utilizes an on-board pipe locating technology that allows us to mark (in the x-y plane on the ground surface) the location of any identified leak or air pocket. The locating resolution of the Sahara® system is typically within inches.

Sahara No-Flow Leak Testing

Mule Tape Installation <i>Pipe must be de-watered by others sufficiently to allow for manned installation of mule tape</i>	\$7,500 per mile
Mobilization Includes project planning, equipment, travel, etc.	\$28,000 lump sum
Technology/Analysis Fee for Leak Detection Includes video recording from CCTV camera	\$17,000 per day

4. CONTINUOUS ACOUSTIC FIBER OPTIC (AFO) MONITORING OF PCCP

Acoustic Fiber Optic (AFO) Monitoring (Soundprint®)

Pure’s Soundprint® acoustic fiber optic (AFO) monitoring system provides for continuous (24/7) detection and near real time reporting of wire breaks in PCCP. The base system includes a fiber optic cable (comprised of four glass fibers) that is deployed inside the PCCP and connected to a data acquisition (DAQ) unit. The DAQ unit is capable of monitoring up to 12 miles of cable, hence almost 25 miles of pipe (12 miles each direction) can be monitored from a single location using a dual DAQ. The DAQ’s require power and high speed bandwidth, and must be housed in an environmentally controlled area. Wire breaks are detected in real time and typically reported to the client on a dedicated web based site the next business day. Pure performs the daily monitoring, analysis and reporting, as well as provides an annual maintenance & warranty agreement.

AFO Continuous Monitoring System

Planning and Mobilization	\$ 60,000 lump sum
Single DAQ Unit	\$ 400,000 lump sum
Double DAQ Unit	\$ 700,000 lump sum
Entry/Exit Compression and BOV Fittings	\$ 13,500 each
AFO Cable & Installation (in a de-watered pipe)	\$ 28.00 per foot
AFO Cable & Installation (in a pressurized pipeline)	\$ 28.00 per foot
Monitoring, Analysis and Web Based reporting	\$ 2.52 per foot per year

Pricing includes maintenance/warranty for first year
Warranty/maintenance fee thereafter to be determined

Includes all labor and direct costs for long term monitoring of PCCP mains, including drawing review, planning, pre mobilization work, mobilization, travel costs (hotels, meals, airfare, and car), field work, data analysis, and reporting of monitoring findings. Includes providing and installing acoustic fiber optic sensor in pipeline, final fusing and

testing of fiber, providing optical data acquisition system, configuring all equipment and commissioning the monitoring system. Wire breaks will be reported via email notifications and all data maintained through a confidential web site. Pricing does not include confined space entry support, dewatering, or meetings. All work to be performed in a single mobilization.

5. PIPELINE INSPECTION AND GIS SUPPORT

Once the electromagnetic inspections are completed, Pure Technologies will work with TRWD staff to update their GIS database based on the recent inspection.

- Data population: \$3,100 per mile
- Additional Project Management (if needed): \$ 190 per hour
- Additional GIS telephone or email support (if needed): \$ 150 per hour
- Any additional out of pocket cost will be charged accordingly
- Pipeline Inspection GIS Support includes:
 - Coordinate with TRWD GIS staff prior to and after an inspection to ensure Pure is referencing the most current TRWD Pipeline Geodatabase in their analysis
 - Populate inspection results into the appropriate TRWD Pipeline Geodatabase inspection tables
 - Compare and adjust inspection results (as-needed) to historical inspection data based on results of the current inspection data and provide documentation of the reasoning for all adjustments for TRWD Engineering Staff review.
 - Employ a Tracking Mechanism in the inspection results table, to compare replaced inspection results once adjustments are made to historical inspection data
 - Provide a Summary of Modifications to be performed by Pure to pipeline layer features (i.e. Pipe, Manhole, etc) based on inspection results
 - Provide TRWD GIS staff a quality control plan that outlines quality control procedures employed by Pure to ensure that all data entered into the TRWD Pipeline Geodatabase is of the highest quality possible.
 - Conduct a follow-up tele-conference meeting after each GIS submittal with TRWD GIS Staff to discuss the Summary of Modifications to the TRWD Pipeline Geodatabase and Quality Control issues
 - Provide a 30-day review/comment/rejection period for all inspection data contained within GIS submittals
 - Modifying only the inspection area within the GIS database unless specifically requested otherwise by TRWD staff

In response to TRWD requests, Pure will provide assistance to TRWD GIS staff with pipeline feature re-alignments and/or other TRWD Pipeline Geodatabase enhancements, modifications and/or support as requested.

- Annual GIS database support \$9,500 per year
- Additional Project Management (if needed): \$ 190 per hour
- Additional GIS telephone or email support (if needed): \$ 150 per hour
- Any additional out of pocket cost Cost + 10%

6. ADDITIONAL ENGINEERING SERVICES

3D Finite Modeling Pipe Performance Curve **\$12,500 each**

Structural Evaluation of Pipe **\$3,500 each**

Includes design check in accordance with C301 and C304 AWWA specifications

Forensic Inspection of Exposed Pipe (2-man team) **\$7,500 per day**

Includes verification of wire breaks, verification of pipe Material thicknesses and dimensions, collection of soil samples and groundwater samples (if present, and collection of pipe material samples (i.e., prestressing wire, cement mortar, etc.)

Laboratory Analysis of Material Samples **Cost + 10%**

Transient Pressure Monitoring Services

- SentinelX Transient Pressure Monitoring Unit **\$ 3,950.00 each**
 - o IP68 Enclosure 1
 - o Rated to 300 psi
 - o Instantly detects and records transient events up to 256 Hz
 - o Data and graphic analysis transmitted in real time to SurgeView™ Dashboard
 - o Assumes available AC Power Source 2

- Delivery & Installation of SentinelX™ TPM's **\$150.00 per manhour**
 - o Requires ¼- to 2-inch Threaded Outlet (by others)
 - o Includes cellular interface for remote communication
 - o Includes 1-year warranty and maintenance
 - o Travel and Expenses at cost (to be pre-approved)

- SurgeView™ Software (One-Time Fee for all TPM installations) **\$ 7,500.00 lump sum**
 - o Real-Time Display on Client Dashboard
 - o Integration of TRWD's GIS
 - o Includes ½ day of Webinar training
 - o Initial one-time fee applicable to all TPM units in Client's system
 - o Integration with other TPM units, SCADA units or other data systems to be billed at \$150.00 per man hour

- Monitoring and Communications Service **\$450.00 unit/per month**
 - o Includes cellular fee, data storage and annual software license
 - o E-mail alerts when a transient event is detected
 - o Includes annual warranty and maintenance beyond year 1
 - o Includes automated analytics that identifies abnormal events and posts them to an Integrated Alert Management System within the software
 - o Xylem continuously monitors all TPM's and validates all alarms to reduce the potential for false alarms and provide actionable information

- Miscellaneous (pre-approved by TRWD)
 - o May include integration of SCADA data or other monitoring systems, training of TRWD personnel to install and move monitors, etc.
 - o Product Lead Manager \$200.00 per hour
 - o Software Engineer \$140.00 per hour
 - o Field Technician \$150.00 per hour
 - o Travel and expenses At cost

- Temporary Rental of SentinelX™ Transient Pressure Monitoring Unit
 - o Weekly Rental Rate \$325.00 per week
 - o Monthly Rental Rate \$650.00 per month
 - o Includes Monitoring and Communications
 - o Delivery & Installation charge at \$150.00 per manhour

- Periodic Summary Reports 3 \$300 per TPM unit

Notes:

- 1 Enclosures rated to IP68 requirements can be completely submerged in water for prolonged periods of time beyond 3-foot meter depth as defined by the IEC 60529 standard.

- 2 Additional sources of extended power if AC Power is not available:
 - 12v External Battery in IP68 Enclosure @ \$585.00 each [2-year battery life]
 - Solar Panel [Pricing TBD based on site conditions]
- 3 Available monthly or quarterly

Advanced System Control – Valve Assessment Services

Mobilization Charge	\$5,000
Daily Charge	\$3,000 per day

Unit Rates for Miscellaneous Tasks

Project Director	\$245 per hour
Project Manager	\$190 per hour
Research and Development	\$150 per hour
Project Engineer	\$150 per hour
Field Technician	\$120 per hour
Data Analyst	\$120 per hour
Administrative	\$ 85 per hour
Travel and per Diem	\$ Cost + 10%

TRWD Customers

It is understood and agreed by Pure Technologies that the designated customers served by TRWD (including City of Fort Worth, City of Arlington, City of Mansfield, Trinity River Authority) can utilize services described herein by Pure Technologies in accordance with the pricing structure established herein throughout the duration of this agreement. However, said customers must contract directly with Pure Technologies as a separate contract, and not as part of the TRWD contract.

I trust you find everything in order and invite you to contact me if you have any questions.

Kind Regards,

Steve Purkiss
Business Development Manager
Xylem Inc.
M: 760-644-5392
Steve.purkiss@xylem.com

Standard Terms and Conditions

CONDITIONS OF ENGAGEMENT FOR THE PROVISION OF SERVICES (North America)

The Proposal is issued upon and is subject to these Conditions of Engagement. If the Proposal is accepted by the Client, these Conditions of Engagement and the Proposal will be deemed to form part of the Contract between the Client and Pure.

DEFINITIONS

In these Conditions of Engagement the following definitions apply:

“Client” means any person or persons, firm or company engaging Pure to provide the Services.

“Contract” means the agreement awarded to Pure as a result of the Proposal.

“Pure” means Pure Technologies Ltd., Pure Technologies U.S. Inc., PureHM Inc., PureHM U.S. Inc. or any of their affiliates, as the case may be, which submitted the Proposal and is a party to the Contract.

“Proposal” means Pure's offer to carry out the Services and includes all related correspondence plus agreed written variations or amendments thereto.

“Services” mean those services of whatever nature to be supplied by Pure under the Contract.

“Site” means the facility, land, installation or premises to which Pure is granted access for the purposes of the Contract and may include any combination of the foregoing.

PURE'S OBLIGATIONS

Pure will perform the Services in accordance with the procedures described in the Proposal, using reasonable skill, care and diligence and consistent with industry standards.

Pure will ensure that the equipment used in performing the Services is in a good and functional state.

CLIENT'S OBLIGATIONS

The Client will provide to Pure full, good faith co-operation to assist Pure in providing the Services.

Unless otherwise specified in the Proposal and without limiting the generality of the foregoing, the Client will at its own expense:

ensure, if required, access to private land will be given to Pure and that any official permits or permissions required for Pure to have access to the Site or carry out the Services are obtained and are in force for the duration of the Services;

inform Pure in writing of any special circumstances or danger which the execution of the Services may entail or which are inherent in the Site, including the existence and identity of any known hazardous substance or material;

perform such additional duties and responsibilities and provide such information and resources as are described in the Proposal.

The description of the Services and related compensation amount set out in the Proposal will be based upon information that the Client shall have provided to Pure, and assumptions that Pure shall have identified in the Proposal. The Client acknowledges that if any such information provided by Client is materially incomplete or inaccurate, or if the assumptions identified by Pure are not correct, then the parties will modify the Proposal to reflect the actual information, assumptions, and Services required, and the compensation to Pure will be adjusted accordingly using the change order process set out in the Contract, or if there is no such process, on an equitable basis.

Client will pay Pure within 30 days of Client's receipt of an invoice therefrom. Client acknowledges that Pure is entitled to payment for any and all Services performed hereunder up and until the date of the full completion of such Services.

Upon Client's termination of the provision of Services or any goods by Pure hereunder, Pure will be entitled to payment for any and all goods and Services provided up to and until the date Pure receives

notice of termination from Client. Such payments will be at the rates as provided to Client in the Proposal.

The pricing provided in the proposal shall remain firm for 12 months from the date hereof. Thereafter, in recognition of the current inflationary environment and potential of labor and component cost increases to Pure, a price adjustment may be requested by Pure to account for such cost increase.

PROPRIETARY AND CONFIDENTIAL INFORMATION

All reports generated in the performance of the Services and delivered by Pure to the Client will become the property of the Client.

Pure's equipment which is made available to the Client in connection with the Contract and the raw data generated in the performance of the Services will remain the sole and exclusive property of Pure. The Client will not acquire any proprietary rights in Pure's equipment, systems, software, technology, inventions (whether or not patentable), patents, patent applications, documentation, specifications, designs, data, databases, methods, processes or know-how ("Pure's Proprietary Technology"). Any modifications or improvements to the Pure's Proprietary Technology made during the performance of the Services will be the sole and exclusive property of Pure.

Both parties agree to keep confidential all documentation and information provided by the other during the performance of the Contract. The obligations set out in this clause 0 will remain in full force and effect after any termination or expiry, as the case may be, of the Contract.

Notwithstanding anything herein to the contrary, Contractor will have a limited, non-exclusive, royalty-free license to utilize data collected and received in the performance of services hereunder for purposes of (a) providing services, (b) analyzing and improving the services, and (iii) internal research and development for the benefit of Contractor and Client's clients.

LIABILITY AND WARRANTIES

Pure will indemnify and hold the Client harmless against any expense, demand, liability, loss, claim, lawsuit or proceeding whatsoever in respect of personal injury to or the death of any person, or any loss, destruction or damage to any tangible property and arising directly or indirectly from the negligence of Pure, its employees, servants or agents except to the extent caused by the negligence of the Client or any person for whom the Client is responsible. The Client will similarly indemnify Pure.

Pure will not be liable for any loss of production, loss of use of property, loss of revenue or profit, equipment downtime, business interruption, loss of goodwill, loss of anticipated savings, cost of procurement of substitute goods or services, or for any consequential, indirect, incidental, or special loss or damage suffered by the Client or any third party, or for any punitive damages, even if advised of the possibility thereof and notwithstanding the failure of essential purpose of any remedy.

Pure's cumulative liability hereunder, whether in contract, tort, or otherwise, will in no event exceed the greater of (i) the aggregate consideration paid by the City to Pure for the portion of the Services that gave rise to the liability, or (ii) \$2 million; provided, however, that this clause shall not limit Pure's indemnification obligations hereunder. The report(s) and any other recommendations or advice made by Pure relating to the pipeline or the Services will be made in accordance with the procedures described in the Proposal, using reasonable skill, care and diligence consistent with industry standards, but do not and will not constitute a warranty of the pipeline's quality, capacity, safety or fitness for purpose. Pure will not be liable to the Client for any liability or damages that arise from the Client's reliance upon or application or use of such final report or recommendations or advice made by Pure in relation to the pipeline or Services, and the Client will indemnify Pure against any liability to third parties resulting therefrom.

Pure's warranties for the Services will be set out in the Contract. Pure disclaims all implied or statutory warranties or conditions, including of merchantability, merchantable quality, durability, or fitness for particular purpose to the extent allowed by applicable law. This means Pure's warranty obligations will be limited to what is expressly set out in the Contract.

INSURANCE

Pure will provide the Client with a certificate of insurance evidencing the following coverages:

Commercial General Liability	\$2,000,000
Automobile Liability	\$1,000,000
Workers Compensation	Statutory
Professional Liability	\$500,000

SPECIAL CONDITIONS/ACKNOWLEDGEMENT OF EVENTS.

Pure and Client (the "Parties") acknowledge and agree that the global COVID-19 pandemic ("COVID-19") is ongoing, dynamic, unpredictable, and as such may impact the ability of Pure to meet its obligations under this Agreement. The Parties agree that, for so long as there is an impact of COVID-19 on Pure's performance, all performance efforts by Pure will be on a reasonable efforts basis only and Pure shall not be responsible for failure to meet its obligations, to the extent that it is precluded from doing so as a result of COVID-19. The Parties shall work, in good faith, to make any reasonable adjustments that may be required as a result of COVID-19.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 11

DATE: October 18, 2022

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

Section 551.074 Regarding Personnel Matters

DISCUSSION:

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

Submitted By:

Alan Thomas
Deputy General Manager

Next Scheduled Board Meeting

November 15, 2022 at 9:00 AM