

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 January 2022 at 9:00 a.m.

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

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

- 1. Pledges of Allegiance**
- 2. Public Comment**

Citizens may present public comment at this time, limited to a total time of three (3) minutes per speaker, unless the speaker addresses the Board through a translator, in which case the limit is a total time of six (6) minutes. If citizens wish to address the Board in person, each proposed speaker must have completed and submitted a speaker card prior to the commencement of the meeting identifying, if the speaker wishes to address the Board regarding a specific agenda item, the agenda item number(s) and topic(s). If citizens wish address the Board virtually, each proposed speaker must have contacted Mr. Chad Lorange of TRWD, by telephone at (817) 720-4367 or by email at chad.lorange@trwd.com, by no later than 3:00 P.M. on Monday, January 17, 2022, identifying, if the speaker wishes to address the Board regarding specific agenda item(s), the agenda item number(s) and topic(s). In such event, each such member of the public will be provided with a dial-in number to address the Board. By law, the Board may not deliberate, debate or take any action on public comment but may place the item on a future agenda.

- 3. Consider Approval of the Minutes from the Meeting Held on December 14, 2021**
- 4. Consider Approval of Issuance of Letter Supporting the Application of TTI, Inc to be a Foreign Trade Zone at its Facility in the Alliance Corridor - Linda Christie, Government Affairs Director**

5. **Receive and File the District's Annual Comprehensive Financial Report for the Year Ended September 30, 2021 - Sandy Newby, Chief Financial Officer**
6. **Consider Approval of Contract with Pipeline Inspection and Condition Analysis Corporation for Condition Assessment of 72-inch Cedar Creek Pipe - Jason Gehrig, Infrastructure Engineering Director**
7. **Consider Approval of Contract with Traylor-Sundt Joint Venture for Dallas Phase 3 Section 19 Long Tunnel Crossings Construction of the Integrated Pipeline Project - Ed Weaver, IPL Program Manager**
8. **Consider Approval and Adoption of the Following Proposed Board Policies to be Effective February 1, 2022: Employment Practices; Employee Standards of Conduct and Code of Ethics - Lisa Cabrera, Chief Human Resources Officer**
9. **Staff Updates**
 - **MWBE Vendor Participation Update - Crystal Alba, Diverse Business Specialist**
 - **Asset Management Award - Rachel Ickert, Chief Water Resources Officer**
 - **Water Resources Update - Rachel Ickert, Chief Water Resources Officer**
 - **Original Equipment Manufacturer Repair of Benbrook Lake Pump Station Pump #1 - Jason Gehrig, Infrastructure Engineering Director**
10. **Executive Session under Texas Government Code:**

Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation, including regarding the Mary's Creek Water Reclamation Facility; and

Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property
11. **Consider Approval of Settlement of Claims in the Integrated Pipeline Project - Karamanos (1163, 1164) Lawsuit - Steve Christian, Real Property Director**
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 14th DAY OF DECEMBER 2021 AT 9:00 A.M.

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

Present

Leah King
James Hill
Marty Leonard
Mary Kelleher

Absent

Jim Lane

Also present were Dan Buhman, Alan Thomas, Darrell Beason, Frank Beaty, Lisa Cabrera, Steve Christian, Linda Christie, Woody Frossard, Ellie Garcia, Jason Gehrig, Zach Hatton, Rachel Ickert, Chad Lorance, Sandy Newby, and Ed Weaver of the Tarrant Regional Water District (District or TRWD). Also in attendance was Kathryn Long of Thompson & Horton LLP.

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

1.

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

2.

Public comment was received from Joyce Baker, who indicated she would speak regarding agenda item 2. Public comment was received from Thomas Torlincasi, who indicated he would speak regarding agenda items 2, 6, 7, 14, 15, 16, and 17. Public comment was received from Doreen Geiger, who indicated she would speak regarding agenda items 14, 16, and 17. Public comment was received from Jackee Cox, who

indicated she would speak regarding agenda item 2. Public comment was received from Lon Burnam, who indicated he would speak regarding agenda items 2, 6, 14, and 16.

3.

On a motion made by Director Hill and seconded by Director Kelleher, the Directors voted unanimously to approve the minutes from the Board meeting held on November 16, 2021. It was accordingly ordered that these minutes be placed in the permanent files of the District.

4.

With the recommendation of management, Director Leonard moved to approve a contract in an amount not to exceed \$11,244,912 with Plummer Associates, Inc. for engineering design and permitting services for the Cedar Creek Wetlands. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Hill moved to approve a contract in the amount of \$2,061,695 with Bauer Foundation Corporation to install a cutter soil mixed cutoff wall in the Eagle Mountain Spillway Dam. Funding for this item is included in the Bond Fund. Director Kelleher seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Leonard moved to approve a contract in an amount not to exceed \$80,000 with Davis Crane Service for a 110-ton hydraulic crawler crane and annual predictive maintenance pipe replacement. Funding for this item is included in the Fiscal Year 2022 Revenue Fund Budget. Director Kelleher

seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Leonard moved to approve a capital expenditure revision as listed below for vehicles purchased from Silsbee Ford through the State of Texas cooperative purchasing program, TXSmartbuy.

**Tarrant Regional Water District
Board of Directors Meeting
December 2021
Capital Expenditures**

| Project | Vendor | Amount | Purpose | Budget Line | Budget | |
|---|---|---|---|-------------|---------|---------------------|
| | | | | | Source | Amount |
| 6 ITB No. 22-010 1/2 Ton 4WD Crew Cab SWB Pickup - Unit 2-419 | Caldwell Country Chevrolet was lowest vendor on Buyboard Contract 601-19. Chevrolet has stopped production due to shipping and material availability and the Chevrolet units are not available. | Board Approved \$35,775 at September 2021 Board Meeting | New unit will replace unit 2-286 2011 Chevrolet 1/2 Ton 4wd Ext Cab SWB Pickup with approximately 106,000 miles. New unit will be assigned to Assistant Environmental Manager. Upon receipt of the new unit, unit 2-286 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025. | | | |
| Total for Unit 2-419 | Silsbee Ford was second lowest vendor, the purchase will be made utilizing the State of Texas Co-op program, TXSmartbuy, in accordance with Local Government Code 271.083. | New Price from Silsbee \$37,322 | Chevrolet stopped production - move to Silsbee Ford | 11961 | Revenue | \$34,000.00 |
| 7 ITB No. 22-010 1/2 Ton 4WD Crew Cab SWB Pickup - Unit 2-425 | Caldwell Country Chevrolet was lowest vendor on Buyboard Contract 601-19. Chevrolet has stopped production due to shipping and material availability and the Chevrolet units are not available. | Board Approved \$35,775 at September 2021 Board Meeting | New unit will replace unit 2-316 2013 Dodge 1/2 Ton 4wd Crew Cab SWB Pickup with approximately 112,000 miles. New unit will be assigned to Reservoir Supervisor. Upon receipt of the new unit, unit 2-316 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025. | | | |
| Total for Unit 2-425 | Silsbee Ford was second lowest vendor, the purchase will be made utilizing the State of Texas Co-op program, TXSmartbuy, in accordance with Local Government Code 271.083. | New Price from Silsbee \$37,322 | Chevrolet stopped production - move to Silsbee Ford | 11966 | Revenue | \$34,000.00 |
| 8 ITB No. 22-010 1/2 Ton 4WD Crew Cab SWB Pickup - Unit 2-427 | Caldwell Country Chevrolet was lowest vendor on Buyboard Contract 601-19. Chevrolet has stopped production due to shipping and material availability and the Chevrolet units are not available. | Board Approved \$35,775 at September 2021 Board Meeting | New unit will replace unit 2-364 2017 Chevrolet 1/2 Ton 4wd Crew Cab SWB Pickup with approximately 105,000 miles. New unit will be assigned to IPL Program Manager. Upon receipt of the new unit, unit 2-364 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025. | | | |
| Total for Unit 2-427 | Silsbee Ford was second lowest vendor, the purchase will be made utilizing the State of Texas Co-op program, TXSmartbuy, in accordance with Local Government Code 271.083. | New Price from Silsbee \$37,322 | Chevrolet stopped production - move to Silsbee Ford | 11968 | Revenue | \$34,000.00 |
| September 2021 Board approved Total | \$107,325.00 | | Budgeted Amount Total | | | \$102,000.00 |
| December 2021 request for change to vendor and Total | \$111,966.00 | | | | | |
| Additional funds requested | \$4,641.00 | | | | | |

Funding for this item is included in the Fiscal Year 2022 Revenue Fund. Director Hill seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Kelleher moved to approve a change in the calculation of the retainage being held for BAR Constructors, Inc. to 2.5% of the contract price (equal to \$1,615,495.61) and release of retainage currently held above this limit for the Joint Cedar Creek Lake Pump Station Package 2 of the Integrated Pipeline Project. All remaining contract payments are to be made in full, the Board having found that the work is substantially complete in accordance with the contract provisions for partial utilization, that satisfactory progress is being made, and the amount retained exceeds the amount to complete the work and adequate for the protection of the District. However, any changes to the contract price by change order or alternate base bid work for the project will require adjustment to the retainage schedule. In addition, the General Manager, or his designee, is granted authority to execute all documents associated with this item. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Hill moved to approve a reconciliation credit change order in the amount of (\$286,186.33) for unused contract extra work and allowance items with Lambda Construction for the Joint Cedar Creek Lake Pump Station High Voltage Sub Station. In addition, the General Manager, or his designee, is granted authority to execute all documents associated with this item. Funding for this item is included in the Bond Fund. Director Kelleher seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Leonard moved to approve release of retainage and final payment in the amount of \$175,295.13 and contract closeout with Lambda Construction, Ltd. for the Joint Cedar Creek Lake Pump Station High Voltage Sub Station. In addition, the General Manager, or his designee, is granted authority to execute all documents associated with this item. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Kelleher moved to approve release of retainage and final payment in the amount of \$358,631.98 and contract closeout with IPL Partners PL1011 Project of the Integrated Pipeline Project. In addition, the General Manager, or his designee, is granted authority to execute all documents associated with this item. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Leonard moved to approve a reconciliation credit change order in the amount of (\$2,708,596.01) for unused contract additional unit price bid base items, extra work items, and allowance items with Thalle Midlothian Partners for Sections 17 and 18 of the Integrated Pipeline Project. In addition, the General Manager, or his designee, is granted authority to execute all documents associated with this item. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Leonard moved to approve release of retainage and final payment in the amount of \$1,126,486.80 and contract closeout with Thalle Midlothian Partners for Sections 17 and 18 of the Integrated Pipeline Project. In addition, the General Manager, or his designee, is granted authority to execute all documents associated with this item. Funding for this item is included in the Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

14.

Staff Updates

- Transparency Report Update
- Year End Review Update
- City of Dallas Partnership Update

15.

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

Upon completion of the executive session at 11:26 p.m., the President reopened the meeting.

16.

With the recommendation of management, Director Hill moved to approve proposed Board policies covering the functional areas of Finance, Public Information,

and Records Management: Arbitrage Policy, Budget Policy, Capital Asset Policy, General Fund Reserve Policy, Investment Policy, Other Post-Employment Benefits Funding Policy, Public Information Policy, and Records Management Policy. Director Kelleher seconded the motion and the vote in favor was unanimous.

17.

The Board of Directors discussed the following proposed Board policies: Employment Practices; Employee Standards of Conduct and Code of Ethics.

18.

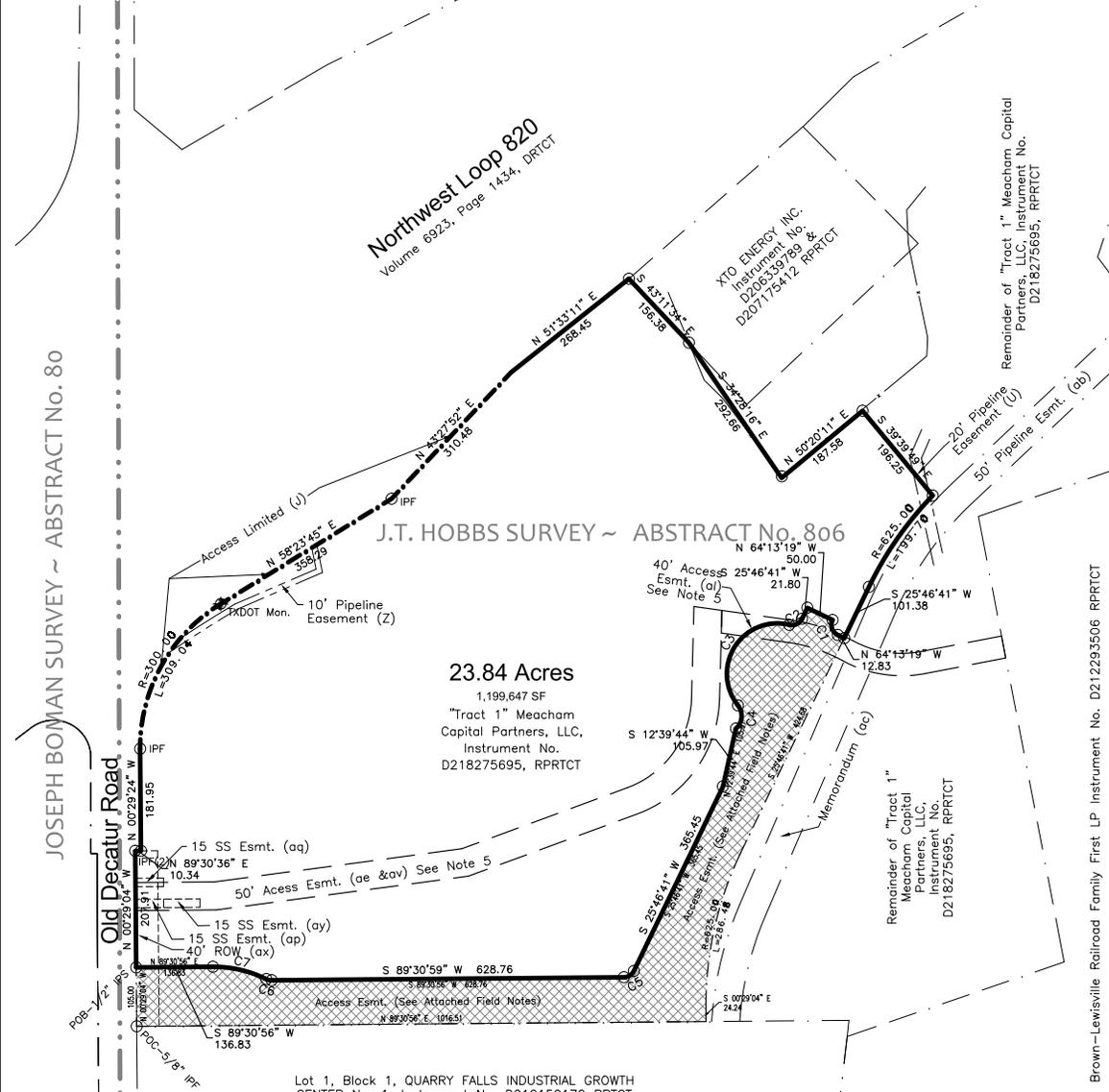
With the recommendation of management, Director Kelleher moved to accept a donation of 1.571 acres of land located in Block 8, North Fort Worth Addition to the City of Fort Worth, Tarrant County, Texas to be used for public purposes. The Board accepts this donation under Section 49.229 of the Texas Water Code and agrees that the property will not be resold for at least three years, as this may result in adverse tax consequences to the donor.

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

19.

With the recommendation of management, Director Kelleher moved to acquire approximately 23.84 acres of land in the J.T. Hobbs Survey, Abstract No. 806, Fort Worth, Tarrant County, Texas, together with an appurtenant access easement, as a site for the relocation of the District's current operations site, for a purchase price of \$5.57 per gross square foot in order to accomplish one or more of the District's public purposes.

Plat Showing Survey of a tract of land in the J. T. HOBBS SURVEY, ABSTRACT NUMBER 806, City of Fort Worth, Tarrant County, Texas. See Attached Field Notes



General Notes:
1. Bearings based on the Texas State Plane Coordinate System, North Central Zone.
2. Except as noted, 1/2" Iron Pins with cap stamped "AREA SURVEYING" were set at all corners.
3. There are no buildings on this tract.
4. Abbreviations:
POB = Point of Beginning
POC = Point of Commencement
IPF = 1/2" Iron Pin Found with cap stamped "RLS 5664" (Unless noted)
TXDOT Mon. = Texas Department of Transportation concrete monument found
DR1CT = Deed Records, Tarrant County, Texas
PR1CT = Plat Records, Tarrant County, Texas
RP1CT = Real Property Records, Tarrant County, Texas
SF = Square Feet
5. The property owner is in the process of relocating these easements to the south and east side of this tract where the "Access Esmt." is shown.

Curve Table

| CURVE | RADIUS | ARC LENGTH | CHORD LENGTH | CHORD BEARING | DELTA ANGLE |
|-------|--------|------------|--------------|---------------|-------------|
| C1 | 20.00 | 31.42 | 26.28 | N 19°13'19" W | 90°00'00" |
| C2 | 20.00 | 27.23 | 25.19 | S 64°47'18" W | 78°01'14" |
| C3 | 90.00 | 223.82 | 170.44 | S 32°33'14" W | 142°29'21" |
| C4 | 30.00 | 45.65 | 41.37 | S 04°53'56" W | 87°10'44" |
| C5 | 20.00 | 22.25 | 21.12 | S 7°38'49" W | 63°44'15" |
| C6 | 20.00 | 9.98 | 9.87 | N 7°48'59" W | 28°34'59" |
| C7 | 210.00 | 98.82 | 97.91 | N 7°00'12" W | 26°24'15" |

- Title Commitment Notes:**
The following refers to Item 10 of Schedule B of the Commitment for Title Insurance, issued by MFG National Title Insurance Company, GE No. CR-20-03-205328.
- E. RIGHT-OF-WAY GRANTED E. R. BROWN RECORDING IN VOLUME 323, PAGE 107, OF THE DEED RECORDS OF TARRANT COUNTY, TEXAS. - This property is subject to this easement. However, the Surveyor has not observed any evidence that the pipeline actually crosses the subject property.
 - F. EASEMENT GRANTED TO TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. ONE, RECORDED IN VOLUME 2666, PAGE 190, DEED RECORDS, TARRANT COUNTY, TEXAS. - This easement does not affect this tract.
 - G. EASEMENT GRANTED TO LONE STAR GAS COMPANY IN VOLUME 3056, PAGE 166, DEED RECORDS, TARRANT COUNTY, TEXAS, AFFECTED BY DEED RECORDED UNDER INSTRUMENT NO. D20485124, OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS. - This easement does not affect this tract.
 - H. Terms, conditions and stipulations recorded in Volume 4827, Page 891, Deed Records of Tarrant County, Texas. - While this property is subject to this document, since the runway extension was not placed on the subject property, it is the Surveyor's professional opinion it does not appear to affect.
 - I. Easement to the Ashburn Tapka and Santa Fe Railway Company, recorded in Volume 4959, Page 419, Deed Records of Tarrant County, Texas. - While this property is subject to this easement, the Surveyor did not observe any railroad spur on subject. Therefore, it is the Surveyor's professional opinion it does not appear to affect.
 - J. Condemnation for highway and limited access recorded in Volume 6923, Page 1434, Official records of Tarrant County, Texas. - This item affects this tract and is shown on the Survey.
 - K. Easement to the City of Fort Worth, recorded in Volume 7283, Page 1841, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - L. Terms, conditions, provisions and easements in Volume 15441, Page 37, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - M. Access Easement recorded under County Clerk's File No. D200432228, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - N. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, as evidenced by the Memorandum of Oil and Gas Lease, dated October 22, 2004, recorded under County Clerk's File No. D200432220, Official Public Records of Tarrant County, Texas. Amendment filed October 21, 2005, recorded under County Clerk's File No. D200515244, Official Records of Tarrant County, Texas. This lease, which covers this tract, was assigned to XTO Energy, Inc. pursuant to an Assignment, Conveyance and Bill of Sale filed under D200639795 in under Official Public Records of Tarrant County, Texas and is subject to a waiver of surface rights covering this tract contained in an Amended and Restated Surface Use Agreement filed as Instrument No. D200633790 recorded in under Official Public Records of Tarrant County, Texas. - This easement does not affect this tract.
 - O. Pipeline Right-of-Way Easement recorded under County Clerk's File No. D200545099, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - P. Lease for coal, lignite, oil, gas or other minerals, together with rights incident thereto, as evidenced by the Memorandum of Oil and Gas Lease, dated June 5, 2006, recorded under County Clerk's File No. D206257044, Official Public Records of Tarrant County, Texas. This lease, which covers this tract, was assigned to XTO Energy, Inc. pursuant to an Assignment, Conveyance and Bill of Sale filed under D200639795 in under Official Public Records of Tarrant County, Texas and is subject to a waiver of surface rights covering this tract contained in an Amended and Restated Surface Use Agreement filed as Instrument No. D200633790 recorded in under Official Public Records of Tarrant County, Texas. - This easement does not affect this tract.
 - Q. Oil and Gas Lease filed October 31, 2006, recorded under County Clerk's File No. D206339781, Official Records of Tarrant County, Texas. Lessor and Lessee under this lease both, as "Grantors", have waived rights to use the surface of this tract in the Special Warranty Deed to Meacham Capital Partners, LLC executed by Keystone Exploration, L.L.C. and Keystone Exploration, L.L.C. dated 12-20-08, filed 12-20-08, recorded in Clerk's File No. D218275695, Official Public Records, Tarrant County, Texas.
 - T. Pipeline Right-of-Way Easement granted to XTO Energy, Inc. recorded under County Clerk's File No. D200419717, Official Records of Tarrant County, Texas. - This easement does not affect this property.
 - U. Multiple Pipeline Right-of-Way and Easement granted to Barnes Gathering, LP, recorded under County Clerk's File No. D200407296, Official Records of Tarrant County, Texas. - This easement affects this property and is shown on this Survey. There appears to be a pipeline within this easement.
 - V. Mineral Interest in Instrument No. D200415095, Based on the legal description in the mineral lease, this does not appear to affect the subject property.
 - W. CITY OF FORT WORTH PLANNING AND DEVELOPMENT SITE PERMIT, RECORDED UNDER INSTRUMENT NO. D200033582 OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS. - This tract is not subject to this permit.
 - X. CITY OF FORT WORTH PLANNING AND DEVELOPMENT GAS SITE PERMIT RECORDED UNDER INSTRUMENT NO. D21000482 OF THE OFFICIAL RECORDS OF TARRANT COUNTY, TEXAS. - This tract is not subject to this permit.
 - Y. Mineral interest recorded in Instrument No. D210105941. Based on the legal description in the mineral lease, this does not appear to affect the subject property.
 - Z. Multiple Pipeline Right-of-Way and Easement granted to Barnes Gathering, LP, recorded under County Clerk's File No. D210246220, Official Records of Tarrant County, Texas. - This easement affects this property and is shown on this Survey. There appears to be a pipeline within this easement.
 - aa. Multiple Pipeline Right-of-Way and Easement recorded under County Clerk's File No. D210246992, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - ab. Non-Exclusive Easement and Right-of-Way Agreement recorded under County Clerk's File No. D211204212, Official Records of Tarrant County, Texas. - This easement does not affect this property. However it has been shown for reference.
 - ac. Memorandum of Agreement recorded under County Clerk's File No. D211204213, Official Records of Tarrant County, Texas. This Memorandum does not affect this tract.
 - ad. Mineral Interest recorded under County Clerk's Instrument No. D21186799, Official Records of Tarrant County, Texas. Based on the legal description in the mineral lease, this does not appear to affect the subject property.
 - ae. Easement for Access recorded under County Clerk's File No. D212293504, Official Records of Tarrant County, Texas. - This easement affects this tract and is shown on the Survey.
 - af. Rail Maintenance/Access Agreement recorded under County Clerk's File No. D212293507, Official Records of Tarrant County, Texas. - This Agreement does affect this property in that it creates a benefit to this property to other parties to use this property.
 - ag. Easement Encroachment License Agreement recorded under County Clerk's File No. D213197029, Official Records of Tarrant County, Texas. This Agreement does not affect this tract.
 - ah. Easement Encroachment Agreement recorded under County Clerk's File No. D213238324, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - ai. Easement for Private Drainage recorded under County Clerk's File No. D213238324, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - aj. Permanent Water Facility Easement recorded under County Clerk's File No. D213243778, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - ak. Permanent Water Facility Easement recorded under County Clerk's File No. D21349008, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - al. 40' Access Easement recorded under County Clerk's File No. D21405886, Official Records of Tarrant County, Texas. - This easement affects this property and is shown on this Survey.
 - am. Easement and Right-of-Way recorded under County Clerk's File No. D21405887, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - an. Easement and Right-of-Way recorded under County Clerk's File No. D214087878, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - ao. Permanent Sewer Facility Easement recorded under County Clerk's File No. D215195283, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - ap. Permanent Sewer Facility Easement granted to the City of Fort Worth, recorded under County Clerk's File No. D215195305, Official Records of Tarrant County, Texas. - This easement affects this tract and is shown on the Survey.
 - aq. Permanent Sewer Facility Easement granted to the City of Fort Worth, recorded under County Clerk's File No. D215195338, Official Records of Tarrant County, Texas. - This easement affects this tract and is shown on this Survey.
 - ar. Permanent Sewer Facility Easement granted to the City of Fort Worth, recorded under County Clerk's File No. D215195340, Official Records of Tarrant County, Texas. - This easement does not affect this tract.
 - as. Temporary Construction Easement granted to the City of Fort Worth recorded under County Clerk's File No. D215195340, Official Records of Tarrant County, Texas. According to records on file at the City of Fort Worth, the construction described in this easement has been completed.
 - at. Notes of Industrial Waste Disposal Site from General Portland, Inc., dated 04/22/1984, recorded in Volume 7797, Page 468, Official Records of Tarrant County, Texas, as affected by instrument recorded in Volume 15296, Page 256, Official Records of Tarrant County, Texas. - This Note does not affect this tract.
 - au. Terms, conditions, provisions and stipulations, as shown in Special Warranty Deed, executed by Keystone Exploration, L.L.C. dated 12-20-08, filed 12-18-2018, recorded in Clerk's File No. D218275695, Real Property Records, Tarrant County, Texas. - This instrument affects this tract and is shown on this Survey.
 - av. Mineral Deed executed by Keystone Equity Partners, LLC to Schlitz Resources, LLC et al., dated 11/21/2019, filed 11/21/2019, recorded in Clerk's File No. D21926010, Real Property Records, Tarrant County, Texas. This tract is covered by this Mineral Deed, but is subject to the waiver of surface rights contained in the Special Warranty Deed to Meacham Capital Partners, LLC, executed by Keystone Exploration, L.L.C. dated 12/5/2018, recorded in Clerk's File No. D218275695, Official Public Records, Tarrant County, Texas.
 - ax. Easement and/or Right of Way from Keystone Equity Partners, LLC to City of Fort Worth by instrument recorded in Clerk's File No. D215195306, Real Property Records, Tarrant County, Texas. This Right of Way affects this tract and is shown on this Survey.
 - ay. Easement and/or Right of Way from Keystone Equity Partners, LLC to City of Fort Worth, by instrument filed in Clerk's File No. D215195283, Real Property Records, Tarrant County, Texas. This Easement affects this tract and is shown on this Survey.

Scale: As Shown
Roger W. Hart, RPLS
Mail: 617-264-4400 | www.rogerw-hart.com
Mail: 6300 S. Hulen St., Suite 300, #206 | Fort Worth, TX 76126
Texas Board of Professional Land Surveying Form No. 1006002

EXHIBIT "A"

Field Notes

Description for a tract of land in the J. T. Hobbs Survey, Abstract Number 806, City of Fort Worth, Tarrant County, Texas, and being a portion of "Tract 1" as described in a deed to Meacham Capital Partners, LLC, recorded in Instrument No. D218275695, Real Property Records, Tarrant County, Texas, and being described by metes and bounds as follows:

COMMENCING at a 5/8" iron pin found with cap stamped, "RPLS 5539" for the southwest corner of said Meacham Capital Partners tract, in the east line of Old Decatur Road; Thence North 00°29'04" West a distance of 105.00 feet along the westerly line of said Meacham Capital Partners tract and along the easterly line of Old Decatur Road to a 1/2" iron pin set with cap stamped "AREA SURVEYING" for the POINT OF BEGINNING of the tract herein described;

Thence the following courses and distances, continuing along the westerly line of said Meacham Capital Partners tract and along the easterly line of Old Decatur Road:

North 00°29'04" West a distance of 207.91 to a 1/2" iron pin found with cap stamped "RLS 5664";

North 89°30'36" East a distance of 10.34 feet to a 1/2" iron pin found with cap stamped "RLS 5664";

North 00°29'24" West a distance of 181.95 feet to a 1/2" iron pin found with cap stamped "RLS 5664" at the beginning of a curve, concave to the southeast, have a radius of 300.00 feet, and a long chord which bears 295.56 feet, North 29°04'18" East;

Northerly and northeasterly along said curve, an arc length of 309.04 feet to a Texas Department of Transportation concrete monument found at the end of said curve, in the southeasterly line of Northwest Loop 820;

Thence the following courses and distances along the northerly line of said Meacham Capital Partners tract and along the southeasterly line of Northwest Loop 820:

North 58°23'45" East a distance of 358.29 feet to a 1/2" iron pin found with cap stamped "RLS 5664";

North 43°27'52" East a distance of 310.48 feet;

North 51°33'11" East a distance of 268.45 feet to a 1/2" iron pin found with cap stamped "RLS 5664" for the most westerly corner of a tract of land described in a deed to XTO Energy Inc., recorded in Instrument No. D207175412 Real Property Records, Tarrant County, Texas;

Thence South 43°11'34" East a distance of 156.38 feet along the southwesterly line of said XTO Energy tract to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 34°28'16" East a distance of 292.66 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence North 50°20'11" East a distance of 187.58 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 39°39'49" East a distance of 196.25 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the beginning of a curve, concave to the southeast, having a radius of 625.00 feet, and a long chord which bears 198.85 feet, South 3°55'34" West;

Thence Southwesterly along said curve, an arc length of 199.70 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the end of said curve;

Thence South 25°46'41" West a distance of 101.38 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence North 64°13'19" West a distance of 12.83 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" for the beginning of a curve, concave to the northeast, having a radius of 20.00 feet, and a long chord which bears 28.28 feet, North 19°13'19" West;

Thence Northwesterly along said curve an arc length of 31.42 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence North 64°13'19" West a distance of 50.00 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 25°46'41" West a distance of 21.80 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the beginning of a curve, concave to the north, having a radius of 20.00 feet, and a long chord which bears 25.18 feet, South 64°47'18" West;

Thence Southwesterly along said curve, an arc length of 27.23 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the end of this curve, and at the beginning of another curve, concave to the east, having a radius of 90.00 feet, and a long chord which bears 170.44 feet, South 32°33'14" West;

Thence Westerly, southwesterly, and southerly along said curve, an arc length of 223.82 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the end of this curve, and at the beginning of another curve, concave to the west, having a radius of 30.00 feet, and a long chord which bears 41.37 feet, South 04°53'56" West;

Thence Southerly along said curve, an arc length of 45.65 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 12°39'44" West a distance of 105.97 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 25°46'41" West a distance of 365.45 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the beginning of a curve, concave to the northwest, having a radius of 20.00 feet, and a long chord which bears 21.12 feet, South 57°38'49" West;

Thence Southerly, southwesterly, and westerly along said curve, an arc length of 22.25 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 89°30'59" West a distance of 628.76 feet a 1/2" iron pin set with cap stamped "AREA SURVEYING" to the beginning of a curve, concave to the north, having a radius of 20.00 feet, and a long chord which bears 9.87 feet, North 77°48'39" West;

Thence Westerly along said curve, an arc length of 9.98 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING" at the end of this curve and at the beginning of another curve, concave to the south, having a radius of 210.00 feet, and a long chord which bears 97.91 feet, North 77°00'12" West;

Thence Westerly along said curve, an arc length of 98.82 feet to a 1/2" iron pin set with cap stamped "AREA SURVEYING";

Thence South 89°30'56" West a distance of 136.83 feet to the Point of Beginning, said described tract containing 23.84 acres of land.

Bearings based on the Texas State Plane Coordinate System, North Central Zone.
A drawing should accompany this description.

the quarry field notes revised 2.docx




Area Surveying, Inc.

Roger W. Hart, RPLS

Voice: 817.689.8108 | Web: areasurveying.com
Mail: 6080 S. Hulen St., Suite 360, #226 | Fort Worth, TX 76132
Texas Board of Professional Land Surveying Firm No. 10096600

Field Notes

Access Easement

Description for an Access Easement in the J. T. Hobbs Survey, Abstract Number 806, City of Fort Worth, Tarrant County, Texas, and being a portion of "Tract 1" as described in a deed to Meacham Capital Partners, LLC, recorded in Instrument No. D218275695, Real Property Records, Tarrant County, Texas, and being described by metes and bounds as follows:

Beginning at a 5/8" iron pin found with cap stamped, "RPLS 5539" for the southwest corner of said Meacham Capital Partners tract, in the east line of Old Decatur Road;

Thence North 00°29'04" West a distance of 105.00 feet along the west line of said Meacham Capital tract and along the east line of Old Decatur Road;

Thence North 89°30'56" East a distance of 136.83 feet to the beginning of a curve, concave to the south, having a radius of 210.00 feet, and along chord which bears 97.91 feet, South 77°00'12";

Thence Easterly along said curve an arc length of 98.82 feet to the beginning of another curve, concave to the north, having a radius of 20.00 feet, and a long chord which bears 9.87 feet, South 77°48'39" East;

Thence Easterly along said curve an arc length of 9.98 feet,

Thence North 89°30'56" East a distance of 628.76 feet to the beginning of a curve, concave to the northwest, having a radius of 20.00 feet, and a long chord which bears 21.12 feet, North 57°38'49" East;

Thence Northeasterly along said curve and an arc length of 22.25 feet;

Thence North 25°46'41" East a distance of 365.45 feet;

Thence North 12°39'44" East a distance of 105.97 feet to the beginning of a curve, concave to the west, having a radius of 30.00 feet, and a long chord which bears 41.37 feet, North 04°53'56" East;

Thence Northerly along said curve an arc length of 45.65 feet to the beginning of another curve, concave to the southeast, having a radius of 90.00 feet, and a long chord which bears 170.44 feet, North 32°33'14" East;

Thence Northerly and northeasterly along said curve an arc length of 223.82 feet, to the beginning of another curve, concave to the north, having a radius of 20.00 feet, and a long chord bears 25.18 feet, North 64°47'18" East;

Thence Northeasterly along said curve, an arc length of 27.23 feet;

Thence North 25°46'41" East a distance of 21.80 feet;

Thence South 64°13'19" East a distance of 50.00 feet to the beginning of a curve, concave to the east, having a radius of 20.00 feet, and a long chord which bears 28.28 feet, South 19°13'19" East;

Thence Southerly and southeasterly along said curve an arc length of 31.42 feet;

Thence South 64°13'19" East a distance of 12.83 feet;

Thence South 25°46'41" West a distance of 424.68 feet to the beginning of a curve, concave to the east, having a radius of 625.00 feet, and a long chord which bears 283.98 feet, South 12°38'49" West;

Thence Southerly along said curve an arc length of 286.48 feet;

Thence South 00°29'04" East a distance of 24.24 feet to the south line of said Meacham Capital tract;

Thence South 89°30'56" West a distance of 1016.51 feet along said south line to the Point of Beginning.

Bearings based on the Texas State Plane Coordinate System, North Central Zone.

A drawing should accompany this description.

the quarry access easement field notes.docx



Area Surveying, Inc.

Roger W. Hart, RPLS

Voice: 817.689.8108 | Web: areasurveying.com

Mail: 6080 S. Hulen St., Suite 360, #226 | Fort Worth, TX 76132
Texas Board of Professional Land Surveying Firm No. 10096600

In addition, the General Manager or his designee is granted authority to execute all documents necessary to complete this transaction and to pay all reasonable and necessary closing and related costs. Funding for this item is included in the Fiscal Year 2022 General Fund Budget. Director Hill seconded the motion and the vote in favor was unanimous.

20.

Director Kelleher requested a future agenda item for an update on Attorney General opinion pertaining to the reasonableness standards for public comment.

21.

The next board meeting was scheduled for January 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: January 18, 2022

SUBJECT: Consider Approval of Issuance of Letter Supporting the Application of TTI, Inc to be a Foreign Trade Zone at its Facility in the Alliance Corridor

FUNDING: N/A

RECOMMENDATION:

Management recommends supporting the request by TTI, Inc. to designate its distribution facility located at 5050 Mark IV Parkway as a Subzone Expansion Site within Foreign Trade Zone No. 196 and overseen by Alliance Corridor, Inc., Grantee of Foreign Trade Zone No. 196.

DISCUSSION:

TTI, Inc. (TTI), is a high-service level authorized distributor of electronic components and electromechanical products. TTI's extensive product line and supply chain solutions have made the company the distributor of choice for industrial, military, aerospace and consumer electronic manufacturers worldwide.

TTI is requesting that 3.6 acres located at 5050 Mark IV Parkway become a Subzone Expansion Site within Foreign Trade Zone (FTZ) No. 196. That FTZ is overseen by Alliance Corridor, Inc. and, as the Grantee, Alliance Corridor, Inc is sponsoring this application request to the Department of Commerce's FTZ Board in Washington D.C.

TTI currently has over 2,000 employees in Fort Worth alone, accounting for approximately 55% of TTI employees nationwide. The expansion into 5050 Mark IV will facilitate their ability to continue with strong growth in our community. Inventory from 5050 Mark IV will grow from \$0 (current) to the \$16.4 MM Symmetry (subsidiary of TTI) currently has on hand, with potential to double once RFMW, Ltd (another TTI subsidiary) moves to 5050 Mark IV Parkway.

The distribution facility currently consists of one building totaling 37,000 square feet of office and warehousing space.

FTZ status exempts inventory tax on imported goods and those held for export. Any imported goods that are re-exported will be duty free. Those goods that are held in the FTZ warehouse will be duty deferred until they enter into U.S. Commerce. The ad valorem tax law in Texas requires that all taxing jurisdictions are made aware of the federal

exemption on inventory and that the company applying for FTZ designation obtain a letter of concurrence from each such entity.

The FTZ does not in any way impact the value or revenue collected on real estate or personal property taxes that are collected annually by TRWD. A proposed letter of support is attached.

This item was reviewed by the Finance Committee on January 11, 2022.

Submitted By:

Linda Christie
Government Affairs Director



January 18, 2022

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue, NW
Room 21013
Washington, D.C. 20230

Re: Foreign-Trade Zone Designation
TTI, Inc.
5050 Mark IV Parkway, Fort Worth

Dear Mr. McGilvray:

The Tarrant Regional Water District has been provided information regarding the application by Alliance Corridor, Inc., Grantee of Foreign-Trade Zone No. 196, for a Subzone Expansion Application for a subzone expansion site for FTZ activation for TTI, Inc. for a site located at 5050 Mark IV Parkway, Fort Worth, Texas. We understand that under Texas state law, activated Foreign-Trade Zones in the Tarrant Regional Water District may be able to access certain property tax exemptions as they relate to the Tarrant Regional Water District ad valorem taxes.

The Tarrant Regional Water District does not object to Foreign-Trade Zone status for TTI, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Subzone Expansion Application.

Sincerely,

Dan Buhman
General Manager

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: January 18, 2022

SUBJECT: Receive and File the District's Annual Comprehensive Financial Report for the Year Ended September 30, 2021

FUNDING: N/A

RECOMMENDATION:

Receive and file the District's Annual Comprehensive Financial Report for the Year Ended September 30, 2021.

DISCUSSION:

A copy of the Annual Comprehensive Financial Report is included for your information.

The fiscal year 2021 Annual Comprehensive Financial Report was audited by Deloitte & Touche LLP and received an unmodified (clean) opinion. The opinion can be found on pages 19 and 20 of the report. Representatives from the Deloitte & Touche will be on-hand to answer any questions.

Please note that the District's fiscal year 2020 Annual Comprehensive Financial Report received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. This certificate can be found on page 15 of the fiscal year 2021 Annual Comprehensive Financial Report.

This item was reviewed by the Finance Committee on January 11, 2022.

Submitted By:

Sandy Newby
Chief Financial Officer

Tarrant Regional Water District
Fort Worth, Texas

Annual Comprehensive Financial Report
As of and for the year ended September 30, 2021





Tarrant Regional Water District
Fort Worth, Texas
Annual Comprehensive Financial Report
As of and for the Year Ended
September 30, 2021

Board of Directors

Leah M. King, President

James Hill, Vice President

Jim Lane, Secretary

Marty Leonard, Director

Mary Kelleher, Director

General Manager

Dan Buhman

Deputy General Manager

R. Alan Thomas

Chief Financial Officer

Sandra Newby

Prepared by the Finance Department of the Tarrant Regional Water District.

TARRANT REGIONAL WATER DISTRICT – FORT WORTH, TEXAS

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INTRODUCTORY SECTION (UNAUDITED)



(Rocky Coastline of Lake Bridgeport)



December 20, 2021

To the: Board of Directors of the Tarrant Regional Water District

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Tarrant Regional Water District (the District) as of and for the fiscal year ended September 30, 2021. This report is submitted in compliance with generally accepted accounting principles in the United States of America (GAAP) and has been prepared by the District's Finance Department staff.

The ACFR consists of management's representation concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the presented data is accurate in all material respects, and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds. The District has established a comprehensive internal control framework in order to provide a reasonable basis for making these assertions. Because the cost of internal controls should not exceed anticipated benefits, the objective of such internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by Deloitte & Touche LLP, an independent audit firm. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion for the District's financial statements for the fiscal year ended September 30, 2021. The Independent Auditors' Report is located in the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A immediately follows the Independent Auditors' Report and should be read in conjunction with the basic financial statements.

Profile of the Tarrant Regional Water District

The District, formerly the Tarrant County Water Control and Improvement District Number One, is a water control and improvement district and political subdivision of the State of Texas created in October 1924 pursuant to Article 16, Section 59 of the Texas Constitution. The District is presently functioning

under the general and special 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, as amended, Regular Session (the District Act), and is authorized by the District Act to issue bonds and finance public works projects.

The District has spent the last 90 plus years enriching communities and improving the quality of life. This vision is accomplished through our three primary missions: deliver a reliable, resilient supply of water to the public at the lowest cost and highest quality possible; reduce the risk of flooding in our communities with dependable flood damage reduction infrastructure and operations; and enhance the quality of life in North Texas communities by creating recreation opportunities around the District's infrastructure to enable active lifestyles.

The District is governed by a board of five directors elected to serve four-year terms by the voters within the voting district. The Board of Directors in turn appoints the General Manager who oversees the day to day operations of the District. In July 2021 the Board appointed Dan Buhman as the new General Manager after the retirement of Jim Oliver.

The District is the primary supplier for raw water used by approximately 55 municipal and non-municipal entities located both within and outside Tarrant County. Among the major municipal customers of the District are the Cities of Fort Worth, Arlington, Mansfield, and the Trinity River Authority of Texas. The total area serviced by the District through these four major municipal entities includes nearly all the populated regions within Tarrant County. The remainder of Tarrant County is supplied from ground water and reservoir sources. The District holds numerous water rights within its area of operation: Lake Bridgeport, Eagle Mountain Lake, Cedar Creek Reservoir, Richland-Chambers Reservoir, Trinity River Diversions, Benbrook Reservoir, and the West Fork of the Trinity River. The District's pipelines span 250 miles through several counties in north Texas. Additionally, the District owns land outside the boundaries of the District, in Tarrant, Wise, Jack, Henderson, Ellis, Navarro, Freestone, Anderson, Johnson, and Kaufman Counties. The District is engaged in multiple water supply related construction projects, the largest of which is the Integrated Pipeline Project which will increase system capacity to ensure adequate water supply in the future.



(Trinity Park Trail at University and Lancaster)

The District also operates and maintains a floodway system consisting of levees and river channel improvements designed by the United States Army Corps of Engineers (USACE) to protect the District boundaries from flooding. Included in this floodway system are maintenance roads that the District allows the public to use as trails; there are over 100 miles of trails along the Trinity River which connect to 31 neighborhoods and 22 city parks throughout the community.

The current floodway system was designed and constructed between 1950 and 1970 and is based on flood flows for earlier projections of urbanization levels. The rapid growth of Fort Worth has exceeded the earlier projections resulting in an increased amount of runoff which affects the carrying capacity of the floodway system and its ability to function as a flood damage reduction system. To improve the current floodway system the District has partnered with the City of Fort Worth, Tarrant County, USACE, and Texas Department of Transportation (TXDOT) to build the Panther Island/Central City Project. This year's activity is discussed on the following pages.

The fiscal year for the District begins on the first day of October and ends on the last day of September. The District's finance department coordinates and prepares the budget on the fund and activity level.

The budgetary level of control for management is at the fund level, and management may approve and conduct transfers within funds when needed. In June, the preliminary Revenue Fund budget is presented at the Advisory Committee workshop (the Advisory Committee consists of representatives from the four largest water customers) and then both the General Fund and Revenue Fund budgets are presented at the Board of Directors budget workshop in July. After the workshops, the Advisory Committee meets to review and recommend the Revenue Fund budget to the Board of Directors for approval and in September both the General Fund and Revenue budgets are approved by the Board of Directors.

The ad valorem tax rate for the 2021 fiscal year was \$0.0287 per \$100 valuation to fund flood protection through maintenance and improvements of the floodway. In August, the proposed tax rate was presented at the Board of Directors meeting and a tax public hearing was held prior to the September Board of Directors meeting. In September, the tax rate was approved by the Board of Directors and for fiscal year 2022 the rate will be \$0.0287 per \$100 valuation.

Local Economy

The COVID-19 pandemic was still causing issues in fiscal year 2021; however after three vaccines were approved and began to be administered, the Governor of Texas increased the capacity of all businesses and facilities to 100% in March 2021. While travel continues to remain low, many other areas began to slowly return to normal. The increased capacity allowed for large events to take place again, and some people began to return, on a small scale, back to working in offices. The District continues to monitor the spread of COVID-19 and is following the directives of local, state, and national agencies.

Fiscal year 2021 brought a shortage of many manufactured goods, leading to high demand and low supply, which in turned caused prices to increase. Construction costs, home values, and vehicles prices all saw a significant increase during fiscal year 2021. The Texas median home price reached a new record high in July 2021, \$306 thousand for Fort Worth, with a price growth of 15.9%. Texas has been attracting residents from out of state for the past seven years, with Tarrant County having one of the largest inflows of residents from other Texas counties as well as from out of state. By the end of fiscal year 2021, construction bids were increasing to the point that the District pushed some projects into the future or reworked the requirements to decrease the current cost.

In February 2021, a severe winter storm impacted residents across North and Central Texas with widespread power outages. The storm caused a massive electricity generation failure on the power grid, which led to shortages of water, food, and heat. The National Weather Service reported there were a total of 232 hours of at or below freezing temperatures recorded at DFW Airport from February 9 through February 19, 2021. Due to the power shortage, the District had to pivot quickly in order to reduce power consumption while still maintaining water supply to customers. The official event snowfall at DFW International Airport was 5.0 inches during this storm. This event impacted the District in its

efforts to maintain water pumping operations and continue to meet our customer's demands. The District began to reduce pumping at the Richland-Chambers and Cedar Creek Lakes to prepare for a possible shut down. If there was a sudden power outage, the forced stoppage could be detrimental to the District's pipelines and pump stations. Water demand had reached the same level as a dry period in the July and August timeframe. The increased demand in water demand was mainly due to water main breaks throughout the District's customers' water systems. Throughout the entire event the District was able to meet all customer demands and reduce the risk for our pumping system and people.

Overall, in fiscal year 2021 total reservoir storage remained high, never dropping below 90%, as the intermittent wet periods would top off reservoirs. Flood operations were required to manage the excess runoff from these brief, but intense wet periods. Only four months (December, April, May, and August) received above normal rainfall, but these four months accounted for over 60% of the total annual rainfall. In total, 32.91 inches of rain was recorded at DFW airport for fiscal year 2021, 4.10 inches below the normal.

Major Initiatives

Integrated Pipeline Project -

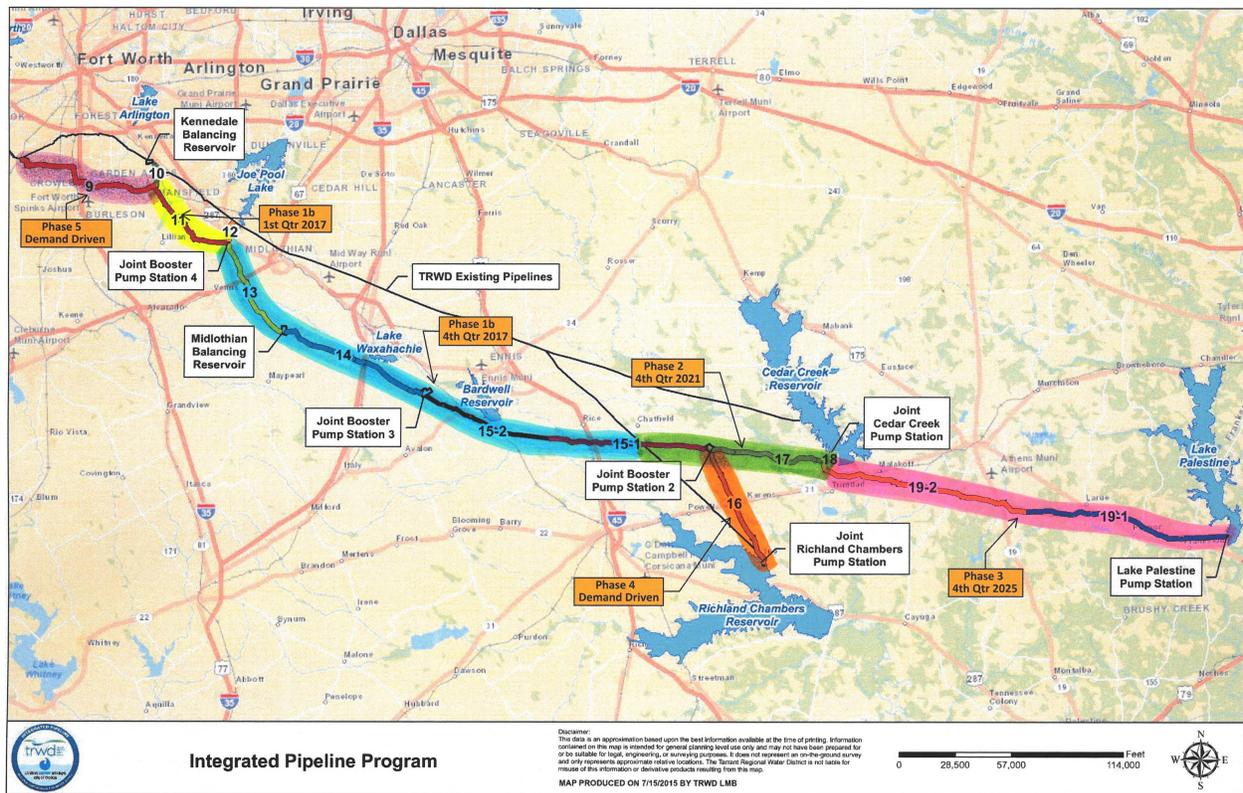
The District and the City of Dallas Water Utilities (DWU) partnered to finance, plan, design, and operate the Integrated Pipeline Project (IPL Project). The IPL Project furthers our mission to build a reliable water supply system by connecting Lake Palestine to Lake Benbrook with connections to the Cedar Creek and Richland-Chambers Reservoirs; thereby integrating the District's existing pipelines and allowing for flexibility in response to fluctuating customer water demands. The IPL Project consists of 150 miles of a large diameter pipeline, three new lake pump stations to draw water from the reservoirs, and three new booster pump stations allowing delivery of up to 350 million gallons of raw water per day to North Central Texas.

Currently through Phase 1 and 2 of the project, the IPL System is able to deliver water from the Richland-Chambers Reservoir to the cross-connections with the existing Richland-Chambers and Cedar Creek pipelines at the Interconnect Facility near Joe Pool Lake and the future DWU connection point. The IPL System is also able to deliver water to the Arlington Outlet and the KBR Bypass Pipeline. In addition, water can also be delivered via the IPL System and existing pipelines to Rolling Hills Water Treatment Plant and Lake Benbrook.

Overall construction summary:

As of September 30, 2021, Phase 1 and Phase 2 of the IPL Project are 97% complete. Ongoing work in these phases includes the Trinity River Tunnel on Pipeline Section 17 and the JCC1 pump station project. These last sections of IPL Phase 1 & 2 are expected to be finished by December 2021. In fiscal year 2021, Phase 3 construction began with the tunnels at TXDOT Roadway Crossings for Pipeline Sections 19-1 & 19-2. The Long Tunnel Project started and is currently in the bid phase.

The IPL Project has incurred \$1.2 billion in total costs through September 30, 2021. During fiscal year 2021, \$54.3 million was spent on the joint portion of the project. As of September 30, 2021, the IPL Project has acquired 99% of the land required for the joint portion of the project and only has seven parcels left to acquire.



(Timeline of the Integrated Pipeline Program)

Kennedale Balancing Reservoir - Phase 3 -

The third phase of the Kennedale Balancing Reservoir (KBR) project includes installation of 120-inch diameter flow-through inlet and outlet piping for the existing two cells, along with large diameter yard piping and valve connections to the Cedar Creek, Richland-Chambers and Integrated Pipeline that supply KBR. As of fiscal year 2021, \$9.1 million of the \$9.8 million design contract has been spent. The bid

request of the construction portion of Phase 3 was delayed due to a significant increase in construction costs in recent months. Projected start for the construction portion of this Phase 3 has been pushed back to fiscal year 2022 and will be completed over a three year period. This project will allow enhanced operational flexibility and will improve water quality by removing two large concrete splitter box weirs and plugging leakage in existing cell inlets. The estimated capital cost for Phase 3 has been increased to approximately \$41.0 million due to the increased cost of construction. A future phase will complete the 165-million gallon third cell at KBR, which will provide additional emergency storage and optimized time and day operational capability.

Cedar Creek Section 2 Pipeline Replacement-

The District continued design work on the Cedar Creek Section 2 Pipeline Replacement Project. Section 2 is located between the cities of Mansfield and Midlothian, a part of the District's oldest raw water transmission pipeline installed in the 1970's. The project will remove and replace approximately 10 miles of 72-inch prestressed concrete cylinder pipe (PCCP) with 90-inch welded steel pipe. This replacement is over and above the annual replacement of 15-20 segments of distressed PCCP. During fiscal year 2021, \$2.1 million was spent on the design of this project, bringing the design phase to 89% complete. Construction is expected to start in 2024 after completion of Phase 3 of the Kennedale Balancing Reservoir project.

Cedar Creek Wetlands Project -

The Cedar Creek Wetlands project is a wetlands facility planned to enhance storage and yield of Cedar Creek Reservoir. It is located on approximately 4,000 acres north and west of Cedar Creek Reservoir and east of the main stem of the Trinity River. Water will course through the wetlands to remove sediment and nutrients. The water will then be re-lifted into the Cedar Creek Reservoir for storage, increasing the water supply available from Cedar Creek by 50%.

The timeline for the Cedar Creek Wetland's project was moved forward in fiscal year 2021. Design work is 30% complete with additional work expected to commence in December 2021. The total project estimate is \$336.6 million and as of September 30, 2021, \$21.4 million has been spent on design.

Panther Island/Central City Project -

The Panther Island/Central City Project is a multi-agency collaboration between the District, the City of Fort Worth, TXDOT, USACE, and Tarrant County, bringing flood protection and related infrastructure to an 800 acre area north of downtown Fort Worth between the Tarrant County Courthouse and Northside Drive. The key component is the construction of a bypass channel, approximately 1.5 miles long, which will divert flood flows around the segment of the Trinity River adjacent to downtown. Construction of this new bypass channel and related dam and isolation gates will allow the existing river to function as a

calm, constant-level, lake-like body that can be enjoyed all year round. The public improvements of the Panther Island/Central City Project include flood protection and related infrastructure. Improved roads and bridges will provide access to the area; upgraded utilities will improve the existing infrastructure; and ecosystem enhancement will restore the balance after decades of industrial use.

During fiscal year 2021, the Panther Island/Central City Project continued work with acquisition, relocation, demolition and environmental clean-up of properties on the north segment of the bypass channel. As of 2021 fiscal year-end, the District has spent a total of \$64.4 million on this project. The City of Fort Worth Tax Increment Reinvestment Zone Number Nine in accordance with the project cost funding agreement as described in Note 1, which accompanies the financial statements, has spent \$235.6 million on the District's local portion of the Panther Island/Central City Project and has an outstanding loan payable of \$188.6 million to the District. In addition, USACE has spent \$57.8 million and TXDOT has spent \$61.1 million on the Panther Island/Central City Project.

On May 5, 2018, a special bond election was held and approved by the voters to issue \$250 million in bonds to finance the remaining outstanding local share of the Panther Island/Central City Project. This \$250 million will be repaid by The City of Fort Worth Tax Increment Reimbursement Zone Number Nine in accordance with the project cost funding agreement. As of the end of fiscal year 2021, there was no outstanding debt.

During fiscal year 2021, environmental remediation was completed on Police and Fire Phase 1 and Rubin properties, which are currently in the Voluntary Cleanup Program. Police and Fire Phase 1 and Rubin are pending acceptance by TCEQ. Environmental maintenance continues at Luminant. See Note 1 for more information on pollution remediation liabilities for these properties.

Bids for the demolition of the Police and Fire Towers were advertised and awarded late summer 2021. Demolition of the towers should be complete in the first half of fiscal 2022.



(Police and Fire Phase 1 demolition and environmental remediation and Ruben environmental remediation.)

Gateway Park Site H & I landscape establishment was complete in 2021. All three bridges, White Settlement, Main Street, and Henderson were open to traffic in 2021. Final turnover of the three bridges from TXDOT to the City of Fort Worth will be complete in fiscal year 2022.

Recreation -

The District participated in recreation throughout the fiscal year in numerous ways, including public events, river and lake cleanups, and maintaining recreational facilities.

Twin Points Park at Eagle Mountain Lake is one of the District's properties that offers something for the whole family. Twin Points Park has a boat ramp that is open 24/7 all year round and a swim beach with events hosted by the District throughout the summer. Other amenities such as pavilions with picnic tables, restrooms and drinking fountains are on site as well. In fiscal year 2021 an estimated 72,000 people enjoyed the beach and 21,000 used the boat ramp, which generated revenue of over \$495 thousand.



(Twin Points Park at Eagle Mountain Lake)

The District puts on several events that engage the community, including Trash Bash, Fly Fest, and many summer events. Trash Bash is a biannual event that brings the community down to the river to help keep the Trinity River clean; approximately 17 tons of trash was picked up during the fiscal year 2021 events. The District's Fly Fest is a product of the District's Fish the Fort annual stocking program which is an urban fishing initiative aimed to restore our natural environments, re-establish native species, promote stewardship and conservation, educate the community on environmental quality and enhance fishing opportunities.

The summer events took place at or near the Panther Island Pavilion and provide awareness to the public of the recreational activities on the river. These events include the Fort Worth's Fourth, the Rockin' the River concert series, and the Sunday Funday programming. In total, the summer events brought approximately 115,000 people to the river in fiscal year 2021.



(Fort Worth's Fourth at Panther Island Pavilion)



(Panther Island Pavilion Beach, Rentals and Swimming)

Long-term Financial Planning

All of the District's missions, Water Supply, Flood Protection, and Recreation, require extensive planning for future needs and impacts on the system. In order to financially support the long-term nature of these missions, the District has put systems in place to promote both flexibility and stability. The longer the term of the project, the less certain the cost, so the District needs to be flexible and able to handle changes along the way. However, customers and citizens need to be able to rely on the system without large swings in costs.

For the Enterprise Fund, the District's long-term financial goal is to stabilize the water rate while ensuring the community it serves is supplied with adequate water. The District will utilize extendible commercial paper bonds for funds needed to complete large water infrastructure projects to efficiently manage outstanding debt. The District has also worked on creating a comprehensive Asset Management program to allow for the proper balance of maintenance and system improvements so that costs are managed efficiently. In addition, the customer advisory committee previously approved a Pumping Power Contingency fund that set aside \$5 million that can be used to offset pumping power costs in years when the pumping power costs, which can be volatile and difficult to predict, go over budget. During fiscal year 2021, the District also began work on a water supply planning study to update the District's prioritization and sequencing of both near-term and long-term water supply projects and strategies. All of these initiatives work together to provide adequate water supply with a stable water rate.

The District's Governmental Fund supports both Flood Protection and Recreation. Those two missions require separate planning and long-term outlooks. For Flood Protection, part of the long-term outlook includes the District's continuing to work with other government entities such as the Texas Water Development Board (TWDB), the United States Army Corps of Engineers (USACE), and the North Central Texas Council of Governments (NCTCOG) to ensure a global approach to planning and resources. Also, the District has set a tax rate that can fully cover the annual operational flood protection costs, therefore not relying on less stable revenue sources. The additional revenues, such as oil and gas royalties, are held in a Special Projects/Governmental Contingency Fund. The Board of Directors may approve to use those funds for projects or other unexpected costs in the future. Currently the Recreation Program is funded through this Governmental Contingency Fund, allowing the District to continue supporting recreational opportunities with currently held funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

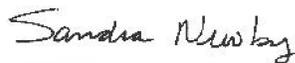
Acknowledgments

The completion of this report could not have been accomplished without the dedicated efforts of the District's staff who provided information and analysis for this report. We would like to thank the District's Board of Directors, the District's Finance Department and our independent auditors, Deloitte & Touche LLP.

Sincerely,



Dan Buhman
General Manager



Sandra Newby
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tarrant Regional Water District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



Board of Directors

Leah M. King, President

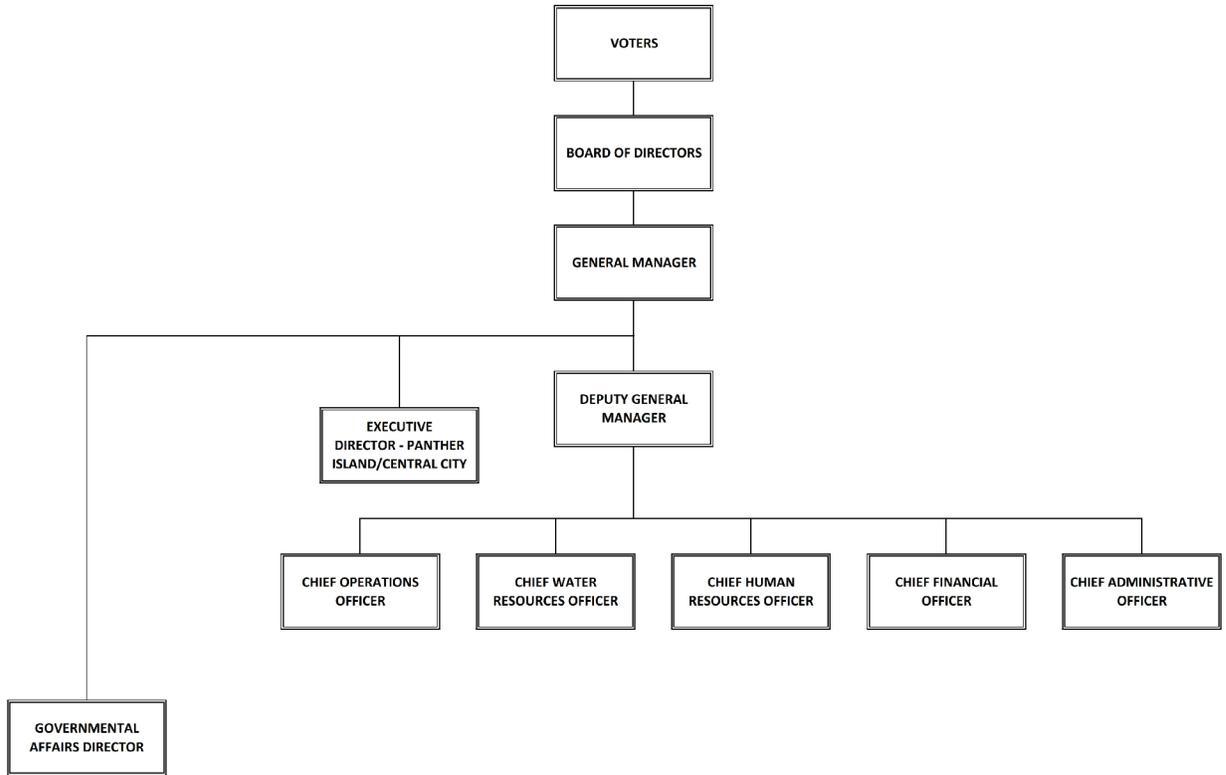
James Hill, Vice President

Jim Lane, Secretary

Marty Leonard, Director

Mary Kelleher, Director

Tarrant Regional Water District Organizational Chart



FINANCIAL SECTION



(Wildlife at the George W. Shannon Wetlands)

INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Tarrant Regional Water District
Fort Worth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tarrant Regional Water District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tarrant Regional Water District as of September 30, 2021 and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual - General Fund, Schedule of Changes in Net Other Post-Employment Benefits Liability and Related Ratios, Schedule of Investment Returns in Other Post Employment Benefits, and Schedule of Contributions in Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Deloitte & Touche LLP

December 20, 2021

TARRANT REGIONAL WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2021

This section of the District's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2021. Please read this analysis in conjunction with the District's audited financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

NET POSITION

The assets and deferred outflows of the District exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.4 billion (net position). Of this amount, \$299.0 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year: Business-Type Activities total net position increased by \$50.8 million mainly due to the payment of debt service payables from customer water sales. Governmental activities total net position increased by \$16.3 million mainly due to oil and gas revenues as well as lower than budgeted expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, presented in a manner similar to that of a private-sector business. Both the Statement of Net Position and the Statement of Activities distinguish between the two functions of the District. The government-wide financial statements can be found beginning on page 33 of this report.

Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows. The difference between those assets, deferred outflows, liabilities, and deferred inflows is reported as net position. Over time, increases and decreases in net position could provide a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities

The Statement of Activities presents information showing how the District's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Property taxes, oil and gas royalties, and inter-governmental revenues support the governmental activities. These activities include flood control, floodway maintenance and improvements, recreation, and general government administration. The business-type activities of the District are intended to recover all or a significant portion of their costs through user fees and charges. The District's business-type activity is supplying raw water to municipalities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the District can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are used to account for the same functions shown in the governmental activities on the Statement of Activities mentioned above. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows and the expending of available resources, as well as on balances of resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities. The District maintains only one governmental fund, the General Fund, which accounts for the flood control and recreation activities.

Proprietary Funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District has only one proprietary fund which accounts for the raw water system, its repairs, and its improvements.

Fiduciary Funds

Fiduciary Funds account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Fiduciary Funds meet all of the following criteria:

- 1) The assets associated with the fiduciary activity are controlled by the government.
- 2) The assets associated with the fiduciary activity are not derived either solely from the government's own-source revenues or from government mandated non-exchange transactions or voluntary non-exchange transactions.
- 3) The assets associated with the fiduciary activity are either:
 - a) administered through a trust in which the government itself is not a beneficiary, dedicated to providing benefits to recipients in accordance with the benefit terms, and legally protected from the creditors of the government
 - b) for the benefit of individuals and the government does not have administration involvement with the assets or direct financial involvement with the assets and the assets are not derived from the government's provision of goods or services to those individuals
 - c) for the benefit of organizations or other governments that are not part of the financial reporting entity and the assets are not derived from the government's provision of goods or services to those organizations or other governments.

The District's only Fiduciary Fund is the Other Post Employee Benefits Trust Fund which holds assets to be used for the future payments of benefits offered through the District's post-employment healthcare benefit plan.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 46 of this report.

FINANCIAL ANALYSIS: GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$1.4 billion at the close of fiscal year 2021.

CONDENSED SCHEDULE OF NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|------------------------|------------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Current and other assets | \$ 273,776,582 | \$ 286,443,966 | \$ 309,815,548 | \$ 503,212,548 | \$ 583,592,130 | \$ 789,656,514 |
| Capital assets | 371,744,493 | 375,138,247 | 1,994,311,374 | 2,031,260,774 | \$2,366,055,867 | 2,406,399,021 |
| Total Assets | 645,521,075 | 661,582,213 | 2,304,126,922 | 2,534,473,322 | 2,949,647,997 | 3,196,055,535 |
| Total Deferred Outflows of Resources | 394,816 | 565,749 | 10,383,680 | 56,318,079 | 10,778,496 | 56,883,828 |
| Current liabilities | 6,986,189 | 8,064,619 | 99,545,538 | 101,460,944 | 106,531,727 | 109,525,563 |
| Long-term liabilities | 12,419,866 | 11,071,319 | 1,497,440,502 | 1,720,819,104 | 1,509,860,368 | 1,731,890,423 |
| Total Liabilities | 19,406,055 | 19,135,938 | 1,596,986,040 | 1,822,280,048 | 1,616,392,095 | 1,841,415,986 |
| Total Deferred Inflows of Resources | 201,573 | 410,882 | 4,123,986 | 4,349,368 | 4,325,559 | 4,760,250 |
| Net position | | | | | | |
| Net investment in cap. assets | 371,744,493 | 375,138,247 | 580,388,360 | 624,792,728 | 952,132,853 | 999,930,975 |
| Restricted for | | | | | | |
| Capital Projects | 5,621,205 | 5,552,676 | | | 5,621,205 | 5,552,676 |
| Debt Service | | | 100,358,807 | 102,311,377 | 100,358,807 | 102,311,377 |
| Unrestricted | 248,942,565 | 261,910,219 | 32,653,409 | 37,057,880 | 281,595,974 | 298,968,099 |
| Total Net Position | \$ 626,308,263 | \$ 642,601,142 | \$ 713,400,576 | \$ 764,161,985 | \$1,339,708,839 | \$1,406,763,127 |

Government-wide

- **Current and Other Assets**

The increase in current and other assets of \$206.1 million is mainly due to the issuance of the Dallas 2021A bond for an additional \$250 million for the new IPL Phase 3.

- **Capital Assets**

The increase in capital assets of \$40.3 million is due to land purchases and design and construction costs for capital projects including the IPL and the Panther Island/Central City Project offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Deferred Outflows of Resources**

The increase in deferred outflows of resources of \$46.1 million is primarily due to the loss on the refunding of the TRWD 2010B and 2014 Series Bonds and Dallas 2012 and 2014 Series Bonds. Refer to Note 6 for further detail about long-term liabilities.

- **Long-Term Liabilities**

The increase in long-term liabilities of \$222.0 million is mostly due to the new Dallas 2021A bond issue, offset by principal debt service payments.

- **Net Investment in Capital Assets**

The increase in net investment in capital assets of \$47.8 million is mainly due to the increase in capital asset costs for the Panther Island/Central City Project, the IPL Pipeline, and the Cedar Creek Section 2 Pipe Replacement Design as well as payments and refundings of long-term debt. Net investment in capital assets includes capital assets (e.g. dams, spillways and water transmission facilities as well as land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses the majority of these capital assets to provide services to its water customers; consequently, those assets are not available for future spending.

Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- **Restricted for Capital Projects**

The \$5.6 million represents resources that are restricted for the environmental clean-up of property that is part of the Panther Island/Central City Project.

- **Unrestricted Net Position**

The increase of \$17.4 million in the District's unrestricted net position occurred mostly in the Governmental Fund mainly due to oil and gas revenues as well as lower than budgeted expenses.

Governmental Activities

- **Current and Other Assets**

The increase of \$12.7 million was mainly due to oil and gas revenues as well as lower than budgeted expenses.

- **Unrestricted Net Position**

The increase of \$13.0 million in the District's unrestricted net position occurred mainly due to oil and gas revenues as well as lower than budgeted expenses.

Business-Type Activities

- **Current and Other Assets**

The increase of \$193.4 million is mainly due to the new Dallas 2021A Bond issue for the new IPL Phase 3 offset by ongoing project costs.

- **Capital Assets**

The capital assets increase of \$36.9 million is due to on-going bond projects costs, including the IPL Project, offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Deferred Outflows of Resources**

The increase of \$45.9 million in deferred outflows of resources is primarily due to the loss on the refunding of the TRWD 2010B and 2014 Series Bonds and Dallas 2012 and 2014 Series Bonds.

- **Long-Term Liabilities**

The increase of \$223.4 million in long-term liabilities is mainly due to the new Dallas 2021A Bond issues, offset by annual principal debt service payments. Refer to Note 6 for further detail about long-term liabilities. In fiscal year 2021, Fitch Ratings upgraded the District's bonds from a 'AA' rating to a 'AA+' rating. Standard & Poor's Global Ratings remained the same at a "AAA+" rating for the Districts bonds.

- **Net Investment in Capital Assets**

The increase of \$44.4 million is mainly due to capital asset costs as well as payments and refundings of long-term debt.

CONDENSED SCHEDULE OF ACTIVITIES

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 8,441,492 | \$ 10,760,556 | \$ 149,721,357 | \$ 166,216,070 | \$ 158,162,849 | \$ 176,976,626 |
| Operating Grants and Contributions | 247,607 | 223,910 | 1,885,301 | 1,142,129 | 2,132,908 | 1,366,039 |
| Capital Grants and Contributions | 10,951,777 | 5,000,645 | | | 10,951,777 | 5,000,645 |
| Total Program Revenues | 19,640,876 | 15,985,111 | 151,606,658 | 167,358,199 | 171,247,534 | 183,343,310 |
| General Revenues | | | | | | |
| Property tax revenues | 21,941,700 | 23,067,000 | | | 21,941,700 | 23,067,000 |
| Investment income (loss) | 763,675 | 63,736 | 5,810,806 | (227,021) | 6,574,481 | (163,285) |
| Other revenues | 88,912 | 81,243 | 425,392 | 305,082 | 514,304 | 386,325 |
| Total Revenues | 42,435,163 | 39,197,090 | 157,842,856 | 167,436,260 | 200,278,019 | 206,633,350 |
| Expenses | | | | | | |
| Flood protection | 19,842,221 | 18,615,103 | | | 19,842,221 | 18,615,103 |
| Recreation | 2,781,733 | 4,289,108 | | | 2,781,733 | 4,289,108 |
| Water supply | | | 116,647,345 | 116,674,851 | 116,647,345 | 116,674,851 |
| Total Expenses | 22,623,954 | 22,904,211 | 116,647,345 | 116,674,851 | 139,271,299 | 139,579,062 |
| Changes in Net Position | 19,811,209 | 16,292,879 | 41,195,511 | 50,761,409 | 61,006,720 | 67,054,288 |
| Net Position - Beginning of year | 606,497,054 | 626,308,263 | 672,205,065 | 713,400,576 | 1,278,702,119 | 1,339,708,839 |
| Net Position - Ending | <u>\$ 626,308,263</u> | <u>\$ 642,601,142</u> | <u>\$ 713,400,576</u> | <u>\$ 764,161,985</u> | <u>\$ 1,339,708,839</u> | <u>\$ 1,406,763,127</u> |

Governmental Activities

- **Program Revenues - Charges for Services**

The increase of \$2.3 million is due primarily to increased oil and gas revenues related to higher oil prices in the petroleum market.

- **Program Revenues - Capital Grants and Contributions**

The decrease of \$6.0 million is mainly due to lower Panther Island/Central City Project contributions, as the project has slowed down to align with the timing of federal USACE funding.

- **General Revenues - Property Tax Revenues**

The increase of \$1.1 million is mainly due to the increase in property tax revenues due to the increase in tax valuations for fiscal year 2021.

- **Expenses - Flood protection**

The decrease of \$1.2 million is mainly due to the decrease in contribution expense for the West Bank Renovation asset that is owned by the City of Fort Worth, and a decrease in paid leave which is due to employees taking less paid leave due to COVID-19.

- **Expenses - Recreation**

The increase of \$1.5 million is mainly due to increased personnel directly supporting the recreation mission of the District. Also, there was an increase in events for fiscal year 2021 that did not take place in fiscal year 2020 due to COVID-19.

Business Type Activities

- **Program Revenues - Charges for Services**

The increase of \$16.5 million is due to increased water sales as the system cost for fiscal year 2021 was higher and therefore customers were charged more than prior year mainly due to higher pumping power costs.

- **General Revenues - Investment income**

The decrease of \$6.0 million is primarily due to decreased interest rates and decreased market values. The District's average yield at the end of fiscal year 2020 was 0.61% compared to 0.27% at the end of fiscal year 2021.

FINANCIAL ANALYSIS: CAPITAL ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Nondepreciable | | | | | | |
| Land | \$ 266,698,783 | \$ 269,621,461 | \$ 176,246,877 | \$ 177,959,672 | \$ 442,945,660 | \$ 447,581,133 |
| Construction in progress | 73,537,106 | 76,191,992 | 1,200,354,015 | 1,251,635,976 | 1,273,891,121 | 1,327,827,968 |
| Total nondepreciable assets | 340,235,889 | 345,813,453 | 1,376,600,892 | 1,429,595,648 | 1,716,836,781 | 1,775,409,101 |
| Depreciable | | | | | | |
| Dams and spillways | 3,070,461 | 3,070,461 | 230,228,128 | 230,276,676 | 233,298,589 | 233,347,137 |
| Pipeline | | | 565,626,000 | 565,673,446 | 565,626,000 | 565,673,446 |
| Wetlands | | | 56,160,860 | 56,160,860 | 56,160,860 | 56,160,860 |
| Communications | | | 20,787 | 20,787 | 20,787 | 20,787 |
| Buildings | 49,179,554 | 49,103,834 | 7,987,396 | 7,854,201 | 57,166,950 | 56,958,035 |
| Technology Infrastructure | | | 3,240,353 | 3,240,353 | 3,240,353 | 3,240,353 |
| Machinery and equipment | 11,002,593 | 10,946,927 | 13,065,120 | 13,420,113 | 24,067,713 | 24,367,040 |
| Flood control | 8,115,517 | 8,115,517 | | | 8,115,517 | 8,115,517 |
| Other project costs | | | 151,114,301 | 151,114,301 | 151,114,301 | 151,114,301 |
| | 71,368,125 | 71,236,739 | 1,027,442,945 | 1,027,760,737 | 1,098,811,070 | 1,098,997,476 |
| Less | | | | | | |
| Accumulated depreciation | (39,859,521) | (41,911,945) | (409,807,813) | (430,031,517) | (449,667,334) | (471,943,462) |
| Total depreciable assets | 31,508,604 | 29,324,794 | 617,635,132 | 597,729,220 | 649,143,736 | 627,054,014 |
| Intangible assets, net of accum amort. | | | 75,350 | 3,935,906 | 75,350 | 3,935,906 |
| Total | \$ 371,744,493 | \$ 375,138,247 | \$ 1,994,311,374 | \$ 2,031,260,774 | \$ 2,366,055,867 | \$ 2,406,399,021 |

The District's capital assets for its governmental and business-type activities as of September 30, 2021 were \$2.4 billion. Capital assets include: dams, spillways and water transmission facilities as well as land, roads, buildings, technology infrastructure, machinery, equipment and construction costs. More information on capital assets can be found in Note 4 in the Notes to the Financial Statements.

Major capital asset events during the current year included the following:

Governmental Activities

- **Land**
 - Land purchase of \$1.6 million for the future construction of a storm water canal.
 - Panther Island/Central City Project land, relocation, demolition, environmental costs increased the land balance by \$1.3 million.

- **Construction in Progress**

- Panther Island/Central City Project increased by \$1.6 million.
- Panther Island Canal Construction increased by \$721 thousand.

Business Type Activities

- **Land**

- Integrated Pipeline land purchases increased the land balance by \$1.7 million.

- **Construction in Progress**

- Integrated Pipeline increased \$48.4 million.
- Cedar Creek Section 2 pipe replacement design increased \$2.1 million.
- Variable Frequency Drive addition at Richland Chambers 3L and 3H began in fiscal year 2021 and had \$1.2 million in costs.
- Kennedale Balancing Reservoir increased \$962 thousand.
- Data Center at Joint Booster Pump Station 3 began in fiscal year 2021 and had \$625 thousand in costs.
- Spillway Gate Controllers Upgrade began in fiscal year 2021 and had \$462 thousand in costs.
- Kennedale Balancing Reservoir Microwave Radio Expansion began in fiscal year 2021 and had \$315 thousand in costs.

- **Intangible Assets**

- Internally Developed Asset Management System was completed and moved out of CIP for a total of \$3.9 million in costs.

FINANCIAL ANALYSIS: FUND STATEMENTS

General Fund

As of the end of the 2021 fiscal year, the District's General Fund reported an ending fund balance of \$90.0 million. This total includes nonspendable fund balance in the amount of \$2.2 million (which includes long-term interfund notes and interest, prepaid items, inventory of supplies and inventory held for sale), \$5.6 million restricted for environmental cleanup on a District property that was acquired for the Panther Island/Central City Project, \$25.2 million for the Reserve Policy, \$43.6 million for the Contingency Fund (\$7.2 million assigned for fiscal year 2022 Panther Island/Central City debt service, \$36.4 million assigned for future board designated projects), and \$13.4 million in an unassigned fund balance.

The General Fund includes floodway support and maintenance, flood control efforts, recreation, and general administrative costs. Tax revenues, oil and gas royalties, and investment income are the major sources of revenue. General Fund revenues cannot be used to support Enterprise Fund functions.

Enterprise Fund

The District's Enterprise Fund provides the same type of information found in the government-wide financial statements for business type activities (found on page 33) and has an end of year net position of \$764.2 million. This includes a net investment in capital assets of \$624.8 million, restricted net position for debt service of \$102.3 million, and an unrestricted net position of \$37.1 million. The Enterprise fund includes support and maintenance for water supply as well as water conservation efforts. Enterprise Fund revenues cannot be used to support General Fund functions.

Fiduciary Fund

The District's Fiduciary Fund is the Other Post Employee Benefit Trust Fund which holds assets to be used for the future payments of benefits offered through the District's post-employment healthcare benefit plan. The Fiduciary fund is not included in the government-wide financial statements, and has an end of year net position of \$14.2 million.

BUDGETARY HIGHLIGHTS

GENERAL FUND

The 2021 budgeted revenues for the General Fund were \$36.9 million and the year ended with actual revenues of \$42.2 million. The increase in revenues was due to higher property taxes from increased property values, increased contribution revenues from the Tax Increment Financing District 9 & 9A due to increased property values, and increased oil and gas revenues due to higher prices.

The 2021 budgeted expenditures for the General Fund were \$42.7 million and the year ended with actual expenditures of \$27.5 million. The deficiency in expenditures was due to several factors including vacancies throughout the year resulting in personnel costs coming in under budget. Capital expenditures were also under budget due to lower Panther Island/Central City Project costs.

The District approved \$48.2 million in expenditures for fiscal year 2022, an increase of \$5.5 million. The increase was due to an increase in debt service for the Panther Island/Central City Project, as well as additional recreation infrastructure projects.

The property tax rate for the tax year 2020, fiscal year 2021, stayed the same at \$0.0287 per \$100 valuation.

ENTERPRISE FUND

The fiscal year 2022 Enterprise Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$154.9 million. The total budget includes administrative expenses, operating and maintenance expenses, capital expenditures, and debt service that provides for principal and interest payments to retire outstanding bonds.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Tarrant Regional Water District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Sandra Newby
Chief Financial Officer
800 East Northside Drive
Fort Worth, Texas 76102

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

| | Primary Government | | |
|--|-------------------------|--------------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 45,345,933 | \$ 41,318,683 | \$ 86,664,616 |
| Investments | 40,317,560 | 10,097,815 | 50,415,375 |
| Receivables | | | |
| Accounts, oil and gas royalties, and other | 2,755,529 | 1,689,122 | 4,444,651 |
| Taxes-net of allowance | 30,623 | | 30,623 |
| Accrued interest | 73,759 | 49,201 | 122,960 |
| Long-term receivable | 188,642,571 | | 188,642,571 |
| Internal balances | 1,718,338 | (1,718,338) | |
| Prepaid items | 1,446,660 | 9,502,035 | 10,948,695 |
| Inventory-at cost | 69,305 | | 69,305 |
| Inventory held for sale | 491,012 | | 491,012 |
| Cash and cash equivalents for bond projects | | 164,595,278 | 164,595,278 |
| Investments held for bond projects | | 165,938,725 | 165,938,725 |
| Accrued interest receivable for bond projects | | 407,242 | 407,242 |
| Cash and cash equivalents restricted | | 1,100,000 | 1,100,000 |
| Investments restricted | | 5,000,000 | 5,000,000 |
| Cash and cash equivalents for debt service | | 4,694,289 | 4,694,289 |
| Investments for debt service | | 100,395,841 | 100,395,841 |
| Accrued interest receivable for debt service | | 142,655 | 142,655 |
| Deposits held by others | 5,552,676 | | 5,552,676 |
| Land | 269,621,461 | 177,959,672 | 447,581,133 |
| Construction in progress | 76,191,992 | 1,251,635,976 | 1,327,827,968 |
| Depreciable capital assets, net of accumulated depreciation | 29,324,794 | 597,729,220 | 627,054,014 |
| Intangible assets, net of amortization | | 3,935,906 | 3,935,906 |
| Total Assets | 661,582,213 | 2,534,473,322 | 3,196,055,535 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred bond refunding -loss | | 54,599,279 | 54,599,279 |
| Deferred OPEB | 565,749 | 1,718,800 | 2,284,549 |
| Total Deferred Outflows of Resources | 565,749 | 56,318,079 | 56,883,828 |
| LIABILITIES | | | |
| Accounts payable | 5,556,370 | 12,334,694 | 17,891,064 |
| Accounts payable restricted for customer contingency | | 5,000,000 | 5,000,000 |
| Accounts payable for bond projects | | 5,478,821 | 5,478,821 |
| Accrued vacation - due within one year | 354,770 | 1,064,309 | 1,419,079 |
| Other liabilities | 2,153,479 | 865,386 | 3,018,865 |
| Other liabilities for bond projects | | 11,866,326 | 11,866,326 |
| Payable from restricted assets - accrued bond interest payable | | 4,021,408 | 4,021,408 |
| Revenue bonds payable, net of discount | | | |
| Due within one year | | 60,830,000 | 60,830,000 |
| Due in more than one year | | 1,710,725,178 | 1,710,725,178 |
| Long-term Payables - due in more than one year | | | |
| Pollution remediation obligations | 5,952,500 | | 5,952,500 |
| Post employment benefits payable | 4,177,236 | 7,269,177 | 11,446,413 |
| Accrued vacation | 941,583 | 2,824,749 | 3,766,332 |
| Total Liabilities | 19,135,938 | 1,822,280,048 | 1,841,415,986 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred bond refunding-gain | | 3,108,245 | 3,108,245 |
| Deferred OPEB | 410,882 | 1,241,123 | 1,652,005 |
| Total Deferred Inflows of Resources | 410,882 | 4,349,368 | 4,760,250 |
| NET POSITION | | | |
| Net investment in capital assets | 375,138,247 | 624,792,728 | 999,930,975 |
| Restricted for | | | |
| Capital projects | 5,552,676 | | 5,552,676 |
| Debt service | | 102,311,377 | 102,311,377 |
| Unrestricted | 261,910,219 | 37,057,880 | 298,968,099 |
| Total Net Position | \$ 642,601,142 | \$ 764,161,985 | \$ 1,406,763,127 |

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|-----------------------|-----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business Type Activities | Total |
| PRIMARY GOVERNMENT | | | | | | | |
| Governmental activities | | | | | | | |
| Flood protection | \$ 18,615,103 | \$ 8,756,940 | \$ 10,000 | \$ 5,000,645 | \$ (4,847,518) | | \$ (4,847,518) |
| Recreation | 4,289,108 | 2,003,616 | 213,910 | | (2,071,582) | | (2,071,582) |
| Total governmental activities | <u>22,904,211</u> | <u>10,760,556</u> | <u>223,910</u> | <u>5,000,645</u> | <u>(6,919,100)</u> | | <u>(6,919,100)</u> |
| Business type activities-Water supply | 116,674,851 | 166,216,070 | 1,142,129 | | | \$ 50,683,348 | 50,683,348 |
| | <u>\$ 139,579,062</u> | <u>\$ 176,976,626</u> | <u>\$ 1,366,039</u> | <u>\$ 5,000,645</u> | | <u>50,683,348</u> | <u>43,764,248</u> |
| GENERAL REVENUES | | | | | | | |
| Property taxes | | | | | 23,067,000 | | 23,067,000 |
| Investment income (loss) | | | | | 63,736 | (227,021) | (163,285) |
| Miscellaneous | | | | | 16,002 | 224,982 | 240,984 |
| Gain on disposal of assets | | | | | 65,241 | 80,100 | 145,341 |
| Total general revenues | | | | | <u>23,211,979</u> | <u>78,061</u> | <u>23,290,040</u> |
| CHANGES IN NET POSITION | | | | | 16,292,879 | 50,761,409 | 67,054,288 |
| NET POSITION - Beginning of year | | | | | 626,308,263 | 713,400,576 | 1,339,708,839 |
| NET POSITION - End of year | | | | | <u>\$ 642,601,142</u> | <u>\$ 764,161,985</u> | <u>\$ 1,406,763,127</u> |

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

TARRANT REGIONAL WATER DISTRICT

**BALANCE SHEET—GENERAL FUND
SEPTEMBER 30, 2021**

| | |
|---|------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 45,345,933 |
| Investments | 40,317,560 |
| Receivables | |
| Accounts, oil and gas royalties and other | 2,755,529 |
| Taxes—net of allowance | 30,623 |
| Accrued interest | 73,759 |
| Due from Enterprise Fund | 1,485,778 |
| Notes and interest due from enterprise fund | 232,560 |
| Prepaid items | 1,446,660 |
| Inventory of supplies—at cost | 69,305 |
| Inventory held for sale | 491,012 |
| Deposits held by others | 5,552,676 |
| Long-term receivable | 188,642,571 |
| Total assets | <u><u>286,443,966</u></u> |
| LIABILITIES | |
| Accounts payable | 5,556,370 |
| Other liabilities | 2,153,479 |
| Total liabilities | <u><u>7,709,849</u></u> |
| DEFERRED INFLOWS | |
| Unavailable revenue | 188,764,572 |
| Total deferred inflows | <u><u>188,764,572</u></u> |
| FUND BALANCES | |
| Nonspendable | |
| Long-term interfund notes and interest | 232,560 |
| Prepaid items | 1,446,660 |
| Inventory of supplies - at cost | 69,305 |
| Inventory held for sale | 491,012 |
| Restricted for Capital Projects | 5,552,676 |
| Assigned for General Fund Reserve Policy | 25,217,245 |
| Assigned for Contingency Fund | 43,588,284 |
| Unassigned | 13,371,803 |
| Total fund balances | <u><u>89,969,545</u></u> |
| TOTAL | <u><u>\$ 286,443,966</u></u> |

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

TARRANT REGIONAL WATER DISTRICT

**RECONCILIATION OF BALANCE SHEET-GENERAL FUND TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

TOTAL FUND BALANCES -General Fund \$ 89,969,545

Amounts reported for governmental activities in the statement of net assets are different because

Certain revenues and deferred outflows do not provide current financial resources and therefore are unavailable at the fund level

| | |
|--|-------------|
| TIF Project contribution revenues | 188,642,571 |
| Property tax revenues | 20,041 |
| Oil and gas revenues | 101,960 |
| Deferred Outflows-Other Post Employment Benefits | 565,749 |

Certain liabilities and deferred inflows are not payable from current resources and are therefore not accrued at the fund level

| | |
|---|-------------|
| Accrued Vacation | (1,296,353) |
| Pollution Remediation Obligations | (5,952,500) |
| Other Post Employment Benefits Payable | (4,177,236) |
| Deferred Inflows-Other Post Employment Benefits | (410,882) |

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

375,138,247

TOTAL NET POSITION - Governmental activities \$ 642,601,142

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | |
|--------------------------------------|----------------------|
| REVENUES | |
| Property taxes | \$ 23,089,003 |
| Contributions | 8,293,957 |
| Oil and gas royalties | 7,843,251 |
| Lease rentals | 1,404,345 |
| Investment income | 63,736 |
| Other | <u>1,505,348</u> |
| Total revenues | <u>42,199,640</u> |
| EXPENDITURES | |
| Current | |
| General and administrative | 9,161,152 |
| Personnel services | 9,712,955 |
| Retirement plan contribution | 821,009 |
| Contribution | 550,507 |
| Capital expenditures | <u>7,284,601</u> |
| Total expenditures | <u>27,530,224</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>14,669,416</u> |
| CHANGE IN FUND BALANCE | 14,669,416 |
| FUND BALANCE - Beginning of year | <u>75,300,129</u> |
| FUND BALANCE - End of year | <u>\$ 89,969,545</u> |

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

TARRANT REGIONAL WATER DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE—GENERAL FUND—TO GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CHANGE IN FUND BALANCE—General Fund \$ 14,669,416

Amounts reported for governmental activities in the statement of net position are different because

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues at the fund level.

| | |
|---|-------------|
| Change in unavailable revenue-TIF | (3,069,402) |
| Change in unavailable property taxes | (22,003) |
| Change in unavailable oil and gas revenue | 91,996 |

Certain liabilities are not payable from current resources and are therefore not accrued in the fund

| | |
|------------------------------------|----------|
| Change in paid leave | (53,423) |
| Change in post employment benefits | 82,540 |

The general fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which Capital Outlays (\$7,284,601) exceeded Depreciation (\$2,687,705).

4,596,896

| | |
|---|----------------|
| Change in gain/loss on disposal of assets | <u>(3,141)</u> |
|---|----------------|

CHANGE IN NET POSITION—Governmental activities \$ 16,292,879

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF NET POSITION—ENTERPRISE FUND
SEPTEMBER 30, 2021**

ASSETS

Current

| | | |
|---------------------------|----|------------|
| Cash and cash equivalents | \$ | 41,318,683 |
| Investments | | 10,097,815 |
| Receivables | | |
| Accounts and other | | 1,689,122 |
| Accrued interest | | 49,201 |
| Prepaid items | | 9,502,035 |
| | | <hr/> |
| Total current assets | | 62,656,856 |

Noncurrent

| | | |
|---|--|---------------|
| Cash and cash equivalents for bond projects | | 164,595,278 |
| Investments held for bond projects | | 165,938,725 |
| Accrued interest receivable for bond projects | | 407,242 |
| Cash and cash equivalents restricted | | 1,100,000 |
| Investments restricted | | 5,000,000 |
| Cash and cash equivalents for debt service | | 4,694,289 |
| Investments for debt service | | 100,395,841 |
| Accrued interest receivable for debt service | | 142,655 |
| Capital Assets | | |
| Land | | 177,959,672 |
| Construction in progress | | 1,251,635,976 |
| Depreciable capital assets—net | | 597,729,220 |
| Intangible assets—net of amortization | | 3,935,906 |
| | | <hr/> |
| Total noncurrent assets | | 2,473,534,804 |
| | | <hr/> |
| Total assets | | 2,536,191,660 |

DEFERRED OUTFLOWS OF RESOURCES:

| | | |
|--------------------------------------|--|------------|
| Deferred bond refunding-loss | | 54,599,279 |
| Deferred OPEB | | 1,718,800 |
| | | <hr/> |
| Total deferred outflows of resources | | 56,318,079 |

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF NET POSITION—ENTERPRISE FUND

SEPTEMBER 30, 2021

LIABILITIES

Current Liabilities

| | | |
|--|----|------------|
| Accounts payable | \$ | 12,334,694 |
| Accounts payable restricted for customer contingency | | 5,000,000 |
| Accounts payable for bond projects | | 5,478,821 |
| Due to General Fund | | 1,485,778 |
| Accrued vacation | | 1,064,309 |
| Other liabilities | | 865,386 |
| Other liabilities for bond projects | | 11,866,326 |
| Payable from restricted assets—accrued bond interest payable | | 4,021,408 |
| Revenue bonds payable-current position | | 60,830,000 |
| Notes and interest payable to General Fund-current position | | 75,240 |

Total current liabilities 103,021,962

Noncurrent Liabilities

| | | |
|--|--|---------------|
| Accrued vacation | | 2,824,749 |
| Long-term post employment benefits | | 7,269,177 |
| Revenue bonds payable-net of discount | | 1,710,725,178 |
| Notes and interest payable to General Fund | | 157,320 |

Total noncurrent liabilities 1,720,976,424

Total liabilities 1,823,998,386

DEFERRED INFLOWS OF RESOURCES

| | | |
|------------------------------|--|-----------|
| Deferred bond refunding-gain | | 3,108,245 |
| Deferred OPEB | | 1,241,123 |

Total deferred inflows of resources 4,349,368

NET POSITION

| | | |
|----------------------------------|--|-------------|
| Net investment in capital assets | | 624,792,728 |
| Restricted for debt service | | 102,311,377 |
| Unrestricted | | 37,057,880 |

TOTAL NET POSITION \$ 764,161,985

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | |
|---|----------------|
| OPERATING REVENUES | |
| Sale of water | \$ 138,108,606 |
| Sale of system capacity | 1,307,381 |
| Contributions | 1,142,129 |
| Land lease rentals | 152,743 |
| Other | 907,506 |
| | <hr/> |
| Total operating revenues | 141,618,365 |
| OPERATING EXPENSES | |
| General and administrative | 21,013,702 |
| Personnel services | 17,943,288 |
| Retirement plan contribution | 1,543,096 |
| Utilities | 15,045,877 |
| Depreciation and amortization | 20,940,571 |
| | <hr/> |
| Total operating expenses | 76,486,534 |
| | <hr/> |
| OPERATING INCOME | 65,131,831 |
| NONOPERATING INCOME/(LOSS) | |
| Sale of system capacity restricted for debt service | 25,964,816 |
| Investment loss | (227,021) |
| Interest expense | (40,188,317) |
| Gain on disposal of capital assets | 80,100 |
| | <hr/> |
| Total nonoperating revenues (expenses) | (14,370,422) |
| | <hr/> |
| NET INCOME | 50,761,409 |
| NET POSITION - Beginning of year | 713,400,576 |
| | <hr/> |
| NET POSITION - End of year | \$ 764,161,985 |
| | <hr/> <hr/> |

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | |
|--|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from water customers | \$ 139,953,598 |
| Contributions | 1,142,129 |
| Miscellaneous receipts | 907,506 |
| Payments to suppliers and contractors | (46,508,200) |
| Payments to employees for services | (19,984,113) |
| Receipts from General Fund | 644,054 |
| | <hr/> |
| Net cash provided by operating activities | 76,154,974 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from the sale of revenue bonds | 980,079,967 |
| Principal paid on revenue bonds payable | (702,670,000) |
| Interest paid on revenue bonds and contract payable | (131,162,016) |
| Receipts from system capacity customer restricted for debt service | 25,964,816 |
| Acquisition and construction of capital assets | (57,889,971) |
| Proceeds from disposal of capital assets | 80,100 |
| | <hr/> |
| Net cash provided in capital and related financing activities | 114,402,896 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of investments | (248,000,000) |
| Proceeds from sale and maturity of investments | 103,555,556 |
| Interest received on investments | 284,089 |
| | <hr/> |
| Net cash used by investing activities | (144,160,355) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 46,397,515 |
| CASH AND CASH EQUIVALENTS—Beginning of year | 165,310,735 |
| | <hr/> |
| CASH AND CASH EQUIVALENTS - End of year | <u>\$ 211,708,250</u> |

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

| | |
|--|----------------------|
| Operating income | \$ 65,131,831 |
| Adjustments to reconcile operating income to net cash provided by operating activities | |
| Depreciation & amortization expense | 20,940,571 |
| Bond issuance cost considered financing activity | 5,136,661 |
| OPEB amortization of deferred inflows | 64,704 |
| Change in assets and liabilities | |
| Accounts and other receivables | 384,868 |
| Prepaid expenses | (4,095,073) |
| Accounts payable | (8,782,775) |
| Due to (from) other funds—net | 717,103 |
| Interfund note payable | (73,049) |
| Long-term vacation accrual | 160,270 |
| OPEB liability | (722,703) |
| Other liabilities | <u>(2,707,434)</u> |
| Net cash provided by operating activities | <u>\$ 76,154,974</u> |

NONCASH ACTIVITIES

Disposal of \$641,517 of capital assets, net of \$641,517 accumulated depreciation.

Record decrease in fair value of investments and change in premium/discounts on investments to interest income of \$1,760,504 and (\$998,144) respectively.

Record Amortization of Gain/Loss of \$1,968,669 and net loss on refundings of 2008A, 2008B, 2010A, 2010B, 2014, Dallas 2012, Dallas 2014 Bonds of \$47,793,087.

Record increase in Other Post Employment Benefits deferred outflow of resources of \$514,017 and increase in deferred inflow of resources of \$629,418 from the amortization of the deferred balances.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$64,704.

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2021

| | <u>Other Post-Employment Benefits Trust Fund</u> |
|---|--|
| ASSETS | |
| Cash and cash equivalents | \$ 163,222 |
| Equity Fund Investments | 7,328,844 |
| Fixed Income Fund Investments | <u>6,675,965</u> |
| Total Assets | <u>14,168,031</u> |
| NET POSITION | |
| Restricted and held in trust for Other Post-Employment Benefits | <u>14,168,031</u> |
| TOTAL FIDUCIARY NET POSITION | <u>\$ 14,168,031</u> |

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | <u>Other Post-Employment Benefits Trust Fund</u> |
|--|--|
| ADDITIONS | |
| Employer Contributions | \$ 2,063,672 |
| Net Appreciation in Fair Value of Investments | 1,822,450 |
| Total Additions | <u>3,886,122</u> |
| DEDUCTIONS | |
| Benefit Payments | 292,111 |
| Other Post-Employment Benefits Plan Administrative Expense | 68,206 |
| Total Deductions | <u>360,317</u> |
| Net Increase in Fiduciary Net Position | 3,525,805 |
| Fiduciary Net Position | |
| Beginning of Year | <u>10,642,226</u> |
| End of Year | <u>\$ 14,168,031</u> |

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

TARRANT REGIONAL WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - The accounting policies of the Tarrant Regional Water District (the "District") conform to accounting principles generally accepted in the United States of America as applicable to governmental units and promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the more significant policies.

In evaluating the District's financial reporting entity, management has considered all potential component units and concluded that the District no longer has any component units. The previous component unit, Trinity River Vision Authority (TRVA), reassigned all contracts to either the District or the City of Fort Worth in December 2019 pursuant to the Riveron Consulting LLC recommendations. While the TRVA is no longer approving contracts and making payments, the TRVA has continued to serve as a vehicle of project coordination among the project stakeholders.

Measurement Focus and Basis of Accounting - The District's accounts are organized on the basis of funds, each of which are considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise each fund's assets, liabilities, fund equity, revenues and expenditures, or expenses. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund, government-wide, and fiduciary fund financial statements are reported using the economic resources measurement focus. The governmental fund financial statements are reported using the current financial resources measurement focus.

Government-wide Financial Statements - Government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the activities of the District. Eliminations have been made to these statements to prevent double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary Funds are not included in the Government-wide Financial Statements.

The statement of activities presents a comparison between direct expenses and program revenues of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that

are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund-level Financial Statements - The fund financial statements provide information about the District's individual funds, which are used to account for the District's various activities. Separate financial statements are provided for the General Fund (a governmental fund) and the Enterprise Fund (a proprietary fund) which are each classified as major funds. The Fiduciary fund (a fiduciary fund) is provided as a separate financial statement and it is classified as a nonmajor fund.

Governmental Fund - The General Fund, the only governmental fund reported by the District, is used to account for revenues and expenditures related to flood protection operations and activities or improvements as well as recreation activities. Voters have approved the District to issue up to \$250 million in bonds to finance the remaining outstanding local share of the Panther Island/Central City Project. As part of the \$250 million, the District created a \$150 million Extendable Commercial Paper Bond program that provides efficient flexibility for the Panther Island/Central City flood protection project. As of the end of fiscal year 2021, there was no outstanding debt.

The General Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Major revenue sources which are susceptible to accrual include property taxes, lease rentals and oil & gas royalties. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

The General Fund is reported using the current financial resources measurement focus. The reported fund balance is considered a measure of "available spending resources". The General Fund operating

statement presents increases (revenues) and decreases (expenditures) in fund balance. Accordingly, it is said to present a summary of sources and uses of “available spendable resources” during a period.

Proprietary Fund - The Enterprise Fund, the only proprietary fund reported by the District, is used to account for revenues and expenses relating to maintenance and operation of the water supply system. Currently, the District has outstanding Construction and Improvement Water Revenue Bonds which provide funding for large infrastructure type projects. The District also has a \$150 million extendable commercial paper bond program that provides efficient flexibility for those large projects. This program is separate from the Governmental extendable commercial paper bond program.

Proprietary funds report operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses.

The Enterprise Fund is reported using an economic resources measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included in the Fund’s Statement of Net Position.

Revenues and expenses for the District’s Enterprise Fund are categorized as either operating or non-operating. For the District, the majority of operating revenues are from the sale of water. Operating expenses include general and administrative, personnel services, utilities, depreciation and amortization, and retirement plan contributions.

Fiduciary Fund - The Fiduciary Fund accounts for assets held by the District in a trustee capacity for others or other Funds. The District’s only Fiduciary Fund is the Other Post Employee Benefits Trust Fund which holds assets to be used for the future payments of benefits offered through the District’s post-employment healthcare benefit plan. Benefit payments in this fund are made by the employer as they come due. The Fiduciary fund is not included in the government-wide financial statements.

The Fiduciary Fund is reported using an economic resources measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included in the Fund’s Statement of Fiduciary Net Position.

Cash, Cash Equivalents, and Investments - Cash and cash equivalents consist of deposits (principally interest-bearing accounts) with one financial institution and investments in two public funds investment pools. Investments consist of U.S. Government and government agency obligations recorded at fair value. For accounting purposes, fair value is defined as the price at which two willing parties would complete an exchange.

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid (i.e. maturity date of three months or less from the date of purchase) deposits and investments (including restricted assets and the investments in public funds investment pools) to be cash equivalents.

Long Term Receivables - During the fiscal year 2021 the District made expenditures on behalf of the City of Fort Worth Tax Increment Reinvestment Zone #9 and 9A (TIF), a project partner in the Panther Island/Central City Project under a Project Cost Funding Agreement between the District and the TIF. Under the agreement the District is advancing funds for the Panther Island/Central City Project that would normally be paid by the TIF for costs related to the Project Plan.

The TIF currently does not have, and is not projected to have, timely funds to implement the Project Plan as contemplated by the current schedule approved by the USACE. The TIF Board has authorized an agreement with the District dedicating revenue from the TIF Fund to cover the advances made by the District. The advances must be annually approved by the TIF board and are repayable from future tax revenues of the TIF.

During fiscal year 2021, the District expended an additional \$4.1 million under the agreement bringing the total amount expended to \$235.6 million. As of the end of fiscal year 2020, the TIF had repaid \$39.8 million, and during fiscal year 2021 the District collected an additional \$7.2 million from the TIF bringing the net loan amount to \$188.6 million.

Property Taxes - Property subject to taxation is certain real and personal property served by the District in the County. Certain properties of religious, educational, and charitable organizations are exempt from taxation.

Every year on October 1st the District's ad valorem taxes are levied on 100% of assessed valuation at a rate approved by the District's Board per \$100 valuation as of the preceding January 1st, and are due and payable from October 1st of the year in which levied, until January 31st of the following year without interest or penalty. Taxes paid after February 1st of each year are subject to interest and penalty charges.

In fiscal year 2021, the District's ad valorem tax rate was \$0.0287 per \$100 valuation. Collections of the current year's levy are reported as current collections if received by June 30th (within nine months of the October 1st due date). Collections received thereafter are reported as delinquent collections.

Generally, property taxes, net of amounts estimated to be uncollectible, are recorded as a receivable on the assessment date and recognized as revenue when they become available (collected within 60 days of year-end). The allowance for uncollectible taxes as of September 30, 2021 was \$173 thousand. Under GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the District receives resources, whichever comes first. The assessment date has been designated at a date subsequent to fiscal year-end.

The District's taxes on real property are a lien (as of the date of levy) against such property until paid. The District may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent.

Oil and Gas Royalties - The District receives royalties related to various oil and gas leases for which the District acts as lessor. The royalties are generally payable to the District when production begins at the lease site, and revenue is recognized at the time the royalty is earned and considered measurable and available if received within 60 days after year-end.

Prepaid Items - Certain payments to vendors reflect services that will occur throughout future accounting periods. These payments are recorded as prepaid items in both government-wide and fund financial statement and follow the consumption method, the expense is recognized proportionately over the periods that the service is provided. In fiscal year 2021, the IPL Phase 3 ROCIP program began and increased the Enterprise Fund prepaid insurance balance by \$4.3 million.

Inventory - The District values inventory using weighted average as the cost basis. For inventory held for sale, lower of cost or market is used as the cost basis.

Capital Assets - Capital assets, which include property, plant, equipment, construction in progress, and infrastructure assets, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements and in the fund financial statements for the Enterprise Fund. The District capitalizes all Machinery and Equipment capital purchases greater than or equal to \$10,000 and all other assets purchased which cost \$20,000 or greater.

The costs of repairs and maintenance that do not extend the lives of or improve the value of related capital assets are expensed as incurred.

Depreciation - Depreciation of capital assets is charged as an expense against operations in the applicable governmental and business-type activities columns in the government-wide financial statements and in the fund financial statements for the Enterprise Fund. Capital assets are reported net of accumulated depreciation on the statements of net position. Depreciation is recorded utilizing the straight-line method. Estimated useful lives are as follows:

| | |
|---------------------------|----------|
| Dams and spillways | 50 years |
| Pipeline | 50 years |
| Wetlands | 50 years |
| Communications | 50 years |
| Other project costs | 50 years |
| Buildings | 20 years |
| Technology Infrastructure | 10 years |
| Machinery and equipment | 5 years |

Deferred Compensation Plan - The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The assets of this plan are excluded from the District’s financial statements.

Water Rights - Water rights represent rights to surplus water in Benbrook Lake purchased in 1992 through a long term contract with the federal government. The rights are recorded at cost and amortized over the 30-year life of the contract using the straight-line method; as of the end of fiscal year 2021, the water rights have been fully amortized. In fiscal year 2021, the Board voted to convert the District's Benbrook Lake surplus water contract to a permanent water storage contract and no additional payments were required.

Internally Developed Asset Management System - The District worked with a consultant to create a system to manage our water supply assets through annual analysis that aligns practices with the District’s Strategic Plan, engages internal and external stakeholders, and provides for continuous improvement of asset management outcomes. The system created connects multiple software applications (Maximo, Power BI, Sharepoint, GIS, and Microsoft Excel) to allow for formalized condition assessments of assets to determine risk-based prioritization of assets to be repaired/ replaced through incorporation into annual budgeting and Capital Improvement Program processes. The system analyzes the data and provides information in useable forms to make investment decisions on the basis of life cycle cost balanced with risk and impact on customer rates. The District is amortizing this intangible asset over 10 years, at which time the District expects to re-analyze the software connections and the overall success of the system analysis to determine any needed significant changes.

Interfund Transactions - Interfund balance consists of allocation of expenses to Enterprise Fund as well as loan payments from General Fund to Enterprise Fund. Certain expenditures are paid from the General Fund but benefit both funds, and are therefore partially allocated to the Enterprise Fund; the allocation is based on time and effort for the benefit of the Enterprise Fund by General Fund employees. The Enterprise Fund has an outstanding loan from the General Fund for the construction of the administration building which is reflected in the appropriate areas in the accompanying basic financial statements rather than as an interfund transaction. Refer to Note 7 for further detail about interfund transactions.

Pollution Remediation Obligations - The District has an environmental financial obligation for property purchased through September 30, 2021. Properties purchased during fiscal year 2021 were screened for potential environmental concerns based upon available records, assessments and other actions.

Based upon the Phase I, Phase II, or other site investigations completed to date, one property is known to still require remediation and is classified as high or moderate risk. As of September 30, 2021, the pollution remediation obligation amounted to \$6.0 million.

Based upon the limited data available, a remediation liability outlay for four other properties with low risk cannot be reasonably estimated at this time.

Pollution remediation obligations are estimates and are subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

Vacation and Sick Leave - The District's full time employees are granted paid leave in specified amounts. In the event of separation from the District, an employee is compensated for all accumulated unused paid leave. Accrued paid leave is reflected in other liabilities in the accompanying basic financial statements. The change in accrued paid leave during the year is shown below:

| | <u>Balance at</u> <u>October 1, 2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at</u> <u>September 30, 2021</u> | <u>Due Within</u> <u>One Year</u> |
|--------------------------|---|---------------------|---------------------|--|--------------------------------------|
| Governmental Activities | \$ 1,242,929 | \$ 455,959 | \$ 402,535 | \$ 1,296,353 | \$ 354,770 |
| Business-type Activities | 3,728,788 | 1,367,876 | 1,207,606 | 3,889,058 | 1,064,309 |
| Total | <u>\$ 4,971,717</u> | <u>\$ 1,823,835</u> | <u>\$ 1,610,141</u> | <u>\$ 5,185,411</u> | <u>\$ 1,419,079</u> |

Vacation and sick leave increased by \$214 thousand in fiscal year 2021 when compared to fiscal year 2020. During fiscal year 2021, more vacation and sick leave hours were accrued than taken by employees which led to this increase.

Water Revenues - Water rates charged to customers during each year are based on budgeted operating expenses, revenue bond debt service requirements, and estimated customer water usage. Subsequent to year-end, calculations of adjusted water rates based on actual usage and costs are made and either billed or credited to customer accounts as of year-end. While the actual results could differ from the estimate calculated, management normally does not expect the difference to be material to the financial statements. The calculated year-end adjustments for 2021 resulted in an estimated \$7.3 million due to the customers, which is reflected in the accounts payable balance in the Enterprise Fund. The District has not experienced any credit losses resulting from its sale of water.

Restricted Assets - Certain assets are classified as restricted assets because their use is limited by applicable bond terms. These assets include amounts restricted for reserve and interest and sinking funds, as required by bond covenants. It also reflects unspent proceeds of revenue bonds.

Program Revenue - Operating Contributions - The District receives a majority of contributions from of the Water Conservation campaign and event sponsorships.

Restricted Net Position - Restricted net position is restricted assets less related liabilities.

Budgets and Budgetary Accounting - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

Governmental Fund Balances -

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - Assets that will never convert to cash, such as inventory and prepaid items. At September 30, 2021, the District had nonspendable fund balances in the amount of \$2.2 million.

Restricted fund balance - The portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District at September 30, 2021. At September 30, 2021, the District had a restricted fund balance in the amount of \$5.6 million.

Committed fund balance - The portion of fund balance that reflects resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors.

These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. At September 30, 2021, the District had no committed fund balance.

Assigned fund balance - The portion of fund balance that reflects resources intended for a specific purpose. Intent is expressed or authorized by Board of Directors. At September 30, 2021, the District had an assigned fund balance in the amount of \$25.2 million for the Reserve Policy and \$43.6 million for the Contingency Fund (Panther Island/Central City Project \$7.2 million TIF Budget assigned for fiscal year 2021 debt service, \$36.4 million assigned for future board designated projects).

Unassigned fund balance - The portion of fund balances in excess of nonspendable, restricted, committed, and assigned. The unassigned fund balance for the General Fund was \$13.4 million.

Spending Prioritization in Using Available Resources - When both restricted and unrestricted (i.e. restricted, committed, assigned, and unassigned) resources are available to be used for the same purpose, the District considers the restricted resources to be expended first. When all categories of fund balance are available, the flow assumption is as follows: the restricted resources get expended first, the assigned resources get expended second, and the unassigned resources get expended last.

Governmental Accounting Standards Board Statements Implemented in Current Fiscal Year -

During the fiscal year, several GASB Statements became effective for the District. GASB Statement No. 84, *Fiduciary Activities*, was implemented with no effect on the District's financial statements. Certain provisions in GASB Statement No. 93, *Replacement of Interbank Offered Rates*, became effective for the District. This included the replacement of InterBank Offered Rates (IBOR) and identified appropriate benchmark interest rates for hedging derivative instruments, which were implemented with no effect on the District's financial statements. GASB Statement No. 98, *The Annual Comprehensive Financial Report*, was early implemented. This statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

2. REVENUES FROM THE SALE OF WATER

All revenues from the sale of water from Eagle Mountain Lake, Lake Bridgeport, Cedar Creek Lake, and Richland-Chambers Reservoir and related expenses are recorded in the Enterprise Fund.

Sales of water to four government entities (Cities of Fort Worth, Mansfield, and Arlington, and the Trinity River Authority of Texas) accounted for approximately 90% of the District's water sales for the year ended September 30, 2021. Charges to such entities are in amounts primarily equivalent to each

entity's share (based on quantities of raw water received) of operating and maintenance costs and the debt service requirements of the District's revenue bonds.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash - The balance per bank of cash on deposit for the District at September 30, 2021 was \$4.3 million and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$4.2 million. At September 30, 2021, the District also held petty cash of \$3,984.

Credit Risk - Legal provisions of the Texas Public Funds Investment Act generally permit the District to invest in direct and indirect obligations of the United States or its agencies, certain certificates of deposit, repurchase agreements, public funds investment pools, and money market mutual funds.

The District invests in the Texas Local Government Investment Pool (Texpool) and the Local Government Investment Cooperative (LOGIC). Texpool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as a custodian of investments purchased with local investment funds.

LOGIC is also a public fund investment pool with the same authority as Texpool. It has been organized and established pursuant to an Interlocal Agreement between participating government entities. The District has an undivided beneficial interest in the pool of assets held by this agency. These investments and deposits are fully insured by the federal depository insurance or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from interest rate fluctuations, the District's investment policy limits maturities based on the objectives of each fund. Investment maximum maturities are limited as follows:

General Fund - three years

Enterprise Fund -

Revenue sub-fund - nine months

Construction sub-fund - three years with a strategy determined on a project-by-project basis

Interest and Redemption sub-fund - six months

Reserve sub-fund - not to exceed the date of the District's last maturing revenue bond

Contingency sub-fund - three years

Concentration of Credit Risk - The District places no limit on the amount it may invest in one issuer. Approximately 81% of the District's investments are held in Federal securities including: Federal Farm

Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. The remaining 19% of the District's investments are held in U.S. Treasury Notes.

Custodial Credit Risk - The District's policy requires that all securities be held in safekeeping on the District's behalf.

Public Funds Investment Act - Audit procedures related to the Public Funds Investment Act (PFIA) are conducted as part of the audit of the basic financial statements. In the areas of investment practices, management reports and establishes appropriate policies, and the District adheres to the requirements of the PFIA.

Public Funds Collateral Act - Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk. As of September 30, 2021, the District's bank balance of \$4.3 million was not exposed to custodial credit risk and was insured and over-collateralized.

Fair Value of Investments - Fair value is the amount at which a security could be exchanged in a current transaction between willing parties, other than in forced liquidation. In September 2021, bond prices dropped significantly, requiring the District to record an unrealized fair market value loss that significantly reduced investment income, showing a net loss on investments in the Enterprise Fund. The District, as a practice, buys and holds investments, and therefore, while the financials reflect this required unrealized fair value adjustment, the loss would only be realized if investments were sold instead of allowed to mature.

GASB 79, Certain External Investment Pools and Pool Participants, created an election option for external investment pools and pool participants to continue to utilize amortized cost accounting, rather than fair value, for certain investment pools. Participants in qualifying pools would be permitted to continue measuring investments at amortized cost if they met certain criteria. The District invests in two local government investment pools, Logic and Texpool. Logic and Texpool both have elected to report assets at amortized cost and the District has mirrored these valuations.

**SUMMARY OF INVESTMENTS AND CASH EQUIVALENTS, RELATED WEIGHTED AVG. MATURITY,
AND FAIR VALUE MEASUREMENTS**

| | 9/30/2021 | Weighted Avg. Maturity (Years) | S & P Rating | Fair Value Measurements Using Significant Other Observable Inputs (Level 2) |
|---|-----------------------|---|-----------------------------|--|
| Investments | | | | |
| Federal Farm Credit Bank | \$ 111,720,762 | 2.33 | AA+ | \$ 111,720,762 |
| Federal Home Loan Bank | 123,700,548 | 3.45 | AA+ | 123,700,548 |
| Federal Home Loan Mortgage Corp | 4,993,165 | 3.75 | AA+ | 4,993,165 |
| Federal National Mortgage Association | 20,899,151 | 3.28 | AA+ | 20,899,151 |
| U.S. Treasury Notes | 60,436,315 | 0.82 | AA+ | 60,436,315 |
| Total investments | <u>321,749,941</u> | | | <u>321,749,941</u> |
| Investment pools | | | | |
| LOGIC (net asset value) | 110,152,674 | N/A | AAA-m | N/A |
| Texpool (net asset value) | 142,584,534 | N/A | AAA-m | N/A |
| Total investment pools | <u>252,737,208</u> | | | |
| Total investments and cash equivalents | <u>\$ 574,487,149</u> | | | <u>\$ 321,749,941</u> |

The District is required to disclose the fair value level of its investments within the fair value hierarchy established by GASB 72, *Fair Value Measurement and Application*. In the fair value hierarchy there are three levels:

1. Level one - inputs that are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
2. Level two - inputs (other than quoted prices included within level one) that are observable for an asset or liability, either directly or indirectly
3. Level three - unobservable inputs for an asset or liability

Federal Securities classified as level two of the fair value hierarchy are valued using an evaluation model maintained by surveying the dealer community, obtaining relevant trade dates and spreads, and incorporating information into the evaluation process.

U.S. Treasury Notes classified as level two of the fair value hierarchy are valued using an evaluation model with continuous feeds from live data sources including active market makers and inter-dealer brokers.

The District has no unfunded commitments to Logic and Texpool and may redeem investments at any time.

Sandra Newby, the District's Chief Financial Officer, is the President of the LOGIC Board of Directors.

OPEB Trust Fund Cash, Cash Equivalents, and Investments

The District has contracted with Public Agency Retirement Services (PARS) for trust administration, and the District's OPEB Plan investments are held in the PARS Post Retirement Health Care Plan Trust by its trustee and custodian US Bank (the "Trustee").

PARS provides its participants a range of investment strategies, and the District has selected the PARS Diversified Moderate Portfolio Index Plus. The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to

pay present and future obligations to the Plan. The Moderate Portfolio's goal is for moderate growth of both principal and income.

The balance per bank of cash on deposit in the Trust Fund and the carrying value was \$2,779 as of September 30, 2021. See below for the detail of investments held as of the end of fiscal year 2021.

| Investments | 9/30/21 | Fair Value Measurements Using Significant Other Observable Inputs (Level 1) |
|--|----------------------|--|
| Money Market Funds | | |
| First AM Govt | \$ 160,443 | N/A |
| Equity Funds | | |
| iShares Core S&P 500 ETF | 2,116,188 | 2,116,188 |
| iShares S&P 500 Value ETF | 946,248 | 946,248 |
| iShares S&P 500 Growth ETF | 825,205 | 825,205 |
| iShares Russell Mid Cap ETF | 586,728 | 586,728 |
| iShares Russell 2000 Value ETF | 590,928 | 590,928 |
| iShares Russell 2000 Growth ETF | 580,134 | 580,134 |
| iShares Core MSCI EAFE ETF | 964,062 | 964,062 |
| Vanguard FTSE Emerging Markets ETF | 473,145 | 473,145 |
| Vanguard Real Estate ETF | 246,206 | 246,206 |
| Fixed Income Funds | | |
| Vanguard Short-Term Corp Adm Fund | 1,217,355 | N/A |
| iShares Core US Agg Bond ETF | 5,151,848 | 5,151,848 |
| Vanguard High-Yield Corporate Adm | 306,762 | 306,762 |
| Total Investments and Cash Equivalentts | \$ 14,165,252 | |

The OPEB Plan is invested in a Money Market Fund (First Am Govt) as well as an Open Ended Mutual Fund (Vanguard Short-Term Corp Adm Fund), both of which are valued at Net Asset Value (NAV) and therefore are excluded from leveling above. See discussion earlier in this note regarding inputs for each level.

The OPEB Plan has no unfunded commitments and may redeem investments at anytime to pay for OPEB benefits.

4. CAPITAL ASSETS

During fiscal year 2021, the District performed a detailed review of the fixed asset register and noted 127 assets with purchase prices below the capitalization threshold, as they were purchased prior to the increase in the threshold. As all these assets were fully depreciated and had no material affect on the financial statements, the assets were written off the the books to allow for more efficient focus on assets with material value.

A summary of changes in capital assets governmental activities:

| | October 1, 2020 | Additions/ Adjustments | Disposals/ Adjustments | Reclassification & Transfers | September 30, 2021 |
|---|-----------------------|---------------------------|---------------------------|---------------------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| NONDEPRECIABLE ASSETS | | | | | |
| Land | \$ 266,698,783 | \$ 2,922,678 | | | \$ 269,621,461 |
| Construction in progress | 73,537,106 | 2,654,886 | | | 76,191,992 |
| TOTAL NONDEPRECIABLE ASSETS | 340,235,889 | 5,577,564 | — | — | 345,813,453 |
| DEPRECIABLE ASSETS | | | | | |
| Dams and spillways | 3,070,461 | | | | 3,070,461 |
| Flood control projects | 8,115,517 | | | | 8,115,517 |
| Buildings | 49,179,554 | | (75,720) | | 49,103,834 |
| Machinery and equipment | 11,002,593 | 507,036 | (562,702) | | 10,946,927 |
| | <u>71,368,125</u> | <u>507,036</u> | <u>(638,422)</u> | <u>—</u> | <u>71,236,739</u> |
| Less accumulated depreciation for | | | | | |
| Dams and spillways | (1,048,806) | (68,276) | | | (1,117,082) |
| Flood control projects | (8,108,993) | (3,915) | | | (8,112,908) |
| Buildings | (20,735,803) | (2,225,555) | 75,720 | | (22,885,638) |
| Machinery and equipment | (9,965,919) | (389,959) | 559,561 | | (9,796,317) |
| Total accumulated depreciation | <u>(39,859,521)</u> | <u>(2,687,705)</u> | <u>635,281</u> | | <u>(41,911,945)</u> |
| TOTAL DEPRECIABLE ASSETS, NET | 31,508,604 | (2,180,669) | (3,141) | — | 29,324,794 |
| TOTAL GOVERNMENTAL ACTIVITIES, NET | \$ 371,744,493 | \$ 3,396,895 | (3,141) | — | \$ 375,138,247 |

Depreciation expense was charged to functions of the District as follows:

| | |
|---|----------------------------|
| Governmental activities | |
| Flood protection | \$ 1,683,608 |
| Recreation | <u>1,004,097</u> |
| Total depreciation expense - governmental activities | \$ <u>2,687,705</u> |

A summary of changes in capital assets business-type activities:

| | October 1, 2020 | Additions/ Adjustments | Disposals/ Adjustments | Transfers | September 30, 2021 |
|--|-------------------------|---------------------------|---------------------------|--------------------|-------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| NONDEPRECIABLE ASSETS | | | | | |
| Land | \$ 176,246,877 | \$ 1,712,795 | | | \$ 177,959,672 |
| Construction in progress | 1,200,354,015 | 55,313,861 | | (4,031,900) | 1,251,635,976 |
| TOTAL NONDEPRECIABLE ASSETS | 1,376,600,892 | 57,026,656 | — | (4,031,900) | 1,429,595,648 |
| DEPRECIABLE ASSETS | | | | | |
| Dams and spillways | 230,228,128 | | | 48,548 | 230,276,676 |
| Pipeline | 565,626,000 | | | 47,446 | 565,673,446 |
| Wetlands | 56,160,860 | | | | 56,160,860 |
| Communications | 20,787 | | | | 20,787 |
| Buildings | 7,987,396 | | (133,195) | | 7,854,201 |
| Technology Infrastructure | 3,240,353 | | | | 3,240,353 |
| Machinery and equipment | 13,065,120 | 863,315 | (508,322) | | 13,420,113 |
| Other project costs | 151,114,301 | | | | 151,114,301 |
| | 1,027,442,945 | 863,315 | (641,517) | 95,994 | 1,027,760,737 |
| Less accumulated depreciation for | | | | | |
| Dams and spillways | (132,810,797) | (4,242,879) | | | (137,053,676) |
| Pipeline | (229,265,539) | (11,088,285) | | | (240,353,824) |
| Wetlands | (8,410,876) | (1,122,780) | | | (9,533,656) |
| Communications | (6,510) | (416) | | | (6,926) |
| Buildings | (5,644,790) | (251,337) | 133,195 | | (5,762,932) |
| Technology Infrastructure | (324,035) | (324,035) | | | (648,070) |
| Machinery and equipment | (10,753,870) | (834,708) | 508,322 | | (11,080,256) |
| Other project costs | (22,591,396) | (3,000,781) | | | (25,592,177) |
| Total accumulated depreciation | (409,807,813) | (20,865,221) | 641,517 | — | (430,031,517) |
| TOTAL DEPRECIABLE ASSETS, NET | 617,635,132 | (20,001,906) | — | 95,994 | 597,729,220 |
| INTANGIBLE ASSETS | | | | | |
| Water Rights | 2,086,598 | | | | 2,086,598 |
| Internally Developed Asset Management System | | | | 3,935,906 | 3,935,906 |
| Less accumulated amortization for | | | | | |
| Water Rights | (2,011,248) | (75,350) | | | (2,086,598) |
| | 75,350 | (75,350) | — | 3,935,906 | 3,935,906 |
| TOTAL BUSINESS-TYPE ACTIVITIES, NET | \$ 1,994,311,374 | \$ 36,949,400 | — | — | \$ 2,031,260,774 |

5. RETIREMENT PLAN

Plan Description and Provisions — In 1997, the District adopted a defined contribution benefit plan, the benefits of which depend solely on amounts contributed to the plan plus investment earnings. All full-time employees over the age of 18 are eligible to participate in the plan from the date of employment, and benefits are 20% vested for each year of service up to five years of service. Benefit provisions and all other requirements are established by state statute and the District’s Board of Directors. The District contributes 13% of each eligible employee’s base salary, 13% of two-thirds of any applicable overtime wages and 13% of awarded production bonuses (if applicable) on a bi-weekly basis to the plan’s Administrator, Mission Square Retirement, formerly known as ICMA Retirement Trust. Employees may make additional voluntary after tax contributions; however, no employees have contributed to date. District contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are evenly allocated to the other employee accounts. The plan’s normal retirement age is 60 years with early retirement eligibility at 55 years of age with five years of service. During fiscal year 2021 the District made contributions of \$3.3 million under this plan.

6. BONDS PAYABLE

A summary of long-term debt transactions (excluding original issue premiums) of the District for the year ended September 30, 2021 is show below:

| | Balance at Oct. 1, 2020 | Additions | Deletions | Balance at Sept. 30, 2021 | Due Within One Year |
|---|----------------------------|----------------------|-----------------------|------------------------------|------------------------|
| <u>Business-type Activities</u> | | | | | |
| TRWD Bonds | \$ 714,550,000 | \$424,785,000 | \$ 349,590,000 | \$ 789,745,000 | \$ 32,625,000 |
| TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) | 289,995,000 | 538,420,000 | 275,170,000 | \$ 553,245,000 | 16,535,000 |
| Bonds from Direct Borrowings (TRWD Bonds) | 336,100,000 | | 74,230,000 | 261,870,000 | 7,935,000 |
| Bonds from Direct Borrowings (City of Dallas Water Utilities Project) | 125,675,000 | | 3,680,000 | 121,995,000 | 3,735,000 |
| Total Construction and Improvement Bonds | <u>\$ 1,466,320,000</u> | <u>\$963,205,000</u> | <u>\$ 702,670,000</u> | <u>\$1,726,855,000</u> | <u>\$ 60,830,000</u> |

DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2021

| Bond Type | Maturity | Interest Rates | Outstanding Balance |
|---|-----------------------|----------------|-------------------------|
| <u>Tarrant Regional Water District Bonds</u> | | | |
| \$150,375,000 Series 2012 Water Revenue Refunding & Improvement Bonds | Serially through 2052 | 2.0 - 3.0% | 815,000 |
| \$98,960,000 Series 2012A Water Revenue Refunding Bonds | Serially through 2022 | 2.0 - 5.0% | 3,900,000 |
| \$318,750,000 Series 2014 Water Revenue Bonds | Serially through 2049 | 4.0 - 5.0% | 1,125,000 |
| \$156,470,000 Series 2015 Water Revenue Refunding Bonds | Serially through 2029 | 2.0 - 5.0% | 113,745,000 |
| \$300,000,000 Series 2015A Waterworks Revenue Bonds | Serially through 2045 | 0.5 - 3.2% | 261,870,000 |
| \$28,530,000 Series 2016 Water Systems Revenue Bonds | Serially through 2046 | 3.0 - 5.0% | 25,490,000 |
| \$61,910,000 Series 2016A Water Revenue Refunding Bonds | Serially through 2032 | 2.0 - 5.0% | 55,130,000 |
| \$52,765,000 Series 2017 Water Revenue Refunding Bonds | Serially through 2040 | 2.0 - 5.0% | 51,900,000 |
| \$129,570,000 Series 2020 Water Revenue Refunding Bonds | Serially through 2052 | 1.0 - 3.5% | 128,560,000 |
| \$386,680,000 Series 2020B Water Revenue Refunding Bonds | Serially through 2049 | 0.3 - 3.0% | 371,790,000 |
| \$38,105,000 Series 2020C Water Revenue Refunding Bonds | Serially through 2030 | 4.0 - 5.0% | 37,290,000 |
| Total Tarrant Regional Water District Bonds | | | <u>1,051,615,000</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | |
| \$131,935,000 Series 2012 Dallas Contract Revenue Bonds | Serially through 2042 | 2.0 - 5.0% | 3,270,000 |
| \$202,130,000 Series 2014 Dallas Contract Revenue Bonds | Serially through 2044 | 4.0 - 6.0% | 13,495,000 |
| \$140,000,000 Series 2015 Dallas Contract Revenue Bonds | Serially through 2045 | 0.5 - 3.2% | 121,995,000 |
| \$240,025,000 Series 2021A Dallas Contract Revenue Bonds | Serially through 2051 | 2.0 - 4.0% | 240,025,000 |
| \$298,395,000 Series 2021B Dallas Contract Revenue Bonds | Serially through 2044 | 0.15 - 2.45% | 296,455,000 |
| Total TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) | | | <u>675,240,000</u> |
| Total Construction and Improvement Bonds | | | 1,726,855,000 |
| Add premium (net of accumulated amortization) | | | <u>44,700,178</u> |
| | | | 1,771,555,178 |
| Less current portion | | | (60,830,000) |
| Total long term revenue bonds payable, net of discount | | | <u>\$ 1,710,725,178</u> |

On December 4, 2020, the District refunded \$1.6 million of Series 2008A Bonds that had a \$250 deferred gain, \$2.5 million of Series 2008B Bonds that had a \$995 deferred gain, \$14.2 million of Series 2010A Bonds that had a \$17 thousand deferred gain, \$3.2 million of Series 2010B Bonds that had a \$9 thousand deferred gain, and advance refunded \$312.0 million of Series 2014 Bonds that had a \$29.3 million deferred loss. These bonds were refunded with \$386.7 million of Series 2020B Water Revenue Refunding Bonds. The refunding had a cashflow savings of \$86.1 million with an economic gain of \$59.0 million. Series 2014 Bonds had a remaining balance of \$1.9 million after the refunding, and the \$312.0 million in defeased debt will be fully redeemed in fiscal year 2024.

On December 4, 2020, the District refunded \$45.0 million of Series 2010B, and had a deferred loss of \$260 thousand with \$38.1 million Series 2020C Water Revenue Refunding Bonds. The Refunding for 2020C had cashflow savings of \$3.4 million with an economic gain of \$3.3 million.

On March 9, 2021, the District advanced refunded \$102.1 million of Series 2012 Dallas Contract Bonds that had a \$3.7 million deferred loss and \$163.9 million of Series 2014 Dallas Contract Bonds that had a \$14.3 million deferred loss; these bonds were refunded with \$298.4 million of Series 2021B Dallas Water Transmission Facilities Contract Revenue Refunding Bonds. The Refunding for Series 2021B Dallas Bonds had cashflow savings of \$63.2 million with an economic gain of \$49.8 million. Series 2012 Dallas Contract Bonds had a remaining balance of \$6.5 million after the refunding. The \$102.1 million in defeased debt will be fully redeemed in fiscal year 2022. Series 2014 Dallas Contract Bonds had \$17.6 million after the refunding. The \$163.9 million in defeased debt will be fully redeemed in fiscal year 2024.

The District amortizes deferred amounts on refundings, including gains and losses, using the straight-line method over the shorter of the remaining life of the old debt or the life of new debt. Premiums on bonds are amortized using the effective interest rate method over the life of the bonds.

The annual requirements to amortize all bonds outstanding as of September 30, 2021 including interest payments are approximately as follows:

| Years ending September 30th (in thousands) | Bonds | | | Bonds from Direct Borrowings | | |
|---|--------------------|-------------------|---------------------|------------------------------|-------------------|-------------------|
| | Principal | Interest | Requirements | Principal | Interest | Requirements |
| <u>Tarrant Regional Water District Bonds</u> | | | | | | |
| 2022 | \$ 32,625 | \$ 24,927 | \$ 57,552 | \$ 7,935 | \$ 7,187 | \$ 15,122 |
| 2023 | 31,575 | 23,713 | 55,288 | 8,075 | 7,069 | 15,144 |
| 2024 | 32,195 | 22,474 | 54,669 | 8,230 | 6,936 | 15,166 |
| 2025 | 31,880 | 21,206 | 53,086 | 8,390 | 6,793 | 15,183 |
| 2026 | 33,145 | 19,898 | 53,043 | 8,575 | 6,635 | 15,210 |
| 2027-2031 | 180,015 | 78,317 | 258,332 | 46,300 | 30,044 | 76,344 |
| 2032-2036 | 163,540 | 53,651 | 217,191 | 53,515 | 23,219 | 76,734 |
| 2037-2041 | 101,965 | 35,448 | 137,413 | 62,685 | 14,390 | 77,075 |
| 2042-2046 | 101,255 | 20,158 | 121,413 | 58,165 | 3,812 | 61,977 |
| 2047-2051 | 75,435 | 5,280 | 80,715 | | | |
| 2052 | 6,115 | 93 | 6,208 | | | |
| | <u>789,745</u> | <u>305,165</u> | <u>1,094,910</u> | <u>261,870</u> | <u>106,085</u> | <u>367,955</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | | | | |
| 2022 | \$ 16,535 | \$ 12,112 | \$ 28,647 | \$ 3,735 | \$ 3,371 | \$ 7,106 |
| 2023 | 17,030 | 11,483 | 28,513 | 3,800 | 3,319 | 7,119 |
| 2024 | 17,480 | 10,986 | 28,466 | 3,870 | 3,259 | 7,129 |
| 2025 | 17,960 | 10,461 | 28,421 | 3,945 | 3,194 | 7,139 |
| 2026 | 18,220 | 10,156 | 28,376 | 4,020 | 3,125 | 7,145 |
| 2027-2031 | 97,895 | 45,063 | 142,958 | 21,660 | 14,230 | 35,890 |
| 2032-2036 | 109,870 | 34,253 | 144,123 | 24,930 | 11,137 | 36,067 |
| 2037-2041 | 122,425 | 22,665 | 145,090 | 29,105 | 7,124 | 36,229 |
| 2042-2046 | 83,955 | 9,683 | 93,638 | 26,930 | 2,196 | 29,126 |
| 2047-2051 | 51,875 | 3,153 | 55,028 | | | |
| | <u>553,245</u> | <u>170,015</u> | <u>723,260</u> | <u>121,995</u> | <u>50,955</u> | <u>172,950</u> |
| Total | <u>\$1,342,990</u> | <u>\$ 475,180</u> | <u>\$ 1,818,170</u> | <u>\$ 383,865</u> | <u>\$ 157,040</u> | <u>\$ 540,905</u> |

Bonded debt of the District consists of water revenue refunding bonds and revenue bonds, which are secured by and payable from net revenues of the District. Certain revenue bond issues contain provisions that allow the District to prepay or call the bonds.

Specifically, revenues (net of operating expenses) of the District's water operations have been pledged for repayment of the District's revenue bonds. The amount of the pledge is equal to the remaining outstanding debt service requirements for those bonds, which were all originally issued to provide funding for construction of the water system. The pledge continues for the life of the bonds. For the year ended September 30, 2021, pledged revenues for the Tarrant Regional Water District Revenue Bonds were \$87.2 million which offsets debt service requirements for the year of \$70.6 million.

The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. None of the revenue bond indentures contain bond coverage requirement provisions.

The TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) are Dallas Water Utilities' share of the Integrated Pipeline (IPL) Project, which is currently estimated at \$1.2 billion. Under the IPL Project Contract, the City of Dallas has requested and authorized the District to issue contract revenue bonds (the Dallas Contract Revenue Bonds) secured solely by payments from the City of Dallas to the District under the IPL Project Contract. Such Dallas Contract Revenue Bonds shall be in such amounts and issued at such times as determined by the District, in consultation with the City of Dallas to finance the City of Dallas' share of the design and construction of the IPL Project. All such payments by the City of Dallas to the District will constitute operating expenses of the Dallas Water Utilities System and System Capacity revenues of the District. The District has issued and will continue to issue Dallas Contract Revenue Bonds over a 10 to 15 year period to pay the City of Dallas' share of the total capital cost of the IPL Project. Future Dallas Contract Revenue Bonds will be issued as determined by the District in consultation with the City of Dallas. However, the IPL Project Contract gives the District specific authority to issue Dallas Contract Revenue Bonds without any additional City approval in the event the City of Dallas fails to take certain actions. No payments from the City of Dallas to the District under the IPL Project Contract are pledged to the payment of the District's System Revenue Bonds. For the year ended September 30, 2021, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) were \$26.5 million which offsets debt service requirements for the year of \$27.9 million.

Extendible Commercial Paper Bonds

In fiscal year 2016 the District implemented an extendible commercial paper bonds program in the amount of \$150 million for the benefit of enterprise fund projects and capital needs. In fiscal year 2018 the District implemented an additional extendible commercial paper bonds program in the amount of \$150 million for the benefit of the general fund Panther Island/Central City project. During fiscal year 2021, no commercial paper bonds were issued and none were outstanding as of September 30, 2021.

7. INTERFUND TRANSACTIONS

At September 30, 2021, interfund balances consisted of the following:

| | Notes & Interest Due From Other Funds | Notes & Interest Due To Other Funds | Due From Other Funds | Due to Other Funds |
|-----------------|---|---|-------------------------|-----------------------|
| General Fund | \$ 232,560 | | \$ 1,485,778 | |
| Enterprise Fund | | 232,560 | | 1,485,778 |
| Total | <u>\$ 232,560</u> | <u>\$ 232,560</u> | <u>\$ 1,485,778</u> | <u>\$ 1,485,778</u> |

The District has one note between the Enterprise Fund and the General Fund for the reimbursement of a portion of the cost of constructing the administrative building. The administrative building note was set up in 2003 with 3% interest. During fiscal year 2021, the Enterprise Fund repaid \$73 thousand, plus interest of \$9 thousand. In the fund financial statements, interfund balances (shown as due to/ from other funds) are the results of normal expenditure transactions between funds and will be liquidated in the subsequent fiscal year.

All interfund receivables and payables are combined in the government-wide financial statement of net position and presented as internal balances.

8. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Descriptions

The District provides other post employment benefits (OPEB) through the Post Employment Health Care Benefit Plan as established and administered by the District (a single-employer plan) under its Retiree Health Benefits Policy effective January 1, 2006, revised October 1, 2016, to full time status employees who retire from the District and meet the Rule of 80 or Rule of 90 (see following paragraphs for specifics). Plan participation is restricted to employees hired on or before September 30, 2016.

Rule of 80 - the rule of 80 is reached when age and years of service total eighty (80).

If at the time of retirement, the employee meets the “Rule of 80” and elects to continue group health insurance coverage, the District will pay 100% for the premiums for the employee/retiree, and their eligible spouse at the date of retirement. After the initial election, coverage for individuals may be dropped at the time designated by the plan, but no one may be added. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F or Plan G, in accordance with Medicare eligibility rules. The District will also provide a monthly allowance of \$185 to offset the cost of Medicare Part B and Part D. Upon the

death of the employee/retiree, the spouse will be covered for an additional five (5) years or until their death, whichever occurs first.

Rule of 90 - the rule of 90 is reached when age and years of service total ninety (90).

If at the time of retirement, the employee meets the "Rule of 90" and elects to continue group health insurance coverage the District will pay 100% of the premiums for the employee/retiree, and their eligible spouse at the date of retirement. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F. The District will also provide a monthly allowance of \$150 to offset the cost of Medicare Part B and Part D. The employee/retiree will be covered until his/her death and the spouse until his/her death.

The Plan does not issue separate financial statements; however, the Trust's financials are included in this financial report as a Fiduciary Fund of the District starting on page 44. The OPEB Plan is governed by the District's Board of Directors, and changes to the Plan must be approved by the Board.

Plan Membership Information as of September 30, 2021

| | |
|---|-------------------|
| Inactive Plan Members or Beneficiaries currently receiving benefits | 29 |
| Inactive Plan Members entitled to but not receiving benefits | 0 |
| Active Plan Members (active employees hired on or before 9/30/16) | <u>211</u> |
| Total Plan Members | <u><u>240</u></u> |

Funding Policies

For other post employment benefits, contractual requirements for the District are established by the Board of Directors. In fiscal year 2014, the District established a trust to fund OPEB costs through the Public Agency Retirement Fund (PARS). The District funded the trust with an initial \$1 million transfer. In fiscal year 2021, \$1.8 million was contributed to the trust and in fiscal year 2022 \$1.9 million is budgeted to contribute to the trust; these contributions are in addition to claims paid. The District's Trust Funding Policy is to contribute an additional 10% more than the prior year to the trust each year in an effort to ultimately fund 75% of the total OPEB Liability.

The District does not require any member contributions for the post-employment health care benefits Plan.

OPEB Plan Investment Policy

The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the Plan. The Plan has a Moderate Risk Tolerance with a Strategic Asset Allocation of the following:

| <i>Strategic Asset Allocation Ranges</i> | | | |
|--|------------|--------------|-------------|
| Asset Class | Cash | Fixed Income | Equity |
| Allocation Range | 0-20% | 40%-60% | 40%-60% |
| Target Allocation | Policy: 5% | Policy: 45% | Policy: 50% |
| Long-term Expected Real Rate of Return | 0.1% | 1.8% | 4.1% |

The long-term expected real rate of return, presented as geometric means, is the combination of the asset return rates taken from the Horizon Actuarial Service Survey of Capital Market Assumptions 2016 and the target allocation of the Plan.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate of 2.19% based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

A Single Discount Rate of 6.00% was used to measure the total OPEB liability. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 6.00%. The funding policy of the District is to pay the recommended actuarially determined contribution or higher based on the policy, which is based on a closed amortization period. As a result, the OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The annual money-weighted rate of return for the OPEB Trust was 14.95% for fiscal year 2021. A money-weighted return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Changes in the Net OPEB Liability

The total OPEB liability shown below is based on an actuarial valuation performed as of December 31, 2019 and a measurement date of September 30, 2021.

| | Increase/(Decrease) | | |
|---|--------------------------------|---------------------------------------|----------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balance at September 30, 2020 | \$ 22,982,956 | \$ 10,642,226 | \$ 12,340,730 |
| Changes for the year: | | | |
| Service Cost | 547,295 | | 547,295 |
| Interest | 1,455,965 | | 1,455,965 |
| Difference between expected and actual experience | (141,365) | | (141,365) |
| Changes in Assumptions | 1,061,704 | | 1,061,704 |
| Benefit Payments | (292,111) | (292,111) | — |
| Contributions - employer | | 2,063,672 | (2,063,672) |
| Net Investment Income | | 1,822,450 | (1,822,450) |
| Administrative Expense | | (68,206) | 68,206 |
| Net Changes | <u>2,631,488</u> | <u>3,525,805</u> | <u>(894,317)</u> |
| Balance at September 30, 2021 | <u>\$ 25,614,444</u> | <u>\$ 14,168,031</u> | <u>\$ 11,446,413</u> |

Plan Fiduciary Net Position as a percentage of the total OPEB liability 55%

Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

| 1% Decrease 5.0% | Current Single Discount Rate Assumption 6.0% | 1% Increase 7.0% |
|---------------------|--|---------------------|
| \$15,498,010 | \$11,446,413 | \$8,141,533 |

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

| 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|-------------|---|--------------|
| \$7,443,242 | \$11,446,413 | \$16,529,195 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the District recognized OPEB expenses of \$1,323,132 million which included amortization of deferred inflows and outflows of \$24,218. At September 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 728,746 | \$ 592,812 |
| Assumption changes | 1,555,803 | 106,330 |
| Net difference between projected and actual earnings on OPEB plan investments | | 952,863 |
| Total | <u>\$ 2,284,549</u> | <u>\$ 1,652,005</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending September 30 | Net Deferred Outflows (Inflows) of Resources |
|--------------------------|---|
| 2022 | \$ 10,593 |
| 2023 | 228 |
| 2024 | 10,020 |
| 2025 | 37,925 |
| 2026 | 201,997 |
| Thereafter | 371,781 |
| Total | <u>\$ 632,544</u> |

Actuarial Methods and Assumptions

| | |
|-------------------------------|--|
| Actuarial cost method | Individual entry age normal cost method |
| Amortization method | Level dollar, Closed |
| Remaining amortization period | 25 years as of September 30, 2021 |
| Asset valuation method | Market Value |
| Investment rate | 6.00% per annum, net of expenses |
| Inflation rate | 2.50% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Demographic assumptions | Due to the size of this plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored and adjustments are made to the retirement and withdrawal assumptions as needed. Mortality and disability rates are based on assumptions used to value the Texas Municipal Retirement System (TMRS). |
| Mortality | For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements. |
| Healthcare trend rates | Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 14 years |
| Participation rates | 100% of eligible retirees are assumed to elect coverage |
| Notes | The discount rate changed from 6.3% as of September 30, 2020 to 6.0% as of September 30, 2021 |

9. COMMITMENTS AND CONTINGENCIES

Commitments - The Enterprise Funds had remaining commitments estimated at \$54.2 million due to on-going construction contracts as of September 30, 2021.

Contingent Liabilities - During fiscal year 2021, the former General Manager threatened litigation against the District regarding Texas and federal constitutional claims related to the Board of Director's vote to revoke paid leave unilaterally approved by the former Board President as well as claims of age discrimination in violation of Chapter 21 of the Texas Labor Code and age discrimination in the Employment Act. As of the end of the fiscal year 2021, the District entered into a binding settlement and release agreement with the former General Manager, whereby the General Manager released any claims against the District. The District accrued for the settlement of \$162 thousand offset by insurance proceeds of \$25 thousand in fiscal year 2021 as an operating expense and is included as part of Other Liabilities on the Statement of Net Position. The settlement was paid on November 2, 2021.

Insurance - The District has employee blanket bond insurance. The District also participates in a public entity risk pool for its fleet policy, property insurance, workers' compensation, general liability, and errors and omissions liability. The District purchases crime, directors' liability, and law enforcement bonds through Sedgwick, an insurance brokerage firm that also manages the risk pool. The District's Aviation insurance coverage is administered by Sutton James. For the IPL Project, the District, along with the City of Dallas Water Utilities, is utilizing a Rolling Owner Controlled Insurance Program (ROCIP). The ROCIP program for the project has been managed and administered by Willis Towers Watson.

Texas Water Conservation Association Risk Management Trust – This is a risk pool which provides auto, property insurance, workers' compensation, general liability, and errors and omissions coverage for the District. The District shall cooperate with the Trust and give any information as may be reasonably required, and upon the Trust's request, assist in making settlement, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the District because of injury or damage with respect to which insurance is afforded under the agreement. The District shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The District shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense that could increase the liability, exposure of, or jeopardize the Trust in any way.

The Trust will pay on behalf of the District all sums that the District shall become legally obligated to pay arising out of an occurrence that takes place during the Trust year and within the agreement. The Trust reserves the right to deny any and all claims that are not reported. The Trust shall have the right and the duty to defend any suit against the District, even if the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit it deems expedient, but the Trust shall not be obliged to pay any claim or judgment, or to defend a suit, after the applicable limit of the Trust's liability has been exhausted.

Any settlement amounts paid within the past three years have not exceeded the District's insurance coverage.

Sedgwick – Sedgwick is the third-party administrator for the Risk Management Fund. They secure and manage the District's crime policy, law enforcement and director bonds. The District shall cooperate with the Trust and give any information as may be reasonably required, and upon the Trust's request, assist in making settlement, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the District because of injury or damage with respect to which insurance is afforded under the agreement. The District shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The District shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense that could increase the liability, exposure of, or jeopardize the Trust in any way. The Trust will pay on behalf of the District all sums that the District shall become legally obligated to pay arising out of an occurrence that takes place during the Trust year and within the agreement. The Trust reserves the right to deny any and all claims that are not reported. The Trust shall have the right and the duty to defend any suit against the District, even if the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit it deems expedient, but the Trust shall not be obliged to pay any claim or judgment, or to defend a suit, after the applicable limit of the Trust's liability has been exhausted. Any settlement amounts paid within the past three years have not exceeded the District's insurance coverage.

Aviation Insurance – The District aviation insurance covers a wide variety of issues including: physical damage to the aircraft, bodily injury to passengers and others, and physical damage to property other than the aircraft. All claims should be made to the claims administrator. The District does not retain the claims risk.

Rolling Owner Controlled Insurance Programs – The first Rolling Owner Controlled Insurance Program (ROCIP) for IPL, which was a master insurance, safety, and claims management program ended on July 31, 2021. The program provided coverages for Workers' Compensation, Employers Liability, Commercial General Liability, Excess Liability and Builders Risks for the Owner and all Enrolled Participants on the IPL and was insured by Old Republic.

The second ROCIP program started July 21, 2020 and will run until July 21, 2027 and is insured by Liberty Mutual. This program is for the Dallas portion of IPL, Section 19 and the Lake Palestine Pump Station (LP1). The program is identical to the first ROCIP program, providing a master insurance, safety, and claims management program for Workers' Compensation, Employers Liability, Commercial General Liability, Excess Liability and Builders Risks for the Owner and all Enrolled Participants on the IPL. In the event of an occurrence, wrongful act, or personal injury, all participants in the ROCIP program must promptly provide written notice to Willis Towers Watson, the ROCIP Administrator, per

contract agreement. The ROCIP Administrator will check the information for accuracy and promptly report the claim to the Insurance Provider. The Insurance Provider will coordinate the investigation of commercial general liability claims. Contractor’s team members are required to cooperate with the Insurance Provider’s investigations.

Notifications of a lawsuit or litigation are made to the PCM and ROCIP Administrator and shall be by email or telephone immediately when served with notice of any lawsuits or citations filed against either Enrolled Participants or Excluded Participants. Failure to respond to a lawsuit within the prescribed time may result in a default judgment. The entity served with the lawsuit will pay judgments and expenses associated with a default judgment. Enrolled participants must initially report all workers’ compensation claims to the ROCIP Administrator. Claims must be reported no later than the end of the shift during which the accident occurred except in cases of serious injuries which shall be reported immediately. The Insurance Provider will coordinate the investigations of all workers’ compensation claims. The coverage includes all materials and equipment that will be permanently incorporated into the project including property in-transit and stored at pre-approved locations. Enrolled participants are responsible for the first \$25,000 of any loss. Charges to the ROCIP that the District retained risk on over the past two fiscal year were as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimate | Claims Payments | Balance at Fiscal Year End |
|--------------------------|------------------------------------|---|-----------------|----------------------------|
| IPL Project ROCIP - 2020 | \$ 5,332 | \$ 139,806 | \$ (138,617) | \$ 6,521 |
| IPL Project ROCIP - 2021 | \$ 6,521 | \$ 81,404 | \$ (83,885) | \$ 4,040 |

Health Insurance – As of January 1, 2015, the District has opted to retain their own risk for their employees’ health insurance claims, sometimes referred to as “self-insurance”. Blue Cross Blue Shield of Texas is the claims administrator selected by the District for their health insurance. Included in “health insurance” are medical costs, as well as prescription claims for current employees and eligible retirees.

Liabilities arising from self-insurance are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These claims are referred to as "incurred but not reported" (IBNR). The IBNR liabilities include an amount for health and prescription claims. Beginning January 1, 2016 the District's excess coverage medical insurance policy covers individual claims in excess of \$100,000.

The claims liabilities for claims were developed using the completion factor method for both an unsmoothed and smoothed methodology. For both methodologies, the completion factor method analyzes a matrix that displays the claims paid each month by the month in which the claim was incurred on a cumulative basis over the available experience period. The completion factors are

applied to the claims that were paid for each incurred month to estimate the ultimate incurred claims for the month. For the smoothed methodology, the incurred claims for August and September 2021 were calculated using a weighted average of the completion factor method. The estimated ultimate liability for those months was calculated using the most recent 10 months of claims experience, trended forward at an annual rate of 9% for both medical and pharmacy. The claims liability is calculated as the sum, for all incurred months, of the estimated ultimate incurred claims less paid claims.

Claims, stop loss premiums, and administrative costs are paid by the District as costs of the self-insured medical program. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for medical and Rx claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. An excess coverage medical insurance policy covers individual claims in excess of \$100,000 and/or \$7,086,787 in aggregate for the plan year to date (October 2020 – September 2021).

Changes to Health insurance that the District retained risk on over the past two fiscal years were as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimate | Claims Payments | Balance at Fiscal Year End |
|---------------------|------------------------------------|---|-----------------|----------------------------|
| Group Health - 2020 | \$ 551,844 | \$ 5,668,857 | \$ (5,593,840) | \$ 626,861 |
| Group Health - 2021 | 626,861 | 6,396,273 | (6,121,925) | 901,209 |

10. RECENTLY ISSUED GASB STATEMENTS

The GASB has issued a number of standards that will become effective for the District in future years as follows:

GASB Statement No. 87, Leases (issued June 2017) - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. This standard becomes effective for the District in fiscal year 2022.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations* (issued May 2019) - The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the District in fiscal year 2023.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

GASB Statement No. 92, *Omnibus 2020* (issued January 2020) - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have needs identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following, (1) the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports, (2) reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, (3) the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits, (4) the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements, (5) measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, (6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, (7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and (8) terminology used to refer to derivative instruments. The requirements related to reinsurance recoveries and terminology used to refer to derivative instruments were implemented in fiscal year 2020 by the District. All other requirements are effective for the District in fiscal year 2022.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* (issued March 2020) - The objective of the Statement is to address the result of a global reference rate reform. Governments have entered into agreements in which variable payments made or received depend on interbank offered

rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). LIBOR is expected to cease to exist in its current form at the end of 2021. This Statement will also address other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for the District in fiscal year 2022. All other requirements of this standard becomes effective for the District in fiscal year 2021. Paragraphs pertaining to Leases and Lease Modifications become effective for the District in fiscal year 2022. This standard is not applicable to the District's practices.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (issued March 2020) - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement also provided guidance for accounting and financial reporting for availability payment arrangements (APAs). This standard becomes effective for the District in fiscal year 2023.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (issued May 2020) - This Statement provided guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA, (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requires note disclosures regarding a SBITA. This standard becomes effective for the District in fiscal year 2023.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* (issued June 2020) - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not

have a governing board and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the District in fiscal year 2022.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



(Sunset on Eagle Mountain Lake)

TARRANT REGIONAL WATER DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE—BUDGET TO ACTUAL—GAAP BASIS—GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Original and Final Budget | Actual | Variance (Budget - Actual) |
|--|------------------------------|----------------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 21,000,000 | \$ 23,089,003 | \$ (2,089,003) |
| Contributions | 5,689,849 | 8,293,957 | (2,604,108) |
| Oil and gas royalties | 6,000,000 | 7,843,251 | (1,843,251) |
| Lease rentals | 1,354,358 | 1,404,345 | (49,987) |
| Investment income | 840,000 | 63,736 | 776,264 |
| Other | 2,044,239 | 1,505,348 | 538,891 |
| | <u>36,928,446</u> | <u>42,199,640</u> | <u>(5,271,194)</u> |
| EXPENDITURES | | | |
| Current | | | |
| General and administrative | 10,451,940 | 9,161,152 | 1,290,788 |
| Personnel services | 11,403,728 | 9,712,955 | 1,690,773 |
| Retirement plan contribution | 768,805 | 821,009 | (52,204) |
| Contribution | | 550,507 | (550,507) |
| Interest | 5,439,849 | | 5,439,849 |
| Capital expenditures | 14,669,176 | 7,284,601 | 7,384,575 |
| Total expenditures | <u>42,733,498</u> | <u>27,530,224</u> | <u>15,203,274</u> |
| Excess/(Deficiency) of Revenues Over/Under Expenditures | <u>(5,805,052)</u> | <u>14,669,416</u> | <u>(20,474,468)</u> |
| CHANGE IN FUND BALANCE | (5,805,052) | 14,669,416 | (20,474,468) |
| FUND BALANCE—Beginning of year | <u>75,300,129</u> | <u>75,300,129</u> | <u>—</u> |
| FUND BALANCE—End of year | <u>\$ 69,495,077</u> | <u>\$ 89,969,545</u> | <u>\$ (20,474,468)</u> |

NOTES TO RSI

Property Taxes Revenues over Budget - The District received \$2.1 million more in taxes than budgeted due to an increase in property values.

Oil and Gas Royalties over Budget - The District received \$1.8 million more in oil and gas royalties due to higher oil and gas prices during the year.

Investment Income under Budget - The District received \$0.8 million less in investment income due to low interest rates during the year.

Contribution Revenue over Budget - The District's TIF contribution received was \$1.7 million higher than budgeted due to higher property values. In addition, the District received \$0.9 million in contributions from the City of Fort Worth for trails system costs.

Other Revenues under Budget - The District received less in program revenues due to a reduction in events caused by public health measures for COVID-19.

General and Administrative Expenditures under Budget - The District expended \$1.3 million less in general and administrative expenditures due to the delay in some of the information system projects and election costs were lower than anticipated.

Personnel Services Expenditures under Budget - The variance in the personnel budget is due to vacant positions throughout the fiscal year, not all budgeted positions are occupied for 100% of the fiscal year. Salaries of newly hired employees being less than budgeted, as well as positions that did not receive the fully allotted raise amount are also contributing factors. Also, travel costs were less because of COVID-19 restrictions.

Contribution Expense over Budget - Increase is mainly due to the contribution of the West Bank Trail from The City of Fort Worth. This asset belongs to the City of Fort Worth that they will own and maintain after the District is finished with the project.

Interest Expense under Budget - Debt service was not needed as the Panther Island/Central City Project costs have been fully funded by the annual TIF payment.

Capital Expenditures under Budget - Capital expenditures were under budget because the majority of the Panther Island/Central City Project costs were less than expected.

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF CHANGES IN NET OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

| | 2017 | 2018 | 2019 |
|---|---------------------|---------------------|---------------------|
| Total other post employment benefits liability | | | |
| Service cost | \$ 565,239 | \$ 531,820 | \$ 528,530 |
| Interest | 1,033,856 | 1,109,066 | 1,237,434 |
| Difference between expected and actual experience of the total OPEB liability | (72,928) | 190,998 | (688,704) |
| Changes in assumptions | | 548,904 | 524,159 |
| Benefit payments | (335,551) | (295,730) | (387,380) |
| Net change in total other post employment benefits liability | 1,190,616 | 2,085,058 | 1,214,039 |
| Total other post employment benefits liability - beginning | 16,295,561 | 17,486,177 | 19,571,235 |
| Total other post employment benefits liability - ending | <u>\$17,486,177</u> | <u>\$19,571,235</u> | <u>\$20,785,274</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 1,545,551 | \$ 1,626,730 | \$ 1,851,480 |
| Net investment income | 417,971 | 296,613 | 501,718 |
| Benefit payments | (335,551) | (295,730) | (387,380) |
| Administrative expense | (25,922) | (32,888) | (43,846) |
| Net changes | 1,602,049 | 1,594,725 | 1,921,972 |
| Plan fiduciary net position - beginning | 3,279,665 | 4,881,714 | 6,476,439 |
| Plan fiduciary net position - ending | <u>\$ 4,881,714</u> | <u>\$ 6,476,439</u> | <u>\$ 8,398,411</u> |
| Net other post employment benefits liability | <u>\$12,604,463</u> | <u>\$13,094,796</u> | <u>\$12,386,863</u> |
| Plan fiduciary net position as percentage of total OPEB liability | 28% | 33% | 40% |
| Covered-employee payroll | \$19,291,600 | \$18,513,781 | \$18,674,165 |
| Net OPEB liability as percentage of covered-employee payroll | 65% | 71% | 66% |

Note: Due to implementation of GASB 75 this schedule is newly created and the 10-year requirement will be built prospectively.

(Continued)

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF CHANGES IN NET OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

| | 2020 | 2021 |
|---|----------------------|----------------------|
| Total other post employment benefits liability | | |
| Service cost | \$ 561,117 | \$ 547,295 |
| Interest | 1,315,611 | 1,455,965 |
| Difference between expected and actual experience of the total OPEB liability | 826,908 | (141,365) |
| Changes in assumptions | (139,716) | 1,061,704 |
| Benefit payments | (366,238) | (292,111) |
| Net change in total other post employment benefits liability | 2,197,682 | 2,631,488 |
| Total other post employment benefits liability - beginning | 20,785,274 | 22,982,956 |
| Total other post employment benefits liability - ending | <u>\$ 22,982,956</u> | <u>\$ 25,614,444</u> |
| Plan fiduciary net position | | |
| Contributions - employer | \$ 1,976,748 | \$ 2,063,672 |
| Net investment income | 686,452 | 1,822,450 |
| Benefit payments | (366,238) | (292,111) |
| Administrative expense | (53,147) | (68,206) |
| Net changes | 2,243,815 | 3,525,805 |
| Plan fiduciary net position - beginning | 8,398,411 | 10,642,226 |
| Plan fiduciary net position - ending | <u>\$ 10,642,226</u> | <u>\$ 14,168,031</u> |
| Net other post employment benefits liability | <u>\$ 12,340,730</u> | <u>\$ 11,446,413</u> |
| Plan fiduciary net position as percentage of total OPEB liability | 46% | 55% |
| Covered-employee payroll | \$ 19,662,433 | \$ 20,217,028 |
| Net OPEB liability as percentage of covered-employee payroll | 63% | 57% |

Note: Due to implementation of GASB 75 this schedule is newly created and the 10-year requirement will be built prospectively.

(Concluded)

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF INVESTMENTS RETURNS IN OTHER POST EMPLOYMENT BENEFITS
LAST 10 FISCAL YEARS**

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expense | 9.50% | 5.27% | 6.56% | 7.07% | 14.95% |

Note: Due to implementation of GASB 75 this schedule is newly created and the 10-year requirement will be built prospectively.

TARRANT REGIONAL WATER DISTRICT

SCHEDULE OF CONTRIBUTIONS IN OTHER POST EMPLOYMENT BENEFITS

LAST 10 FISCAL YEARS

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 1,524,244 | \$ 1,569,476 | \$ 1,534,834 | \$ 1,504,889 | \$ 1,401,562 |
| Actual contribution | 1,545,511 | 1,626,730 | 1,851,480 | 1,976,748 | 2,063,672 |
| Contribution deficiency (excess) | \$ (21,267) | \$ (57,254) | \$ (316,646) | \$ (471,859) | \$ (662,110) |
| Covered-employee payroll | \$ 19,291,600 | \$ 18,513,781 | \$ 18,674,165 | \$ 19,662,433 | \$ 20,217,028 |
| Contributions as % of covered-employee payroll | 8.01% | 8.79% | 9.91% | 10.05% | 10.21% |

Methods and Assumptions used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Individual entry age normal cost method |
| Amortization method | Level dollar, Closed |
| Remaining amortization period | 25 years as of September 30, 2021 |
| Asset valuation method | Market Value |
| Investment rate | 6.30% per annum, net of expenses |
| Inflation rate | 2.50% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Demographic assumptions | Due to the size of this plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored and adjustments are made to the retirement and withdrawal assumptions as needed. Mortality and disability rates are based on assumptions used to value the Texas Municipal Retirement System (TMRS). |
| Mortality | For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements. |
| Healthcare trend rates | Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 14 years |
| Participation rates | 100% of eligible retirees are assumed to elect coverage |

Note: Due to implementation of GASB 75 this schedule is newly created and the 10-year requirement will be built prospectively.

STATISTICAL SECTION (UNAUDITED)



(Flood in May 1949, overlooking the Lancaster Bridge)

DESCRIPTION OF STATISTICAL SECTION

The Tarrant Regional Water District's statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the District's most significant local governmental source, the property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 178,140,564 | \$ 221,301,902 | \$ 279,586,633 | \$ 311,416,677 |
| Restricted | | | | |
| Unrestricted | 175,256,153 | 188,026,740 | 179,511,280 | 192,888,999 |
| Total governmental net position | <u>353,396,717</u> | <u>409,328,642</u> | <u>459,097,913</u> | <u>504,305,676</u> |
| Business-type Activities | | | | |
| Net investment in capital assets | 234,408,625 | 275,649,460 | 308,579,683 | 357,632,834 |
| Restricted | 65,749,659 | 63,522,458 | 90,811,279 | 89,822,147 |
| Unrestricted | 12,062,496 | (859,394) | (27,523,746) | (16,222,050) |
| Total business-type net position | <u>312,220,780</u> | <u>338,312,524</u> | <u>371,867,216</u> | <u>431,232,931</u> |
| Total Primary Government | | | | |
| Net investment in capital assets | 412,549,189 | 496,951,362 | 588,166,316 | 669,049,511 |
| Restricted | 65,749,659 | 63,522,458 | 90,811,279 | 89,822,147 |
| Unrestricted | 187,318,649 | 187,167,346 | 151,987,534 | 176,666,949 |
| Total primary government net position | <u>\$ 665,617,497</u> | <u>\$ 747,641,166</u> | <u>\$ 830,965,129</u> | <u>\$ 935,538,607</u> |

(Continued)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|------------------------|------------------------|------------------------|------------------------|
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 343,118,047 | \$ 348,801,397 | \$ 360,586,932 | \$ 366,352,452 |
| Restricted | 5,531,060 | 5,561,868 | 5,640,493 | 5,631,464 |
| Unrestricted | 193,491,410 | 208,425,599 | 222,857,751 | 234,513,138 |
| Total governmental net position | 542,140,517 | 562,788,864 | 589,085,176 | 606,497,054 |
| Business-type Activities | | | | |
| Net investment in capital assets | 409,159,039 | 444,563,300 | 493,835,963 | 536,700,791 |
| Restricted | 110,363,100 | 109,317,020 | 103,822,079 | 102,892,891 |
| Unrestricted | (16,336,370) | 26,151,324 | 22,075,675 | 32,611,383 |
| Total business-type net position | 503,185,769 | 580,031,644 | 619,733,717 | 672,205,065 |
| Total Primary Government | | | | |
| Net investment in capital assets | 752,277,086 | 793,364,697 (1) | 854,422,895 | 903,053,243 |
| Restricted | 115,894,160 | 114,878,888 | 109,462,572 | 108,524,355 |
| Unrestricted | 177,155,040 | 234,576,923 | 244,933,426 | 267,124,521 |
| Total primary government net position | \$1,045,326,286 | \$1,142,820,508 | \$1,208,818,893 | \$1,278,702,119 |

(1) The District prospectively modified the calculation of Net Investment in Capital Assets in fiscal year 2017 to include construction liabilities payable from restricted assets.

(Continued)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2020</u> | <u>2021</u> |
|---------------------------------------|-------------------------|-------------------------|
| Governmental Activities | | |
| Net investment in capital assets | \$ 371,744,493 | \$ 375,138,247 |
| Restricted | 5,621,205 | 5,552,676 |
| Unrestricted | 248,942,565 | 261,910,219 |
| | <hr/> | <hr/> |
| Total governmental net position | <u>626,308,263</u> | <u>642,601,142</u> |
| Business-Type Activities | | |
| Net investment in capital assets | 580,388,360 | 624,792,728 |
| Restricted | 100,358,807 | 102,311,377 |
| Unrestricted | 32,653,409 | 37,057,880 |
| | <hr/> | <hr/> |
| Total business-type net position | <u>713,400,576</u> | <u>764,161,985</u> |
| Total Primary Government | | |
| Net investment in capital assets | 952,132,853 | 999,930,975 |
| Restricted | 105,980,012 | 107,864,053 |
| Unrestricted | 281,595,974 | 298,968,099 |
| | <hr/> | <hr/> |
| Total primary government net position | <u>\$ 1,339,708,839</u> | <u>\$ 1,406,763,127</u> |

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS (UNAUDITED)**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Expenses | | | | |
| Governmental Activities | | | | |
| General Government | \$ 11,310,981 | \$ 11,521,503 | \$ 13,462,903 | \$ 12,766,315 |
| Flood Control | 6,418,353 | 6,313,528 | 3,241,255 | 4,963,320 |
| Trinity River Vision Project | 619,066 | 1,041,910 | 18,369,944 | |
| Total Governmental Activities | <u>18,348,400</u> | <u>18,876,941</u> | <u>35,074,102</u> | <u>17,729,635</u> |
| Business-type Activities | <u>82,021,320</u> | <u>87,165,497</u> | <u>104,901,544</u> | <u>87,999,935</u> |
| Total Primary Government Expenses | <u><u>100,369,720</u></u> | <u><u>106,042,438</u></u> | <u><u>139,975,646</u></u> | <u><u>105,729,570</u></u> |
| Program Revenues | | | | |
| Governmental Activities | | | | |
| Charges for Services | 21,636,600 | 33,255,675 | 26,048,278 | 16,595,055 |
| Capital Grants and Contributions | 19,708,589 | 31,910,810 | 49,101,393 | 36,043,940 |
| Total Governmental Activities | <u>41,345,189</u> | <u>65,166,485</u> | <u>75,149,671</u> | <u>52,638,995</u> |
| Business-type Activities | | | | |
| Charges for Services | 99,244,447 | 120,270,336 | 136,041,137 | 142,578,670 |
| Capital Grants and Contributions | | | | 680,633 |
| Total Business-type Activities | <u>99,244,447</u> | <u>120,270,336</u> | <u>136,041,137</u> | <u>143,259,303</u> |
| Total Primary Government Revenues | <u><u>140,589,636</u></u> | <u><u>185,436,821</u></u> | <u><u>211,190,808</u></u> | <u><u>195,898,298</u></u> |
| Net (Expense) Revenue | | | | |
| Governmental Activities | 22,996,789 | 46,289,544 | 40,075,569 | 34,909,360 |
| Business-type Activities | 17,223,127 | 33,104,839 | 31,139,593 | 55,259,368 |
| Total-Primary Government | <u><u>40,219,916</u></u> | <u><u>79,394,383</u></u> | <u><u>71,215,162</u></u> | <u><u>90,168,728</u></u> |
| General Revenues | | | | |
| Governmental Activities | | | | |
| Property Taxes | 8,835,672 | 9,013,033 | 9,231,193 | 9,757,583 |
| Investment Income | 708,010 | 300,771 | 367,655 | 403,723 |
| Miscellaneous | 60,073 | 234,068 | 48,081 | 37,951 |
| Gain/Loss on Disposal of Assets | 5,156 | 94,509 | 46,773 | 99,146 |
| Transfers | | | | |
| Total Governmental Activities | <u>9,608,911</u> | <u>9,642,381</u> | <u>9,693,702</u> | <u>10,298,403</u> |
| Business-type Activities | | | | |
| Investment Income | 2,183,834 | 262,520 | 1,598,019 | 3,748,796 |
| Miscellaneous | 271,321 | 939,978 | 773,572 | 288,461 |
| Gain/Loss on Disposal of Assets | 56,343 | 48,310 | 43,508 | 69,090 |
| Transfers | | | | |
| Total Business-type Activities | <u>2,511,498</u> | <u>1,250,808</u> | <u>2,415,099</u> | <u>4,106,347</u> |
| Total Primary Government | <u><u>12,120,409</u></u> | <u><u>10,893,189</u></u> | <u><u>12,108,801</u></u> | <u><u>14,404,750</u></u> |
| Changes in Net Position | | | | |
| Governmental Activities | 32,605,700 | 55,931,925 | 49,769,271 | 45,207,763 |
| Business-type Activities | 19,734,625 | 34,355,647 | 33,554,692 | 59,365,715 |
| Total Primary Government | <u><u>\$ 52,340,325</u></u> | <u><u>\$ 90,287,572</u></u> | <u><u>\$ 83,323,963</u></u> | <u><u>\$ 104,573,478</u></u> |

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS (UNAUDITED)**

| | <u>2016 (1)</u> | <u>2017</u> | <u>2018</u> |
|------------------------------------|------------------------------|-----------------------------|-----------------------------|
| Expenses | | | |
| Governmental Activities | | | |
| Flood Protection | 18,916,113 | 21,448,590 | 17,637,243 |
| Recreation | 1,561,346 | 2,625,628 | 2,585,102 |
| Total Governmental Activities | <u>20,477,459</u> | <u>24,074,218</u> | <u>20,222,345</u> |
| Business-type Activities | 77,099,429 | 83,155,732 | 118,368,106 |
| Total Primary Government Expenses | <u><u>97,576,888</u></u> | <u><u>107,229,950</u></u> | <u><u>138,590,451</u></u> |
| Program Revenues | | | |
| Governmental Activities | | | |
| Charges for Services | | | |
| Flood Protection | 9,862,928 | 10,308,977 | 10,750,390 |
| Recreation | 1,067,012 | 2,940,158 | 1,407,546 |
| Operating Grants and Contributions | | | |
| Flood Protection | | 100,000 | 140,000 |
| Recreation | | 131,200 | 126,315 |
| Capital Grants and Contributions | | | |
| Flood Protection | 36,029,150 | 20,634,389 | 19,101,900 |
| Recreation | 126,750 | | 86,527 |
| Total Governmental Activities | <u>47,085,840</u> | <u>34,114,724</u> | <u>31,612,678</u> |
| Business-type Activities | | | |
| Charges for Services | 139,387,464 | 155,447,588 | 151,036,899 |
| Operating Grants and Contributions | | 474,769 | 1,423,460 |
| Capital Grants and Contributions | 3,584,248 | 57,540 | |
| Total Business-type Activities | <u>142,971,712</u> | <u>155,979,897</u> | <u>152,460,359</u> |
| Total Primary Government Revenues | <u><u>190,057,552</u></u> | <u><u>190,094,621</u></u> | <u><u>184,073,037</u></u> |
| Net (Expense) Revenue | | | |
| Governmental Activities | 26,608,381 | 10,040,506 | 11,390,333 |
| Business-type Activities | 65,872,283 | 72,824,165 | 34,092,253 |
| Total-Primary Government | <u><u>92,480,664</u></u> | <u><u>82,864,671</u></u> | <u><u>45,482,586</u></u> |
| General Revenues | | | |
| Governmental Activities | | | |
| Property Taxes | 10,264,007 | 10,854,952 | 11,960,148 |
| Investment Income | 317,333 | 435,789 | 731,769 |
| Miscellaneous | 79,170 | 29,379 | 47,936 |
| Gain/Loss on Disposal of Assets | 565,950 | (109,303) | 2,166,126 |
| Total Governmental Activities | <u>11,226,460</u> | <u>11,210,817</u> | <u>14,905,979</u> |
| Business-type Activities | | | |
| Investment Income | 6,776,202 | 5,706,516 | 5,511,784 |
| Miscellaneous | 50,800 | 37,379 | 60,257 |
| Gain/Loss on Disposal of Assets | (746,447) | | 37,779 |
| Total Business-type Activities | <u>6,080,555</u> | <u>5,743,895</u> | <u>5,609,820</u> |
| Total Primary Government | <u><u>17,307,015</u></u> | <u><u>16,954,712</u></u> | <u><u>20,515,799</u></u> |
| Changes in Net Position | | | |
| Governmental Activities | 37,834,841 | 21,251,323 | 26,296,312 |
| Business-type Activities | 71,952,838 | 78,568,060 | 39,702,073 |
| Total Primary Government | <u><u>\$ 109,787,679</u></u> | <u><u>\$ 99,819,383</u></u> | <u><u>\$ 65,998,385</u></u> |

(1) In fiscal year 2016, new governmental categories were created for flood protection and recreation expenses and program revenues.

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS (UNAUDITED)**

| | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Expenses | | | |
| Governmental Activities | | | |
| Flood Protection | 18,429,521 | 19,842,221 | 18,615,103 |
| Recreation | 2,636,155 | 2,781,733 | 4,289,108 |
| Total Governmental Activities | <u>21,065,676</u> | <u>22,623,954</u> | <u>22,904,211</u> |
| Business-type Activities | <u>114,506,276</u> | <u>116,647,345</u> | <u>116,674,851</u> |
| Total Primary Government Expenses | <u><u>135,571,952</u></u> | <u><u>139,271,299</u></u> | <u><u>139,579,062</u></u> |
| Program Revenues | | | |
| Governmental Activities | | | |
| Charges for Services | | | |
| Flood Protection | 8,063,725 | 7,138,932 | 8,756,940 |
| Recreation | 2,159,252 | 1,302,560 | 2,003,616 |
| Operating Grants and Contributions | | | |
| Flood Protection | 236,821 | 105,187 | 10,000 |
| Recreation | 106,850 | 142,420 | 213,910 |
| Capital Grants and Contributions | | | |
| Flood Protection | 7,931,111 | 10,751,579 | 5,000,645 |
| Recreation | 3,275 | 200,198 | |
| Total Governmental Activities | <u>18,501,034</u> | <u>19,640,876</u> | <u>15,985,111</u> |
| Business-type Activities | | | |
| Charges for Services | 147,294,887 | 149,721,357 | 166,216,070 |
| Operating Grants and Contributions | 4,901,133 | 1,885,301 | 1,142,129 |
| Total Business-type Activities | <u>152,196,020</u> | <u>151,606,658</u> | <u>167,358,199</u> |
| Total Primary Government Revenues | <u><u>170,697,054</u></u> | <u><u>171,247,534</u></u> | <u><u>183,343,310</u></u> |
| Net (Expense) Revenue | | | |
| Governmental Activities | (2,564,642) | (2,983,078) | (6,919,100) |
| Business-type Activities | 37,689,744 | 34,959,313 | 50,683,348 |
| Total-Primary Government | <u><u>35,125,102</u></u> | <u><u>31,976,235</u></u> | <u><u>43,764,248</u></u> |
| General Revenues | | | |
| Governmental Activities | | | |
| Property Taxes | 13,147,777 | 21,941,700 | 23,067,000 |
| Investment Income | 1,435,560 | 763,675 | 63,736 |
| Miscellaneous | 144,514 | 17,812 | 16,002 |
| Gain/Loss on Disposal of Assets | 5,248,669 | 71,100 | 65,241 |
| Total Governmental Activities | <u>19,976,520</u> | <u>22,794,287</u> | <u>23,211,979</u> |
| Business-type Activities | | | |
| Investment Income (loss) | 14,653,818 | 5,810,806 | (227,021) |
| Miscellaneous | 23,761 | 310,117 | 224,982 |
| Gain/Loss on Disposal of Assets | 104,025 | 115,275 | 80,100 |
| Total Business-type Activities | <u>14,781,604</u> | <u>6,236,198</u> | <u>78,061</u> |
| Total Primary Government | <u><u>34,758,124</u></u> | <u><u>29,030,485</u></u> | <u><u>23,290,040</u></u> |
| Changes in Net Position | | | |
| Governmental Activities | 17,411,878 | 19,811,209 | 16,292,879 |
| Business-type Activities | 52,471,348 | 41,195,511 | 50,761,409 |
| Total Primary Government | <u><u>\$ 69,883,226</u></u> | <u><u>\$ 61,006,720</u></u> | <u><u>\$ 67,054,288</u></u> |

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-----------------------|-----------------------|-----------------------|----------------------|
| Governmental Fund | | | | |
| Nonspendable | | | | |
| Long-term interfund notes and interest | 1,072,421 | 974,485 | 874,014 | 770,939 |
| Prepaid items | 879,706 | 2,534,623 | 2,808,611 | 1,353,935 |
| Inventory of supplies-at-cost | 46,630 | 51,908 | 53,705 | 57,196 |
| Committed | 100,000 | | | |
| Assigned | 8,274,737 | 1,240,858 | | |
| Unassigned | 152,417,730 | 144,151,950 | 111,936,626 | 88,675,455 |
| Total | <u>\$ 162,791,224</u> | <u>\$ 148,953,824</u> | <u>\$ 115,672,956</u> | <u>\$ 90,857,525</u> |

(Continued)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

FUND BALANCE

LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Governmental Fund | | | | |
| Nonspendable | | | | |
| Long-term interfund notes and interest | \$ 577,139 | \$ 512,236 | \$ 445,386 | \$ 376,531 |
| Prepaid items | 970,308 | 3,901,482 | 3,296,548 | 1,930,341 |
| Inventory of supplies-at-cost | 51,929 | 58,322 | 61,832 | 57,809 |
| Restricted | 5,531,060 | 5,561,868 | 5,640,493 | 5,631,464 |
| Assigned | | 364,461 | 26,560,137 | 55,146,781 |
| Unassigned | 63,501,938 | 50,340,889 | 22,387,079 | 3,375,120 |
| Total | <u>\$ 70,632,374</u> | <u>\$ 60,739,258</u> | <u>\$ 58,391,475</u> | <u>\$ 66,518,046</u> |

(Continued)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

| | <u>2020</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Governmental Fund | | |
| Nonspendable | | |
| Long-term interfund notes and interest | \$ 305,609 | \$ 232,560 |
| Prepaid items | 1,617,076 | 1,446,660 |
| Inventory of supplies-at-cost | 70,033 | 69,305 |
| Inventory held for sale | 499,160 | 491,012 |
| Restricted | 5,621,205 | 5,552,676 |
| Assigned | 59,832,503 | 68,805,529 |
| Unassigned | 7,354,543 | 13,371,803 |
| Total | <u>\$ 75,300,129</u> | <u>\$ 89,969,545</u> |

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**CHANGES IN FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

| GOVERNMENTAL FUND | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|-----------------------|------------------------|------------------------|
| Revenues | | | |
| Property Taxes | \$ 8,857,981 | \$ 8,993,946 | \$ 9,263,039 |
| Lease Rental | 875,426 | 1,385,702 | 1,314,725 |
| Oil and Gas Royalties | 20,738,333 | 31,367,889 | 24,518,478 |
| Sale of Rock and Gravel | | 12,525 | 12,500 |
| Investment Income | 708,010 | 300,771 | 367,655 |
| Contributions | 8,954,382 | 2,963,174 | 3,386,255 |
| Other | 88,069 | 391,767 | 311,573 |
| Total Revenue | <u>40,222,201</u> | <u>45,415,774</u> | <u>39,174,225</u> |
| Expenditures | | | |
| Current | | | |
| General and Administrative | 8,410,677 | 8,476,960 | 9,043,006 |
| Personnel Services | 4,198,150 | 4,753,202 | 4,821,935 |
| Retirement Plan Contribution | 425,689 | 497,578 | 512,818 |
| Contribution | 619,066 | 1,041,910 | 18,434,944 |
| Capital Expenditures | 27,683,605 | 45,075,378 | 39,365,013 |
| Capital Lease Payment | | 385,715 | 277,377 |
| Total Expenditures | <u>41,337,187</u> | <u>60,230,743</u> | <u>72,455,093</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(1,114,986)</u> | <u>(14,814,969)</u> | <u>(33,280,868)</u> |
| Other Financing Sources | | | |
| Proceeds from Capital Lease | | 977,569 | |
| Change in Fund Balance | <u>\$ (1,114,986)</u> | <u>\$ (13,837,400)</u> | <u>\$ (33,280,868)</u> |

(Continued)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**CHANGES IN FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

| GOVERNMENTAL FUND | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|------------------------|------------------------|-----------------------|
| Revenues | | | |
| Property Taxes | \$ 9,737,304 | \$ 10,271,392 | \$ 10,799,762 |
| Lease Rental | 1,601,445 | 1,598,047 | 1,389,533 |
| Oil and Gas Royalties | 14,875,262 | 8,781,804 | 11,048,761 |
| Sale of Rock and Gravel | 19,937 | | |
| Investment Income | 403,723 | 317,333 | 435,789 |
| Contributions | 3,503,256 | 5,299,235 | 3,368,695 |
| Other | 390,221 | 1,038,859 | 612,796 |
| Total Revenue | <u>30,531,148</u> | <u>27,306,670</u> | <u>27,655,336</u> |
| Expenditures | | | |
| Current | | | |
| General and Administrative | 10,797,697 | 8,336,650 | 9,097,411 |
| Personnel Services | 5,007,562 | 7,015,739 | 7,650,611 |
| Retirement Plan Contribution | 535,436 | 588,530 | 637,903 |
| Contribution | 77,913 | 1,230,230 | 3,076,384 |
| Capital Expenditures | 38,668,521 | 30,101,222 | 19,440,358 |
| Capital Lease Payment | 259,450 | 259,450 | |
| Total Expenditures | <u>55,346,579</u> | <u>47,531,821</u> | <u>39,902,667</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(24,815,431)</u> | <u>(20,225,151)</u> | <u>(12,247,331)</u> |
| Other Financing Sources | | | |
| Proceeds from Sale of Land | | | 2,354,215 |
| Change in Fund Balance | <u>\$ (24,815,431)</u> | <u>\$ (20,225,151)</u> | <u>\$ (9,893,116)</u> |

(Continued)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**CHANGES IN FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

| GOVERNMENTAL FUND | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|-----------------------|---------------------|---------------------|----------------------|
| Revenues | | | | |
| Property Taxes | \$ 12,010,248 | \$ 13,152,496 | \$ 21,924,922 | \$ 23,089,003 |
| Lease Rental | 1,403,276 | 1,562,198 | 1,272,670 | 1,404,345 |
| Oil and Gas Royalties | 10,148,141 | 8,197,878 | 6,414,237 | 7,843,251 |
| Investment Income | 731,769 | 1,435,560 | 763,675 | 63,736 |
| Contributions | 4,193,522 | 6,074,367 | 8,344,611 | 8,293,957 |
| Other | 742,406 | 932,267 | 921,554 | 1,505,348 |
| Total Revenue | <u>29,229,362</u> | <u>31,354,766</u> | <u>39,641,669</u> | <u>42,199,640</u> |
| Expenditures | | | | |
| Current | | | | |
| General and Administrative | 8,398,059 | 8,862,512 | 8,489,418 | 9,161,152 |
| Personnel Services | 7,737,421 | 8,276,805 | 8,963,307 | 9,712,955 |
| Retirement Plan Contribution | 637,620 | 673,307 | 780,327 | 821,009 |
| Contribution | 242,806 | 193,647 | 898,966 | 550,507 |
| Interest | | | 6,734 | |
| Capital Expenditures | 14,561,239 | 7,270,974 | 11,755,309 | 7,284,601 |
| Total Expenditures | <u>31,577,145</u> | <u>25,277,245</u> | <u>30,894,061</u> | <u>27,530,224</u> |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | <u>(2,347,783)</u> | <u>6,077,521</u> | <u>8,747,608</u> | <u>14,669,416</u> |
| Other Financing Sources | | | | |
| Proceeds from Sale of Land | | 2,049,050 | 34,475 | |
| Change in Fund Balance | <u>\$ (2,347,783)</u> | <u>\$ 8,126,571</u> | <u>\$ 8,782,083</u> | <u>\$ 14,669,416</u> |

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Total Construction and Improvement Bonds (3) | Percentage of Revenue (1) | Percentage of Personal Income (2) | Debt per Population (2) |
|-------------|--|---------------------------|-----------------------------------|-------------------------|
| 2012 | \$ 885,911,105 | 890% | N/A | N/A |
| 2013 | 843,529,856 | 696% | N/A | N/A |
| 2014 | 1,380,885,004 | 1,009% | N/A | N/A |
| 2015 | 1,339,848,678 | 933% | N/A | N/A |
| 2016 | 1,767,113,767 | 1,236% | N/A | N/A |
| 2017 | 1,706,363,581 | 1,055% | N/A | N/A |
| 2018 | 1,646,713,458 | 1,042% | N/A | N/A |
| 2019 | 1,592,244,826 | 954% | N/A | N/A |
| 2020 | 1,533,390,287 | 971% | N/A | N/A |
| 2021 | 1,771,555,178 | 1,058% | N/A | N/A |

(1) Based on total revenues.

(2) The District's water customers are municipalities and industrial as well as irrigation, therefore relating the District's debt to personal income or population is not applicable

(3) Includes premium (net of accumulated amortization)

**TARRANT REGIONAL WATER DISTRICT
 PLEDGED REVENUE COVERAGE
 LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Gross Revenues (1) | Operating Expenses (2) | Net Available Revenues (3) | Bond Payable Debt Service | | Coverage Ratio |
|-------------|--------------------|------------------------|----------------------------|---------------------------|------------------|----------------|
| | | | | Principal | Interest Expense | |
| 2012 | 95,903,543 | 46,127,011 | 49,776,532 | 26,990,000 | 19,032,705 | 1.08 |
| 2013 | 121,882,172 | 55,653,489 | 66,228,683 | 45,800,000 | 14,872,479 | 1.09 |
| 2014 | 138,456,236 | 69,552,995 | 68,903,241 | 30,310,000 | 18,871,265 | 1.40 |
| 2015 | 142,235,425 | 52,841,262 | 89,394,163 | 37,155,000 | 17,754,619 | 1.63 |
| 2016 | 141,385,132 | 41,645,749 | 99,739,383 | 37,035,000 | 16,418,369 | 1.87 |
| 2017 | 163,378,065 (5) | 43,972,464 | 119,405,601 | 53,435,000 | 19,591,821 | 1.64 |
| 2018 (6) | 161,524,862 | 44,164,379 | 117,360,483 | 54,670,000 | 53,826,841 (4) | 1.08 |
| 2019 | 162,319,167 | 41,005,392 | 121,313,775 | 44,710,000 | 53,281,011 | 1.24 |
| 2020 | 157,000,358 | 44,814,778 | 112,185,580 | 44,690,000 | 51,016,512 | 1.17 |
| 2021 | 169,196,764 | 55,545,963 | 113,650,801 | 58,265,000 | 40,179,149 | 1.15 |

PLEDGED REVENUE COVERAGE (TARRANT REGIONAL WATER DISTRICT REVENUE BONDS)

| Fiscal Year | Gross Revenues | Operating Expenses | Net Available Revenues | Bond Payable Debt Service | | Coverage Ratio |
|-------------|----------------|--------------------|------------------------|---------------------------|------------------|----------------|
| | | | | Principal | Interest Expense | |
| 2018 | 132,452,414 | 44,164,379 | 88,288,035 | 44,575,000 | 38,366,295 | 1.06 |
| 2019 | 133,511,271 | 41,005,392 | 92,505,879 | 34,340,000 | 37,977,258 | 1.28 |
| 2020 | 130,678,211 | 44,814,778 | 85,863,433 | 34,030,000 | 35,895,996 | 1.23 |
| 2021 | 142,721,489 | 55,545,963 | 87,175,526 | 45,370,000 | 25,205,518 | 1.24 |

PLEDGED REVENUE COVERAGE (CITY OF DALLAS WATER UTILITIES CONTRACT REVENUE BONDS)

| Fiscal Year | Gross Revenues | Operating Expenses | Net Available Revenues | Bond Payable Debt Service | | Coverage Ratio |
|-------------|----------------|--------------------|------------------------|---------------------------|------------------|----------------|
| | | | | Principal | Interest Expense | |
| 2018 | 29,072,448 | | 29,072,448 | 10,095,000 | 15,460,546 | 1.14 |
| 2019 | 28,807,896 | | 28,807,896 | 10,370,000 | 15,303,753 | 1.12 |
| 2020 | 26,322,147 | | 26,322,147 | 10,660,000 | 15,120,516 | 1.02 |
| 2021 | 26,475,276 | | 26,475,276 | 12,895,000 | 14,973,631 | 0.95 (7) |

- (1) Gross revenue includes all operating and non-operating revenues.
- (2) Operating expenses exclude depreciation and amortization expense.
- (3) Net available revenue represents gross revenues less operating expenses.
- (4) Capitalized interest not required beginning in fiscal year 2018 as per GASB 89.
- (5) Beginning in fiscal year 2017, the gross revenues exclude any effect of unrealized gains or losses on investment fair market value as these are noncash effects and do not effect amounts available for debt service.
- (6) Beginning fiscal year 2018, the pledged revenues for the TRWD Revenue Bonds and the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) have been split to allow for clearer review.
- (7) Coverage ratio below 1.0 due to prior year excess income used to pay current year debt service.

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL WATER CUSTOMERS AND WATER RATE
LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Customer | Rate | Amount Due | Amount Received | Percent of Total Revenue |
|-------------|-------------------------|-----------|--------------------|--------------------|--------------------------|
| 2012 | Arlington | \$0.82717 | \$ 17,679,757 | \$ 17,679,757 | 17.77 % |
| | Fort Worth -In | 0.81342 | 38,070,820 | 38,070,820 | 38.26 % |
| | Fort Worth -Out | 0.83742 | 19,335,136 | 19,335,136 | 19.43 % |
| | Mansfield | 0.83742 | 3,361,174 | 3,361,174 | 3.38 % |
| | Trinity River Authority | 0.83742 | 10,167,515 | 10,167,515 | 10.22 % |
| | | | <u>88,614,402</u> | <u>88,614,402</u> | <u>89.06 %</u> |
| 2013 | Arlington | 0.95186 | 19,589,663 | 19,589,663 | 16.16 % |
| | Fort Worth -In | 0.93986 | 42,778,409 | 42,778,409 | 35.29 % |
| | Fort Worth -Out | 0.96086 | 21,322,315 | 21,322,315 | 17.59 % |
| | Mansfield | 0.96086 | 3,649,000 | 3,649,000 | 3.01 % |
| | Trinity River Authority | 0.96086 | 11,294,855 | 11,294,855 | 9.32 % |
| | | | <u>98,634,242</u> | <u>98,634,242</u> | <u>81.37 %</u> |
| 2014 | Arlington | 1.08267 | 21,319,088 | 21,319,088 | 15.58 % |
| | Fort Worth -In | 1.07242 | 49,326,728 | 49,326,728 | 36.05 % |
| | Fort Worth -Out | 1.09042 | 22,895,485 | 22,895,485 | 16.73 % |
| | Mansfield | 1.09042 | 4,255,381 | 4,255,381 | 3.11 % |
| | Trinity River Authority | 1.09042 | 12,137,378 | 12,137,378 | 8.87 % |
| | | | <u>109,934,060</u> | <u>109,934,060</u> | <u>80.34 %</u> |
| 2015 | Arlington | 1.06935 | 20,811,958 | 20,811,958 | 16.00 % |
| | Fort Worth -In | 1.06085 | 49,611,117 | 49,611,117 | 36.80 % |
| | Fort Worth -Out | 1.07585 | 22,213,484 | 22,213,484 | 16.00 % |
| | Mansfield | 1.07585 | 4,368,827 | 4,368,827 | 3.29 % |
| | Trinity River Authority | 1.07585 | 11,118,401 | 11,118,401 | 9.83 % |
| | | | <u>108,123,787</u> | <u>108,123,787</u> | <u>81.92 %</u> |
| 2016 | Arlington | 1.00637 | 20,294,552 | 20,294,552 | 14.19 % |
| | Fort Worth -In | 0.99962 | 47,396,879 | 47,396,879 | 33.14 % |
| | Fort Worth -Out | 1.01162 | 19,960,539 | 19,960,539 | 13.96 % |
| | Mansfield | 1.01162 | 4,299,098 | 4,299,098 | 3.01 % |
| | Trinity River Authority | 1.01162 | 11,304,561 | 11,304,561 | 7.90 % |
| | | | <u>103,255,629</u> | <u>103,255,629</u> | <u>72.20 %</u> |
| 2017 | Arlington | 1.13170 | 22,296,464 | 22,296,464 | 13.79 % |
| | Fort Worth -In | 1.12670 | 53,175,077 | 53,175,077 | 32.88 % |
| | Fort Worth -Out | 1.13570 | 23,406,016 | 23,406,016 | 14.47 % |
| | Mansfield | 1.13570 | 5,117,915 | 5,117,915 | 3.16 % |
| | Trinity River Authority | 1.13570 | 12,363,932 | 12,363,932 | 7.65 % |
| | | | <u>116,359,404</u> | <u>116,359,404</u> | <u>71.95 %</u> |
| 2018 | Arlington | 1.07181 | 21,811,046 | 21,811,046 | 13.80 % |
| | Fort Worth -In | 1.06856 | 55,105,320 | 55,105,320 | 34.86 % |
| | Fort Worth -Out | 1.07456 | 23,616,098 | 23,616,098 | 14.94 % |
| | Mansfield | 1.07456 | 5,523,546 | 5,523,546 | 3.49 % |
| | Trinity River Authority | 1.07456 | 11,850,071 | 11,850,071 | 7.50 % |
| | | | <u>117,906,081</u> | <u>117,906,081</u> | <u>74.59 %</u> |

(continued)

Source: From the District's Settle-up for the respective years.

**TARRANT REGIONAL WATER DISTRICT
 PRINCIPAL WATER CUSTOMERS AND WATER RATE
 LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Customer | Rate | Amount Due | Amount Received | Percent of Total Revenue |
|-------------|-------------------------|-----------|---------------|-----------------|--------------------------|
| 2019 | Arlington | \$1.26370 | \$ 21,016,599 | \$ 21,016,599 | 12.59 % |
| | Fort Worth -In | 1.26220 | 49,479,396 | 49,479,396 | 29.63 % |
| | Fort Worth -Out | 1.26520 | 21,666,506 | 21,666,506 | 12.98 % |
| | Mansfield | 1.26520 | 5,306,509 | 5,306,509 | 3.18 % |
| | Trinity River Authority | 1.26520 | 11,357,357 | 11,357,357 | 6.80 % |
| | | | 108,826,367 | 108,826,367 | 65.18 % |
| 2020 | Arlington | 1.25539 | 20,384,118 | 20,384,118 | 12.91 % |
| | Fort Worth (1) | 1.25539 | 74,932,530 | 74,932,530 | 47.48 % |
| | Mansfield | 1.25539 | 5,515,001 | 5,515,001 | 3.49 % |
| | Trinity River Authority | 1.25539 | 11,729,655 | 11,729,655 | 7.43 % |
| | | | 112,561,304 | 112,561,304 | 71.31 % |
| 2021 | Arlington | 1.25448 | * 21,862,246 | 21,862,246 | 13.06 % |
| | Fort Worth (1) | 1.25448 | * 83,791,703 | 83,791,703 | 50.04 % |
| | Mansfield | 1.25448 | * 6,247,606 | 6,247,606 | 3.73 % |
| | Trinity River Authority | 1.25448 | * 12,469,854 | 12,469,854 | 7.45 % |
| | | | 124,371,409 | 124,371,409 | 74.28 % |

*Rate based on 2021 approved budget

(1) In District and Out of District water rates are the same as of fiscal year 2020, therefore Fort Worth's water data will be reported together from that year forward.

(concluded)

Source: From the District's Settle-up for the respective years.

**TARRANT REGIONAL WATER DISTRICT
SALE OF SYSTEM CAPACITY RESTRICTED FOR DEBT SERVICE
LAST 10 FISCAL YEARS (UNAUDITED)**

| <u>Fiscal Year</u> | <u>Customer</u> | <u>Amount Due</u> | <u>Amount Received</u> | <u>Percentage of Total Revenues</u> |
|--------------------|------------------|-------------------|------------------------|---|
| 2012 | Dallas Utilities | \$ 3,086,592 | \$ 3,086,592 | 3.10 % |
| 2013 | Dallas Utilities | 7,903,394 | 7,903,394 | 6.52 % |
| 2014 | Dallas Utilities | 14,072,987 | 14,072,987 | 10.29 % |
| 2015 | Dallas Utilities | 21,453,659 | 21,453,659 | 14.95 % |
| 2016 | Dallas Utilities | 23,057,320 | 23,057,320 | 16.12 % |
| 2017 | Dallas Utilities | 27,954,778 | 27,954,778 | 17.29 % |
| 2018 | Dallas Utilities | 26,197,337 | 26,197,337 | 16.57 % |
| 2019 | Dallas Utilities | 26,125,003 | 26,125,003 | 15.65 % |
| 2020 | Dallas Utilities | 26,026,083 | 26,026,083 | 16.49 % |
| 2021 | Dallas Utilities | 27,272,197 | 27,272,197 | 16.29 % |

Source: From the District's annual sale of system capacity settle-up for the respective years.

TARRANT REGIONAL WATER DISTRICT

**ASSESSED AND ACTUAL ESTIMATED VALUE OF PROPERTY AND TAX RATE
LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Assessed Valuation | Estimated Actual Valuation | Ratio of Assessed Valuation to Estimated Actual Valuation | Tax Rate (per \$100 valuation) |
|--------------------|---------------------------|-----------------------------------|--|---------------------------------------|
| 2012 | \$43,715,648,106 | \$43,892,079,947 | 99.6% | 0.0200 |
| 2013 | 44,476,657,492 | 44,674,429,572 | 99.6% | 0.0200 |
| 2014 | 45,346,218,693 | 45,962,219,088 | 98.7% | 0.0200 |
| 2015 | 48,490,176,973 | 48,436,832,646 | 100.1% | 0.0200 |
| 2016 | 46,917,552,904 | 50,803,383,613 | 92.4% | 0.0200 |
| 2017 | 52,935,293,713 | 55,434,998,202 | 95.5% | 0.0194 |
| 2018 | 59,550,920,828 | 61,429,213,137 | 96.9% | 0.0194 |
| 2019 | 66,747,897,039 | 67,748,329,180 | 98.5% | 0.0194 |
| 2020 | 75,197,241,073 | 76,434,950,423 | 98.4% | 0.0287 |
| 2021 | 74,567,554,727 | 80,498,318,774 | 92.6% | 0.0287 |

Note: All taxes are recorded in the General Fund.

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Total Tax Levy | Current Tax Collections | Ratio of Current Tax Collections to Total Tax Levy | Delinquent Tax Collections | Ratio of Delinquent Tax Collections to Total Tax Levy | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy |
|--------------------|-----------------------|--------------------------------|---|-----------------------------------|--|------------------------------|---|
| 2012 | \$8,778,407 | \$8,664,270 | 98.7% | \$112,467 | 1.28% | \$8,776,737 | 100.0% |
| 2013 | 8,934,929 | 8,820,523 | 98.7% | 111,025 | 1.24% | 8,931,548 | 100.0% |
| 2014 | 9,192,432 | 9,083,100 | 98.8% | 94,414 | 1.03% | 9,177,514 | 99.8% |
| 2015 | 9,687,422 | 9,543,963 | 98.5% | 92,231 | 0.95% | 9,636,194 | 99.5% |
| 2016 | 10,158,047 | 10,039,402 | 98.8% | 124,865 | 1.23% | 10,164,267 | 100.1% |
| 2017 | 10,754,248 | 10,622,254 | 98.8% | 114,227 | 1.06% | 10,736,481 | 99.8% |
| 2018 | 11,916,029 | 11,805,749 | 99.1% | 123,651 | 1.04% | 11,929,400 | 100.1% |
| 2019 | 13,142,683 | 13,023,373 | 99.1% | 12,308 | 0.09% | 13,035,681 | 99.2% |
| 2020 | 21,934,303 | 21,714,220 | 99.0% | 71,249 | 0.32% | 21,785,469 | 99.3% |
| 2021 | 23,085,616 | 22,886,975 | 99.1% | 61,039 | 0.26% | 22,948,014 | 99.4% |

Source: From the Tarrant County Tax Office.

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL TAXPAYERS
LAST 10 FISCAL YEARS (UNAUDITED)**

2012

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|----------------------------------|----------------|------|--------------------------------|
| OnCor Electric Delivery Co | \$ 348,276,563 | 1 | 0.8% |
| XTO Energy Inc | 267,126,366 | 2 | 0.6% |
| Chesapeake Operating (Wi) | 259,700,540 | 3 | 0.6% |
| Bell Helicopter Textron Inc | 257,875,667 | 4 | 0.6% |
| DDR/DTC City Investments LP Etal | 207,500,670 | 5 | 0.5% |
| Alcon Laboratories Inc | 185,781,347 | 6 | 0.4% |
| American Airlines Inc | 165,278,094 | 7 | 0.4% |
| Wal-Mart Real Estate Bus Trust | 151,488,081 | 8 | 0.3% |
| Devon Energy Prod Co *Wi* | 140,258,480 | 9 | 0.3% |
| Behringer Harvard Burnett Plz | 129,212,689 | 10 | 0.3% |

2013

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|----------------------------------|---------------|------|--------------------------------|
| OnCor Electric Delivery Co | 365,495,737 | 1 | 0.8% |
| Bell Helicopter Textron Inc | 245,483,674 | 2 | 0.5% |
| DDR/DTC City Investments LP Etal | 217,491,442 | 3 | 0.5% |
| XTO Energy Inc | 211,643,372 | 4 | 0.5% |
| Chesapeake Operating (Wi) | 400,332,120 | 5 | 0.4% |
| Alcon Laboratories Inc | 175,992,590 | 6 | 0.4% |
| Wal-Mart Real Estate Bus Trust | 174,053,778 | 7 | 0.4% |
| American Airlines Inc | 172,481,483 | 8 | 0.4% |
| Behringer Harvard Burnett Plz | 137,904,098 | 9 | 0.3% |
| MS Crescent One SPV LLC | 122,194,105 | 10 | 0.3% |

2014

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|----------------------------------|---------------|------|--------------------------------|
| OnCor Electric Delivery Co | 391,937,884 | 1 | 0.9% |
| Bell Helicopter Textron Inc | 254,856,529 | 2 | 0.6% |
| XTO Energy Inc | 241,851,072 | 3 | 0.5% |
| DDR/DTC City Investments LP Etal | 230,817,598 | 4 | 0.5% |
| American Airlines Inc | 184,970,551 | 5 | 0.4% |
| Wal-Mart Real Estate Bus Trust | 175,889,309 | 6 | 0.4% |
| Alcon Laboratories Inc | 172,548,795 | 7 | 0.4% |
| Chesapeake Operating (Wi) | 152,786,670 | 8 | 0.3% |
| Behringer Harvard Burnett Plz | 140,475,909 | 9 | 0.3% |
| Cousins 777 Main Street LLC | 133,905,387 | 10 | 0.3% |

(Continued)

Source: From the Tarrant Appraisal District

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL TAXPAYERS
LAST 10 FISCAL YEARS (UNAUDITED)**

2015

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|----------------------------------|----------------|------|--------------------------------|
| Bell Helicopter Textron Inc | \$ 503,393,212 | 1 | 1.0% |
| OnCor Electric Delivery Co | 391,540,705 | 2 | 0.8% |
| DDR/DTC City Investments LP Etal | 257,099,070 | 3 | 0.5% |
| XTO Energy Inc | 250,463,899 | 4 | 0.5% |
| American Airlines Inc | 182,284,867 | 5 | 0.4% |
| Chesapeake Operating (Wi) | 180,849,480 | 6 | 0.4% |
| Wal-Mart Real Estate Bus Trust | 179,544,956 | 7 | 0.4% |
| Alcon Laboratories Inc | 175,384,451 | 8 | 0.4% |
| F7SSSM LLC | 148,283,280 | 9 | 0.3% |
| Miller Coors | 147,079,496 | 10 | 0.3% |

2016

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|----------------------------------|---------------|------|--------------------------------|
| Alcon Laboratories Inc | 397,076,716 | 1 | 0.8% |
| OnCor Electric Delivery Co | 373,253,116 | 2 | 0.7% |
| Bell Helicopter Textron Inc | 367,368,343 | 3 | 0.7% |
| DDR/DTC City Investments LP Etal | 253,611,929 | 4 | 0.5% |
| American Airlines Inc | 233,238,096 | 5 | 0.5% |
| A T and T Mobility LLC | 172,493,429 | 6 | 0.3% |
| Behringer Harvard Burnett PLZ | 147,757,362 | 7 | 0.3% |
| Wal-Mart Real Estate Bus Trust | 146,355,480 | 8 | 0.3% |
| F7 SSSM LLC | 144,858,480 | 9 | 0.3% |
| Carlyle/Cypress West 7th II LP | 135,660,000 | 10 | 0.3% |

2017

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|--|---------------|------|--------------------------------|
| Research | 603,342,438 | 1 | 1.1% |
| Bell Helicopter Textron Inc/Bell Helicopter Inc. | 491,469,232 | 2 | 0.9% |
| American Airlines Inc/Envoy Air Inc | 411,776,747 | 3 | 0.7% |
| OnCor Electric Delivery Co LLC | 405,513,513 | 4 | 0.7% |
| Winner LLC | 368,973,812 | 5 | 0.7% |
| DDR/DTC City Investments LP Etal | 253,960,899 | 6 | 0.5% |
| Wal-Mart Stores Texas | 229,512,348 | 7 | 0.4% |
| Millercoors/Millercoors LLC | 174,471,635 | 8 | 0.3% |
| Behringer Harvard Burnett PLZ/Centerpoint West 7 | 169,320,197 | 9 | 0.3% |
| | 156,567,607 | 10 | 0.3% |

(Continued)

Source: From the Tarrant Appraisal District

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL TAXPAYERS
LAST 10 FISCAL YEARS (UNAUDITED)**

2018

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|--|------------------|------|--------------------------------|
| Winner LLC | \$ 1,054,626,607 | 1 | 1.7% |
| American Airlines Inc/Envoy Air Inc | 578,376,335 | 2 | 0.9% |
| Bell Helicopter Textron Inc/Bell Helicopter Inc. | 500,774,914 | 3 | 0.8% |
| OnCor Electric Delivery Co LLC | 450,578,385 | 4 | 0.7% |
| Alcon Laboratories Inc/Manufacturing/Research | 448,930,296 | 5 | 0.7% |
| DDR/DTC City Investments LP Etal | 261,579,728 | 6 | 0.4% |
| Millercoors/Millercoors LLC | 173,943,264 | 7 | 0.3% |
| Atmos Energy/Mid Tex Division | 169,221,630 | 8 | 0.3% |
| Carlyle/Cypress West 7th LP/Carlyle/Cypress West 7 | 162,299,663 | 9 | 0.3% |
| Behringer Harvard Burnett PLZ | 161,145,167 | 10 | 0.3% |

2019

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|---|---------------|------|--------------------------------|
| Winner LLC | 1,574,939,466 | 1 | 2.3% |
| American Airlines Inc/Envoy Air Inc | 767,296,598 | 2 | 1.1% |
| Bell Helicopter Textron Inc/Bell Helicopter Inc. | 489,194,620 | 3 | 0.7% |
| OnCor Electric Delivery Co LLC | 488,582,268 | 4 | 0.7% |
| Alcon Laboratories Inc/Alcon Laboratories Inc | 392,797,194 | 5 | 0.6% |
| DDR/DTC City Investments LP Etal | 288,872,491 | 6 | 0.4% |
| Atmos Energy/Mid Tex Division | 185,419,290 | 7 | 0.3% |
| Behringer Harvard Burnett PLZ | 183,244,242 | 8 | 0.3% |
| F7 SSSM LLC | 162,243,873 | 9 | 0.2% |
| Wal-Mart Stores Texas LLC/Wal-Mart Stores East LP | 162,085,547 | 10 | 0.2% |

2020

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|--|---------------|------|--------------------------------|
| Winner LLC | 1,938,352,072 | 1 | 2.5% |
| American Airlines Inc/Envoy Air Inc | 964,327,109 | 2 | 1.3% |
| OnCor Electric Delivery Co LLC | 608,952,883 | 3 | 0.8% |
| Bell Textron Inc/Bell Helicopter Inc. | 482,736,231 | 4 | 0.6% |
| Alcon Laboratories Inc/Alcon Manufacturing LTD | 426,233,973 | 5 | 0.6% |
| DDR/DTC City Investments LP Etal | 288,872,491 | 6 | 0.4% |
| Atmos Energy/Mid Tex Division | 204,063,420 | 7 | 0.3% |
| Bus | 199,267,891 | 8 | 0.3% |
| At Industrial Owner 1/3/4/7 Holdco LP | 192,421,917 | 9 | 0.3% |
| AT&T Mobility Inc | 184,113,057 | 10 | 0.2% |

2021

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|---|---------------|------|--------------------------------|
| Winner LLC | 1,958,426,229 | 1 | 2.4% |
| OnCor Electric Delivery Co LLC | 1,486,400,083 | 2 | 1.8% |
| American Airlines Inc/American Airlines Inc | 942,538,548 | 3 | 1.2% |
| Bell Textron Inc/Bell Helicopter Inc | 545,880,812 | 4 | 0.7% |
| Alcon Laboratories Inc/Alcon Laboratories Inc | 392,514,997 | 5 | 0.5% |
| DDR/DTC City Investmts LP Etal | 249,769,325 | 6 | 0.3% |
| AT&T Mobility LLC | 221,168,571 | 7 | 0.3% |
| Atmos Energy/Mid Tex Division | 219,479,531 | 8 | 0.3% |
| Burnett Plaza Holdings LLC | 166,762,390 | 9 | 0.2% |
| F7 SSSM LLC | 157,987,644 | 10 | 0.2% |

(Concluded)

Source: From the Tarrant Appraisal District

TARRANT REGIONAL WATER DISTRICT
ENTERPRISE FUND EXPENSES
LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Operating Maintenance and Administrative | Interest Expense | Depreciation and Amortization |
|----------------|--|---------------------|-------------------------------------|
| 2012 | \$ 46,127,011 | \$ 19,238,227 | \$ 16,656,082 |
| 2013 | 55,653,489 | 14,938,583 (2) | 16,573,425 |
| 2014 | 69,552,995 | 18,920,099 (3) | 16,428,450 |
| 2015 | 52,841,262 (1) | 17,779,112 | 17,379,561 |
| 2016 | 42,392,196 (1) | 16,440,189 | 19,013,491 |
| 2017 | 43,972,464 | 19,609,135 (4) | 19,574,133 |
| 2018 | 44,164,379 | 53,833,757 (5) | 20,369,970 |
| 2019 | 41,005,392 | 53,294,373 | 20,206,511 |
| 2020 | 44,814,778 | 51,027,808 | 20,804,759 |
| 2021 | 55,545,963 (6) | 40,188,317 (7) | 20,940,571 |

(1) Decrease due to a decrease in pumping power costs due to the flood conditions.

(2) Decrease in interest expense due to refunding of the 2002 Bond Issuance.

(3) Increase in interest expense due to the issuance of the 2014 bonds.

(4) Increase in interest expense due to the issuance of the 2015A, 2016 and 2016A bonds.

(5) Increase in interest expense due to capitalized interest not required in fiscal year 2018 as per GASB 89.

(6) Increase in operating maintenance and administrative expense due to bond issuance expenses from the 2020B, 2020C, Dallas 2021A and Dallas 2021B bond issuance costs. The increase is also do to the increase in pumping power due to the bitterly cold winter storm in February 2021.

(7) Decrease in interest expense due to refunding of the 2008A, 2008B, 2010A, 2010B, 2014, Dallas 2012, Dallas 2014 Bonds and the new 2021A Bond.

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Oil and Gas Royalties | Land Lease Rentals | Interest Income | Other (1) | Property Taxes |
|-------------|-----------------------|--------------------|-----------------|--------------|----------------|
| 2012 | \$20,738,333 | \$ 875,426 | \$ 708,010 | \$ 9,042,451 | \$ 8,857,981 |
| 2013 | 31,367,889 | 1,385,702 | 300,771 | 4,345,035 | 8,993,946 |
| 2014 | 24,518,478 | 1,314,725 | 367,655 | 3,710,328 | 9,263,039 |
| 2015 | 15,875,262 (2) | 1,601,445 | 403,723 | 3,913,415 | 9,737,304 |
| 2016 | 8,781,804 (2) | 1,598,047 | 317,333 | 6,338,094 | 10,271,392 |
| 2017 | 11,048,761 (3) | 1,389,533 | 435,789 | 6,335,706 | 10,799,762 |
| 2018 | 10,148,141 | 1,403,276 | 731,769 (4) | 4,935,928 | 12,010,248 |
| 2019 | 8,197,878 (2) | 1,562,198 | 1,435,560 (4) | 9,055,684 | 13,152,496 |
| 2020 | 6,414,237 (2) | 1,272,670 | 763,675 (5) | 9,300,640 | 21,924,922 (6) |
| 2021 | 7,843,251 (3) | 1,404,345 | 63,736 (5) | 9,799,305 | 23,089,003 |

(1) Includes sale of land, contributions and other revenues.

(2) Oil and gas royalties are reflective of a decreasing market.

(3) Oil and gas royalties are reflective of an increasing market.

(4) Interest income increased due to higher interest rates.

(5) Interest income decreased due to lower interest rates.

(6) Property taxes increased due to increase in tax rate.

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND REVENUES BY SOURCE

LAST 10 FISCAL YEARS (UNAUDITED)

| <u>Fiscal Year</u> | <u>Sale of Water (5)</u> | <u>Sale of System Capacity</u> | <u>Investment Income (loss)</u> | <u>Land Lease Rentals</u> | <u>Other (1)</u> |
|--------------------|--------------------------|--------------------------------|---------------------------------|---------------------------|------------------|
| 2012 | \$ 95,758,347 | \$ 3,086,592 | \$ 2,183,834 | \$ 76,624 | \$ 650,548 |
| 2013 | 112,139,871 | 7,903,394 | 262,520 | 85,681 | 1,129,678 |
| 2014 | 121,710,988 | 14,072,987 | 1,598,019 | 88,640 | 985,602 |
| 2015 | 120,844,075 | 21,453,659 | 3,748,796 (2) | 74,378 | 1,244,742 (3) |
| 2016 | 115,849,316 | 23,057,320 | 6,776,202 (2) | 172,361 | 3,943,515 (4) |
| 2017 | 127,130,021 | 27,954,778 | 5,706,516 | 157,262 | 775,215 |
| 2018 | 124,380,349 | 26,197,337 | 5,511,784 | 156,797 | 1,823,912 (4) |
| 2019 | 120,669,062 | 26,125,003 | 14,653,818 (6) | 164,955 | 5,364,786 (4) |
| 2020 | 123,206,591 | 26,026,083 | 5,810,806 (7) | 145,268 | 2,654,108 (8) |
| 2021 | 138,108,606 | 27,272,197 | (227,021) (9) | 152,743 | 2,129,735 |

(1) Other revenues include contributions, gains on sale of investments and property, plant and equipment, and buy-in premiums.

(2) Increase due to market improvement as well as new bond funds being available to invest for the full fiscal year.

(3) Increase due to Pollution Campaign and public awareness contributions from Dallas Water Utilities.

(4) Increase due to additional buy-in premiums received.

(5) Variability in sale of water due to fluctuations in utility and other system costs.

(6) Increase due to market improvement.

(7) Decrease due to lower interest rates.

(8) Decrease due to less buy-in premiums received from fiscal year 2019 to fiscal year 2020.

(9) Loss is due to decrease in fair market value.

Source: From the District's Annual Financial Report for the respective years.

TARRANT REGIONAL WATER DISTRICT

**FULL-TIME EMPLOYEE HEAD COUNT
LAST 10 FISCAL YEARS (UNAUDITED)**

| <u>Fiscal Year</u> | <u>Flood Control</u> | <u>Water Supply</u> | <u>Operational Support</u> | <u>Administrative</u> | <u>Recreation</u> | <u>Total</u> |
|--------------------|----------------------|---------------------|----------------------------|-----------------------|-------------------|--------------|
| 2012 | 26 | 81 | 37 | 88 | | 232 |
| 2013 | 37 | 83 | 38 | 83 | | 241 |
| 2014 | 37 | 85 | 37 | 85 | | 244 |
| 2015 | 42 | 94 | 60 | 67 | | 263 |
| 2016 | 49 | 91 | 63 | 69 | | 272 |
| 2017 | 49 | 92 | 62 | 67 | | 270 |
| 2018 | 53 | 89 | 67 | 75 | | 284 |
| 2019 | 52 | 93 | 70 | 78 | | 293 |
| 2020 | 48 | 94 | 71 | 88 | | 301 |
| 2021 (1) | 29 | 97 | 92 | 84 | 5 | 307 |

(1) Beginning in fiscal year 2021, employees were specifically designated to the recreation mission. Also, there was a shift of employees from Flood Control to Operational Support which organizationally was more efficient and supports all functions of the District.

Source: From the District's internal payroll records

TARRANT REGIONAL WATER DISTRICT

**MISCELLANEOUS STATISTICAL FACTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

Date of organization October 7, 1924

Area covered by District 345 square miles

Facilities:

Number of water supply reservoirs 4

| | Conservation Pool | Actual in Storage |
|-----------------------------|------------------------------|------------------------------|
| Acre feet of water storage: | | |
| Bridgeport Lake | 361,785 | 361,400 |
| Eagle Mountain Lake | 179,880 | 173,522 |
| Cedar Creek Lake | 644,785 | 601,027 |
| Richland-Chambers | 1,112,763 | 1,067,554 |
| Total | 2,299,213 | 2,203,503 |

Miles of levees 23

Miles of floodway river channel 28

Area to be maintained by District 1,997 acres

Annual rainfall in inches—last 10 fiscal years:

| Year | DFW Weather Service | Lake Worth | Eagle Mountain Lake | Bridgeport Lake | Cedar Creek Lake | Richland- Chambers |
|------|------------------------------------|-----------------------|------------------------------------|----------------------------|---------------------------------|-------------------------------|
| 2012 | 36.57 | 31.76 | 30.67 | 36.87 | 38.79 | 39.07 |
| 2013 | 24.41 | 19.69 | 21.89 | 19.68 | 12.72 | 22.10 |
| 2014 | 23.98 | 16.27 | 19.57 | 20.44 | 32.09 | 26.31 |
| 2015 | 44.45 | 33.67 | 39.26 | 39.99 | 39.38 | 42.17 |
| 2016 | 53.16 | 41.25 | 45.23 | 43.67 | 58.85 | 63.91 |
| 2017 | 34.96 | 34.80 | 27.47 | 32.93 | 40.17 | 41.97 |
| 2018 | 42.39 | 21.18 | 22.51 | 18.22 | 33.62 | 37.35 |
| 2019 | 48.20 | 34.63 | 38.47 | 27.25 | 55.00 | 52.94 |
| 2020 | 45.27 | 31.81 | 32.81 | 41.17 | 53.30 | 49.02 |
| 2021 | 32.91 | 24.81 | 28.75 | 30.30 | 39.81 | 33.17 |

Source: The National Weather Service and the U.S. Geological Survey for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

ELLIS COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 154,522 | \$ 3,965,343,564 | \$ 25,662 | 35.0 | 5,201 | 6.8 % |
| 2013 | 163,445 | 4,194,325,590 | 25,662 | 35.0 | 4,779 | 6.1 % |
| 2014 | 168,296 | 4,318,811,952 | 25,662 | 35.0 | 3,877 | 4.9 % |
| 2015 | 173,277 | 4,446,634,374 | 25,662 | 35.0 | 3,114 | 3.8 % |
| 2016 | 178,372 | 4,624,115,728 | 25,924 | 35.5 | 3,186 | 4.0 % |
| 2017 | 183,618 | 4,839,619,626 | 26,357 | 35.7 | 3,142 | 3.8 % |
| 2018 | 189,032 | 5,163,031,016 | 27,313 | 35.9 | 2,991 | 3.4 % |
| 2019 | 194,584 | 5,567,437,408 | 28,612 | 36.0 | 2,964 | 3.3 % |
| 2020 | 174,749 | 5,369,512,523 | 30,727 | 36.1 | 2,871 | 3.1 % |
| 2021 | 177,721 | 5,788,550,691 | 32,571 | 36.2 | 5,641 | 6.0 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Ellis County as a whole, the District's service area includes only part of Ellis County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

FREESTONE COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|-----------------|----------------------------|------------|--------------|-------------------|
| 2012 | 20,173 | \$ 461,477,548 | \$ 22,876 | 40.9 | 530 | 6.6 % |
| 2013 | 20,500 | 468,958,000 | 22,876 | 40.9 | 535 | 6.8 % |
| 2014 | 20,725 | 474,105,100 | 22,876 | 40.9 | 441 | 5.7 % |
| 2015 | 20,931 | 478,817,556 | 22,876 | 40.9 | 423 | 5.8 % |
| 2016 | 21,133 | 486,228,064 | 23,008 | 40.9 | 407 | 5.4 % |
| 2017 | 21,356 | 514,401,972 | 24,087 | 41.4 | 471 | 6.9 % |
| 2018 | 21,559 | 503,833,830 | 23,370 | 41.4 | 425 | 6.3 % |
| 2019 | 21,776 | 523,930,560 | 24,060 | 40.6 | 384 | 5.8 % |
| 2020 | 19,879 | 478,745,957 | 24,083 | 40.4 | 307 | 4.8 % |
| 2021 | 19,860 | 488,973,060 | 24,621 | 41.5 | 528 | 8.3 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Freestone County as a whole, the District's service area includes only part of Freestone County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

**DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST 10 FISCAL YEARS (UNAUDITED)
 HENDERSON COUNTY, TX**

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 79,475 | \$ 1,748,052,625 | \$ 21,995 | 42.8 | 2,600 | 7.5 % |
| 2013 | 80,237 | 1,764,812,815 | 21,995 | 42.8 | 2,431 | 7.0 % |
| 2014 | 80,820 | 1,777,635,900 | 21,995 | 42.8 | 1,942 | 5.5 % |
| 2015 | 81,372 | 1,789,777,140 | 21,995 | 42.8 | 1,669 | 4.9 % |
| 2016 | 81,959 | 1,791,377,863 | 21,857 | 43.2 | 1,685 | 4.9 % |
| 2017 | 82,521 | 1,866,047,373 | 22,613 | 43.4 | 1,659 | 4.7 % |
| 2018 | 83,089 | 1,961,315,845 | 23,605 | 43.7 | 1,476 | 4.2 % |
| 2019 | 83,631 | 2,033,487,765 | 24,315 | 43.8 | 1,364 | 3.7 % |
| 2020 | 80,985 | 2,047,300,800 | 25,280 | 43.9 | 1,279 | 3.5 % |
| 2021 | 81,179 | 2,120,476,659 | 26,121 | 43.9 | 2,377 | 6.4 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Henderson County as a whole, the District's service area includes only part of Henderson County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

JACK COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|-----------------|----------------------------|------------|--------------|-------------------|
| 2012 | 9,129 | \$ 222,062,925 | \$ 24,325 | 39.2 | 216 | 5.7 % |
| 2013 | 9,255 | 225,127,975 | 24,325 | 39.2 | 211 | 5.2 % |
| 2014 | 9,313 | 226,538,725 | 24,325 | 39.2 | 165 | 3.8 % |
| 2015 | 9,382 | 228,217,150 | 24,325 | 39.2 | 182 | 4.2 % |
| 2016 | 9,435 | 218,193,810 | 23,126 | 40.5 | 174 | 4.3 % |
| 2017 | 9,502 | 223,990,646 | 23,573 | 40.5 | 191 | 4.9 % |
| 2018 | 9,569 | 236,134,213 | 24,677 | 40.0 | 147 | 3.7 % |
| 2019 | 9,632 | 246,126,496 | 25,553 | 40.6 | 111 | 2.5 % |
| 2020 | 8,845 | 226,661,970 | 25,626 | 39.7 | 109 | 3.1 % |
| 2021 | 8,841 | 220,635,996 | 24,956 | 39.6 | 238 | 7.0 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Jack County as a whole, the District's service area includes only part of Jack County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

JOHNSON COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 155,690 | \$ 3,863,603,040 | \$ 24,816 | 36.3 | 4,842 | 6.6 % |
| 2013 | 160,819 | 3,990,884,304 | 24,816 | 36.3 | 4,476 | 6.1 % |
| 2014 | 164,246 | 4,075,928,736 | 24,816 | 36.3 | 3,729 | 5.0 % |
| 2015 | 167,760 | 4,163,132,160 | 24,816 | 36.3 | 3,293 | 4.4 % |
| 2016 | 171,358 | 4,247,450,746 | 24,787 | 36.4 | 3,278 | 4.4 % |
| 2017 | 175,030 | 4,430,009,300 | 25,310 | 36.7 | 3,285 | 4.3 % |
| 2018 | 178,835 | 4,599,815,035 | 25,721 | 36.8 | 2,915 | 3.8 % |
| 2019 | 182,784 | 4,857,302,016 | 26,574 | 36.9 | 2,749 | 3.4 % |
| 2020 | 169,575 | 4,691,631,525 | 27,667 | 36.8 | 2,644 | 3.2 % |
| 2021 | 171,701 | 4,907,042,879 | 28,579 | 36.8 | 5,390 | 6.5 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Johnson County as a whole, the District's service area includes only part of Johnson County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

**DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST 10 FISCAL YEARS (UNAUDITED)
 KAUFMAN COUNTY, TX**

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 106,914 | \$ 2,667,931,956 | \$ 24,954 | 35.4 | 3,587 | 6.9 % |
| 2013 | 115,436 | 2,880,589,944 | 24,954 | 35.4 | 3,312 | 6.3 % |
| 2014 | 119,752 | 2,988,291,408 | 24,954 | 35.4 | 2,745 | 5.1 % |
| 2015 | 124,238 | 3,100,235,052 | 24,954 | 35.4 | 2,191 | 4.0 % |
| 2016 | 128,865 | 3,216,341,535 | 24,959 | 35.6 | 2,232 | 4.1 % |
| 2017 | 133,652 | 3,333,815,488 | 24,944 | 35.8 | 2,155 | 3.8 % |
| 2018 | 138,601 | 3,526,702,445 | 25,445 | 35.8 | 2,091 | 3.5 % |
| 2019 | 143,742 | 3,827,993,202 | 26,631 | 35.7 | 2,146 | 3.5 % |
| 2020 | 122,724 | 3,363,987,564 | 27,411 | 35.6 | 2,112 | 3.3 % |
| 2021 | 125,134 | 3,583,086,956 | 28,634 | 35.5 | 4,377 | 6.5 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Kaufman County as a whole, the District's service area includes only part of Kaufman County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

NAVARRO COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|-----------------|----------------------------|------------|--------------|-------------------|
| 2012 | 48,510 | \$ 986,062,770 | \$ 20,327 | 37.1 | 1,696 | 7.3 % |
| 2013 | 49,942 | 1,015,171,034 | 20,327 | 37.1 | 1,536 | 6.5 % |
| 2014 | 50,702 | 1,030,619,554 | 20,327 | 37.1 | 1,228 | 5.2 % |
| 2015 | 51,464 | 1,046,108,728 | 20,327 | 37.1 | 926 | 4.0 % |
| 2016 | 52,236 | 1,070,367,876 | 20,491 | 37.8 | 977 | 4.3 % |
| 2017 | 53,020 | 1,097,354,940 | 20,697 | 38.2 | 958 | 4.2 % |
| 2018 | 53,811 | 1,148,703,417 | 21,347 | 38.1 | 895 | 3.9 % |
| 2019 | 54,628 | 1,210,119,456 | 22,152 | 38.9 | 873 | 3.7 % |
| 2020 | 47,977 | 1,123,717,294 | 23,422 | 38.6 | 778 | 3.2 % |
| 2021 | 47,985 | 1,141,371,210 | 23,786 | 38.1 | 1,442 | 6.2 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Navarro County as a whole, the District's service area includes only part of Navarro County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

PARKER COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 121,234 | \$ 3,720,913,928 | \$ 30,692 | 38.9 | 3,442 | 5.9 % |
| 2013 | 128,308 | 3,938,029,136 | 30,692 | 38.9 | 3,227 | 5.5 % |
| 2014 | 132,345 | 4,061,932,740 | 30,692 | 38.9 | 2,708 | 4.5 % |
| 2015 | 136,501 | 4,189,488,692 | 30,692 | 38.9 | 2,492 | 4.2 % |
| 2016 | 140,735 | 4,353,496,490 | 30,934 | 39.6 | 2,475 | 4.2 % |
| 2017 | 145,104 | 4,632,154,992 | 31,923 | 39.6 | 2,479 | 4.1 % |
| 2018 | 149,616 | 4,828,706,784 | 32,274 | 39.7 | 2,150 | 3.5 % |
| 2019 | 154,297 | 5,148,427,999 | 33,367 | 39.6 | 2,013 | 3.1 % |
| 2020 | 133,578 | 4,635,824,490 | 34,705 | 39.7 | 1,959 | 2.9 % |
| 2021 | 135,621 | 4,765,993,182 | 35,142 | 39.7 | 4,012 | 5.9 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Parker County as a whole, the District's service area includes only part of Parker County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

TARRANT COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|-------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 1,876,624 | \$ 53,044,653,984 | \$ 28,266 | 33.4 | 62,867 | 6.5 % |
| 2013 | 1,897,086 | 53,623,032,876 | 28,266 | 33.4 | 58,967 | 6.0 % |
| 2014 | 1,928,056 | 54,498,430,896 | 28,266 | 33.4 | 49,734 | 5.0 % |
| 2015 | 1,959,449 | 55,385,785,434 | 28,266 | 33.4 | 40,590 | 4.1 % |
| 2016 | 1,991,639 | 56,843,368,699 | 28,541 | 33.8 | 41,251 | 4.2 % |
| 2017 | 2,023,985 | 58,812,956,130 | 29,058 | 34.0 | 39,774 | 3.9 % |
| 2018 | 2,057,926 | 61,307,673,466 | 29,791 | 34.1 | 37,978 | 3.7 % |
| 2019 | 2,092,419 | 64,565,773,083 | 30,857 | 34.2 | 37,114 | 3.5 % |
| 2020 | 2,108,938 | 67,680,038,296 | 32,092 | 34.3 | 35,655 | 3.3 % |
| 2021 | 2,143,755 | 71,369,891,460 | 33,292 | 34.4 | 79,553 | 7.3 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Tarrant County as a whole, the District's service area includes only part of Tarrant County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

WISE COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 2012 | 60,848 | \$ 1,561,542,224 | \$ 25,663 | 38.4 | 1,816 | 6.4 % |
| 2013 | 63,343 | 1,625,571,409 | 25,663 | 38.4 | 1,689 | 5.9 % |
| 2014 | 64,795 | 1,662,834,085 | 25,663 | 38.4 | 1,387 | 4.8 % |
| 2015 | 66,321 | 1,701,995,823 | 25,663 | 38.4 | 1,401 | 4.9 % |
| 2016 | 67,865 | 1,838,259,255 | 27,087 | 39.1 | 1,331 | 4.6 % |
| 2017 | 69,449 | 1,889,568,392 | 27,208 | 39.3 | 1,386 | 4.8 % |
| 2018 | 71,081 | 1,926,579,424 | 27,104 | 38.8 | 1,185 | 4.0 % |
| 2019 | 72,749 | 1,996,741,803 | 27,447 | 38.5 | 1,063 | 3.4 % |
| 2020 | 65,160 | 1,875,369,960 | 28,781 | 38.4 | 1,027 | 3.2 % |
| 2021 | 65,807 | 1,935,910,326 | 29,418 | 38.3 | 2,099 | 6.5 % |

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

Note: The Demographic and Economic Statistics report on Wise County as a whole, the District's service area includes only part of Wise County

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF BONDS AUTHORIZED, ISSUED, AND OUTSTANDING BY PURPOSE OF ISSUE
AS OF SEPTEMBER 30, 2021 (UNAUDITED)**

| | <u>Year Authorized</u> | <u>Issued Amount</u> | <u>Outstanding</u> |
|--|----------------------------|-------------------------------|-------------------------------|
| Construction and improvement bonds: | | | |
| <u>Tarrant Regional Water District Bonds</u> | | | |
| Water Revenue Refunding and Improvement Bonds - Series 2012 | 2012 | \$ 150,375,000 | \$ 815,000 |
| Water Revenue Refunding Bonds - Series 2012A | 2013 | 98,960,000 | 3,900,000 |
| Water Revenue Bonds - Series 2014 | 2014 | 318,750,000 | 1,125,000 |
| Water Revenue Refunding Bonds - Series 2015 | 2015 | 156,470,000 | 113,745,000 |
| Water Revenue Bonds - Series 2015A | 2016 | 300,000,000 | 261,870,000 |
| Water Revenue Bonds - Series 2016 | 2016 | 28,530,000 | 25,490,000 |
| Water Revenue Refunding Bonds - Series 2016A | 2016 | 61,910,000 | 55,130,000 |
| Water Revenue Refunding Bonds - Series 2017 | 2017 | 52,765,000 | 51,900,000 |
| Water Revenue Refunding Bonds - Series 2020 | 2020 | 129,570,000 | 128,560,000 |
| Water Revenue Refunding Bonds - Series 2020B | 2020 | 386,680,000 | 371,790,000 |
| Water Revenue Refunding Bonds - Series 2020C | 2020 | 38,105,000 | 37,290,000 |
| | | <u>1,722,115,000</u> | <u>1,051,615,000</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2012 | 2012 | 131,935,000 | 3,270,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2014 | 2014 | 202,130,000 | 13,495,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2015 | 2016 | 140,000,000 | 121,995,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2021A | 2021 | 240,025,000 | 240,025,000 |
| Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) - Series 2021B | 2021 | 298,395,000 | 296,455,000 |
| | | <u>1,012,485,000</u> | <u>675,240,000</u> |
| Total - Construction and improvement bonds | | <u><u>\$2,734,600,000</u></u> | <u><u>\$1,726,855,000</u></u> |

Note: Above amounts exclude unamortized original issue premiums.

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF CHANGES IN BONDED DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

| | Balance October 1, 2020 | Total Issued | Total Retired | Balance September 30, 2021 |
|--|-------------------------------|-----------------------|-----------------------|----------------------------------|
| <u>Tarrant Regional Water District Bonds</u> | | | | |
| Water Revenue Bonds Series 2008A-RC | \$ 1,600,000 | | \$ 1,600,000 | \$ — |
| Water Revenue Bonds Series 2008B-CC | 2,520,000 | | 2,520,000 | — |
| Water Revenue Bonds Series 2010A | 14,170,000 | | 14,170,000 | — |
| Water Revenue Bonds Series 2010B | 48,130,000 | | 48,130,000 | — |
| Water Revenue Bonds Series 2012 | 1,605,000 | | 790,000 | 815,000 |
| Water Revenue Refunding Bonds Series 2012A | 7,620,000 | | 3,720,000 | 3,900,000 |
| Water Revenue Bonds Series 2014 | 313,960,000 | | 312,835,000 | 1,125,000 |
| Water Revenue Refunding Bonds Series 2015 | 124,830,000 | | 11,085,000 | 113,745,000 |
| Water Revenue Bonds Series 2015A | 269,680,000 | | 7,810,000 | 261,870,000 |
| Water Revenue Bonds Series 2016 | 26,140,000 | | 650,000 | 25,490,000 |
| Water Revenue Refunding Bonds Series 2016A | 58,580,000 | | 3,450,000 | 55,130,000 |
| Water Revenue Refunding Bonds Series 2017 | 52,245,000 | | 345,000 | 51,900,000 |
| Water Revenue Refunding Bonds Series 2020 | 129,570,000 | | 1,010,000 | 128,560,000 |
| Water Revenue Refunding Bonds Series 2020B | | 386,680,000 | 14,890,000 | 371,790,000 |
| Water Revenue Refunding Bonds Series 2020C | | 38,105,000 | 815,000 | 37,290,000 |
| | <u>1,050,650,000</u> | <u>424,785,000</u> | <u>423,820,000</u> | <u>1,051,615,000</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | | |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2012 | 108,560,000 | | 105,290,000 | 3,270,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2014 | 181,435,000 | | 167,940,000 | 13,495,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2015 | 125,675,000 | | 3,680,000 | 121,995,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2021A | | 240,025,000 | | 240,025,000 |
| Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) Series 2021B | | 298,395,000 | 1,940,000 | 296,455,000 |
| | <u>415,670,000</u> | <u>538,420,000</u> | <u>278,850,000</u> | <u>675,240,000</u> |
| Total | <u>\$ 1,466,320,000</u> | <u>\$ 963,205,000</u> | <u>\$ 702,670,000</u> | <u>\$ 1,726,855,000</u> |

Note: Above amounts exclude unamortized original issue premiums.

**TARRANT REGIONAL WATER DISTRICT
 ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)
 TARRANT REGIONAL WATER DISTRICT BONDS
 AS OF SEPTEMBER 30, 2021**

| YR | 2012 - Refunding and Water | | | 2012A - Refunding Bonds | | | 2014 - Revenue Bonds | | | 2015 - Refunding Bonds | | |
|------|----------------------------|-------|--------|-------------------------|-------|----------|----------------------|-------|----------|------------------------|-----------|-----------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 2022 | 815 | 12 | 827 | 3,900 | 85 | 3,985 | 1,125 | 23 | 1,148 | 11,650 | 5,396 | 17,046 |
| 2023 | | | | | | | | | | 15,985 | 4,705 | 20,690 |
| 2024 | | | | | | | | | | 14,400 | 3,946 | 18,346 |
| 2025 | | | | | | | | | | 12,945 | 3,262 | 16,207 |
| 2026 | | | | | | | | | | 13,610 | 2,598 | 16,208 |
| 2027 | | | | | | | | | | 14,305 | 1,900 | 16,205 |
| 2028 | | | | | | | | | | 15,040 | 1,167 | 16,207 |
| 2029 | | | | | | | | | | 15,810 | 395 | 16,205 |
| 2030 | | | | | | | | | | | | |
| 2031 | | | | | | | | | | | | |
| 2032 | | | | | | | | | | | | |
| 2033 | | | | | | | | | | | | |
| 2034 | | | | | | | | | | | | |
| 2035 | | | | | | | | | | | | |
| 2036 | | | | | | | | | | | | |
| 2037 | | | | | | | | | | | | |
| 2038 | | | | | | | | | | | | |
| 2039 | | | | | | | | | | | | |
| 2040 | | | | | | | | | | | | |
| 2041 | | | | | | | | | | | | |
| 2042 | | | | | | | | | | | | |
| 2043 | | | | | | | | | | | | |
| 2044 | | | | | | | | | | | | |
| 2045 | | | | | | | | | | | | |
| 2046 | | | | | | | | | | | | |
| 2047 | | | | | | | | | | | | |
| 2048 | | | | | | | | | | | | |
| 2049 | | | | | | | | | | | | |
| 2050 | | | | | | | | | | | | |
| 2051 | | | | | | | | | | | | |
| 2052 | | | | | | | | | | | | |
| | \$ 815 | \$ 12 | \$ 827 | \$ 3,900 | \$ 85 | \$ 3,985 | \$ 1,125 | \$ 23 | \$ 1,148 | \$113,745 | \$ 23,369 | \$137,114 |

(Continued)

TARRANT REGIONAL WATER DISTRICT
ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)
TARRANT REGIONAL WATER DISTRICT BONDS
AS OF SEPTEMBER 30, 2021

| YR | 2015A - Revenue Bonds | | | 2016 - Revenue Bonds | | | 2016A - Refunding | | | 2017 - Refunding | | |
|------|-----------------------|-----------|-----------|----------------------|-----------|-----------|-------------------|-----------|-----------|------------------|-----------|-----------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 2022 | 7,935 | 7,187 | 15,122 | 670 | 914 | 1,584 | 3,625 | 2,666 | 6,291 | | 2,309 | 2,309 |
| 2023 | 8,075 | 7,069 | 15,144 | 690 | 880 | 1,570 | 3,815 | 2,480 | 6,295 | | 2,309 | 2,309 |
| 2024 | 8,230 | 6,936 | 15,166 | 710 | 846 | 1,556 | 4,010 | 2,284 | 6,294 | 1,900 | 2,261 | 4,161 |
| 2025 | 8,390 | 6,793 | 15,183 | 730 | 809 | 1,539 | 4,215 | 2,079 | 6,294 | 3,085 | 2,137 | 5,222 |
| 2026 | 8,575 | 6,635 | 15,210 | 755 | 772 | 1,527 | 7,590 | 1,784 | 9,374 | | 2,060 | 2,060 |
| 2027 | 8,780 | 6,454 | 15,234 | 775 | 734 | 1,509 | 7,980 | 1,394 | 9,374 | | 2,060 | 2,060 |
| 2028 | 9,000 | 6,252 | 15,252 | 800 | 699 | 1,499 | 8,390 | 985 | 9,375 | 100 | 2,057 | 2,157 |
| 2029 | 9,245 | 6,028 | 15,273 | 825 | 666 | 1,491 | 8,820 | 555 | 9,375 | | 2,055 | 2,055 |
| 2030 | 9,500 | 5,785 | 15,285 | 850 | 632 | 1,482 | 3,160 | 255 | 3,415 | 840 | 2,034 | 2,874 |
| 2031 | 9,775 | 5,525 | 15,300 | 875 | 598 | 1,473 | | 176 | 176 | 3,910 | 1,934 | 5,844 |
| 2032 | 10,065 | 5,249 | 15,314 | 905 | 562 | 1,467 | 3,525 | 88 | 3,613 | 825 | 1,840 | 2,665 |
| 2033 | 10,370 | 4,960 | 15,330 | 935 | 530 | 1,465 | | | | 4,350 | 1,736 | 6,086 |
| 2034 | 10,685 | 4,658 | 15,343 | 965 | 502 | 1,467 | | | | 4,555 | 1,558 | 6,113 |
| 2035 | 11,020 | 4,345 | 15,365 | 995 | 472 | 1,467 | | | | 4,765 | 1,372 | 6,137 |
| 2036 | 11,375 | 4,007 | 15,382 | 1,035 | 442 | 1,477 | | | | 4,985 | 1,177 | 6,162 |
| 2037 | 11,740 | 3,647 | 15,387 | 1,075 | 410 | 1,485 | | | | 5,215 | 973 | 6,188 |
| 2038 | 12,120 | 3,276 | 15,396 | 1,120 | 375 | 1,495 | | | | 5,480 | 731 | 6,211 |
| 2039 | 12,520 | 2,892 | 15,412 | 1,165 | 339 | 1,504 | | | | 5,785 | 450 | 6,235 |
| 2040 | 12,935 | 2,495 | 15,430 | 1,215 | 301 | 1,516 | | | | 6,105 | 153 | 6,258 |
| 2041 | 13,370 | 2,080 | 15,450 | 1,265 | 260 | 1,525 | | | | | | |
| 2042 | 13,820 | 1,645 | 15,465 | 1,315 | 218 | 1,533 | | | | | | |
| 2043 | 14,290 | 1,194 | 15,484 | 1,370 | 173 | 1,543 | | | | | | |
| 2044 | 14,775 | 728 | 15,503 | 1,425 | 126 | 1,551 | | | | | | |
| 2045 | 15,280 | 245 | 15,525 | 1,480 | 77 | 1,557 | | | | | | |
| 2046 | | | | 1,545 | 26 | 1,571 | | | | | | |
| 2047 | | | | | | | | | | | | |
| 2048 | | | | | | | | | | | | |
| 2049 | | | | | | | | | | | | |
| 2050 | | | | | | | | | | | | |
| 2051 | | | | | | | | | | | | |
| 2052 | | | | | | | | | | | | |
| | \$261,870 | \$106,085 | \$367,955 | \$ 25,490 | \$ 12,363 | \$ 37,853 | \$ 55,130 | \$ 14,746 | \$ 69,876 | \$ 51,900 | \$ 31,206 | \$ 83,106 |

(Continued)

TARRANT REGIONAL WATER DISTRICT
ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)
TARRANT REGIONAL WATER DISTRICT BONDS
AS OF SEPTEMBER 30, 2021

| YR | 2020 - Refunding | | | 2020B - Refunding | | | 2020C - Refunding | | | Total Enterprise Funds | | |
|------|------------------|-----------|------------|-------------------|------------|------------|-------------------|----------|-----------|------------------------|------------|-------------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 2022 | 1,025 | 3,408 | 4,433 | 6,490 | 8,552 | 15,042 | 3,325 | 1,562 | 4,887 | \$ 40,560 | \$ 32,114 | \$ 72,674 |
| 2023 | 1,040 | 3,392 | 4,432 | 6,530 | 8,522 | 15,052 | 3,515 | 1,425 | 4,940 | 39,650 | 30,782 | 70,432 |
| 2024 | 1,060 | 3,374 | 4,434 | 6,415 | 8,482 | 14,897 | 3,700 | 1,281 | 4,981 | 40,425 | 29,410 | 69,835 |
| 2025 | 1,075 | 3,356 | 4,431 | 5,940 | 8,434 | 14,374 | 3,890 | 1,129 | 5,019 | 40,270 | 27,999 | 68,269 |
| 2026 | 1,095 | 3,337 | 4,432 | 6,010 | 8,377 | 14,387 | 4,085 | 970 | 5,055 | 41,720 | 26,533 | 68,253 |
| 2027 | 1,115 | 3,316 | 4,431 | 6,090 | 8,308 | 14,398 | 4,310 | 780 | 5,090 | 43,355 | 24,946 | 68,301 |
| 2028 | 1,140 | 3,294 | 4,434 | 5,920 | 8,227 | 14,147 | 4,565 | 558 | 5,123 | 44,955 | 23,239 | 68,194 |
| 2029 | 1,165 | 3,271 | 4,436 | 6,020 | 8,136 | 14,156 | 4,825 | 324 | 5,149 | 46,710 | 21,430 | 68,140 |
| 2030 | 1,185 | 3,246 | 4,431 | 24,555 | 7,873 | 32,428 | 5,075 | 102 | 5,177 | 45,165 | 19,927 | 65,092 |
| 2031 | 7,570 | 3,150 | 10,720 | 24,000 | 7,436 | 31,436 | | | | 46,130 | 18,819 | 64,949 |
| 2032 | 7,720 | 2,980 | 10,700 | 24,210 | 6,978 | 31,188 | | | | 47,250 | 17,697 | 64,947 |
| 2033 | 7,880 | 2,800 | 10,680 | 24,455 | 6,491 | 30,946 | | | | 47,990 | 16,517 | 64,507 |
| 2034 | 8,015 | 2,612 | 10,627 | 24,750 | 5,974 | 30,724 | | | | 48,970 | 15,304 | 64,274 |
| 2035 | 8,185 | 2,415 | 10,600 | 10,945 | 5,585 | 16,530 | | | | 35,910 | 14,189 | 50,099 |
| 2036 | 8,340 | 2,209 | 10,549 | 11,200 | 5,328 | 16,528 | | | | 36,935 | 13,163 | 50,098 |
| 2037 | 8,520 | 1,991 | 10,511 | 11,480 | 5,047 | 16,527 | | | | 38,030 | 12,068 | 50,098 |
| 2038 | | 1,881 | 1,881 | 11,785 | 4,744 | 16,529 | | | | 30,505 | 11,007 | 41,512 |
| 2039 | | 1,881 | 1,881 | 12,105 | 4,422 | 16,527 | | | | 31,575 | 9,984 | 41,559 |
| 2040 | | 1,881 | 1,881 | 12,450 | 4,078 | 16,528 | | | | 32,705 | 8,908 | 41,613 |
| 2041 | 4,390 | 1,816 | 6,206 | 12,810 | 3,715 | 16,525 | | | | 31,835 | 7,871 | 39,706 |
| 2042 | 4,520 | 1,685 | 6,205 | 13,195 | 3,331 | 16,526 | | | | 32,850 | 6,879 | 39,729 |
| 2043 | 4,655 | 1,549 | 6,204 | 13,595 | 2,929 | 16,524 | | | | 33,910 | 5,845 | 39,755 |
| 2044 | 4,800 | 1,410 | 6,210 | 14,010 | 2,515 | 16,525 | | | | 35,010 | 4,779 | 39,789 |
| 2045 | 4,940 | 1,266 | 6,206 | 14,435 | 2,088 | 16,523 | | | | 36,135 | 3,676 | 39,811 |
| 2046 | 5,090 | 1,116 | 6,206 | 14,880 | 1,649 | 16,529 | | | | 21,515 | 2,791 | 24,306 |
| 2047 | 5,250 | 958 | 6,208 | 15,360 | 1,195 | 16,555 | | | | 20,610 | 2,153 | 22,763 |
| 2048 | 5,410 | 795 | 6,205 | 15,830 | 727 | 16,557 | | | | 21,240 | 1,522 | 22,762 |
| 2049 | 5,580 | 628 | 6,208 | 16,325 | 245 | 16,570 | | | | 21,905 | 873 | 22,778 |
| 2050 | 5,750 | 455 | 6,205 | | | | | | | 5,750 | 455 | 6,205 |
| 2051 | 5,930 | 277 | 6,207 | | | | | | | 5,930 | 277 | 6,207 |
| 2052 | 6,115 | 93 | 6,208 | | | | | | | 6,115 | 93 | 6,208 |
| | \$ 128,560 | \$ 65,842 | \$ 194,402 | \$ 371,790 | \$ 149,388 | \$ 521,178 | \$ 37,290 | \$ 8,131 | \$ 45,421 | \$1,051,615 | \$ 411,250 | \$1,462,865 |

(Concluded)

**TARRANT REGIONAL WATER DISTRICT
ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)
TARRANT REGIONAL WATER DISTRICT BONDS (CITY OF DALLAS WATER UTILITIES PROJECT)
AS OF SEPTEMBER 30, 2021**

| YR | Dallas 2012 - Series 2012 | | | Dallas 2014 - Series 2014 | | | Dallas 2015 - Series 2015 | | |
|------|---------------------------|--------|----------|---------------------------|----------|-----------|---------------------------|-----------|------------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 2022 | \$ 3,270 | \$ 164 | \$ 3,434 | \$ 4,280 | \$ 810 | \$ 5,090 | \$ 3,735 | \$ 3,371 | \$ 7,106 |
| 2023 | | | | 4,495 | 553 | 5,048 | 3,800 | 3,319 | 7,119 |
| 2024 | | | | 4,720 | 283 | 5,003 | 3,870 | 3,259 | 7,129 |
| 2025 | | | | | | | 3,945 | 3,194 | 7,139 |
| 2026 | | | | | | | 4,020 | 3,125 | 7,145 |
| 2027 | | | | | | | 4,115 | 3,045 | 7,160 |
| 2028 | | | | | | | 4,215 | 2,955 | 7,170 |
| 2029 | | | | | | | 4,325 | 2,856 | 7,181 |
| 2030 | | | | | | | 4,440 | 2,746 | 7,186 |
| 2031 | | | | | | | 4,565 | 2,628 | 7,193 |
| 2032 | | | | | | | 4,695 | 2,503 | 7,198 |
| 2033 | | | | | | | 4,835 | 2,371 | 7,206 |
| 2034 | | | | | | | 4,980 | 2,233 | 7,213 |
| 2035 | | | | | | | 5,130 | 2,090 | 7,220 |
| 2036 | | | | | | | 5,290 | 1,940 | 7,230 |
| 2037 | | | | | | | 5,460 | 1,776 | 7,236 |
| 2038 | | | | | | | 5,630 | 1,606 | 7,236 |
| 2039 | | | | | | | 5,815 | 1,431 | 7,246 |
| 2040 | | | | | | | 6,000 | 1,249 | 7,249 |
| 2041 | | | | | | | 6,200 | 1,062 | 7,262 |
| 2042 | | | | | | | 6,405 | 864 | 7,269 |
| 2043 | | | | | | | 6,615 | 659 | 7,274 |
| 2044 | | | | | | | 6,840 | 447 | 7,287 |
| 2045 | | | | | | | 7,070 | 226 | 7,296 |
| 2046 | | | | | | | | | |
| 2047 | | | | | | | | | |
| 2048 | | | | | | | | | |
| 2049 | | | | | | | | | |
| 2050 | | | | | | | | | |
| 2051 | | | | | | | | | |
| | \$ 3,270 | \$ 164 | \$ 3,434 | \$ 13,495 | \$ 1,646 | \$ 15,141 | \$ 121,995 | \$ 50,955 | \$ 172,950 |

(Continued)

TARRANT REGIONAL WATER DISTRICT
ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)
TARRANT REGIONAL WATER DISTRICT BONDS (CITY OF DALLAS WATER UTILITIES PROJECT)
AS OF SEPTEMBER 30, 2021

| YR | Dallas 2021A - Series | | | Dallas 2021B - Series | | | Total Contract Revenue Bonds | | |
|-------|-----------------------|-----------|------------|-----------------------|-----------|------------|------------------------------|------------|------------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 2022 | \$ 5,005 | \$ 6,002 | \$ 11,007 | \$ 3,980 | \$ 5,136 | \$ 9,116 | \$ 20,270 | \$ 15,483 | \$ 35,753 |
| 2023 | 5,205 | 5,802 | 11,007 | 7,330 | 5,128 | 12,458 | 20,830 | 14,802 | 35,632 |
| 2024 | 5,410 | 5,594 | 11,004 | 7,350 | 5,109 | 12,459 | 21,350 | 14,245 | 35,595 |
| 2025 | 5,630 | 5,377 | 11,007 | 12,330 | 5,084 | 17,414 | 21,905 | 13,655 | 35,560 |
| 2026 | 5,855 | 5,152 | 11,007 | 12,365 | 5,004 | 17,369 | 22,240 | 13,281 | 35,521 |
| 2027 | 6,085 | 4,918 | 11,003 | 12,515 | 4,911 | 17,426 | 22,715 | 12,874 | 35,589 |
| 2028 | 6,330 | 4,674 | 11,004 | 12,735 | 4,779 | 17,514 | 23,280 | 12,408 | 35,688 |
| 2029 | 6,585 | 4,421 | 11,006 | 12,985 | 4,633 | 17,618 | 23,895 | 11,910 | 35,805 |
| 2030 | 6,850 | 4,158 | 11,008 | 13,220 | 4,445 | 17,665 | 24,510 | 11,349 | 35,859 |
| 2031 | 7,120 | 3,884 | 11,004 | 13,470 | 4,240 | 17,710 | 25,155 | 10,752 | 35,907 |
| 2032 | 7,405 | 3,599 | 11,004 | 13,725 | 4,031 | 17,756 | 25,825 | 10,133 | 35,958 |
| 2033 | 7,555 | 3,451 | 11,006 | 13,940 | 3,811 | 17,751 | 26,330 | 9,633 | 35,963 |
| 2034 | 7,705 | 3,300 | 11,005 | 14,235 | 3,574 | 17,809 | 26,920 | 9,107 | 36,027 |
| 2035 | 7,860 | 3,146 | 11,006 | 14,545 | 3,318 | 17,863 | 27,535 | 8,554 | 36,089 |
| 2036 | 8,015 | 2,988 | 11,003 | 14,885 | 3,035 | 17,920 | 28,190 | 7,963 | 36,153 |
| 2037 | 8,175 | 2,828 | 11,003 | 15,240 | 2,737 | 17,977 | 28,875 | 7,341 | 36,216 |
| 2038 | 8,340 | 2,665 | 11,005 | 15,630 | 2,409 | 18,039 | 29,600 | 6,680 | 36,280 |
| 2039 | 8,505 | 2,498 | 11,003 | 15,975 | 2,058 | 18,033 | 30,295 | 5,987 | 36,282 |
| 2040 | 8,680 | 2,328 | 11,008 | 16,325 | 1,690 | 18,015 | 31,005 | 5,267 | 36,272 |
| 2041 | 8,850 | 2,154 | 11,004 | 16,705 | 1,298 | 18,003 | 31,755 | 4,514 | 36,269 |
| 2042 | 9,030 | 1,977 | 11,007 | 17,085 | 906 | 17,991 | 32,520 | 3,747 | 36,267 |
| 2043 | 9,210 | 1,797 | 11,007 | 9,820 | 487 | 10,307 | 25,645 | 2,943 | 28,588 |
| 2044 | 9,395 | 1,612 | 11,007 | 10,065 | 247 | 10,312 | 26,300 | 2,306 | 28,606 |
| 2045 | 9,580 | 1,424 | 11,004 | | | | 16,650 | 1,650 | 18,300 |
| 2046 | 9,770 | 1,233 | 11,003 | | | | 9,770 | 1,233 | 11,003 |
| 2047 | 9,970 | 1,037 | 11,007 | | | | 9,970 | 1,037 | 11,007 |
| 2048 | 10,165 | 838 | 11,003 | | | | 10,165 | 838 | 11,003 |
| 2049 | 10,370 | 635 | 11,005 | | | | 10,370 | 635 | 11,005 |
| 2050 | 10,580 | 427 | 11,007 | | | | 10,580 | 427 | 11,007 |
| 2051 | 10,790 | 216 | 11,006 | | | | 10,790 | 216 | 11,006 |
| <hr/> | | | | | | | | | |
| | \$ 240,025 | \$ 90,135 | \$ 330,160 | \$ 296,455 | \$ 78,070 | \$ 374,525 | \$ 675,240 | \$ 220,970 | \$ 896,210 |

(Concluded)

**TARRANT REGIONAL WATER DISTRICT
SCHEDULE OF INSURANCE
AS OF SEPTEMBER 30, 2021 (UNAUDITED)**

| <u>Insurer (6)</u> | | <u>Policy Period</u> | <u>Type of Coverage</u> | <u>Limits</u> | |
|---------------------------------|----------|---|--|--|-----|
| Hartford Insurance Co. | (1) | 01/15/13-until canceled 3/29/00 - until canceled | Director Bond Theft | \$10,000—per director \$500,000—liability | |
| TWCA Risk Management Fund | (2), (3) | 07/01/21–07/01/22 | Crime | \$5,000 - 10,000—liability | (4) |
| TWCA Risk Management Fund | (3) | 07/01/21–07/01/22 07/01/21–07/01/22 | Fleet Policy Property Insurance | \$10,000,000—liability \$220,488,770 - Boiler/ Machinery \$331,234,533 - Property \$7,894,014 - EDP \$43,896,755 - Misc. Property \$8,591,400 - Auto | |
| | | 07/01/21–06/30/22 | Workers' Compensation | Statutory limits | |
| | | 07/01/21–07/01/22 | General Liability | \$10,000,000—limit | |
| | | 07/01/21–07/01/22 | Errors and Omissions Liability | \$10,000,000—limit | |
| Blue Cross Blue Shield of Texas | (5) | 01/01/21–12/31/21 | Insured with Stop Loss Coverage | Unlimited per employee or dependent | |
| Symetra | | 01/01/21–12/31/21 | Stop Loss Coverage for participant medical claims over \$100,000 | Unlimited per employee or dependent | |
| Sutton James Insurance Broker | | 12/16/20 - 12/16/21 | Aviation/Helicopter | \$506,295—Physical Damage \$5,000,000-Liability | |
| Global Aerospace, Inc. | | 12/5/20 - 12/5/21 | Aviation/Drone | \$1,300-Physical Damage \$1,000,000-Liability | |
| Willis Towers Watson | | 04/04/14 - 07/31/21 | Rolling Owner Controlled | \$100,000,000 —General Liability \$10,000,000 —Pollution Liability | |
| | | 04/04/14 - 07/31/21 | Insurance Program - IPL | Statutory —Worker's Compensation | |
| | | 04/04/14 - 07/31/21 | Builders Risk | Replacement Value | |
| Willis Towers Watson | | 07/21/20 - 07/21/27 | Rolling Owner Controlled | \$100,000,000 —General Liability \$10,000,000 —Pollution Liability | |
| | | 07/21/20 - 07/21/27 | Insurance Program - IPL | Statutory —Worker's Compensation | |
| | | 07/21/20 - 07/21/27 | Builders Risk | Replacement Value | |

- 1 This is a pool administered by Sedgwick. Both policies within this pool are valid until canceled.
- 2 The District's Crime insurance switched from Hartford Insurance Co. to Texas Water Conservation Association Risk Management Fund as of 7/1/15.
- 3 This is a pool through the Texas Water Conservation Association Risk Management Fund administered by Sedgwick.
- 4 The District's crime insurance liability varies depending upon the type of crime.
- 5 The District is self-insured in relation to Health Insurance.
- 6 All premiums have been paid in full.

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TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: January 18, 2022

SUBJECT: Consider Approval of Contract with Pipeline Inspection and Condition Analysis Corporation for Condition Assessment of 72-inch Cedar Creek Pipe

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

RECOMMENDATION:

Management recommends approval of a contract **in an amount not-to-exceed \$96,000** with Pipeline Inspection and Condition Analysis Corporation (PICA) for the advancement of condition assessment on 72-inch diameter Cedar Creek pipe.

DISCUSSION:

In July of 2020, PICA performed an inspection and a series of tests in four segments of Cedar Creek pipe that the District had removed from service due to broken wires. The purpose of this PICA pilot was to employ technology that could provide insight into damage mechanisms of prestressed concrete cylinder pipe. Understanding these mechanisms can help the District gather more details on the condition of pipes beyond just wire break numbers, which would increase the level of confidence in knowing the remaining structural integrity of the District's pipe. This analysis could lead to improved prioritization of distressed pipe segments to be replaced, as well as avoiding the removal of partially distressed pipe segments that could have remained in service for many more years with minimal risk of failure.

In addition to the above ground test string, the District had PICA perform a condition assessment using this technology for areas of existing buried Cedar Creek pipeline in the Mansfield and Midlothian areas in January of 2021. Eleven segments of distressed pipe in this area were inspected by PICA and identified as having broken wires with and without loss of prestress which would indicate increased levels of distressed pipe. These segments will be removed and replaced by District personnel as part of the District's annual planned winter pipeline maintenance program in February of 2022. Further testing and forensics on these pipe segments following removal will help verify the results of the PICA inspection and advance the technology by focusing on remaining key objectives. The series of tests will take place following the 2022 winter maintenance.

This technology is proprietary and available only from PICA. 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 January 14, 2022.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: January 18, 2022

SUBJECT: Consider Approval of Contract with Traylor-Sundt Joint Venture for Dallas Phase 3 Section 19 Long Tunnel Crossings Construction of the Integrated Pipeline Project

FUNDING: Dallas Bond Fund

RECOMMENDATION:

Management recommends approval of a contract **in the amount of \$221,780,319** with Traylor-Sundt Joint Venture for construction of the Integrated Pipeline Section 19 Long Tunnel Crossings Project (Project). The Project is funded 100 percent by City of Dallas.

DISCUSSION:

On October 25, 2019, City of Dallas requested the District proceed with design and construction of Phase 3 of the Integrated Pipeline project. Phase 3 of the Integrated Pipeline spans from Lake Palestine to Cedar Creek. There are four Phase 3 projects scheduled for 2020 Dallas bond funds and currently underway:

1. TXDOT tunnel crossings project – 10 state highway and county road crossings, currently 54% of budget and at 95% contract time complete (5 of 10 tunnel crossings)
2. TXDOT tunnel Construction Materials, Inspection, and Testing (CMIT) – underway and concurrent with TXDOT tunnel progress
3. Contractor prequalification and contract award for the Cedar Creek, Hollywood Lake, Stream A, State Highway 31 and BNSF railroad, and Frankston ISD long tunnels – 8 tunnel Contractors prequalified with only four submitting priced proposals –
 - a. Granite Construction
 - b. IPL Partners
 - c. Obayashi-Bessac Joint Venture
 - d. Traylor-Sundt Joint Venture
4. Cedar Creek and Hollywood Lake Tunnels Geotechnical Baseline Report – complete with prequalified Contractors' involvement and participation

Four prequalified contractors submitted competitive sealed proposals on October 28, 2021. The competitive sealed proposal process allows prequalified contractor teams to submit both as-designed base and optional alternate proposals with the stipulation that any alternate proposal must accompany a separate and complete as-designed base proposal. The IPL Project selection team, consisting of two Dallas members, two District members, and one tunnel consultant advisor member, evaluated and ranked the base as-designed proposals as follows:

Integrated Pipeline Project - Section 19 Long Tunnel Crossings (PL19TUN)
 Offeror Selection Worksheet
 Tabulation of Scoring

| Criteria | Criteria | Points | Granite Construction Co. | IPL Partners | Obayashi/Bessac JV | Traylor Sundt |
|---------------------|---|--------|--------------------------|--------------|--------------------|---------------|
| A | Proposed Contract Price | 40 | 27.6 | 40.0 | 35.9 | 31.8 |
| B | Contractor's Approach to the Project | 15 | 13.2 | 9.4 | 13.4 | 14.4 |
| C | Experience/past performance of Offeror | 15 | 13.6 | 8.9 | 14.2 | 14.4 |
| D | Experience and qualifications of proposed key personnel | 15 | 13.4 | 8.6 | 14.7 | 14.1 |
| E | FOPC Participation ² | 15 | 6.0 | 15.0 | 8.0 | 13.0 |
| Total Points | | | 73.8 | 81.9 | 86.2 | 87.7 |

Following initial scoring, negotiations were opened with the top ranked Traylor-Sundt Joint Venture team regarding Traylor-Sundt's alternate proposal. Traylor-Sundt's final alternate negotiated proposal offered the third lowest proposed contract price with the second earliest completion date, being 1,249 calendar days, and the greatest Fair Opportunities in Purchasing and Contracting (FOPC) percentage of total contract value. Traylor-Sundt provided a plan for Fair Opportunities in Purchasing and Contracting Program at 25.5 percent participation exceeding the IPL Program target of 25 percent minimum participation.

Management also requests the Board of Directors grant authority to the General Manager or his designee to execute all documents associated with the contract described herein.

Included for reference are staff recommendation, Tabulation of Offers Received, Tabulation of Scoring, and Fair Opportunity in Purchasing and Contracting Summary.

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

Submitted By:

Ed Weaver
 IPL Program Manager

Memo



TO: Ed Weaver

FROM: Matt Gaughan

DATE: January 3, 2022

SUBJECT: Recommendation for Award of Contract for Construction of the Integrated Pipeline Project – Section 19 Long Tunnel Crossings to Traylor-Sundt Joint Venture.

Competitive sealed proposals were received from four (4) Offerors on October 28, 2021 for the referenced project.

The four (4) Proposals were evaluated by the IPL selection team. Scoring by the selection team was made on the basis of reviews of the Proposals by the members of the selection team. The selection team was assisted in their evaluation efforts by reports from the review team made up of IPL staff members charged with review of documents and investigation of references submitted by the Offerors.

The selection team determined that Traylor-Sundt Joint Venture, a national company with offices in Long Beach, California, submitted the Proposal that provides the best value to the District. Upon completion of negotiations, Traylor-Sundt Joint Venture's Proposal offered the third lowest proposed contract price, the second earliest completion date and highest Fair Opportunities in Purchasing and Contracting participation. The Traylor-Sundt Joint Venture team companies have successfully completed several similar tunnel and pipeline projects around the country.

It is recommended that a contract be awarded to Traylor-Sundt Joint Venture in the amount of \$221,780,319 to construct the Project.

Tabulation of Offers Received**Project:** Section 19 Long Tunnel Crossings**Project Number:****Owner:** Tarrant Regional Water DistrictIPL-CSP-21-001**Engineer:** HDR Engineering, Inc and BGE, Inc.**Date:** October 28, 2021

| Name of Offeror | Addenda Received | Bid Bond Attached | Total Offer Amount | Substantial Completion Days | Final Completion Days |
|------------------------|---|---|---------------------------|------------------------------------|------------------------------|
| Granite Construction | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | \$282,224,190.00 | 1440 | 1500 |
| IPL Partners | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | \$186,752,558.00 | 1430 | 1430 |
| Obayashi Bessac JV | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | \$250,030,066.00 | 1597 | 1657 |
| Traylor Sundt JV | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | \$244,360,000.00 | 1459 | 1519 |

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: January 18, 2022

SUBJECT: Consider Approval and Adoption of the Following Proposed Board Policies to be Effective February 1, 2022: Employment Practices; Employee Standards of Conduct and Code of Ethics

FUNDING: N/A

RECOMMENDATION:

Management recommends approval and adoption of the following proposed Board Policies: Employment Practices; Employee Standards of Conduct and Code of Ethics.

DISCUSSION:

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

This is an opportunity for board consideration, approval, and adoption of the following proposed Board Policies that cover the functional area of Human Resources:

Employment Practices; Employee Standards of Conduct and Code of Ethics

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

Submitted By:

Lisa Cabrera
Chief Human Resources Officer

301 EMPLOYMENT PRACTICES

301.1 Purpose. The purpose of this Policy is to provide a framework for TRWD to develop and/or maintain a human resources system that clarifies and protects the rights and privileges of TRWD and all TRWD employees. The human resources system and practices should ensure that all TRWD employees are aware of the rights and responsibilities that accompany employment with the District, should reflect TRWD's mission and objectives, and shall comply with applicable local, state, and federal law, rules, and regulations.

301.2 Scope. This Employment Practices Policy applies to all departments, divisions, and offices within TRWD, and to all TRWD employees.

301.3 Administration of Employment Policies. The General Manager or designee shall establish and implement administrative procedures consistent with this Policy, which may include an employment handbook or manual, to set forth TRWD's practices and processes that are consistent with and implement this Policy.

301.4 At-Will Employment. Employment with TRWD is voluntary. All TRWD employees are employed "at will" and may be dismissed at any time, with or without notice, for any reason not prohibited by law or for no reason, as determined by the needs of the District. An employee may also resign or end his or her employment relationship with TRWD at any time for any reason.

No TRWD employee has a contractual right or property right in continued employment. Nothing in any Board-adopted Policy or administrative procedure shall be interpreted to create or confer to an employee a contractual right or property right in their employment with TRWD.

The General Manager or designee will establish procedures and guidelines to ensure that decisions affecting the continued employment of TRWD employees are made in a non-discriminatory manner and comply with applicable local, state, and federal laws, rules, and regulations.

301.5 Equal Employment Opportunity. TRWD is an Equal Opportunity Employer. TRWD values and is committed to seeking a diverse and inclusive workforce. The District provides equal employment opportunity to all employees and applicants for employment without regard to an applicant or employee's race, color, national origin, age, sex, sexual orientation, gender identity or expression, pregnancy status, religion, disability, genetic information, veteran status, or any other status protected by local, state, or federal law. Employment and advancement opportunities at TRWD should be based on qualifications, educational background, and experience and without regard to the individual's race, color, national origin, age, sex, sexual orientation, gender identity or

expression, pregnancy status, religion, disability, genetic information, veteran status, or any other status protected by law.

The General Manager or designee is responsible for formulating, implementing, coordinating, and monitoring all TRWD's efforts to promote and ensure equal employment opportunity. This includes developing administrative procedures and recruitment and retention techniques designed to ensure TRWD's continued commitment to equal employment opportunity and non-discrimination.

301.6 Americans with Disabilities Act – Title I Policy Statement. TRWD shall comply with all applicable provisions of the Americans with Disabilities Act (“ADA”) and the disability laws of the State of Texas. TRWD will not discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job. TRWD will provide reasonable accommodations to any qualified individual with a disability, as defined by the ADA, provided that such accommodation does not impose an undue hardship on TRWD, or cause a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation.

The General Manager or designee will establish a process by which employees or applicants for employment with disabilities may request accommodations.

301.7 Prohibited Employment Practices.

301.7.1 Prohibition on Discrimination and Harassment. TRWD prohibits discrimination, including harassment, against any employee on the basis of race, color, national origin, age, sex, sexual orientation, gender identity or expression, pregnancy status, religion, disability, genetic information, veteran status, or any other basis prohibited by law.

Discrimination against an employee is defined as conduct directed at an employee on the basis of race, color, national origin, age, sex, sexual orientation, gender identity or expression, pregnancy status, religion, disability, genetic information, veteran status, or any other basis prohibited by law, that adversely affects the employee's employment, including the terms, conditions, and privileges of employment.

Harassment of an employee is defined as physical, verbal, or non-verbal conduct based on an employee's race, color, national origin, age, sex, sexual orientation, gender identity or expression, pregnancy status, religion, disability, genetic information, veteran status, or any other basis prohibited by law, when the conduct is so severe, pervasive, or objectively offensive that the conduct:

- Has the purpose or effect of unreasonably interfering with the employee's work performance;
- Creates an intimidating, threatening, hostile, or offensive work environment; or
- Otherwise adversely affects the employee's performance, work environment, or employment opportunities.

TRWD's commitment to non-discrimination and this prohibition on discrimination mean the District makes employment decisions without regard to an employee or applicant's race, color, national origin, age, sex, sexual orientation, gender identity or expression, pregnancy status, religion, disability, genetic information, veteran status, or any other basis prohibited by law.

301.7.2 Prohibition on Sexual Harassment. TRWD's prohibition on discrimination and harassment also encompasses a prohibition on sexual harassment. Sexual harassment is a form of sex discrimination and includes unwelcome sexual advances; requests for sexual favors; sexually-motivated physical, verbal, or nonverbal conduct; or other conduct or communication of a sexual nature when:

- Submission to the conduct is either explicitly or implicitly a condition of an employee's employment;
- Submission to or rejection of the conduct is the basis for an employment action affecting the employee; or
- The conduct is so severe, persistent, or pervasive that it has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, threatening, hostile, or offensive work environment.

Sexual harassment may include conduct between persons of the same gender.

This prohibition on sexual harassment applies equally to sexual harassment that takes place via electronic means.

301.7.3 Prohibition on Retaliation. TRWD prohibits retaliation against an employee who reports or complains that he or she has experienced discrimination or harassment in the workplace. The District also prohibits retaliation against an employee who, in good faith, makes a report that another TRWD employee has been subjected to prohibited discrimination or harassment in the workplace, who serves as a witness, or otherwise participates in the complaint process related to a report or complaint of workplace discrimination or harassment. Retaliation against anyone involved in the complaint process is strictly prohibited.

An employee who intentionally makes a false claim, offers false statements, or refuses to cooperate during TRWD's complaint process regarding prohibited discrimination or harassment is subject to disciplinary action, including termination.

301.7.4 Prohibition on Bullying. TRWD is committed to providing a work environment that is free from bullying and cyberbullying and prohibits employees from engaging in workplace bullying or cyberbullying.

For purposes of this Policy, "bullying" is engaging in written, oral, or electronic expression or a physical act or gesture (or any combination of such conduct), that occurs in the workplace and is directed at an employee or group of employees that has, or a reasonable person would expect to have, the effect of:

- Physically harming an employee, or damaging an employee's property;
- Placing an employee in reasonable fear of physical harm or damage to the employee's property; or
- Interfering with the rights of an employee by: (1) creating an intimidating or hostile work environment for the employee; or (2) interfering with the employee's work performance or ability to participate in or benefit from the services, activities, or privileges provided by TRWD.

For purposes of this Policy, "cyberbullying" means bullying through the use of social media, technology, or any electronic communication, including a computer, cell phone, text messaging device, or other work or personal electronic device.

Bullying and cyberbullying do not include the legitimate exercise of employee management, including employment directives, criticism designed to improve an employee's job performance, or work- or performance-related discipline.

301.7.5 Prohibition on Retaliation Against Whistleblowers. TRWD will not suspend, terminate, or take any other adverse action against an employee who in good faith reports a violation of law by TRWD or a TRWD employee to an appropriate law enforcement authority.

301.7.6 Complaint Process. The General Manager or designee shall establish a process for receiving and responding to complaints of workplace discrimination and harassment, including sexual harassment. An employee who feels he or she has been subjected to, or witnessed, discrimination or harassment prohibited by this Policy should notify the Human Resources Department and his or her department manager immediately in accordance with the process established by TRWD. If the report is about the department manager or the employee believes the department manager is an impairment to the situation, contacting the Human Resources Department is sufficient.

If the report is about the Chief Human Resources Officer or Human Resources Manager or the Chief Human Resources Officer or Human Resources Manager is perceived as contributing to the problem, the employee may make the report to the Deputy General Manager.

The General Manager or designee shall also establish a similar process for receiving and responding to other employment-related complaints, including complaints of bullying and retaliation against an employee for making a good faith report of a violation of law by TRWD or a TRWD employee to an appropriate law enforcement authority.

If an employee's report is about the General Manager, the employee may direct his or her complaint to the President of TRWD's Board of Directors or the Board's Administration and Policy Committee.

301.7.7 Discipline. All TRWD employees are responsible for ensuring compliance with this Policy. A violation of TRWD's prohibitions on discrimination, harassment, sexual harassment, bullying, cyberbullying, and retaliation may result in disciplinary action, including termination.

301.8 Consensual Relationships. TRWD prohibits romantic or sexual relationships between a manager or other supervisory employee and his or her staff (an employee who reports directly to that person) because such relationships may create the appearance of or actual conflicts of interest or favoritism.

TRWD strongly discourages romantic or sexual relationships between a manager or other supervisory employee and another TRWD employee who indirectly reports to the manager or supervisory employee because such relationships may also create the appearance of or actual conflicts of interest or favoritism. If such a relationship exists between a manager or supervisory employee and a TRWD employee who indirectly reports to him or her, it must be reported as soon as possible to the Human Resources Department. TRWD may move the manager or other supervisory employee and/or the staff member to a different department or take other actions at the discretion of TRWD to ensure a manager or supervisor does not serve in an indirect supervisory role with an employee involved in a consensual romantic or sexual relationship with him or her.

Non-consensual relationships of a romantic or sexual nature violate the law and are strictly prohibited.

301.9 Prohibition on Nepotism. TRWD is committed to fair and equitable hiring and employment practices. Both the hiring and advancement of employees should be based on qualifications and merit. TRWD does not favor or oppose the employment of relatives of another TRWD employee so long as the employment is not prohibited by law or contrary to the prohibitions set forth in this Policy.

No TRWD employee shall make or be involved in hiring, advancement, or compensation decisions regarding the employment of the employee's relative. Relatives may not work for TRWD in a direct supervisor/subordinate relationship or positions where a TRWD employee influences the employment, compensation, or working conditions of his or her relative. TRWD, likewise, may not hire or transfer individuals who are relatives into a direct supervisor/subordinate relationship.

The General Manager or designee shall establish a process for addressing situations where a relative relationship is established during the course of employment with TRWD.

Nothing in this Policy prohibits or limits the General Manager's discretion to respond with appropriate action, including disciplinary action, where a relative relationship between two employees disrupts TRWD's operations or adversely affects the work environment.

For purposes of this Policy, the term "relative" includes an employee's spouse, domestic partner, parent, sibling, child, cousin, aunt, uncle, in-law, grandparent, grandchild, significant other and the same relations above which derive from foster, step, or adopted relationships.

301.10 Attendance and Work Schedule All TRWD employees are expected to demonstrate good work attendance and to work according to their assigned schedules. The General Manager or designee shall establish administrative procedures to ensure non-exempt, hourly employees only work according to their assigned schedules, unless additional work is pre-approved, and that any work performed by non-exempt, hourly employees is recorded as work time, even if not pre-approved by the employee's supervisor.

301.11 Personnel Classification and Payment of Wages. All TRWD employment positions are classified as exempt or non-exempt in accordance with federal law. Exempt employees are not entitled to overtime pay. Non-exempt employees are paid on an hourly basis and receive overtime pay at one and one half times the employee's normal rate of pay for each hour worked beyond 40 hours in a workweek.

The General Manager or designee is responsible for formulating, implementing, coordinating, and monitoring TRWD's compliance with federal and state law regarding the classification of employment positions and all wage and hour laws.

301.12 Drug and Alcohol Free-Workplace. TRWD prohibits the unlawful possession, use, consumption, sale, purchase, distribution, or manufacture by any employee of any illegal or illegally-obtained drugs within TRWD's facilities, or while performing work off premises. Possession, sale, use, or being under the influence of alcohol, inhalants, or drugs of illegal drugs of any type while on the job is strictly prohibited.

Adopted 1/18/2022

Effective 2/1/2022

This prohibition does not apply to an employee's lawful use and possession of prescribed medications. Employees must consult their health care providers about the medications' effect on the employee's fitness for duty or ability to work safely and promptly report any work restrictions to their supervisor.

TRWD does not permit any employee to report to work or perform their duties while taking lawfully-prescribed drugs which may adversely impair their ability to safely and effectively perform their job functions.

301.13 Violence in the Workplace. TRWD prohibits and will not tolerate conduct that threatens, intimidates, or coerces any employee or interferes with the employee's ability to perform their work. An employee who believes he or she has been subject to violent or threatening behavior by a co-worker, customer, constituent, or vendor or knows of threats or actual violence occurring in the workplace, should report such conduct to his or her supervisor and to TRWD's Security Operations immediately.

302 EMPLOYEE STANDARDS OF CONDUCT AND CODE OF ETHICS

This Employee Standards of Conduct and Code of Ethics Policy clarifies TRWD's expectations of all employees in the conduct of District business. TRWD expects its employees to comply with all Board-adopted policies, TRWD administrative procedures and guidelines, and all local, state, and federal laws, regulations, and rules governing their conduct in the workplace.

TRWD also expects its employees to maintain the highest standard of ethics and integrity to ensure the business of TRWD is carried out lawfully, ethically, and in a manner that upholds the District's important public mission and maintains the confidence of the public.

302.1 Purpose. The purpose of this Employee Standards of Conduct Policy is to establish expectations and guidelines regarding employee standards of conduct for the workplace. The General Manager or designee shall establish administrative procedures that emphasize TRWD's expectation that employees fully comply with all Board-adopted policies, TRWD administrative procedures and guidelines, and all applicable laws.

The purpose of this Code of Ethics is to establish guidelines for the sound business and ethical conduct of all TRWD employees in the conduct of the District's business.

302.2 Scope. This Policy applies to all departments, divisions, and offices within TRWD, and to all TRWD employees (including, for purposes of this Policy, independent contractors).

302.3 General Policy Regarding Employee Standards of Conduct. TRWD is committed to striving for the highest standards of conduct from its employees. TRWD employees will be honest, fair, and trustworthy in all District activities and relationships. All TRWD employees have an obligation to conduct themselves and their work for TRWD in a manner that merits the trust and confidence of the District's customers and members of the general public. TRWD employees shall recognize and respect the rights of other employees and members of the public and shall work cooperatively with others to serve the best interests of TRWD.

All TRWD employees must perform their job duties and conduct themselves in accordance with Board-adopted policies, TRWD administrative procedures and guidelines, and local, state, and federal laws, regulations, and rules.

TRWD expects its employees to know the Employee Standards of Conduct Policy, and the administrative procedures and guidelines established and implemented under this Policy, and conduct themselves accordingly.

302.3.1 Development of Procedures for Employee Standards of Conduct. The General Manager or designee shall establish and implement

administrative procedures or guidelines that set forth the standards of conduct all TRWD employees must follow. The administrative procedures or guidelines shall include, at a minimum, standards of conduct that address the following:

1. TRWD's prohibition on employees engaging in discrimination or harassment (including sexual harassment) against other employees, vendors/contractors, members of the Board of Directors, or members of the public;
2. TRWD's prohibition on employees retaliating against an employee who makes a claim of discrimination or harassment or serves as a witness or participates in an investigation regarding an employee claim of discrimination or harassment;
3. TRWD's prohibition on employees engaging in workplace bullying;
4. TRWD's prohibition on retaliating against an employee who in good faith reports a violation of law by TRWD or a TRWD employee to an appropriate law enforcement authority;
5. TRWD's prohibition on employees engaging in threatening behavior or other behavior which disrupts or hinders the promotion of a safe work environment;
6. The Board-adopted policy regarding nepotism and employment of relatives, domestic partners, and romantic relations;
7. The Board-adopted policy regarding romantic or sexual relationships in the workplace;
8. Employee work and performance expectations including, but not limited to, employee attendance, as well as paid and nonpaid time off and employee leave, work schedules, work quality, and work quantity;
9. Adherence to a drug and alcohol-free workplace;
10. Adherence to TRWD safety rules and regulations and reporting unsafe conditions or practices to the appropriate TRWD personnel;
11. Compliance with proper and acceptable use and protection of TRWD Information Services resources;
12. Maintenance of TRWD's confidential and propriety information;
13. Maintenance of TRWD records;
14. TRWD's prohibition on the misuse, destruction, or theft of TRWD property;

15. Ethical and professional behavior;
16. The duty to keep accurate records;
17. TRWD's prohibition on financial impropriety;
18. Conflicts of interest; and,
19. Other policy and legal compliance.

The General Manager or designee shall also establish and implement administrative procedures or guidelines that provide for the discipline, including discharge, of any employee. The administrative procedures may include, but are not required to include, progressive discipline.

302.3.2 Violations. Violations of this Employee Standards of Conduct Policy or the administrative procedures or guidelines establishing employee standards of conduct under this Policy by a TRWD employee may result in disciplinary action up to and including discharge as determined by the General Manager or designee.

302.4 Employee Code of Ethics.

302.4.1 Definitions. The following definitions apply to this Code of Ethics:

Business Entity - Any business, proprietorship, firm, partnership, or person in a representative or fiduciary capacity, association, venture, trust, corporation, or any other entity recognized by law.

Contract – A written agreement for sale or purchase of real property, goods, or services, including professional services.

Employee - Any person who is hired in a full-time, part-time, or temporary capacity in a position of employment with TRWD, including an independent contractor.

Family Member – A person related to another person within the first degree by consanguinity or affinity, as described by Texas Government Code Chapter 573, Subchapter B.

Family Relationship – A relationship between a person and another person within the third degree by consanguinity, as described by Texas Government Code § 573.023, or second degree by affinity, as described by Texas Government Code § 573.025.

Gift – A benefit offered by a person to a TRWD Official or employee, or family member of the TRWD Official or employee, including food, lodging, transportation, and entertainment accepted as a guest. A gift does not include a benefit offered on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.

Official Act or Action - Any legislative, administrative, appointive, or discretionary act of any Director, TRWD Official, or TRWD employee or agent, or any Board Committee.

TRWD Official – Any employee or agent of TRWD who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.

Substantial Interest - A substantial direct or indirect pecuniary or material benefit accruing to a TRWD Official or employee as a result of a contract or transaction which is or may be the subject of an official act or action by or with the District. For the purposes of this Code of Ethics, a TRWD Official or employee shall be deemed to have a substantial interest in the affairs of:

1. Any person related to him or her in the second degree or closer of consanguinity or affinity; or
2. Any business entity or real property if:
 - The interest is ownership of ten percent (10%) or more of the voting stock or shares of the business entity; or ownership of \$15,000 or more of the fair market value of the business entity;
 - The interest is equitable or legal ownership in real property and the fair market value of the interest is \$2,500 or more; or
 - The funds received by a TRWD Official or employee from the business entity exceed ten percent (10%) of the TRWD Official's or employee's gross income for the previous year or which exceed \$2,500 during the preceding twelve (12) months.

Vendor – A person, including the vendor's agent, who enters or seeks to enter a contract with TRWD.

302.4.2 Interest of TRWD Official in Contract or Transaction. No TRWD Official having the power or duty to perform an official act or action related to a contract or transaction which is or may be the subject of an official act or action of TRWD or the power to exercise discretion in the planning, recommending, selecting or contracting of a vendor shall:

1. Have or thereafter acquire a substantial interest in such contract or transaction; or
2. Have a substantial interest in any business entity or real property involved in such contract or transaction; or
3. Have solicited or accepted present or future employment with a person or business entity involved in such contract or transaction.

302.4.3 Incompatible Service. No TRWD Official or employee shall engage in or accept private employment or render service for a private interest when such employment or service is incompatible with the proper discharge of his or her official duties, or would possibly impair his or her independence of judgment or action in the performance of his or her official duties, unless otherwise permitted by law.

302.4.4 TRWD Official Conflict Disclosure. A TRWD Official must file a Local Government Officer Conflicts of Disclosure Statement, Form CIS, with TRWD's Records Management Officer within seven business days after the TRWD Official becomes aware that a vendor contract has been signed or is being considered if any of the following are present:

1. The vendor has an employment or business relationship with the TRWD Official or a family member of the TRWD Official that results in the TRWD Official or family member of the TRWD Official receiving taxable income, other than investment income, that exceeds \$2,500 during the twelve months preceding the date the TRWD Official becomes aware that:
 - A contract between TRWD and the vendor has been executed; or
 - TRWD is considering entering into a contract with the vendor.
2. The vendor has given gifts to the TRWD Official or a family member of the TRWD Official that have an aggregate value of more than \$100 in the 12-month period preceding the date that the TRWD Official becomes aware that:
 - A contract between TRWD and the vendor has been executed; or
 - TRWD is considering entering into a contract with the vendor.
3. The vendor has a family relationship with the TRWD Official.

A TRWD Official is not required to file a Local Government Officer Conflicts of Disclosure Statement, Form CIS, with respect to a gift accepted by the TRWD or family member of the TRWD Official if the gift is a political contribution as defined by Title 15 of the Election Code or food accepted as a guest.

302.4.5 Gifts and Benefits. TRWD Officials and TRWD employees shall not solicit or accept any gift, favor, or service from a current or potential vendor that might reasonably tend to influence the TRWD Official or employee in the exercise or performance of official duties in conducting TRWD business, or that the TRWD Official or employee knows or should know is being offered with the intent to influence their official conduct. TRWD Officials and employees are prohibited from accepting from current or potential vendors:

1. Vacations or pleasure trips;
2. Discounts not available to the general public;
3. Products or services not available to the general public under similar circumstances;
4. Loans or advances (other than normal loans from financial institutions);
5. Entertainment at a discount unavailable to the general public; or
6. Other unusual favors not available to the general public at the same cost.

Any TRWD Official or employee receiving such offers shall immediately report such offers to the General Manager or Board of Directors.

A "gift" does not include a reasonable meal accepted as a guest, or a promotional item of nominal value, typical of items given at vendor booths at conferences. The prohibition on gifts, likewise, does not apply to food, lodging, transportation, or entertainment accepted as a guest, if the donee is required by law to report those items and reports those items.

302.4.6 Confidentiality. No TRWD Official or employee shall disclose confidential information to advance the financial or other private interests of himself, herself, or others regarding any contract or transaction which is or may be the subject of an official act or action of TRWD without proper legal authorization.

302.4.7 Responsibilities of TRWD Officials and Employees. All TRWD Officials and employees are expected to comply with this Code of Ethics. TRWD employees shall report to their immediate supervisor any situation that appears to be in violation of this Code of Ethics. Supervisors shall evaluate any alleged violations and take appropriate corrective action including, if deemed necessary, reporting the situation to the next level of supervision. Supervisors shall report any alleged violations of the Code of Ethics to the Human Resources Department.

If the General Manager appears to be in violation of this Code of Ethics, the matter should be reported to the Board President or the Administration and Policy Committee for consideration and to advise the Board.

302.4.8 General Manager's Administration of Code of Ethics. The General Manager shall be responsible for administering this Code of Ethics in a fair and equitable manner. Common sense and good judgment shall be utilized in arriving at reasonable conclusions consistent with the intent of this Code of Ethics. The General Manager or designee is also authorized to establish administrative procedures or guidelines to implement this Code of Ethics and may issue interpretation or seek legal counsel to interpret this Code of Ethics and TRWD's ethical obligations under local, state, or federal law, rules, or regulations.

The General Manager shall evaluate any violation of this Code of Ethics by a TRWD Official or employee that is reported to or otherwise known by the General Manager and take appropriate corrective or disciplinary action, including reporting the situation to the Board of Directors as appropriate.

302.4.9 Board of Directors' Evaluation of Violations of this Code of Ethics. The Board shall evaluate any violation of this Code of Ethics that is reported to the Board or is otherwise known by the Board and take appropriate corrective action, including sanctions and initiation of lawsuits, as deemed appropriate.

302.4.10 Violations. A TRWD Official or employee who violates this Code of Ethics shall be subject to appropriate corrective, legal, or disciplinary action as determined by the General Manager or designee. If the General Manager violates this Code of Ethics, the General Manager shall be subject to appropriate corrective, legal, or disciplinary action as determined by the Board.

302.4.11 Conformity to Applicable Law. This Code of Ethics is intended to implement and conform to applicable law, including Chapters 171 and 176 of the Texas Local Government Code and Chapter 49 of the Texas Water Code. This Code of Ethics shall be automatically deemed to be amended to conform to any future changes in applicable local, state, or federal law.

The General Manager or designee shall regularly review this Code of Ethics and bring this Code of Ethics to the Board of Directors to consider and adopt any necessary changes to ensure it fully complies with applicable law.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 10

DATE: January 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 to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation, including regarding the Mary's Creek Water Reclamation Facility; and

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

DISCUSSION:

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

Submitted By:

Alan Thomas
Deputy General Manager

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 11

DATE: January 18, 2022

SUBJECT: Consider Approval of Settlement of Claims in the Integrated Pipeline Project - Karamanos (1163, 1164) Lawsuit

DISCUSSION:

This agenda item is pending negotiations and is subject to review and approval by the TRWD Board of Directors.

Next Scheduled Board Meetings

February 2, 2022
February 15, 2022