

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 15<sup>th</sup> Day of July 2025 at 9:00 a.m.**

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

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

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

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**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. Each proposed speaker must have completed and submitted a speaker card prior to the commencement of the meeting, identifying any agenda item number(s) and topic(s) the speaker wishes to address with the Board. By law, the Board may not deliberate, debate, or take action on public comment but may place the item on a future agenda.**

**3. Consider Approval of the Minutes from the Meeting Held on June 17, 2025**

**4. Consider Approval of Change in Calculation of Retainage with BAR Constructors, Inc. for Cedar Creek Section 2 Pipeline Replacement Phase 1A Construction - Jason Gehrig, Infrastructure Engineering Director**

**5. Consider Approval of Order Authorizing the Issuance of Tarrant Regional Water District, a Water Control and Improvement District, Unlimited Tax Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Establishing the Procedures of Selling and Delivering the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds - Sandy Newby, Chief Financial Officer**

6. **Consider Appointment of Trinity River Vision Authority Directors - Stephen Tatum, General Counsel**
7. **Consider Adoption of Resolution Honoring Darrel Andrews on His Retirement from the District - Dan Buhman, General Manager**
8. **Presentations**
  - **TRWD Flood Control Mission - Zachary Huff, Water Resources Engineering Director**
  - **Water Resources - Zachary Huff, Water Resources Engineering Director**
  - **Draft Canal System Manual Update - Susan Alanis, Program Director, Panther Island**
9. **Executive Session under Texas Government Code:**

**Section 551.071 of the Texas Government Code, for Private Consultation with its Attorney about Pending or Contemplated Litigation or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with this Chapter; and**

**Section 551.072 of the Texas Government Code, to Deliberate the Purchase, Exchange, Lease or Value of Real Property**
10. **Future Agenda Items**
11. **Schedule Next Board Meeting**
12. **Adjourn**

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT REGIONAL WATER DISTRICT  
HELD ON THE 17<sup>th</sup> DAY OF JUNE 2025 AT 9:00 A.M.

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

Present  
Leah King  
Paxton Motheral  
C.B. Team  
Skylar O'Neal  
Johnathan Killebrew

Also present were Dan Buhman, Alan Thomas, Susan Alanis, Darrell Beason, Kate Beck, Lisa Cabrera, Dustan Compton, Ellie Garcia, Zach Hatton, Zachary Huff, Rachel Ickert, Laramie LaRue, Jennifer Mitchell, Sandy Newby, Jennifer Owens, Kathleen Ray, Stephen Tatum, and Ed Weaver of the Tarrant Regional Water District (District or TRWD).

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 Andrew Brinker, who spoke regarding congratulating the new Board members and thanking the Board for support on collaborative efforts. Public comment was received from Eric Crile, who spoke regarding the Tarrant Appraisal District process.

3.

Director O'Neal assumed chairmanship of the meeting for agenda item number 3 to preside over the election of officers process per Board Governance Policy 3.6. Director Team nominated Leah King for President. Director O'Neal nominated Paxton Motheral

for Vice President. Director Motheral nominated C.B. Team for Secretary. Director O'Neal, hearing only one nomination for each office, declared all officers elected. The votes were 5 in favor, 0 against. President King then resumed chairmanship of the meeting.

4.

Director Motheral moved to approve the minutes from the meetings held on May 14, 2025 and May 20, 2025. Director Team seconded the motion, and the votes were 5 in favor, 0 against. It was accordingly ordered that these minutes be placed in the permanent files of the District.

5.

With the recommendation of management, Director Team moved to approve the consent agenda. Consent agenda items include:

- 1) Raw Water Contract with the City of Ennis. This contract establishes a direct contractual relationship between TRWD and the City of Ennis, rather than this water being contracted through Trinity River Authority (TRA). The contract has an updated term of 30 years, and the remainder of the material terms are unchanged. There is no buy-in associated with this contract as the City of Ennis paid a buy-in through TRA on the 2002 Contract.
- 2) Raw Water Contract with the City of Waxahachie. This contract has a 30-year term and, beginning October 1, 2025, a minimum take-or-pay volume of 1.47 MGD. The contract volume remains the same. There is no buy-in associated with this contract, as Waxahachie paid a buy-in as a party to the Ellis County Contracts.

- 3) Raw Water Contract with Freestone Power Generation. This contract establishes a direct contractual relationship between TRWD and Freestone, rather than this water being contracted through Trinity River Authority. The contract term is 20 years with the option for up to two (2) five-year extensions if the District is notified two years in advance of the expiration. Additionally, this contract lowers Freestone's contract minimum take-or-pay from 6.001 MGD to 4.5 MGD.
- 4) Raw Water Contract Third Amendment with Rockett Special Utility District (Rockett SUD). This amendment increases Rockett SUD's annual not-to-exceed volume by 0.271 MGD (from 12.025 to 12.296 MGD) to serve the City of Palmer. There is no buy-in premium associated with this increase as the buy-in was paid by the City of Palmer as a party to the Ellis County contracts. This amendment increases Rockett SUD's minimum volume requirement by 1.19 MGD (from 2.5 MGD to 3.69 MGD). The remainder of the terms of the 2015 contract (as amended) remain unchanged.
- 5) Raw Water Contract Second Amendment with East Cedar Creek Fresh Water Supply District (ECCFWSD). This amendment incorporates and clarifies an agreement between ECCFWSD and the City of Trinidad which allows ECCFWSD to use up to 750 AFY of the City of Trinidad's pre-existing water right in Cedar Creek, a tributary of the Trinity River which feeds Cedar Creek Reservoir, with no charge from TRWD. In addition, "Section 7-Purpose and Place of Use" is updated with new standard language. The remainder of the terms remain unchanged.

- 6) Raw Water Contract First Amendment with the City of Mabank. This amendment increases the maximum diversion rate to 7,200 gpm, which will be the final Mabank Water Treatment Plant and Pump Station capacity when all proposed improvements are completed. The remainder of the contract terms remain unchanged.
- 7) Raw Water Contract Renewal with the City of Weatherford. This contract renewal has a 30-year term, expiring in 2055. This renewal removes reference to Parker County Utility District No.1 and Parker County Special Utility District, who are no longer parties to the contract. There is no buy-in associated with this contract, as the City of Weatherford bought in for this volume with the 2001 contract.
- 8) Acquire Real Property Interests. The following described tract is necessary for the public use and purpose of construction and operation of the future operations site: A permanent drainage easement interest across a 3,081 square foot (0.071 acre) tract of land situated in the J.T. Hobbs Survey, Abstract Number 806, City of Fort Worth, Tarrant County, Texas and being a portion of the remainder of a called 63.863-acre tract of land situated in said Hobbs Survey, conveyed to Meacham Capital Partners, LLC by the Special Warranty Deed recorded in Instrument Number D218275695, Official Public Records, Tarrant County, Texas. The General Manager of TRWD or his designee is authorized to take all steps which may be reasonably necessary to complete the acquisition of the real property, including, but not limited to, the authority to pay all customary, reasonable and necessary closing and related

costs. Funding for this item is included in the Fiscal Year 2025 Revenue Fund.

**REAL PROPERTY DESCRIPTION  
OF A  
3,081 SQUARE FOOT (0.071 ACRE) PARCEL OF LAND  
OUT OF THE REMAINDER OF A CALLED 63.863 ACRE TRACT OF LAND  
SIUTATED IN THE J.T. HOBBS SURVEY, A-806  
CITY OF FORT WORTH, TARRANT COUNTY, TEXAS**

**BEING** a 3,081 square foot (0.071 acre) tract of land situated in the J.T. Hobbs Survey, Abstract Number 806, City of Fort Worth, Tarrant County, Texas and being a portion of the remainder of a called 63.863 acre tract of land situated in said Hobbs Survey, conveyed to Meacham Capital Partners, LLC by the Special Warranty Deed recorded in Instrument Number D218275695, Official Public Records, Tarrant County, Texas, and being more particularly described as follows:

**BEGINNING** at a 5/8-inch iron rod with a yellow cap stamped 'Dunaway Assoc.' set (all of the following iron rods set being so capped and stamped) in the Southwesterly interior line of said Meacham Remainder Tract and the North most Northeasterly line of a called 23.84 acre tract of land situated in said Hobbs Survey, conveyed to the Tarrant Regional Water District (henceforth referred to as 'TRWD Tract') by the Special Warranty Deed recorded in Instrument Number D221379636, said Official Public Records, from which a 1/2-inch iron rod with a cap stamped 'RLS 5664' found for an ell corner of said Meacham Remainder Tract and the Northeast corner of said TRWD Tract bears South 39 degrees, 39 minutes, 49 seconds East, a distance of 13.96 feet; Said **POINT OF BEGINNING** having coordinates of N: 6,986,441.179, E: 2,314,146.301, Grid;

**THENCE:** North 39 degrees, 39 minutes, 49 seconds West, with the Southwesterly interior line of said Meacham Tract and the North most Northeasterly line of said TRWD Tract, a distance of 30.16 feet to a 5/8-inch iron rod set, from which a 1/2-inch iron rod with a cap stamped 'RLS 5664' found for an ell corner of said Meacham Tract and the East most Northwest corner of said TRWD Tract bears North 39 degrees, 39 minutes, 49 seconds West, a distance of 152.14 feet;

**THENCE:** North 44 degrees, 39 minutes, 49 seconds East, departing the North most Northeasterly line of said TRWD Tract, over and across said Meacham Tract, a distance of 101.16 feet to a 5/8-inch iron rod set;

**THENCE:** South 45 degrees, 28 minutes, 51 seconds East, continuing over and across said Meacham Tract, a distance of 30.00 feet to a 5/8-inch iron rod set;

**THENCE:** South 44 degrees, 39 minutes, 49 seconds West, continuing over and across said Meacham Tract, a distance of 104.21 feet to the **POINT OF BEGINNING** and containing 3,081 square feet (0.071 acres) of land, more or less.

**REAL PROPERTY DESCRIPTION  
OF A  
3,081 SQUARE FOOT (0.071 ACRE) PARCEL OF LAND  
OUT OF THE REMAINDER OF A CALLED 63.863 ACRE TRACT OF LAND  
SIUTATED IN THE J.T. HOBBS SURVEY, A-806  
CITY OF FORT WORTH, TARRANT COUNTY, TEXAS**

This description is accompanied by a Map of Survey of even date.

Surveyed on the ground May, 2025

Bearings are based on Global Positioning Satellite (GPS) system observations using an RTK Network. Horizontal Data is on the North American Datum 1983 (NAD 83) (2011 Adjustment), Texas State Plane Coordinate System, North Central Zone (4202). All distances adjusted to surface by a project combined scale factor of 1.00012.

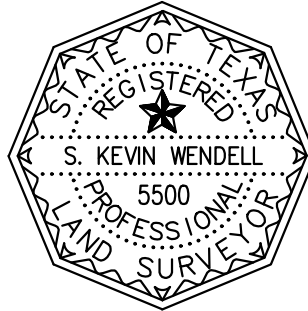


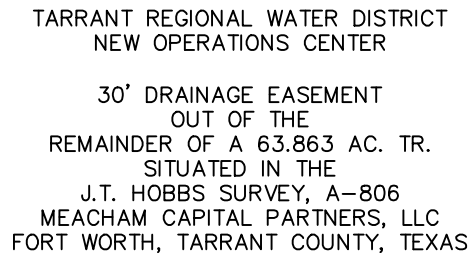
S. Kevin Wendell  
Registered Professional Land Surveyor  
Texas Registration No. 5500

05/09/25

Date

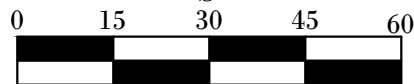
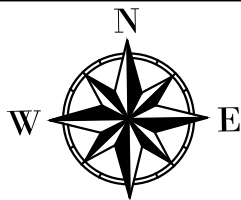
Dunaway Associates  
TBPLS Firm Registration No. 10098100  
3030 Lyndon B. Johnson Fwy, Suite 600  
Dallas, Texas 75234  
(972) 392-9092  
kwendell@criadoassociates.com





## MAP OF SURVEY

DRAWN BY: KW                      CHECKED: AA  
LOCATION: FORT WORTH, TARRANT COUNTY, TX  
PROJECT # C015175.001  
DATE: 04/28/25



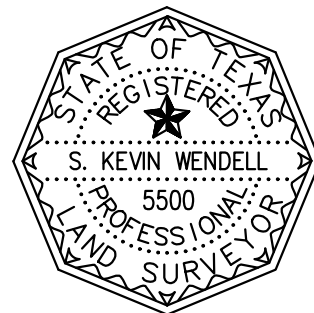
SCALE: 1" = 30'

TARRANT REGIONAL WATER DISTRICT  
NEW OPERATIONS CENTER

30' DRAINAGE EASEMENT  
OUT OF THE  
REMAINDER OF A 63.863 AC. TR.  
SITUATED IN THE  
J.T. HOBBS SURVEY, A-806  
MEACHAM CAPITAL PARTNERS, LLC  
FORT WORTH, TARRANT COUNTY, TEXAS

NOTES:

1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202), NORTH AMERICAN DATUM OF 1983 (NAD '83). ALL DISTANCES SHOWN ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY DIVIDING BY A COMBINED SCALE FACTOR OF 1.00012. UNITS ARE US SURVEY FEET.
2. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT. THE SURVEYOR DID NOT RESEARCH THE SUBJECT PROPERTY TITLE INFORMATION AND/OR ENCROACHMENTS. THERE MAY BE EASEMENT AND OR RESTRICTIVE COVENANTS OF RECORD AFFECTING THIS PROPERTY WHICH ARE NOT SHOWN HEREON.
3. THIS MAP OF SURVEY IS ACCOMPANIED BY A SEPARATE REAL PROPERTY DESCRIPTION OF EVEN DATE.
4. A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED 'DUNAWAY ASSOC.' SET AT ALL EASMENT CORNERS.
5. SURVEYED ON THE GROUND MAY, 2025



LEGEND

○	MONUMENT FOUND (AS NOTED)
●	5/8" IRS W/YELLOW CAP STAMEPD 'DUNAWAY ASSOC.'
O.P.R.T.C.T.	OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS
P.O.B.	POINT OF BEGINNING

THIS IS TO CERTIFY THAT THIS MAP OF SURVEY WAS  
PREPARED FROM AN ACCURATE SURVEY  
CONDUCTED ON THE GROUND UNDER MY DIRECT  
SUPERVISION MAY, 2025

*S. Kevin Wendell*  
KEVIN WENDELL  
REGISTERED PROFESSIONAL LAND SURVEYOR TEXAS  
REGISTRATION NO. 5500

DATE: 05/09/25



30' DRAINAGE EASEMENT  
OUT OF THE  
REMAINDER OF A  
CALLED 63.863 AC. TR.  
J.T. HOBBS SURVEY, A-806  
FORT WORTH,  
TARRANT COUNTY, TEXAS

MAP OF SURVEY

DRAWN BY: KW CHECKED: AA

LOCATION: FORT WORTH, TARRANT COUNTY, TX

PROJECT # C015175.001

DATE: 04/28/25

Director Killebrew seconded the motion, and the votes were 5 in favor, 0 against.

6.

With the recommendation of management, Director Team moved to approve a contract amendment in an amount not-to-exceed \$3,669,842 with CDM Smith, Inc. to perform design services for Joint Booster Pump Station Number 2 and application engineering services for the Lake Palestine Pump Station. The current contract amount is \$21,587,672.86 and the revised not-to-exceed contract amount including this proposed amendment is \$25,257,514.86. In addition, the General Manager or his designee is granted authority to execute all documents associated with the contract amendment. Phase 5 of the IPL Joint Booster Pump Station Number 2 is jointly funded by the District and the City of Dallas. Funding for this item is included in the Bond Fund. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

7.

With the recommendation of management, Director Team moved to approve a contract amendment in an amount not-to-exceed \$4,820,940 with Freese and Nichols, Inc. for design of the Joint Booster Pump Station Number 2 Reservoir Project (\$2,827,948.00) and program management services for Integrated Pipeline Project Phase 4 and 5 (\$1,992,992.00). The current contract amount is \$37,422,115.95 and the revised not-to-exceed contract amount including this proposed amendment is \$42,243,055.95. In addition, the General Manager or his designee is granted authority to execute all documents associated with the contract amendment. Phase 5 of the IPL Joint Booster Pump Station Number 2 is jointly funded by the District and the City of Dallas. Funding for this item is included in the Bond Fund. Director O'Neal seconded the motion,

and the votes were 5 in favor, 0 against.

8.

With the recommendation of management, Director Killebrew moved to approve a contract amendment in an amount not-to-exceed \$10,746,500 with CH2M Hill Engineers Inc., now a part of Jacobs Engineering Group Inc., to perform design services for the Joint Richland-Chambers Lake Pump Station. The current contract amount is \$36,079,363.37 and the revised not-to-exceed contract amount including this amendment is \$46,825,863.37. In addition, the General Manager or his designee is granted authority to execute all documents associated with the contract amendment. Funding for this item is included in the Bond Fund. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

9.

With the recommendation of management, Director Team moved to approve a contract amendment in an amount not-to-exceed \$2,968,000 with Plus Six Engineering, LLC. to perform program management support services for Phases 4 and 5 of the Integrated Pipeline Project. The current contract amount is \$25,997,314.50 and the revised not-to-exceed contract amount including this amendment is \$28,965,314.50. In addition, the General Manager or his designee is granted authority to execute all documents associated with the contract amendment. Funding for this item is included in the Bond Fund. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

10.

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

contract in an amount not-to-exceed \$16,758,790.86 with Termomeccanica Pompe (Trillium Flow Technologies) to purchase five pumping units to be installed at the Lake Palestine Pump Station of the Integrated Pipeline Project. In addition, the General Manager or his designee is granted authority to execute all documents associated with the contract. Funding for this item is included in the Dallas Bond Fund. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

11.

With the recommendation of management, Director Killebrew moved to approve a contract in an amount not-to-exceed \$6,680,900 with C1S Group, Inc for the Dechlorination Improvements at Arlington and Benbrook Outlets project. Funding for this item is included in the Bond Fund. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

12.

With the recommendation of management, Director Killebrew moved to approve a contract amendment in an amount not-to-exceed \$456,113 with Quiddity Engineering, LLC for engineering services related to the construction phase services for improvements to District Outlet Dechlorination Facilities at Lakes Arlington and Benbrook. Funding for this item is included in the Bond Fund. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

13.

With the recommendation of management, Director Killebrew moved to approve a contract in an amount not-to-exceed \$351,171 with DMI Corp. for the Joint Booster Pump Station #3 cooling tower improvements construction. Funding for this item is included in

the Fiscal Year 2025 Revenue Fund Budget and proposed Fiscal Year 2026 Revenue Budget. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

14.

With the recommendation of management, Director Team moved to approve a contract in an amount not-to-exceed \$800,000 with Shermco, Inc. for electric motor rehabilitation services. Funding for this item is included in the proposed Fiscal Year 2026 Revenue Fund Budget. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

15.

The Board of Directors heard a presentation from Susan Alanis, Panther Island Program Director, and Todd Stern, Managing Director, U3 Advisors, on Panther Island Canal and Bridge Construction. Future Board action with the proposed Fiscal Year 2026 Budget and construction contracts related to the canal system was reviewed.

16.

With the recommendation of management, the District's financial advisors and bond counsel, Director Motheral moved to amend the master resolution that established the Tarrant Regional Water District, a Water Control and Improvement District, Extendable Commercial Paper Mode to authorize from \$150,000,000 to up \$400,000,000 aggregate principal amount of the ECP Bonds. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

17.

With the recommendation of management, Director Motheral moved to approve a resolution authorizing the issuance, sale, and delivery of the Tarrant Regional Water

District, a Water Control and Improvement District, Water Revenue ECP Series A Refunding Bonds, pledging revenues for the payment of the bonds, approving an official statement, and authorizing other instruments and procedures relating thereto. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

18.

With the recommendation of management, President King moved to approve a request for property tax exemption under Texas Property Tax Code Section 11.1825 from the owner of a rent-restricted apartment complex, but not consider any further requests until the Board of Directors has had the opportunity to create and approve a governance policy for such requests. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

19.

With the recommendation of management, Director Motheral moved to approve the following Tax Increment Financing District (TIF) appointments:

<b><u>TIF District</u></b>	<b><u>Appointee(s)</u></b>	<b><u>Term Expires</u></b>
3 Downtown	Leah King	Dec. 31, 2026
8 Lancaster	Leah King	Dec. 31, 2027
9 Trinity River Vision	C.B. Team	Dec. 31, 2027
12 East Berry Renaissance	Johnathan Killebrew	Dec. 31, 2026
13 Woodhaven	Skylar O'Neal	Dec. 31, 2026
14 Trinity Lakes	Paxton Motheral	Dec. 31, 2026
15 Stockyards	Johnathan Killebrew	Dec. 31, 2026

Approval by this Board shall serve as a notification to the City Council of Fort Worth for the District's appointments to the governing body of the TIFs referenced above. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

20.

With the recommendation of management, Director Team moved to approve insurance renewal for a one-year period in the amount of \$1,570,000 for property lines of coverage (\$1,010,000), casualty lines of coverage (\$360,000), and workers compensation coverage (\$200,000) with Sedgwick as the selected vendor of the Texas Water Association Risk Management Fund. The cost of workers compensation coverage will be based on actual salaries times job classification rates and the District experience modifier. Funding for this item is included in the proposed Fiscal Year 2026 General Fund Budget. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

21.

With the recommendation of management, Director Team moved to approve a contract in an amount not-to-exceed \$340,858 with Satellite Shelters, Inc. for the provision of one triple-wide and one quadruple-wide office building for a period of 24 months. Funding for this item is included in the Fiscal Year 2025 Special Projects/Contingency Fund Budget and the proposed Fiscal Year 2026 Special Projects/Contingency Fund Budget. Director Killebrew seconded the motion, and the votes were 5 in favor, 0 against.

22.

With the recommendation of management, President King moved to approve a contract in an amount not-to-exceed \$207,075 with Guidehouse Inc. for implementation services of the Workday Adaptive Planning platform. Funding for this item is included in the Fiscal Year 2025 General Fund Budget and the proposed Fiscal Year 2026 General Fund Budget. Director Team seconded the motion, and the votes were 5 in favor, 0

against.

23.

#### Presentations

- Integrated Water Supply Plan presented by Rachel Ickert, Chief Engineering Officer
- Conservation Update presented by Jennifer Owens, Environmental Services Director
- Central City USACE Construction Contractor Selection and Timing presented by Kate Beck, Central City Flood Control Program Director

The Board of Directors recessed for a break from 10:52 a.m. to 10:53 a.m.

24.

The Board next held an Executive Session commencing at 10:53 a.m. under Section 551.071 of the Texas Government Code to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code; and Section 551.072 of the Texas Government Code to Deliberate the Purchase, Exchange, Lease or Value of Real Property; and Section 551.074 of the Texas Government Code Regarding Personnel Matters.

Upon completion of the executive session at 11:04 a.m., the President reopened the meeting.

25.

There were no future agenda items approved.

26.

The next board meetings were scheduled for July 10, 2025 and July 15, 2025.

27.

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

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President

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Secretary

## **TARRANT REGIONAL WATER DISTRICT**

### **AGENDA ITEM 4**

**DATE:** July 15, 2025

**SUBJECT:** Consider Approval of Change in Calculation of Retainage with BAR Constructors, Inc. for Cedar Creek Section 2 Pipeline Replacement Phase 1A Construction

**FUNDING:** Bond Fund

#### **RECOMMENDATION:**

Management recommends a change in the calculation of the retainage being held for BAR Constructors, Inc. to 5 percent of the contract price. All remaining contract payments are to be made in full. 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.

#### **DISCUSSION:**

The District is required to hold 10 percent retainage on contract progress payments. If at any time however, after 50 percent of the work has been completed, the Board, finding that satisfactory progress is being made, may authorize that the remaining payments be made in full.

BAR Constructors, Inc. (BAR) reached the 50 percent complete stage of the contract in July. The total current contract price is \$11,728,793.97 with retainage to be held at 5 percent of the contract price in the amount of \$586,439.70.

BAR Constructors, Inc.'s performance has been satisfactory to date and has provided written consent of its Surety to the reduction in retainage. Management requests approval to cease retainage on future payments and hold retainage equal to 5 percent of the contract price.

The Staff Recommendation to change the calculation of the retainage currently held and Consent of Surety to Reduction in Retainage are attached.

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.

This item was reviewed by the Construction and Operations Committee on July 10, 2025.

#### **Submitted By:**

Jason Gehrig, P.E.  
Infrastructure Engineering Director



# Memo

**TO:** Donna Stephens

**FROM:** Mark Lyon

**COPY:** Robert Allen

**DATE:** July 15, 2025

**SUBJECT:** Consider Approval of a Change in Calculation of Retainage to BAR Constructors, Inc. for the Cedar Creek Section 2 Pipeline Replacement Phase 1A Project.

BAR Constructors, Inc. will reach the 50% Completion milestone for the reference project on July 1, 2025. BAR Constructors, Inc.'s work on the project is acceptable and there are no outstanding issues that would indicate a higher amount of retainage should be held. In accordance with the terms of the Agreement, the District can, under these circumstances, change the calculation of the retainage being held hold retainage to the amount representing 5% of the total Contract Price if they determine that the amount retained is adequate for the protection of the District.

BAR Constructors, Inc.'s performance has been satisfactory to date and BAR Constructors has provided written consent of its Surety to the reduction in retainage.

The current Contract Price and amount subject to retainage is \$11,728,793.97. It is recommended that District hold retainage in the amount of \$586,439.70 until the Project is complete and make adjustments to this amount if any changes are made to the Contract Price by Change Order or alternate base bid work for the Project.

The Consent of Surety to Reduction in Retainage is attached.

<b>Project:</b>	IPL Section PL02PH1A	<b>Project Number:</b>	
<b>Owner:</b>	Tarrant Regional Water District		6418
<b>Contractor:</b>	BAR Constructors		306
<b>Engineer:</b>	Black and Veatch		403740

*The Surety Company, on bond of the Contractor listed above for the referenced Project, in accordance with the Contract Documents, hereby approves a reduction of or partial release of retainage to the Contractor in the amount shown below and agrees that payment of this amount to the Contractor shall not relieve the Surety Company of any of its obligations to the Owner under the terms of the Contract, and as set forth in said Surety Company's bond.*

Surety Company agrees to the reduction in retainage to \$ 586,439,70

**Date:** June 10, 2025

**Name of Surety Company:** Hartford Fire Insurance Company

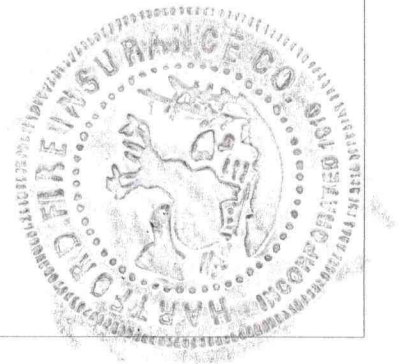
**Signature:**   
Authorized Representative

**Title:** Dawn Davis, Attorney-in-Fact

**Address:** 3000 Internet Drive, #600  
Frisco, TX 75034

**Email:** dawn.davis@marshmma.com

(Attach Power of Attorney and place surety seal below)



# POWER OF ATTORNEY

Direct Inquiries/Claims to:  
THE HARTFORD  
BOND, T-11  
One Hartford Plaza  
Hartford, Connecticut 06155  
[Bond.Claims@thehartford.com](mailto:Bond.Claims@thehartford.com)  
call: 888-266-3488 or fax: 860-757-5835

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Agency Name: MARSH & MCLENNAN AGENCY LLC  
Agency Code: 46-461496

- ☒ **Hartford Fire Insurance Company**, a corporation duly organized under the laws of the State of Connecticut  
☒ **Hartford Casualty Insurance Company**, a corporation duly organized under the laws of the State of Indiana  
☒ **Hartford Accident and Indemnity Company**, a corporation duly organized under the laws of the State of Connecticut  
☐ **Hartford Underwriters Insurance Company**, a corporation duly organized under the laws of the State of Connecticut  
☐ **Twin City Fire Insurance Company**, a corporation duly organized under the laws of the State of Indiana  
☐ **Hartford Insurance Company of Illinois**, a corporation duly organized under the laws of the State of Illinois  
☐ **Hartford Insurance Company of the Midwest**, a corporation duly organized under the laws of the State of Indiana  
☐ **Hartford Insurance Company of the Southeast**, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of Unlimited** :

Ashlie Atkins, Mistie Beck, Edward R. Bowles, Dawn Davis, Walter J. DeLaRosa, Donnie Doan, Christen Tyner of DALLAS, Texas

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒ , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on May 23, 2016 the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



*Shelby Wiggins*

Shelby Wiggins, Assistant Secretary

*Joelle L. LaPierre*

Joelle L. LaPierre, Assistant Vice President

STATE OF FLORIDA

COUNTY OF SEMINOLE

ss. Lake Mary

On this 20th day of May, 2021, before me personally came Joelle LaPierre, to me known, who being by me duly sworn, did depose and say: that (s)he resides in Seminole County, State of Florida; that (s)he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that (s)he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that (s)he signed his/her name thereto by like authority.



*Jessica Ciccone*

Jessica Ciccone  
My Commission HH 122280  
Expires June 20, 2025

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of June 10, 2025.

Signed and sealed in Lake Mary, Florida.



*Keith D. Dozois*

Keith D. Dozois, Assistant Vice President

## **TARRANT REGIONAL WATER DISTRICT**

### **AGENDA ITEM 5**

**DATE:** July 15, 2025

**SUBJECT: CONSIDER APPROVAL OF ORDER AUTHORIZING THE ISSUANCE OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, UNLIMITED TAX BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; ESTABLISHING THE PROCEDURES OF SELLING AND DELIVERING THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS**

**FUNDING:** N/A

#### **RECOMMENDATION:**

Management recommends approval of an order authorizing the issuance of Tarrant Regional Water District, a Water Control and Improvement District, Unlimited Tax Bonds; levying an Ad Valorem Tax in support of the bonds; establishing the procedures of selling and delivering the bonds; and authorizing other matters related to the issuance of the bonds.

#### **DISCUSSION:**

The Finance Committee reviewed the issuance of the Unlimited Tax Bonds on July 9, 2025. In May 2018, voters in the District approved \$250 million in flood control bond financing for the Central City Flood Control Project. The Bonds are the second series of bonds issued from the voted authorization. The first series of bonds (\$50M) was approved by the Board in July 2024 and issued August 2024. The Bonds are being issued (i) for the purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing, improving, or extending land, improvements, facilities, plants, equipment, and appliances for flood control and drainage facilities (not to exceed \$50 million); and (ii) to pay costs associated with the issuance of the Bonds. In the Bond Order, the Board is delegating pricing authority to the General Manager, Deputy General Manager, and Chief Financial Officer, separately, subject to certain parameters being met, see attached Bond Order.

The Central City Flood Control Project is being funded with federal funds, captured property taxes ("TIF Revenues") on the development of property benefited by the flood control project and funds to be provided by the District (including proceeds from the Bonds), the City of Fort Worth and Tarrant County. The District has used the production royalties it received from its mineral interests within the Barnett Shale to meet its financial obligations on the Project thus far. Upon the issuance of the Bonds, the District will be obligated to levy a tax to repay the Bonds, as needed. However, the District intends to

use TIF Revenues to repay the debt. Attached is an estimate of timing for the remaining voter authorized bond issues.

The District intends to offer the Bonds through a sealed bid competitive sale in August and then close and receive the bond proceeds in September.

Representatives of Hilltop Securities, Inc. and The RSI Group, LLC, the District's Co-Financial Advisors, and McCall, Parkhurst and Horton, LLP, and Escamilla & Poneck, LLP, the District's Co-Bond Counsel, will be available should there be any questions.

This item was reviewed by the Finance Committee on July 9, 2025.

**Submitted By:**

Sandy Newby  
Chief Financial Officer



## Estimate of timing for the remaining voter authorized bond issues

Bond Issue Timeline		
<u>Year</u>	<u>Proposed</u>	<u>Actual</u>
2024	\$50,000,000	\$50,000,000
2025	\$50,000,000	
2026	\$55,000,000	
2027	\$40,000,000	
2028	\$55,000,000	
	<b>\$250,000,000</b>	<b>\$50,000,000</b>

ORDER AUTHORIZING THE ISSUANCE OF TARRANT REGIONAL  
WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT,  
UNLIMITED TAX BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT  
OF THE BONDS; ESTABLISHING THE PROCEDURES OF SELLING AND  
DELIVERING THE BONDS; AND AUTHORIZING OTHER MATTERS  
RELATED TO THE ISSUANCE OF THE BONDS

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

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

**WHEREAS**, at an election held on May 5, 2018 (the "Bond Election"), the voters of the District authorized the Board of Directors (the "Board") of the District to issue bonds of the District maturing serially or otherwise over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at a rate not to exceed the maximum authorized by law at the time such bonds are issued (in whole or in part thereof), all as may be determined by the Board, in the maximum amount of two hundred fifty million dollars (\$250,000,000) for the purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing, improving, or extending land, improvements, facilities, plants, equipment, and appliances for flood control and drainage facilities in order to gather, conduct, divert, and control local harmful excesses of water, as well as all expenses in any manner incidental thereto, all in accordance with the Engineer's Report filed in the office of the District; making payments under contracts pursuant to section 49.213 of the Texas Water Code; refunding bond anticipation notes; and paying such expenses as are incidental to the administration and financing of the District, which under applicable law may properly be paid from the proceeds of such bonds; and in an amount not in excess of one and one-half times the amount of bonds or other evidences of indebtedness previously issued by the District for the purpose of refunding any bonds or other evidences of indebtedness issued by the District for any of the foregoing purposes; and shall the Board be authorized to provide for the payment of the principal of and the interest and redemption price on all of such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District which, together with other funds of the district available therefor, will be sufficient to pay the bonds, as authorized by the Constitution and laws of the State of Texas, including particularly (but not by way of limitation Chapter 268, Acts of the 55th Legislature of the State of Texas, Regular Session, 1957, as amended) Chapters 49 and 51 of the Texas Water Code, to the extent applicable, together with all amendments and additions thereto.

**WHEREAS**, the Issuer will authorize the Bonds (hereinafter defined) pursuant to the District Act and Chapter 1371, Texas Government Code, as amended; and

**WHEREAS**, the Board deems it necessary and advisable at this time to issue the Bonds, reserving the right in the future to issue the remaining bonds authorized at the Bond Election; and

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

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

## **ARTICLE ONE**

### **PREAMBLE**

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

## **ARTICLE TWO**

### **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Interest Payment Date" means a date on which interest on the Bonds is due and payable. Interest on the Bonds is due and payable semi-annually on each March 1 and September 1, commencing on the Interest Payment Date set forth in the Approval Certificate thereafter until the earlier of maturity or redemption.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

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

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

"System" means the land, improvements, facilities, plants, equipment, and appliances for the purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing, improving, or extending land, improvements, facilities, plants, equipment, and appliances for flood control and drainage facilities in order to gather, conduct, divert, and control local harmful excesses of water, as well as all expenses in any manner incidental thereto, all in accordance with the Engineer's Report filed in the office of the District; provided that the System shall not include facilities acquired or constructed to perform contracts between the District and other persons, including private corporations, municipalities and political subdivisions which are financed by proceeds of the District's revenue bonds issued particularly to finance facilities needed to perform such contracts.

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

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

### **ARTICLE THREE**

#### **AUTHORIZATION, REGISTRATION, EXECUTION, AND AUTHENTICATION OF BONDS**

**SECTION 3.01. AMOUNT, NAME , PURPOSE, AND AUTHORIZATION.** Each Bond issued pursuant to this Order shall be issued under and by virtue of the Constitution and laws of the State of Texas, including particularly Article XVI, Section 59 of the Texas Constitution, the District Act, Chapter 1371, Texas Government Code, as amended, and, to the extent applicable, Chapters 49 and 51, Texas Water Code, as amended, and shall be known and designated as "Tarrant Regional Water District, A Water Control and Improvement District Unlimited Tax Bonds," shall be dated the date and shall be issued in the aggregate principal amount set forth in the Approval Certificate for the purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing, improving, or extending land, improvements, facilities, plants, equipment, and appliances for flood control and drainage facilities in order to gather, conduct, divert, and control local harmful excesses of water, as well as all expenses in any manner incidental thereto, all in accordance with the Engineer's Report filed in the office of the District; and paying such expenses as are incidental to the administration and financing of the District, which under applicable law may properly be paid from the proceeds of such Bonds; and paying certain costs of issuing the Bonds. The authority of the Authorized Representative to execute the Approval Certificate shall expire on July 15, 2026. Bonds priced on or before July 15, 2026, may close after such date.

**SECTION 3.02. FORM, DATE, NUMBERS, AND DENOMINATION.** (a)

There initially shall be issued, sold and delivered fully registered bonds, without interest coupons, numbered consecutively from R-1 upward (except the initial Bonds delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial Registered Owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof, in Authorized Denominations, maturing not later than forty (40) years from their date, serially or otherwise on the dates, in the years and in the principal amounts, respectively, all as set forth in the Approval Certificate to be executed and delivered by the Authorized Representative pursuant to subsection (b) of this Section. The Approval Certificate is hereby incorporated in and made a part of this Order and shall be filed in the minutes of the Board as a part of this Order.

(b) As authorized by Chapter 1371, Texas Government Code, as amended, the President, the General Manager, the Deputy General Manager, and the Chief Financial Officer of the Issuer are each hereby designated as an "Authorized Representative" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by a certificate executed by such Authorized Representative (the "Approval Certificate") for a period not to extend beyond July 15, 2026, in selling and delivering the Bonds and carrying out the other procedures specified in this Order, including the use of a book-entry only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date and the date of delivery of the Bonds, any additional or different designation or title by which the Bond shall be known (including, if the Bonds are issued on a taxable basis, inclusion of an appropriate designation as such), the price at which the Bonds will be sold (but in no event less than 100% of the aggregate principal amount of the Bonds), the principal amount (not exceeding \$50,000,000) of the Bonds, the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest to be borne by each such maturity (but in no event to result in the net effective interest rate on the Bonds exceeding 6.00% per annum), the initial interest payment date, the date or dates of any optional redemption thereof, any mandatory sinking fund redemption provisions, procuring municipal bond insurance, if any, and approving modifications to this Order and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the Bonds. It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless the Bonds are then rated by a nationally recognized rating agency in one of the four highest rating categories for a long-term instrument.

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

**SECTION 3.03. PAYMENT OF PRINCIPAL AND INTEREST.** The Registrar is hereby appointed as the paying agent for the Bonds. The principal of the Bonds, shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United

States of America, upon their presentation and surrender as they become due and payable, whether at maturity or by prior redemption in the case of the Bonds, at the designated office for payment of the Registrar. The interest on each Bond shall be payable as provided in the Form of Bond by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Registered Owner as shown on the Register on the Record Date or, at the request of a Registered Owner, and at the Registered Owner's risk and expense, in such other manner as may be acceptable to the Registered Owner and the Registrar. Any accrued interest payable at maturity or earlier redemption, in the case of the Bonds, shall be paid upon presentation and surrender of the Bond to which such interest appertains.

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

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

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

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

be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

**SECTION 3.07. EXECUTION OF BONDS.** The Bonds shall be signed on behalf of the District by the President of the Board of Directors and attested by the Secretary or other Authorized Officer of the Board, by their manual, lithographed, or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. The facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and the facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

**SECTION 3.08. AUTHENTICATION.** The Initial Bond shall bear thereon a certificate of registration of the Comptroller of Public Accounts of the State of Texas, substantially in the form provided in Section 6.02 of this Order, manually executed by the Comptroller or a duly authorized deputy. All other Bonds shall bear a certificate of authentication, substantially in the form provided in Section 6.03 of this Order, manually executed by an authorized officer of the Registrar. No Bond shall be valid or obligatory for any purpose unless either the registration certificate of the Comptroller or the authentication certificate of the Registrar has been signed by a duly authorized officer thereof.

## **ARTICLE FOUR**

### **REGISTRATION, TRANSFER, AND EXCHANGE**

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

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

All Bonds shall be exchangeable upon presentation and surrender thereof at the designated office for payment of the Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby

authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 4.01. Each Bond delivered in accordance with this Section 4.01 shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the District.

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

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

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

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

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

authorize the Registrar to pay such Bond.

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

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

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

(b) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section

17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Order.

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

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

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

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

## **ARTICLE FIVE**

### **REDEMPTION OF BONDS BEFORE MATURITY**

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

**ARTICLE SIX**

**FORM OF BOND**

**SECTION 6.01. FORM OF BOND.** The Bonds authorized by this Order shall be in substantially the following form, with such omissions, insertions, and variations, including variations in form, spacing, and style, as may be necessary and desirable and consistent with the terms of this Order and the Approval Certificate. The District shall provide sufficient printed bond forms, duly executed by the District, to the Registrar for registration, authentication, and delivery of the Bonds in accordance with the provisions of this Order.

**FORM OF BOND**

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the District or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Bond Order referred to herein, until the termination of the system of book-entry-only transfers through DTC, and notwithstanding any other provision of the Bond Order to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

**UNITED STATES OF AMERICA  
STATE OF TEXAS**

**TARRANT REGIONAL WATER DISTRICT,  
A WATER CONTROL AND IMPROVEMENT DISTRICT  
UNLIMITED TAX BONDS, SERIES 2025**

**NO. R-**

**PRINCIPAL  
AMOUNT**

\$ \_\_\_\_\_

**INTEREST RATE    DATE OF BONDS    MATURITY DATE    CUSIP NO.**

\_\_\_\_\_, \_\_\_\_\*                      September 1, \_\_\_\_

**REGISTERED OWNER:**

\_\_\_\_\_

\* From Approval Certificate

## **PRINCIPAL AMOUNT:**

**ON THE MATURITY DATE** specified above, **TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT** (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from \_\_\_\_\_, \_\_\_\_\*, at the interest rate per annum specified above. Interest is payable semiannually on each March 1 and September 1 (each, an "Interest Payment Date"), commencing on \_\_\_\_\_1, \_\_\_\_\*, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the Interest Payment Date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

**THE PRINCIPAL OF AND INTEREST ON** this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at BOKF, NA, which is the "Registrar" or "Paying Agent/Registrar" for this Bond at its designated office for payment in Dallas, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Registrar by United States mail, first-class postage prepaid, on or before each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the fifteenth (15<sup>th</sup>) calendar day of the month next preceding each such date (the "Record Date") on the Register kept by the Registrar listing the names and addresses of the Registered Owners (the "Register"). In addition, interest may be paid by such other method, acceptable to the Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special

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\* From Approval Certificate

Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Register at the close of business on the last business day next preceding the date of mailing of such notice. Notwithstanding the foregoing, during any period in which ownership of the Bond is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

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

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

**THIS BOND** is one of a series of Bonds dated as of \_\_\_\_\_, \_\_\_\_\* and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of \$\_\_\_\_\_\*. **FOR THE PURPOSE OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, LEASING, OPERATING, REPAIRING, IMPROVING, OR EXTENDING LAND, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, AND APPLIANCES FOR FLOOD CONTROL AND DRAINAGE FACILITIES IN ORDER TO GATHER, CONDUCT, DIVERT, AND CONTROL LOCAL HARMFUL EXCESSES OF WATER, AS WELL AS ALL EXPENSES IN ANY MANNER INCIDENTAL THERETO, ALL IN ACCORDANCE WITH THE ENGINEER'S REPORT FILED IN THE OFFICE OF THE DISTRICT; AND PAYING SUCH EXPENSES AS ARE INCIDENTAL TO THE ADMINISTRATION AND FINANCING OF THE DISTRICT, WHICH UNDER APPLICABLE LAW MAY PROPERLY BE PAID FROM THE PROCEEDS OF SUCH BONDS; AND PAYING CERTAIN COSTS OF ISSUING THE BONDS.**

**ON SEPTEMBER 1, \_\_\_\_\*, OR ON ANY DATE THEREAFTER,** the Bonds maturing on and after September 1, \_\_\_\_\*, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption

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\* From Approval Certificate

price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the District, and if less than all of a maturity is to be redeemed the Registrar shall determine by lot or other customary method of random selection the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

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

**Term Bonds Maturing on**

Redemption Date

Principal Amount

**Term Bonds Maturing on**

Redemption Date

Principal Amount

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

**AT LEAST** 30 calendar days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Register on the 45th calendar day prior to such redemption date at least 30 days prior to the date fixed for redemption and to major securities

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\* From Approval Certificate

depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Registrar for the payment of the required redemption price for the Bonds or portions for which such payment is made, all as provided above. The Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Order.

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

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

**ALL BONDS OF THIS SERIES** are issuable solely as fully registered Bonds, without interest coupons, in the principal denomination of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this

Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Registrar shall not be required to make any such transfer, conversion or exchange of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or Interest Payment Date or (ii) within 45 calendar days prior to its redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

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

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

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

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

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

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

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

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

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

Texas.

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

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

\_\_\_\_\_  
XXXXXXXXXXXX  
Secretary, Board of Directors

\_\_\_\_\_  
XXXXXXXXXXXX  
President, Board of Directors

(SEAL)

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

**COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.**

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

Witness my signature and seal this

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(COMPTROLLER'S SEAL)

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

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

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

Dated: **BOKF, NA,**  
Registrar

By \_\_\_\_\_  
Authorized Representative

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

### ASSIGNMENT

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

\_\_\_\_\_  
Please insert Social Security or Taxpayer  
Identification Number of Transferee

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

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

Dated: \_\_\_\_\_  
Signature Guaranteed:

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

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

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

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

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

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

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

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

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

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

**"TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT** (the "District"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the principal amount specified above, payable in annual installments on September 1 in each of the years and in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

Year	Principal Amount	Interest Rate

(Information from Approval Certificate to be inserted)

The District promises to pay interest (calculated on the basis of a 360-day year of twelve 30-day

months) on the unpaid principal amount hereof from \_\_\_\_\_, \_\_\_\_\*, at the respective interest rate per annum specified above. Interest is payable semiannually on each March 1 and September 1, commencing \_\_\_\_\_ 1, \_\_\_\_,\* thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

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

## **ARTICLE SEVEN**

### **SECURITY OF THE BONDS**

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

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

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

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\* From Approval Certificate

due, full allowance being made for delinquencies and costs of collection, together with revenues and receipts from other sources that are legally available for such purpose, shall be levied and collected and applied to the payment of principal and interest on the Bonds, as follows:

- (a) By September 1 in each year, or as soon thereafter as practicable, the Board shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and levy the tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board shall consider among other things:
  - (i) the amount which should be levied for maintenance and operation purposes;
  - (ii) the amount which should be levied for the payment of principal, interest, and redemption price of each series of bonds or notes payable in whole or in part from taxes;
  - (iii) the amount which should be levied for the purpose of paying all other contractual obligations of the District payable in whole or in part from taxes; and
  - (iv) the percentage of anticipated tax collections and the cost of collecting the taxes.
- (c) In determining the amount of taxes which should be levied each year, the Board shall consider whether proceeds from the sale of Bonds have been placed in the Debt Service Fund (as defined in Section 8.01 of this Order) to pay interest on the Bonds and whether the Board reasonably expects to have revenue or receipts available from other sources which are legally available to pay debt service on the Bonds.

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

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

## **ARTICLE EIGHT**

### **FLOW OF FUNDS AND INVESTMENTS**

**SECTION 8.01.**      **FUNDS.** The Series 2025 Debt Service Fund (the “Debt Service Fund”) and the Series 2025 Capital Projects Fund (the “Capital Projects Fund”) are hereby created or confirmed. The Debt Service Fund shall be kept separate and apart from all other funds of the District. Each fund shall be kept separate and apart from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the owners of the Bonds. All funds shall be used solely as provided in this Order until all of the Bonds have been retired, both as to principal and interest.

**SECTION 8.02.**      **CAPITAL PROJECTS FUND.** The Capital Projects Fund shall comprise the capital improvements fund of the District for the System. The District shall deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits to the Debt Service Fund provided in Section 9.02 of this Order. The Capital Projects Fund shall be applied solely to pay (i) the costs necessary or appropriate to accomplish such of the purposes for which the Bonds are issued and (ii) the costs of issuing the Bonds. Interest earnings derived from the investment of proceeds from the sale of the Bonds deposited in the Capital Projects Fund shall be used for the purpose for which the Bonds are issued. After completion of the purposes set forth in Section 3.01 of this Order, any funds remaining shall be deposited in the Debt Service Fund.

**SECTION 8.03.**      **SECURITY OF FUNDS.** Any cash balance in any fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be continuously secured in the manner provided by law for the security of funds of counties of the State of Texas.

**SECTION 8.04.**      **DEPOSIT AND USE OF DEBT SERVICE FUND.** The District shall deposit or cause to be deposited into the Debt Service Fund the aggregate of the following at the time specified:

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

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

**SECTION 8.05. INVESTMENTS; EARNINGS.** Moneys deposited into the Debt Service Fund and any other fund or funds which the District may lawfully create may be invested or reinvested in Authorized Investments. All investments and any profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such fund. After such sale the moneys resulting therefrom shall belong to the fund from which the moneys for such investments were initially taken. The District shall not be responsible to the Registered Owners for any loss arising out of the sale of any investments.

## **ARTICLE NINE**

### **APPLICATION OF BOND PROCEEDS**

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

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

**SECTION 9.03. CAPITAL PROJECTS.** Proceeds of the Bonds necessary to complete the purposes set forth in Section 3.01 herein and to pay the costs of issuance of the Bonds shall be deposited in the Capital Projects Fund.

## **ARTICLE TEN**

### **PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

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

## **ARTICLE ELEVEN**

### **ADDITIONAL BONDS AND REFUNDING BONDS**

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

- (a) the unissued unlimited tax bonds which were authorized pursuant to the Bond Election; and
- (b) such other unlimited tax bonds as may hereafter be authorized at subsequent elections.

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

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

## **ARTICLE TWELVE**

### **DEFAULT PROVISIONS**

**SECTION 12.01. REMEDIES IN EVENT OF DEFAULT.** In addition to any other rights and remedies provided by the laws of the State of Texas, the District covenants and agrees

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

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

## **ARTICLE THIRTEEN**

### **DISCHARGE BY DEPOSIT**

**SECTION 13.01. DEFEASANCE OF BONDS.** (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Order. Any money so deposited with the Paying Agent/Registrar as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities,

maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

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

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

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

## **ARTICLE FOURTEEN**

### **MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

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

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

**SECTION 14.09. FURTHER PROCEEDINGS.** The President and Secretary or other Authorized Officer of the Board of Directors and other appropriate officials of the District

are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Order.

## **ARTICLE FIFTEEN**

### **SALE AND DELIVERY OF BONDS AND APPROVAL OF DOCUMENTS**

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

**SECTION 15.02. APPROVAL, REGISTRATION, AND DELIVERY.** The President of the Board of Directors of the District and representatives of McCall, Parkhurst & Horton L.L.P. and/or Escamilla & Poneck, LLP are each hereby authorized and directed to submit the Initial Bond and a transcript of the proceedings relating to the issuance of the Bonds to the Attorney General of the State of Texas for approval and, following said approval, to submit the Initial Bonds to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bond, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on the Initial Bond, and the seal of the Comptroller shall be impressed or placed in facsimile on the Initial Bond. After the Initial Bond has been registered, signed, and sealed by the Comptroller, they shall be delivered to the Underwriter, but only upon receipt of the full purchase price.

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

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

## **ARTICLE SIXTEEN**

### **OPEN MEETING AND EFFECTIVE DATE**

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

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

## **ARTICLE SEVENTEEN**

### **AMENDMENTS**

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

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

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

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

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

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

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

## **ARTICLE EIGHTEEN**

### **CONTINUING DISCLOSURE UNDERTAKING**

#### **Section 18.01. CONTINUING DISCLOSURE UNDERTAKING.**

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

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

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

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

or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material within the meaning of federal securities laws; and

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

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

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

(c) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Order or applicable law that causes Bonds no longer to be outstanding.

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

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

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

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

## **ARTICLE NINETEEN**

### **OTHER ACTIONS**

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

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

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

\*\*\*\*\*

## **EXHIBIT "A"**

### **WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS**

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

For Obligations issued for newly acquired property or constructed property:

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

For Obligations issued for refunding purposes:

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

For all Obligations:

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

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

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

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

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained

until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the District's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

**EXHIBIT "B"**

**PAYING AGENT/REGISTRAR AGREEMENT**

## **EXHIBIT "C"**

### **CONTINUING DISCLOSURE**

#### **1. Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the District to be provided annually in accordance with such Section are of the general type included in the Offering Documents contained in Tables 1 through 6 and 8 through 13, inclusive, and in APPENDIX A (Financial Statements of the District including supplemental schedules).

#### **2. Accounting Principles**

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

## **TARRANT REGIONAL WATER DISTRICT**

### **AGENDA ITEM 6**

**DATE:** July 15, 2025

**SUBJECT:** Consider Appointment of Trinity River Vision Authority Directors

**FUNDING:** N/A

#### **RECOMMENDATION:**

Management recommends that TRWD recognize vacancies on the Board of Directors of the Trinity River Vision Authority and make appointments to fill the same.

#### **DISCUSSION:**

By Resolution dated July 18, 2006, the Board of Directors of TRWD authorized the incorporation of Trinity River Vision Authority ("TRVA") and appointed the initial directors of TRVA. The Bylaws of TRVA, which were adopted by the Board of Directors of TRVA on October 5, 2006 and approved by the Board of Directors of TRWD on October 17, 2006, call for a TRVA Board of Directors of up to seven (7) in number with each Director to serve for a term of four (4) years. For reference, the Board of Directors of TRVA currently consists of the following five directors:

G.K. Maenius  
Dan Buhman  
Bob Riley  
Jay Chapa  
Carlos Flores

Three of these seats (Buhman, Riley, and Flores) expire on July 29, 2025. In addition, there are two unexpired terms for seats recently vacated by Roy Brooks and James Hill. Brooks' vacated seat expires on July 29, 2025, and Hill's vacated seat expires in April 2026.

To maintain consistency of leadership on the TRVA board, staff recommends (1) reappointing Dan Buhman, Bob Riley, and Carlos Flores for four-year terms expiring in July 2029, and (2) appointing Paxton Motheral to fill James Hill's vacated seat that expires in April 2026.

This item was reviewed by the Administration and Policy Committee on July 9, 2025.

#### **Submitted By:**

Stephen Tatum  
General Counsel

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
TARRANT REGIONAL WATER DISTRICT**

**WHEREAS**, under the authority granted by House Bill 2639 of the 79<sup>th</sup> Texas Legislature, on July 18, 2006 the Board of Directors of the Tarrant Regional Water District ("TRWD") authorized the creation of a nonprofit corporation to act on behalf of TRWD as TRWD's authority and instrumentality;

**WHEREAS**, such a nonprofit corporation was thereafter incorporated as Trinity River Vision Authority ("TRVA") as evidenced by the Certificate of Filing issued by the Texas Secretary of State dated effective July 21, 2006;

**WHEREAS**, the Bylaws of TRVA, which were adopted by the Board of Directors of TRVA on October 5, 2006 and approved by the Board of Directors of TRWD on October 17, 2006, call for a TRVA Board of Directors of up to seven (7) in number with each Director serving for a term of four (4) years;

**WHEREAS**, Roy Brooks, Dan Buhman, Carlos Flores, and Bob Riley were appointed or reappointed as directors of TRVA on July 29, 2021 for four-year terms that will expire on July 29, 2025;

**WHEREAS**, James Hill was appointed as a director of TRVA on March 22, 2022, for a four-year term that will expire on April 4, 2026;

**WHEREAS**, the seats of Brooks and Hill are currently vacant;

**WHEREAS**, in recognition of the expiring terms of four TRVA Board members, the Board of Directors of TRWD has determined that it is appropriate to reappoint Dan Buhman, Carlos Flores, and Bob Riley as members of the Board of Directors of TRVA for four-year terms ending on July 29, 2029; and

**WHEREAS**, in recognition of the vacated seat of a former TRVA Board member James Hill, the Board of Directors of TRWD has determined that it is appropriate to appoint Paxton Motherall as a member of the Board of Directors of TRVA for the remainder of Hill's unexpired term that ends on April 4, 2026.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TARRANT REGIONAL WATER DISTRICT:**

1. The following individuals are appointed to a four (4) year term as a Director of TRVA:

Name

Dan Buhman  
Carlos Flores  
Bob Riley

2. The following individual is appointed as a Director of TRVA for the remainder of the unexpired term of James Hill that ends on April 4, 2026:

Name

Paxton Motheral

PASSED, APPROVED AND ADOPTED THIS 15TH DAY OF JULY, 2025.

TARRANT REGIONAL WATER DISTRICT

BY: \_\_\_\_\_

Leah M. King  
President  
Board of Directors

ATTEST:

\_\_\_\_\_  
C.B. Team  
Secretary

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 7**

**DATE:** July 15, 2025

**SUBJECT:** Consider Adoption of Resolution Honoring Darrel Andrews on His Retirement from the District

**FUNDING:** N/A

**RECOMMENDATION:**

Management recommends adoption of a resolution honoring Darrel Andrews on his retirement from the District following 40 years of dedicated service.

**Submitted By:**

Dan Buhman  
General Manager

# Resolution

## OF THE BOARD OF DIRECTORS OF THE TARRANT REGIONAL WATER DISTRICT

**WHEREAS**, Darrel Andrews provided 40 years of distinguished service to the District from June 1985 to June 2025;

**WHEREAS**, Mr. Andrews served as the Assistant Director and Director of Environmental Services during the period of 2007 to 2025. Prior to these leadership roles, Darrel began his career at the District at the Richland-Chambers Reservoir, where he made significant contributions to the development of the reservoir;

**WHEREAS**, Mr. Andrews championed major components of the District's water supply operations in management roles for TRWD's water reuse wetlands at both the George Shannon Wetlands and Marty Leonard Wetlands;

**WHEREAS**, during his career with the District, Mr. Andrews was instrumental in the development of TRWD's environmental stewardship programs for the protection of the District's water supply resources for a growing population, including water quality monitoring programs and watershed management programs;

**WHEREAS**, Mr. Andrews provided unwavering commitment and support to the District by guiding the Environmental Division during a time of transition and loss. Darrel freely gave his time in responding to water quality incidents, treated his team as valued family, and exemplified District core values;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of Tarrant Regional Water District, in recognition of Darrel Andrews on his retirement from the District and as an expression of deep appreciation for his work and leadership, direct that this resolution be placed in the permanent minutes of the Tarrant Regional Water District and a copy presented to Darrel as an expression of the affection and respect of the District, its Board of Directors and employees.

ADOPTED THIS 15<sup>TH</sup> DAY OF JULY, 2025

BY:

BY:

**Leah M. King**

President, Board of Directors

**C.B. Team**

Secretary, Board of Directors

## **TARRANT REGIONAL WATER DISTRICT**

### **AGENDA ITEM 9**

**DATE:** July 15, 2025

**SUBJECT:** Executive Session

**FUNDING:** N/A

#### **RECOMMENDATION:**

Section 551.071 of the Texas Government Code, for Private Consultation with its Attorney about Pending or Contemplated Litigation or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with this Chapter; and

Section 551.072 of the Texas Government Code, to Deliberate the Purchase, Exchange, Lease or Value of Real Property

#### **DISCUSSION:**

- Pending litigation
- Real property issues

#### **Submitted By:**

Stephen Tatum  
General Counsel

## Next Scheduled Board Meeting

Special Called Meeting, Budget Workshop:

August 12, 2025 at 2:30pm

Monthly Meeting:

August 19, 2025 at 9:00am