

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 20th Day of January 2026 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](https://www.trwd.com/boardvideos). A RECORDING OF THE MEETING
WILL ALSO BE AVAILABLE AT [HTTPS://WWW.TRWD.COM/BOARDVIDEOS](https://www.trwd.com/boardvideos).**

1. Pledges of Allegiance

2. Public Comment

Citizens may present public comment at this time, limited to a total time of three (3) minutes per speaker, unless the speaker addresses the Board through a translator, in which case the limit is a total time of six (6) minutes. 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 December 16, 2025**
- 4. Consider Approval of Contract with The Street Plans Collaborative, Inc. for Activation Planning and Execution on Panther Island - Susan Alanis, Panther Island Program Director**
- 5. Consider Adoption of Resolution for Panther Island Canal Connection Fee - Susan Alanis, Panther Island Program Director**

6. Consider Approval of Contract with Southern Botanical Landscaping for Airfield Falls Landscape Maintenance - Darrell Beason, Chief Operations Officer
7. Presentation of the District's Annual Comprehensive Financial Report for the Year Ended September 30, 2025 - Sandy Newby, Chief Financial Officer
8. Consider Approval to Accept Grant from Texas Parks and Wildlife Foundation for Eagle Mountain Park Expenditures - Sandy Newby, Chief Financial Officer
9. Consider Approval of Contract Amendment with Guidehouse Inc. for Workday Post-Production Support to Continue Enhancing the Workday Platform - Mick Maguire, Chief Administrative Officer
10. Consider Adoption of Resolution Honoring Carol Tackel on Her Retirement from the District - Mick Maguire, Chief Administrative Officer
11. Presentations
 - Water Resources - Rachel Ickert, Chief Engineering Officer
12. 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
13. Consider Approval of Settlement of Claims in State of Texas v. Tarrant Regional Water District, et al., Condemnation Proceeding - Steve Christian, Real Property Director
14. Future Agenda Items
15. Schedule Next Board Meeting
16. Adjourn

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 16th DAY OF DECEMBER 2025 AT 9:00 A.M.

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, Chris Akers, Susan Alanis, Darrell Beason, Kate Beck, Lisa Cabrera, Steve Christian, John Farris, Ellie Garcia, Jason Gehrig, Zach Huff, Rachel Ickert, Mick Maguire, Sandy Newby, Kathleen Ray, Stephen Tatum, and Kirk Thomas 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 Mark Bronson, who spoke regarding agenda item 11, General Ordinance.

3.

Director Team moved to approve the minutes from the meeting held on November 18, 2025. Director Killebrew 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.

4.

With the recommendation of management, Director Killebrew moved to approve a change in the calculation of retainage being held for BAR Constructors Inc. to 5 percent of the contract price for Section 19-2-A of the Integrated Pipeline Project. The total current contract price is \$73,789,284.22 with retainage to be held at 5 percent of the contract price in the amount of \$3,689,464.21. 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. 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 Bond Fund. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

5.

With the recommendation of management, Director Team moved to approve contract amendment number 10 in an amount not-to-exceed \$16,223,000 for Plus Six Engineering, LLC professional services agreement for Integrated Pipeline Project program and construction management services. The current contract amount is \$28,965,314.50 and the revised not-to-exceed contract amount, including this amendment, will be \$45,188,314.50. 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.

6.

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

contract in an amount not-to-exceed \$379,973 with Structural Preservation Systems, LLC for the carbon fiber repair of three (3) segments of 72" pre-stressed concrete cylinder pipe under Onward Road in Midlothian, Texas. Funding for this item is included in the Fiscal Year 2026 Revenue Fund Budget. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

7.

With the recommendation of management, Director Killebrew moved to approve an interlocal agreement between the District and the City of Midlothian (City) for cost sharing an internal carbon fiber repair project as an alternative to conventional open-cut pipeline repair at Onward Road, a public street located within the City's limits, in the amount of \$71,900 as the City's portion. In addition, the Board of Directors find it reasonable and appropriate to enter into the interlocal agreement, the action being necessary for the public interest to repair the pipeline internally with carbon fiber, and that the General Manager, or his designee, is granted authority to facilitate the execution of the interlocal agreement. Funding for this item is included in the Fiscal Year 2026 Revenue Fund Budget. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

8.

With the recommendation of management, Director Team moved to approve a contract in an amount not-to-exceed \$306,255.30 with TAS Environmental Services to clean, remove, and dispose of materials found in the above ground water storage tank at the Richland-Chambers Booster Pump Station 3 in Waxahachie. Funding for this item is included in the Fiscal Year 2026 Revenue Fund Budget. Director Motheral seconded the

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

9.

With the recommendation of management, President King moved to approve the Investment Policy and Strategies dated December 16, 2025. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

10.

With the recommendation of management, Director Motheral moved to approve revisions to the following policies: Board Governance Policies 3.12, 6.1, 6.4, 6.13, 10.5, 11.1, and Board Approved Policy 201. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

11.

With the recommendation of management, President King moved to approve and adopt the revised TRWD General Ordinance, the document by which the District regulates the water and land under its control and performs its duties as required by the general laws governing water control and improvement districts, which includes the Texas Constitution and the Texas Water Code. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

12.

With the recommendation of the Trinity River Vision Authority (TRVA) Board of Directors, Director Team moved to adopt the updated purpose for the TRVA, which includes an updated purpose statement, proposed operations and how TRVA may relate to local partner governance of Panther Island. President King seconded the motion, and the votes were 5 in favor, 0 against.

13.

With the recommendation of management, President King moved to adopt a resolution honoring Alan Thomas on his retirement from the District following 51 years of dedicated service . Director Mothermal seconded the motion, and the votes were 5 in favor, 0 against.

14.

Presentations

- Grants and Cost Savings Initiatives presented by Sandy Newby, Chief Financial Officer
- Public Information Update presented by Stephen Tatum, General Counsel

The Board of Directors recessed for a break from 10:07 a.m. to 10:25 a.m.

15.

The Board next held an Executive Session commencing at 10:26 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 Related to the Mary's Creek Indirect Water Reclamation Project and Panther Island.

Upon completion of the executive session at 11:09 a.m., the President reopened the meeting.

16.

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

interlocal agreement between the District and the City of Fort Worth (City) which addresses the acquisition and conveyance of real estate property interests necessary for the public use and purpose of construction of the Mary's Creek Indirect Water Reclamation Project, a public works project intended to provide a source of water supply for cities and other users for municipal, domestic, industrial, and mining purposes and will serve other public purposes and uses for which TRWD was created pursuant to Article 16, Section 59, of the Texas Constitution. In addition, the General Manager of TRWD or his designee is authorized to take all steps as may be reasonable and necessary to facilitate the execution of the interlocal agreement and the acquisition of the below-described property for the Mary's Creek Indirect Water Reclamation Project, with title to be held in the name of TRWD, and in connection therewith to pay all reasonable and necessary costs incurred with such acquisition.

Fee simple title to the surface estate only of a 21.098-acre tract of land situated in the James C. Johnson Survey, Abstract No. 871, City of Fort Worth, Tarrant County, Texas, and being a portion of a called 145-286/1000 acre tract of land further described as Parcel No. 1 conveyed to Mary's Creek, LLC recorded in Instrument No. D225138783 of the Official Public Records of Tarrant County, Texas, and being further described in the accompanying resolution and in the survey plat attached thereto for the purchase price of \$1,371,370.

EXHIBIT "A"
TARRANT REGIONAL WATER DISTRICT
MARY'S CREEK INDIRECT WATER RE-USE PIPELINE

JAMES C. JOHNSON SURVEY, ABSTRACT No. 871
CITY OF FORT WORTH
TARRANT COUNTY, TEXAS

Being a 21.098 acre (919,028 square feet) tract of land situated in the James C. Johnson Survey, Abstract No. 871, City of Fort Worth, Tarrant County, Texas, and being a portion of a called 145-286/1000 acre tract of land further described as Parcel No. 1 conveyed to Mary's Creek, LLC recorded in Instrument No. D225138783 of the Official Public Records of Tarrant County, Texas, said 21.098 acre (919,028 square feet) tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch iron rod found for the most westerly northwest corner of said called 145-286/1000 acre tract of land, said 1/2 inch iron rod being an interior ell corner in the easterly line of a called 188.244 acre tract of land conveyed to West Side Sanitary Land Fill, Inc. as recorded in Volume 6477, Page 335 of the Deed Records of Tarrant County, Texas; **THENCE** South 88 degrees 29 minutes 07 seconds East, with a north line of said called 145-286/1000 acre tract of land and with a southerly line of said called 188.244 acre tract of land, a distance of 575.65 feet to a 1 inch iron rod found for an interior ell corner in the westerly line of said called 145-286/1000 acre tract of land, said 1 inch iron rod being an exterior ell corner in the easterly line of said called 188.244 acre tract of land; **THENCE** North 16 degrees 57 minutes 29 seconds East, with a westerly line of said called 145-286/1000 acre tract of land and with an easterly line of said called 188.244 acre tract of land, a distance of 547.09 feet to a calculated point for the **POINT OF BEGINNING**, said calculated point having grid coordinates of N=6,949,272.708 and E=2,267,603.534;

THENCE North 16 degrees 57 minutes 29 seconds East, with a westerly line of said called 145-286/1000 acre tract of land and with an easterly line of said called 188.244 acre tract of land, passing at a distance of 122.08 feet, a calculated point for the most easterly corner of said called 188.244 acre tract of land, said calculated point being the southeast corner of a called 100.167 acre tract of land conveyed to the City of Fort Worth, Texas as recorded in Instrument No. D211267292 of said Official Public Records of Tarrant County, Texas, in all, a distance of a distance of 982.62 feet to a calculated point for corner;

THENCE North 08 degrees 32 minutes 55 seconds East, with the westerly line of said called 145-286/1000 acre tract of land and with the easterly line of said called 100.167 acre tract of land, a distance of 1,223.87 feet to a calculated for the northwest corner of said called 145-286/1000 acre tract of land, said calculated point being the an exterior corner of said called 100.167 acre tract of land, said calculated point also being in Chapin Road (an undedicated variable width right-of-way);

THENCE South 89 degrees 10 minutes 55 seconds East, with the north line of said called 145-286/1000 acre tract of land and with said Chapin Road, a distance of 317.06 feet to a calculated point for corner;

THENCE South 18 degrees 27 minutes 11 seconds West, a distance of 442.33 feet to a calculated point for corner;

THENCE South 08 degrees 55 minutes 52 seconds West, a distance of 867.23 feet to a calculated point for corner;

THENCE South 07 degrees 01 minutes 11 seconds West, a distance of 332.95 feet to a calculated point for corner;

THENCE South 21 degrees 16 minutes 49 seconds East, a distance of 250.56 feet to a calculated point for corner;

THENCE North 68 degrees 07 minutes 18 seconds East, a distance of 30.00 feet to a calculated point for corner;

THENCE South 21 degrees 16 minutes 49 seconds East, a distance of 559.78 feet to a calculated point for corner;

THENCE South 68 degrees 33 minutes 19 seconds West, a distance of 654.15 feet to a calculated point for corner;

THENCE North 22 degrees 25 minutes 28 seconds West, a distance of 362.31 feet to a calculated point for corner;

THENCE North 16 degrees 57 minutes 29 seconds East, a distance of 1,079.50 feet to a calculated point for corner;

THENCE North 08 degrees 32 minutes 55 seconds East, a distance of 822.53 feet to a calculated point for corner;

THENCE North 90 degrees 00 minutes 00 seconds West, a distance of 55.62 feet to a calculated point for corner;

THENCE North 08 degrees 32 minutes 55 seconds East, a distance of 417.83 feet to the **POINT OF BEGINNING**, and containing 919,028 square feet or 21.098 acres of land, more or less.

Notes:

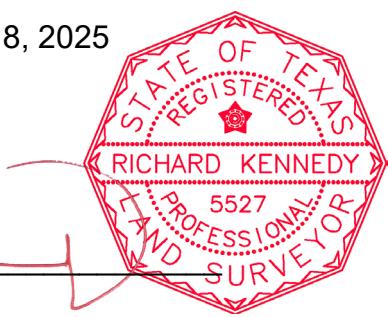
1. A LEGAL DESCRIPTION OF EVEN DATE ACCOMPANIES THIS PLAT.
2. ALL BEARINGS AND COORDINATES ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD-83, THE NORTH CENTRAL ZONE 4202, ALL DISTANCES AND AREAS SHOWN ARE SURFACE.
3. THREE VALVE SITE EASEMENTS GRANTED TO CROSSTEX NORTH TEXAS GATHERING, L.P., A TEXAS LIMITED PARTNERSHIP RECORDED IN CLERK'S FILE NO. D211160082, REAL PROPERTY RECORDS OF TARRANT COUNTY, TEXAS, DOES NOT AFFECT SUBJECT TRACT.

*** SURVEYOR'S CERTIFICATE ***

TO ALL PARTIES INTERESTED IN TITLE TO THE PREMISES SURVEYED, I DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED FROM PUBLIC RECORDS AND FORM AN ACTUAL AND ACCURATE SURVEY UPON THE GROUNDS AND THAT SAME IS TRUE AND CORRECT.

Revision 7 December 18, 2025

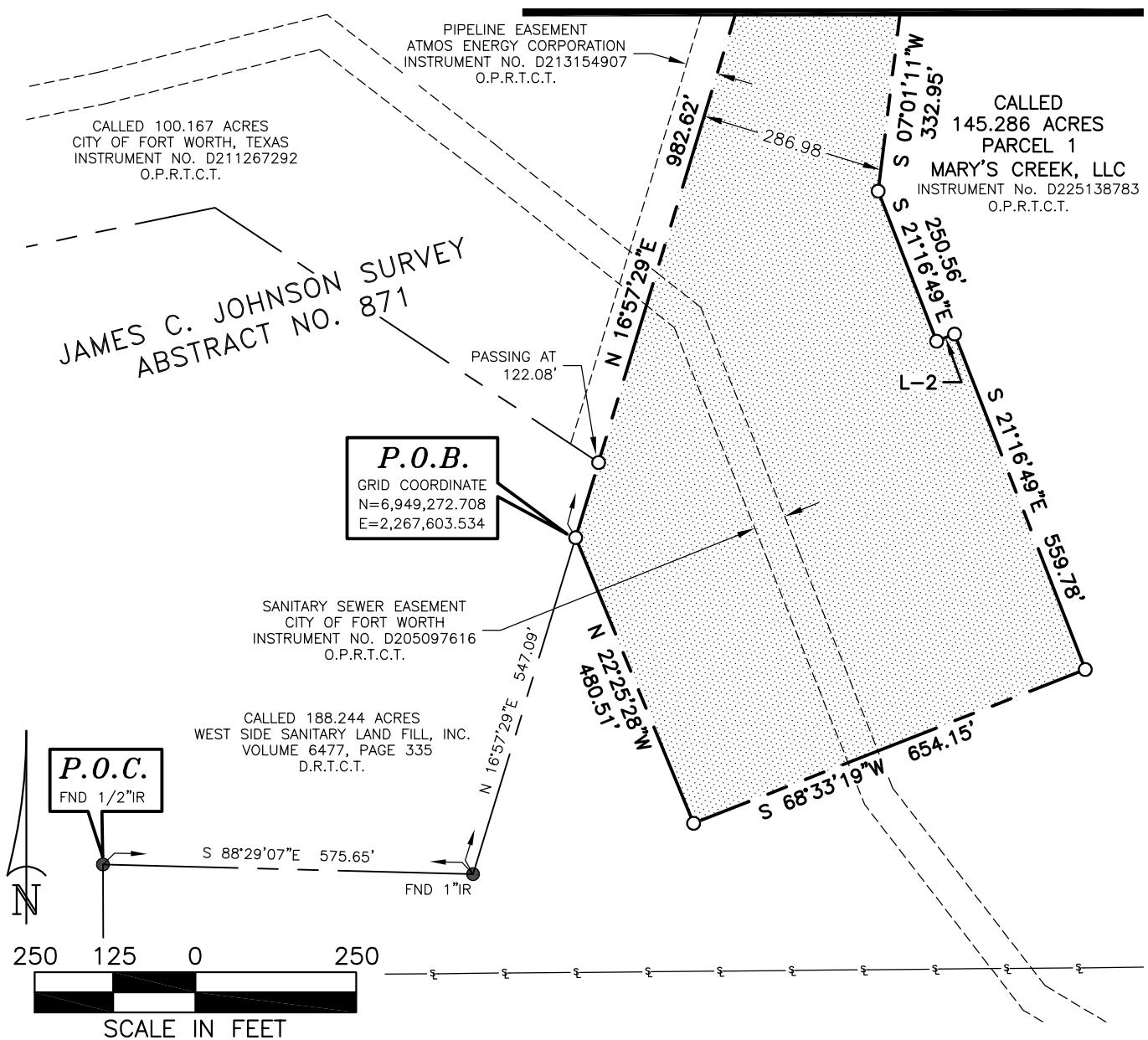

Richard Kennedy
Registered Professional Land Surveyor
Texas No. 5527
Gorrondon & Associates, Inc.
Texas Firm No. 10106903



(Exhibit "A") Page 3 of 6

EXHIBIT "A"

MATCHLINE



Tarrant Regional Water District

800 E. NORTHSIDE DRIVE • FORT WORTH, TEXAS 76102

MARY'S CREEK INDIRECT WATER RE-USE PIPELINE

OWNER: MARY'S CREEK LLC

SURVEY: JAMES C. JOHNSON SURVEY, ABSTRACT NO. 871

LOCATION: CITY OF FORT WORTH, TARRANT COUNTY, TEXAS

ACQUISITION AREA: 919,028 SQUARE FEET OR 21.098 ACRES

WHOLE PROPERTY ACREAGE: 145.286 ACRES (BY DEED)

G&AI JOB NO. FNI_2403.00

DRAWN BY: NTK

CAD FILE: 3B PE_R04.DWG

REVISION 7 DECEMBER 18, 2025

EXHIBIT A PAGE 4 OF 6

SCALE: 1" = 250'

GORRONDONA & ASSOCIATES, INC. 1341 W. MOCKINGBIRD LANE, SUITE 620W, DALLAS, TX. 75247

214-712-0600 FAX 214-712-0604

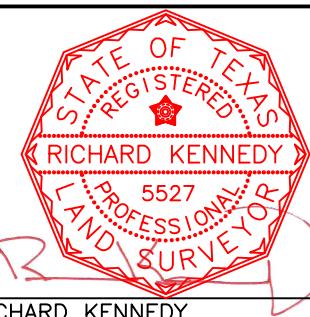


EXHIBIT "A"

CYRUS GLEASONS SURVEY

ABSTRACT NO. 559

CHAPIN ROAD (C.R. 1029)

(UNDEDICATED VARIABLE WIDTH RIGHT-OF-WAY)

PIPELINE EASEMENT
CROSSTEX NORTH TEXAS GATHERING, L.P.
INSTRUMENT NO. D211160081
O.P.R.T.C.T.

CALLED 100.167 ACRES
CITY OF FORT WORTH, TEXAS
INSTRUMENT NO. D211267292
O.P.R.T.C.T.

CALLED
145.286 ACRES
PARCEL 1
MARY'S CREEK, LLC
INSTRUMENT NO. D225138783
O.P.R.T.C.T.

PIPELINE EASEMENT
ATMOS ENERGY CORPORATION
INSTRUMENT NO. D213154907
O.P.R.T.C.T.

JAMES C. JOHNSON SURVEY
ABSTRACT NO. 871

N 16°57'29"E 982.62'
S 07°01'11"W 332.95'

MATCHLINE

250 125 0 250

SCALE IN FEET



Tarrant Regional Water District

800 E. NORTHSIDE DRIVE • FORT WORTH, TEXAS 76102

MARY'S CREEK INDIRECT WATER RE-USE PIPELINE

OWNER: MARY'S CREEK LLC

SURVEY: JAMES C. JOHNSON SURVEY, ABSTRACT NO. 871

LOCATION: CITY OF FORT WORTH, TARRANT COUNTY, TEXAS

ACQUISITION AREA: 919,028 SQUARE FEET OR 21.098 ACRES

WHOLE PROPERTY ACREAGE: 145.286 ACRES (BY DEED)

G&AI JOB NO. FNI_2403.00

DRAWN BY: NTK

CAD FILE: 3B PE_R04.DWG

REVISION 7 DECEMBER 18, 2025

EXHIBIT A PAGE 5 OF 6

SCALE: 1" = 250'

RICHARD KENNEDY
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 5527 TEXAS FIRM No. 10106903

GORRONDONA & ASSOCIATES, INC. 1341 W. MOCKINGBIRD LANE, SUITE 620W, DALLAS, TX. 75247 214-712-0600 FAX 214-712-0604

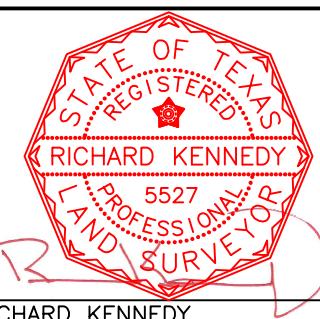
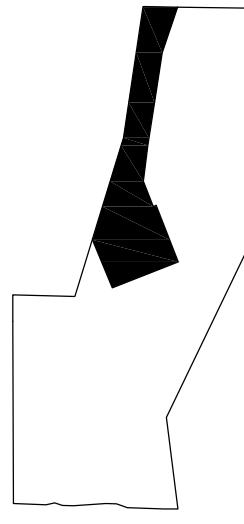


EXHIBIT "A"

LEGEND

- — — — — SUBJECT PROPERTY LINE
- — — — — ADJOINING PROPERTY LINE
- — — — — PROPOSED EASEMENT LINE
- — — — — EXISTING EASEMENT LINE
- — — — — SURVEY LINE
- FOUND CORNER (SIZE AND TYPE NOTED)
- CALCULATED POINT

| LINE TABLE | | |
|------------|--------------|----------|
| LINE | BEARING | DISTANCE |
| L-1 | S 89°10'55"E | 317.06' |
| L-2 | N 68°07'18"E | 30.00' |



NOTES:

1. A LEGAL DESCRIPTION OF EVEN DATE ACCOMPANIES THIS PLAT.
2. ALL BEARINGS AND COORDINATES ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD-83, THE NORTH CENTRAL ZONE 4202, ALL DISTANCES AND AREAS SHOWN ARE SURFACE.
3. THREE VALVE SITE EASEMENTS GRANTED TO CROSSTEX NORTH TEXAS GATHERING, L.P., A TEXAS LIMITED PARTNERSHIP RECORDED IN CLERK'S FILE NO. D211160082, REAL PROPERTY RECORDS OF TARRANT COUNTY, TEXAS. DOES NOT AFFECT SUBJECT PROPERTY

SUBJECT TRACT



Tarrant Regional Water District

800 E. NORTHSIDE DRIVE • FORT WORTH, TEXAS 76102

MARY'S CREEK INDIRECT WATER RE-USE PIPELINE

OWNER: MARY'S CREEK LLC

SURVEY: JAMES C. JOHNSON SURVEY, ABSTRACT NO. 871

LOCATION: CITY OF FORT WORTH, TARRANT COUNTY, TEXAS

ACQUISITION AREA: 919,028 SQUARE FEET OR 21.098 ACRES

WHOLE PROPERTY ACREAGE: 145.286 ACRES (BY DEED)

G&AI JOB NO. FNI_2403.00

DRAWN BY: NTK

CAD FILE: 3B PE_R04.DWG

REVISION 7 DECEMBER 18, 2025

EXHIBIT A PAGE 6 OF 6

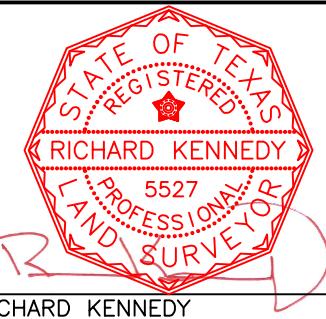
SCALE: N/A

RICHARD KENNEDY

REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 5527 TEXAS FIRM No. 10106903

214-712-0600 FAX 214-712-0604

GORRONDONA & ASSOCIATES, INC. 1341 W. MOCKINGBIRD LANE, SUITE 620W, DALLAS, TX. 75247



Lot File: LOT\3a.lot

Lot: 3B_PE_R03

Bearing Distance

N 16°57'29" E 982.62

N 08°32'55" E 1223.87

S 89°10'55" E 317.06

S 18°27'11" W 442.33

S 08°55'52" W 867.23

S 07°01'11" W 332.95

S 21°16'49" E 250.56

N 68°07'18" E 30.00

S 21°16'49" E 559.78

S 68°33'19" W 654.15

N 22°25'28" W 480.51

Closure Error Distance> 0.0095 Error Bearing> N 18°26'03" E

Closure Precision> 1 in 646954.3 Total Distance> 6141.05

919028 SQ. FT.

21.098 ACRES

Bearing Distance

Funding for this item is included in Bond Fund 163. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

17.

There were no future agenda items approved.

18.

The next board meeting was scheduled for January 20, 2026.

19.

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

President

Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: January 20, 2026

SUBJECT: Consider Approval of Contract with The Street Plans Collaborative, Inc. for Activation Planning and Execution on Panther Island

FUNDING: Fiscal Year 2026 Governmental Contingency/Special Projects - \$150,000

RECOMMENDATION:

Management recommends approval of a contract in an amount not-to-exceed \$150,000 with The Street Plans Collaborative, Inc. for the provision of consulting services related to activation planning and execution on Panther Island.

DISCUSSION:

Panther Island Vision 2.0 emphasizes the goal of creating a vibrant and sustainable community with distributed and connected open spaces and signature waterfront amenities. As infrastructure construction and private development advance in 2026, a need to activate the island with events and temporary installations in anticipation of permanent amenities is emerging. The purpose is to draw attention from the community and developers while also supporting the success of early residential and commercial developments.

The anticipated construction of the public open space in Phase I, along with the ongoing collaboration with Coyote Drive-In to adapt their activities, requires operational planning and implementation support. While initial development is underway, the consultant will provide a roadmap for short-term, light-touch activations that bring this space to life and reflect the broader vision for Panther Island. In addition, the process will facilitate engagement with landowners and adjacent stakeholders and prepare for the activities of the Public Improvement District that is expected to be created by the City Council in late January.

This initial engagement will provide TRWD with a comprehensive activation strategy plan that includes:

- Identification of priority activation zones across TRWD-owned land.
- A menu of activation ideas with visuals, diagrams, and implementation plans.
- A list of potential local partners and recommendations for engagement practices.
- Educational content and budget guidance to support future implementation and fundraising.
- A roadmap that outlines next steps toward a Phase 2 execution.

A Request for Proposals was issued in accordance with Texas Local Government Code Chapter 252. Eight proposals were received. Following a thorough evaluation, the team determined that The Street Plans Collaborative, Inc. is the most qualified vendor to complete the project.

This item was reviewed by the Real Estate Committee on January 12, 2026.

Submitted By:

Susan Alanis
Panther Island Program Director



Final Scoring Sheet

25-179 Panther Island Activation Consulting

| Technical Quality Criteria | Total Points Available | Athenian Group | Gehl | MASSIVart | Project for Public Spaces | RIOS | Street Plans | SWA Group | The Office of James Burnett |
|--|------------------------|----------------|--------------|--------------|---------------------------|--------------|--------------|--------------|-----------------------------|
| Experience of Firm and Relevance of Completed Projects | 40.00 | 8.33 | 13.33 | 16.00 | 25.00 | 30.00 | 36.67 | 25.00 | 31.67 |
| Qualifications of Proposed Team | 40.00 | 8.33 | 20.00 | 16.67 | 26.33 | 31.67 | 31.67 | 23.33 | 31.67 |
| Proposed Cost of Consultancy | 20.00 | 6.95 | 10.25 | 14.13 | 20.00 | 10.64 | 15.99 | 6.06 | 15.99 |
| Total | 100.00 | 23.61 | 43.58 | 46.80 | 71.33 | 72.31 | 84.33 | 54.39 | 79.33 |

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: January 20, 2026

SUBJECT: Consider Adoption of Resolution for Panther Island Canal Connection Fee

FUNDING: N/A

RECOMMENDATION:

Management recommends adoption of a resolution to create a Canal Connection Fee authorized under section 49.212 of the Texas Water Code for the Panther Island canal system and delegation of authority to TRWD staff to implement and collect the fee in accordance with a reasonable estimate of the actual costs to build the canal system.

DISCUSSION:

The District has committed to build and operate a canal system to serve as the drainage solution on Panther Island, but more importantly to integrate with the Central City Flood Control Project infrastructure. The canal system is being designed to inundate during a 100-year storm, providing additional flood storage capacity. As an added benefit, the canal system will be an amenity on the island adding to the aesthetic, experience, and land values for the adjacent properties.

With adoption of this resolution, the District will assess a Canal Connection Fee to developers to access the drainage system and participate in a reasonable share of the infrastructure that will serve their properties. Credits will be offered to property owners adjacent to the canal system who construct portions of the paseo. In addition, discounts may be recommended to the TRWD Board of Directors to facilitate significant investment in high quality development or other District objectives such as open space, activation or shared parking. Funds generated from the fee and future land sales are intended to support construction of future canal segments.

The District has estimated the total cost of the system, in 2025 dollars, to be \$179,790,218.00, including the canal basin, operational and safety components of the paseo, and the necessary right-of-way acquisition. Management recommends that 40% of this cost be assessed to developers, equating to the approximate proportion of land that is privately held. The calculations assume an average of 80% impermeable surface for each development calculated at a fee of \$11.88 per land square foot.

The fee will be segmented into a canal basin portion and a paseo portion for purposes of managing credits so as not to diminish funding available for the canal basin. The total cost of the system will be updated at least every five years for the Board to consider

appropriate adjustment of future fees.

This item was reviewed by the Real Estate Committee on January 12, 2026.

Submitted By:

Susan Alanis
Panther Island Program Director

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

WHEREAS, the Tarrant Regional Water District ("TRWD") is a duly created political subdivision of the State of Texas operating under the Constitution and laws of the State of Texas, a water control and improvement district organized and operating pursuant to TEX. REV. CIV. STAT. ANN. art. 8280-207 and Chapter 49 of the Texas Water Code, among other laws, acting by and through its duly authorized officers;

WHEREAS, TRWD manages an extensive floodway system that protects the City of Fort Worth and its residents, and is the local sponsor of the Central City Flood Control Project being designed and built by the U.S. Army Corps of Engineers;

WHEREAS, parallel to the Central City Flood Control Project, TRWD also coordinates and partners with the City of Fort Worth and other local governmental entities on the Panther Island Development Project;

WHEREAS, TRWD is responsible for the planning and implementation of a canal system that will serve as flood control facility for stormwater collection, retention, and conveyance for the Panther Island Development Project;

WHEREAS, section 49.212(a),(d), and (d-1) of the Texas Water Code authorizes TRWD to adopt a fee to cover its actual costs associated with implementing a facility like the canal system, which costs may include, as determined by the TRWD Board of Directors in its reasonable discretion, non-construction expenses attributable to the design, permitting, financing, and construction of the facility so long as the fee does not exceed three times the actual costs to the district for such tap or connection; and

WHEREAS, a consultant has prepared studies demonstrating the estimated actual costs TRWD will incur to implement the canal system;

WHEREAS, the TRWD Board of Directors passes this resolution to formally adopt a canal connection fee to cover all or a portion of the actual costs associated with TRWD's design and construction of the Panther Island canal system, as authorized under Texas Water Code section 49.212.

NOW, THEREFORE, BE IT RESOLVED that, pursuant to section 49.212 of the Texas Water Code, the TRWD Board of Directors hereby:

1. Adopts a canal connection fee for the Panther Island canal system, which is comprised of a canal basin element and a paseo element;
2. Delegates to TRWD staff the authority to implement and collect the fee in accordance with the reasonable estimate of actual costs to build the canal

system as presented in the consultant study and summarized in Exhibit A to this resolution, and following the fee collection rate of 40%;

3. Directs TRWD staff to develop and publish a framework for discounts to fees for developers that include desirable attributes such as but not limited to significant private investment, open space, activation, or shared parking;
4. Directs TRWD staff to seek Board approval for any discounts that exceed existing Board contracting authority;
5. Directs TRWD staff to provide credit on a dollar-for-dollar basis for canal connection fees otherwise due for the paseo portion to developers who actually construct portions of the paseo adjacent to their property, not to exceed the total calculated paseo fee portion; and
6. Directs TRWD staff to re-evaluate the estimate of actual costs from time to time and adjust the canal connection fee as necessary, but no less frequently than every five years from the date of this resolution.

PASSED, APPROVED AND ADOPTED THIS 20th DAY OF JANUARY, 2026.

TARRANT REGIONAL WATER DISTRICT

BY: _____

Leah M. King
President
Board of Directors

ATTEST:

C.B. Team
Secretary

EXHIBIT A

| North Island | |
|--|------------------------|
| Canals | \$ 157,836,000.00 |
| Paseo | \$ 15,660,000.00 |
| <u>Canal Right of Way Acquisition</u> | <u>\$ 6,294,217.63</u> |
| Total North Island Cost | \$ 179,790,217.63 |
| North Island Developable Acreage | 163.5 |
| North Island Impervious Acreage | 139.0 |
| North Island Impervious Square-Footage | 6,054,840.0 |
| North Island Cost Per Square Foot | \$ 29.69 |

Source: KHA Canal Connection Fee Worksheet v19 2026/1/05

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: January 20, 2026

SUBJECT: **Consider Approval of Contract with Southern Botanical Landscaping for Airfield Falls Landscape Maintenance**

FUNDING: Fiscal Year 2026 General Fund Budget - \$52,000

RECOMMENDATION:

Management recommends approval of a contract **in the amount of \$34,982.28** with Southern Botanical Landscaping to perform Airfield Falls Landscape Maintenance.

DISCUSSION:

Southern Botanical Landscaping provides all labor, supervision, material, and equipment necessary to perform general landscaping maintenance and irrigation repairs of the butterfly walk, fishhook path, and all areas of Airfield Falls Trailhead.

This recommendation is to authorize \$34,982.28 for a period of one (1) year. The District will have the option to renew for up to four (4) additional one (1) year periods for a total potential spend of \$174,911.40.

The Request for Proposals was solicited per statute (Texas Local Government Code Chapter 252) and 4 proposals were received. The evaluation team determined that Southern Botanical Landscaping submitted the proposal providing the best value to the District.

This item was reviewed by the Recreation Committee on January 12, 2026.

Submitted By:

Darrell Beason
Chief Operations Officer



Final Evaluation Sheet

26-028 Airfield Falls Landscape Maintenance

| Technical Quality Criteria | Total Points Available | Presbyterian Night Shelter of Tarrant County | Southern Botanical Landscaping | The Greener Good LLC | Trinity Prairie Co. |
|--|------------------------|--|--------------------------------|----------------------|---------------------|
| Contractor Qualifications and References | 40.00 | 10.00 | 30.00 | *N/A | 38.00 |
| Proposed Operations Plan | 30.00 | 10.00 | 28.00 | *N/A | 20.00 |
| Price | 20.00 | 18.22 | 20.00 | *N/A | 12.67 |
| | Price | \$38,400.00 | \$34,982.28 | *N/A | \$55,200.00 |
| Training/Completed/Certifications | 10.00 | 2.00 | 8.00 | *N/A | 8.00 |
| Total | 100.00 | 40.22 | 86.00 | *N/A | 78.67 |

* Did not comply with section 2.3 Pre-Proposal Meeting

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: January 20, 2026

SUBJECT: **Presentation of the District's Annual Comprehensive Financial Report for the Year Ended September 30, 2025**

FUNDING: N/A

DISCUSSION:

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

The fiscal year 2025 Annual Comprehensive Financial Report was audited by Deloitte & Touche LLP and received an unmodified (clean) opinion. The opinion can be found on pages 21 through 22 of the report. Representatives from Deloitte & Touche will be on-hand to answer any questions.

Please note that the District's fiscal year 2024 Annual Comprehensive Financial Report received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. This certificate can be found on page 17 of the fiscal year 2025 Annual Comprehensive Financial Report. This is the 10th consecutive year the District has received this award.

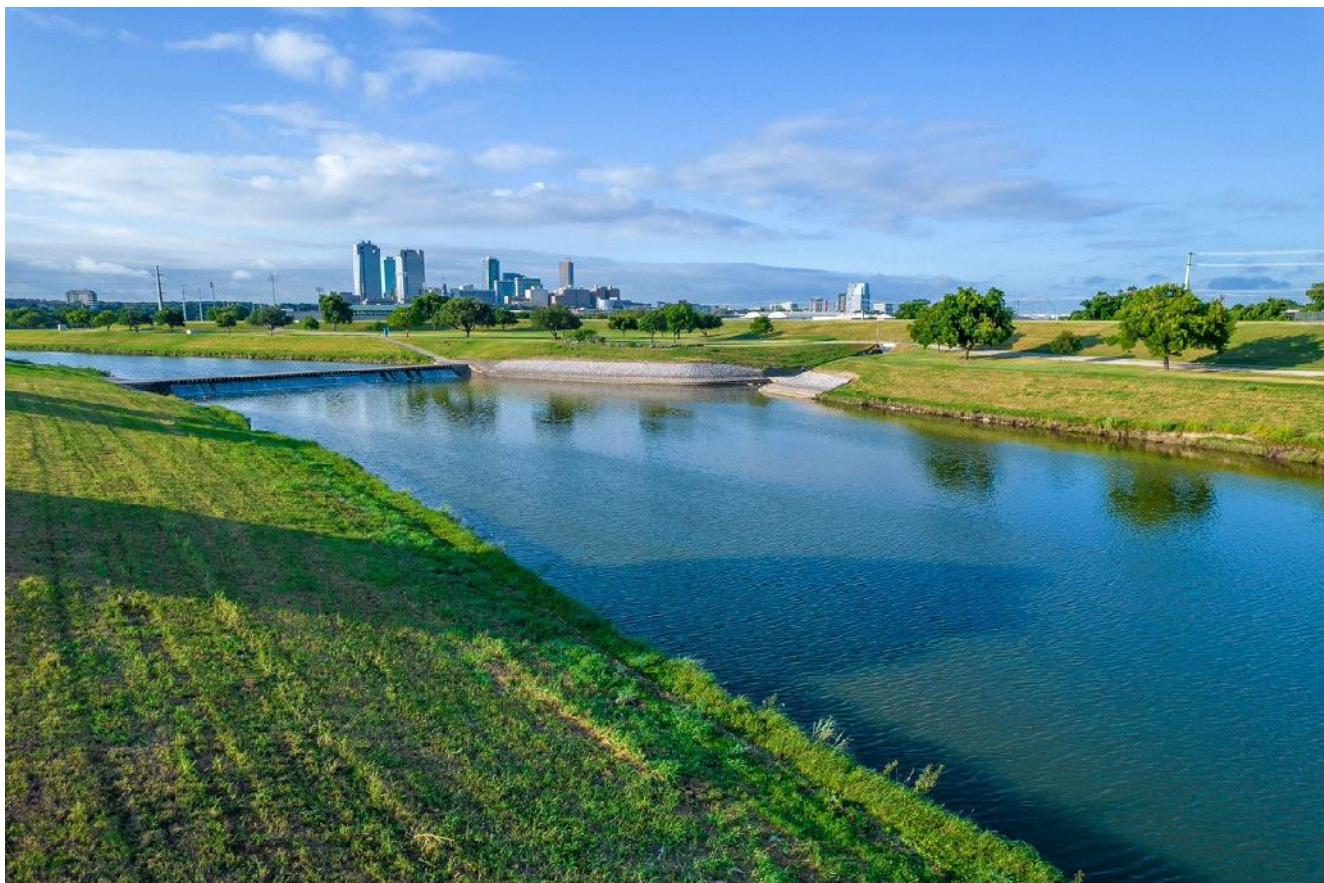
This item was reviewed by the Finance Committee on January 12, 2026.

Submitted By:

Sandy Newby
Chief Financial Officer

**Tarrant Regional Water District
Fort Worth, Texas**

Annual Comprehensive Financial Report
As of and for the year ended September 30, 2025



Tarrant Regional Water District
Fort Worth, Texas
Annual Comprehensive Financial Report
As of and for the Year Ended September 30, 2025

Board of Directors

Leah M. King, President

Paxton Motheral, Vice President

C.B. Team, Secretary

Skylar O'Neal, Director

Johnathan Killebrew, Director

General Manager

Dan Buhman

Deputy General Manager

R. Alan Thomas

Chief Financial Officer

Sandra Newby

Finance Director

Kathleen Ray

Prepared by the Finance Department of the Tarrant Regional Water District

TARRANT REGIONAL WATER DISTRICT – FORT WORTH, TEXAS

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INTRODUCTORY SECTION (UNAUDITED)



Cedar Creek Lake



January 6, 2026

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Tarrant Regional Water District (the District) as of and for the fiscal year ended September 30, 2025. This report is submitted in compliance with generally accepted accounting principles in the United States of America (GAAP) and has been prepared by the District's Finance Department staff.

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

The District's financial statements have been audited by Deloitte & Touche LLP, an independent audit firm. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion for the District's financial statements for the fiscal year ended September 30, 2025. The Independent Auditor's Report is located in the beginning of the financial section of this report.

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

Profile of the Tarrant Regional Water District

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

under the general and special laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, and pursuant to the provisions of Chapter 268, Acts of 1957, 55th Legislature of Texas, as amended, Regular Session (the District Act), and is authorized by the District Act to issue bonds and finance public works projects.

The District has spent 100 years enriching communities and improving the quality of life through water supply, flood protection and recreation. The District is governed by a board of five directors elected to serve four-year terms by the voters within the voting district. The Board of Directors in turn hires the General Manager who oversees the day to day operations of the District.

The District supplies raw water to municipal and non-municipal direct customers located both within and outside Tarrant County. Among the major municipal customers of the District are the Cities of Fort Worth, Arlington, Mansfield, and the Trinity River Authority of Texas. The total area serviced by the District through these four major municipal entities includes nearly all the populated regions within Tarrant County. The remainder of Tarrant County is supplied from ground water and other reservoir sources. The District holds numerous water rights within its area of operation: Lake Bridgeport, Eagle Mountain Lake, Cedar Creek Reservoir, Richland-Chambers Reservoir, Trinity River Diversions, Benbrook Reservoir, and the West Fork of the Trinity River. The District has three major pipelines that span through several counties in north Texas, including Tarrant, Wise, Jack, Henderson, Ellis, Navarro, Freestone, Anderson, Johnson, and Kaufman counties. The District is engaged in multiple water supply related construction projects, the largest of which include the Integrated Pipeline Project with Dallas Water Utilities, the Kennedale Balancing Reservoir, the Marty Leonard Wetlands, and the replacement of the aging Cedar Creek pipeline, which has been in service for over 50 years.

The District also operates and maintains a flood protection system with miles of levees and river channel improvements built by the United States Army Corps of Engineers (USACE) to protect communities from flooding, including much of the City of Fort Worth. Additionally, the current flood protection system maintenance roads are open for the public to use as trails which connect neighborhoods and city parks throughout the community.



Trails along the Trinity River in Fort Worth

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

The fiscal year for the District begins on the first day of October and ends on the last day of September. The District's finance department coordinates and prepares the budget on the fund and activity level. The budgetary level of control for management is at the fund level, and management may approve and conduct transfers within funds when needed. In the summer, the preliminary Revenue Fund budget is presented at the Advisory Committee workshop (the Advisory Committee consists of representatives from the four largest water customers) and then both the General Fund and Revenue Fund budgets are presented at the Board of Directors budget workshops. After the workshops, the Advisory Committee meets to review and recommend the Revenue Fund budget to the Board of Directors for approval, and in September both the General Fund and Revenue budgets are approved by the Board of Directors.

The ad valorem tax rate for the 2025 fiscal year was \$0.0267 per \$100 valuation to fund flood protection and recreation. In August, the proposed tax rate for 2026 was presented at the Board of Directors meeting, and a tax public hearing was held on September 10, prior to the September Board of Directors meeting. In September, the tax rate was approved by the Board of Directors and for fiscal year 2026 the rate will decrease to \$0.0265 per \$100 valuation.

Local Economy

The District's taxing authority covers part of Tarrant County, which has seen rapid growth in recent years. As of 2025, Tarrant County's population stands at approximately 2.2 million, with a projected annual increase of 1.5%. It now stands as the third most populous county in Texas. This population growth has led to higher property values and increased demand for water supply and flood protection. Higher property values have resulted in greater property tax revenues, providing ongoing support for the District's flood protection mission. In addition, revenues from raw water sales continue to sustain the District's efforts to ensure a reliable water supply. The District is committed to ensuring that essential infrastructure keeps pace with the region's expanding needs.

The average appraised residence homestead value in fiscal year 2025 was \$290,901 representing an increase of \$983 compared to the previous fiscal year. The tax on an average residence homestead is \$77.09 per \$100 valuation in fiscal year 2025.

Major Initiatives

Integrated Pipeline Project (Phase 3) -

The Integrated Pipeline Project (Phase 3) is part of the District's Initiative for Growth - Water Supply and Transmission. The District and the City of Dallas Water Utilities (DWU) partnered to finance, plan, design, and operate the Integrated Pipeline Project (IPL Project). The IPL Project furthers the District's mission to build a reliable water supply system by connecting additional water from Cedar Creek and Richland-Chambers Reservoirs to the District system and Lake Palestine to the City of Dallas, supplying water for growing customer water demands. The IPL Project consists of 150 miles of a large diameter pipeline, three new lake pump stations to draw water from the reservoirs, and three new booster pump stations allowing delivery of up to 350 million gallons of raw water per day to north central Texas.

The IPL Project was split into phases. The first two phases consist mostly of the joint sections (benefiting both the District and DWU) of the pipeline and pump stations, connecting the Kennedale Balancing Reservoir to the Cedar Creek Reservoir, and was completed and put into use in fiscal year 2022. The third phase of the project connects the joint sections to Lake Palestine, where DWU has water rights. This phase, benefiting and paid for by DWU only, is currently in progress, and it is expected to be

complete and in use in December 2028. Phase 4 and 5 will connect the IPL to Lake Benbrook and Richland-Chambers Reservoir line.



Aerial view of the construction of Lake Palestine Pump Station Intake, July 2025

The IPL Phase 3 Project consists of the Section 19 pipelines (19-1, 19-2 and tunnels) and the IPL Lake Palestine Pump Station (LP1). Construction of 19-1 pipeline began in fiscal year 2025; a contract for \$69.7 million was awarded. Construction of the 19-2 pipeline (between JCC1 pump station and 19-1 pipeline) continued with open cut pipe installation, which was 44% complete as of September 30, 2025. The LP1 Pump Station high voltage electrical substation construction contract was awarded for \$12 million in March 2025. During fiscal year 2025, \$115.1 million was spent on IPL Phase 3 and to date \$422.3 million total has been incurred for this phase.

Kennedale Balancing Reservoir (Phase 3) -

Kennedale Balancing Reservoir (KBR) Project is part of the District's Initiative for Aging Infrastructure, Increased Capacity/Operational Flexibility. The third phase of the KBR Project includes installation of 120-inch diameter flow-through inlet and outlet piping for the existing two cells, along with large diameter yard piping and valve connections to the Cedar Creek Reservoir, Richland-Chambers Reservoir and Integrated Pipeline that supply KBR. In fiscal year 2025, the construction portion of KBR Phase 3 continued with new steel piping being added and outdated concrete splitter boxes being removed to enhance water movement. Costs incurred during fiscal year 2025 were \$5.4 million and as of September 30, 2025, \$70.1 million has been spent toward this project. KBR Phase 3 is expected to be completed in spring 2026.

Construction of the final phase, KBR Phase 4, is scheduled to start in early 2030s and will complete the 165 million gallon third cell at KBR. This final KBR phase supports the District's Initiative for Emergency

Preparedness and Resilience by providing additional emergency storage and optimized time of day operational capability.

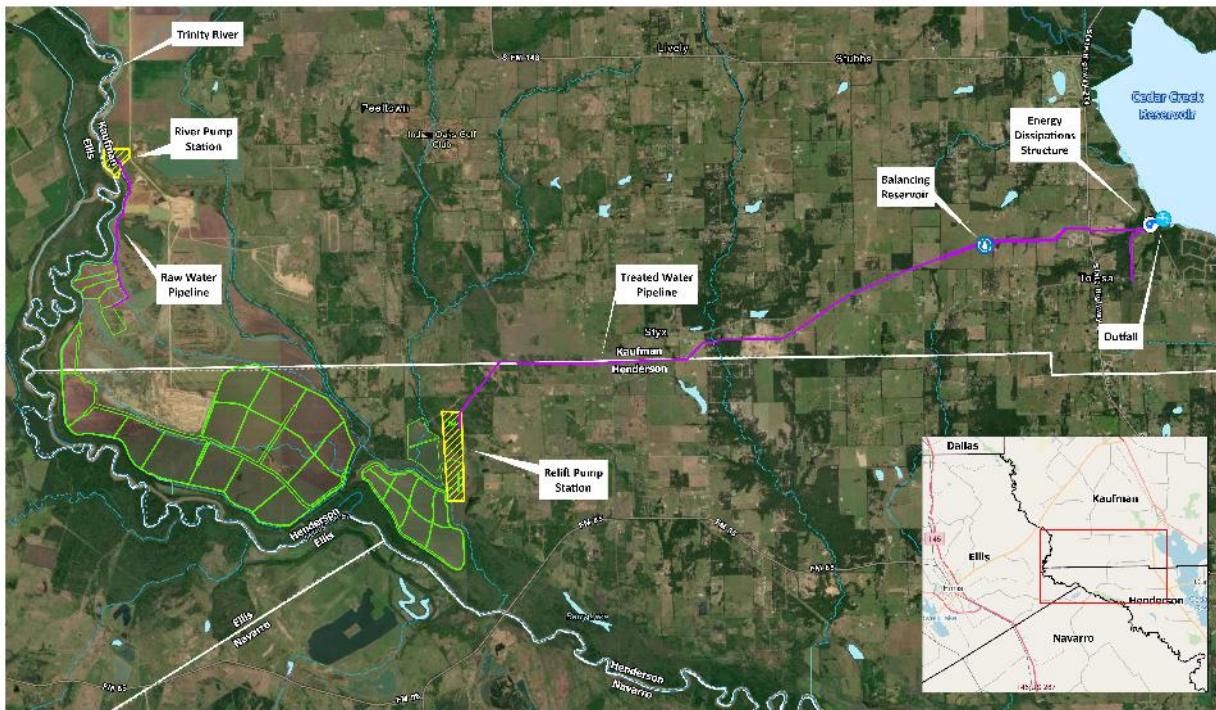


Kennedale Balancing Reservoir - Phase 3 (Cell 1 and 2), south side aerial view with future Cell 3 site visible in distance; November 2025

Marty Leonard Wetlands Project -

The Marty Leonard Wetlands Project (formerly Cedar Creek Wetlands) represents the District's Initiative for Growth - Water Supply and Transmission. The Marty Leonard Wetlands facility will enhance yield of the Cedar Creek Reservoir. It is located north and west of the Cedar Creek Reservoir and east of the main stem of the Trinity River. The project is expected to encompass over 3,050 acres, where water will course through the wetlands to remove sediment and nutrients. The water will then be re-lifted into the Cedar Creek Reservoir for subsequent delivery to customers, increasing the water supply available from Cedar Creek Reservoir by 50%. The existing Cedar Creek Reservoir Lake Pump Station and Pipeline, JCC1 Lake Pump station and the IPL transmission pipeline will all be utilized when providing the wetland-enhanced water supply to the District's customers.

The design phase of the Mary Leonard Wetlands was ongoing in fiscal year 2025, with an additional \$7.2 million in design costs being incurred. Construction for this project is expected to begin at the end of fiscal year 2028 and the project is currently estimated to be completed in 2032 with an estimated project costs of \$740.0 million.



Marty Leonard Wetlands Design Project Overview, July 21, 2025

Cedar Creek Pipeline Replacement (Phase 1) -

The Cedar Creek Pipeline Replacement Phase 1 project falls under the District's Initiative for Preserving Aging Infrastructure and Increasing Capacity and Operational Flexibility. The District maintains an assessment and risk-based prioritization program for identifying and replacing approximately 15 to 20 segments of distressed prestressed concrete cylinder pipe (PCCP) each year. Cedar Creek (CC) 72-inch PCCP is the District's oldest raw water transmission main installed in the 1970s. The District has committed to properly operating a galvanic cathodic protection system on its PCCP assets since the mid-1990s and has greatly extended the useful life of the CC pipeline. However, high pressure rated areas of the CC pipeline currently require a more substantial renewal program. Therefore, Cedar Creek Section 2 (CCRL-2), located between the cities of Mansfield and Midlothian, is the first large pipeline replacement project. The area around this project is rapidly developing, making the project more urgent to complete. The project will remove and replace approximately eleven miles of 72" prestressed concrete cylinder pipe with 90" welded steel pipe.

The Cedar Creek Pipeline Section 2 Replacement project is composed of two phases. Phase 1A, which had a construction contract awarded at the end of fiscal year 2024, is coordinated with TXDOT's road expansion and is replacing pipeline under and adjacent to FM664. An agreement to share costs with TXDOT for the FM664 portion of the project will result in an estimated refund of \$1.5 million in fiscal year 2026. The Richland Chambers portion of pipeline replacement was completed in March 2025 and the remainder of Phase 1A is ongoing. Phase 1B construction commenced in July 2025 and will remove 10.4 miles of old pipe and replace with larger steel pipes. The estimated cost of Phase 1B is \$132.5 million, with expected completion date of 2028. In fiscal year 2025 there were costs of \$21.4 million incurred for this project with a total of \$29.8 million to date.



Cedar Creek Pipeline Phase 1 - removal of 72 inch, prestressed concrete cylinder pipe, June 2025

Central City Flood Control Project -

The Central City Flood Control Project is a multi-agency collaboration between the District, the City of Fort Worth, Texas Department of Transportation (TXDOT), United States Army Corps of Engineers (USACE), and Tarrant County, bringing flood protection and related infrastructure to an 800 acre area north of downtown Fort Worth between the Tarrant County Courthouse and Northside Drive. This project fulfills the District's role to restore the level of flood protection for which the federal floodway was originally designed. The key component is the construction of a bypass channel, approximately 1.5 miles long, which will divert flood flows around the segment of the Trinity River adjacent to downtown. Construction of this new bypass channel and related dam and isolation gates will allow the existing river

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

During fiscal year 2025, the Central City Flood Control Project continued work with acquisition, relocation, demolition and environmental clean-up of properties on the north segment of the bypass channel. As of 2025 fiscal year end, the District has spent a total of \$64.4 million on this project. The City of Fort Worth Tax Increment Reinvestment Zone Number Nine in accordance with the project cost funding agreement as described in Note 1, which accompanies the financial statements, has spent \$327.1 million on the local portion of the Central City Flood Control Project and has an outstanding loan payable of \$249.2 million to the District.

On May 5, 2018, a special bond election was held and voters approved issuing \$250 million in bonds to finance the remaining outstanding local share of the Central City Flood Control Project. As of the end of fiscal year 2025, there has been \$100 million issued for this project.

Fiscal year 2025 marked significant progress with the USACE portion of the Central City Flood Control Project, with key milestones achieved in both construction and design. The North Bypass Channel was advertised for bid in spring 2025, with the bid opening anticipated in early 2026. The Ham Branch Ecosystem Restoration Project design is complete, and construction is scheduled to begin by the end of calendar year 2025. The South Bypass Channel design reached 95% completion, with final design expected by mid-2026. The project is projected to be ready for bid by August 2026, pending funding prioritization. Preliminary design for the major flood gates and pump station was completed, with final design set to begin spring of 2026. Design efforts have commenced for both the Samuel's Avenue Dam and the Gateway Oxbow/Rockwood Park Ecosystem Restoration Project. The University Drive Project reached 30% design completion this year, with full design development scheduled to begin before year end. The City of Fort Worth has also initiated utility relocations and roadway improvements necessary for USACE construction to proceed.

Demolition along the Bypass Channel was largely completed this fiscal year, with the exception of Demolition Package 4, which will be scheduled to align with the construction award. This package includes removal of the District's operations offices atop the levee and the former purchasing building. Once complete, this will finalize demolition efforts for the future Bypass Channel.

Environmental remediation of the District's operations yard south field was completed this fiscal year and the surface of the site has been fully revegetated as shown below. The final acceptance from the Texas Commission on Environmental Quality (TCEQ) is pending.



The District's operations yard environmental remediation site after completion

Public Engagement -

The District's Initiative to Improve Our Community Stewardship incorporates environmental stewardship, conservation, and sustainability into all practices and processes. Throughout the fiscal year, the District aimed to engage the community with the river and lakes through lively public events, river and lake cleanup days, and recreational facilities. The "Fish the Fort" annual stocking program is a wonderful urban fishing initiative dedicated to restoring our natural environment and inspiring conservation efforts. Fly Fest brought the community to the banks of the Trinity River to educate residents on how they can help maintain the quality of the environment.

Eagle Mountain Lake is home to Twin Points Park, a District property that features a 24/7, year-round boat ramp and a summer swim beach. In fiscal year 2025, nearly 78,000 visitors enjoyed our beach, while 34,000 took advantage of the boat ramp, collectively generating over \$550,000 in revenue.



Twin Points Park

During fiscal year 2025, five Trash Bash events took place along the shores of the District's reservoirs and creeks, ranging from the Trinity River all the way down to Cedar Creek Lake. Collectively, these events prevented 20.6 tons of trash from contaminating our local waterways. Members of the District's Trash Bash Challenge and Adopt-A-Trail program reported collecting an extra 2.75 tons of trash. Participation in the Trash Bash Challenge and Adopt-A-Trail through the Litterati and Rubbish apps documented 15,402 pieces of litter during the fiscal year, helping the District surpass its goal of 10,000 litter pieces.



Trash Bash cleanup at the Trinity River

The District's Water Conservation program focuses on helping our customer cities by offering services that raise awareness and highlight the importance of water in our communities. This is achieved through numerous classes, workshops, and events. Some key activities included supporting Fort Worth's spring and fall YardSmart programs, hosting the Homeowner's Guide to Landscaping event in Arlington, and distributing Water Wise Gardening Kits across Tarrant County.



Youth Education Program

The "Water is Awesome" regional water conservation public outreach campaign took a new direction with fun animal puns in the spring and the "Watering the Lawn is Easy as 1,2,0" summer promotion. The District's "Save Tarrant Water" monthly newsletter is now reaching over 15,000 subscribers. More than 2,000 free residential sprinkler system evaluations were provided to the community in fiscal year 2025.



"Water is Awesome" Campaign

The Weekly Water Advice service also experienced significant growth this year with 2,867 new subscribers, bringing the total regional sign-ups to 21,594. Additionally, our adult and youth education programs supported over 500 activities and engaged with more than 35,000 residents and students across Tarrant County.

Over the summer, Panther Island Pavilion held the District's 18th annual Fort Worth's Fourth, which drew over 80,000 attendees.



Fort Worth's Fourth Event

Long-term Financial Planning

The District enriches communities and improves the quality of life through water supply, flood protection, and recreation. To support these missions the District maintains a Capital Improvement Plan (CIP) that plans for growth and large projects for the next seven years. As part of the long-term financial strategy, and the current strategic plan, the District is pursuing state funding opportunities in the form of grants and reduced interest rate debt programs to help offset the costs of building new infrastructure.

The Enterprise Fund supports the District's water supply mission. The District recently adopted the 2025 Integrated Water Supply Plan (IWSP). The IWSP outlines how the District will provide reliable, affordable, and sustainable water to the communities it serves for the next 50 years and beyond. The

IWSP projects are included in the District's CIP; the CIP provides the expected timing and cash flows for upcoming projects. This knowledge allows the District to utilize an Extendable Commercial Paper Bond (ECPB) Program to enter into contracts and issue long term fixed rate bonds based on cash flow needs. In fiscal year 2025 the District increased its ECPB principal amount to \$400 million. This increase allows the District to continue utilizing the ECPB Program to enter into the large construction contracts and issue bonds based on cash flow, thus reducing interest and debt service payments.

The Governmental Fund supports the District's missions of flood protection and recreation. During fiscal year 2025 the District adopted the Recreation Master Plan. The Recreation Master Plan is a guideline for the District to create and maintain a safe interconnected system of trails, parks, and natural spaces within the District's service area. The plan includes recommended projects for the next 10 years, the estimated timing and cost allows the District to plan for the upcoming and future financial needs. The District continues to work on a long-term land strategy to ensure its land is used in the most efficient way that benefits both the long-term needs of the District and the public. Continued joint cooperation with other local and federal government entities as well as the public is necessary as part of the District's long-term strategies, to ensure a global approach to planning and resources. The District's non-operating revenues, such as oil and gas royalties, are held in a Governmental Contingency Fund and are not used for typical operations and maintenance of the flood protection and recreation systems. These funds are used to support special projects approved by the Board of Directors or other unexpected future costs.

Finally, the District is finishing the third year of the current strategic plan which includes the following six strategies:



Six Strategies for fiscal years 2023 - 2026

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the District a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended September 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Texas Comptroller of Public Accounts awarded the District with Transparency Stars in the areas of Traditional Finances, Contracts and Procurement, Economic Development, Debt Obligations, Public Pensions and Open Government. The Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. Stars are awarded based on clear and meaningful financials information through posted financial documents as well as summaries, visualization, downloadable data and other relevant information.

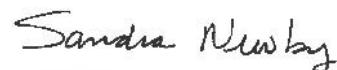
Acknowledgments

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

Sincerely,



Dan Buhman
General Manager



Sandra Newby
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tarrant Regional Water District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrell

Executive Director/CEO



Board of Directors
As of September 30, 2025

Leah M. King, President

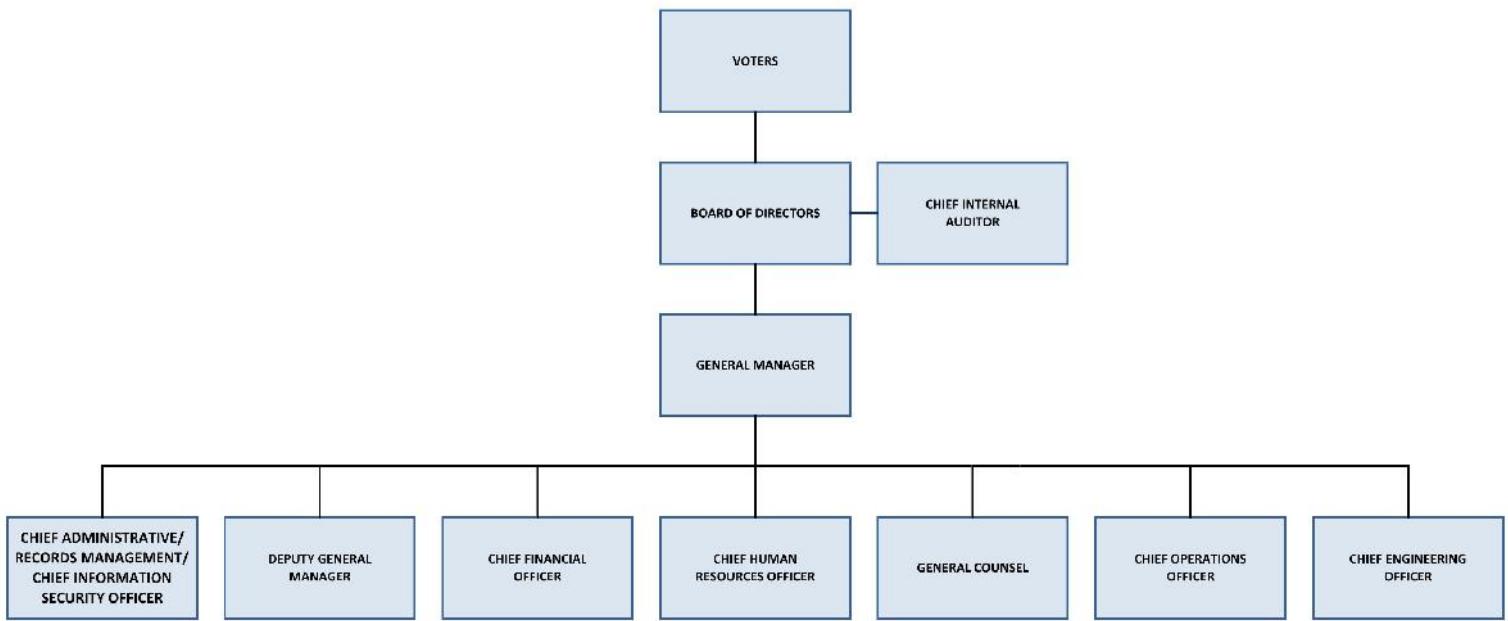
Paxton Motheral, Vice President

C.B. Team, Secretary

Skylar O'Neal, Director

Johnathan Killebrew, Director

Tarrant Regional Water District Organizational Chart



FINANCIAL SECTION



Marty Leonard Wetlands

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tarrant Regional Water District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

January 6, 2026

TARRANT REGIONAL WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2025

This section of the District's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2025. Please read this analysis in conjunction with the District's audited financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

NET POSITION

The assets and deferred outflows of the District exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.7 billion (net position). Of this amount, \$384.7 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year: Governmental activities total net position increased by \$21.1 million mainly due to oil and gas revenues and investment income, as well as lower than budgeted expenses. Business-Type Activities total net position increased by \$58.5 million mainly due to revenues from customer water sales used to pay down debt as well as payments for non-debt related capital.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, presented in a manner similar to that of a private-sector business. Both the Statement of Net Position and the Statement of Activities distinguish between the two functions of the District. The government-wide financial statements can be found beginning on page 34 of this report.

Statement of Net Position

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

Statement of Activities

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

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

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities. The District maintains three governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Projects Fund which are considered to be major funds. The General

Fund accounts for the flood protection and recreation activities, and the Capital Projects Fund accounts for the activities for the Central City Flood Control Capital Project. The third fund, Debt Service Fund, is considered to be a nonmajor fund.

Proprietary Funds

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

Fiduciary Funds

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 47 of this report.

FINANCIAL ANALYSIS: GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows, creating a positive net position of \$1.7 billion at the close of fiscal year 2025, an increase of \$79.6 million. A majority of the net position balance is in net investment in capital assets of \$1.2 billion. The District uses these assets to support the public it serves, but these assets are not available to use towards future costs.

CONDENSED SCHEDULE OF NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|------------------------|------------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Current and other assets | \$ 416,430,445 | \$ 470,040,365 | \$ 632,605,190 | \$ 950,533,157 | \$1,049,035,635 | \$1,420,573,522 |
| Capital assets | 387,785,104 | 391,375,203 | 2,319,115,179 | 2,429,493,861 | 2,706,900,283 | 2,820,869,064 |
| Total Assets | 804,215,549 | 861,415,568 | 2,951,720,369 | 3,380,027,018 | 3,755,935,918 | 4,241,442,586 |
| Total Deferred Outflows of Resources | 141,898 | 46,280 | 37,117,720 | 33,681,069 | 37,259,618 | 33,727,349 |
| Current liabilities | 22,889,835 | 9,564,662 | 177,033,315 | 204,122,793 | 199,923,150 | 213,687,455 |
| Long-term liabilities | 62,524,568 | 111,038,158 | 1,889,823,928 | 2,229,107,516 | 1,952,348,496 | 2,340,145,674 |
| Total Liabilities | 85,414,403 | 120,602,820 | 2,066,857,243 | 2,433,230,309 | 2,152,271,646 | 2,553,833,129 |
| Total Deferred Inflows of Resources | 3,086,745 | 3,904,081 | 8,611,799 | 8,561,571 | 11,698,544 | 12,465,652 |
| Net position | | | | | | |
| Net investment in capital assets | 384,963,535 | 390,540,299 | 746,035,763 | 792,833,258 | 1,130,999,298 | 1,183,373,557 |
| Restricted | 130,793 | 247,552 | 126,723,165 | 140,548,592 | 126,853,958 | 140,796,144 |
| Unrestricted | 330,761,971 | 346,167,096 | 40,610,119 | 38,534,357 | 371,372,090 | 384,701,453 |
| Total Net Position | <u>\$ 715,856,299</u> | <u>\$ 736,954,947</u> | <u>\$ 913,369,047</u> | <u>\$ 971,916,207</u> | <u>\$1,629,225,346</u> | <u>\$1,708,871,154</u> |

The increase in unrestricted net position for governmental activities is primarily due to revenues received from property taxes, interest income, oil and gas, and the District's recreation programs, combined with lower-than-budgeted expenses. Assets and liabilities, increased mainly due to the issuance of \$50 million in general obligation (GO) bonds. This is the second GO issuance, bringing the total issued to \$100 million of the \$250 million approved by voters for the Central City Flood Control Project.

For business-type activities, both the current and other assets and long-term liabilities increased largely due to the 2025 bond issuance of \$400 million. The increase in capital assets is primarily due to the continued construction on the IPL Project.

CONDENSED SCHEDULE OF ACTIVITIES

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 7,697,243 | \$ 7,155,189 | \$ 185,547,364 | \$ 213,882,101 | \$ 193,244,607 | \$ 221,037,290 |
| Operating Grants and Contributions | 38,456,021 | 29,537,830 | 2,303,378 | 1,123,521 | 40,759,399 | 30,661,351 |
| Capital Grants and Contributions | 2,593,742 | 3,688,444 | 250,000 | 1,419 | 2,843,742 | 3,689,863 |
| Total Program Revenues | 48,747,006 | 40,381,463 | 188,100,742 | 215,007,041 | 236,847,748 | 255,388,504 |
| General Revenues | | | | | | |
| Property tax revenues | 29,117,031 | 30,688,775 | | | 29,117,031 | 30,688,775 |
| Investment income | 8,396,448 | 8,462,057 | 31,833,323 | 33,735,452 | 40,229,771 | 42,197,509 |
| Gain on extinguishment of debt | | | 7,061,189 | | 7,061,189 | — |
| Other income | 151,025 | 140,246 | 93,549 | 276,134 | 244,574 | 416,380 |
| Total Revenues | 86,411,510 | 79,672,541 | 227,088,803 | 249,018,627 | 313,500,313 | 328,691,168 |
| Expenses: | | | | | | |
| Flood protection | 63,699,185 | 58,573,893 | | | 63,699,185 | 58,573,893 |
| Water supply | | | 175,148,889 | 190,471,467 | 175,148,889 | 190,471,467 |
| Total Expenses | 63,699,185 | 58,573,893 | 175,148,889 | 190,471,467 | 238,848,074 | 249,045,360 |
| Changes in Net Position | 22,712,325 | 21,098,648 | 51,939,914 | 58,547,160 | 74,652,239 | 79,645,808 |
| Net Position - Beginning of year | 693,143,974 | 715,856,299 | 861,429,133 | 913,369,047 | 1,554,573,107 | 1,629,225,346 |
| Net Position - Ending of year | \$ 715,856,299 | \$ 736,954,947 | \$ 913,369,047 | \$ 971,916,207 | \$ 1,629,225,346 | \$ 1,708,871,154 |

The District's had a positive change in net position of \$79.6 million, split between \$21.1 million in governmental activities, and \$58.5 million in business-type activities.

For governmental activities the operating grants and contributions, consists primarily of repayment of City of Fort Worth (COFW) actuals for the Central City Flood Control Project. In fiscal year 2025, COFW spent less than they did in fiscal year 2024 (\$29.4 million in fiscal year 2025 compared to \$38.4 million in fiscal year 2024).

The increase in net position for business-type activities is mainly due to the increased water sales (charges for services) which funds the business-type activities.

FINANCIAL ANALYSIS: CAPITAL ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Nondepreciable | | | | | | |
| Land | \$ 279,972,869 | \$ 280,675,541 | \$ 198,822,862 | \$ 198,930,528 | \$ 478,795,731 | \$ 479,606,069 |
| Construction in progress | <u>79,664,417</u> | <u>83,812,539</u> | <u>408,128,130</u> | <u>555,100,449</u> | <u>487,792,547</u> | <u>638,912,988</u> |
| Total nondepreciable assets | 359,637,286 | 364,488,080 | 606,950,992 | 754,030,977 | 966,588,278 | 1,118,519,057 |
| Depreciable/Amortizable | | | | | | |
| Dams and spillways | 3,070,461 | 3,070,461 | 234,543,120 | 234,543,120 | 237,613,581 | 237,613,581 |
| Pipeline | | | 1,739,664,692 | 1,741,211,313 | 1,739,664,692 | 1,741,211,313 |
| Wetlands | | | 56,160,860 | 56,160,860 | 56,160,860 | 56,160,860 |
| Buildings | 50,328,983 | 51,301,935 | 7,854,201 | 9,452,005 | 58,183,184 | 60,753,940 |
| Technology Infrastructure | | | 3,865,282 | 3,865,282 | 3,865,282 | 3,865,282 |
| Machinery and equipment | 13,182,569 | 14,019,013 | 14,588,066 | 17,706,477 | 27,770,635 | 31,725,490 |
| Flood control | 10,569,192 | 10,569,192 | | | 10,569,192 | 10,569,192 |
| Other project costs | | | 193,072,352 | 193,072,352 | 193,072,352 | 193,072,352 |
| Intangibles | | | 3,935,906 | 3,935,906 | 3,935,906 | 3,935,906 |
| Right-to-use leases | 740,774 | 656,840 | | | 740,774 | 656,840 |
| Right-to-use subscriptions | | 753,299 | | 3,211,434 | — | 3,964,733 |
| Total depreciable & amortizable assets | 77,891,979 | 80,370,740 | 2,253,684,479 | 2,263,158,749 | 2,331,576,458 | 2,343,529,489 |
| Less | | | | | | |
| Accumulated depreciation/amortization | <u>(49,744,161)</u> | <u>(53,483,617)</u> | <u>(541,520,292)</u> | <u>(587,695,865)</u> | <u>(591,264,453)</u> | <u>(641,179,482)</u> |
| Total depreciable/amortizable assets | 28,147,818 | 26,887,123 | 1,712,164,187 | 1,675,462,884 | 1,740,312,005 | 1,702,350,007 |
| Total | <u>\$ 387,785,104</u> | <u>\$ 391,375,203</u> | <u>\$ 2,319,115,179</u> | <u>\$ 2,429,493,861</u> | <u>\$ 2,706,900,283</u> | <u>\$ 2,820,869,064</u> |

The District's capital assets for its governmental and business-type activities as of September 30, 2025 were \$2.8 billion. Capital assets include: dams, spillways and water transmission facilities, as well as land, roads, buildings, technology infrastructure, machinery, equipment, construction costs, intangibles, and right-to-use assets. More information on capital assets can be found in Note 5 in the Notes to the Financial Statements.

The majority of the governmental activity was in construction-in-progress (CIP), \$4.3 million was spent related to the Central City Flood Control Project. The Ten Mile Trailhead project was completed during the fiscal year with a cost of \$827 thousand. Other depreciable and amortizable capital assets increased by a total of \$1.7 million, primarily driven by the purchase of trucks, heavy equipment, and servers. This increase also includes \$753 thousand in recognized assets for right-to-use leases and right-to-use subscriptions.

The increase in business-type capital assets was mainly due to CIP costs, alongside additions to facilities, equipment, and right-to-use subscription assets. CIP costs totaling \$149.1 million were primarily for the Integrated Pipeline Project (Phase 3), Kennedale Balancing Reservoir, Marty Leonard Wetlands, and Cedar Creek pipeline replacement. Pump station and building upgrades totaling \$2.9 million were also completed and moved during the fiscal year. The machinery and equipment purchases of \$3.1 million were primarily made up of IT infrastructure, 16 trucks, and fuel system upgrades. Additionally, \$3.2 million right-to-use subscriptions were recognized.

FINANCIAL ANALYSIS: LONG-TERM LIABILITIES OUTSTANDING

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|-----------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Other liabilities | \$ 2,450,000 | \$ 2,100,000 | \$ 4,128,206 | \$ 4,128,206 | \$ 2,450,000 | \$ 2,100,000 |
| Note payable | 50,608,429 | 100,812,951 | | | 50,608,429 | 100,812,951 |
| General obligation bond payable | | | 1,883,406,244 | 2,220,395,419 | 1,883,406,244 | 2,220,395,419 |
| Revenue bonds payable | 165,739 | 156,396 | | 630,134 | 165,739 | 786,530 |
| Leases/subscriptions payable | 1,095,417 | 983,977 | 3,468,819 | 3,294,184 | 4,564,236 | 4,278,161 |
| Compensated absences | 5,952,500 | 5,952,500 | | | 5,952,500 | 5,952,500 |
| Pollution remediation obligations | 2,252,483 | 1,032,334 | 2,948,865 | 659,573 | 5,201,348 | 1,691,907 |
| | <u>\$ 62,524,568</u> | <u>\$ 111,038,158</u> | <u>\$ 1,889,823,928</u> | <u>\$ 2,229,107,516</u> | <u>\$ 1,952,348,496</u> | <u>\$ 2,340,145,674</u> |

The overall increase in long-term liabilities by \$387.8 million was primarily driven by bond issuances in both governmental and business-type activities. In the governmental activities, the District issued the 2025 Unlimited Tax Bond for \$50 million in proceeds for the Central City Flood Control Project. In the business-type activities, the District issued the 2025 Contract Revenue Bonds (City of Dallas Project) for \$400 million for the Dallas Project Component of the Integrated Pipeline Project.

FINANCIAL ANALYSIS: FUND STATEMENTS

General Fund

As of the end of the 2025 fiscal year, the District's General Fund reported an ending fund balance of \$179.8 million. This total includes nonspendable fund balance in the amount of \$2.0 million (which includes prepaid items, inventory of supplies and inventory held for sale), \$6.2 million restricted for environmental cleanup on a District property, \$28.0 million assigned for the Reserve Policy, \$133.5 million assigned for the Contingency Fund for future board designated projects, and \$10.1 million in an unassigned fund balance.

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

Capital Projects Fund

As of the end of the 2025 fiscal year, the District's Capital Projects Fund reported an ending fund balance of \$30.2 million. This total includes nonspendable fund balance in the amount of \$9 thousand (which includes prepaid items), and \$30.2 million restricted for the Central City Flood Control Project.

The Capital Project Fund includes public improvements of floodway protection and related infrastructure. Investment income and general obligation bond proceeds are the major sources of revenue. Capital Projects Fund revenues cannot be used to support Enterprise Fund functions.

Debt Service Fund

As of the end of the 2025 fiscal year, the District's Debt Service Fund reported an ending assigned fund balance of \$9 thousand.

The Debt Service Fund includes issuance of debt as needed for the Central City Flood Control Project. Proceeds from the general obligation bonds to pay bond issuance expenses are the major source of financing in fiscal year 2025. Debt Service revenues cannot be used to support Enterprise Fund functions.

Enterprise Fund

The District's Enterprise Fund provides the same type of information found in the government-wide financial statements for business type activities (found on page 34) and has an end of year net position of \$971.9 million. This includes a net investment in capital assets of \$792.8 million, restricted net position for debt service of \$140.5 million, and an unrestricted net position of \$38.6 million. The Enterprise fund includes the current water supply infrastructure, support and maintenance for the existing system, as well as water conservation efforts. Enterprise Fund revenues cannot be used to support governmental fund functions.

Fiduciary Fund

The District's Fiduciary Fund is the Other Post Employee Benefit Trust Fund which holds assets to be used for the future payments of benefits offered through the District's post-employment healthcare benefit plan. The Fiduciary Fund is not included in the government-wide financial statements, and has an end of year net position of \$28.1 million.

BUDGETARY HIGHLIGHTS

GENERAL FUND

The 2025 budgeted revenues for the General Fund were \$48.0 million and the year ended with actual revenues of \$52.8 million. The increase in revenues was mostly due to higher interest rates than expected.

The 2025 budgeted expenditures for the General Fund were \$75.1 million and the year ended with actual expenditures of \$30.3 million. The deficiency in expenditures was due in large part to the ongoing flood control project to construct canals that will function as flood control and stormwater transmission. These large projects generally cannot be completed in an annual operating budget and can span multiple years.

The District approved \$46.9 million in expenditures for fiscal year 2026.

The approved property tax rate is \$0.0265 per \$100 valuation. This is a slight decrease from tax year 2024, fiscal year 2025.

ENTERPRISE FUND

The 2025 budgeted expenses for the Revenue Fund were \$186.6 million and the year ended with actual expenses of \$174.5 million. The deficiency in expenses was mainly due to lower than budgeted support services costs including personnel and professional services.

The fiscal year 2026 Revenue Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$199.7 million. The total budget includes administrative expenses, operating and maintenance expenses, capital expenditures, and debt service that provides for principal and interest payments to retire outstanding bonds.

REQUESTS FOR INFORMATION

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

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

| | Primary Government | | |
|--|--------------------------------|---------------------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 124,071,037 | \$ 534,464,004 | \$ 658,535,041 |
| Investments | 74,978,806 | 395,706,945 | 470,685,751 |
| Receivables | | | |
| Accounts, oil and gas royalties, and other | 611,826 | 4,303,812 | 4,915,638 |
| Taxes-net of allowance | 238,011 | | 238,011 |
| Accrued interest | 615,542 | 3,678,215 | 4,293,757 |
| Long-term receivable | 249,231,971 | 19,300,300 | 268,532,271 |
| Internal balances | 9,553,764 | (9,553,764) | |
| Prepaid items | 1,607,167 | 2,612,860 | 4,220,027 |
| Inventory-at cost | 48,817 | | 48,817 |
| Inventory held for sale | 349,494 | | 349,494 |
| Lease receivable | | | |
| Due within one year | 252,042 | 20,647 | 272,689 |
| Accrued interest | 38,393 | 138 | 38,531 |
| Due in more than one year | 2,252,127 | | 2,252,127 |
| Deposits held by others | 6,191,368 | | 6,191,368 |
| Land | 280,675,541 | 198,930,528 | 479,606,069 |
| Construction in progress | 83,812,539 | 555,100,449 | 638,912,988 |
| Depreciable capital assets, net of accumulated depreciation | 26,182,889 | 1,670,934,758 | 1,697,117,647 |
| Intangible assets, net of accumulated amortization | | 1,967,953 | 1,967,953 |
| Right-to-use leases/subscriptions, net of accumulated amortization | 704,234 | 2,560,173 | 3,264,407 |
| Total Assets | 861,415,568 | 3,380,027,018 | 4,241,442,586 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred bond refunding -loss | | 32,772,932 | 32,772,932 |
| Deferred outflow from OPEB | 46,280 | 908,137 | 954,417 |
| Total Deferred Outflows of Resources | 46,280 | 33,681,069 | 33,727,349 |
| LIABILITIES | | | |
| Accounts payable | 6,311,237 | 87,772,934 | 94,084,171 |
| Other liabilities | | | |
| Due within one year | 1,600,146 | 30,327,487 | 31,927,633 |
| Due in more than one year | | 4,128,206 | 4,128,206 |
| Note payable | | | |
| Due within one year | 350,000 | | 350,000 |
| Due in more than one year | 2,100,000 | | 2,100,000 |
| General obligation bonds payable, net of premium | | | |
| Due within one year | 130,000 | | 130,000 |
| Accrued interest | 367,413 | | 367,413 |
| Due in more than one year | 100,812,951 | | 100,812,951 |
| Revenue bonds payable, net of premium | | | |
| Due within one year | | 76,980,000 | 76,980,000 |
| Payable from restricted assets - accrued bond interest payable | | 6,529,661 | 6,529,661 |
| Due in more than one year | | 2,220,395,419 | 2,220,395,419 |
| Leases, subscriptions payable | | | |
| Due within one year | 266,717 | 700,242 | 966,959 |
| Accrued interest | 8,618 | 36,342 | 44,960 |
| Due in more than one year | 156,396 | 630,134 | 786,530 |
| Compensated absences | | | |
| Due within one year | 530,531 | 1,776,127 | 2,306,658 |
| Due in more than one year | 983,977 | 3,294,184 | 4,278,161 |
| Long-term payables-due in more than one year | | | |
| Pollution remediation obligations | 5,952,500 | | 5,952,500 |
| Post employment benefits payable | 1,032,334 | 659,573 | 1,691,907 |
| Total Liabilities | 120,602,820 | 2,433,230,309 | 2,553,833,129 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred bond refunding -gain | | 5,948,950 | 5,948,950 |
| Deferred inflow from OPEB | 1,430,604 | 2,570,461 | 4,001,065 |
| Deferred inflow from leases | 2,473,477 | 42,160 | 2,515,637 |
| Total Deferred Inflows of Resources | 3,904,081 | 8,561,571 | 12,465,652 |
| NET POSITION | | | |
| Net investment in capital assets | 390,540,299 | 792,833,258 | 1,183,373,557 |
| Restricted for | | | |
| Capital projects | 238,868 | | 238,868 |
| Debt service | 8,684 | 140,548,592 | 140,557,276 |
| Unrestricted | 346,167,096 | 38,534,357 | 384,701,453 |
| Total Net Position | \$ 736,954,947 | \$ 971,916,207 | \$ 1,708,871,154 |

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|-----------------------|-----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business Type Activities | Total |
| PRIMARY GOVERNMENT | | | | | | | |
| Governmental activities | | | | | | | |
| Flood protection | \$ 58,573,893 | \$ 7,155,189 | \$ 29,537,830 | \$ 3,688,444 | \$ (18,192,430) | | \$ (18,192,430) |
| Total governmental activities | <u>58,573,893</u> | <u>7,155,189</u> | <u>29,537,830</u> | <u>3,688,444</u> | <u>(18,192,430)</u> | | <u>(18,192,430)</u> |
| Business type activities-Water supply | 190,471,467 | 213,882,101 | 1,123,521 | 1,419 | | 24,535,574 | 24,535,574 |
| | <u>\$ 249,045,360</u> | <u>\$ 221,037,290</u> | <u>\$ 30,661,351</u> | <u>\$ 3,689,863</u> | | <u>24,535,574</u> | <u>6,343,144</u> |
| GENERAL REVENUES | | | | | | | |
| Property taxes | | | | | 30,688,775 | | 30,688,775 |
| Investment income | | | | | 8,462,057 | 33,735,452 | 42,197,509 |
| Gain on disposal of assets | | | | | 56,586 | | 56,586 |
| Miscellaneous | | | | | 83,660 | 276,134 | 359,794 |
| Total general revenues | | | | | <u>39,291,078</u> | <u>34,011,586</u> | <u>73,302,664</u> |
| CHANGES IN NET POSITION | | | | | | | |
| NET POSITION - Beginning of year | | | | | 21,098,648 | 58,547,160 | 79,645,808 |
| NET POSITION - End of year | | | | | <u>\$ 715,856,299</u> | <u>913,369,047</u> | <u>1,629,225,346</u> |
| | | | | | <u>\$ 736,954,947</u> | <u>\$ 971,916,207</u> | <u>\$ 1,708,871,154</u> |

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

TARRANT REGIONAL WATER DISTRICT

BALANCE SHEET—GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

| | General | Capital Projects | Debt Service (Nonmajor) | Total |
|---|-----------------------|----------------------|----------------------------|-----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 90,312,005 | \$ 33,750,348 | \$ 8,684 | \$ 124,071,037 |
| Investments | 74,978,806 | | | 74,978,806 |
| Receivables | | | | |
| Accounts, oil and gas royalties and other | 611,826 | | | 611,826 |
| Taxes—net of allowance | 238,011 | | | 238,011 |
| Accrued interest | 615,542 | | | 615,542 |
| Due from Capital Projects Fund | 32,736 | | | 32,736 |
| Due from Enterprise Fund | 9,553,764 | | | 9,553,764 |
| Prepaid items | 1,598,572 | 8,595 | | 1,607,167 |
| Inventory of supplies—at cost | 48,817 | | | 48,817 |
| Inventory held for sale | 349,494 | | | 349,494 |
| Lease receivable | | | | |
| Due within one year | 252,042 | | | 252,042 |
| Accrued interest | 38,393 | | | 38,393 |
| Due in more than one year | 2,252,127 | | | 2,252,127 |
| Deposits held by others | 6,191,368 | | | 6,191,368 |
| Long-term receivable | 249,231,971 | | | 249,231,971 |
| Total assets | <u>436,305,474</u> | <u>33,758,943</u> | <u>8,684</u> | <u>470,073,101</u> |
| LIABILITIES | | | | |
| Accounts payable | 2,797,401 | 3,513,836 | | 6,311,237 |
| Due to General Fund | | 32,736 | | 32,736 |
| Other liabilities | 1,600,146 | | | 1,600,146 |
| Total liabilities | <u>4,397,547</u> | <u>3,546,572</u> | <u>—</u> | <u>7,944,119</u> |
| DEFERRED INFLOWS | | | | |
| Unavailable revenue | 249,644,483 | | | 249,644,483 |
| Deferred inflows from leases | 2,473,477 | | | 2,473,477 |
| Total deferred inflows | <u>252,117,960</u> | <u>—</u> | <u>—</u> | <u>252,117,960</u> |
| FUND BALANCES | | | | |
| Nonspendable | | | | |
| Prepaid items | 1,598,572 | 8,595 | | 1,607,167 |
| Inventory of supplies - at cost | 48,817 | | | 48,817 |
| Inventory held for sale | 349,494 | | | 349,494 |
| Restricted for Capital Projects | 6,191,368 | | | 6,191,368 |
| Restricted for Central City Flood Control Project | | 30,203,776 | | 30,203,776 |
| Assigned for General Fund Reserve Policy | 28,000,000 | | | 28,000,000 |
| Assigned for Contingency Fund | 133,458,411 | | | 133,458,411 |
| Assigned for Debt Service | | | 8,684 | 8,684 |
| Unassigned | 10,143,305 | — | | 10,143,305 |
| Total fund balances | <u>179,789,967</u> | <u>30,212,371</u> | <u>8,684</u> | <u>210,011,022</u> |
| TOTAL | \$ 436,305,474 | \$ 33,758,943 | \$ 8,684 | \$ 470,073,101 |

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

TARRANT REGIONAL WATER DISTRICT

RECONCILIATION OF BALANCE SHEET-GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

| | |
|---|----------------|
| TOTAL FUND BALANCES -Governmental Funds | \$ 210,011,022 |
|---|----------------|

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

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

| | |
|--|-------------|
| TIF Project contribution revenues | 249,231,971 |
| Property tax revenues | 28,256 |
| Oil and gas revenues | 384,256 |
| Deferred outflows-other post employment benefits | 46,280 |

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

| | |
|---|---------------|
| Governmental obligation bonds payable | (100,942,951) |
| Compensated absences | (1,514,508) |
| Pollution remediation obligations | (5,952,500) |
| Other post employment benefits payable | (1,032,334) |
| Deferred inflows-other post employment benefits | (1,430,604) |
| Lease/subscription payable | (423,113) |
| Other payables | (2,450,000) |
| Lease/subscription accrued interest | (8,618) |
| Governmental obligation bonds accrued interest | (367,413) |

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

391,375,203

TOTAL NET POSITION - Governmental activities \$ 736,954,947

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | General | Capital Projects | Debt Service (Nonmajor) | Total |
|--|-----------------------|----------------------|-------------------------|----------------------|
| REVENUES | | | | |
| Property taxes | \$ 30,684,996 | \$ 1,244,672 | \$ 1,585 | \$ 30,684,996 |
| Investment income | 7,215,800 | | | 8,462,057 |
| Contributions | 7,663,479 | | | 7,663,479 |
| Oil and gas royalties | 4,908,156 | | | 4,908,156 |
| Lease rentals | 1,273,178 | | | 1,273,178 |
| Other | 1,014,932 | | | 1,014,932 |
| Total revenues | 52,760,541 | 1,244,672 | 1,585 | 54,006,798 |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 10,185,436 | 28,500 | 454,610 | 10,668,546 |
| Personnel services | 12,505,806 | | | 12,505,806 |
| Retirement plan contribution | 1,136,275 | | | 1,136,275 |
| Contribution | | 29,403,022 | | 29,403,022 |
| Capital expenditures | 5,121,731 | 2,291,758 | | 7,413,489 |
| Debt service | | | | |
| Principal payments | 449,089 | 122,082 | | 571,171 |
| Interest payments | 3,631 | 2,217 | 2,033,948 | 2,039,796 |
| Total expenditures | 29,401,968 | 31,847,579 | 2,488,558 | 63,738,105 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 23,358,573 | (30,602,907) | (2,486,973) | (9,731,307) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | 2,033,306 | 2,033,306 |
| Transfers out | (902,981) | (1,130,325) | | (2,033,306) |
| Issuance of leases/subscriptions | 411,153 | | | 411,153 |
| Issuance of general obligation bonds | | 50,000,000 | (230,000) | 49,770,000 |
| Premium on issuance of general obligation bonds | | | 689,981 | 689,981 |
| Total other financing sources (uses) | (491,828) | 48,869,675 | 2,493,287 | 50,871,134 |
| CHANGE IN FUND BALANCE | 22,866,745 | 18,266,768 | 6,314 | 41,139,827 |
| FUND BALANCES - Beginning of year | 156,923,222 | 11,945,603 | 2,370 | 168,871,195 |
| FUND BALANCES - End of year | \$ 179,789,967 | \$ 30,212,371 | \$ 8,684 | \$210,011,022 |

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

TARRANT REGIONAL WATER DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE—GOVERNMENTAL FUNDS TO GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

CHANGE IN FUND BALANCE—General Fund \$ 41,139,827

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

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

| | |
|--|--------------|
| Change in unavailable revenue-TIF | (3,840,227) |
| Change in unavailable property taxes | 3,779 |
| Change in unavailable oil and gas revenue | 99,169 |
| Change in other financing sources-leases/subscriptions | (411,153) |
| Change in other financing sources-premium on governmental obligation bonds | (689,981) |
| Change in other financing sources-governmental obligation bonds | (49,770,000) |
| Change in unavailable contributions | 29,403,022 |

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

| | |
|---|----------|
| Change in paid leave | 46,040 |
| Change in post employment benefits | 958,125 |
| Change in interest expense on governmental obligation bonds | (76,804) |
| Change in debt service-principal payments | 571,171 |
| Change in debt service-interest payments | (8,353) |

The general fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

| | |
|---|-----------------------------|
| Amount by which Capital Outlays (\$3,573,055) exceeded depreciation (\$3,469,729) | 103,326 |
| Amount by which Capital Outlays for right-to-use leases/subscriptions (\$3,840,434) exceeded amortization expense (\$269,727) | <u>3,570,707</u> |
| CHANGE IN NET POSITION—Governmental activities | <u><u>\$ 21,098,648</u></u> |

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF NET POSITION—ENTERPRISE FUND**
SEPTEMBER 30, 2025**ASSETS****Current**

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 76,145,961 |
| Investments | 13,026,083 |
| Receivables | |
| Accounts and other | 4,303,812 |
| Accrued interest | 45,010 |
| Prepaid items | 2,612,860 |
| Lease receivable | |
| Current portion | 20,647 |
| Accrued interest | 138 |
| | |
| Total current assets | 96,154,511 |

Noncurrent

| | |
|--|---------------|
| Cash and cash equivalents for bond projects | 408,021,586 |
| Investments held for bond projects | 280,554,512 |
| Accrued interest receivable for bond projects | 3,176,143 |
| Cash and cash equivalents restricted | 6,901,616 |
| Cash and cash equivalents for debt service | 43,394,841 |
| Investments for debt service | 102,126,350 |
| Accrued interest receivable for debt service | 457,062 |
| Long term receivable | 19,300,300 |
| Capital Assets | |
| Land | 198,930,528 |
| Construction in progress | 555,100,449 |
| Depreciable capital assets—net of accumulated depreciation | 1,670,934,758 |
| Intangible assets—net of accumulated amortization | 1,967,953 |
| Right-to-use subscriptions-net of accumulated amortization | 2,560,173 |
| | |
| Total noncurrent assets | 3,293,426,271 |
| | |
| Total assets | 3,389,580,782 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--------------------------------------|------------|
| Deferred bond refunding-loss | 32,772,932 |
| Deferred outflow from OPEB | 908,137 |
| | |
| Total deferred outflows of resources | 33,681,069 |

(Continued)

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF NET POSITION—ENTERPRISE FUND**
SEPTEMBER 30, 2025**LIABILITIES**

| | |
|--|----------------|
| Current Liabilities | |
| Accounts payable | \$ 49,424,074 |
| Accounts payable restricted for customer contingency | 5,801,616 |
| Accounts payable for bond projects | 32,547,244 |
| Due to General Fund | 9,553,764 |
| Other liabilities | 9,519,843 |
| Other liabilities for bond projects | 20,807,644 |
| Revenue bonds payable | 76,980,000 |
| Payable from restricted assets—accrued bond interest payable | 6,529,661 |
| Subscriptions payable | 700,242 |
| Subscriptions accrued interest | 36,342 |
| Compensated absences | 1,776,127 |
| | <hr/> |
| Total current liabilities | 213,676,557 |
| Noncurrent Liabilities | |
| Other liabilities | 4,128,206 |
| Revenue bonds payable-net of premium | 2,220,395,419 |
| Subscriptions payable | 630,134 |
| Compensated absences | 3,294,184 |
| Long-term post employment benefits | 659,573 |
| | <hr/> |
| Total noncurrent liabilities | 2,229,107,516 |
| | <hr/> |
| Total liabilities | 2,442,784,073 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred bond refunding-gain | 5,948,950 |
| Deferred inflow from OPEB | 2,570,461 |
| Deferred inflow from leases | 42,160 |
| | <hr/> |
| Total deferred inflows of resources | 8,561,571 |
| NET POSITION | |
| Net investment in capital assets | 792,833,258 |
| Restricted for debt service | 140,548,592 |
| Unrestricted | 38,534,357 |
| | <hr/> |
| TOTAL NET POSITION | \$ 971,916,207 |

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | |
|---|------------------------|
| OPERATING REVENUES | |
| Sale of water | \$ 156,347,960 |
| Sale of system capacity | 9,138,331 |
| Contributions | 1,123,521 |
| Land lease rentals | 622,506 |
| Other | 1,322,362 |
| Total operating revenues | <u>168,554,680</u> |
| OPERATING EXPENSES | |
| General and administrative | 30,329,183 |
| Personnel services | 32,725,157 |
| Retirement plan contribution | 2,985,872 |
| Utilities | 13,222,580 |
| Depreciation and amortization | 46,175,573 |
| Total operating expenses | <u>125,438,365</u> |
| OPERATING INCOME | <u>43,116,315</u> |
| NONOPERATING INCOME/(LOSS) | |
| Sale of system capacity restricted for debt service | 46,727,076 |
| Investment income | 33,735,452 |
| Interest expense | (65,033,102) |
| Capital grants | 1,419 |
| Total net nonoperating revenues | <u>15,430,845</u> |
| NET INCOME | 58,547,160 |
| NET POSITION - Beginning of year | <u>913,369,047</u> |
| NET POSITION - End of year | <u>\$ 971,916,207</u> |

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF CASH FLOWS—ENTERPRISE FUND**
FOR THE YEAR ENDED SEPTEMBER 30, 2025**CASH FLOWS FROM OPERATING ACTIVITIES**

| | |
|---|-------------------|
| Receipts from water customers | \$ 163,606,244 |
| Contributions | 1,123,521 |
| Miscellaneous receipts | 1,981,221 |
| Payments to suppliers and contractors | (55,577,220) |
| Payments to employees for services | (37,342,272) |
| Receipts from General Fund | <u>10,222,406</u> |
| Net cash provided by operating activities | <u>84,013,900</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|--|--------------------|
| Proceeds from the sale of revenue bonds | 421,250,051 |
| Principal paid on revenue bonds payable | (68,440,000) |
| Interest paid on revenue bonds and contract payable | (70,863,841) |
| Receipts from system capacity customer restricted for debt service | 46,727,076 |
| Acquisition and construction of capital assets | (140,677,114) |
| Proceeds from capital grant | 1,419 |
| Principal payment on leases/subscriptions | <u>(422,435)</u> |
| Net cash provided by capital and related financing activities | <u>187,575,156</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|----------------------|
| Purchase of investments | (305,466,000) |
| Proceeds from sale and maturity of investments | 60,630,000 |
| Interest received on investments | <u>30,524,034</u> |
| Net cash used for investing activities | <u>(214,311,966)</u> |

| | |
|---|-----------------------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 57,277,090 |
| CASH AND CASH EQUIVALENTS - Beginning of year | <u>477,186,914</u> |
| CASH AND CASH EQUIVALENTS - End of year | <u>\$ 534,464,004</u> |

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | | |
|--|----|-------------------|
| Operating income | \$ | 43,116,315 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation & amortization expense | | 46,175,573 |
| Bond issuance cost considered financing activity | | 2,736,152 |
| OPEB amortization of deferred inflows | | (39,768) |
| Change in assets and liabilities | | |
| Accounts and other receivables | | (21,143,994) |
| Prepaid expenses | | 564,285 |
| Accounts payable | | 4,346,974 |
| Other liabilities | | (372,568) |
| Due to (from) other funds - net | | 10,222,406 |
| Compensated absences | | 128,575 |
| OPEB liability | | (1,720,050) |
| Net cash provided by operating activities | | |
| | \$ | <u>84,013,900</u> |

NONCASH ACTIVITIES

Record increase in accounts payable and other liabilities for bond projects of \$9,099,641 and \$5,024,689 respectively.

Record increase in fair value of investments and change in premium/discounts on investments to interest income of \$2,887,220 and (\$292,254) respectively.

Record Amortization of Gain/Loss of \$2,898,684.

Record decrease in Other Post Employment Benefits deferred outflow of resources of \$311,623 and increase in deferred inflow of resources of \$217,851 from the amortization of the deferred balances.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$39,768.

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

| | Other Post-Employment Benefits Trust Fund |
|---|--|
| ASSETS | |
| Cash and cash equivalents | \$ 539,175 |
| Equity Fund Investments | 14,275,211 |
| Fixed Income Fund Investments | 13,332,081 |
| Interest Receivable | <u>1,829</u> |
| Total Assets | <u>28,148,296</u> |
| NET POSITION | |
| Restricted and held in trust for Other Post-Employment Benefits | <u>28,148,296</u> |
| TOTAL FIDUCIARY NET POSITION | <u>\$ 28,148,296</u> |

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Other Post-Employment Benefits Trust Fund |
|--|--|
| ADDITIONS | |
| Employer Contributions | \$ 3,135,630 |
| Net Appreciation in Fair Value of Investments | 2,423,255 |
| Total Additions | <hr/> 5,558,885 |
| DEDUCTIONS | |
| Benefit Payments | 541,887 |
| Other Post Employment Benefits Plan Administrative Expense | 105,458 |
| Total Deductions | <hr/> 647,345 |
| Net Increase in Fiduciary Net Position | 4,911,540 |
| Fiduciary Net Position - Beginning of Year | <hr/> 23,236,756 |
| Fiduciary Net Position - End of Year | <hr/> \$ 28,148,296 |

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

TARRANT REGIONAL WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The statement of activities presents a comparison between direct expenses and program revenues of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental Funds - The General Fund is used to account for revenues and expenditures related to flood protection operations including floodway improvements and recreation activities. In fiscal year 2018, voters have approved the District to issue up to \$250 million in bonds to finance the remaining outstanding local share of the Central City Flood Control Project. As part of the \$250 million, the District created a \$150 million Extendable Commercial Paper Bond Program that provides efficient flexibility for the Central City Flood Control Project. During fiscal year 2025, the District issued an additional \$50 million in long-term debt for this project, bringing the total issued to \$100 million. The Capital Projects Fund was created to account for the Central City Flood Control Project and the Debt Service Fund was created to manage debt service.

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

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

The governmental funds report using the current financial resources measurement focus. The reported fund balance is considered a measure of "available spending resources" and the operating statement presents increases (revenues) and decreases (expenditures) in fund balance. Accordingly, it is said to present a summary of sources and uses of "available spendable resources" during a period.

Proprietary Fund - The Enterprise Fund, the only proprietary fund reported by the District, is used to account for revenues and expenses relating to maintenance and operation of the water supply system. Currently, the District has outstanding Construction and Improvement Water Revenue Bonds which provide funding for large infrastructure type projects. The District also has a \$400 million Extendable Commercial Paper Bond Program that provides efficient flexibility for those large projects. This program is separate from the Governmental Extendable Commercial Paper Bond Program.

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

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

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

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

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

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

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

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

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

Lease Receivables - The District is a lessor for several noncancelable leases consisting of one building and several land and equipment leases. The District recognized lease receivables and deferred inflows of resources in the government-wide and fund level financial statements. At the commencement of a lease, the District initially measures the lease receivables at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivables, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivables is composed of fixed payments from the lessee. The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivables. Lease receivables and deferred inflows of resources are reported on the statement of net position.

Long Term Receivables - For Governmental Activities during the fiscal year 2025, the District made expenditures on behalf of the City of Fort Worth Tax Increment Reinvestment Zone #9 and 9A (TIF), a project partner in the Central City Flood Control Project under a Project Cost Funding Agreement between the District and the TIF. Under the agreement the District is advancing funds for the Central City Flood Control Project that would normally be paid by the TIF for costs related to the Project Plan.

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

During fiscal year 2025, the District expended an additional \$33.0 million under the agreement bringing the total amount expended to \$327.1 million . As of the end of fiscal year 2025, the TIF had repaid \$77.9 million, including \$7.5 million collected in fiscal year 2025 bringing the net loan amount to \$249.2 million.

For Business-Type Activities during the fiscal year 2025, the District entered into an agreement with Oncor Electric Delivery Company LLC (Oncor) to build an electrical transmission line and metering substation for high voltage electric service to the Lake Palestine Pump Station for the IPL Project. As part of this agreement, the District paid Oncor the current projected cost of \$21.5 million, of which \$19.5 million will be refunded to the District less the contribution in aid of construction of \$200 thousand. A long term receivable was recorded for \$19.3 million which will be received after the required level of operation has been achieved (currently anticipated in fiscal year 2028). The long term receivable is an estimate and will be evaluated annually.

Interfund Transactions - Certain governmental fund expenditures are allocated to the Enterprise Fund. The allocation is based on time and effort for the benefit of the Enterprise Fund by General Fund employees. Refer to Note 11 for further detail about interfund transactions.

Prepaid Items - Certain payments to vendors reflect services that will occur throughout future accounting periods. These payments are recorded as prepaid items in both government-wide and fund financial statements and follow the consumption method, the expense is recognized proportionately over the periods that the service is provided.

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

Deposits Held by Others - In September 2016 there was a conveyance of real estate made between Luminant Generation Company LLC (Luminant) and the District. As a requirement of the conveyance, \$5.5 million was deposited into a fund that was established by a Financial Assurance Agreement between the Texas Commission on Environmental Quality (TCEQ) and the District. The fund is held at the Texas Comptroller's Texas Treasury Safekeeping Trust Company (TTSTC) to ensure the completion of the TCEQ environmental requirements for the Luminant site. It was further agreed that the District could apply to TCEQ for a withdrawal of up to \$80 thousand per year for reimbursement of the actual costs of the prior year's post-closure care and maintenance related to the Luminant site for a period of 10 years. The fund earns interest and incurs fees and the balance as of September 30, 2025 is \$6.2 million.

Capital Assets - Capital assets, which include property, plant, equipment, construction in progress, infrastructure assets and intangible assets, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements and in the fund financial

statements for the Enterprise Fund. The District capitalizes all machinery and equipment capital purchases greater than or equal to \$10 thousand and all other assets purchased which cost \$20 thousand or greater.

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

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

| | |
|---------------------------|--------------|
| Communications | 50 years |
| Dams and spillways | 50 years |
| Flood control projects | 50 years |
| Pipeline | 50 years |
| Wetlands | 50 years |
| Other project costs | 50 years |
| Buildings | 20 years |
| Technology infrastructure | 10 years |
| Machinery and equipment | 5 years |
| Leases | 1 - 10 years |

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

Lease Payables - The District is a lessee for noncancelable leases of one building. The District recognized a lease liability and an intangible right-to-use asset (RTU asset) in the government-wide

financial statements. The District recognized lease liabilities with an initial value of \$10 thousand or more for machinery and equipment and \$20 thousand or more for all other assets. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The RTU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the RTU asset is amortized on a straight-line basis over its lease term. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the RTU asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITAs) Payables- The District has noncancellable contracts of three to four years with SBITA suppliers for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- a) The District uses the interest rate charged by the SBITA supplier as the discount rate. When the interest rate charged by the SBITA supplier is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- b) The subscription term includes the noncancellable period of the SBITA.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Compensated Absences - Eligible District employees are granted compensated absences in specified amounts. In the event of separation from the District, an employee is compensated for all accumulated unused paid leave. Compensated absences are reflected in other liabilities in the accompanying basic financial statements. The District adopted a Last-In, First-Out (LIFO) flow of funds methodology when recording the liability. The change in compensated absences during the year are shown below:

| | Balance at | | | Balance at | | | Due Within One Year |
|--------------------------|---------------------|---------------------|---------------------|---------------------|--|--|------------------------|
| | October 1, 2024 | Additions | Deletions | September 30, 2025 | | | |
| Governmental Activities | \$ 1,560,548 | \$ 540,260 | \$ 586,300 | \$ 1,514,508 | | | \$ 530,531 |
| Business-type Activities | 4,941,736 | 2,091,406 | 1,962,831 | 5,070,311 | | | 1,776,127 |
| Total | \$ 6,502,284 | \$ 2,631,666 | \$ 2,549,131 | \$ 6,584,819 | | | \$ 2,306,658 |

Compensated absences increased by \$83 thousand in fiscal year 2025 when compared to fiscal year 2024. During fiscal year 2025, more hours were accrued than taken and additional employees were hired throughout the year.

Pollution Remediation Obligations - The District has an environmental financial obligation for property purchased through September 30, 2025. Properties purchased during fiscal year 2025 were screened for potential environmental concerns based upon available records, assessments and other actions. No properties purchased in fiscal year 2025 were identified requiring pollution remediation.

Based upon the Phase I, Phase II, or other site investigations completed to date, one property still requires remediation and is classified as high or moderate risk. As of September 30, 2025, the pollution remediation obligation amounted to \$6.0 million. The Deposits Held by Others balance discussed above are to be used towards this property's pollution remediation obligation.

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

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

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

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

Program Revenue - Operating Contributions - During 2025, the District received contributions of \$30.7 million mainly due to contributions for the Central City Flood Control Project, the Water Conservation campaign, as well as sponsorships for several events. The Water Conservation campaign focuses on increasing the public's awareness of water efficient practices.

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

Water Revenues - Water rates charged to customers during each year are based on budgeted operating expenses, revenue bond debt service requirements, and estimated customer water usage. Subsequent to year-end, calculations of adjusted water rates based on actual usage and costs are made and either billed or credited to customer accounts as of year-end. While the actual results could differ from the estimate calculated, management normally does not expect the difference to be material to the financial statements. The calculated year-end adjustments for 2025 resulted in an estimated \$12.6 million due to the customers, which is reflected in the accounts payable balance in the Enterprise Fund. The District has not experienced any credit losses resulting from its sale of water.

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

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

In fiscal year 2025, the District's ad valorem tax rate was \$0.0267 per \$100 valuation. Collections of the current year's levy are reported as current collections if received by June 30th (within nine months of the October 1st due date). Collections received thereafter are reported as delinquent collections.

Generally, property taxes, net of amounts estimated to be uncollectible, are recorded as a receivable on the assessment date and recognized as revenue when they become available (collected within 60 days of year-end). The allowance for uncollectible taxes as of September 30, 2025 was \$230 thousand. Under GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded

when the entity has enforceable legal claim to the asset, or when the District receives resources, whichever comes first. The assessment date has been designated at a date subsequent to fiscal year-end.

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

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

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

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

The nonspendable fund balance includes assets that will never convert to cash, such as inventory and prepaid items. At September 30, 2025, the General Fund had a nonspendable fund balance in the amount of \$2.0 million and the Capital Projects fund had a balance in the amount of \$9 thousand.

The restricted fund balance is the portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District at September 30, 2025. At September 30, 2025, the General Fund had a restricted fund balance in the amount of \$6.2 million for environmental cleanup on a District property. The Capital Projects Fund has a restricted fund balance in the amount of \$30.2 million for the proceeds from the Series 2024 and Series 2025 Unlimited Tax Bonds restricted for use on the Central City Flood Control Project.

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

These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. At September 30, 2025, the District had no committed fund balance.

The assigned fund balance is the portion of fund balance that reflects resources intended for a specific purpose. Intent is expressed or authorized by Board of Directors. At September 30, 2025, the General Fund had an assigned fund balance in the amount of \$28.0 million for the Reserve Policy and \$133.5 million for the Contingency Fund (\$7.5 million assigned for fiscal year 2026 debt service and \$126.0 million assigned for future board designated projects). The Debt Service Fund has an assigned fund balance in the amount of \$9 thousand for debt service related costs.

The unassigned fund balance is the portion of fund balances in excess of nonspendable, restricted, committed, and assigned. The unassigned fund balance for the General Fund was \$10.1 million. Spending Prioritization in Using Available Resources - When both restricted and unrestricted (i.e. restricted, committed, assigned, and unassigned) resources are available to be used for the same purpose, the District considers the restricted resources to be expended first. When all categories of fund balance are available, the flow assumption is as follows: the restricted resources get expended first, the assigned resources get expended second, and the unassigned resources get expended last.

Governmental Accounting Standards Board Statements Implemented in Current Fiscal Year -

During the fiscal year, two GASB Statements became effective for the District. GASB Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*, became effective for the District with no effect on the District's financial statements.

2. REVENUES FROM THE SALE OF WATER

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

Sales of water to four government entities (Cities of Fort Worth, Mansfield, Arlington, and the Trinity River Authority of Texas) accounted for approximately 88% of the District's water sales for the year ended September 30, 2025. Charges to such entities are in amounts primarily equivalent to each entity's share (based on quantities of raw water received) of operating and maintenance costs and the debt service requirements of the District's revenue bonds.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash - The balance per bank of cash on deposit for the District at September 30, 2025 was \$1.8 million in JPMorgan Chase and \$1.0 million in PlainsCapital and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$1.8 million at JPMorgan Chase and \$1.0 million at PlainsCapital. At September 30, 2025, the District also held petty cash of \$500.

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

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

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

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

General Fund -

General Fund - three years
Debt Service Fund - six months
Capital Projects Fund- three years

Enterprise Fund -

Revenue sub-fund - nine months
Construction sub-fund - three years with a strategy determined on a project-by-project basis
Interest and Redemption sub-fund - six months
Reserve sub-fund - not to exceed the date of the District's last maturing revenue bond
Contingency sub-fund - three years

Concentration of Credit Risk - The District places no limit on the amount it may invest in one issuer. Approximately 61% of the District's investments are held in Federal securities including: Federal Agricultural Mortgage Corporation, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. The remaining 39% of the District's investments are held in U.S. Treasury Notes.

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

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

Public Funds Collateral Act - Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk. As of September 30, 2025, the District's bank balance of \$2.8 million was not exposed to custodial credit risk and was insured and over-collateralized.

Fair Value of Investments - Fair value represents the price at which a security could be exchanged in a current transaction between willing parties, excluding forced liquidation scenarios. During fiscal year 2025, the District's investment portfolio increased in fair value due to a substantial portion of bond proceeds strategically invested to align with our cashflow needs. Combined with our investment strategy, favorable market conditions throughout the fiscal year caused unrealized losses to further decrease from \$6.2 million on September 30, 2024, to \$3.3 million on September 30, 2025.

As a standard practice, the District buys and holds investments. Consequently, while the financial statements include the required unrealized fair value adjustments, these losses would only be realized if the investments were sold prior to maturity.

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

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

| | <u>9/30/2025</u> | <u>Weighted Avg. Maturity (Years)</u> | <u>S & P Rating</u> | <u>Fair Value Measurements Using Significant Other Observable Inputs (Level 2)</u> |
|---|-------------------------------|---|-----------------------------|--|
| Investments | | | | |
| Federal Agricultural Mortgage Corp | \$ 5,006,304 | 6.50 | AA+ | \$ 5,006,304 |
| Federal Farm Credit Bank | 80,762,821 | 1.18 | AA+ | 80,762,821 |
| Federal Home Loan Bank | 134,712,005 | 1.90 | AA+ | 134,712,005 |
| Federal Home Loan Mortgage Corp | 47,264,205 | 1.61 | AA+ | 47,264,205 |
| Federal National Mortgage Association | 17,624,346 | 1.27 | AAA | 17,624,346 |
| U.S. Treasury Notes | 185,316,070 | 0.86 | AA+ | 185,316,070 |
| Total investments | <u>470,685,751</u> | | | <u>470,685,751</u> |
| Investment pools | | | | |
| LOGIC (net asset value) | 229,137,775 | N/A | AAA-m | N/A |
| Texpool (net asset value) | 426,632,095 | N/A | AAA-m | N/A |
| Total investment pools | <u>655,769,870</u> | | | <u>655,769,870</u> |
| Total investments and cash equivalents | <u>\$1,126,455,621</u> | | | <u>\$ 470,685,751</u> |

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

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

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

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

The District has no unfunded commitments to LOGIC or Texpool and may redeem investments at any time. Sandra Newby, the District's Chief Financial Officer, is the President of the LOGIC Board of Directors.

OPEB Trust Fund Cash, Cash Equivalents, and Investments

The balance per bank of cash on deposit in the Trust Fund and the carrying value was zero as of September 30, 2025. See below for the detail of investments held as of the end of fiscal year 2025.

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

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

| | | Fair Value Measurements Using Significant Other Observable Inputs (Level 1) |
|---|----------------------|--|
| | 9/30/2025 | |
| Investments | | |
| Money Market Funds | | |
| First AM Govt | \$ 539,175 | N/A |
| Equity Funds | | |
| Fidelity Total Market Index Fund | 8,607,923 | 8,607,923 |
| iShares Global Infrastructure ETF | 713,881 | 713,881 |
| iShares Core MSCI Total ETF | 4,321,329 | 4,321,329 |
| Vanguard Real Estate ETF | 632,078 | 632,078 |
| Fixed Income Funds | | |
| iShares Core US Agg Bond ETF | 12,336,464 | 12,336,464 |
| SPDR Portfolio High Yield Bond ETF | 995,617 | 995,617 |
| Total Investments and Cash Equivalents | \$ 28,146,467 | |

Money Market Fund (First Am Govt) which is valued at Net Asset Value (NAV) and therefore are excluded from leveling above. Equity funds and fixed income funds are valued as level 1 of the fair value hierarchy and are valued using quoted prices in active markets in which transactions for identical assets occur with sufficient frequency and volume to provide pricing on an ongoing basis. See discussion earlier in this note regarding inputs for each level.

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

4. LEASE RECEIVABLES

During fiscal year 2025, the District leased out some of its property, including one building, several parcels of land, and communications towers. The District recognized \$366 thousand in lease revenue and \$69 thousand in interest revenue during the fiscal year 2025 related to these leases. The District received \$420 thousand in lease payments, \$384 thousand in principal and \$36 thousand in interest. As of September 30, 2025, the District's total lease receivable for lease payments was \$2.5 million for Governmental and Enterprise funds. Also, the District has a deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term. As of September 30, 2025, the balance of the deferred inflows of resources was \$2.5 million.

5. CAPITAL ASSETS

A summary of changes in capital assets governmental activities:

| | October 1, 2024 | Additions/ Adjustments | Disposals/ Adjustments | Reclassification & Transfers | September 30, 2025 |
|--|-----------------------|---------------------------|---------------------------|---------------------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| NONDEPRECIABLE ASSETS | | | | | |
| Land | \$ 279,972,869 | \$ 451,340 | \$ | \$ 251,332 | \$ 280,675,541 |
| Construction in progress | 79,664,417 | 5,226,681 | | (1,078,559) | 83,812,539 |
| TOTAL NONDEPRECIABLE ASSETS | 359,637,286 | 5,678,021 | — | (827,227) | 364,488,080 |
| DEPRECIABLE/AMORTIZABLE ASSETS | | | | | |
| Dams and spillways | 3,070,461 | | | | 3,070,461 |
| Buildings | 50,328,983 | 145,725 | | 827,227 | 51,301,935 |
| Machinery and equipment | 13,182,569 | 836,444 | | | 14,019,013 |
| Flood control projects | 10,569,192 | | | | 10,569,192 |
| Right-to-use building lease | 740,774 | | (83,934) | | 656,840 |
| Right-to-use subscriptions | | 753,299 | | | 753,299 |
| | 77,891,979 | 1,735,468 | (83,934) | 827,227 | 80,370,740 |
| Less accumulated depreciation/amortization for | | | | | |
| Dams and spillways | (1,270,742) | (62,200) | | | (1,332,942) |
| Buildings | (29,199,464) | (2,460,985) | | | (31,660,449) |
| Machinery and equipment | (10,623,112) | (898,471) | | | (11,521,583) |
| Flood control projects | (8,213,665) | (49,073) | | | (8,262,738) |
| Right-to-use leases/subscriptions | (437,178) | (268,727) | | | (705,905) |
| Total accumulated depreciation/amortization | (49,744,161) | (3,739,456) | — | — | (53,483,617) |
| TOTAL DEPRECIABLE & AMORTIZABLE ASSETS, NET | 28,147,818 | (2,003,988) | (83,934) | 827,227 | 26,887,123 |
| TOTAL GOVERNMENTAL ACTIVITIES, NET | \$ 387,785,104 | \$ 3,674,033 | \$ (83,934) | \$ — | \$ 391,375,203 |

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

| | <u>Total</u> |
|---|---------------------|
| Governmental activities | |
| Flood protection | <u>\$ 3,739,456</u> |
| Total governmental activities depreciation/amortization expense | <u>\$ 3,739,456</u> |

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

| | October 1, 2024 | Additions/ Adjustments | Disposals/ Adjustments | Reclassification & Transfers | September 30, 2025 |
|--|------------------------|---------------------------|---------------------------|---------------------------------|------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| NONDEPRECIABLE ASSETS | | | | | |
| Land | \$ 198,822,862 | \$ 723,239 | \$ | \$ (615,573) | \$ 198,930,528 |
| Construction in progress | 408,128,130 | 149,472,455 | | (2,500,136) | 555,100,449 |
| TOTAL NONDEPRECIABLE ASSETS | 606,950,992 | 150,195,694 | — | (3,115,709) | 754,030,977 |
| DEPRECIABLE/AMORTIZABLE ASSETS | | | | | |
| Dams and spillways | 234,543,120 | | | | 234,543,120 |
| Pipeline | 1,739,664,692 | 128,179 | | 1,418,442 | 1,741,211,313 |
| Wetlands | 56,160,860 | | | | 56,160,860 |
| Buildings | 7,854,201 | 323,189 | | 1,274,615 | 9,452,005 |
| Technology Infrastructure | 3,865,282 | | | | 3,865,282 |
| Machinery and equipment | 14,588,066 | 2,695,759 | | 422,652 | 17,706,477 |
| Other project costs | 193,072,352 | | | | 193,072,352 |
| Internally developed asset management systems (intangible) | 3,935,906 | | | | 3,935,906 |
| Right-to-Use SBITA | | 3,211,434 | | | 3,211,434 |
| | 2,253,684,479 | 6,358,561 | — | 3,115,709 | 2,263,158,749 |
| Less accumulated depreciation/amortization for | | | | | |
| Dams and spillways | (149,955,883) | (4,329,862) | | | (154,285,745) |
| Pipeline | (319,422,849) | (32,413,299) | | | (351,836,148) |
| Wetlands | (12,901,996) | (973,117) | | | (13,875,113) |
| Buildings | (6,432,265) | (580,808) | | | (7,013,073) |
| Technology Infrastructure | (1,645,174) | (399,027) | | | (2,044,201) |
| Machinery and equipment | (12,825,133) | (990,372) | | | (13,815,505) |
| Other project costs | (36,762,630) | (5,444,236) | | | (42,206,866) |
| Internally developed asset management systems (intangible) | (1,574,362) | (393,591) | | | (1,967,953) |
| Right-to-Use SBITA | | (651,261) | | | (651,261) |
| Total accumulated depreciation/amortization | (541,520,292) | (46,175,573) | — | — | (587,695,865) |
| TOTAL DEPRECIABLE/AMORTIZABLE ASSETS, NET | 1,712,164,187 | (39,817,012) | — | 3,115,709 | 1,675,462,884 |
| TOTAL BUSINESS-TYPE ACTIVITIES, NET | \$2,319,115,179 | \$110,378,682 | \$ — | \$ — | \$2,429,493,861 |

6. RETIREMENT PLAN

Plan Description and Provisions — In 1997, the District adopted a defined contribution benefit plan, the benefits of which depend solely on amounts contributed to the plan plus investment earnings. All full-time employees over the age of 18 are eligible to participate in the plan from the date of employment, and benefits are 20% vested for each year of service up to five years of service. Benefit provisions and all other requirements are established by state statute and the District's Board of Directors. The District contributes 13% of each eligible employee's base salary, 13% of two-thirds of any applicable overtime wages and 13% of awarded production bonuses (if applicable) on a bi-weekly basis to the plan's Administrator, Mission Square Retirement, formerly known as ICMA Retirement Trust. Employees may make additional voluntary after tax contributions. District contributions for and interest forfeited by employees who leave employment before becoming fully vested are evenly allocated to the other employee accounts. The plan's normal retirement age is 60 years with early retirement eligibility at 55 years of age with five years of service. During fiscal year 2025 the District made contributions of \$4.9 million under this plan.

7. NOTE PAYABLE

During fiscal year 2022, the District entered into an interlocal cooperation agreement with North Central Texas Council of Governments to repay \$3.5 million in a loan on the Central City Flood Control Project related to the construction of the bridges. The loan is non-interest bearing and will be paid back over 10 years at \$350 thousand per year. A summary of long-term note transactions of the District for the year ended September 30, 2025 is shown below:

| | Balance at | | Balance at | | Due Within One Year |
|---------------------------------------|---------------------|-------------|-------------------|---------------------|------------------------|
| | October 1, 2024 | Additions | Deletions | September 30, 2025 | |
| <u>Governmental Activities</u> | | | | | |
| Note payable | \$ 2,800,000 | \$ | \$ 350,000 | \$ 2,450,000 | \$ 350,000 |
| Total Governmental Activities | <u>\$ 2,800,000</u> | <u>\$ —</u> | <u>\$ 350,000</u> | <u>\$ 2,450,000</u> | <u>\$ 350,000</u> |

The future principal note payments as of September 30, 2025 were as follows:

| Years Ending September 30th | Principal | Interest | Total |
|--------------------------------|---------------------|-------------|---------------------|
| 2026 | \$ 350,000 | \$ | \$ 350,000 |
| 2027 | 350,000 | | 350,000 |
| 2028 | 350,000 | | 350,000 |
| 2029 | 350,000 | | 350,000 |
| 2030 | 350,000 | | 350,000 |
| 2031 - 2032 | 700,000 | | 700,000 |
| | <u>\$ 2,450,000</u> | <u>\$ —</u> | <u>\$ 2,450,000</u> |

8. BONDS PAYABLE

A summary of long-term bond transactions (excluding original issue premiums) of the District for the year ended September 30, 2025 is shown below:

| | Balance at Oct. 1, 2024 | Additions | Deletions | Balance at Sept. 30, 2025 | Due Within One Year |
|---|----------------------------|-----------------------|----------------------|------------------------------|------------------------|
| <u>Governmental Activities</u> | | | | | |
| TRWD Bonds | \$ 48,940,000 | \$ 49,770,000 | \$ _____ | \$ 98,710,000 | \$ 130,000 |
| Total Construction and improvement Bonds | <u>\$ 48,940,000</u> | <u>\$ 49,770,000</u> | <u>\$ _____</u> | <u>\$ 98,710,000</u> | <u>\$ 130,000</u> |
| <u>Business-type Activities</u> | | | | | |
| TRWD Bonds | \$ 798,315,000 | \$ _____ | \$32,210,000 | \$ 766,105,000 | \$33,740,000 |
| TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) | 502,200,000 | 408,570,000 | 17,960,000 | 892,810,000 | 24,580,000 |
| Bonds from Direct Borrowings (TRWD Bonds) | 237,630,000 | _____ | 8,390,000 | 229,240,000 | 8,575,000 |
| Bonds from Direct Borrowings (City of Dallas Water Utilities Project) | <u>359,770,000</u> | <u>_____</u> | <u>9,880,000</u> | <u>349,890,000</u> | <u>10,085,000</u> |
| Total Construction and Improvement Bonds | <u>\$ 1,897,915,000</u> | <u>\$ 408,570,000</u> | <u>\$ 68,440,000</u> | <u>\$2,238,045,000</u> | <u>\$ 76,980,000</u> |

Series 2024 Water Revenue Refunding Bonds currently has \$162.3 million in defeased debt outstanding related to the Series 2020 Revenue Bonds (\$47.1 million) and Series 2020B Revenue Bonds (\$115.2 million). This debt will be fully redeemed in fiscal year 2036.

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

DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2025

| Bond Type | Maturity | Interest Rates | Outstanding Balance |
|--|-----------------------|-----------------------|----------------------------|
| <u>Governmental Activities</u> | | | |
| <u>Tarrant Regional Water District Bonds</u> | | | |
| \$48,940,000 Series 2024 Unlimited Tax Bonds | Serially through 2055 | 4.0 - 5.0% | \$ 48,940,000 |
| \$49,770,000 Series 2025 Unlimited Tax Bonds | Serially through 2055 | 4.6 - 5.0% | 49,770,000 |
| Total Tarrant Regional Water District Bonds (Governmental Activities) | | | <u>98,710,000</u> |
| Add premium (net of accumulated amortization) | | | 2,232,951 |
| | | | <u>100,942,951</u> |
| Less Current Portion | | | (130,000) |
| Total long term general obligation bonds payable, net of premium (Governmental Activities) | | | <u>\$ 100,812,951</u> |
| <u>Business-type Activities</u> | | | |
| <u>Tarrant Regional Water District Bonds</u> | | | |
| \$156,470,000 Series 2015 Water Revenue Refunding Bonds | Serially through 2029 | 2.0 - 5.0% | \$ 58,765,000 |
| \$300,000,000 Series 2015A Waterworks Revenue Bonds (Direct) | Serially through 2045 | 0.5 - 3.2% | 229,240,000 |
| \$28,530,000 Series 2016 Water Systems Revenue Bonds | Serially through 2046 | 3.0 - 5.0% | 22,690,000 |
| \$61,910,000 Series 2016A Water Revenue Refunding Bonds | Serially through 2032 | 2.0 - 5.0% | 39,465,000 |
| \$52,765,000 Series 2017 Water Revenue Refunding Bonds | Serially through 2040 | 2.0 - 5.0% | 46,915,000 |
| \$129,570,000 Series 2020 Water Revenue Refunding Bonds | Serially through 2052 | 1.7 - 3.1% | 72,460,000 |
| \$386,680,000 Series 2020B Water Revenue Refunding Bonds | Serially through 2049 | 0.8 - 3.0% | 175,155,000 |
| \$38,105,000 Series 2020C Water Revenue Refunding Bonds | Serially through 2030 | 4.0 - 5.0% | 22,860,000 |
| \$46,510,000 Series 2022 Water Revenue Bonds | Serially through 2052 | 4.0 - 5.0% | 44,420,000 |
| \$288,885,000 Series 2024, Water Revenue Refunding Bonds | Serially through 2054 | 4.0 - 5.0% | 283,375,000 |
| Total Tarrant Regional Water District Bonds | | | <u>995,345,000</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | |
| \$140,000,000 Series 2015 Dallas Contract Revenue Bonds (Direct) | Serially through 2045 | 0.5 - 3.2% | 106,645,000 |
| \$240,025,000 Series 2021A Dallas Contract Revenue Bonds | Serially through 2051 | 2.0 - 4.0% | 218,775,000 |
| \$298,395,000 Series 2021B Dallas Contract Revenue Refunding Bonds | Serially through 2044 | 0.15 - 2.45% | 265,465,000 |
| \$255,000,000 Series 2022 Dallas Contract Revenue Bonds (Direct) | Serially through 2052 | 2.78 - 4.17% | 243,245,000 |
| \$408,570,000 Series 2025 Dallas Contract Revenue Bonds | Serially through 2055 | 4.0 - 5.0% | <u>408,570,000</u> |
| Total TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) | | | <u>1,242,700,000</u> |
| Total Construction and Improvement Bonds (Business-type Activities) | | | 2,238,045,000 |
| Add premium (net of accumulated amortization) | | | 59,330,419 |
| | | | <u>2,297,375,419</u> |
| Less current portion | | | (76,980,000) |
| Total long term revenue bonds payable, net of premium (Business-type Activities) | | | <u>\$ 2,220,395,419</u> |

The annual requirements to amortize all bonds outstanding as of September 30, 2025 including interest payments are approximately as follows:

| Years ending September 30th (in thousands) | Bonds | | | Bonds from Direct Borrowings | | |
|---|---------------------|-------------------|---------------------|------------------------------|-------------------|-------------------|
| | Principal | Interest | Requirements | Principal | Interest | Requirements |
| <u>Governmental Activities</u> | | | | | | |
| <u>Tarrant Regional Water District Bonds</u> | | | | | | |
| 2026 | \$ 130 | \$ 4,463 | \$ 4,593 | \$ | \$ | \$ |
| 2027 | 235 | 4,511 | 4,746 | | | |
| 2028 | 245 | 4,499 | 4,744 | | | |
| 2029 | 250 | 4,487 | 4,737 | | | |
| 2030 | 260 | 4,474 | 4,734 | | | |
| 2031-2035 | 2,615 | 22,168 | 24,783 | | | |
| 2036-2040 | 15,230 | 20,354 | 35,584 | | | |
| 2041-2045 | 21,080 | 16,027 | 37,107 | | | |
| 2046-2050 | 26,125 | 10,968 | 37,093 | | | |
| 2051-2055 | 32,540 | 4,556 | 37,096 | | | |
| Total Governmental Activities | <u>98,710</u> | <u>96,507</u> | <u>195,217</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>Business-Type Activities</u> | | | | | | |
| <u>Tarrant Regional Water District</u> | | | | | | |
| 2026 | 33,740 | 31,020 | 64,760 | 8,575 | 6,635 | 15,210 |
| 2027 | 35,450 | 29,333 | 64,783 | 8,780 | 6,454 | 15,234 |
| 2028 | 37,135 | 27,529 | 64,664 | 9,000 | 6,252 | 15,252 |
| 2029 | 38,955 | 25,634 | 64,589 | 9,245 | 6,028 | 15,273 |
| 2030 | 36,575 | 23,779 | 60,354 | 9,500 | 5,785 | 15,285 |
| 2031-2035 | 162,930 | 93,962 | 256,892 | 51,915 | 24,737 | 76,652 |
| 2036-2040 | 126,945 | 62,224 | 189,169 | 60,690 | 16,317 | 77,007 |
| 2041-2045 | 126,895 | 39,922 | 166,817 | 71,535 | 5,892 | 77,427 |
| 2046-2050 | 126,960 | 17,308 | 144,268 | | | |
| 2051-2054 | 40,520 | 2,476 | 42,996 | | | |
| | <u>766,105</u> | <u>353,187</u> | <u>1,119,292</u> | <u>229,240</u> | <u>78,100</u> | <u>307,340</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | | | | |
| 2026 | 24,580 | 28,597 | 53,177 | 10,085 | 12,416 | 22,501 |
| 2027 | 25,280 | 27,952 | 53,232 | 10,305 | 12,163 | 22,468 |
| 2028 | 26,075 | 27,242 | 53,317 | 10,540 | 11,894 | 22,434 |
| 2029 | 26,935 | 26,493 | 53,428 | 10,790 | 11,611 | 22,401 |
| 2030 | 27,800 | 25,673 | 53,473 | 11,050 | 11,310 | 22,360 |
| 2031-2035 | 152,410 | 115,507 | 267,917 | 59,780 | 51,458 | 111,238 |
| 2036-2040 | 177,010 | 91,996 | 269,006 | 69,555 | 40,834 | 110,389 |
| 2041-2045 | 172,340 | 63,301 | 235,641 | 82,230 | 27,158 | 109,388 |
| 2046-2050 | 139,955 | 39,076 | 179,031 | 58,850 | 13,079 | 71,929 |
| 2051-2055 | 120,425 | 14,584 | 135,009 | 26,705 | 1,680 | 28,385 |
| | <u>892,810</u> | <u>460,421</u> | <u>1,353,231</u> | <u>349,890</u> | <u>193,603</u> | <u>543,493</u> |
| Total Business-Type Activities | <u>\$ 1,658,915</u> | <u>\$ 813,608</u> | <u>\$ 2,472,523</u> | <u>\$ 579,130</u> | <u>\$ 271,703</u> | <u>\$ 850,833</u> |

Bonded debt of the District consists of water revenue refunding bonds and revenue bonds, which are secured by and payable from net revenues of the District. Certain revenue bond issues contain provisions that allow the District to prepay or call the bonds. On March 18, 2025, the District issued \$400 million of Series 2025 Contract Revenue Bonds (City of Dallas Project) to fund projects costs associated with the Dallas Project Component of the integrated pipeline serving both the City and the District. Additionally, on September 9, 2025, the District issued \$50 million of Series 2025 Unlimited Tax Bonds to fund project costs related to the flood control and drainage facilities.

Specifically, revenues (net of operating expenses) of the District's water operations have been pledged for repayment of the District's revenue bonds. The amount of the pledge is equal to the remaining outstanding debt service requirements for those bonds, which were all originally issued to provide funding for construction of the water system. The pledge continues for the life of the bonds. For the year ended September 30, 2025, pledged revenues for the Tarrant Regional Water District Revenue Bonds were \$99.0 million which offsets debt service requirements for the year of \$74.5 million.

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

The TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) are Dallas Water Utilities' share of the Integrated Pipeline (IPL) Project, which is currently estimated at \$1.6 billion. Under the IPL Project Contract, the City of Dallas has requested and authorized the District to issue contract revenue bonds (the Dallas Contract Revenue Bonds) secured solely by payments from the City of Dallas to the District under the IPL Project Contract. Such Dallas Contract Revenue Bonds shall be in such amounts and issued at such times as determined by the District, in consultation with the City of Dallas to finance the City of Dallas' share of the design and construction of the IPL Project. All such payments by the City of Dallas to the District will constitute operating expenses of the Dallas Water Utilities System and System Capacity revenues of the District. The District has issued and will continue to issue Dallas Contract Revenue Bonds to pay the City of Dallas' share of the total capital cost of the IPL Project. Future Dallas Contract Revenue Bonds will be issued as determined by the District in consultation with the City of Dallas. However, the IPL Project Contract gives the District specific authority to issue Dallas Contract Revenue Bonds without any additional City approval in the event the City of Dallas fails to take certain actions. No payments from the City of Dallas to the District under the IPL Project Contract are pledged to the payment of the District's System Revenue Bonds. For the year ended September 30, 2025, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) were \$67.9 million which offsets debt service requirements for the year of \$59.0 million.

Extendible Commercial Paper Bonds

In fiscal year 2016 the District implemented an Extendible Commercial Paper Bonds Program Series A in the amount of \$150 million for the benefit of enterprise fund projects and capital needs. In fiscal year 2018 the District implemented an additional Extendible Commercial Paper Bonds Program Series B in the amount of \$150 million for the benefit of the general fund Central City Flood Control Project. In fiscal year 2025 the District authorized an additional \$250 million to the Extendible Commercial Paper Bonds Program Series A, bringing the total to \$400 million. During fiscal year 2025, no commercial paper bonds were issued and none were outstanding as of September 30, 2025.

9. LEASE PAYABLES

During fiscal year 2025, the District leased one building. As of September 30, 2025, the value of the lease liability was \$111 thousand. The District made principal and interest payments of \$124 thousand. The balance of the right-to-use asset as of September 30, 2025 was \$657 thousand net of accumulated amortization of \$553 thousand.

| | Balance at | | Balance at | | Due Within One Year |
|---------------------------------------|-------------------|-------------|-------------------|--------------------|---------------------------|
| | October 1, 2024 | Additions | Deletions | September 30, 2025 | |
| <u>Governmental Activities</u> | | | | | |
| Leases | \$ 317,066 | \$ | \$ 206,016 | \$ 111,050 | \$ 102,463 |
| Total Governmental Activities | <u>\$ 317,066</u> | <u>\$ —</u> | <u>\$ 206,016</u> | <u>\$ 111,050</u> | <u>\$ 102,463</u> |

The future principal and interest lease payments as of September 30, 2025 were as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|-------------------|---------------|-------------------|
| 2026 | \$ 102,463 | \$ 587 | \$ 103,050 |
| 2027 | 8,587 | — | 8,587 |
| | <u>\$ 111,050</u> | <u>\$ 587</u> | <u>\$ 111,637</u> |

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) PAYABLES

The District is under contract for a noncancelable SBITA that allows the right to use the SBITA supplier's information technology software over the subscription term. The District is required to make payments at its incremental borrowing rate or the interest rate stated or implied within the SBITA. The SBITA rate, term and ending subscription liability are as follows:

| | Interest Rate | Subscription Term in Years | Ending Balance September 30, 2025 |
|--------------------------------|---------------|----------------------------|-----------------------------------|
| Governmental Activities | | | |
| Software | 5% | 2024-2029 | \$ 312,063 |
| Total Governmental Activities | | | <u>\$ 312,063</u> |
| Business-Type Activities | | | |
| Software | 5% | 2024-2029 | \$ 1,330,376 |
| Total Business-Type Activities | | | <u>\$ 1,330,376</u> |

The future principal and interest SBITA payments as of September 30, 2025 are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|----------------------------------|---------------------|------------------|---------------------|
| Governmental Activities | | | |
| 2026 | \$ 164,254 | \$ 11,105 | \$ 175,359 |
| 2027 | 71,298 | 5,706 | 77,004 |
| 2028 | 76,511 | 1,934 | 78,445 |
| | <u>\$ 312,063</u> | <u>\$ 18,745</u> | <u>\$ 330,808</u> |
| Business-Type Activities | | | |
| 2026 | \$ 700,242 | \$ 47,343 | \$ 747,585 |
| 2027 | 303,953 | 24,327 | 328,280 |
| 2028 | 326,181 | 8,244 | 334,425 |
| | <u>\$ 1,330,376</u> | <u>\$ 79,914</u> | <u>\$ 1,410,290</u> |

The value of the subscription assets in the governmental activities as of the end of the current fiscal year was \$753 thousand and had accumulated amortization of \$153 thousand. The value of the subscription assets in the business-type activities as of the end of the current fiscal year was \$3.2 million and had accumulated amortization of \$651 thousand.

11. INTERFUND TRANSACTIONS

Interfund balances - At September 30, 2025, interfund balances consisted of the following:

| | Due From Capital Projects Fund | Due From Enterprise Fund | Due to General Fund |
|-----------------------|--------------------------------------|--------------------------------|----------------------------|
| General Fund | \$ 32,736 | \$ 9,553,764 | \$ |
| Capital Projects Fund | | | 32,736 |
| Enterprise Fund | <u> </u> | <u> </u> | <u>9,553,764</u> |
| Total | <u>32,736</u> | <u>9,553,764</u> | <u>\$ 9,586,500</u> |

In the fund financial statements, interfund balances (shown as due to/from other funds) are the results of normal expenditure transactions between funds and will be liquidated in the subsequent fiscal year. All interfund receivables and payables are combined in the government-wide financial statement of net position and presented as internal balances.

Interfund Transfers - At September 30, 2025, interfund transfers consisted of the following:

| | Transfer In From General Fund | Transfer In From Capital Projects Fund | Transfer Out To Debt Service Fund (nonmajor) |
|------------------------------|----------------------------------|---|--|
| General Fund | \$ | \$ | \$ 902,981 |
| Capital Projects Fund | | | 1,130,325 |
| Debt Service Fund (nonmajor) | <u>902,981</u> | <u>1,130,325</u> | <u> </u> |
| Total | <u>902,981</u> | <u>1,130,325</u> | <u>\$ 2,033,306</u> |

Interfund transfers are the results of funds transferred from the General Fund to support the activities of the Capital Projects Fund and Debt Service Fund.

12. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Descriptions

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

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

If at the time of retirement, the employee meets the “Rule of 80” and elects to continue group health insurance coverage, the District will pay 100% for the premiums for the employee/retiree, and their eligible spouse at the date of retirement. After the initial election, coverage for individuals may be dropped at the time designated by the plan, but no one may be added. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F or Plan G, in accordance with Medicare eligibility rules. The District will also provide a monthly allowance of \$187 (Plan F participants) or \$205 (Plan G participants) to offset the cost of Medicare Part B and Part D. Upon the death of the employee/retiree, the spouse will be covered for an additional five (5) years or until their death, whichever occurs first.

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

If at the time of retirement, the employee meets the “Rule of 90” and elects to continue group health insurance coverage the District will pay 100% of the premiums for the employee/retiree, and their eligible spouse at the date of retirement. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F or Plan G, in accordance with Medicare eligibility rules. The District will also provide a monthly allowance of \$187 (Plan F participants) or \$205 (Plan G Participants) to offset the cost of Medicare Part B and Part D. The employee/retiree will be covered until his/her death and the spouse until his/her death.

The Plan does not issue separate financial statements; however, the Trust's financials are included in this financial report as a Fiduciary Fund of the District starting on page 45. The OPEB Plan is governed by the District's Board of Directors, and changes to the Plan must be approved by the Board.

Plan Membership Information as of September 30, 2025

| | |
|---|------------|
| Inactive Plan Members or Beneficiaries currently receiving benefits | 42 |
| Inactive Plan Members entitled to but not receiving benefits | 0 |
| Active Plan Members (active employees hired on or before 9/30/16) | 171 |
| Total Plan Members | 213 |

Funding Policies

For other post employment benefits, contractual requirements for the District are established by the Board of Directors. In fiscal year 2014, the District established a trust to fund OPEB costs through the Public Agency Retirement Fund (PARS). In fiscal year 2025, \$2.6 million was contributed to the trust. The District has funded 94.00% of the total OPEB liability as of fiscal year 2025.

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

OPEB Plan Investment Policy

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

| Strategic Asset Allocation Ranges | | | |
|--|------------|--------------|-------------|
| Asset Class | Cash | Fixed Income | Equity |
| Allocation Range | 0-20% | 40%-60% | 40%-60% |
| Target Allocation | Policy: 5% | Policy: 45% | Policy: 50% |
| Long-term Expected Real Rate of Return | 0.2% | 2.2% | 3.6% |

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

Single Discount Rate

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

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

The annual money-weighted rate of return for the OPEB Trust was 9.65% for fiscal year 2025. A money-weighted return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Changes in the Net OPEB Liability

The total OPEB liability shown below is based on an actuarial valuation performed as of December 31, 2023 and a measurement date of September 30, 2025.

| | Increase/(Decrease) | | |
|---|-----------------------------|------------------------------------|-------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balance at September 30, 2024 | \$ 28,438,104 | \$ 23,236,756 | \$ 5,201,348 |
| Changes for the year: | | | |
| Service Cost | 521,605 | | 521,605 |
| Interest | 1,705,678 | | 1,705,678 |
| Difference between expected and actual experience | (283,297) | | (283,297) |
| Changes in Assumptions | | | — |
| Benefit Payments | (541,887) | (541,887) | — |
| Contributions - employer | | 3,135,630 | (3,135,630) |
| Net Investment income | | 2,423,255 | (2,423,255) |
| Administrative Expense | | (105,458) | 105,458 |
| Net Changes | 1,402,099 | 4,911,540 | (3,509,441) |
| Balance at September 30, 2025 | \$ 29,840,203 | \$ 28,148,296 | \$ 1,691,907 |

Plan Fiduciary Net Position as a percentage of the total OPEB liability 94%

Sensitivity of Net OPEB Liability

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

| 1% Decrease 5.0% | Current Single Discount Rate Assumption 6.0% | 1% Increase 7.0% |
|---------------------|--|---------------------|
| \$5,784,787 | \$1,691,907 | \$(1,708,161) |

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher. Refer to page 78 for further detail about healthcare trend rates.

| 1% Decrease \$(2,447,391) | Current Healthcare Cost Trend Rate Assumption \$1,691,907 | 1% Increase \$6,795,741 |
|------------------------------|---|----------------------------|
|------------------------------|---|----------------------------|

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

For the year ended September 30, 2025, the District recognized OPEB expenses of \$417,686 which included amortization of deferred inflows and outflows of \$446,201. At September 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 241,986 | \$ 1,731,257 |
| Assumption changes | 712,431 | 223,180 |
| Net difference between projected and actual earnings on OPEB plan investments | | 2,046,628 |
| Total | \$ 954,417 | \$ 4,001,065 |

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

| Year Ending September 30 | Net Deferred Outflows (Inflows) of Resources |
|--------------------------|---|
| 2026 | \$ (282,130) |
| 2027 | (970,958) |
| 2028 | (955,137) |
| 2029 | (437,613) |
| 2030 | (238,953) |
| Thereafter | (161,857) |
| Total | <u>\$ (3,046,648)</u> |

Actuarial Methods and Assumptions

| | |
|-------------------------------|--|
| Actuarial cost method | Individual entry age normal cost method |
| Amortization method | Level dollar, Closed |
| Remaining amortization period | 21 years as of September 30, 2025 |
| Asset valuation method | Market Value |
| Investment rate | 6.00% per annum, net of expenses |
| Inflation rate | 2.50% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Demographic assumptions | Due to the size of this plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored and adjustments are made to the retirement and withdrawal assumptions as needed. Mortality and disability rates are based on assumptions used to value the Texas Municipal Retirement System (TMRS). |
| Mortality | For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements. |
| Healthcare trend rates | Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years Post-65: Initial rate of 5.30% declining to an ultimate rate of 4.15% after 12 years |
| Participation rates | 100% of eligible retirees are assumed to elect coverage |

13. COMMITMENTS AND CONTINGENCIES

Commitments - The Governmental Funds had a remaining commitments estimated at \$9.4 million due to on-going construction contracts as of September 30, 2025. The Enterprise Fund had remaining commitments estimated at \$401.7 million due to on-going construction contracts as of September 30, 2025.

Insurance - The District participates in a public entity risk pool for its fleet policy, property insurance, workers' compensation, general liability, and errors and omissions liability. The District purchases crime, directors' liability, and law enforcement bonds through Sedgwick, an insurance brokerage firm that also manages the risk pool. The District's Aviation insurance is obtained from a brokerage firm specializing in aircraft insurance. For the IPL Project, the District and the City of Dallas Water Utilities are utilizing a Rolling Owner Controlled Insurance Program (ROCIP). Willis Towers Watson manages and administers the ROCIP program for the IPL Project.

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

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

Sedgwick - Sedgwick is the Third-Party Administrator for the Texas Water Conservation Association Risk Management Fund (Trust). Outside of the Trust, Sedgwick also secures and manages the District's crime policy, law enforcement and director bonds.

Aviation Insurance - The District aviation insurance covers physical damage to the aircraft, bodily injury to passengers and others, and physical damage to property other than the aircraft. All claims should be made to the aircraft Broker. The District does not retain the claims risk.

Cyber Insurance - The District began carrying cyber insurance in fiscal year 2025. The insurance covers cyber incidents related to cyber crime and fraud and is carried through the AIG Specialty Insurance Company.

Rolling Owner Controlled Insurance Program - The ROCIP program started July 21, 2020 and will run until July 21, 2027 and is insured by Liberty Mutual (Insurance Provider). This program is for the Dallas portion of IPL including Section 19 and the Lake Palestine Pump Station (LP1). The program provides a master insurance, safety, and claims management program for Workers' Compensation, Employers Liability, Commercial General Liability, Excess Liability and Builders Risks for the Owner and all Enrolled Participants on the IPL. In the event of an occurrence, wrongful act, or personal injury, all participants in the ROCIP program must promptly provide written notice to Willis Towers Watson, the ROCIP Administrator, per the contract agreement. The ROCIP Administrator will review all information for accuracy and promptly report the claim to the Insurance Provider. The Insurance Provider will coordinate the investigation of commercial general liability claims. Contractor's team members are required to cooperate with the Insurance Provider's investigations.

Notifications of a lawsuit or litigation are made to the PCM and ROCIP Administrator. They shall be by email or telephone immediately when served with notice of any lawsuits or citations filed against either Enrolled Participants or Excluded Participants. Failure to respond to a lawsuit within the prescribed time may result in a default judgment. The entity served with the lawsuit will pay judgments and expenses associated with a default judgment. Enrolled participants must report all workers' compensation claims to the ROCIP Administrator. Claims must be reported no later than the end of the shift during which the accident occurred, except in cases of serious injuries, which shall be reported immediately. The Insurance Provider will coordinate the investigations of all workers' compensation claims. The coverage includes all materials and equipment that will be permanently incorporated into the project, including property in transit and stored at pre-approved locations within the United States. Enrolled participants are responsible for applicable deductibles based on insurance coverage determinations and contract requirements.

Charges to the ROCIP that the District retained risk on over the past two fiscal years were as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimate | Claims Payments | Balance at Fiscal Year End |
|--------------------------|--|--|--------------------|----------------------------------|
| IPL Project ROCIP - 2024 | \$ 18,718 | \$ 140,488 | \$ (151,644) | \$ 7,562 |
| IPL Project ROCIP - 2025 | \$ 7,562 | \$ 145,776 | \$ (149,257) | \$ 4,081 |

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

Liabilities arising from self-insurance are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These claims are referred to as "incurred but not reported" (IBNR). The IBNR liabilities include an amount for health and prescription claims. Beginning January 1, 2025 the District's excess coverage medical insurance policy covers individual claims in excess of \$110,000.

The claim liability estimates are calculated using a link-ratio method: a method under which historical claims data are grouped into the time periods in which claims were incurred and the time periods in which they were processed. The processing date is typically the date the claim is received, adjudicated, or paid by the claim payer. The method uses these groupings to create a claims processing or development pattern, which is used to help estimate the unprocessed portion of incurred claims.

Claims, stop loss premiums, and administrative costs are paid by the District as costs of the self-insured medical program. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for medical and Rx claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. An excess coverage medical insurance policy covers individual claims in excess of \$110,000 and/or \$9,660,054 in aggregate for the plan year (January 2025 – December 2025).

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

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimate | Claims Payments | Balance at Fiscal Year End |
|---------------------|--|--|--------------------|----------------------------------|
| Group Health - 2024 | \$ 449,050 | \$ 7,411,048 | \$ (7,320,985) | \$ 539,113 |
| Group Health - 2025 | \$ 539,113 | \$ 9,477,637 | \$ (9,534,000) | \$ 482,750 |

14. RECENTLY ISSUED GASB STATEMENTS

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

GASB Statement No. 103, *Financial Reporting Model Improvements* (issued April 2024) – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement requires information presented in Management’s Discussion and Analysis (MD&A) be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This Statement describes unusual or infrequent items and governments are required to display the inflows and outflows for each unusual or infrequent item separately in the government-wide, governmental fund, and proprietary fund statement of resource flows. This Statement also requires that the proprietary funds statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and governments are required to present each major component unit separately in the statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires to present budgetary comparison information using a single method of communication, Required Supplementary Information (RSI). This standard becomes effective for the District in fiscal year 2026.

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (issued September 2024) – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Leases, subscription assets and intangibles should be disclosed separately by major class in the capital assets note disclosures. This statement also requires additional disclosures for capital assets held for sale. Governments should disclose (1) the ending balance of the capital asset with separate disclosure for historical cost and accumulated depreciation by major class of asset and (2) the carrying amount of debt for which the capital assets are pledged as collateral for each major class of asset. This standard becomes effective for the District in fiscal year 2026.

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

GASB Statement No. 105, *Subsequent Events* (issued December 2025) – The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The definition of subsequent events are transactions or other events that occur after

the date of the financial statements but before the financial statements are available to be issued. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events. Also, establishes specific information that are required to be disclosed about the subsequent events. This standard becomes effective for the District in fiscal year 2027.

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

REQUIRED SUPPLEMENTARY INFORMATION



Richland-Chambers Reservoir

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE—BUDGET TO ACTUAL—GAAP BASIS—GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Original and Final Budget | Actual | Variance ((Over)/Under) |
|--|--------------------------------------|-----------------------|------------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 29,100,000 | \$ 30,684,996 | \$ (1,584,996) |
| Contributions | 8,796,348 | 7,663,479 | 1,132,869 |
| Investment Income | 2,750,000 | 7,215,800 | (4,465,800) |
| Oil and gas royalties | 5,000,000 | 4,908,156 | 91,844 |
| Lease rentals | 1,307,653 | 1,273,178 | 34,475 |
| Other | 1,049,968 | 1,014,932 | 35,036 |
| Total Revenues | 48,003,969 | 52,760,541 | (4,756,572) |
| EXPENDITURES | | | |
| Current | | | |
| General and Administrative | 14,163,757 | 10,185,436 | 3,978,321 |
| Personnel Services | 13,526,847 | 12,505,806 | 1,021,041 |
| Retirement Plan Contribution | 1,099,951 | 1,136,275 | (36,324) |
| Capital Expenditures | 45,979,000 | 5,121,731 | 40,857,269 |
| Debt Service | | | |
| Principal Payments | 350,000 | 449,089 | (99,089) |
| Interest Payments | — | 3,631 | (3,631) |
| Total Expenditures | 75,119,555 | 29,401,968 | 45,717,587 |
| Excess/(Deficiency) of Revenues Over/Under Expenditures | (27,115,586) | 23,358,573 | (50,474,159) |
| Other Financing Sources (Uses) | | | |
| Transfers out | — | (902,981) | 902,981 |
| Issuance of Leases/Subscriptions | — | 411,153 | (411,153) |
| CHANGE IN FUND BALANCE | (27,115,586) | 22,866,745 | (49,982,331) |
| FUND BALANCE—Beginning of Year | 156,923,222 | 156,923,222 | — |
| FUND BALANCE—End of Year | \$ 129,807,636 | \$ 179,789,967 | \$ (49,982,331) |

NOTES TO RSI

Property Taxes Revenues over Budget - The District received \$1.6 million more in taxes than budgeted due to an increase in property values after certified roll date.

Investment Income Revenues over Budget - Investment income is over budget \$4.5 million mainly due to higher interest rates than originally budgeted.

Contribution Revenues under Budget - The District received \$1.1 million less than budgeted due to decrease in TIF revenues.

General and Administrative Expenditures under Budget - Expenses were under budget \$4.0 million mainly due to delays driven by weather which caused a decrease in repairs and maintenance costs.

Personnel Services Expenditures under Budget - The \$1.0 million variance in the personnel budget is due to vacant positions throughout the fiscal year. Also, the District is self insured and health claims were lower than budgeted.

Capital Expenditures under Budget - The variance of \$40.9 million is due in large part to the ongoing flood control project to construct canals just north of downtown (Panther Island) the start was delayed until 2026. The canals will function as flood control and stormwater transmission. Special Project expenditures are generally large projects that cannot be completed in an annual operating budget and can span multiple years.

*Includes budgeted items for Special Projects. The Special Projects are approved by the Board and are funded by non-operating income.

| Special Projects Expenditures | 2025 Budget | 2025 Actual |
|---|----------------------|---------------------|
| Canals | \$ 45,000,000 | \$ 2,829,300 |
| Panther Island Consulting & Land Strategy | 450,000 | 802,580 |
| La Grave Stadium Demolition | 200,000 | 355,140 |
| NCTCOG Bridge Payment | 350,000 | 350,000 |
| | <u>\$ 46,000,000</u> | <u>\$ 4,337,020</u> |

TARRANT REGIONAL WATER DISTRICT

SCHEDULE OF CHANGES IN NET OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Other post employment benefits liability</u> | | | | | | | | | |
| Service cost | \$ 565,239 | \$ 531,820 | \$ 528,530 | \$ 561,117 | \$ 547,295 | \$ 602,123 | \$ 573,868 | \$ 566,436 | \$ 521,605 |
| Interest | 1,033,856 | 1,109,066 | 1,237,434 | 1,315,611 | 1,455,965 | 1,542,872 | 1,601,654 | 1,688,560 | 1,705,678 |
| Difference between expected and actual experience of the total OPEB liability | (72,928) | 190,998 | (688,704) | 826,908 | (141,365) | (298,023) | (46,850) | (1,535,736) | (283,297) |
| Changes in assumptions | — | 548,904 | 524,159 | (139,716) | 1,061,704 | (354,102) | — | 237,858 | — |
| Benefit payments | (335,551) | (295,730) | (387,380) | (366,238) | (292,111) | (401,938) | (596,146) | (756,916) | (541,887) |
| Net change in total other post employment benefits liability | 1,190,616 | 2,085,058 | 1,214,039 | 2,197,682 | 2,631,488 | 1,090,932 | 1,532,526 | 200,202 | 1,402,099 |
| Total other post employment benefits liability - beginning | 16,295,561 | 17,486,177 | 19,571,235 | 20,785,274 | 22,982,956 | 25,614,444 | 26,705,376 | 28,237,902 | 28,438,104 |
| Total other post employment benefits liability - ending | \$ 17,486,177 | \$ 19,571,235 | \$ 20,785,274 | \$ 22,982,956 | \$ 25,614,444 | \$ 26,705,376 | \$ 28,237,902 | \$ 28,438,104 | \$ 29,840,203 |
| <u>Plan fiduciary net position</u> | | | | | | | | | |
| Contributions - employer | \$ 1,545,551 | \$ 1,626,730 | \$ 1,851,480 | \$ 1,976,748 | \$ 2,063,672 | \$ 2,350,655 | \$ 2,739,735 | \$ 3,114,864 | \$ 3,135,630 |
| Net investment income | 417,971 | 296,613 | 501,718 | 686,452 | 1,822,450 | (2,456,362) | 1,186,938 | 4,131,196 | 2,423,255 |
| Benefit payments | (335,551) | (295,730) | (387,380) | (366,238) | (292,111) | (401,938) | (596,146) | (756,916) | (541,887) |
| Administrative expense | (25,922) | (32,888) | (43,846) | (53,147) | (68,206) | (74,393) | (77,762) | (91,146) | (105,458) |
| Net changes | 1,602,049 | 1,594,725 | 1,921,972 | 2,243,815 | 3,525,805 | (582,038) | 3,252,765 | 6,397,998 | 4,911,540 |
| Plan fiduciary net position - beginning | 3,279,665 | 4,881,714 | 6,476,439 | 8,398,411 | 10,642,226 | 14,168,031 | 13,585,993 | 16,838,758 | 23,236,756 |
| Plan fiduciary net position - ending | 4,881,714 | 6,476,439 | 8,398,411 | 10,642,226 | 14,168,031 | 13,585,993 | 16,838,758 | 23,236,756 | 28,148,296 |
| Net other post employment benefits liability | \$ 12,604,463 | \$ 13,094,796 | \$ 12,386,863 | \$ 12,340,730 | \$ 11,446,413 | \$ 13,119,383 | \$ 11,399,144 | \$ 5,201,348 | \$ 1,691,907 |
| Plan fiduciary net position as percentage of total OPEB liability | 28% | 33% | 40% | 46% | 55% | 51% | 60% | 82% | 94% |
| Covered-employee payroll | \$ 19,291,600 | \$ 18,513,781 | \$ 18,674,165 | \$ 19,662,433 | \$ 20,217,028 | \$ 20,106,498 | \$ 20,216,906 | \$ 20,870,783 | \$ 21,998,257 |
| Net OPEB liability as percentage of covered-employee payroll | 65% | 71% | 66% | 63% | 57% | 65% | 56% | 25% | 8% |

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

TARRANT REGIONAL WATER DISTRICT

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

| | Annual money-weighted rate of return, net of investment expense |
|------|---|
| 2017 | 9.50% |
| 2018 | 5.27% |
| 2019 | 6.56% |
| 2020 | 7.07% |
| 2021 | 14.95% |
| 2022 | (15.56)% |
| 2023 | 7.74% |
| 2024 | 21.81% |
| 2025 | 9.65% |

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

TARRANT REGIONAL WATER DISTRICT

SCHEDULE OF CONTRIBUTIONS IN OTHER POST EMPLOYMENT BENEFITS
LAST 10 FISCAL YEARS

| | Actuarily determined contribution | Actual contribution | Contribution deficiency (excess) | Covered-employee payroll | Contributions as % of covered-employee payroll |
|------|-----------------------------------|---------------------|----------------------------------|--------------------------|--|
| 2017 | \$ 1,524,244 | \$ 1,545,511 | \$ (21,267) | \$ 19,291,600 | 8.01% |
| 2018 | 1,569,476 | 1,626,730 | (57,254) | 18,513,781 | 8.79% |
| 2019 | 1,534,834 | 1,851,480 | (316,646) | 18,674,165 | 9.91% |
| 2020 | 1,504,889 | 1,976,748 | (471,859) | 19,662,433 | 10.05% |
| 2021 | 1,401,562 | 2,063,672 | (662,110) | 20,217,028 | 10.21% |
| 2022 | 2,063,672 | 2,350,655 | (286,983) | 20,106,498 | 11.69% |
| 2023 | 1,349,443 | 2,739,735 | (1,390,292) | 20,216,906 | 13.55% |
| 2024 | 1,240,053 | 3,114,864 | (1,874,811) | 20,870,783 | 14.92% |
| 2025 | 1,220,799 | 3,135,630 | (1,914,831) | 21,998,257 | 14.25% |

Methods and Assumptions used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Individual entry age normal cost method |
| Amortization method | Level dollar, Closed |
| Remaining amortization period | 21 years as of September 30, 2025 |
| Asset valuation method | Market Value |
| Investment rate | 6.00% per annum, net of expenses, including inflation |
| Inflation rate | 2.50% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Demographic assumptions | Due to the size of this plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored and adjustments are made to the retirement and withdrawal assumptions as needed. Mortality and disability rates are based on assumptions used to value the Texas Municipal Retirement System (TMRS). |
| Mortality | For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables, published through 2019 to account for future mortality improvements. |
| Healthcare trend rates | Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years Post-65: Initial rate of 5.30% declining to an ultimate rate of 4.15% after 12 years |
| Participation rates | 100% of eligible retirees are assumed to elect coverage |

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

STATISTICAL SECTION (UNAUDITED)



Eagle Mountain Park located on Eagle Mountain Lake

DESCRIPTION OF STATISTICAL SECTION

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

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

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

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

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

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

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017 (1)</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 343,118,047 | \$ 348,801,397 | \$ 360,586,932 | \$ 366,352,452 | \$ 371,744,493 | \$ 375,138,247 | \$ 380,949,418 | \$ 386,155,715 | \$ 384,963,535 | \$ 390,540,299 |
| Restricted | 5,531,060 | 5,561,868 | 5,640,493 | 5,631,464 | 5,621,205 | 5,552,676 | 5,510,011 | 5,765,799 | 130,793 | 247,552 |
| Unrestricted | 193,491,410 | 208,425,599 | 222,857,751 | 234,513,138 | 248,942,565 | 261,910,219 | 283,431,384 | 301,222,460 | 330,761,971 | 346,167,096 |
| Total governmental net position | <u>\$ 542,140,517</u> | <u>\$ 562,788,864</u> | <u>\$ 589,085,176</u> | <u>\$ 606,497,054</u> | <u>\$ 626,308,263</u> | <u>\$ 642,601,142</u> | <u>\$ 669,890,813</u> | <u>\$ 693,143,974</u> | <u>\$ 715,856,299</u> | <u>\$ 736,954,947</u> |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 409,159,039 | \$ 444,563,300 | \$ 493,835,963 | \$ 536,700,791 | \$ 580,388,360 | \$ 624,792,728 | \$ 692,153,862 | \$ 714,072,935 | \$ 746,035,763 | \$ 792,833,258 |
| Restricted | 110,363,100 | 109,317,020 | 103,822,079 | 102,892,891 | 100,358,807 | 102,311,377 | 87,094,181 | 100,986,881 | 126,723,165 | 140,548,592 |
| Unrestricted | (16,336,370) | 26,151,324 | 22,075,675 | 32,611,383 | 32,653,409 | 37,057,880 | 32,547,890 | 46,369,317 | 40,610,119 | 38,534,357 |
| Total business-type net position | <u>\$ 503,185,769</u> | <u>\$ 580,031,644</u> | <u>\$ 619,733,717</u> | <u>\$ 672,205,065</u> | <u>\$ 713,400,576</u> | <u>\$ 764,161,985</u> | <u>\$ 811,795,933</u> | <u>\$ 861,429,133</u> | <u>\$ 913,369,047</u> | <u>\$ 971,916,207</u> |
| Total Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 752,277,086 | \$ 793,364,697 | \$ 854,422,895 | (1) \$ 903,053,243 | \$ 952,132,853 | \$ 999,930,975 | \$ 1,073,103,280 | \$ 1,100,228,650 | \$ 1,130,999,298 | \$ 1,183,373,557 |
| Restricted | 115,894,160 | 114,878,888 | 109,462,572 | 108,524,355 | 105,980,012 | 107,864,053 | 92,604,192 | 106,752,680 | 126,853,958 | 140,796,144 |
| Unrestricted | 177,155,040 | 234,576,923 | 244,933,426 | 267,124,521 | 281,595,974 | 298,968,099 | 315,979,274 | 347,591,777 | 371,372,090 | 384,701,453 |
| Total primary government net position | <u>\$1,045,326,286</u> | <u>\$1,142,820,508</u> | <u>\$1,208,818,893</u> | <u>\$1,278,702,119</u> | <u>\$1,339,708,839</u> | <u>\$1,406,763,127</u> | <u>\$1,481,686,746</u> | <u>\$1,554,573,107</u> | <u>\$1,629,225,346</u> | <u>\$1,708,871,154</u> |

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

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

TARRANT REGIONAL WATER DISTRICT

CHANGES IN NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

| | 2016 (1) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Flood Protection | \$ 18,916,113 | \$ 21,448,590 | \$ 17,637,243 | \$ 18,429,521 | \$ 19,842,221 | \$ 18,615,103 | \$ 21,520,140 | \$ 20,301,962 | \$ 63,699,185 | \$ 58,573,893 |
| Recreation (2) | 1,561,346 | 2,625,628 | 2,585,102 | 2,636,155 | 2,781,733 | 4,289,108 | 3,758,746 | 3,424,393 | — | — |
| Total Governmental Activities | 20,477,459 | 24,074,218 | 20,222,345 | 21,065,676 | 22,623,954 | 22,904,211 | 25,278,886 | 23,726,355 | 63,699,185 | 58,573,893 |
| Business-type Activities | 77,099,429 | 83,155,732 | 118,368,106 | 114,506,276 | 116,647,345 | 116,674,851 | 122,108,598 | 172,586,808 | 175,148,889 | 190,471,467 |
| Total Primary Government Expenses | 97,576,888 | 107,229,950 | 138,590,451 | 135,571,952 | 139,271,299 | 139,579,062 | 147,387,484 | 196,313,163 | 238,848,074 | 249,045,360 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Flood Protection | 9,862,928 | 10,308,977 | 10,750,390 | 8,063,725 | 7,138,932 | 8,756,940 | 15,488,479 | 6,848,612 | 7,697,243 | 7,155,189 |
| Recreation (2) | 1,067,012 | 2,940,158 | 1,407,546 | 2,159,252 | 1,302,560 | 2,003,616 | 1,628,501 | 1,422,941 | — | — |
| Operating Grants and Contributions | | | | | | | | | | |
| Flood Protection | — | 100,000 | 140,000 | 236,821 | 105,187 | 10,000 | — | 31,006 | 38,456,021 | 29,537,830 |
| Recreation (2) | — | 131,200 | 126,315 | 106,850 | 142,420 | 213,910 | 68,500 | 31,800 | — | — |
| Capital Grants and Contributions | | | | | | | | | | |
| Flood Protection | 36,029,150 | 20,634,389 | 19,101,900 | 7,931,111 | 10,751,579 | 5,000,645 | 11,511,098 | 6,676,117 | 2,593,742 | 3,688,444 |
| Recreation (2) | 126,750 | — | 86,527 | 3,275 | 200,198 | — | — | — | — | — |
| Total Governmental Activities | 47,085,840 | 34,114,724 | 31,612,678 | 18,501,034 | 19,640,876 | 15,985,111 | 28,696,578 | 15,010,476 | 48,747,006 | 40,381,463 |
| Business-type Activities | | | | | | | | | | |
| Charges for Services | 139,387,464 | 155,447,588 | 151,036,899 | 147,294,887 | 149,721,357 | 166,216,070 | 172,432,425 | 194,798,879 | 185,547,364 | 213,882,101 |
| Operating Grants and Contributions | — | 474,769 | 1,423,460 | 4,901,133 | 1,885,301 | 1,142,129 | 10,086,962 | 1,336,146 | 2,303,378 | 1,123,521 |
| Capital Grants and Contributions | 3,584,248 | 57,540 | — | — | — | — | — | — | 250,000 | 1,419 |
| Total Business-type Activities | 142,971,712 | 155,979,897 | 152,460,359 | 152,196,020 | 151,606,658 | 167,358,199 | 182,519,387 | 196,135,025 | 188,100,742 | 215,007,041 |
| Total Primary Government Revenues | 190,057,552 | 190,094,621 | 184,073,037 | 170,697,054 | 171,247,534 | 183,343,310 | 211,215,965 | 211,145,501 | 236,847,748 | 255,388,504 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | 26,608,381 | 10,040,506 | 11,390,333 | (2,564,642) | (2,983,078) | (6,919,100) | 3,417,692 | (8,715,879) | (14,952,179) | (18,192,430) |
| Business-type Activities | 65,872,283 | 72,824,165 | 34,092,253 | 37,689,744 | 34,959,313 | 50,683,348 | 60,410,789 | 23,548,217 | 12,951,853 | 24,535,574 |
| Total-Primary Government | 92,480,664 | 82,864,671 | 45,482,586 | 35,125,102 | 31,976,235 | 43,764,248 | 63,828,481 | 14,832,338 | (2,000,326) | 6,343,144 |
| General Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes | 10,264,007 | 10,854,952 | 11,960,148 | 13,147,777 | 21,941,700 | 23,067,000 | 24,669,850 | 25,989,506 | 29,117,031 | 30,688,775 |
| Investment Income | 317,333 | 435,789 | 731,769 | 1,435,560 | 763,675 | 63,736 | (707,632) | 5,206,309 | 8,396,448 | 8,462,057 |
| Gain/Loss on Disposal of Assets | 565,950 | (109,303) | 2,166,126 | 5,248,669 | 71,100 | 65,241 | (106,270) | 702,903 | 64,470 | 56,586 |
| Miscellaneous | 79,170 | 29,379 | 47,936 | 144,514 | 17,812 | 16,002 | 16,031 | 70,322 | 86,555 | 83,660 |
| Total Governmental Activities | 11,226,460 | 11,210,817 | 14,905,979 | 19,976,520 | 22,794,287 | 23,211,979 | 23,871,979 | 31,969,040 | 37,664,504 | 39,291,078 |
| Business-type Activities | | | | | | | | | | |
| Investment Income | 6,776,202 | 5,706,516 | 5,511,784 | 14,653,818 | 5,810,806 | (227,021) | (12,965,711) | 25,973,598 | 31,833,323 | 33,735,452 |
| Gain/Loss on Disposal of Assets | (746,447) | — | 37,779 | 104,025 | 115,275 | 80,100 | 95,050 | 69,850 | 82,425 | — |
| Gain on Extinguishment of Debt | — | — | — | — | — | — | — | — | 7,061,189 | — |
| Miscellaneous | 50,800 | 37,379 | 60,257 | 23,761 | 310,117 | 224,982 | 93,820 | 41,535 | 11,124 | 276,134 |
| Total Business-type Activities | 6,080,555 | 5,743,895 | 5,609,820 | 14,781,604 | 6,236,198 | 78,061 | (12,776,841) | 26,084,983 | 38,988,061 | 34,011,586 |
| Total Primary Government | 17,307,015 | 16,954,712 | 20,515,799 | 34,758,124 | 29,030,485 | 23,290,040 | 11,095,138 | 58,054,023 | 76,652,565 | 73,302,664 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 37,834,841 | 21,251,323 | 26,296,312 | 17,411,878 | 19,811,209 | 16,292,879 | 27,289,671 | 23,253,161 | 22,712,325 | 21,098,648 |
| Business-type Activities | 71,952,838 | 78,568,060 | 39,702,073 | 52,471,348 | 41,195,511 | 50,761,409 | 47,633,948 | 49,633,200 | 51,939,914 | 58,547,160 |
| Total Primary Government | \$ 109,787,679 | \$ 99,819,383 | \$ 65,998,385 | \$ 69,883,226 | \$ 61,006,720 | \$ 67,054,288 | \$ 74,923,619 | \$ 72,886,361 | \$ 74,652,239 | \$ 79,645,808 |

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

(2) In fiscal year 2024, recreation activities have been eliminated. Only recreation like activities shown on the financials are considered all flood protection activities.

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

TARRANT REGIONAL WATER DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Long-term interfund notes and interest (2) | \$ 577,139 | \$ 512,236 | \$ 445,386 | \$ 376,531 | \$ 305,609 | \$ 232,560 | \$ 157,320 | \$ 79,822 | \$ — | \$ — |
| Prepaid items | 970,308 | 3,901,482 | 3,296,548 | 1,930,341 | 1,617,076 | 1,446,660 | 1,597,600 | 1,664,322 | 2,653,650 | 1,598,572 |
| Inventory of supplies-at-cost | 51,929 | 58,322 | 61,832 | 57,809 | 70,033 | 69,305 | 67,041 | 88,653 | 100,232 | 48,817 |
| Inventory held for sale | — | — | — | — | 499,160 | 491,012 | 478,234 | 429,292 | 414,051 | 349,494 |
| Restricted | 5,531,060 | 5,561,868 | 5,640,493 | 5,631,464 | 5,621,205 | 5,552,676 | 5,510,011 | 5,765,799 | 6,080,923 | 6,191,368 |
| Assigned | | 364,461 | 26,560,137 | 55,146,781 | 59,832,503 | 68,805,529 | 82,301,174 | 92,023,664 | 144,508,098 | 161,458,411 |
| Unassigned | 63,501,938 | 50,340,889 | 22,387,079 | 3,375,120 | 7,354,543 | 13,371,803 | 20,461,976 | 30,002,298 | 3,166,268 | 10,143,305 |
| Total General Fund | 70,632,374 | 60,739,258 | 58,391,475 | 66,518,046 | 75,300,129 | 89,969,545 | 110,573,356 | 130,053,850 | 156,923,222 | 179,789,967 |
| Capital Projects Fund (1) | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Prepaid items | — | — | — | — | — | — | — | — | 11,867 | 8,595 |
| Restricted | — | — | — | — | — | — | — | — | 11,933,736 | 30,203,776 |
| Unassigned | — | — | — | — | — | — | — | — | — | — |
| Total Capital Projects Fund | — | — | 11,945,603 | 30,212,371 |
| Debt Service Fund (nonmajor) (1) | | | | | | | | | | |
| Assigned | — | — | — | — | — | — | — | — | 2,370 | 8,684 |
| Total Debt Service Fund (nonmajor) | — | — | 2,370 | 8,684 |
| Total All Governmental Funds | \$70,632,374 | \$60,739,258 | \$58,391,475 | \$66,518,046 | \$75,300,129 | \$89,969,545 | \$110,573,356 | \$130,053,850 | \$168,871,195 | \$210,011,022 |

(1) Beginning in fiscal year 2024, the District has two major funds, General Fund and Capital Projects Fund and has one nonmajor fund, Debt Service Fund.

(2) This is a note for the construction of the administration building which was setup in 2003. The note was liquidated in fiscal year 2024.

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

TARRANT REGIONAL WATER DISTRICT

CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

LAST 10 FISCAL YEARS (UNAUDITED)

| Governmental Funds | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------------------------|-----------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 10,271,392 | \$ 10,799,762 | \$ 12,010,248 | \$ 13,152,496 | \$ 21,924,922 | \$ 23,089,003 | \$ 24,689,890 | \$ 25,984,634 | \$ 29,097,426 | \$ 30,684,996 |
| Lease Rental | 1,598,047 | 1,389,533 | 1,403,276 | 1,562,198 | 1,272,670 | 1,404,345 | 1,326,827 | 1,292,432 | 1,274,497 | 1,273,178 |
| Oil and Gas Royalties | 8,781,804 | 11,048,761 | 10,148,141 | 8,197,878 | 6,414,237 | 7,843,251 | 14,570,873 | 5,821,884 | 5,503,534 | 4,908,156 |
| Investment Income (loss) | 317,333 | 435,789 | 731,769 | 1,435,560 | 763,675 | 63,736 | (707,632) | 5,206,309 | 8,396,448 | 8,462,057 |
| Contributions | 5,299,235 | 3,368,695 | 4,193,522 | 6,074,367 | 8,344,611 | 8,293,957 | 7,296,236 | 8,173,744 | 8,237,197 | 7,663,479 |
| Other | 1,038,859 | 612,796 | 742,406 | 932,267 | 921,554 | 1,505,348 | 1,143,960 | 1,106,514 | 1,187,162 | 1,014,932 |
| Total Revenue | 27,306,670 | 27,655,336 | 29,229,362 | 31,354,766 | 39,641,669 | 42,199,640 | 48,320,154 | 47,585,517 | 53,696,264 | 54,006,798 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| General and Administrative | 8,336,650 | 9,097,411 | 8,398,059 | 8,862,512 | 8,489,418 | 9,161,152 | 8,154,428 | 9,492,233 | 10,448,465 | 10,668,546 |
| Personnel Services | 7,015,739 | 7,650,611 | 7,737,421 | 8,276,805 | 8,963,307 | 9,712,955 | 9,700,561 | 9,982,786 | 11,494,274 | 12,505,806 |
| Retirement Plan Contribution | 588,530 | 637,903 | 637,620 | 673,307 | 780,327 | 821,009 | 809,572 | 842,229 | 986,892 | 1,136,275 |
| Contribution | 1,230,230 | 3,076,384 | 242,806 | 193,647 | 898,966 | 550,507 | 3,500,000 | 312,253 | 38,416,617 | 29,403,022 |
| Capital Expenditures | 30,101,222 | 19,440,358 | 14,561,239 | 7,270,974 | 11,755,309 | 7,284,601 | 8,901,368 | 7,151,833 | 3,640,686 | 7,413,489 |
| Capital Lease Payment | 259,450 | — | — | — | — | — | — | — | — | — |
| Debt Service | | | | | | | | | | |
| Principal Payments | — | — | — | — | — | — | 143,863 | 483,602 | 496,486 | 571,171 |
| Interest Payments | — | — | — | — | 6,734 | — | 6,551 | 5,687 | 3,928 | 2,039,796 |
| Total Expenditures | 47,531,821 | 39,902,667 | 31,577,145 | 25,277,245 | 30,894,061 | 27,530,224 | 31,216,343 | 28,270,623 | 65,487,348 | 63,738,105 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (20,225,151) | (12,247,331) | (2,347,783) | 6,077,521 | 8,747,608 | 14,669,416 | 17,103,811 | 19,314,894 | (11,791,084) | (9,731,307) |
| Other Financing Sources | | | | | | | | | | |
| Transfer In | — | — | — | — | — | — | — | — | 2,196,939 | 2,033,306 |
| Transfer Out | — | — | — | — | — | — | — | — | (2,196,939) | (2,033,306) |
| Proceeds from Sale of Land | — | 2,354,215 | — | 2,049,050 | 34,475 | — | — | 165,600 | — | — |
| Proceeds/Principal Payment to NCTCOG | — | — | — | — | — | — | 3,500,000 | — | — | — |
| Issuance of Leases/Subscriptions | — | — | — | — | — | — | — | — | — | 411,153 |
| Issuance of General Obligation Bonds | — | — | — | — | — | — | — | 50,608,429 | 49,770,000 | — |
| Premium on Issuance of General Obligation Bonds | — | — | — | — | — | — | — | — | — | 689,981 |
| Change in Fund Balance | \$ (20,225,151) | \$ (9,893,116) | \$ (2,347,783) | \$ 8,126,571 | \$ 8,782,083 | \$ 14,669,416 | \$ 20,603,811 | \$ 19,480,494 | \$ 38,817,345 | \$ 41,139,827 |
| Debt Service Expenditures as a Percentage of Noncapital Expenditures | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2.32% | 0.81% | 4.64% |

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

TARRANT REGIONAL WATER DISTRICT

RATIO OF OUTSTANDING DEBT BY TYPE

LAST 10 FISCAL YEARS (UNAUDITED)

Governmental Activities

| Fiscal Year | General Obligation Bonds (1) | Leases and Subscriptions | Note Payable | Total Governmental Debt | Percentage of Revenue (2) | Percentage of Outstanding Debt to Actual Estimated Value of Property (3) | Total Outstanding Debt per Capita |
|-------------|------------------------------|--------------------------|--------------|-------------------------|---------------------------|--|-----------------------------------|
| 2022 | \$ — | \$ 608,035 | \$ 3,500,000 | \$ 4,108,035 | 8% | 0.005% | \$ 9 |
| 2023 | — | 463,308 | 3,150,000 | 3,613,308 | 8% | 0.004% | 8 |
| 2024 | 50,608,429 | 317,066 | 2,800,000 | 53,725,495 | 62% | 0.049% | 108 |
| 2025 | 100,942,951 | 423,113 | 2,450,000 | 103,816,064 | 130% | 0.090% | 216 |

Business-Type Activities

| Fiscal Year | Construction and Improvement Bonds (1) | Leases and Subscriptions | Note Payable | Total Enterprise Debt | Percentage of Revenue (2) | Percentage of Outstanding Debt to Personal Income (4) | Total Outstanding Debt per Budgeted Water Usage (Gallons) |
|-------------|--|--------------------------|--------------|-----------------------|---------------------------|---|---|
| 2016 | \$ 1,767,113,767 | \$ — | \$ — | \$ 1,767,113,767 | 1236% | N/A | \$ 15 |
| 2017 | 1,706,363,581 | — | — | 1,706,363,581 | 1055% | N/A | 15 |
| 2018 | 1,646,713,458 | — | — | 1,646,713,458 | 1042% | N/A | 14 |
| 2019 | 1,592,244,826 | — | — | 1,592,244,826 | 954% | N/A | 14 |
| 2020 | 1,533,390,287 | — | — | 1,533,390,287 | 971% | N/A | 13 |
| 2021 | 1,771,555,178 | — | — | 1,771,555,178 | 1058% | N/A | 15 |
| 2022 | 1,753,058,790 | — | — | 1,753,058,790 | 1033% | N/A | 15 |
| 2023 | 1,939,084,494 | — | — | 1,939,084,494 | 873% | N/A | 17 |
| 2024 | 1,951,846,244 | — | — | 1,951,846,244 | 860% | N/A | 16 |
| 2025 | 2,297,375,419 | 1,330,376 | — | 2,298,705,795 | 923% | N/A | 18 |

Primary Government

| Fiscal Year | Total Bonds (1) | Total Leases and Subscriptions | Total Note Payable | Total District Debt (5) |
|-------------|------------------|--------------------------------|--------------------|-------------------------|
| 2016 | \$ 1,767,113,767 | \$ — | \$ — | \$ 1,767,113,767 |
| 2017 | 1,706,363,581 | — | — | 1,706,363,581 |
| 2018 | 1,646,713,458 | — | — | 1,646,713,458 |
| 2019 | 1,592,244,826 | — | — | 1,592,244,826 |
| 2020 | 1,533,390,287 | — | — | 1,533,390,287 |
| 2021 | 1,771,555,178 | — | — | 1,771,555,178 |
| 2022 | 1,753,058,790 | 608,035 | 3,500,000 | 1,757,166,825 |
| 2023 | 1,939,084,494 | 463,308 | 3,150,000 | 1,942,697,802 |
| 2024 | 2,002,454,673 | 317,066 | 2,800,000 | 2,005,571,739 |
| 2025 | 2,398,318,370 | 1,753,489 | 2,450,000 | 2,402,521,859 |

(1) Includes premium (net of accumulated amortization).

(2) Percentage is based on enterprise revenue for business-type activities and general revenue for governmental activities. No combined debt to revenue percentage is shown as revenue cannot be commingled between activities.

(3) See "Assessed and Actual Estimated Value of Property and Tax Rate table" for estimated valuation of properties on page 102.

(4) The majority of the District's water customers are municipalities, therefore presenting the percentage of personal income and debt per population is not applicable for the business-type activities.

(5) Percentage of outstanding debt to actual estimated value of property, total outstanding debt per capita, percentage of outstanding debt to personal income and total outstanding debt per budgeted water usage does not apply as the total District debt support different customer groups.

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

TARRANT REGIONAL WATER DISTRICT

PLEDGED REVENUE COVERAGE

LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | | | | Bond Payable Debt Service | | |
|-------------|--------------------|------------------------|----------------------------|---------------------------|------------------|----------------|
| | Gross Revenues (1) | Operating Expenses (2) | Net Available Revenues (3) | Principal | Interest Expense | Coverage Ratio |
| 2016 | \$ 141,385,132 | \$ 41,645,749 | \$ 99,739,383 | \$ 37,035,000 | \$ 16,418,369 | 1.87 |
| 2017 | 163,378,065 | (5) | 43,972,464 | 119,405,601 | 53,435,000 | 19,591,821 |
| 2018 (6) | 161,524,862 | 44,164,379 | 117,360,483 | 54,670,000 | 53,826,841 | (4) |
| 2019 | 162,319,167 | 41,005,392 | 121,313,775 | 44,710,000 | 53,281,011 | 1.24 |
| 2020 | 157,000,358 | 44,814,778 | 112,185,580 | 44,690,000 | 51,016,512 | 1.17 |
| 2021 | 169,196,764 | 55,545,963 | 113,650,801 | 58,265,000 | 40,179,149 | 1.15 |
| 2022 | 185,890,855 | 59,175,336 | 126,715,519 | 60,830,000 | 41,326,360 | 1.24 |
| 2023 | 219,317,322 | (8) | 76,854,503 | 142,462,819 | 61,085,000 | 50,551,161 |
| 2024 | 212,072,412 | 77,615,819 | 134,456,593 | 68,320,000 | 52,368,826 | 1.11 |
| 2025 | 246,129,986 | 79,262,792 | 166,867,194 | 68,440,000 | 64,981,278 | 1.25 |

PLEDGED REVENUE COVERAGE (TARRANT REGIONAL WATER DISTRICT REVENUE BONDS)

| Fiscal Year | | | | Bond Payable Debt Service | | |
|-------------|----------------|--------------------|------------------------|---------------------------|------------------|----------------|
| | Gross Revenues | Operating Expenses | Net Available Revenues | Principal | Interest Expense | Coverage Ratio |
| 2018 | \$ 132,452,414 | \$ 44,164,379 | \$ 88,288,035 | \$ 44,575,000 | \$ 38,366,295 | 1.06 |
| 2019 | 133,511,271 | 41,005,392 | 92,505,879 | 34,340,000 | 37,977,258 | 1.28 |
| 2020 | 130,678,211 | 44,814,778 | 85,863,433 | 34,030,000 | 35,895,996 | 1.23 |
| 2021 | 142,721,489 | 55,545,963 | 87,175,526 | 45,370,000 | 25,205,518 | 1.24 |
| 2022 | 153,137,694 | 59,175,336 | 93,962,358 | 40,560,000 | 27,878,236 | 1.37 |
| 2023 | 163,321,342 | 76,854,503 | 86,466,839 | 40,255,000 | 29,333,196 | 1.24 |
| 2024 | 167,779,222 | 77,615,819 | 90,163,403 | 41,150,000 | 29,778,684 | 1.27 |
| 2025 | 178,278,445 | 79,262,792 | 99,015,653 | 40,600,000 | 33,861,844 | 1.33 |

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

| Fiscal Year | | | | Bond Payable Debt Service | | |
|-------------|----------------|--------------------|------------------------|---------------------------|------------------|----------------|
| | Gross Revenues | Operating Expenses | Net Available Revenues | Principal | Interest Expense | Coverage Ratio |
| 2018 | \$ 29,072,448 | \$ — | \$ 29,072,448 | \$ 10,095,000 | \$ 15,460,546 | 1.14 |
| 2019 | 28,807,896 | — | 28,807,896 | 10,370,000 | 15,303,753 | 1.12 |
| 2020 | 26,322,147 | — | 26,322,147 | 10,660,000 | 15,120,516 | 1.02 |
| 2021 | 26,475,276 | — | 26,475,276 | 12,895,000 | 14,973,631 | 0.95 |
| 2022 | 32,753,162 | — | 32,753,162 | 20,270,000 | 13,448,123 | 0.97 |
| 2023 | 55,995,981 | — | 55,995,981 | 20,830,000 | 21,217,965 | 1.33 |
| 2024 | 44,293,190 | — | 44,293,190 | 27,170,000 | 22,590,142 | 0.89 |
| 2025 | 67,851,541 | — | 67,851,541 | 27,840,000 | 31,119,434 | 1.15 |

(1) Gross revenue includes all operating and non-operating revenues.

(2) Operating expenses exclude depreciation and amortization expense.

(3) Net available revenue represents gross revenues less operating expenses.

(4) Capitalized interest not required beginning in fiscal year 2018 as per GASB 89.

(5) Beginning in fiscal year 2017, the gross revenues exclude any effect of unrealized gains or losses on investment fair market value as these are noncash effects and do not effect amounts available for debt service.

(6) Beginning fiscal year 2018, the pledged revenues for the TRWD Revenue Bonds and the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) have been split to allow for clearer review.

(7) Coverage ratio below 1.0 due to prior year income used to pay current year debt service.

(8) Increase due to significant change in interest rates leading to higher investment income.

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

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL WATER CUSTOMERS AND WATER RATE

LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Customer | Rate | Amount Due | Amount Received | Percent of Total Revenue |
|-------------|-------------------------|---------|---------------|-----------------|--------------------------|
| 2016 | Arlington | 1.00637 | \$ 20,294,552 | \$ 20,294,552 | 14.19 % |
| | Fort Worth -In | 0.99962 | 47,396,879 | 47,396,879 | 33.14 % |
| | Fort Worth -Out | 1.01162 | 19,960,539 | 19,960,539 | 13.96 % |
| | Mansfield | 1.01162 | 4,299,098 | 4,299,098 | 3.01 % |
| | Trinity River Authority | 1.01162 | 11,304,561 | 11,304,561 | 7.90 % |
| | | | 103,255,629 | 103,255,629 | 72.20 % |
| 2017 | Arlington | 1.13170 | 22,296,464 | 22,296,464 | 13.79 % |
| | Fort Worth -In | 1.12670 | 53,175,077 | 53,175,077 | 32.88 % |
| | Fort Worth -Out | 1.13570 | 23,406,016 | 23,406,016 | 14.47 % |
| | Mansfield | 1.13570 | 5,117,915 | 5,117,915 | 3.16 % |
| | Trinity River Authority | 1.13570 | 12,363,932 | 12,363,932 | 7.65 % |
| | | | 116,359,404 | 116,359,404 | 71.95 % |
| 2018 | Arlington | 1.07181 | 21,811,046 | 21,811,046 | 13.80 % |
| | Fort Worth -In | 1.06856 | 55,105,320 | 55,105,320 | 34.86 % |
| | Fort Worth -Out | 1.07456 | 23,616,098 | 23,616,098 | 14.94 % |
| | Mansfield | 1.07456 | 5,523,546 | 5,523,546 | 3.49 % |
| | Trinity River Authority | 1.07456 | 11,850,071 | 11,850,071 | 7.50 % |
| | | | 117,906,081 | 117,906,081 | 74.59 % |
| 2019 | Arlington | 1.08264 | 21,016,599 | 21,016,599 | 12.59 % |
| | Fort Worth -In | 1.08114 | 49,479,396 | 49,479,396 | 29.63 % |
| | Fort Worth -Out | 1.08414 | 21,666,506 | 21,666,506 | 12.98 % |
| | Mansfield | 1.08414 | 5,306,509 | 5,306,509 | 3.18 % |
| | Trinity River Authority | 1.08414 | 11,357,357 | 11,357,357 | 6.80 % |
| | | | 108,826,367 | 108,826,367 | 65.18 % |
| 2020 | Arlington | 1.05881 | 20,452,147 | 20,452,147 | 12.96 % |
| | Fort Worth (1) | 1.05881 | 73,877,843 | 73,877,843 | 46.81 % |
| | Mansfield | 1.05881 | 5,437,377 | 5,437,377 | 3.44 % |
| | Trinity River Authority | 1.05881 | 11,564,559 | 11,564,559 | 7.33 % |
| | | | 111,331,926 | 111,331,926 | 70.54 % |

(continued)

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL WATER CUSTOMERS AND WATER RATE

LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Customer | Rate | Amount Due | Amount Received | Percent of Total Revenue (2) |
|-------------|-------------------------|---------|---------------|-----------------|------------------------------|
| 2021 | Arlington | 1.14219 | \$ 21,825,863 | \$ 21,825,863 | 13.04 % |
| | Fort Worth | 1.14219 | 83,650,540 | 83,650,540 | 49.96 % |
| | Mansfield | 1.14219 | 6,237,080 | 6,237,080 | 3.73 % |
| | Trinity River Authority | 1.14219 | 12,448,846 | 12,448,846 | 7.43 % |
| | | | 124,162,329 | 124,162,329 | 74.16 % |
| 2022 | Arlington | 1.03530 | 22,236,604 | 22,236,604 | 13.10 % |
| | Fort Worth | 1.03530 | 84,684,463 | 84,684,463 | 49.89 % |
| | Mansfield | 1.03530 | 6,848,951 | 6,848,951 | 4.03 % |
| | Trinity River Authority | 1.03530 | 13,732,210 | 13,732,210 | 8.09 % |
| | | | 127,502,228 | 127,502,228 | 75.11 % |
| 2023 | Arlington | 1.06830 | 22,314,340 | 22,314,340 | 10.04 % |
| | Fort Worth | 1.06830 | 87,388,434 | 87,388,434 | 39.33 % |
| | Mansfield | 1.06830 | 6,933,964 | 6,933,964 | 3.12 % |
| | Trinity River Authority | 1.06830 | 14,256,068 | 14,256,068 | 6.42 % |
| | | | 130,892,806 | 130,892,806 | 58.91 % |
| 2024 | Arlington | 1.09091 | 21,805,832 | 21,805,832 | 9.60 % |
| | Fort Worth | 1.09091 | 89,212,807 | 89,212,807 | 39.29 % |
| | Mansfield | 1.09091 | 7,325,818 | 7,325,818 | 3.23 % |
| | Trinity River Authority | 1.09091 | 13,370,451 | 13,370,451 | 5.89 % |
| | | | 131,714,908 | 131,714,908 | 58.00 % |
| 2025 | Arlington | 1.40014 | * | 23,567,939 | 9.46 % |
| | Fort Worth | 1.40014 | * | 92,570,376 | 37.17 % |
| | Mansfield | 1.40014 | * | 7,741,035 | 3.11 % |
| | Trinity River Authority | 1.40014 | * | 14,207,006 | 5.71 % |
| | | | 138,086,356 | 138,086,356 | 55.45 % |

*Rate based on 2025 approved budget, all prior years reflect actual rate and amounts due/received

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

(2) The Percent of Total Revenue includes, sale of water, sale of system capacity, investment income and other revenues in its calculation.

(concluded)

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

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

| <u>Fiscal Year</u> | <u>Customer</u> | <u>Amount Due</u> | <u>Amount Received</u> | <u>Percentage of Total Revenues</u> |
|--------------------|------------------|-------------------|------------------------|-------------------------------------|
| 2016 | Dallas Utilities | \$ 23,057,320 | \$ 23,057,320 | 16.12 % |
| 2017 | Dallas Utilities | 27,954,778 | 27,954,778 | 17.29 % |
| 2018 | Dallas Utilities | 26,197,337 | 26,197,337 | 16.57 % |
| 2019 | Dallas Utilities | 26,125,003 | 26,125,003 | 15.65 % |
| 2020 | Dallas Utilities | 26,026,083 | 26,026,083 | 16.49 % |
| 2021 | Dallas Utilities | 27,272,197 | 27,272,197 | 16.29 % |
| 2022 | Dallas Utilities | 32,908,447 | 32,908,447 | 19.39 % |
| 2023 | Dallas Utilities | 45,579,744 | 45,579,744 | 20.51 % |
| 2024 | Dallas Utilities | 36,112,157 | 36,112,157 | 15.90 % |
| 2025 | Dallas Utilities | 55,865,407 | 55,865,407 | 22.43 % |

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

TARRANT REGIONAL WATER DISTRICT

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

| Fiscal Year | Assessed Valuation | Estimated Actual Valuation | Ratio of Assessed Valuation to Estimated Actual Valuation | Tax Rate (per \$100 valuation) |
|-------------|--------------------|----------------------------|---|--------------------------------|
| 2016 | \$46,917,552,904 | \$50,803,383,613 | 92.4% | \$0.0200 |
| 2017 | 52,935,293,713 | 55,434,998,202 | 95.5% | 0.0194 |
| 2018 | 59,550,920,828 | 61,429,213,137 | 96.9% | 0.0194 |
| 2019 | 66,747,897,039 | 67,748,329,180 | 98.5% | 0.0194 |
| 2020 | 75,197,241,073 | 76,434,950,423 | 98.4% | 0.0287 |
| 2021 | 74,567,554,727 | 80,498,318,774 | 92.6% | 0.0287 |
| 2022 | 83,301,317,005 | 86,063,956,076 | 96.8% | 0.0287 |
| 2023 | 92,773,649,598 | 96,277,117,783 | 96.4% | 0.0269 |
| 2024 | 108,111,832,404 | 109,322,372,135 | 98.9% | 0.0267 |
| 2025 | 112,682,661,487 | 114,832,632,740 | 98.1% | 0.0267 |

Note: All taxes are recorded in the General Fund.

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT

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

| Fiscal Year | Total Tax Levy | Current Tax Collections | Ratio of Current Tax Collections to Total Tax Levy | | Ratio of Delinquent Tax Collections to Total Tax Levy | | Ratio of Total Tax Collections to Total Tax Levy | |
|-------------|----------------|-------------------------|--|-----------------|---|-----------------|--|-------------------|
| | | | Delinquent | Tax Collections | Delinquent | Tax Collections | Total Tax Collections | to Total Tax Levy |
| | | | Tax | Collections | Tax | Collections | Total Tax Collections | to Total Tax Levy |
| 2016 | \$10,158,047 | \$10,039,402 | 98.8 % | \$ 124,865 | 1.23 % | \$10,164,267 | | 100.1 % |
| 2017 | 10,754,248 | 10,622,254 | 98.8 % | 114,227 | 1.06 % | 10,736,481 | | 99.8 % |
| 2018 | 11,916,029 | 11,805,749 | 99.1 % | 123,651 | 1.04 % | 11,929,400 | | 100.1 % |
| 2019 | 13,142,683 | 13,023,373 | 99.1 % | 12,308 | 0.09 % | 13,035,681 | | 99.2 % |
| 2020 | 21,934,303 | 21,714,220 | 99.0 % | 71,249 | 0.32 % | 21,785,469 | | 99.3 % |
| 2021 | 23,085,616 | 22,886,975 | 99.1 % | 61,039 | 0.26 % | 22,948,014 | | 99.4 % |
| 2022 | 24,688,642 | 24,511,161 | 99.3 % | 10,693 | 0.04 % | 24,521,854 | | 99.3 % |
| 2023 | 25,873,984 | 25,651,502 | 99.1 % | 190,499 | 0.74 % | 25,842,001 | | 99.9 % |
| 2024 | 29,165,314 | 28,899,614 | 99.1 % | 19,765 | 0.07 % | 28,919,379 | | 99.2 % |
| 2025 | 30,632,112 | 30,354,841 | 99.1 % | 109,110 | 0.36 % | 30,463,951 | | 99.5 % |

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR (UNAUDITED)

| Tarrant County | 2025 | | | 2016 | | |
|---|------------------|------|--------------------------------|---------------|------|--------------------------------|
| | Taxable Value | Rank | Percent of total taxable value | Taxable Value | Rank | Percent of total taxable value |
| Winner LLC/Winner LLC | \$ 2,370,568,023 | 1 | 2.1% | \$ — | — | — |
| American Airlines Inc/American Airlines Inc | 1,066,354,970 | 2 | 0.9% | 233,238,096 | 5 | 0.5% |
| OnCor Electric Delivery Co LLC | 668,241,314 | 3 | 0.6% | 373,253,116 | 2 | 0.7% |
| Bell Textron Inc | 548,789,554 | 4 | 0.5% | 367,368,343 | 3 | 0.7% |
| Bargreen Ellingson of Texas LP | 490,781,613 | 5 | 0.4% | — | — | — |
| Atmos Energy/Mid Tex Division | 439,148,638 | 6 | 0.4% | — | — | — |
| Pecos Housing Finance Corporation | 252,657,817 | 7 | 0.2% | — | — | — |
| DDR/DTC City Investments LP | 250,000,000 | 8 | 0.2% | 253,611,929 | 4 | 0.5% |
| Lockheed Martin Corp | 230,356,402 | 9 | 0.2% | — | — | — |
| Charter Communication Operating LLC | 216,720,654 | 10 | 0.2% | — | — | — |
| Alcon Laboratories Inc | — | — | — | 397,076,716 | 1 | 0.8% |
| A T and T Mobility LLC | — | — | — | 172,493,429 | 6 | 0.3% |
| Behringer Harvard Burnett PLZ | — | — | — | 147,757,362 | 7 | 0.3% |
| Wal-Mart Real Estate Bus Trust | — | — | — | 146,355,480 | 8 | 0.3% |
| F7 SSSM LLC | — | — | — | 144,858,480 | 9 | 0.3% |
| Carlyle/Cypress West 7th II LP | — | — | — | 135,660,000 | 10 | 0.3% |

Source: From the Tarrant Appraisal District.

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND EXPENSES
LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Operating Maintenance and Administrative | Interest Expense (1) | Depreciation and Amortization |
|-------------|--|----------------------|-------------------------------|
| 2016 | \$ 42,392,196 | \$ 16,440,189 | \$ 19,013,491 |
| 2017 | 43,972,464 | 19,609,135 | 19,574,133 |
| 2018 | 44,164,379 | 53,833,757 | 20,369,970 |
| 2019 | 41,005,392 | 53,294,373 | 20,206,511 |
| 2020 | 44,814,778 | 51,027,808 | 20,804,759 |
| 2021 | 55,545,963 (2) | 40,188,317 (3) | 20,940,571 |
| 2022 | 59,175,336 | 41,333,337 | 21,599,925 |
| 2023 | 76,854,503 (4) | 50,555,880 | 45,176,425 (5) |
| 2024 | 77,615,819 | 52,371,220 | 45,161,850 |
| 2025 | 79,262,792 | 65,033,102 | 46,175,573 |

(1) Capitalized interest began in fiscal year 2018 as per GASB 89.

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

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

(4) Increase in operating maintenance and administrative expense due to increased personnel costs as well as administration costs previously allocated to the Integrated Pipeline Phase 1 & 2 Project now being expensed since that project was completed in fiscal year 2022.

(5) Increase in depreciation and amortization due to the completion of IPL Phase 1 and 2.

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

TARRANT REGIONAL WATER DISTRICT

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Oil and Gas Royalties (2) | Lease Rentals | Interest Income (loss) (3) | Other (1) | Property Taxes |
|-------------|---------------------------|---------------|----------------------------|----------------|----------------|
| 2016 | \$ 8,781,804 | \$ 1,598,047 | \$ 317,333 | \$ 6,338,094 | \$10,271,392 |
| 2017 | 11,048,761 | 1,389,533 | 435,789 | 6,335,706 | 10,799,762 |
| 2018 | 10,148,141 | 1,403,276 | 731,769 | 4,935,928 | 12,010,248 |
| 2019 | 8,197,878 | 1,562,198 | 1,435,560 | 9,055,684 | 13,152,496 |
| 2020 | 6,414,237 | 1,272,670 | 763,675 | 9,300,640 | 21,924,922 (4) |
| 2021 | 7,843,251 | 1,404,345 | 63,736 | 9,799,305 | 23,089,003 |
| 2022 | 14,570,873 | 1,326,827 | (707,632) | 11,940,196 | 24,689,890 |
| 2023 | 5,821,884 | 1,292,432 | 5,206,309 | 9,445,858 | 25,984,634 |
| 2024 | 5,503,534 | 1,274,497 | 8,396,448 | 60,032,788 (5) | 29,097,426 |
| 2025 | 4,908,156 | 1,273,178 | 8,462,057 | 59,549,545 (6) | 30,684,996 |

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

(2) Changes in oil and gas royalties all due to fluctuating market pricing.

(3) Variability in interest income due to fluctuations in the market interest rate.

(4) Property taxes increased due to increase in taxable property values.

(5) Increase due to \$50 million in proceeds from General obligation bonds issued in fiscal year 2024

(6) \$50 million in proceeds from General obligation bonds were issued in fiscal year 2025

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

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND REVENUES BY SOURCE

LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Sale of Water (1) | Sale of System Capacity | Investment Income (loss) (2) | Land Lease Rentals | Other (3) |
|-------------|-------------------|-------------------------|------------------------------|--------------------|------------------|
| 2016 | \$ 115,849,316 | \$ 23,057,320 | \$ 6,776,202 | \$ 172,361 | \$ 3,943,515 (4) |
| 2017 | 127,130,021 | 27,954,778 | 5,706,516 | 157,262 | 775,215 |
| 2018 | 124,380,349 | 26,197,337 | 5,511,784 | 156,797 | 1,823,912 (4) |
| 2019 | 120,669,062 | 26,125,003 | 14,653,818 | 164,955 | 5,364,786 (4) |
| 2020 | 123,206,591 | 26,026,083 | 5,810,806 | 145,268 | 2,654,108 |
| 2021 | 138,108,606 | 27,272,197 | (227,021) | 152,743 | 2,129,735 |
| 2022 | 138,836,740 | 32,908,447 | (12,965,711) | 154,186 | 10,808,884 (4) |
| 2023 | 148,599,782 | 45,579,744 | 25,973,598 | 138,346 | 1,928,538 |
| 2024 | 148,984,917 | 36,112,157 | 31,833,323 | 111,543 | 10,046,863 (5) |
| 2025 | 156,347,960 | 55,865,407 | 33,735,452 | 622,506 | 2,447,302 |

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

(2) Variability in interest income due to fluctuations in the market interest rate.

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

(4) Increase is mainly due to non-annual buy-in premiums received.

(5) Increase is mainly due to a \$7.1 million gain on extinguishment of debt.

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

TARRANT REGIONAL WATER DISTRICT**FULL-TIME EMPLOYEE HEAD COUNT****LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Flood Protection | Water Supply | Operational Support | Administrative | Recreation | Total |
|-------------|------------------|--------------|---------------------|----------------|------------|-------|
| 2016 | 49 | 91 | 63 | 69 | — | 272 |
| 2017 | 49 | 92 | 62 | 67 | — | 270 |
| 2018 | 53 | 89 | 67 | 75 | — | 284 |
| 2019 | 52 | 93 | 70 | 78 | — | 293 |
| 2020 | 48 | 94 | 71 | 88 | — | 301 |
| 2021 (1) | 29 | 97 | 92 | 84 | 5 | 307 |
| 2022 | 25 | 99 | 96 | 86 | 2 | 308 |
| 2023 | 29 | 101 | 94 | 94 | 2 | 320 |
| 2024 (2) | 31 | 104 | 95 | 101 | — | 331 |
| 2025 | 41 | 113 | 88 | 112 | — | 354 |

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

(2) Beginning in fiscal year 2024, recreation employees have shifted to flood protection since recreation activities support the flood protection mission.

Note: In fiscal year 2025 there were 477 budgeted positions. The chart above includes full time employees only.

Source: From the District's internal payroll records.

TARRANT REGIONAL WATER DISTRICT

**MISCELLANEOUS STATISTICAL FACTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)**

Date of organization October 7, 1924

Area covered by District 345 square miles

Facilities:

Number of water supply reservoirs 4

| | Conservation Pool | Actual in Storage |
|--|------------------------------|------------------------------|
| Acre feet of water storage: | | |
| Bridgeport Lake | 372,183 | 336,738 |
| Eagle Mountain Lake | 185,083 | 166,395 |
| Cedar Creek Reservoir | 631,401 | 570,971 |
| Richland-Chambers Reservoir | <u>1,125,199</u> | <u>1,081,725</u> |
| Total | <u>2,313,866</u> | <u>2,155,829</u> |
| Miles of levees | | |
| | | 23 |
| Miles of floodway river channel | | |
| | | 28 |
| Area to be maintained by District | | |
| | | 1,997 acres |

Annual rainfall in inches—last 10 fiscal years:

| Year | DFW Weather Service | Lake Worth | Eagle Mountain Lake | Bridgeport Lake | Cedar Creek Lake | Richland- Chambers |
|-------------|------------------------------------|-----------------------|------------------------------------|----------------------------|---------------------------------|-------------------------------|
| 2016 | 53.16 | 41.25 | 45.23 | 43.67 | 58.85 | 63.91 |
| 2017 | 34.96 | 34.80 | 27.47 | 32.93 | 40.17 | 41.97 |
| 2018 | 42.39 | 21.18 | 22.51 | 18.22 | 33.62 | 37.35 |
| 2019 | 48.20 | 34.63 | 38.47 | 27.25 | 55.00 | 52.94 |
| 2020 | 45.27 | 31.81 | 32.81 | 41.17 | 53.30 | 49.02 |
| 2021 | 32.91 | 24.81 | 28.75 | 30.30 | 39.81 | 33.17 |
| 2022 | 29.92 | 29.48 | 21.58 | 29.59 | 24.03 | 27.35 |
| 2023 | 30.18 | 24.95 | 21.63 | 18.94 | 48.96 | 38.93 |
| 2024 | 47.59 | 39.50 | 41.41 | 32.08 | 47.87 | 47.83 |
| 2025 | 34.56 | 28.70 | 29.83 | 30.05 | 44.95 | 53.07 |

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

DENTON COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|-------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 771,688 | \$ 26,644,843,264 | \$ 34,528 | 33.8 | 15,365 | 3.6 % |
| 2017 | 795,196 | 27,763,473,144 | 34,914 | 34.2 | 15,532 | 3.4 % |
| 2018 | 819,532 | 29,698,200,616 | 36,238 | 34.5 | 15,739 | 3.4 % |
| 2019 | 844,707 | 32,038,047,096 | 37,928 | 34.9 | 15,482 | 3.2 % |
| 2020 | 870,845 | 34,428,857,075 | 39,535 | 35.2 | 14,825 | 3.0 % |
| 2021 | 897,953 | 36,953,459,809 | 41,153 | 35.5 | 32,965 | 6.4 % |
| 2022 | 925,643 | 39,337,976,214 | 42,498 | 35.8 | 23,408 | 4.4 % |
| 2023 | 954,471 | 43,697,591,322 | 45,782 | 36.2 | 17,669 | 3.2 % |
| 2024 | 997,139 | 50,325,605,330 | 50,470 | 36.5 | 19,901 | 3.5 % |
| 2025 | 1,045,015 | 55,290,698,635 | 52,909 | 36.8 | 22,093 | 3.7 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

ELLIS COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 178,372 | \$ 4,624,115,728 | \$ 25,924 | 35.5 | 3,186 | 4.0 % |
| 2017 | 183,618 | 4,839,619,626 | 26,357 | 35.7 | 3,142 | 3.8 % |
| 2018 | 189,032 | 5,163,031,016 | 27,313 | 35.9 | 2,991 | 3.4 % |
| 2019 | 194,584 | 5,567,437,408 | 28,612 | 36.0 | 2,964 | 3.3 % |
| 2020 | 174,749 | 5,369,512,523 | 30,727 | 36.1 | 2,871 | 3.1 % |
| 2021 | 177,721 | 5,788,550,691 | 32,571 | 36.2 | 5,641 | 6.0 % |
| 2022 | 180,752 | 6,078,509,008 | 33,629 | 36.4 | 4,441 | 4.5 % |
| 2023 | 183,842 | 6,571,064,606 | 35,743 | 36.4 | 3,589 | 3.5 % |
| 2024 | 219,702 | 8,486,648,856 | 38,628 | 36.2 | 3,927 | 3.7 % |
| 2025 | 232,363 | 9,212,263,498 | 39,646 | 36.3 | 4,525 | 3.7 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

FREESTONE COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|-----------------|----------------------------|------------|--------------|-------------------|
| 2016 | 21,133 | \$ 486,228,064 | \$ 23,008 | 40.9 | 407 | 5.4 % |
| 2017 | 21,356 | 514,401,972 | 24,087 | 41.4 | 471 | 6.9 % |
| 2018 | 21,559 | 503,833,830 | 23,370 | 41.4 | 425 | 6.3 % |
| 2019 | 21,776 | 523,930,560 | 24,060 | 40.6 | 384 | 5.8 % |
| 2020 | 19,879 | 478,745,957 | 24,083 | 40.4 | 307 | 4.8 % |
| 2021 | 19,860 | 488,973,060 | 24,621 | 41.5 | 528 | 8.3 % |
| 2022 | 19,865 | 506,557,500 | 25,500 | 40.8 | 458 | 7.2 % |
| 2023 | 19,860 | 550,122,000 | 27,700 | 41.3 | 338 | 5.3 % |
| 2024 | 20,342 | 573,664,742 | 28,201 | 41.8 | 336 | 5.1 % |
| 2025 | 20,640 | 602,068,800 | 29,170 | 41.8 | 341 | 4.7 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

HENDERSON COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 81,959 | \$ 1,791,377,863 | \$ 21,857 | 43.2 | 1,685 | 4.9 % |
| 2017 | 82,521 | 1,866,047,373 | 22,613 | 43.4 | 1,659 | 4.7 % |
| 2018 | 83,089 | 1,961,315,845 | 23,605 | 43.7 | 1,476 | 4.2 % |
| 2019 | 83,631 | 2,033,487,765 | 24,315 | 43.8 | 1,364 | 3.7 % |
| 2020 | 80,985 | 2,047,300,800 | 25,280 | 43.9 | 1,279 | 3.5 % |
| 2021 | 81,179 | 2,120,476,659 | 26,121 | 43.9 | 2,377 | 6.4 % |
| 2022 | 81,369 | 2,202,577,461 | 27,069 | 44.0 | 1,962 | 5.1 % |
| 2023 | 81,548 | 2,382,832,560 | 29,220 | 43.7 | 1,485 | 3.8 % |
| 2024 | 85,681 | 2,785,746,353 | 32,513 | 43.9 | 1,621 | 4.1 % |
| 2025 | 87,452 | 2,950,105,768 | 33,734 | 43.8 | 1,616 | 4.5 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

JACK COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|-----------------|----------------------------|------------|--------------|-------------------|
| 2016 | 9,435 | \$ 218,193,810 | \$ 23,126 | 40.5 | 174 | 4.3 % |
| 2017 | 9,502 | 223,990,646 | 23,573 | 40.5 | 191 | 4.9 % |
| 2018 | 9,569 | 236,134,213 | 24,677 | 40.0 | 147 | 3.7 % |
| 2019 | 9,632 | 246,126,496 | 25,553 | 40.6 | 111 | 2.5 % |
| 2020 | 8,845 | 226,661,970 | 25,626 | 39.7 | 109 | 3.1 % |
| 2021 | 8,841 | 220,635,996 | 24,956 | 39.6 | 238 | 7.0 % |
| 2022 | 8,830 | 226,215,770 | 25,619 | 40.1 | 186 | 5.5 % |
| 2023 | 8,820 | 233,668,260 | 26,493 | 39.0 | 130 | 3.8 % |
| 2024 | 8,858 | 253,569,108 | 28,626 | 39.2 | 123 | 3.6 % |
| 2025 | 9,399 | 295,109,802 | 31,398 | 41.3 | 146 | 5.1 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

JOHNSON COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 171,358 | \$ 4,247,450,746 | \$ 24,787 | 36.4 | 3,278 | 4.4 % |
| 2017 | 175,030 | 4,430,009,300 | 25,310 | 36.7 | 3,285 | 4.3 % |
| 2018 | 178,835 | 4,599,815,035 | 25,721 | 36.8 | 2,915 | 3.8 % |
| 2019 | 182,784 | 4,857,302,016 | 26,574 | 36.9 | 2,749 | 3.4 % |
| 2020 | 169,575 | 4,691,631,525 | 27,667 | 36.8 | 2,644 | 3.2 % |
| 2021 | 171,701 | 4,907,042,879 | 28,579 | 36.8 | 5,390 | 6.5 % |
| 2022 | 173,888 | 4,919,291,520 | 28,290 | 36.9 | 4,151 | 4.9 % |
| 2023 | 176,087 | 5,304,796,962 | 30,126 | 37.0 | 3,105 | 3.5 % |
| 2024 | 207,702 | 6,797,671,056 | 32,728 | 37.1 | 3,285 | 3.6 % |
| 2025 | 210,511 | 7,220,948,322 | 34,302 | 37.2 | 3,793 | 3.6 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

KAUFMAN COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 128,865 | \$ 3,216,341,535 | \$ 24,959 | 35.6 | 2,232 | 4.1 % |
| 2017 | 133,652 | 3,333,815,488 | 24,944 | 35.8 | 2,155 | 3.8 % |
| 2018 | 138,601 | 3,526,702,445 | 25,445 | 35.8 | 2,091 | 3.5 % |
| 2019 | 143,742 | 3,827,993,202 | 26,631 | 35.7 | 2,146 | 3.5 % |
| 2020 | 122,724 | 3,363,987,564 | 27,411 | 35.6 | 2,112 | 3.3 % |
| 2021 | 125,134 | 3,583,086,956 | 28,634 | 35.5 | 4,377 | 6.5 % |
| 2022 | 127,644 | 3,720,439,668 | 29,147 | 35.3 | 3,519 | 4.9 % |
| 2023 | 130,210 | 4,085,468,960 | 31,376 | 35.0 | 2,807 | 3.7 % |
| 2024 | 179,647 | 5,973,262,750 | 33,250 | 34.6 | 3,161 | 4.1 % |
| 2025 | 197,816 | 6,751,657,896 | 34,131 | 34.2 | 3,911 | 4.0 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

NAVARRO COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 52,236 | \$ 1,070,367,876 | \$ 20,491 | 37.8 | 977 | 4.3 % |
| 2017 | 53,020 | 1,097,354,940 | 20,697 | 38.2 | 958 | 4.2 % |
| 2018 | 53,811 | 1,148,703,417 | 21,347 | 38.1 | 895 | 3.9 % |
| 2019 | 54,628 | 1,210,119,456 | 22,152 | 38.9 | 873 | 3.7 % |
| 2020 | 47,977 | 1,123,717,294 | 23,422 | 38.6 | 778 | 3.2 % |
| 2021 | 47,985 | 1,141,371,210 | 23,786 | 38.1 | 1,442 | 6.2 % |
| 2022 | 47,962 | 1,157,466,946 | 24,133 | 38.2 | 1,206 | 5.1 % |
| 2023 | 47,962 | 1,176,220,088 | 24,524 | 38.2 | 914 | 3.9 % |
| 2024 | 55,836 | 1,502,546,760 | 26,910 | 37.5 | 942 | 4.0 % |
| 2025 | 56,527 | 1,574,050,842 | 27,846 | 37.4 | 1,055 | 4.5 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

PARKER COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 140,735 | \$ 4,353,496,490 | \$ 30,934 | 39.6 | 2,475 | 4.2 % |
| 2017 | 145,104 | 4,632,154,992 | 31,923 | 39.6 | 2,479 | 4.1 % |
| 2018 | 149,616 | 4,828,706,784 | 32,274 | 39.7 | 2,150 | 3.5 % |
| 2019 | 154,297 | 5,148,427,999 | 33,367 | 39.6 | 2,013 | 3.1 % |
| 2020 | 133,578 | 4,635,824,490 | 34,705 | 39.7 | 1,959 | 2.9 % |
| 2021 | 135,621 | 4,765,993,182 | 35,142 | 39.7 | 4,012 | 5.9 % |
| 2022 | 137,707 | 5,015,288,940 | 36,420 | 39.8 | 3,172 | 4.4 % |
| 2023 | 139,853 | 5,501,956,873 | 39,341 | 39.5 | 2,441 | 3.3 % |
| 2024 | 173,313 | 7,527,676,842 | 43,434 | 39.4 | 2,555 | 3.3 % |
| 2025 | 179,679 | 8,170,183,809 | 45,471 | 39.3 | 3,050 | 3.4 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

TARRANT COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|-------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 1,991,639 | \$ 56,843,368,699 | \$ 28,541 | 33.8 | 41,251 | 4.2 % |
| 2017 | 2,023,985 | 58,812,956,130 | 29,058 | 34.0 | 39,774 | 3.9 % |
| 2018 | 2,057,926 | 61,307,673,466 | 29,791 | 34.1 | 37,978 | 3.7 % |
| 2019 | 2,092,419 | 64,565,773,083 | 30,857 | 34.2 | 37,114 | 3.5 % |
| 2020 | 2,108,938 | 67,680,038,296 | 32,092 | 34.3 | 35,655 | 3.3 % |
| 2021 | 2,143,755 | 71,369,891,460 | 33,292 | 34.4 | 79,553 | 7.3 % |
| 2022 | 2,178,720 | 74,174,522,400 | 34,045 | 34.6 | 58,300 | 5.3 % |
| 2023 | 2,214,148 | 80,085,733,160 | 36,170 | 34.8 | 41,131 | 3.6 % |
| 2024 | 2,186,501 | 86,163,444,907 | 39,407 | 34.9 | 43,487 | 3.7 % |
| 2025 | 2,230,546 | 92,264,304,744 | 41,364 | 35.1 | 47,007 | 3.9 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

WISE COUNTY, TX

| Fiscal Year | Population (1) (2) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|--------------------|------------------|----------------------------|------------|--------------|-------------------|
| 2016 | 67,865 | \$ 1,838,259,255 | \$ 27,087 | 39.1 | 1,331 | 4.6 % |
| 2017 | 69,449 | 1,889,568,392 | 27,208 | 39.3 | 1,386 | 4.8 % |
| 2018 | 71,081 | 1,926,579,424 | 27,104 | 38.8 | 1,185 | 4.0 % |
| 2019 | 72,749 | 1,996,741,803 | 27,447 | 38.5 | 1,063 | 3.4 % |
| 2020 | 65,160 | 1,875,369,960 | 28,781 | 38.4 | 1,027 | 3.2 % |
| 2021 | 65,807 | 1,935,910,326 | 29,418 | 38.3 | 2,099 | 6.5 % |
| 2022 | 66,500 | 2,041,084,500 | 30,693 | 38.6 | 1,600 | 4.9 % |
| 2023 | 67,160 | 2,234,010,240 | 33,264 | 39.1 | 1,205 | 3.5 % |
| 2024 | 77,625 | 2,842,161,750 | 36,614 | 39.3 | 1,285 | 3.7 % |
| 2025 | 81,275 | 3,080,972,700 | 37,908 | 40.0 | 1,495 | 3.7 % |

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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

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

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF BONDS AUTHORIZED, ISSUED, AND OUTSTANDING BY PURPOSE OF ISSUE
AS OF SEPTEMBER 30, 2025 (UNAUDITED)**

| | Fiscal Year Authorized | Issued Amount | Outstanding |
|---|-----------------------------------|--------------------------|-------------------------|
| Construction and improvement bonds: | | | |
| <u>Tarrant Regional Water District Projects</u> | | | |
| Unlimited Tax Bonds Series 2024 | 2024 | \$ 48,940,000 | \$ 48,940,000 |
| Unlimited Tax Bonds Series 2025 | 2025 | 49,770,000 | 49,770,000 |
| | | 98,710,000 | 98,710,000 |
| Add premium (net of accumulated amortization) | | | 2,232,951 |
| Total - Construction and improvement bonds (Governmental activities) | | <u>\$ 98,710,000</u> | <u>\$ 100,942,951</u> |
| <u>Tarrant Regional Water District Bonds</u> | | | |
| Water Revenue Refunding Bonds - Series 2015 | 2015 | \$ 156,470,000 | \$ 58,765,000 |
| Water Revenue Bonds - Series 2016 | 2016 | 28,530,000 | 22,690,000 |
| Water Revenue Refunding Bonds - Series 2016A | 2016 | 61,910,000 | 39,465,000 |
| Water Revenue Refunding Bonds - Series 2017 | 2017 | 52,765,000 | 46,915,000 |
| Water Revenue Refunding Bonds - Series 2020 | 2020 | 129,570,000 | 72,460,000 |
| Water Revenue Refunding Bonds - Series 2020B | 2020 | 386,680,000 | 175,155,000 |
| Water Revenue Refunding Bonds - Series 2020C | 2020 | 38,105,000 | 22,860,000 |
| Water Revenue Bonds - Series 2022 | 2022 | 46,510,000 | 44,420,000 |
| Water Revenue Refunding Bonds - Series 2024 | 2024 | 288,885,000 | 283,375,000 |
| | | 1,189,425,000 | 766,105,000 |
| <u>Tarrant Regional Water District Projects (Direct Borrowings)</u> | | | |
| Water Revenue Bonds - Series 2015A | 2016 | 300,000,000 | 229,240,000 |
| | | 300,000,000 | 229,240,000 |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2021A | 2021 | 240,025,000 | 218,775,000 |
| Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) - Series 2021B | 2021 | 298,395,000 | 265,465,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2025 | 2025 | 408,570,000 | 408,570,000 |
| | | 946,990,000 | 892,810,000 |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project - Direct Borrowings)</u> | | | |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2015 | 2016 | 140,000,000 | 106,645,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2022 | 2023 | 255,000,000 | 243,245,000 |
| | | 395,000,000 | 349,890,000 |
| Add premium (net of accumulated amortization) | | | 59,330,419 |
| Total - Construction and improvement bonds (Business-type activities) | | <u>\$ 2,831,415,000</u> | <u>\$ 2,297,375,419</u> |

Note: Above amounts exclude unamortized original issue premiums.

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

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF CHANGES IN BONDED DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)**

| | Balance October 1, 2024 | Total Issued | Total Retired | Balance September 30, 2025 |
|--|--|-------------------------|--------------------------|---|
| <u>Tarrant Regional Water District Bonds</u> | | | | |
| Unlimited Tax Bonds Series 2024 | \$ 48,940,000 | — | — | \$ 48,940,000 |
| Unlimited Tax Bonds Series 2025 | — | 49,770,000 | — | 49,770,000 |
| | <u>48,940,000</u> | <u>49,770,000</u> | — | <u>98,710,000</u> |
| Add premium (net of accumulated amortization) | | | | 2,232,951 |
| Total Governmental activities | | | | <u>\$ 100,942,951</u> |
| <u>Tarrant Regional Water District Bonds</u> | | | | |
| Water Revenue Refunding Bonds Series 2015 | \$ 71,710,000 | — | \$ 12,945,000 | \$ 58,765,000 |
| Water Revenue Bonds Series 2015A | 237,630,000 | — | 8,390,000 | 229,240,000 |
| Water Revenue Bonds Series 2016 | 23,420,000 | — | 730,000 | 22,690,000 |
| Water Revenue Refunding Bonds Series 2016A | 43,680,000 | — | 4,215,000 | 39,465,000 |
| Water Revenue Refunding Bonds Series 2017 | 50,000,000 | — | 3,085,000 | 46,915,000 |
| Water Revenue Refunding Bonds Series 2020 | 73,535,000 | — | 1,075,000 | 72,460,000 |
| Water Revenue Refunding Bonds Series 2020B | 175,155,000 | — | | 175,155,000 |
| Water Revenue Refunding Bonds Series 2020C | 26,750,000 | — | 3,890,000 | 22,860,000 |
| Water Revenue Bonds Series 2022 | 45,180,000 | — | 760,000 | 44,420,000 |
| Water Revenue Refunding Bonds Series 2024 | 288,885,000 | — | 5,510,000 | 283,375,000 |
| | <u>1,035,945,000</u> | — | 40,600,000 | <u>995,345,000</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | | |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2015 | 110,590,000 | — | 3,945,000 | 106,645,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2021A | 224,405,000 | — | 5,630,000 | 218,775,000 |
| Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) Series 2021B | 277,795,000 | — | 12,330,000 | 265,465,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2022 | 249,180,000 | — | 5,935,000 | 243,245,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2025 | — | 408,570,000 | — | 408,570,000 |
| | <u>861,970,000</u> | <u>408,570,000</u> | <u>27,840,000</u> | <u>1,242,700,000</u> |
| | <u>\$1,897,915,000</u> | <u>\$ 408,570,000</u> | <u>\$ 68,440,000</u> | <u>\$2,238,045,000</u> |
| Add premium (net of accumulated amortization) | | | | 59,330,419 |
| Total Business-type activities | | | | <u>\$2,297,375,419</u> |

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

TARRANT REGIONAL WATER DISTRICT**SCHEDULE OF INSURANCE
AS OF SEPTEMBER 30, 2025 (UNAUDITED)**

| Insurer (4) | | Policy Period | Type of Coverage |
|---------------------------------|-----|----------------------|---|
| Hartford Insurance Co. | (1) | 01/15/25-01/15/26 | Director Bond |
| TWA Risk Management Fund | (2) | 07/01/25-07/01/26 | Crime |
| | | 07/01/25-07/01/26 | Fleet Policy |
| | | 07/01/25-07/01/26 | Property Insurance |
| | | 07/01/25-06/30/26 | Workers' Compensation |
| | | 07/01/25-07/01/26 | General Liability |
| | | 07/01/25-07/01/26 | Errors and Omissions Liability |
| Blue Cross Blue Shield of Texas | (3) | 01/01/25-12/31/25 | Insured with Stop Loss Coverage |
| Berkshire Hathaway | | 01/01/25-12/31/25 | Provides plan sponsor (the District) stop loss coverage for participant medical claims over \$110,000 |
| King Insurance Partners, LLC | | 12/16/24 - 12/16/25 | Aviation/Helicopter |
| Global Aerospace, Inc. | | 4/5/25 - 4/5/26 | Aviation/Drone |
| Willis Towers Watson | | 07/21/20 - 07/21/27 | Rolling Owner Controlled Insurance Program IPL Phase 3 |
| AIG Specialty Insurance Company | | 12/19/24 - 12/19/25 | Cyber Insurance |

- (1) This is a pool administered by Sedgwick. Both policies within this pool are valid until canceled.
- (2) This is a pool through the Texas Water Association Risk Management Fund administered by Sedgwick.
- (3) The District is self-insured in relation to Health Insurance.
- (4) All premiums have been paid in full.

Source: From the District's Risk Management Department

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TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: January 20, 2026

SUBJECT: Consider Approval to Accept Grant from Texas Parks and Wildlife Foundation for Eagle Mountain Park Expenditures

FUNDING: N/A

RECOMMENDATION:

Management recommends acceptance of a grant **in the amount of \$20,000** from Texas Parks and Wildlife to benefit Eagle Mountain Park.

DISCUSSION:

Texas Parks and Wildlife Foundation received a grant of \$20,000 from North Texas Community Foundation to be disbursed to Eagle Mountain for park usage. Texas Parks and Wildlife is passing this grant to Tarrant Regional Water District to be used for expenditures related to Eagle Mountain Park.

This item was reviewed by the Finance Committee on January 12, 2026.

Submitted By:

Sandy Newby
Chief Financial Officer



January 5, 2026

Ms. Kathleen Ray
Tarrant Regional Water District
800 E Northside Drive
Fort Worth, TX 76102

Dear Ms. Ray:

Texas Parks and Wildlife Foundation has awarded your organization with a grant in the amount of \$20,000. These funds are designated for Eagle Mountain Park.

Please provide Texas Parks and Wildlife Foundation with a written acknowledgment of receipt of contribution.

If you have questions or require additional information concerning this contribution, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Anne Brown".

Anne Brown

Ensuring the future of Texas' wild things and wild places for all.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 9

DATE: January 20, 2026

SUBJECT: Consider Approval of Contract Amendment with Guidehouse Inc. for Workday Post-Production Support to Continue Enhancing the Workday Platform

FUNDING: Fiscal Year 2026 General Fund Budget - \$250,000

RECOMMENDATION:

Management recommends approval of a contract amendment **in the amount of \$250,000** with Guidehouse Inc. for Workday post-production support to continue enhancing the Workday platform. The total amended contract amount is not-to-exceed \$395,000.

DISCUSSION:

This post-go-live professional services contract will provide ongoing functional and technical support for TRWD's Workday ERP system, including configuration assistance, process and workflow optimization, and functional consulting. Guidehouse Inc. was selected based on its demonstrated Workday expertise and prior experience with TRWD, reducing transition risk and supporting continuity of service. Services will begin immediately and continue through December 2026. The contract supports the effective adoption and ongoing operational maturity of our new Workday ERP implementation.

This contract is through the Omnia cooperative purchasing contract Omnia 01-139.

This item was reviewed by the Administration and Policy Committee on January 12, 2026.

Submitted By:

Mick Maguire
Chief Administrative Officer

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 10

DATE: January 20, 2026

SUBJECT: Consider Adoption of Resolution Honoring Carol Tackel on Her Retirement from the District

FUNDING: N/A

RECOMMENDATION:

Management recommends adoption of a resolution honoring Carol Tackel on her retirement from the District following dedicated service since 2007.

Submitted By:

Mick Maguire
Chief Administrative Officer

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

WHEREAS, Carol Tackel has faithfully served the Tarrant Regional Water District since 2007, contributing exceptional professionalism, consistency, and leadership across the Finance, Purchasing, Risk and Internal Audit departments;

WHEREAS, Carol has demonstrated steadfast integrity and reliability throughout her career, quickly becoming a trusted resource across the District. Her deep understanding of financial and operational processes, combined with her commitment to excellence, earned her increasing responsibility, ultimately leading to her position as Chief Internal Auditor;

WHEREAS, in her role as Chief Auditor, Carol has been responsible for mitigating risks, creating efficiencies, and providing critical guidance to the Board of Directors. Her work has strengthened the District's commitment to transparency, accountability, and sound governance, making her a highly respected voice within the organization;

WHEREAS, Carol's colleagues describe her as trusted, respected, and grounded in integrity, qualities that allow her to connect with people across all levels of the organization. Her ability to make others feel valued and heard has created an atmosphere of genuine trust where team members feel comfortable sharing openly and honestly;

WHEREAS, Carol played a key role in establishing the District's first Safety Steering Committee, dedicating significant time and effort to strengthening workplace safety culture. She led the Purchasing team to receive its first Achievement of Excellence in Procurement Award in 2015, an honor that continued in the years that followed. Additionally, she contributed to the District earning its first Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2015, awarded by the Government Finance Officers Association;

WHEREAS, beyond her technical expertise, Carol is recognized for her thoughtfulness, mentorship, and dedication to the growth of her team. Her leadership has helped shape a supportive and collaborative work culture, and her influence will continue to resonate through the employees she has guided and developed;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Tarrant Regional Water District expresses its sincere appreciation to Carol Tackel for her distinguished service, unwavering integrity, and the positive influence she has had on the District and its people. The District extends its deepest gratitude and warmest wishes to Carol as she enters this next chapter, with enduring respect for the impact she has made and the example she leaves behind.

ADOPTED THIS 20TH DAY OF JANUARY 2026

Leah M. King, President, Board of Directors C.B. Team, Secretary, Board of Directors

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 12

DATE: January 20, 2026

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

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 13

DATE: January 20, 2026

SUBJECT: Consider Approval of Settlement of Claims in the State of Texas v. Tarrant Regional Water District, et al., Condemnation Proceeding

DISCUSSION:

This agenda item is pending negotiations and is subject to review and approval by the TRWD Board of Directors.

Next Scheduled Board Meeting

February 17, 2026, at 9:00 AM