

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 17th Day of February 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>. A RECORDING OF THE MEETING
WILL ALSO BE AVAILABLE AT <HTTPS://WWW.TRWD.COM/BOARDVIDEOS>.**

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

Citizens may present public comment at this time, limited to a total time of three (3) minutes per speaker, unless the speaker addresses the Board through a translator, in which case the limit is a total time of six (6) minutes. 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 January 20, 2026**
- 4. Consider Approval of Change in Calculation of Retainage to Traylor-Sundt Joint Venture for Section 19 Long Tunnel of the Integrated Pipeline Project - Ed Weaver, IPL Program Manager**
- 5. Consider Approval of Change in Calculation of Retainage to BAR Constructors, Inc. for Cedar Creek Section II Pipeline Replacement Phase 1A - Jason Gehrig, Infrastructure Engineering Director**
- 6. Consider Approval of Contract Amendment with Freese and Nichols, Inc. for Additional Engineering Services to Design the Mary's Creek Indirect Water**

Reclamation Project and the Second Cell of the Eagle Mountain Balancing Reservoir - Jason Gehrig, Infrastructure Engineering Director

- 7. Consider Approval of Contract with SEDALCO, Inc. for Construction of TRWD Fort Worth Operations Compound - Mick Maguire, Chief Administrative Officer**
- 8. Consider Approval of TRWD's Annual Subscription to the Water Research Foundation - Zachary Huff, Water Resources Engineering Director**
- 9. Consider Approval of Resolution Authorizing the Issuance, Sale, and Delivery of Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2026, Pledging Revenues for the Payment of the Bonds, Approving an Official Statement, and Authorizing Other Instruments and Procedures Relating Thereto - Sandy Newby, Chief Financial Officer**
- 10. Presentations**
 - Water Resources - Rachel Ickert, Chief Engineering Officer**
 - Presentation of Fly Fishers International Award - Darrell Beason, Chief Operations Officer**
- 11. 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 on Panther Island
- 12. Future Agenda Items**
- 13. Schedule Next Board Meeting**
- 14. Adjourn**

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20th DAY OF JANUARY 2026 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, Susan Alanis, Airin Barnett, Darrell Beason, Lisa Cabrera, Rick Carroll, Steve Christian, John Farris, Ellie Garcia, Rachel Ickert, Mick Maguire, Sandy Newby, Rick Odom, Kathleen Ray, Carol Tackel, and Stephen Tatum 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.

There were no requests from the public to address the Board of Directors during the Public Comment portion of the agenda.

3.

Director Team moved to approve the minutes from the meeting held on December 16, 2025. Director Motheral 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 Team moved to approve 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. Funding for this item is included in the Fiscal Year 2026 Governmental Contingency/Special Projects Fund. Director O’Neal seconded the motion, and the votes were 5 in favor, 0 against.

5.

With the recommendation of management, Director Motheral moved to adopt 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 District staff to implement and collect the fee in accordance with a reasonable estimate of the actual costs to build the canal system. Director Team 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 the amount of \$34,982.28 with Southern Botanical Landscaping to perform Airfield Falls landscape maintenance for a period of one (1) year. The District has the option to renew for up to four (4) additional one (1) year periods for a total potential spend of \$174,911.40. Funding for this item is included in the Fiscal Year 2026 General Fund Budget. Director Killebrew seconded the motion, and the votes were 5 in favor, 0 against.

7.

The District’s Annual Comprehensive Financial Report was presented to the Board of Directors. The fiscal year 2025 Annual Comprehensive Financial Report was audited by Deloitte & Touche LLP and received an unmodified (clean) opinion. Director Motheral moved to receive and file the report. Director Team seconded the motion, and the votes

were 5 in favor 0 against.

8.

With the recommendation of management, Director Team moved to accept a grant in the amount of \$20,000 from Texas Parks and Wildlife Foundation to benefit Eagle Mountain Park. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

9.

With the recommendation of management, Director Team moved to approve a contract amendment in 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. Funding for this item is included in the Fiscal Year 2026 General Fund Budget. Director Killebrew seconded the motion, and the votes were 5 in favor, 0 against.

10.

With the recommendation of management, Director Team moved to adopt a resolution honoring Carol Tackel on her retirement from the District following dedicated service since 2007. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

11.

Presentations

- Water Resources presented by Rachel Ickert, Chief Engineering Officer

The Board of Directors recessed for a break from 9:47 a.m. to 9:53 a.m.

12.

The Board next held an Executive Session commencing at 9:53 a.m. under Section 551.071 of the Texas Government Code to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code; and Section 551.072 of the Texas Government Code to Deliberate the Purchase, Exchange, Lease or Value of Real Property.

Upon completion of the executive session at 10:25 a.m., the President reopened the meeting.

13.

With the recommendation of management and outside counsel, Director Team moved to approve the settlement of claims in the State of Texas v. Tarrant Regional Water District, et al., condemnation proceeding whereby the State of Texas will receive an easement on terms negotiated by staff and counsel, in exchange for which the State of Texas will pay to TRWD the total payment of \$182,164. The easement is a 3.8162-acre (166,235 square feet) tract of land, situated in the John Little Survey, Abstract Number 958, City of Fort Worth, Tarrant County, Texas, and being all or portions of those certain tracts of land described in Right-of-Way Deeds to Tarrant County Water Control and Improvement District No. 1 recorded in Volume 2273, Page 301, Volume 2273, Page 308, Volume 2273, Page 323, Volume 2274, Page 310, Volume 2274, Page 305, and Volume 2274, Page 307, Deed Records of Tarrant County, Texas, and being a part of that certain tract of land described in a Special Warranty Deed to Tarrant Regional Water District recorded in Instrument Number D212308640, Official Public Records, Tarrant County, Texas, also being a part of the remainder of Lot 1, Block 1, Trinity Bend Addition, an

addition to the City of Fort Worth, Texas, recorded in Volume 38-191, Page 86, Plat Records, Tarrant County, Texas, and being a part of the original bed of the Trinity River acquired by TRWD. In addition, the General Manager or his designee is authorized to take all steps which are reasonably necessary to facilitate the settlement of the proceeding. Director O'Neal seconded the motion, and the votes were 5 in favor, 0 against.

14.

There were no future agenda items approved.

15.

The next board meeting was scheduled for February 17, 2026.

16.

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

President

Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: February 17, 2026

SUBJECT: Consider Approval of Change in Calculation of Retainage to Traylor-Sundt Joint Venture for Section 19 Long Tunnel of the Integrated Pipeline Project

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends a change in the calculation of retainage being held for Traylor-Sundt Joint Venture to **the amount of \$2,860,055.23**, equal to two times the amount of the remaining work in the contract, for achieving project Substantial Completion. All remaining contract payments will be made in full. However, any additional changes to the contract price by change order will require adjustment to the retainage schedule and final contract amount.

DISCUSSION:

Most of the cost and risk associated with the PL19TUN project is associated with the shaft, tunneling excavation, and mining. Traylor-Sundt Joint Venture (TSJV) has completed the shaft excavation, tunnel mining, tunnel pipe installation, and annular grouting for the five project long tunnels. All adjacent open-cut pipe and associated vaults, appurtenances and valves are installed and acceptance tested. League Line Road has been repaved and accepted by the City of Trinidad. Remaining work consists of final right-of-way restoration, access drives and associated fences and gates, low water crossings, and final cathodic protection test stations.

TSJV's project performance has been and is satisfactory. TSJV is working toward a March 2026 final completion date and has provided proof that all subcontractors have been paid to date.

Total retainage held to date is \$ 4,439,271.82. The cost to complete the remaining work is \$1,430,027.61. Integrated Pipeline Project Staff is requesting permission to hold retainage equal to two times the amount of the remaining work in the amount of \$2,860,055.23. TSJV has provided written consent of its Surety to the reduction in retainage. With approval, the amount of \$1,579,216.59 will be released to TSJV.

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

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

This item was reviewed by the Construction and Operations Committee on February 10, 2026.

Submitted By:

Ed Weaver
IPL Program Manager



Memo

TO: Ed Weaver

FROM: Charles Cameron

COPY: Coy Veach, Robert Allen

DATE: February 17th, 2026

SUBJECT: Consider Approval of a Substantial Completion Change in Calculation of Retainage to Traylor-Sundt Joint Venture for Section 19 Long Tunnel of the Integrated Pipeline Project.

Traylor-Sundt Joint Venture achieved the Substantial Completion milestone for the referenced project in December 2025. In accordance with the terms of the Agreement, the District can, under these circumstances, change the calculation of the retainage being held hold retainage to the amount representing two times the amount of the remaining work in the contract if they determine that the amount retained is adequate for the protection of the District.

Traylor-Sundt Joint Venture's performance has been satisfactory to date and Traylor-Sundt Joint Venture has provided written consent of its Surety to the reduction in retainage.

The current Contract Price and amount subject to retainage is \$ 221,963,591.17. The District currently holds a total of \$ 4,439,271.82. It is recommended that District hold retainage in the amount representing 2% of the total Contract Price, a total of \$2,860,055.23 until the Project is complete. Adjustments will be made to this amount if any changes are made to the Contract Price by Change Order or alternate base bid work for the Project.

The Consent of Surety to Reduction in Retainage is attached.

Certificate of Substantial Completion

Project:	<u>IPL Section 19 Long Tunnel Crossings (PL19TUN)</u>	Project Number:	<u>21-001</u>
Owner:	<u>Tarrant Regional Water District</u>		
Contractor:	<u>Traylor-Sundt JV</u>		<u>2201</u>
Engineer:	<u>HDR Engineering and BGE, Inc.</u>		<u>10017386 & 0672-01</u>

The Work performed under this Contract has been inspected by authorized representatives of the Owner's Project Team and Contractor and the Project (or part of as described below) is deemed to be substantially complete in accordance with the Contract Documents on the date indicated below. A tentative list of items to be corrected is appended to this certificate as Attachment "A". The failure to include an item on the list does not alter the responsibility of the Contractor to complete the Work in accordance with the Contract Documents.

The following Work is considered to be substantially complete as of this date: 01/16/2026

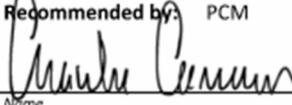
All Work Portions of Work as specified below

The following portions of the Project were offered for use under the Partial Utilization provisions of the Contract:

•

The Owner's and Contractor's responsibilities, if not otherwise stated in the Contract Documents are as follows:

<u>Item</u>	<u>Owner</u>	<u>Contractor</u>
Security	X	
Maintenance	X	
Utilities	X	
Insurance	X	

Recommended by: PCM

Name
1/20/2026
Date

Accepted by: Contractor

Name
1/20/2026
Date

Recommended by: PgCM

Name _____ Date _____

Approved by: Owner

Name _____ Date _____

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: February 17, 2026

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

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends a change in the calculation of the retainage being held for BAR Constructors, Inc. to **the amount of \$293,219.85**, equivalent to 2.5% of the contract price, for Cedar Creek Section II Pipeline Replacement Phase 1A. All remaining contract payments will be made in full. However, any changes to the contract price by change order or alternate base bid work for the project will require adjustment to the retainage schedule.

DISCUSSION:

BAR Constructors, Inc. achieved substantial completion on December 5, 2025. The total current contract price is \$11,728,793.97 with retainage held to date at \$586,439.70. With approval, \$293,219.85, equivalent to 2.5% of the contract price, will be retained until final completion of the project.

BAR Constructors' performance has been satisfactory to date and are working toward an anticipated final completion in early 2026. BAR Constructors, Inc. has provided written consent of its Surety to the reduction in retainage. Management requests approval to cease retainage on future payments and hold retainage equal to 2.5% of the Contract Price.

The construction management team's recommendation to change the calculation of the retainage currently held and Consent of Surety to Reduction in Retainage are attached.

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

This item was reviewed by the Construction and Operations Committee on February 10, 2026.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

Memo



TO: Donna Stephens
FROM: Mark Lyon
COPY: Robert Allen
DATE: January 14, 2026
SUBJECT: Consider Approval of a Change in Calculation of Retainage for BAR Constructors, Inc. on PL02PH1A Cedar Creek Section II Pipeline Replacement Phase 1A

BAR Constructors, Inc. reached the Substantial Completion milestone for the referenced project on December 5, 2025. In accordance with the terms of the Agreement, the District can, under these circumstances, change the calculation of the retainage being held. It is being requested to hold retainage to the amount representing 2.5% of the total Contract Price if they determine that the amount retained is adequate for the protection of the District.

The current Contract Price and amount subject to retainage is \$11,728,793.97. The District currently holds a total of \$586,439.70. It is recommended that District hold retainage in the amount of \$293,219.85 until the Project is complete. The amount of retainage will be adjusted if any changes are made to the Contract Price by Change Order or alternate base bid work for the Project.

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

The Consent of Surety to Reduction in Retainage is attached.

Partial Utilization of Work

Project	<u>Section PL02PH1A</u>	Project Number
Owner	<u>Tarrant Regional Water District</u>	<u>6418</u>
Contractor	<u>BAR Constructors</u>	<u>306</u>
Construction Manager	<u>Freese and Nichols, Inc</u>	<u>TCW24447</u>
Design Professional	<u>Black and Veatch</u>	<u>403740</u>

The Work being accepted under partial utilization provisions of the Contract Documents has been inspected by authorized representatives of the Owner's Project Team and Contractor and the part of the Project described below is deemed to be substantially complete in accordance with the Contract Documents on the date indicated. A List of Deficiencies describing items required to be corrected for Final Completion of this Work is attached. The failure to include an item on the list does not alter the responsibility of the Contractor to complete the Work in accordance with the Contract Documents.

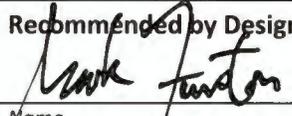
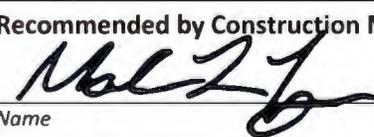
The following Work is considered to be substantially complete as of this date December 5, 2025

The following Work is accepted under the Partial Utilization provisions of the Contract:

- Section PL02PH1A pipeline for conveyance

The Owner's and Contractor's responsibilities for this portion of the Work, if not otherwise stated in the Contract Documents, are as follows:

Item	Owner	Contractor
Security		X
Utilities		X
Insurance		X
Maintenance		X
Operations		X
Other		X

<p>Recommended by Design Professional</p> <p><u></u> <u>12/05/2025</u></p> <p>Name Date</p>	<p>Recommended by Construction Manager</p> <p><u></u> <u>12/05/2025</u></p> <p>Name Date</p>
<p>Accepted by Contractor</p> <p><u></u> <u>12/05/25</u></p> <p>Name Date</p>	<p>Approved by Owner</p> <p>_____ Name</p> <p>_____ Date</p>

Consent of Surety to Reduction in Retainage

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

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

Surety Company agrees to the reduction in retainage to \$ 293,219.85 (2.5%)

(Empty space for stamp or additional notes)

Date: December 2, 2025

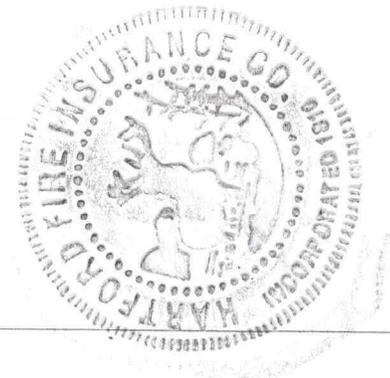
Name of Surety Company: Hartford Fire Insurance Company

Signature: *Dawn Davis*
Authorized Representative

Title: Dawn Davis, Attorney-in-Fact

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

Email: dawn.davis@marshmma.com
(Attach Power of Attorney and place surety seal below)



POWER OF ATTORNEY

Direct Inquiries/Claims to:
THE HARTFORD
 BOND, T-11
 One Hartford Plaza
 Hartford, Connecticut 06155
 Bond.Claims@thehartford.com
 call: 888-266-3488 or fax: 860-757-6835

KNOW ALL PERSONS BY THESE PRESENTS THAT:

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

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

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

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

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

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



Shelby Wiggins

Shelby Wiggins, Assistant Secretary

Joelle LaPierre

Joelle L. LaPierre, Assistant Vice President

STATE OF FLORIDA

COUNTY OF SEMINOLE



ss. Lake Mary

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



Jessica Ciccone

Jessica Ciccone
 My Commission HH 122280
 Expires June 20, 2025

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of December 2, 2025

Signed and sealed in Lake Mary, Florida



Keith Dozois

Keith D. Dozois, Assistant Vice President

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: February 17, 2026

SUBJECT: Consider Approval of Contract Amendment with Freese and Nichols, Inc. for Additional Engineering Services to Design the Mary's Creek Indirect Water Reclamation Project and the Second Cell of the Eagle Mountain Balancing Reservoir

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a contract amendment **in the amount of \$1,407,720** with Freese & Nichols Inc. for design of a 1-mile pipeline to supply Westside Water Treatment Plant, for design modifications to the Eagle Mountain Outlet Structure, and to modify piping at the Eagle Mountain Balancing Reservoir. These engineering services include preliminary design investigations, final design plans and specifications, and procurement phase services. The current contract amount is \$8,895,932 and the revised not-to-exceed contract amount, including this contract amendment, will be \$10,303,652.

DISCUSSION:

In April 2024, the District awarded an engineering design contract to Freese & Nichols, Inc. (FNI) for the design of a channel dam, intake structure, pump station, and pipeline that will convey treated water from Mary's Creek to the Eagle Mountain Pipeline. The agreement also included design of the second cell of the Eagle Mountain Balancing Reservoir, which will add approximately 120 million gallons of elevated storage. These facilities support the District's strategic objectives by enhancing water supply reliability, supporting regional growth, improving water quality, and promoting responsible environmental stewardship.

The original design scope has progressed to the 60 percent stage. During this process, several refinements were identified that will improve system performance and provide long-term operational benefits to the District.

FNI's hydraulic analysis recommends increasing the pipeline diameter from 36 inches to 42 inches to ensure greater system flexibility and future capacity. In addition, the District has elected to include Fiberglass Reinforced Pipe as an approved material option, which requires the development of corresponding standards for incorporation into the TRWD Standard Specifications.

A new one-mile section of large diameter, parallel steel pipe within the Eagle Mountain Pipeline easement will be added for dual purposes of increased flow capacity to the Eagle Mountain Balancing Reservoir under certain operating scenarios, and reverse gravity flow from the balancing reservoir directly to the City of Fort Worth's Westside Water Treatment Plant in other operating scenarios. This enhancement will improve operational redundancy and support higher water quality at the treatment facility.

Proposed modifications at Cell 2 of the Eagle Mountain Balancing Reservoir will also provide long-term system benefits. Lowering the inlet elevation will enable backflow to the Westside Water Treatment Plant for the entire volume of the reservoir. Enlarging the inlet and outlet diameters to the new cell will accommodate higher future flow rates.

Design modifications at the Eagle Mountain Outlet Structure include revising two valve trains to improve control of flows from the Mary's Creek Pipeline into Eagle Mountain Lake. The scope also includes evaluating design alternatives to increase backpressure and developing a repair option for the interior lining of the existing discharge piping.

These engineering services will occur over the next year, with construction anticipated to begin in mid-2027. The detailed scope of services associated with this amendment is attached for reference.

This item was reviewed by the Construction and Operations Committee on February 10, 2026.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

Exhibit X-X

SCOPE OF SERVICESMary's Creek Indirect Water Reclamation (MCIWR) Project
Amendment No. 1ARTICLE I

PROJECT DESCRIPTION: The Tarrant Regional Water District (Owner) is proceeding with design and construction of the Mary's Creek Indirect Water Reclamation (MCIWR) Project and the Second Cell of the Eagle Mountain Balancing Reservoir (EMBR2) (The Project). The Project will include design and bid phase services for a channel dam across Mary's Creek to capture treated effluent discharged from the Fort Worth Water Department (FWWD) Mary's Creek Water Reclamation Facility (MCWRF), an intake pump station to pump the water to Eagle Mountain Lake, and a pipeline to connect the pump station to the Eagle Mountain Pipeline (EMPL), north of the current Eagle Mountain Balancing Reservoir (EMBR) and a second cell of the EMBR to provide additional storage and redundancy to the raw water delivery system.

AMENDMENT NO. 1: Tarrant Regional Water District has requested some changes to the original scope as the project has proceeded from preliminary design into final design. The purpose of this amendment is to document those changes and amend the engineering contract. The substantive changes include the following:

- **Mary's Creek Pipeline Diameter** – the original project included the design of a 36-inch pipeline from the PS to the connection point downstream of EMBR. Based on the life cycle analysis and desire for future flexibility, the decision was made to design and construct a 42-inch diameter pipeline. TRWD would also like to add Fiberglass Reinforced Pipe (FRP) as a pipe material option, necessitating the addition of FRP standards to the TRWD Standard Specifications.
- **Mary's Creek Pump Station Voltage** – the original project included the design of low voltage (480V) power supply for the pump station. To increase safety and reduce cable sizes, the decision was made to design a medium voltage (4160V) power system for the pump station.
- **Eagle Mountain Parallel Pipeline** – TRWD has looked at ways to improve quality and consistency of the raw water delivered to the Fort Worth West Side WTP. A gravity line from the EMBR was considered, directly connecting the EMBR cells to the WTP. TRWD has decided to install a 1-mile section of the future parallel EMPL to provide this capability and has requested FNI add this design to the EMBR2C bid package. This will include a connection to the EMPL on the south side of the EMBR and a connection to the FWWD line and provisions for a future line to the WSWTP near Old Weatherford Road.
- **Eagle Mountain Balancing Reservoir Piping** – As TRWD plans for future expansion of the Eagle Mountain System, the decision was made to deepen the inlet pipe of the EMBR Cell 2 to be able to drain the full reservoir back to the Westside WTP. In addition, the decision was made to increase the diameter of the inlet pipe from 84-inch to 108-inch to accommodate a future flow rate of 500 MGD into the second cell. Similarly, the outlet of the EMBR Cell 2 will also increase from 84-inch to 102-inch to allow for a future flow of 430 MGD to the existing and future EMPL. Two connections and valve vaults will be added, connecting the proposed parallel pipeline to the

Cell 1 and Cell 2 inlets. FNI will verify connection points, operational considerations and hydraulics capacity to confirm the inlet and outlet pipe diameters and summarize recommendations in a technical memo.

- **Eagle Mountain Outlet Structure** – FNI will design modifications to the EMOS to add two motor operated multi-orifice valves designed to break enough head to control flow from 35MGD to 3.5 MGD. This will require electrical and I&C modifications. In addition, TRWD would like FNI to design a repair of the lining and coating system for the EMOS discharge pipe and evaluate a weir box structure to submerge the valves and orifice plates to help dissipate energy. FNI will prepare a technical memo to summarize an evaluation of the preferred trains for MOV installation, the hydraulic design and the potential benefits of a weir box.
- **Project Schedule** – Access to the pump station property has been delayed due to landowner negotiations. This has increased the project schedule by 5 months, sliding project completion from July 31, 2026 to December 31, 2026.

BASIC SERVICES: Upon execution of this Amendment, FNI shall provide the following professional services in connection with the Project:

A. PROJECT MANAGEMENT

1. Manage efforts of internal design team and sub-consultants on the Project and perform Quality Control review of all deliverables.
2. Prepare meeting agendas, attend and prepare minutes for the following meetings:
 - a. 5 additional monthly project coordination meetings with Owner
 - b. 2 additional meetings with utility providers.
 - c. 2 additional workshops for review of milestone design submittals (60% PS, 60% EMPL).
3. Update the Microsoft Project schedule and provide monthly updates including revisions to bring the Project back on schedule if needed. The project schedule will not be resource loaded.
4. Update the plan for cash flow over the life of the project. Update plan with actuals each month and any changes to the plan to reflect amendments.
5. Continue to utilize the Owner's web-based Document Control System (DCS) (TRWD Project Portal – SharePoint Site). Share documents through the DCS including deliverables, minutes, decision logs, action items, reports, construction submittals and other pertinent documents.
6. Prepare monthly reporting including status report, recent activities, upcoming activities, action items log, decisions made log, budget updates, schedule updates, and scope changes. Prepare monthly invoices.
7. Perform quality control and constructability reviews for additional design submittals.
8. Deliverables include the following:
 - a. Agendas and minutes for 5 additional meetings
 - b. Updated Project schedule updated monthly

- c. Updated cash flow plan
- d. Monthly reporting and invoicing for 5 additional months

D. FINAL DESIGN PHASE

1. Mary's Creek Pipeline
 - a. Provide revised HGL and system curve for the 42-inch pipeline.
 - b. Prepare standard specifications and details for Fiberglass Reinforced Pipe (FRP). Discuss the new standards with Owner in a regular monthly meeting. Resolve review comments, revise documents accordingly and incorporate into the 95% submittal.
 - c. This work will be incorporated into the proposed 95% and 100% pipeline submittals.
2. Mary's Creek Pump Station
 - a. Coordinate with pump vendors for revised pump curves to support the new system curves
 - b. The electrical system will be designed for 4160V equipment. Provide layout and design for a revised electrical room for 4160 V equipment.
 - c. Add generator for back-up communication system.
 - d. Provide structural, mechanical and architectural revisions to make the restroom a safe room for employees during severe weather events.
 - e. This work will be incorporated into the proposed 60%, 95% and 100% pump station submittals.
3. Eagle Mountain Parallel Pipeline
 - a. Design 5,500 LF of 96-inch pipeline, parallel to the existing EMPL from the Inlet to EMBR Cell 1 down to Old Weatherford Road and the FWWD connection. The new line will be located 30-foot west of the current EMPL, within the existing 90-foot permanent easement.
 - b. Gather and review CAD data and as-builts for original Eagle Mountain Pipeline. Preliminary hydraulic calculations to determine line size have been performed by TRWD. FNI will perform hydraulics calculations to confirm pipe diameter sizing for the proposed maximum flow rates.
 - c. Prepare plan and profile drawings for inclusion into the EMBR 2C Plan Set.
 - d. Design the connection for a 54-inch connection to the existing FWWD 54-inch Westside Water Line including a motor operated 54-inch butterfly valve within a cast-in-place vault. FNI will include a tee for a future FWWD supply pipeline.
 - e. Prepare applications for routine permits such as road crossing permits and provide support for Texas Commission on Environmental Quality (TCEQ) Approval. Owner shall pay for fees, if required.
 - f. Furnish such information necessary to utility companies whose facilities may be affected, or services may be required for the Project. Easements for utilities companies will be provided as a Special Service.
 - g. Prepare an opinion or probable construction cost at the 60%, 95%, and "Issued for Bid" submittals.
 - h. Design 96-inch Connection to the EMPL downstream of the bypass valve. Connection will include a 96-inch motor operated butterfly valve within a cast-in-place vault.
 - i. This work will be submitted as a separate 60% set for review and comment. The 95% and 100% design will be incorporated into the 95% and 100% EMBR2C submittals.

4. Eagle Mountain Balancing Reservoir Cell 2
 - a. Coordinate with TRWD on valve layout and operation plan to determine final location of the valves and connection to optimize operational flexibility.
 - b. Prepare a technical memo that confirms the operational flexibility and recommended connection locations. The TM will also include a discussion on hydraulics to confirm the hydraulic capacity to allow inlet flows up to 500 MGD and outlet flow of 430 MGD.
 - c. Revise the EMBR2C inlet from 84-inch to 108-inch. Downstream of the 84-inch BFV Vault, add an 84"x108" concentric reducer and a 108"x108"x96" tee. Adjust the grade to slope towards the reservoir to assist in dewatering operations.
 - d. Revise the EMBR2C Outlet from 84-inch to 102-inch. Upstream of the 84-inch BFV Vault, add an 84"x102" concentric reducer and a 102"x102"x102" tee for a future connection to the future parallel EMPL. Design a 102-inch internal dish head plug for the outlet.
 - e. Add a 96"x96"x96" tee to the Cell 1 inlet, upstream of the existing BVF and vault. Design a new 96-inch butterfly valve with motor operator and cast-in-place valve vault.
 - f. This design will be incorporated into the 95% and 100% EMBR2C submittals.

5. Eagle Mountain Outlet Structure
 - a. Perform hydraulics calculations to confirm head at the EMOS during low flow conditions (3.5 MGD to 35 MGD).
 - b. Perform a site visit to review existing valve arrangement, electrical and I&C. Discuss operating issues and rehab needs for the interior orifice plates and weir plates.
 - c. Evaluate the preferred location of the proposed MOV installation, evaluating the first two trains or the spare trains with the intent to install two MOVs with the ability to provide the minimum 3.5 MGD through a single valve and a maximum flow of 35MGD through one or two valves. The installation will also include double off-set BFVs upstream of the MOV and full port valves downstream of the MOV for isolation.
 - d. Work with multi-orifice valve vendors in the standard TRWD specification to determine available products, capabilities, and hydraulic performance utilizing the manufacturer's software.
 - e. Determine percent open of valves to break the required head. Determine if fixed orifice plate(s) are needed to break portions of the head, leaving less head for the MOV to break, confirming the valve can provide the full range of Mary's Creek flows.
 - f. Evaluate two alternative weir box layouts that could create approximately 10-foot of backpressure on the valves and orifice plates. Consider the performance of the existing orifice plates and proposed MOVs with and without the weir structure. Prepare a site plan and cost estimate for each alternative.
 - g. Prepare a technical memo that summarizes the evaluation of valve location (which trains), size of valves, requirements for additional orifice plates, hydraulic performance, proposed improvements to the discharge piping and future weir box alternatives.
 - h. Prepare plans and specifications for the proposed valve arrangement.
 - i. Prepare electrical and controls design for operation of the new MOV.
 - j. Investigate lining and coating alternatives for the rehabilitation of the discharge header including improvements to the weir plates. Prepare details and specifications for the preferred alternative.

6. Deliverables for the Final Design Phase include:

- a. Front-end documents for construction
 - b. Standard specifications and details for Fiberglass Reinforced Pipe (FRP)
 - c. Routine Permit Applications (Road Crossing, Building Permits, TCEQ Approval)
 - d. OPCC at 60% and 95%
 - e. 60% submittal of Plans and Specifications
 - f. 95% submittal of Plans and Specifications
 - g. 100% submittal of Plans and Specifications
 - h. Final signed and sealed Plans and Specifications
- E. BID OR NEGOTIATION PHASE MCIWRP AND EMBR2: Upon completion of the design services and approval of “Final” drawings and specifications by Owner, for each of the three bid packages, FNI will proceed with the performance of services in this phase as follows:
1. No additional bid packages are required for this amendment.
 2. The addition of 1-mile of 96-inch piping to the EMBR Cell 2 package will result in additional effort due to additional questions from contractors, evaluation of bid documents and preparation of Conformed contract documents.
- F. CONSTRUCTION PHASE: Not included in this agreement. Construction phase services will be negotiated upon completion of final design.

ARTICLE II

SPECIAL SERVICES: Special Services to be performed by FNI include the following:

- A. **ENVIRONMENTAL PERMITTING SUPPORT:** FNI will coordinate with the Owner and the Owner’s Environmental Consultant. As part of this service, FNI will:
 1. Attend progress meetings with the Environmental Consultant during the permitting timeframe.
- B. **TOPOGRAPHIC SURVEYING:** Upon written notice to proceed, FNI shall retain and monitor the services of a surveying firm (as a subconsultant) to perform surveying services for the 1-mile parallel EMPL. The following survey shall be provided:
 1. Establish project control using Global Positioning System (GPS) methodology. Horizontal values will be based on the Texas State Plane Coordinate System, North American Datum of 1983, North Central Zone (4202), and scaled to surface using a surface adjustment factor of 1.00012. The vertical values will be based on GPS derived ellipsoid heights and adjusted to North American Vertical Datum of 1988 (NAVD88) elevations using Geoid18. Control Points will also be tied into TRWD control monuments.
 2. Research current EMPL easements and property owners and obtain copies of subdivision plats, ownership deeds, and existing easements within the project area.
 3. Locate existing property corners and right-of-way corners to establish property lines and street rights-of-way. Surveyor will stake the permanent easement of the EMPL.
 4. Design survey to include pavement edges, curb and gutter, buildings, driveways, culverts, fences and gates, signs, mailboxes, tops and toes of slopes, spot elevations, trees six (6) inches

and greater, surface locations of utilities and flowline elevations of sanitary and storm sewer manholes where accessible, and other surface features. Surveyor will also pick-up designations by the SUE sub and boring locations. The design survey will capture a 150-foot wide swath for the 1-mile parallel PL from the EMBR to Old Weatherford Road. The survey will include an aerial photo utilizing a drone.

5. Provide a digital design survey drawing in AutoCAD (.dwg) format prepared to FNI standards showing visible surface features located, an ASCII point file, and a copy of field notes and field sketches. FNI will provide a GIS deliverable in a GIS geodatabase format in compliance with TRWD's requirements.
6. Prepare metes and bounds for two temporary construction easements. Additional easements will be invoiced at \$2,200 per easement.

D. SUBSURFACE UTILITY ENGINEERING SERVICES FNI shall retain and monitor the services of a subsurface utility engineering (SUE) firm (as a subconsultant). SUE work required for this project in general accordance with the recommended practices and procedures described in ASCE Publication CI/ASCE 38-02 (Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data):

1. As described in the mentioned ASCE publication, four levels have been established to describe the quality of utility location and attribute information used on plans. The four quality levels are as follows:
 - a. Quality Level D (QL "D") – Information derived from existing records.
 - b. Quality Level C (QL "C") – QL "D" information supplemented with information obtained by surveying visible above-ground utility features (i.e. valves, hydrants, meters, manhole covers, etc.).
 - c. Quality Level B (QL "B") – Two-dimensional (x, y) information obtained through the application and interpretation of non-destructive surface geophysical methods. Also known as "designating" this quality level provides the horizontal position of subsurface utilities within approximately one foot.
 - d. Quality Level A (QL "A") – Also known as "locating", this quality level provides precise three-dimensional (x, y, z) information at critical locations by exposing specific utilities. Non-destructive vacuum excavation equipment is used to expose the utilities at specific points which are then tied down by survey.
2. For this project, QL's "B" and "A" SUE, as previously defined, will be provided. The QL "B" will be included along the entirety of the pipeline. FNI will provide SUE data in GIS file geodatabase in compliance with TRWD's GIS requirements.
3. The QL "A" will consist of up to 10 test holes, along the proposed water line alignment.
4. FNI and subconsultant will attempt to place the test holes outside the paved areas wherever possible. However, some test holes may be needed in areas that may require traffic control measures. Subconsultant will establish routine/ordinary traffic control (cones and free-standing signage, etc.) whenever required as part of this scope. If non-routine traffic control measures are required (barricades, flag person, changeable message board, etc.) these services will be additional to the contract.

E. CORROSION ENGINEERING SERVICES:

1. FNI will provide a corrosion study and design for the 1-mile parallel Eagle Mountain Pipeline and connections to the planned EMBR piping and the FWWD Waterline.
2. The existing corrosion monitoring system for the Eagle Mountain Balancing Reservoir and EMPL will be inspected and incorporated/replaced in the new cathodic protection design.
3. The first task will include a corrosion assessment of the pipeline route to review soil conditions and complete a preliminary cathodic protection design to support easement procurement. Soil resistivity measurements will be taken, using the Wenner four pin method, at intervals along the pipeline route as required for cathodic protection design alternatives.
4. A corrosivity review of the pipeline location will also be performed to identify possible corrosive conditions that may affect material selection and corrosion mitigation requirements for the pipelines and other buried structures. The fieldwork will consist of a visual assessment of the proposed pipeline route, with the following tasks being performed:
 - a. Field Evaluation, access to all properties for corrosion investigation is the responsibility of the Owner
 - i. Research – Foreign pipeline crossings, parallel systems, and CP systems
 - ii. Electrical High Voltage (EHV) transmission lines
 - iii. Field Survey – Stray DC current interference sources
 - iv. Research – Changes in soil types, conditions, etc.
 - v. Topography
 - vi. Review - Proposed pipeline design & materials
 - vii. Conduct in-situ soil resistivity testing (every 1,000 feet) at depths of 20, 10, 5 and 2.5 feet.
 - viii. Conduct stray current (DC) investigation in prescribed easement. The purpose of performing an investigation during the site visit (along the alignment) is to identify potential sources of stray current and nearby metallic pipelines that may be affected by the proposed cathodic protection.
 - ix. If soil geotechnical report shows that soils resistivities in proposed easements are less than 1,000 ohm-cm, Corrosion Engineer will direct Geotechnical Engineer to have soil samples from the proposed pipeline depth to be tested for:
 1. pH
 2. Chloride ion concentration
 3. Sulfide ion concentration
 4. Redox potential
 5. As-found and saturated soil resistivity
 - x. Conduct analysis of collected data and technical prepare technical memo. The technical memorandum will include the collected field data and provide conclusions on the corrosivity of the soil with respect to buried metallic and reinforced concrete structures. Recommendations will be provided for corrosion mitigation of buried metallic and concrete structures, if required, based on soil corrosivity and other factors which may impact corrosion exposure of the pipeline.
 - b. The cathodic protection design and corrosion monitoring design for steel pipe will be included in the bid contract and comply with TRWD CP Standards. The cathodic protection will be designed to minimize interference on adjacent utilities and could increase the quantity of cathodic protection stations required depending on foreign pipeline location and orientation. Specifically, the following tasks will be performed:

- i. Provide 60%, 95% and Issued for Bid cathodic protection design details and specifications.
- F. SURGE MODEL – At the request of TRWD, FNI performed a preliminary surge model based on the preliminary design to determine if check valves would be suitable for surge control. The preliminary model will need to be updated with the results of the 60% pipeline alignment and profile.
- G. GEOTECHNICAL – Geotechnical data from the original EMPL Project will be used. No new geotechnical borings are planned for this amendment.

ARTICLE III

ADDITIONAL SERVICES: Additional Services listed in the original contract are not being amended.

ARTICLE IV

TIME OF COMPLETION: FNI is authorized to commence work on the Project upon execution of this Amendment and agrees to complete the services in accordance with the following schedule:

- 60% Design for the EMPL Parallel Pipeline segment will be completed within 4 months from NTP.
- 60% Design for changes to the EMOS will be completed within 4 months from NTP.
- 95% design will be incorporated into the existing bid packages, currently scheduled for submittals in August 2026.
- 100% design will be completed within 3 months of approval of 95% design

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Owner or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation as outlined on the face of this Agreement and in Attachment CO.

Attachments

**Mary's Creek Indirect Water Reclamation Project
Amendment No. 1**

BASIC SERVICES

A	Project and Quality Management	\$ 188,568
B	Final Design	\$ 1,018,837
B1	Mary's Creek Pipeline	\$ 59,098
B2	Mary's Creek Pump Station	\$ 162,692
B3	Eagle Mountain Parallel Pipeline	\$ 320,034
B4	EMBR Cell 2 Piping	\$ 200,602
B5	Eagle Mountain Outlet Structure	\$ 276,411
Total Basic Services		\$ 1,207,405

SPECIAL SERVICES

A	Environmental Permitting Support	\$ 8,734
B	Topographic Survey	\$ 59,847
C	SUE	\$ 26,958
D	Corrosion Engineering	\$ 61,710
E	Surge Modeling	\$ 43,065
Total Special Services		\$ 200,315

Amendment No. 1 Total **\$ 1,407,720**

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: February 17, 2026

SUBJECT: Consider Approval of Contract with SEDALCO, Inc. for Construction of TRWD Fort Worth Operations Compound

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a contract with SEDALCO, Inc. **in the amount of \$58,293,776**, along with an Owner's Contingency of 5% (\$2,914,776) to address unforeseen conditions, with the understanding that these contingency funds may not be fully expended. The total recommended authorization for construction of the TRWD Fort Worth Operations Compound (OPS) is **\$61,208,465**.

DISCUSSION:

On January 15, 2026, five offerors submitted competitive sealed proposals. The Project Selection Committee evaluated these submissions. Their scores were determined through an assessment conducted by the review team, which consists of District staff members and project consultants.

Based on their assessment, the team is recommending that TRWD contract with SEDALCO, Inc. for the Construction of the new TRWD Fort Worth Operations Compound. SEDALCO, Inc. submitted the best-value proposal to the District, offering an experienced team, proven project delivery, and the lowest cost.

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

Included for reference are the staff recommendation and Tabulation of Offers Received.

This item was reviewed by the Construction and Operations Committee on February 10, 2026.

Submitted By:

Mick Maguire
Chief Administrative Officer



25-119-1 New Operations Compound

Technical Quality Criteria	Total Points Available	ARCO / Murray National Holdings	Key Construction	Muckleroy & Falls	SEDALCO	Talley Riggins Construction
Proposed Contract Price	40.00	35.00	34.04	35.89	40.00	36.74
	Price (base + extra items)	\$ 66,613,436.20	\$ 68,504,790.00	\$ 64,975,331.00	\$ 58,292,776.00	\$ 63,463,254.74
Contractor's Approach to the Project	20.00	18.00	17.00	10.00	17.00	15.00
	Days for final completion	660	759	533	706	720
Experience/Past Performance of Offeror	20.00	20.00	19.00	19.00	19.00	19.00
Experience and Qualifications of Proposed Key Personnel	20.00	20.00	18.00	19.00	19.00	19.00
Total	100.00	93.00	88.04	83.89	95.00	89.74

** The bid prices do not include 5% owners contingency

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: February 17, 2026

SUBJECT: Consider Approval of TRWD's Annual Subscription to the Water Research Foundation

FUNDING: Fiscal Year 2026 Revenue Fund Budget - \$280,000

RECOMMENDATION:

Management recommends approval of the District's intent to renew the annual subscription to the Water Research Foundation **in the amount of \$270,298**.

Management also recommends that the General Manager or his designee be granted authority to renew the annual subscription for an additional four (4) years in an amount not-to-exceed \$280,000 per year to account for increased subscription costs over time and contingent upon the Board's approval of the District's annual Fiscal Year Budget.

DISCUSSION:

TRWD has been a member of the Water Research Foundation since 2003. The Water Research Foundation (WRF) is a research collaborative and one of the nation's largest and most well-respected research organizations devoted to advancing the science of water. WRF pools fees from its subscribers, leverages these funds with contributions from other organizations, and collaborates with subscribers, academic researchers, and other subject matter experts to conduct research that benefits TRWD and the entire water sector.

The WRF subscription allows TRWD staff to access information and results from more than 2,000 completed and 200 ongoing projects. In 2025, WRF completed 37 research projects representing more than \$11.8 million in research investments. One example of a recently completed project that will benefit TRWD is WRF Project 5069 – *Managing Prestressed Concrete Cylinder Pipe to Extend Asset Life*. The WRF subscription also allows TRWD to participate in projects and focus groups, shape future projects and the research agenda, network with other utilities, manufacturers, consultants, and academic researchers, and take advantage of other professional development opportunities.

This item was reviewed by the Construction and Operations Committee on February 10, 2026.

Submitted By:

Zachary Huff
Water Resources Engineering Director

Top Ten Subscriber Benefits

The Water Research Foundation is the nation's largest and most well-respected research organization devoted to advancing the science of water. See how your organization can benefit from partnering with WRF.

1 Return on Investment

Your investment in WRF research is pooled with other subscriber contributions from across the water sector to create the most comprehensive body of One Water research available. Combined with WRF partnerships, collaborations, and alliances, this investment is further leveraged to produce even greater value. WRF currently has 287 active projects worth \$87 million.

2 Comprehensive Research Access

As a WRF subscriber you have access to research results from more than 2,300 projects valued at \$700 million, focusing on all aspects of One Water. WRF's research provides extensive knowledge in more than 20 in-depth areas of applied research, and subscribing organizations can register an unlimited number of employees, which means everyone can take advantage of the latest findings, tools, guidance, and more.

3 Advances in Water Research (AWR)

Our quarterly magazine provides subscribers with select comprehensive articles to look forward to each quarter. AWR covers recently released research outcomes, state-of-the-science summaries of water sector topics, case studies, and more. With easy online access, subscribers can stay up to date with all the latest in water research.

4 Input into the One Water Research Agenda

Whether your needs are in drinking water, wastewater, stormwater, reuse, or all of the above, subscribers help drive WRF's research agenda to ensure the most critical needs and challenges are addressed. Periodic research surveys help keep our goals in line with yours, and specialized subscriber roles, like project advisory committees, help assure projects stay on track to deliver the benefits the water sector needs.

5 Personalized Service

Each WRF subscriber receives personalized service from WRF staff, including a dedicated Regional Liaison. Your Regional Liaison is just an email or phone call away—serving as a primary point of contact to help you get the answers you need, take advantage of specific resources, and gain input into research planning.

6 Exclusive Access to Early Findings

Subscribers have free and privileged access to WRF research as it progresses, before studies are complete. This ensures that you and your staff receive important solutions as soon as they become available. Participation in research projects also gives subscribers insight into ongoing study results before they reach the mainstream, helping you stay on top of the latest advances and understand what is coming down the line so you can prepare for future investments.



Subscribing organizations
can register an unlimited
number of employees,
so everyone can take
advantage of WRF benefits.

7 Fit-for-Purpose Resources

Whether you need a quick answer or want to review detailed results from a complete study, WRF has a solution for you. WRF makes findings available in a variety of formats so you can get the information you need exactly how you want it. From guidance manuals, research reports, and case studies to webcasts, videos, and presentations, WRF has a format that will meet your needs—and we can help point you to the resources that are the best fit.

8 Expanded Professional Network

Through your organization's WRF subscription, you and your entire staff have the opportunity to network with more than 1,200 water and wastewater/resource recovery utilities, manufacturers, consultants, and academic researchers from around the world. WRF's workshops, web seminars, and industry events provide a forum to connect with the best minds in the water industry, and diverse volunteer opportunities can further amplify your relationships in this thriving community.

9 Support for Sound Regulations

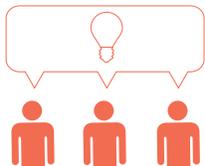
WRF research plays an invaluable role in managing the growing and evolving array of compliance challenges. WRF has long-established relationships with federal and state regulators and departments, allowing for collaboration on projects and co-development of research agendas. This helps to ensure that regulations are protective and backed by the best science, and that subscribers have the tools and guidance necessary to meet them.

10 Water Sector Influence

As someone who knows water best, your input into industry concerns and research priorities is critical in helping shape the future of water. Your active partnership with The Water Research Foundation shows a clear and strong commitment to advancing the science of water to improve the quality of life.

Be a Part of the Research

As a WRF subscriber, you have opportunities to get directly involved in the research process, connecting firsthand with the latest findings and ensuring projects are on track to provide the solutions you need most.



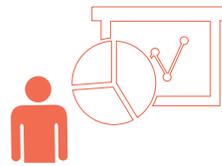
Project Advisory Committees

Provide technical oversight and peer review on research to ensure projects stay on track and results are beneficial to the water community



Utility Research Participation

Get early insight into research findings by playing a hands-on role—serving as a test site, providing water samples, sharing expertise, and more



Workshops and Industry Events

Engage with leading experts in the water research industry to learn about the latest science, tools, technologies, and processes





6666 W. Quincy Ave.
Denver, CO 80235-3098

1199 N. Fairfax St., Ste. 900
Alexandria, VA 22314-1445

Water Research Foundation Subscription for Utilities - Key Terms and Conditions

The Water Research Foundation (WRF) subscription is an annual, renewable commitment for organizations that provides access to resources for an unlimited number of staff, opportunities to guide and participate in research, professional networking and best practice sharing and more. The following lists the key terms and conditions and important policies for our utility subscriptions.

Key Subscription Terms and Conditions

- **Subscription Fee:** The annual subscription fee is proportional to utility size, based on operating revenue and population served.
- **Renewal & Billing:** All subscriptions are billed annually. A statement for the next annual period is sent about two months before the expiration date.
- **Non-Refundable Policy:** Annual subscription fees are generally non-refundable and non-cancellable once paid.
- **Copyright:** Modification of our materials or use of them without a subscription or prior written consent is a violation of WRF copyrights, trademarks, and other intellectual property and proprietary rights.

Important Policies

- **Privacy & Data:** WRF collects information for subscription management and to fulfill our mission to “advance the science of water to improve the quality of life.” WRF is committed to your privacy and has a [Privacy Policy](#).
- **Tax Information:** Dues are not deductible as charitable contributions for federal income tax purposes but may be deductible as ordinary and necessary business expenses.
- **Non-Discrimination:** WRF adheres to a strict [non-discrimination policies and complaint procedures](#) regarding race, color, national origin, religion, sex, age, and other protected characteristics in its activities.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 9

DATE: February 17, 2026

SUBJECT: CONSIDER APPROVAL OF RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026, PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS, APPROVING AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER INSTRUMENTS AND PROCEDURES RELATING THERETO

FUNDING: N/A

RECOMMENDATION:

Management and the Finance and Audit Committee recommend approval of a resolution authorizing the issuance, sale, and delivery of the Tarrant Regional Water District, a Water Control and Improvement District, Water System Revenue Refunding and Improvement Bonds, Series 2026, pledging revenues for the payment of the bonds, approving an official statement, and authorizing other instruments and procedures relating thereto.

DISCUSSION:

The Finance and Audit Committee reviewed the issuance of the Water System Revenue Bonds at the February 9, 2026 Finance Committee Meeting. The bonds are being issued to (i) pay for the District's continued work on preserving aging infrastructure and increasing capacity and operational flexibility with the Cedar Creek pipeline replacement project and the Rolling Hills pipeline replacement project, the construction of the new Operations Facility, the design of the Marty Leonard Wetlands, and other construction, improvements and repairs to the District's Water System; (ii) to refund a portion of the District's outstanding Refundable Bonds, Series 2015 Bonds, the Series 2016 Bonds, and the Series 2016A Bonds; (iii) to fund a debt service reserve fund; and (iv) to pay costs of issuance for the Series 2026 Bonds. The Bond Resolution authorizes the total amount of bonds to be issued in an amount not-to-exceed \$350,000,000.

Please see attached the draft Preliminary Official Statement, the estimated savings, the current timeline for issuing the bonds and the Resolution.

This item was reviewed by the Finance and Audit Committee on February 9, 2026.

Submitted By:

Sandy Newby
Chief Financial Officer



Water System Revenue Refunding and Improvement Bonds, Series 2026

Projected Schedule of Events

Jan-26							Feb-26							Mar-26							Apr-26						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30		

Complete By	Day	Event
16-Jan-26	Friday	Provide DRAFT Preliminary Official Statement and Bond Resolution to District
3-Feb-26	Tuesday	Provide draft of Preliminary Official Statement to District and Bond Counsel for comments and modifications
11-Feb-26	Wednesday	Receive Preliminary Official Statement information from District and Bond Counsel
13-Feb-26	Friday	Send Updated Preliminary Official Statement and draft Notice of Sale to District and Bond Counsel for comments
17-Feb-26	Tuesday	Board adopts Bond Resolution (with parameters)
18-Feb-26	Wednesday	Receive comments to Preliminary Official Statement and Notice of Sale
24-Feb-26	Tuesday	Send revised draft Preliminary Official Statement and Notice of Sale to the Working Group and Credit Rating Agencies
25-Feb-26	Wednesday	S&P Rating Call 11AM, Fitch Rating Call 3PM
18-Mar-26	Wednesday	Receive all final comments to draft of Preliminary Official Statement and Notice of Sale Receive Credit Ratings
19-Mar-26	Thursday	Filing of Fiscal Year End 2025 Disclosure Report
20-Mar-26	Friday	Distribute POS and NOS electronically through i-Deal Prospectus
31-Mar-26	Tuesday	Fiscal Year End 2025 Disclosure Filings Due
31-Mar-26	Tuesday	Take bids on Bonds - TENTATIVE
28-Apr-26	Tuesday	Closing and delivery of funds

SAVINGS

Tarrant Regional Water District
Water System Revenue Refunding and Improvement Bonds, Series 2026
*** Assumes Current Market Rates Plus 0.25%***
[Preliminary Numbers - As of January 7, 2026]

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/28/2026 @ 3.2295350%
09/30/2026	2,030,225.00	678,335.42	1,351,889.58	1,351,889.58		(7,384.64)
09/30/2027	26,543,950.00		26,543,950.00	26,006,375.00	537,575.00	522,643.15
09/30/2028	26,535,700.00		26,535,700.00	25,996,875.00	538,825.00	507,457.02
09/30/2029	26,526,700.00		26,526,700.00	25,988,375.00	538,325.00	491,114.85
09/30/2030	4,353,450.00		4,353,450.00	3,816,125.00	537,325.00	474,860.16
09/30/2031	1,104,950.00		1,104,950.00	569,125.00	535,825.00	458,717.49
09/30/2032	4,536,225.00		4,536,225.00	3,997,500.00	538,725.00	446,774.31
	91,631,200.00	678,335.42	90,952,864.58	87,726,264.58	3,226,600.00	2,894,182.33

Savings Summary

Dated Date	04/28/2026
Delivery Date	04/28/2026
PV of savings from cash flow	2,894,182.33
Net PV Savings	2,894,182.33

ESTIMATE



PRELIMINARY OFFICIAL STATEMENT

Dated March 1, 2026

Ratings:
S&P: "BBB"
Fitch: "BBB"
(See "OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under statutes, regulations, published rulings and court decisions existing on the date of such opinion, subject to the matters described herein including the alternative minimum tax on certain corporations. See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel.



\$333,850,000*
TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT,
WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026

Dated: March 15, 2026

Due: March 1, as shown below

Interest Accrues from Delivery Date

PAYMENT TERMS . . . Interest on the \$333,850,000* Tarrant Regional Water District, A Water Control and Improvement District (the "District"), Water Revenue Refunding and Improvement Bonds, Series 2026 (the "Bonds") will accrue from the date of initial delivery to the purchasers thereof (the "Delivery Date"), will be payable on September 1 and March 1 of each year, commencing September 1, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

SECURITY AND SOURCE OF PAYMENT . . . The Bonds are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues of the District. Pledged Revenues consist of the Net Revenues of the District's raw water supply system (the "System"), which include amounts payable by the Cities of Fort Worth, Arlington and Mansfield, and the Trinity River Authority of Texas pursuant to the Contract (as defined herein) and by other customers, and any additional revenues, income, receipts, grants, donations, or other resources, received or to be received from any public or private source, which in the future may, at the option of the District, be pledged to the payment of the Parity Bonds (as defined herein) or any Additional Bonds (see "Selected Provisions of the Resolution").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the general laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, as amended, pursuant to the provisions of Chapters 1207 and 1371, Texas Government Code, as amended, Chapter 268, Acts of 1957, 55th Legislature of Texas, Regular Session, as amended, and pursuant to a resolution adopted by the Board of Directors of the District. In the resolution adopted on February 17, 2026 authorizing the issuance of the Bonds, the District delegated pricing of the Bonds and certain other matters to an "Authorized Officer" and authorized the Authorized Officer to execute an "Approval Certificate" (the resolution and the Approval Certificate are collectively referred to herein as the "Resolution" or a "Bond Resolution").

PURPOSE . . . Proceeds from the sale of the Bonds will be used (i) pay for the District's continued work on preserving aging infrastructure and increasing capacity and operational flexibility with the Cedar Creek pipeline replacement project and the Rolling Hills pipeline replacement project, the construction of the new Operations Facility, the design of the Marty Leonard Wetlands, and other construction, improvements and repairs to the District's Water System; (ii) refund a portion of the District's debt (the "Refunded Bonds") for debt service savings as set forth in Schedule I - "SCHEDULE OF REFUNDED BONDS" attached hereto; (iii) to fund a debt service reserve fund; and (iv) to pay costs of issuance for the Bonds.

MATURITY SCHEDULE*

CUSIP Prefix: 876443 (1)

Amount	March 1 Maturity	Rate	Yield	CUSIP Suffix (1)	Amount	March 1 Maturity	Rate	Yield	CUSIP Suffix (1)
\$ 26,365,000	2027				\$ 7,940,000	2042			
27,710,000	2028				8,350,000	2043			
29,120,000	2029				8,775,000	2044			
7,870,000	2030				9,225,000	2045			
4,945,000	2031				9,700,000	2046			
8,715,000	2032				10,195,000	2047			
5,065,000	2033				10,720,000	2048			
5,320,000	2034				11,270,000	2049			
5,595,000	2035				11,845,000	2050			
5,880,000	2036				12,455,000	2051			
6,185,000	2037				13,095,000	2052			
6,500,000	2038				13,765,000	2053			
6,835,000	2039				14,470,000	2054			
7,185,000	2040				15,210,000	2055			
7,555,000	2041				15,990,000	2056			

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS") managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Municipal Advisor, or the Initial Purchaser of the Bonds shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

REDEMPTION OPTION . . . The District reserves the right, at its option, to redeem Bonds having stated maturities on and after March 1, 2026, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on March 1, 2026, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Initial Purchaser and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see Appendix C, "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Bonds will be available for delivery through the facilities of DTC on April 28, 2026.

BIDS DUE TUESDAY, MARCH 31, 2026 AT 10:15 AM, CDT

* Preliminary, subject to change. See "THE BONDS – Adjustment of Principal Amounts and/or Types of Bids" in the "Notice of Sale and Bidding Instructions".

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an "official statement" of the District with respect to the Bonds that has been "deemed final" by the District as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page, Schedule I and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

Certain information set forth herein has been obtained from the District and other sources considered by the District to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Municipal Advisor or the Initial Purchaser. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The Initial Purchaser have provided the following sentence for inclusion in this Official Statement: The Initial Purchaser have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Initial Purchaser do not guarantee the accuracy or completeness of such information.

Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

None of the District, the Municipal Advisor or the Initial Purchaser makes any representation or warranty regarding the information in this Official Statement describing DTC or the DTC Book-Entry-Only System. CUSIP numbers have been assigned to this issue by the CUSIP Global Services and are included solely for the convenience of the owners of the Bonds. None of the District, the Municipal Advisor, or the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers shown herein.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Bonds or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

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The cover page hereof, this page, the schedule and appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

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

BOARD OF DIRECTORS

Leah M. King President
Paxton Motheral Vice President
C.B. Team Secretary
Jonathan Killebrew Director
Skylar O’Neal..... Director

MANAGEMENT OFFICERS

Dan Buhman..... General Manager
Sandra Newby Chief Financial Officer
Kathleen Ray..... Finance Director

CONSULTANTS, ADVISORS, AND INDEPENDENT AUDITORS

Independent Auditors Deloitte & Touche LLP
Dallas, Texas
Bond Counsel McCall, Parkhurst & Horton L.L.P.
Dallas, Texas
Municipal Advisor Hilltop Securities, Inc.
Fort Worth, Texas

For additional information regarding the District, please contact:

Sandra Newby
Tarrant Regional Water District
800 East Northside Drive
Fort Worth, Texas 76102-1097
(817) 335-2491

or

Laura Alexander
Hilltop Securities, Inc.
777 Main Street, Suite 1525
Fort Worth, Texas 76102
(817) 332-9710

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OFFICIAL STATEMENT

RELATING TO

\$333,850,000*
**TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT,
WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026**

INTRODUCTION

This Official Statement, which includes the Schedule I and Appendices hereto, provides certain information regarding the issuance of \$333,850,000* Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2026 (the "Bonds"). In the resolution adopted on February 17, 2026 authorizing the issuance of the Bonds, the District delegated, pursuant to certain provisions of Chapters 1207 and 1371, Texas Government Code, pricing of the Bonds and certain other matters to an "Authorized Officer" and authorized the Authorized Officer to execute an "Approval Certificate" (the resolution and the Approval Certificate are collectively referred to herein as the "Bond Resolution" or "Resolution"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution, except as otherwise indicated herein.

There follows in this Official Statement descriptions of the Bonds and certain information regarding the Tarrant Regional Water District, a Water Control and Improvement District (the "District") and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District's Municipal Advisor, Hilltop Securities, Inc. ("HilltopSecurities"), Fort Worth, Texas.

DESCRIPTION OF THE DISTRICT . . The District is a conservation and reclamation district, functioning under Article 16, Section 59, of the Texas Constitution, pursuant to the general laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, as amended, and pursuant to the provisions of Chapter 268, Acts of 1957, 55th Legislature of Texas, Regular Session, as amended (the "District Act").

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used (i) pay for the District's continued work on preserving aging infrastructure and increasing capacity and operational flexibility with the Cedar Creek pipeline replacement project and the Rolling Hills pipeline replacement project, the construction of the new Operations Facility, the design of the Marty Leonard Wetlands, and other construction, improvements and repairs to the District's Water System; (ii) to refund a portion of the District's debt (the "Refunded Bonds") for debt service savings as set forth in Schedule I - "SCHEDULE OF REFUNDED BONDS" attached hereto; (iii) to fund a debt service reserve fund; and (iv) to pay costs of issuance for the Bonds.

REFUNDED BONDS . . . The principal and interest due on the Refunded Bonds are to be paid on the interest payment dates and the redemption date of the Refunded Bonds from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the District and BOKF, NA, Dallas, Texas (the "Escrow Agent"). The Resolution provides that from the proceeds of the sale of the Bonds and other available funds of the District, if necessary, the District will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on the redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase obligations permitted under the resolution authorizing the Refunded Bonds for defeasance deposits (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Public Finance Partners LLC (the "Verification Agent") will verify at the time of delivery of the Bonds to the Initial Purchaser the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds. See "VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS".

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds in accordance with the law and the resolution authorizing the Refunded Bonds (hereinafter defined), and the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the District payable from Pledged Revenues (as defined herein). The District will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds, including insufficiency therein caused by the failure to receive payments when due on the Federal Securities.

* Preliminary, subject to change. See "Adjustment of Principal Amounts and/or Types of Bids" in the "Notice of Sale and Bidding Instructions for the Bonds."

ESTIMATED SOURCES AND USES OF PROCEEDS . . . The proceeds from the sale of the Bonds will originate and be applied as follows:

<u>Sources of Funds</u>	
Par Amount of Bonds	\$ -
Premium Bid	-
Transfer from Debt Service Fund	-
Total Sources of Funds	<u>\$ -</u>
<u>Uses of Funds</u>	
Deposit to Project Fund	\$ -
Deposit to Escrow Fund	-
Deposit to Debt Service Reserve Fund	-
Costs of Issuance	-
Total Uses of Funds	<u>\$ -</u>

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THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated March 15, 2026, and mature on March 1 in each of the years and in the amounts shown on the cover page hereof. Interest will accrue from the date of initial delivery thereof (the "Delivery Date"), will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on March 1 and September 1 of each year, commencing September 1, 2026, until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York, pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the general laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, pursuant to the provisions of the District Act, and pursuant to the Bond Resolution.

SECURITY AND SOURCE OF PAYMENT . . . The Bonds are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues of the District. Pledged Revenues consist of the Net Revenues (hereinafter defined) of the System (hereinafter defined), including amounts payable by the Contracting Parties (hereinafter defined) pursuant to the Contract (hereinafter defined) and by other customers, and any additional revenues, income, receipts, grants, donations, or other resources, received or to be received from any public or private source, which in the future may, at the option of the District, be pledged to the payment of the Parity Bonds (hereinafter defined) or the Additional Bonds (hereinafter defined) (see "SELECTED PROVISIONS OF THE RESOLUTION"). The District has outstanding bonds payable from Pledged Revenues (the "Outstanding Bonds") as follows:

Dated Date	Original Issue Amount	Outstanding Bonds ⁽¹⁾⁽²⁾	Issue Description
2/1/2015	\$ 156,470,000	\$ 45,155,000	Water Revenue Refunding Bonds, Series 2015
11/1/2015	300,000,000	220,665,000	Water Revenue Bonds, Series 2015A
2/1/2016	28,530,000	21,935,000	Water Revenue Bonds, Series 2016
4/1/2016	61,910,000	31,875,000	Water Revenue Refunding Bonds, Series 2016A
8/1/2017	52,765,000	46,915,000	Water Revenue Refunding Bonds, Series 2017
2/1/2020	129,570,000	71,365,000	Water Revenue Refunding Bonds, Taxable Series 2020
11/1/2020	386,680,000	175,155,000	Water Revenue Refunding Bonds, Taxable Series 2020B
11/1/2020	38,105,000	18,775,000	Water Revenue Refunding Bonds, Series 2020C
7/1/2022	46,510,000	43,620,000	Water Revenue Bonds, Series 2022
5/1/2024	288,885,000	277,570,000	Water Revenue Refunding and Improvement Bonds, Series 2024
		<u>\$ 953,030,000</u>	

(1) The Dallas Contract Revenue Bonds shown on the District's Financial Statement are not reflected herein because the District has no obligation to make payments thereof out of District funds.

(2) As of March 1, 2026.

The Outstanding Bonds and the Bonds are referred to herein as the "Parity Bonds".

WATER CONTRACTS . . . The principal source of Pledged Revenues are payments derived from contracts for the sale of raw water. The District has entered into raw water supply contracts with approximately 55 municipal and non-municipal entities. The major water supply contracts are with the Cities of Fort Worth, Arlington, and Mansfield, Texas, and Trinity River Authority of Texas ("TRA").

The Cities of Fort Worth, Arlington and Mansfield (the "Cities") and the TRA (collectively, the "Contracting Parties") and the District have entered into a Tarrant County Regional Water Supply Facilities Amendatory Contract (the "Contract"), effective September 1, 1982, which provides that such Contracting Parties will, with certain minor exceptions, take all their raw water requirements from the District's System. Such Contracting Parties are obligated thereunder to pay their share, as computed in accordance with the Contract, of the District's annual operation and maintenance expenses and debt service on the Parity Bonds and any Additional Bonds after application of amounts, if any, received by the District from its other customers. Such obligation is unconditional and such payments shall be made whether or not the District is actually delivering water from the System or whether or not such Contracting Parties actually receive or use water from the System. The Contract provides that payments by such Contracting Parties thereunder constitute operating expenses of each respective waterworks and sewer systems in the case of the Cities and its Tarrant County Water Project in the case of the TRA, payable prior to any obligation to make any payments from system or project revenues with respect to all bonds issued by such Contracting Parties. Under the Contract, the District is entitled to revise the payments from the Contracting Parties for a number of reasons, including receipt by the District of significantly more or significantly less revenues or other amounts than anticipated (see "THE CONTRACTS").

RATE COVENANT . . . The District has covenanted in the Resolution to charge rates sufficient, together with other available funds, to meet operation and maintenance expenses of the System and to produce Pledged Revenues adequate to provide for all payments and deposits required to be made into the Interest and Redemption Fund, the Reserve Fund and the Contingency Fund (hereinafter defined) established by the Resolution.

The District is subject to continuing supervision by the Texas Public Utility Commission ("TPUC"), which has power to fix reasonable rates for the furnishing of raw water. In fixing such rates, the TPUC may use any reasonable basis it determines to be appropriate under the circumstances, but may not fix a rate which is less than the amount required to meet debt service.

CONTINGENCY FUND AND RESERVE FUND . . . The District established the Contingency Fund and there is presently on deposit in such fund at least \$1,100,000. The moneys on deposit in such fund shall be used solely for the purpose of paying the costs of improvements, enlargements, extensions, additions or other capital expenditures relating to the System, extraordinary operation and maintenance expenses or for paying principal of and interest on any Parity Bonds and any Additional Bonds when and to the extent money in the Interest and Redemption Fund is insufficient. If and when such amount is reduced below \$1,100,000 then, subject and subordinate to making the required deposits to the credit of the Interest and Redemption Fund and the Reserve Fund, such reduction shall be restored from amounts provided in the District's annual budget, provided that the District is not required to budget more than \$100,000 for such purpose in any one fiscal year.

There has been created and established and there shall be maintained at an official depository bank of the District, a separate fund to be entitled the "Tarrant Regional Water District Water Revenue Refunding and Improvement Bonds Reserve Fund" (hereinafter called the "Reserve Fund"), solely for the further security and benefit of the Parity Bonds and any Additional Bonds. The Reserve Fund shall be used solely for the purpose of (i) finally retiring the last of the Parity Bonds and any Additional Bonds, and (ii) paying principal of and interest on the Parity Bonds or any Additional Bonds when and to the extent the amounts in the Interest and Redemption Fund and Contingency Fund are insufficient for such purpose. When and so long as the money and investments in the Reserve Fund are not less than the "Required Amount," equal to the principal and interest requirements on the Parity Bonds and any Additional Bonds during the fiscal year in which such requirements are scheduled to be the greatest, no deposits shall be made to the credit of the Reserve Fund; but when and if the Reserve Fund at any time thereafter contains less than the "Required Amount," then, subject and subordinate to making the required deposits to the credit of the Interest and Redemption Fund, the District shall transfer from Pledged Revenues and deposit to the credit of the Reserve Fund, semiannually on or before the 25th day of each February and each August of each year, a sum equal to 1/10th of the "Required Amount" until the Reserve Fund is restored to said "Required Amount." So long as the Reserve Fund contains said "Required Amount," all amounts in excess of said "Required Amount," if any, shall, at least annually, on or before the 25th day of February of each year, be deposited to the credit of the Interest and Redemption Fund.

ADDITIONAL BONDS . . . The District may issue additional parity bonds ("Additional Bonds") payable from the Pledged Revenues which together with the Bonds and the Outstanding Bonds shall be equally and ratably secured by a parity lien on and pledge of the Pledged Revenues, subject to complying with certain conditions in the Resolution. See "SELECTED PROVISIONS OF THE RESOLUTION – Additional Bonds" and "Further Requirements for Additional Bonds" herein).

OPTIONAL REDEMPTION . . . The District reserves the right, at its option, to redeem Bonds having stated maturities on and after **March 1, 20**, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on **March 1, 20**, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption. If fewer than all of the Bonds are to be redeemed, the District shall select the maturities and amounts of Bonds to be redeemed. If less than a whole maturity is called, the Bonds to be redeemed (only in integral multiples of \$5,000) shall be selected by the Paying Agent/Registrar by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE, PROVIDED FUNDS FOR THE PAYMENT OF THE REDEMPTION PRICE AND ACCRUED INTEREST THEREON ARE HELD BY THE PAYING AGENT/REGISTRAR ON THE REDEMPTION DATE.

DEFEASANCE . . . The Resolution provides for the defeasance of Bonds when the payment of the principal of such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent or other authorized entity, in trust (1) money sufficient to make such payment and/or (2) Government Obligations which mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent/Registrar for the Bonds. The Resolution provides that "Government Obligations" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America and (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the District has the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the District (i) in the proceedings providing the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by the DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Municipal Advisor, and the Initial Purchaser (hereinafter defined) consider the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof and make no representation with respect thereto.*

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for the Bonds in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to DTC is the responsibility of the District, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Bonds is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Bonds is discontinued by the District, printed bond certificates will be issued to the respective holders of the Bonds, as the case may be, and the respective Bonds will be subject to transfer, exchange, and registration provisions as set forth in the Resolution, summarized under "Transfer, Exchange, and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial paying agent/registrar is BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). In the Resolution, the District retains the right to replace the Paying Agent/Registrar. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds. Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or by (ii) with respect to any Bond or portion thereof called for redemption within 45 days prior to its redemption date.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the preceding month.

REMEDIES . . . The Resolution does not establish specific events of default with respect to the respective Bonds. Under State law and the Resolution, there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Resolution. No assurance can be given that a mandamus or other legal action to enforce a remedy under the Resolution would be successful. The enforcement of any such remedy may be difficult and time consuming. The Resolution does not provide for the appointment of a trustee to represent the interests of the bondholders upon any failure of the District to perform in accordance with the terms of the Resolution, or upon any other condition. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code. Texas law requires a conservation and reclamation district such as the District to obtain the approval of the Texas Commission on Environmental Quality as a condition to seeking relief under the U.S. Bankruptcy Code. Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of contract revenues of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce the remedies under the Resolution would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state courts); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The District may not be placed into bankruptcy involuntarily. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Resolution may not be redeemed to a judgment for money damages.

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THE DISTRICT

CREATION . . . The Tarrant Regional Water 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 laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, as amended 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 was created for the purpose of providing water supply and flood control and developing and providing a sufficient supply of raw water for the City of Fort Worth. The District's functions have expanded and now encompass the development of a raw water supply system to meet the needs of major municipal and industrial users within and outside its boundaries, flood control protection, recreation and water conservation activities.

TERRITORY SERVED BY THE DISTRICT . . . The District is the primary supplier for raw water used by a total of approximately 55 municipal and non-municipal entities located both within and outside Tarrant County. Among the major municipal customers of the District are the Cities of Fort Worth, Arlington, Mansfield and the TRA. The total area serviced by the District through these four major municipal entities includes nearly all the populated regions within Tarrant County.

POWERS . . . For the purpose of carrying out any power or authority conferred upon it by law, the District is empowered, among other things, to impound the storm and flood waters and the flow of the West Fork of the Trinity River and the tributaries of the Trinity River by the construction of dams. The District is also empowered to construct and otherwise acquire all pipelines, pump stations and other facilities necessary for the purpose of transporting the raw water so impounded to its users.

In furtherance of its express public purpose, the District also has the right to acquire land and easements within and without its boundaries (including land above the probable high water line around the reservoirs) through the exercise of its power of eminent domain.

The District is authorized by law to finance its public works projects by the issuance of bonds payable from either revenues, ad valorem taxes or both revenues and ad valorem taxes of the District. However, in the Resolution, it is specifically provided that the District is not authorized to, and shall not levy, collect, or use any tax of any nature to pay the principal of or interest on any of the Parity Bonds or Additional Bonds.

ANNEXATIONS . . . Other territory may be annexed to the District by order of the Board of Directors under conditions specified in Texas Water Code Sections 49.301 – 49.302 either by petition of all landowners or by petition of less than all landowners. The Board of Directors shall hear the petition(s) and may add to the territory of the District all or part of the land described in such petition(s) if it is feasible, practicable and to the advantage of the District. If the annexation is by petition of less than all landowners, the Board shall order an election to be held in the District, as enlarged, on the question of the assumption of bonds, notes, obligations and taxes by the area to be annexed.

BOUNDARIES . . . The District consists of approximately 302 square miles comprising approximately one-half of Tarrant County and is nearly coterminous with the City of Fort Worth. Additionally, the District owns land, not within the boundaries of the District, in Tarrant, Wise, Jack, Henderson, Ellis, Navarro, Freestone, Anderson, Johnson and Kaufman Counties.

OTHER ACTIVITIES OF THE DISTRICT . . . The District engages in and receives certain revenues from non-water supply activities including the ownership of oil, gas and mineral rights, land sales and lease rentals, none of which is pledged to assist the District in meeting its obligations, including obligations relating to the Bonds.

TRINITY RIVER VISION/CENTRAL CITY FLOOD CONTROL PROJECT . . . The Trinity River Vision Master Plan (the "Master Plan") is the result of a process which commenced approximately 23 years ago through a collaboration of community volunteers, elected officials, administrators and urban planners. The Master Plan encompasses 88 miles of the Trinity River and its greenbelts and tributaries throughout the Fort Worth area. The purpose of the "vision" is to advocate for this natural resource, keeping the river beautiful, accessible, enjoyable and productive and to ensure that it remains a valuable asset for the entire community. The Master Plan addresses such issues as flood protection, the environment, ecosystems, recreational opportunities, access to the waterfront, preserving green space and revitalization based around the Trinity River at a cost of \$1.2 billion dollars. The Trinity River Vision Project will be financed with federal funds, captured property taxes on the development of property benefited by the Trinity River Vision Project and funds to be provided by the District (including proceeds from the Bonds), the City of Fort Worth and Tarrant County. On January 19, 2022, the Central City Flood Control Project received \$403 million in funding for the U.S. Army Corps of Engineers ("USACE") to complete the final design of all project components and construction of the bypass channel. The District and the other participants are continuing to complete the project components they are responsible for in order to stay ahead of the USACE. The District has committed to provide \$64.4 million for the Trinity River Vision Project, which it has provided in full. **The District's share of the costs of the Trinity River Vision Project is not secured by or payable from Pledged Revenues.** The District has used the production royalties it received from its mineral interests within the Barnett Shale to meet its financial obligations on the Trinity River Vision Project.

TABLE 1 - RAW WATER SALES CONTRACT SUMMARY

Customer and Source	2025/26 Budgeted Rate Per 1,000 Gallons ⁽¹⁾	Maximum Usage Acre Feet ⁽²⁾	
LAKE BRIDGEPORT			
City of Bridgeport	\$ 1.43092	1,700	A.F./Yr.
City of Runaway Bay	1.43092	1,456	A.F./Yr.
Martin Marietta Materials, Inc.	1.43092	600	A.F./Yr.
West Wise Special Utility District	1.43092	986	A.F./Yr.
Wise County Water Supply District	1.43092	4,000	A.F./Yr.
RB Golf	1.43092	124	A.F./Yr.
Jack County LLC	1.43092	5,429	A.F./Yr.
Vistra Energy/Wise County Power Co	1.43092	5,772	A.F./Yr.
Walnut Creek Water Supply Corp.	1.43092	3,600	A.F./Yr.
City of Jacksboro	1.43092	263	A.F./Yr.
Bridgeport Country Club	1.43092	40	A.F./Yr.
Burnco	1.43092	800	A.F./Yr.
Heidelberg Materials	1.43092	1,475	A.F./Yr.
EAGLE MOUNTAIN LAKE			
City of River Oaks	1.43092	1,344	A.F./Yr.
Community Water Supply	1.43092	1,851	A.F./Yr.
City of Springtown	1.43092	1,344	A.F./Yr.
City of Azle	1.43092	1,680	A.F./Yr.
Hawks Creek Golf Club	1.43092	550	A.F./Yr.
The Resort at Eagle Mountain Lake	1.43092	350	A.F./Yr.
Shady Oaks Country Club	1.43092	375	A.F./Yr.
LAKE BENBROOK			
Fort Worth Country Day	1.43092	153	A.F./Yr.
Mira Vista Golf Club	1.43092	568	A.F./Yr.
Ridglea Country Club	1.43092	476	A.F./Yr.
Benbrook Water Authority	1.43092	All Customer Requirements	
City of Weatherford	1.43092	All Customer Requirements	
Whitstone Golf Club	1.43092	400	A.F./Yr.
City of Benbrook-Dutch Branch Park	1.43092	77	A.F./Yr.
Cassco Development Company, Inc.	1.43092	60	A.F./Yr.
CEDAR CREEK LAKE			
East Cedar Creek FWSD	1.43092	1,155	A.F./Yr.
Cedar Creek Country Club	1.43092	125	A.F./Yr.
City of Kemp	1.43092	600	A.F./Yr.
McNarosa Ranch	1.43092	55	A.F./Yr.
Long Cove Owners Association	1.43092	80	A.F./Yr.
City of Mabank	1.43092	1,870	A.F./Yr.
City of Malakoff	1.43092	560	A.F./Yr.
Pinnacle Golf Club	1.43092	30	A.F./Yr.
Texas Water Utilities	1.43092	1,656	A.F./Yr.
City of Star Harbor	1.43092	168	A.F./Yr.
West Cedar Creek MUD	1.43092	2,174	A.F./Yr.
Kemp Lakeside Investors	1.43092	10	A.F./Yr.
Ke'Ohana Properties	1.43092	30	A.F./Yr.
RICHLAND CHAMBERS			
Freestone Power (previously TRA - Freestone)	1.43092	6,722	A.F./Yr.
Winkler Water Supply Corp	1.43092	560	A.F./Yr.

(1) Rates effective October 1, 2025.

(2) Acre-Feet/Yr. = 325,851 gallons.

TABLE 2 - MULTIPLE SOURCE CUSTOMERS

Cedar Creek/Richland-Chambers/West Fork (combination through pipeline)

These customers are subject to making diversions from either pipeline(s) or Reservoirs.

	2025/26 Budgeted Rate (per 1,000 gallons)	
City of Fort Worth	\$1.43092	All City's Requirements
City of Mansfield	1.43092	All City's Requirements
City of Arlington	1.43092	All City's Requirements
Trinity River Authority	1.43092	All Requirements
City of Waxahachie (previously TRA Ellis County)	1.43092	5,489 A.F./Yr. ⁽¹⁾
City of Midlothian	1.43092	20,839 A.F./Yr. ⁽¹⁾
City of Ennis (previously Trinity River Authority - Ennis)	1.43092	3,988 A.F./Yr. ⁽¹⁾
Rocket Special Utility District	1.43092	13,773 A.F./Yr. ⁽¹⁾
Constellation - Handley	1.43092	Electrical Generation Requirements

⁽¹⁾ Acre-Feet/Yr. = 325,851 gallons**TABLE 3 - WATER CONSUMPTION AND SALES**

	Water Consumption		Water Payments	
	Gallons	% of Total	Amount	% of Total
Fort Worth, City of	\$ 79,055,160,846	59.45%	\$ 89,232,294	58.77%
Arlington, City of	19,672,958,000	14.79%	22,850,864	15.05%
Trinity River Authority	10,899,968,000	8.20%	14,441,013	9.51%
Mansfield, City of	6,610,849,100	4.97%	6,328,041	4.17%
Rockett Special Utility District	1,644,661,000	1.24%	1,922,832	1.27%
Freestone/Calpine	1,504,300,000	1.13%	2,286,212	1.51%
Midlothian, City of	2,731,125,000	2.05%	3,294,487	2.17%
Benbrook Water and Sewer (1)	1,118,743,000	0.84%	599,394	0.39%
Walnut Creek Special Utility District	1,415,241,000	1.06%	1,608,011	1.06%
Jack County LLC	1,517,497,000	1.14%	1,545,680	1.02%
Azle, City of	759,395,000	0.57%	854,120	0.56%
East Cedar Creek Fresh Water Supply District	515,137,000	0.39%	345,198	0.23%
West Cedar Creek MUD	716,252,892	0.54%	860,833	0.57%
Vistra Energy/Wise County Power Co	507,250,000	0.38%	727,973	0.48%
Other Customers	4,303,378,905	3.24%	4,945,225	3.27%
Total	<u>132,971,916,743</u>	100.00%	<u>\$ 151,842,177</u>	100.00%

Source: The District.

⁽¹⁾ The Cities of Weatherford and Benbrook have rights to a limited amount of water in Lake Benbrook and pay the District only for usage above that amount.**TABLE 4 - WATER RATES**

The District has budgeted usage and rates for the Contracting Parties for fiscal year 2025/26 as follows:

Contracting Party	Usage (000) gallons	Adjusted Rate (per 1,000 gallons)
City of Fort Worth	77,555,740	1.43092
Trinity River Authority	13,285,517	1.43092
City of Mansfield	6,789,304	1.43092
City of Arlington	20,761,976	1.43092
Other Customers	12,119,640	1.43092

THE WATER RIGHTS OF THE DISTRICT

The District holds numerous water rights within its area of operation. The following is a brief description of the water rights presently held by the District.

LAKE BRIDGEPORT . . . The Texas Water Commission (now the TCEQ) issued to the District Certificate of Adjudication Number 08-3808, as amended, covering all rights to water in Lake Bridgeport. The District is allowed to impound up to 387,000 acre-feet of water. Under this water right, which was last amended August 16, 2018, the District is authorized to release up to 78,000 acre-feet of water per annum from Lake Bridgeport and transport the stored water to Eagle Mountain Lake for subsequent diversion for municipal, industrial, and irrigation purposes in the District's service area. An additional 15,000 acre-feet of water per annum, plus up to 12,000 acre-feet of the 78,000 acre-foot authorization, may be diverted by the District for municipal, industrial, and irrigation purposes in Jack and Wise Counties, Texas. Of the 12,000 acre-feet that may be either diverted for use in Jack and Wise Counties, or released downstream to Eagle Mountain, up to 8,000 acre-feet may be used for mining purposes. The time priority for the initial impoundment and the 93,000 acre-foot use is July 6, 1926. Recreation use was added July 12, 1937, and the priority date for the additional impoundment of 97,000 acre-feet is September 9, 1968.

EAGLE MOUNTAIN LAKE . . . Situated downstream from Lake Bridgeport, Eagle Mountain Lake is located principally in Tarrant County, Texas. The District holds Certificate of Adjudication Number 08-3809, as amended, covering all rights to water in Eagle Mountain Lake. The District is allowed to impound up to 210,000 acre-feet of water. Under this water right, which was last amended August 16, 2018, the District is authorized to divert and use up to 159,600 acre-feet of water per annum for municipal, industrial and irrigation purposes in the District's service area. Up to 4,000 acre-feet of the 159,600 acre feet may be used for mining purposes. The time priority of this water right is July 13, 1925. Water is released downstream for subsequent use by the Cities of Fort Worth and River Oaks. Diversions also are made by a number of municipal and private entities. In February, 2005, the District was granted the right to use Eagle Mountain Lake for terminal storage of water conveyed by the pipeline from Cedar Creek and Richland Chambers Reservoirs. It should be noted that Certificate of Adjudication Number 08-3808, as amended (Lake Bridgeport), authorizes release of water to Eagle Mountain Lake for diversion under the terms of Certificate of Adjudication Number 08-3809, as amended.

CEDAR CREEK RESERVOIR . . . The District holds Certificate of Adjudication Number 08-4976, as amended, covering all rights to water in Cedar Creek Reservoir located in Henderson and Kaufman Counties, Texas. The District is allowed to impound up to 678,900 acre-feet of water. Under this water right, which was last amended August 16, 2018, the District is authorized to divert and use up to 263,059 acre-feet of water per annum for municipal, industrial and irrigation purposes in the District's service area. This total volume includes up to 88,059 acre-feet of District Return Flows. Up to 4,000 acre-feet of the 263,059 acre-feet may be used for mining purposes. The time priority of this water right is May 28, 1956. While some diversions are made by District customers directly from the reservoir, the majority of this water is conveyed to Tarrant County, Texas, through the Cedar Creek, Richland Chambers and Integrated Pipelines and supplies water to the Cities of Fort Worth, Arlington, Mansfield, TRA, and others, through contractual agreements.

RICHLAND-CHAMBERS RESERVOIR . . . The District holds Certificate of Adjudication Number 08-5035, as amended, covering rights to water in Richland-Chambers Reservoir located in Freestone and Navarro Counties, Texas. The District is allowed to impound up to 1,135,000 acre-feet. Under this water right, which was last amended August 16, 2018, the District is authorized to divert and use up to 310,465 acre-feet of water per annum for municipal, industrial and irrigation purposes in the District's service area. This total volume includes up to 100,465 acre-feet of District Return Flows. Up to 4,000 acre-feet of the 263,059 acre-feet may be used for mining purposes. The time priority of this water right is October 18, 1954. While some diversions are made by District customers directly from the reservoir, the majority of this water is conveyed to Tarrant County, Texas, through the Cedar Creek, Richland-Chambers and Integrated Pipelines, and supplies water to the Cities of Fort Worth, Arlington, Mansfield, TRA, and others, through contractual agreements.

BENBROOK RESERVOIR . . . The District holds Permit Number 5157, as amended, authorizing impoundment of not to exceed 72,500 acre-feet of water in this U.S. Army Corps of Engineers (the "Corps of Engineers") constructed and maintained reservoir. Under this water right, which was last amended September 4, 1998, the District is allowed an annual diversion of up to 6,833 acre-feet of water on a priority basis for municipal and irrigation purposes.

The District also is authorized to use 72,500 acre-feet of Benbrook Reservoir storage space for terminal storage of water diverted from Cedar Creek and Richland-Chambers Reservoirs for subsequent storage and use by District customers in Tarrant County, Texas, and by Benbrook Water Authority and the City of Weatherford, Texas. The District is further authorized to overdraft Benbrook Reservoir on a non-priority basis for municipal purposes whether or not terminal storage operations have commenced. Combined total annual diversions from Benbrook Reservoir are not to exceed 72,500 acre-feet.

The District, the City of Fort Worth and Benbrook Water Authority each individually contract with the Corps of Engineers for storage rights in Benbrook Reservoir. A 90-inch pipeline and pump station connects the District's pipelines from Cedar Creek and Richland-Chambers to Benbrook Reservoir. The Benbrook connection allows the District to provide water from Cedar Creek and Richland-Chambers Reservoirs to the City of Fort Worth Rolling Hills Water Treatment Plant, Fort Worth's Holly Water Treatment Plant, as well as to Benbrook Water Authority and the City of Weatherford.

WEST FORK OF THE TRINITY RIVER – NUTT DAM . . . In August 2007, the District acquired Certificate of Adjudication Number 08-3375. This water right was previously owned by Texas Utilities. Certificate of adjudication Number 08-3375, as amended, allows an existing 673 acre-feet impoundment of the West Fork of the Trinity River and the diversion and use of 11,210 acre-feet of water per annum of which 1,121 acre-feet maybe consumptively used. The transferred Certificate of Adjudication is dated December 13, 2007 with a time priority of June 29, 1914.

EAGLE MOUNTAIN LAKE EXFLO . . . The District holds Permit Number 12806, which allows the diversion and use of up to 63,899 acre-feet of water per year from Eagle Mountain Lake for municipal, industrial, and irrigation purposes within the District's service area. Diversions are limited to times when the water surface elevation of Eagle Mountain Lake is above 649.1 ft-msl and when the water surface elevation of Lake Livingston is at or above 131.0 ft-msl. Permit Number 12806 also authorizes the District to use the bed and banks of a portion of the reach of the West Fork Trinity River to convey this water downstream for subsequent diversion and use. The time priority for this water right is February 20, 2014.

LAKE BENBROOK EXFLO . . . The District holds Permit Number 12805, which allows the diversion and use of up to 78,653 acre-feet of water per year from Lake Benbrook for municipal, industrial, and irrigation purposes within the District's service area. Diversions are limited to times when the water surface elevation of Lake Benbrook is above 694.0 ft-msl and when the water surface elevation of Lake Livingston is at or above 131.0 ft-msl. Permit Number 12805 also authorizes the District to use the bed and banks of a portion the reach of the Clear Fork Trinity River to convey this water downstream for subsequent diversion and use. The time priority for this water right is February 20, 2014.

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DEBT INFORMATION

TABLE 5 – PRO FORMA DEBT SERVICE REQUIREMENTS ⁽¹⁾

Fiscal Year Ending 9/30	Outstanding Debt ⁽¹⁾			The Bonds ⁽²⁾		Total Outstanding Debt	% of Principal Retired
	Principal	Interest	Total	Principal	Interest		
2026	\$ 42,315,000	\$ 35,622,522	\$ 77,937,522	\$ -	\$ 5,703,271	\$ 83,640,793	
2027	21,170,000	32,302,546	53,472,546	26,365,000	16,033,375	95,870,921	
2028	21,905,000	31,474,263	53,379,263	27,710,000	14,681,500	95,770,763	
2029	22,745,000	30,590,526	53,335,526	29,120,000	13,260,750	95,716,276	
2030	42,065,000	29,220,990	71,285,990	7,870,000	12,336,000	91,491,990	19.35%
2031	41,660,000	27,394,384	69,054,384	4,945,000	12,015,625	86,015,009	
2032	39,590,000	25,607,492	65,197,492	8,715,000	11,674,125	85,586,617	
2033	45,555,000	23,735,766	69,290,766	5,065,000	11,329,625	85,685,391	
2034	47,360,000	21,700,636	69,060,636	5,320,000	11,070,000	85,450,636	
2035	35,375,000	19,926,881	55,301,881	5,595,000	10,797,125	71,694,006	38.52%
2036	36,885,000	18,412,084	55,297,084	5,880,000	10,510,250	71,687,334	
2037	42,275,000	16,965,819	59,240,819	6,185,000	10,208,625	75,634,444	
2038	34,965,000	15,688,293	50,653,293	6,500,000	9,891,500	67,044,793	
2039	35,870,000	14,410,349	50,280,349	6,835,000	9,558,125	66,673,474	
2040	37,640,000	13,068,079	50,708,079	7,185,000	9,207,625	67,100,704	56.18%
2041	37,015,000	11,778,663	48,793,663	7,555,000	8,839,125	65,187,788	
2042	38,300,000	10,520,527	48,820,527	7,940,000	8,451,750	65,212,277	
2043	39,640,000	9,208,555	48,848,555	8,350,000	8,044,500	65,243,055	
2044	41,030,000	7,847,610	48,877,610	8,775,000	7,616,375	65,268,985	
2045	42,445,000	6,458,815	48,903,815	9,225,000	7,166,375	65,295,190	75.45%
2046	28,105,000	5,293,062	33,398,062	9,700,000	6,693,250	49,791,312	
2047	27,490,000	4,363,955	31,853,955	10,195,000	6,195,875	48,244,830	
2048	28,425,000	3,428,765	31,853,765	10,720,000	5,673,000	48,246,765	
2049	29,395,000	2,473,318	31,868,318	11,270,000	5,123,250	48,261,568	
2050	13,545,000	1,749,960	15,294,960	11,845,000	4,545,375	31,685,335	89.94%
2051	14,045,000	1,253,640	15,298,640	12,455,000	3,937,875	31,691,515	
2052	14,565,000	738,654	15,303,654	13,095,000	3,299,125	31,697,779	
2053	5,835,000	359,700	6,194,700	13,765,000	2,627,625	22,587,325	
2054	6,075,000	121,500	6,196,500	14,470,000	1,921,750	22,588,250	
2055	-	-	-	15,210,000	1,179,750	16,389,750	98.72%
2056	-	-	-	15,990,000	399,750	16,389,750	100.00%
	<u>\$ 913,285,000</u>	<u>\$ 421,717,354</u>	<u>\$ 1,335,002,354</u>	<u>\$ 333,850,000</u>	<u>\$ 249,992,271</u>	<u>\$ 1,918,844,625</u>	

(1) "Outstanding Debt" does not include lease/purchase obligations. Excludes the Refunded Bonds. Preliminary, subject to change.

(2) Average life of the issue – 14.976 years. Interest on the Bonds has been calculated at the rate of 4.51% for purposes of illustration. Preliminary, subject to change.

CAPITAL IMPROVEMENT PROGRAM . . . The District plans to issue bonds in the future for the following capital projects, in 2027 - \$410,000,000; and 2028 - \$450,000,000 (mainly for the replacement of aged sections of the Cedar Creek Pipeline, design, construction of the Cedar Creek Wetlands, a new operations facility, and construction of the District’s portion of the Integrated Pipeline Project). The amounts and actual projects are subject to change.

ANTICIPATED ISSUANCE OF REVENUE BONDS . . . The District anticipates the issuance of approximately \$200,000,000 in additional bonds payable from the Pledged Revenues in fiscal year 2027.

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

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

If at the time of retirement, the employee meets the “Rule of 80” and elects to continue group health insurance coverage, the District will pay 100% for the premiums for the employee/retiree, and their eligible spouse at the date of retirement. After the initial election, coverage for individuals may be dropped at the time designated by the plan, but no one may be added. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F or Plan G, in accordance with Medicare eligibility rules. The District will also provide a monthly allowance of \$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 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 47. 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

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	42
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>171</u>
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% of the total OPEB liability as of fiscal year 2025 and does not foresee additional contributions.

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.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at September 30, 2023	\$ 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, 2024	\$ 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:

Current Single Discount Rate		
1% Decrease	Assumption	1% Increase
5.0%	6.0%	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	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ (2,447,391)	\$ 1,691,907	\$ (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
Differences 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	<u>\$ 954,417</u>	<u>\$ 4,001,065</u>

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

Year Ended 9/30	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

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FINANCIAL INFORMATION

TABLE 6 - CONDENSED STATEMENT OF OPERATIONS

Revenues	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Sale of Water	\$ 156,347,960	\$ 148,984,917	\$ 148,599,782	\$ 138,836,740	\$ 138,108,606
Land Lease Rentals ⁽¹⁾	622,506	111,543	138,346	154,186	152,743
Investment Income / (Investment Loss) ⁽²⁾	9,723,765	7,672,444	5,888,392	1,521,745	(105,662)
Sale of System Capacity	9,138,331	8,024,644	7,023,519	1,808,574	1,307,381
Contributions ⁽³⁾	1,123,521	2,553,378	1,336,146	1,102,988	1,142,129
Gain on Disposal of Capital Assets	1,419	82,425	69,850	95,050	80,100
Gain on Extinguishment of Debt	-	7,061,189	-	-	-
Other	1,322,362	349,871	522,542	626,872	907,506
Total Revenues	\$ 178,279,864	\$ 174,840,411	\$ 163,578,577	\$ 144,146,155	\$ 141,592,803
Expenditures					
General and Administrative	\$ 30,327,258	\$ 27,439,938	\$ 23,698,662	\$ 18,719,022	\$ 17,927,398
Personnel Services	32,725,157	30,980,811	28,948,894	17,303,507	17,943,288
Utilities	13,222,580	16,455,177	21,010,817	21,587,282	15,045,877
Pension Plan Contribution	2,985,872	2,738,343	2,524,698	1,564,066	1,543,096
Total Expenditures	\$ 79,260,867	\$ 77,614,269	\$ 76,183,071	\$ 59,173,877	\$ 52,459,659
Net Available for Debt Service	\$ 99,018,997	\$ 97,226,142	\$ 87,395,506	\$ 84,972,278	\$ 89,133,144

(1) Includes a \$500,000 payment from the General Fund for its portion of the New Operations Facility.

(2) Investment Income excludes interest earned in Dallas funds and FMV adjustments (FY2021: (\$121,359), FY2022 (\$14,487,456), FY2023: \$20,085,206, FY2024: \$24,160,879 and FY2025: \$24,011,687).

(3) Contributions excludes buy-in premiums (FY2021: \$8,983,974).

TABLE 7 - COVERAGE AND FUND BALANCES ⁽¹⁾⁽²⁾⁽³⁾

Average Annual Principal and Interest Requirements, 2026-2054	\$ 61,898,214
Coverage of Average Requirements by 9/30/25 Net Available	1.6 times
Maximum Principal and Interest Requirements, 2027	\$ 95,870,921
Coverage of Maximum Requirements by 9/30/25 Net Available	1.03 times
Actual Principal and Interest Requirements, 2024	\$ 83,640,793
Coverage of Maximum Requirements by 9/30/25 Net Available	1.18 times
Revenue Bonds Outstanding as of 12/31/2025 ⁽³⁾	\$ 1,247,135,000
Interest and Sinking Fund as of 9/30/2025	\$ 14,156
Reserve Fund as of 9/30/2025	\$ 81,231,222

(1) The Dallas Contract Revenue Bonds shown on the District's Financial Statements are not reflected herein because the District has no obligation to make payments thereof out of District funds.

(2) The Contracting Parties share the cost of the system on the basis of proportional usage. Charges are based on current budgeted expenditures and are allocated to each Contracting Party at the beginning of the year based on estimated usage. At the end of the year, the actual cost of each Contracting Party is determined based on actual usage and final billing adjustments are applied accordingly.

(3) See Table 5 – Pro Forma Debt Service Requirements. Includes the Bonds and excludes the Refunded Bonds. Preliminary, subject to change.

BRIEF DESCRIPTION OF THE SYSTEM

The District's existing sources provide raw water service to more than 50 customers, including the Cities of Fort Worth, Arlington, Mansfield, and the Trinity River Authority. The District's water supply system is currently permitted to meet an annual demand of 719 MGD (as explained in footnote 1 to Table 8).

TABLE 8 - WATER REQUIREMENTS

The Region C Water Planning Group, in association with Freese & Nichols, Inc., Plummer Associates, Inc., CPY, Inc., and Cooksey Communications, Inc., prepared the *2026 Region C Regional Water Plan* and filed it with the Texas Water Development Board in October 2025. Population, water supply, and water demand data used in this section have been obtained from that report.

The available supply is based on the safe yield of the District's reservoirs, rather than the firm yield. Safe yield is defined as the water that could have been supplied annually from a reservoir or reservoir system during a repeat of drought-of-record conditions, leaving some amount (in this case, one year's supply) in reserve at the minimum content (the peak of the drought, the point when the reservoir has its lowest volume of water and afterwards begins to fill). Supply numbers shown below in Table 8 are based on the safe yield of the TRWD System, which is a more conservative estimate of the District's supply than firm yield. Numbers are provided in both acre-feet per year (AFY) and million gallons per day (MGD).

Calendar Year	District Service Area Population Projection	Water Supply Demand		Available Supply			
		Acre	Average	Existing	Additional	Total	Total
		Feet Per Year	Daily Flow Rate (MGD)	Supplies AFY ⁽¹⁾⁽²⁾	Supply AFY	Supply AFY ⁽³⁾	Supply (MGD)
2030	2,828,185	574,095	513	484,330	111,428 ⁽⁵⁾	595,758	532
2040	3,294,346	644,127	575	483,697	185,708 ⁽⁶⁾	669,405	598
2050	3,648,801	729,484	651	481,173	260,739 ⁽⁷⁾	741,912	662
2060	4,082,939	811,496	724	478,795	291,319 ⁽⁸⁾	770,114	688
2070	4,504,594	886,139	791	476,414	559,916 ⁽⁹⁾	1,036,330	925
2080	4,897,283	957,604	855	474,036	641,847 ⁽⁹⁾	1,115,883	996

- (1) Cumulative connected safe yield from the West Fork Trinity River System (Lake Bridgeport and Eagle Mountain Lake), Benbrook Lake, Lake Arlington, Cedar Creek Reservoir, Richland-Chambers Reservoir, and the constructed wetlands at Richland-Chambers (a water reuse project). Permitted yield for these sources is greater than the safe yield. Permitted annual diversions from each water source are: 175,000 acre-feet/year (AFY) from Cedar Creek Reservoir; 210,000 AFY from Richland – Chambers Reservoir; 100,465 AFY from Richland-Chambers Constructed Wetlands (supply limited due to transmission constraints); 72,500 AFY from Lake Benbrook; and 159,600 AFY from the West Fork of the Trinity River (Lake Bridgeport and Eagle Mountain Lake). A permit for 88,059 AFY has already been secured for the Cedar Creek Constructed Wetlands, but this project is still under development.
- (2) Availability of existing supplies changes over time due primarily to two factors: sedimentation decreases the amount available from TRWD reservoirs; and the availability of reuse water to the constructed wetlands increases over time as more water is used by District customers and therefore returned to the river.
- (3) Total Supply includes conservation, because conservation is accounted for as a supply in the 2026 Region C Water Plan.
- (4) Additional Supply - Increase in supply due to: 23,920 AFY conservation, 2,500 AFY ASR Pilot, 64,436 AFY Additional Richland Chambers Reuse, 10,167 AFY Marty Leonard Wetlands (Cedar Creek Reuse), and 10,405 AFY in Reuse from Mary's Creek WRF.
- (5) Additional Supply - Increase in supply due to: 43,885 AFY conservation, 2,500 AFY ASR Pilot, 66,691 AFY Additional Richland Chambers Reuse, 18,085 AFY Marty Leonard Wetlands (Cedar Creek Reuse), 17,547 AFY in Reuse from Mary's Creek WRF, and 37,000 AFY in Reuse from TRA Central RWS.
- (6) Additional Supply - Increase in supply due to: 54,897 AFY conservation, 5,000 AFY ASR Pilot, 64,955 AFY Additional Richland Chambers Reuse, 20,969 AFY Marty Leonard Wetlands (Cedar Creek Reuse), 17,288 AFY in Reuse from Mary's Creek WRF, 48,500 AFY in Reuse from TRA Central RWS, 22,330 from Tehuacana Reservoir, and 26,800 from Carrizo-Wilcox Groundwater.
- (7) Additional Supply - Increase in supply due to: 64,780 AFY conservation, 5,000 AFY ASR Pilot, 63,204 AFY Additional Richland Chambers Reuse, 29,037 AFY Marty Leonard Wetlands (Cedar Creek Reuse), 20,168 AFY in Reuse from Mary's Creek WRF, 60,000 AFY in Reuse from TRA Central RWS, 22,330 from Tehuacana Reservoir, and 26,800 from Carrizo-Wilcox Groundwater.
- (8) Additional Supply - Increase in supply due to: 73,775 AFY conservation, 5,000 AFY ASR Pilot, 61,452 AFY Additional Richland Chambers Reuse, 38,956 AFY Marty Leonard Wetlands (Cedar Creek Reuse), 23,048 AFY in Reuse from Mary's Creek WRF, 60,000 AFY in Reuse from TRA Central RWS, 22,330 from Tehuacana Reservoir, 26,800 from Carrizo-Wilcox Groundwater, 100,000 from Toledo Bend Reservoir, and 148,555 AFY from Marvin Nichols Reservoir.
- (9) Additional Supply - Increase in supply due to: 82,528 AFY conservation, 5,000 AFY ASR Pilot, 59,701 AFY Additional Richland Chambers Reuse, 48,455 AFY Marty Leonard Wetlands (Cedar Creek Reuse), 25,928 AFY in Reuse from Mary's Creek WRF, 60,000 AFY in Reuse from TRA Central RWS, 22,330 from Tehuacana Reservoir, 26,800 from Carrizo-Wilcox Groundwater, 100,000 from Toledo Bend Reservoir, 148,555 AFY from Marvin Nichols Reservoir, and 62,550 from Wright Patman.

EXISTING WATER SOURCES . . . The District's existing water supply system consists of two geographically separate components. The first is the West Fork of the Trinity River (the "West Fork Source") which consists of the reservoirs situated northwest of the City of Fort Worth. The second component consists of the Cedar Creek Reservoir and pipeline and the Richland-Chambers Reservoir and pipeline. Raw water from these two reservoirs is transported to Tarrant County via their corresponding pipelines. A third pipeline, developed in partnership with the City of Dallas, allows delivery of additional supply from Cedar Creek Reservoir. In the future, this additional line will allow deliveries from Richland-Chambers and Dallas Supply from Lake Palestine. The District supplies, either directly or indirectly, water to approximately 95% of Tarrant County and to approximately 2.5 million people in its overall service area.

West Fork Source

Lake Bridgeport in Wise and Jack Counties is the uppermost of the West Fork lakes and is located about 45 miles northwest of Fort Worth. Lake Bridgeport, constructed by the District between 1930-32, has a storage capacity of approximately 366,000 acre-feet.

Eagle Mountain Lake, is in Tarrant and Wise Counties, and located approximately ten miles northwest of Fort Worth. Eagle Mountain Lake, also constructed by the District during 1930-32, has a storage capacity of approximately 182,000 acre-feet. Eagle Mountain Lake is highly developed and widely used for recreational activities.

Lake Worth is the lowest lake in the West Fork Source. Lake Worth was built by the City of Fort Worth between 1911-14 and is owned, maintained and operated by the City. The District releases water from Eagle Mountain to Lake Worth for use primarily by the City of Fort Worth.

The West Fork Source is a gravity-feed system. No pumping facilities are required to deliver the raw water to the District's customers served by this source. Safe water yield of the West Fork Source is 70 MGD. The City of Fort Worth withdraws West Fork water from both Lake Worth and Eagle Mountain Lake.

Eagle Mountain Connection

Due to increasing demands in the western and northern portions of the District's service area, the Eagle Mountain Connection Project was constructed in far western Tarrant County. This 20 mile pipeline connects to the existing East Texas Pipeline (near Lake Benbrook) and serves to supplement the West Fork Source by allowing the District to store water from Cedar Creek and Richland Chambers Reservoirs in Eagle Mountain Lake for later delivery to its customers. This pipeline has the delivery capacity of 280 MGD.

East Texas Source

Cedar Creek Reservoir, located southeast of the City of Fort Worth in Henderson and Kaufman Counties, was constructed by the District between 1960 and 1967. The Cedar Creek Reservoir has a storage capacity of approximately 638,000 acre-feet. Raw water is transmitted to various customers through a 74-mile pipeline which was placed in operation in October 1973. The existing transmission facilities consist of a 72-inch underground pipeline from the Cedar Creek Reservoir to the balancing reservoirs east of the City of Fort Worth and an 84-inch underground pipeline from the balancing reservoirs to the Rolling Hills Water Treatment Plant in the City of Fort Worth. This pipeline has a capacity of 117 MGD.

Richland-Chambers Reservoir is located some 100 miles southeast of Fort Worth in Navarro and Freestone Counties and was constructed by the District between 1982 and 1987. The lake filled in 1989, and has a storage capacity of approximately 1,135,000 acre-feet. Raw water is transmitted to District customers through a 74.5-mile pipeline to Fort Worth. This pipeline utilizes a 90-inch underground pipe, joining the Cedar Creek pipeline at the Ennis Booster Station and sharing the same right-of-way and expanded facilities on its way into Fort Worth's Rolling Hills Treatment Plant. The Reservoir has a permitted yield of approximately 210,000 AFY, and the pipeline system is capable of delivering 249 MGD.

The District, the City of Fort Worth and Benbrook Water and Sewer Authority each individually contract with the Corps of Engineers for storage rights in Benbrook Reservoir. The construction of a 90-inch pipeline and pump station that ties the District's pipelines from Cedar Creek and Richland-Chambers to Benbrook Reservoir is complete. The Benbrook connection allows the District to store water from Cedar Creek and Richland-Chambers Reservoirs in Benbrook Reservoir for later delivery to the City of Fort Worth Rolling Hills Water Treatment Plant, Fort Worth's Holly Water Treatment Plant, as well as to Benbrook Water Authority and the City of Weatherford. This pipeline has a capacity of 200 MGD.

The final phase of the Richland-Chambers Wetlands Reuse Supply was completed in 2014, with the amount of supply available from the East Texas Source increasing by 100,465 AFY.

INTEGRATED PIPELINE PROJECT . . . The Integrated Pipeline Project ("IPL Project") is an integrated water delivery system benefiting the District and the City of Dallas ("Dallas"). The District's interest in the IPL is a part of the District's System. Dallas's interest in the IPL is **not** part of the District's System. The IPL Project will run from Lake Palestine to Lake Benbrook, with connections to Cedar Creek and Richland-Chambers Reservoirs and interconnection to the existing District system. The IPL Project is expected to provide a maximum total pumping capacity of 347 MGD per day and to produce significant savings and efficiencies in capital construction and operation and maintenance costs for both Dallas and the District. In addition, the IPL Project is expected to enhance regional cooperation, including water supply reliability and water sharing between the two entities. The joint section of the IPL project, which runs from the Cedar Creek Reservoir to the Kennedale Balancing Reservoir, is complete and operational.

The District has entered into a Water Transmission Facilities Financing Agreement, dated November 16, 2010 (the "IPL Project Contract") with Dallas to enable the District to acquire and construct the IPL Project. The IPL Project Contract establishes that the District will own, operate and finance the transmission facilities and that Dallas will own "Reserved Capacity Rights" of 150 MGD and will pay its share of the design and construction based on "Reserved Capacity Rights". The District will own 197 MGD of Reserved Capacity Rights. There is also a "Delivery Contract" that establishes the cost allocation of operation and maintenance costs and the operation guidelines for the transmission system.

The District's share of the total capital cost of the IPL Project is currently estimated at \$1.6 billion. To date, the District has funded approximately \$815.7 million for its share of the IPL Project. It is anticipated that the District will issue additional bonds over the next 5 to 7 years to finance its remaining share of the total capital cost of the IPL Project.

Dallas's share of the IPL Project is currently estimated at \$1.5 billion. Under the IPL Project Contract, Dallas has requested and authorized the District to issue contract revenue bonds (the "Dallas Contract Revenue Bonds") secured solely by payments from 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 Dallas, to finance Dallas's share of the design and construction of the IPL Project. All such payments by Dallas to the District will constitute operating expenses of the Dallas Water Utilities System. The District has issued and will continue to issue Dallas Contract Revenue Bonds to pay the City of Dallas's share of the total capital cost of the IPL Project. To date, Dallas has funded, through contract Revenue Bonds, approximately \$1.4 billion for its share of the IPL Project. Future Dallas Contract Revenue Bonds will be issued as determined by the District in consultation with Dallas; provided, however, the IPL Project Contract gives the District specific authority to issue Dallas Contract Revenue Bonds without any additional City approval in the event Dallas fails to take certain actions. **Dallas's interest in the IPL is not part of the District's System and none of the payments from Dallas to the District under the IPL Project Contract are pledged to the payment of the Bonds.**

QUALITY OF DISTRICT WATER . . . The District delivers only raw water to its municipal and non-municipal customers. The raw water used for domestic purposes, from all sources, will meet or exceed all existing State and Federal standards during a normal year. During periods when drought conditions are present, total dissolved solids in the water may exceed such standards. The District's contracts do not guarantee water quality nor do they in any way obligate the District to treat such water.

The District has established an Environmental Division whose responsibility is to oversee the quality of the reservoirs. This is accomplished through the District's Watershed Management Plan which includes reservoir water quality monitoring, State and Federal discharge permits review, and non-point source sampling program.

WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN . . . The District has adopted a Water Conservation and Drought Contingency Plan (the "Conservation and Drought Plan") meeting the guidelines and requirements issued by the TCEQ for the development of such plans for wholesale water suppliers such as the District. The water conservation section of the Conservation and Drought Plan is intended to result in ongoing, long-term water savings. The Conservation and Drought Plan outlines water conservation measures the District pursues as a water supply strategy to: (i) extend the life of existing supplies to meet new water demands; (ii) slow the withdrawals on District reservoirs to make more water available during times of drought; (iii) reduce peak supply requirements, which reduces wear and tear on existing infrastructure; (iv) defer increases in capital and operating costs for existing systems, and (v) delay the need for developing new water supplies.

The drought contingency and emergency response sections of the Conservation and Drought Plan address strategies designed to temporarily reduce water usage in response to specific conditions. The objectives of the Conservation and Drought Plan include (i) to reduce water consumption from the levels that would prevail without conservation efforts; (ii) to reduce loss and waste of water; (iii) to improve efficiency in the use of water; (iv) to document the level of recycling and reuse in the water supply; and (v) to extend the life of current supplies by reducing the growth rate on demand.

The drought contingency portion of the Conservation and Drought Plan identifies three Drought stages: (i) Stage 1, Water Watch; (ii) Stage 2, Water Warning; and (iii) Stage 3, Water Emergency. Each of the Contracting Parties has also adopted a water conservation and drought contingency plan. The drought stages in the Conservation and Drought Plan are triggered when total combined raw water supply in the District's western and eastern division reservoirs drops below a certain percentage of conservation storage capacity. The triggers levels are 75% (25% depleted), 60% (40% depleted), and 45% (55% depleted) for Stages 1, 2, and 3, respectively. The District continues to run computer models for forecasting our system storage and working with our customers to determine the appropriate timing for implementation of any drought stage, should it be needed.

THE CONTRACTS

The District presently has outstanding and in force water purchase contracts with the Cities of Fort Worth, Arlington, Mansfield and the TRA, acting on behalf of itself, and other municipal and non-municipal customers. Certain provisions of these contracts are summarized below. This summary does not purport to be complete and reference is made to the respective contracts for full and complete statements of such provisions and such other provisions as are not summarized herein.

Effective September 1, 1982, the District entered into a Tarrant County Regional Water Supply Facilities Amendatory Contract (the "Contract") with the Cities of Fort Worth, Arlington, Mansfield, and the TRA (collectively, the "Initial Contracting Parties") which adopted by reference the provisions of a contract dated August 29, 1979, between the District and the Cities of Fort Worth and Mansfield (the "Base Contract") with the same effect as if the Base Contract had been set forth in its entirety. The Base Contract provided that the District is authorized to enter into similar contracts with additional contracting parties (collectively with the Initial Contracting Parties, the "Contracting Parties" or individually, the "Contracting Party") and recognized that the TRA and the City of Arlington expected to become Contracting Parties and execute similar contracts.

The Contract, with certain modifications to the Base Contract as to billing procedures, is in substance essentially the same as the Base Contract and does not affect the unconditional Bonds of the Contracting Parties with respect to the System and the Bonds.

DELIVERY OF WATER . . . The District agrees to deliver raw water from the System to the Contracting Parties, and will use its best efforts (i) to remain in position to furnish raw water sufficient for the reasonable demands of each Contracting Party, but the District's obligation is limited to the amount of water available to it from the System; and (ii) to issue its bonds in amounts necessary to acquire, construct, maintain, improve, and extend the System so as to enable the District to furnish such water.

The District may sell raw water from the System to parties other than Contracting Parties (including parties renewing existing contracts), provided such sales shall in all respects be subordinate to prior rights of the Contracting Parties to draw water from the System.

The Contract provides that it is the intention of the parties thereto that the System shall be the sole and exclusive source of raw water supply for each Contracting Party, with certain agreed exceptions, except that in respect to TRA, it so obligates itself only with respect to its Tarrant County Water Project serving the Cities of Bedford, Euless, Grapevine, North Richland Hills, Colleyville and others.

The Contracting Parties agree to take, with certain agreed exceptions, from the District all raw water required for such Contracting Party's own use and for the use of certain customers served by such Contracting Party's system.

In the event it becomes necessary to ration water from the System, such rationing shall, within the limits permitted by law, be done by the District on the basis of the relative actual total amount of all water from the entire System taken by each Contracting Party during the last preceding Annual Payment Period (October 1 through the last day of the next following September) in which rationing among said parties was not necessary.

If the District at any time during the term of the Contract is unable to supply all the raw water requirements of the Contracting Parties for any reason, or if it should become apparent that the District will become unable to supply the Contracting Parties with their raw water requirements, and any Contracting Party determines that it is necessary to procure or use raw water from sources other than the District, then, subject to certain specified notices and determinations, such Contracting Party may proceed to procure such raw water from other sources at its sole cost, and without any liability for damages accruing in favor of or against the District by reason thereof. If such Contracting Party procures water additional to that supplied by the District under the Contract, then such Contracting Party shall nevertheless continue to take from the District and pay for all raw water thereafter available to such Contracting Party from the System up to the full raw water requirements of such Contracting Party; provided, however, that all Contracting Parties shall at all times have the right to secure water from any possible source in any emergency when the District is unable to deliver water from the System.

All water delivered by the District shall be raw, untreated water from the System. Each Contracting Party has satisfied itself that such water will be suitable for its needs.

Payments by Contracting Parties. The Contract acknowledges, and the District and the Contracting Parties agree, that payments to be made under the Contract will be the primary source available to the District to provide moneys to pay the Annual Requirement, hereinafter defined, and further that the District has a statutory duty to establish, and from time-to-time revise, the charges for services to be rendered and made available to the Contracting Parties so that the payments to be made shall at all times be not less than an amount sufficient to pay or provide for the payment of: (a) an "Operation and Maintenance Component" equal to the amount paid or payable for all Operation and Maintenance Expenses of the System and (b) a "Bond Service Component" equal to (i) the principal of, redemption premium, if any, and interest on, the District's bonds issued for the System, including the Parity Bonds and any Additional Bonds payable from Pledged Revenues (hereinafter in this summary referred to as the "Bonds"), as such principal, redemption premium, if any, and interest become due, less interest to be paid out of Bond proceeds or from other sources if permitted by any Bond Resolution, and all amounts required to redeem any Bonds prior to maturity when and as provided in any Bond Resolution, (ii) the proportionate amount of any special or reserve funds required to be accumulated and maintained by the provisions of any Bond Resolution, and (iii) any amount in addition thereto sufficient to restore any deficiency in any of such funds required to be accumulated and maintained by the provisions of any Bond Resolution. The Operation and Maintenance Component plus the Bond Service Component is referred to in the Contract as the "Annual Requirement".

Each Contracting Party agrees to pay to the District for the water supply provided under the Contract its proportionate share of the Annual Requirement, such proportionate share payable by each Contracting Party being termed the "Annual Payment". Each Contracting Party's Annual Payment is to be estimated prior to the commencement of each "Annual Payment Period", shall be paid to the District in monthly installments and is to be finally determined, paid or adjusted immediately following the end of each Annual Payment Period.

The Annual Payment to be paid by each Contracting Party as finally determined shall be that percentage of the Annual Requirement, subject to certain adjustments, as is obtained by dividing such Contracting Party's actual raw water use by the total actual raw water use of all Contracting Parties. The District shall revise the Annual Payment of each Contracting Party if: (i) there should be additional Contracting Parties to the Contract; (ii) unusual, extraordinary, or unexpected expenditures for Operation and Maintenance Expenses are required which are not provided for in the District's annual budget for the System or in any Bond Resolution; (iii) Operation and Maintenance Expenses are substantially less than estimated; (iv) the District issues Bonds which require an increase in the Bond Service Component of the Annual Payment; or (v) the District receives either significantly more or significantly less revenues or other amounts than those anticipated.

Each Contracting Party shall have the obligation to pay each year, without offset or counterclaim, its proportionate share of the Annual Requirement regardless of whether or not the District actually acquires, constructs or completes the facilities contemplated by the Contract (the "Project") or is actually delivering water from the System to the Contracting Party, or whether or not any Contracting Party actually receives or uses water from the System, regardless of any other provisions of the Contract or any other contract or agreement between the parties. For the purpose of determining each Contracting Party's proportionate share of each year's Annual Requirement, each Contracting Party shall be deemed responsible for a minimum amount of water usage (the "Minimum Allocation"). Should a Contracting Party actually take or use less than its Minimum Allocation, then such Contracting Party shall be deemed to have taken its Minimum Allocation for the purpose of determining its proportionate share of the Annual Requirement, but should a Contracting Party actually take or use an amount equal to or greater than its Minimum Allocation, then such Contracting Party's proportionate share of the Annual Requirement shall be based upon the estimated and actual amount of water taken or used. For the Annual Payment Periods commencing October 1, 1984, and thereafter, the Minimum Allocation for each Contracting Party shall be an amount, expressed in MGD, equal to the greater of the initial Minimum Allocation fixed for such Contracting Party or average annual MGD actually taken from the System by such Contracting Party during the five immediately preceding Annual Payment Periods. Fort Worth's reserved waters of 61.6 MGD are not counted as part of waters actually taken from the System for the purposes of determining Fort Worth's average use of water, but its minimum allocation is not affected by such reserved water.

Delinquencies. If any Contracting Party should remain delinquent in any payments due under the Contract for a period of one hundred twenty days, and if such delinquency continues during any period thereafter, such Contracting Party's Minimum Allocation shall be deemed to have been zero MGD during all periods of such delinquency for the purpose of calculating and redetermining the percentage of the Annual Payment to be paid by each of the non-delinquent Contracting Parties. However, the District shall pursue all legal remedies against delinquent Contracting Parties to enforce and protect the rights of the District, the other Contracting Parties and the holders of the Bonds, and delinquent Contracting Parties shall not be relieved of the liability for the payment of all amounts which would have been due under the Contract were it not delinquent.

Sources of Payments. The District shall never have the right to demand payment by any Contracting Party from funds raised by taxes, and the Bonds under the contract shall never be construed to be a debt of such kind as to require any Contracting Party to levy and collect a tax to discharge such obligation. The Contracting Parties will each represent and covenant that all payments to be made by it under the Contract shall constitute reasonable and necessary operating expenses of its combined waterworks and sewer system (or, in the case of the TRA, its Tarrant County Water Project), and that all such payments will be made from the revenues of such system or project, as the case may be, with the effect that the obligation to make such payments shall have priority over any obligation to make any payments with respect to all bonds issued by such Contracting Party.

Each Contracting Party agrees to continuously operate and maintain its combined waterworks and sewer system or water system, as the case may be, and to fix and collect such rates and charges for services to be supplied thereby as will produce revenues in an amount equal to at least all of its payments under the Contract and all other amounts required by the provisions of the ordinances or resolutions authorizing its revenue bonds or other Bonds.

Unconditional Obligation to Pay. Each Contracting Party is unconditionally obligated to pay, without offset or counterclaim, its proportionate share of the Annual Requirement with respect to the Bonds regardless of whether or not the District actually acquires, constructs or completes the Project or is actually delivering water from the System to any Contracting Party or whether any Contracting Party actually uses water from the System, whether due to *force majeure* or otherwise, regardless of any other provisions of the Contract or any other agreement between any of the parties thereto.

Advisory Committee. The governing body of each of the District and the Contracting Parties annually shall appoint a member of its governing body or one of its officers as a voting member of an Advisory Committee for the System. The Advisory Committee shall consult with and advise the District with regard to the following matters pertaining to the System: (i) the issuance of Bonds, (ii) the operation and maintenance of the System, (iii) additional Contracting Parties and the terms and conditions of the contracts therewith, consistent with the provisions of the Contract, (iv) sales of water to entities other than Contracting Parties and the prices, terms and conditions of such sales, consistent with the provisions of the Contract, (v) the District's annual budget, prior to its submission to the Board of Directors of the District, (vi) review of the District's annual audit, (vii) all other pertinent matters relating to the management of the System and (viii) improvements and extensions of the System and the providing of any additional source of water supply. The committee shall have access to and may inspect at any reasonable times all physical elements of the System and all records and accounts of the District pertaining to the System.

OTHER CONTRACTS . . . The District's contracts with its other customers generally provide for the delivery of specified amounts of water, from a specified source, at a specified rate, and for a specified term. Certain of the contracts also require the District to maintain specified water levels. Certain of the contracts provide that the obligation of the District to supply water thereunder is subject to certain prior and superior rights with respect thereto.

Payment by the customer of all amounts due under certain of the contracts with municipalities is to be made from water revenues received by the customer, and its bonds under the contract will not be construed to be or to create a debt of such kind as to require it, under the laws of Texas, to levy and collect a tax to discharge such bonds. However, the customer agrees to maintain water rates adequate to enable it to pay all sums due to the District as and when payable, and such payments will constitute reasonable and necessary operating expenses of the customer's waterworks system with the effect that its bonds to make payments from its waterworks revenues will have priority over its bonds to make payments of the principal and interest on its own revenue bonds.

The contracts generally provide that the customer will, at its sole cost, install, maintain and operate intake facilities at the water source and provide, operate and maintain facilities which will accurately meter water sold under the contract, and that the District has the right to inspect and verify the records and measurements so taken. The District is not obligated to treat the water taken and used under the contracts, except that, prior to the development of sources of water other than those specified in the contract, and unless waived by the customer, the District must satisfy the customer with acceptable data that the quality of water from each such proposed additional water source will meet the chemical standards for a public water supply of the U.S. Public Health Service.

The District's obligation under several of the contracts can be relieved as can those of the customer (other than the obligation to make payments under the contract) if, by reason of "force majeure", either party is unable in whole or in part to perform under the contract. "Force Majeure" is defined to include, among other things, acts of God, strikes, orders of any civil or military authority, riots, floods, droughts, breakage of or accidents to machinery, pipelines or canals, partial or entire failure of water supply and any other causes not reasonably within the control of the party claiming such inability.

The contracts vary in terms of the parties' bonds upon termination thereof. They generally provide for renegotiation of terms and conditions; one contract, however, provides that the District will thereafter supply water upon the same price basis and for the same term as it is then supplied by the District to the City of Fort Worth.

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**SELECTED PROVISIONS OF THE RESOLUTION
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INVESTMENTS

The District invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the Board of Directors of the District. Both state law and the District's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, (i) that are issued by an institution that has its main office or a branch office in the State of Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits or (ii) where (a) the funds are invested by the District through a depository institution that has a main office or branch office in the State and that is selected by the District; (b) the depository institution selected by the District arranges for the deposit of funds in one or more federally insured depository institutions, wherever located, for the account of the District; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; (d) the depository institution acts as a custodian for the District with respect to the certificates of deposit; and (e) at the same time that the certificates of deposit are issued, the depository institution selected by the District receives deposits from customers of other federally insured depository institutions, wherever located, that is equal to or greater than the funds invested by the District through the depository institution selected under clause (ii)(a) above (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas, (9) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less, (10) certain bankers' acceptances with the remaining term of 365 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (11) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, and (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for District funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, District investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the District shall submit an investment report detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest District funds without express written authority from the Board of Directors.

ADDITIONAL PROVISIONS . . . Under State law, the District is additionally required to: (1) annually review its adopted investment policies and strategies; (2) adopt a rule, order, ordinance or Resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or Resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the District Board of Directors; (4) require the qualified representative of firms offering to engage in an investment transaction with the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) perform an annual audit of the management procedures on investments and adherence to the District's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

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TABLE 9 - CURRENT INVESTMENTS

As of December 31, 2025, the following percentage of the District's investable funds were invested in the following categories of investments:

<u>Description</u>	<u>Percent</u>	<u>Par Value</u>	<u>Market Value</u>
Agencies	30.53%	\$ 80,889,444	\$ 78,403,704
Pools	69.47%	184,066,038	184,066,038
	100.00%	<u>\$ 264,955,482</u>	<u>\$ 262,469,742</u>

The Pools that the District invests in are TexPool and LOGIC. Each investment pool is a governmental investment pool that operates as a money market equivalent. Each of such pools currently maintains an "AAA" rating from S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLP ("S&P") or Fitch Ratings ("Fitch") and has an investment objective of achieving and maintaining a stable net asset value of \$1.00 per share. Daily investments or redemptions of funds are allowed by the participants.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

LOGIC is a local government investment pool for whom HilltopSecurities Asset Management, Inc., provides customer service and marketing for the pool. Ms. Sandra Newby, the District's Chief Financial Officer, also serves as President on the Board of LOGIC. LOGIC currently maintains a "AAAm" rating from S&P and has an investment objective of achieving and maintaining a stable net asset value of \$1.00 per share. Daily investments or redemptions of funds is allowed by the participants.

No funds of the District are invested in derivative securities, i.e., securities whose rate of return is determined by reference to another instrument, index, or commodity.

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TAX MATTERS

OPINION . . . On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel, will render their respective opinions that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. Except as stated herein, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See Appen-ix C - Form of Bond Counsel's Opinion.

In rendering their opinion, Bond Counsel will rely upon (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate and, (b) covenants of the District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel are conditioned on compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents their legal judgments based upon their review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds. Further, no assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT . . . The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES . . . The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount).

The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

INFORMATION REPORTING AND BACKUP WITHHOLDING . . . Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

STATE, LOCAL AND FOREIGN TAXES . . . Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

OTHER INFORMATION

RATINGS

The Bonds and the Outstanding Bonds are rated "[redacted]" by S&P and "[redacted]" by Fitch. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. A securities rating is not a recommendation to buy or hold securities. The ratings reflect only the respective views of such organizations and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

The District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, could have a material adverse effect on the financial statements or operations of the District. Based on information provided to the District by the Contracting Parties, none of the Contracting Parties is a party to any litigation or other proceeding pending or, to its knowledge, threatened, in any court, agency or other administrative body (state or federal) which, if decided adversely to such Contracting Party, could have a material adverse effect on the financial statements or operations of the Contracting Party, and the District is not aware of any such litigation or other proceeding pending or threatened against any of the Contracting Parties.

At the time of the initial delivery of the Bonds, the District will provide the Initial Purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of said Bonds.

FUTURE AND PROPOSED LEGISLATION

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 Texas Government Code, provides that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" above. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with a capital of one million dollars or more, and savings and loan associations. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, provides that the Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the District has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL MATTERS

The District will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Bonds and to the effect that the Bonds are valid and legally binding obligations of the District, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Bonds will also be furnished. Except as noted below, Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in their capacity as Bond Counsel, such firm has reviewed the information appearing under the captions or subcaptions "Plan of Financing" (excluding "Estimated Sources and Uses of Proceeds"), "The Bonds" (excluding the table relating to the Outstanding Bonds and except under the subcaptions "Book-Entry-Only System" and "Remedies"), "The Contracts", "Selected Provisions of the Resolution", "Tax Matters", "Other Information – Registration and Qualification of Bonds for Sale", " - Legal Investments and Eligibility to Secure Public Funds in Texas", " - Legal Matters" (except the last sentence therein) and " - Continuing Disclosure of Information" (except the information under "Compliance with Prior Undertakings") and such firms are of the opinion that such information fairly reflects the provisions of the Bonds, the Bond Resolution, and with respect to the Bonds such information conforms to the provisions of the Resolution. In connection with the transactions described herein, Bond Counsel represents only the District. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Public Finance Partners LLC will deliver to the Issuer, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash, if any, and the maturing principal of and interest on the Federal Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the Issuer. In addition, Public Finance Partners LLC has relied on any information provided to it by the Issuer's retained advisors, consultants or legal counsel.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from the District and the Contracting Parties records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

CONTINUING DISCLOSURE OF INFORMATION

ANNUAL REPORTS

THE DISTRICT

In the Resolution, the District has made the following agreements for the benefit of the holders and beneficial owners of the Bonds (see "Selected Provisions of the Resolution"). The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system.

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement contained in Tables numbered 1 through 9, inclusive, and in Appendix B. The District will update and provide this information within six months after the end of each fiscal year ending in or after 2025.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the District commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial information within the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

THE OBLIGATED PERSONS

In Continuing Disclosure Agreements entered into between the District and the Cities of Fort Worth, Arlington, Mansfield (the "Cities"), and the TRA (the Cities and TRA, together, the "Obligated Persons"), the Obligated Persons have made the following respective agreements for the benefit of the holders and beneficial owners of the Bonds. The Obligated Persons are required to observe the agreements for so long as the Obligated Persons remain obligated to advance funds to pay the Bonds. Under the agreement, the Obligated Persons will be obligated to provide certain updated financial information and operating data annually to the MSRB, and the Obligated Persons will be obligated to provide timely notice of specified events to the District. The Obligated Persons' filings can be found under the following CUSIP prefixes: for Arlington, 04184K; for Fort Worth, 349515; for Mansfield, 564395; and for TRA, 89657P.

The Obligated Persons will provide certain information to the MSRB annually. The information to be updated, includes all quantitative financial information and operating data with respect to the respective Obligated Persons of the general type included in Appendix A of this Official Statement. The Obligated Persons will update and provide this information as to such entity within six months after the end of each fiscal year of the Obligated Persons.

The Obligated Persons may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the Obligated Persons commission an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Obligated Persons will provide unaudited financial information within the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in such filings or such other accounting principles as the Obligated Persons may be required to employ from time to time pursuant to state law or regulation.

The Cities' current fiscal year end is September 30, and TRA's fiscal year end is November 30. Accordingly, they must provide updated information by March 31 and May 31, respectively, in each year, unless the Cities or the TRA change their fiscal years. If the Cities or the TRA change their fiscal years, they will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The District will also provide timely notices of certain events to the MSRB. The District will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) in the case of the Bonds, adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting

the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the District or an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District or an Obligated Person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District or an Obligated Person, any of which reflect financial difficulties. Neither the Bonds nor the Resolution make any provision for credit enhancement or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. The term "Financial Obligation" shall mean, for purposes of the events in clauses (15) and (16), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing, or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that Financial Obligation shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

AVAILABILITY OF INFORMATION . . . The District and the Obligated Persons have agreed to provide the foregoing information to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The District and the Obligated Persons have agreed to update information and to provide notices of material events only as described above. The District and the Obligated Persons have not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. Neither the District nor the Obligated Persons makes any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District and the Obligated Persons disclaim any contractual or tort liability for damages resulting in whole or in part from any breach their continuing disclosure agreements or from any statement made pursuant to their agreements.

The District and any Obligated Person may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District or such Obligated Person, if (1) the agreement, as amended, would have permitted the Purchaser to purchase or sell Bonds in the offering described herein in compliance with the SEC Rule 15c2-12, taking into account any amendments or interpretations of such Rule to the date of such amendment, as well as changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the District or such Obligated Person (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District or any Obligated Person so amends its agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the District has complied in all material respects with all continuing disclosure agreements made in accordance with SEC Rule 15c2-12. The District has been made aware that the City of Fort Worth, one of the Obligated Persons, did not timely file a notice pursuant to the Rule. On November 21, 2023, the City of Fort Worth defeased its then outstanding Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014. Notice of this defeasance was filed on December 21, 2023.

MUNICIPAL ADVISOR

Hilltop Securities, Inc. ("HilltopSecurities") is employed as Municipal Advisor to the District. HilltopSecurities has relied on the opinion of Bond Counsel and has not verified and do not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Municipal Advisor may, from time to time sell investment securities to the District for the investment of bond proceeds or other funds of the District.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

USE OF AUDITED FINANCIAL STATEMENTS

The financial statements of the District as of September 30, 2025, and for the year then ended, included in this *Preliminary Official Statement*, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein.

INITIAL PURCHASER OF THE BONDS

After requesting competitive bids for the Bonds, the District accepted the bid of _____ (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on the cover page of the Official Statement at a price of _____ % of par. The Initial Purchaser of the Bonds can give no assurance that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser of the Bonds. The District has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Bonds.

CYBERSECURITY

Computer networks and data transmission and collection are vital to the operations of the District. Information technology and infrastructure of the District may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the District. To mitigate these risks, the District continuously endeavors to improve the range of control for digital information operations, enhancements to the authentication process, and additional measures toward improving system protection/security posture, including required training for District staff and administration.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the District will furnish to the Initial Purchaser a certificate, executed by a proper District officer, acting in such officer's official capacity, to the effect that to the best of such officer's knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in the Official Statement, and any addenda, supplement, or amendment thereto, on the date of the Official Statement, on the date of sale of the Bonds, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the District, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and the District has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the District since the date of the last audited financial statements of the District.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The Resolution authorizing the issuance of the Bonds will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Initial Purchaser.

AUTHORIZED OFFICER
Tarrant Regional Water District,
A Water Control and Improvement District

SCHEDULE OF REFUNDED BONDS*

Schedule I

Water Revenue Refunding Bonds, Series 2015

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
2/1/2015	3/1/2027	5.000%	\$ 14,305,000	\$ 14,305,000
	3/1/2028	5.000%	15,040,000	15,040,000
	3/1/2029	5.000%	15,810,000	15,810,000
			<u>\$ 45,155,000</u>	<u>\$ 45,155,000</u>

The 2027 – 2029 maturities will be redeemed prior to original maturity on , 2026.

Water Revenue Bonds, Series 2016

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
2/1/2016	3/1/2027	5.000%	\$ 775,000	\$ 775,000
	3/1/2028	4.000%	800,000	800,000
	3/1/2029	4.000%	825,000	825,000
	3/1/2030	4.000%	850,000	850,000
	3/1/2031	4.000%	875,000	875,000
	3/1/2032	4.000%	905,000	905,000
			<u>\$ 5,030,000</u>	<u>\$ 5,030,000</u>

The 2027 – 2032 maturities will be redeemed prior to original maturity on , 2026.

Water Revenue Refunding Bonds, Series 2016A

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
4/1/2016	3/1/2027	5.000%	\$ 7,980,000	\$ 7,980,000
	3/1/2028	5.000%	8,390,000	8,390,000
	3/1/2029	5.000%	8,820,000	8,820,000
	3/1/2030	5.000%	3,160,000	3,160,000
	3/1/2032	5.000%	3,525,000	3,525,000
			<u>\$ 31,875,000</u>	<u>\$ 31,875,000</u>

The 2027 – 2032 maturities will be redeemed prior to original maturity on , 2026.

* Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION ON CONTRACTING PARTIES OF THE DISTRICT

APPENDIX B

TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT

AUDITED FINANCIAL STATEMENTS

For the Year Ended September 30, 2025

The information contained in this Appendix consists of the Tarrant Regional Water District, A Water Control and Improvement District Audited Financial Statements for the Year Ended September 30, 2025.

Deloitte & Touche LLP, the District's Independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Deloitte & Touche LLP also has not performed any procedures relating to this Official Statement.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026, PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS, APPROVING AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER INSTRUMENTS AND PROCEDURES RELATING THERETO

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

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

WHEREAS, among other bonds, the Issuer has previously issued and there are presently outstanding the following described bonds:

Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Refunding Bonds, Series 2015, in the original principal amount of \$156,470,000, dated February 1, 2015 (the "Series 2015 Bonds");

Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Bonds, Series 2016, in the original principal amount of \$28,530,000, dated February 1, 2016 (the "Series 2016 Bonds");

Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Refunding Bonds, Series 2016A, in the original principal amount of \$61,910,000, dated April 1, 2016 (the "Series 2016A Bonds");

WHEREAS, the Issuer now desires to issue refunding bonds to refund all or part of the outstanding Series 2015 Bonds, Series 2016 Bonds, and Series 2016A Bonds (the "Refundable Bonds"), and those Refundable Bonds designated by the Authorized Officer in the Approval Certificate, each as defined herein, the "Refunded Bonds"; and

WHEREAS, the Issuer also desires to provide funds with which to pay for certain improvements to its Water System (as defined herein), to fund a debt service reserve fund, and to pay costs of issuance of the Series 2026 Bonds, as further described herein;

WHEREAS, the Issuer will authorize the Series 2026 Bonds (hereinafter defined) pursuant to the District Act and Chapters 1207 and 1371, Texas Government Code, as amended; and

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

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

Section 1. AMOUNT AND PURPOSE OF THE SERIES 2026 BONDS. The Series 2026 Bonds will be issued for the purpose of obtaining funds to (i) pay for the planning, design, construction, and right of way costs related to the District's Water System, including the District's continued work on preserving aging infrastructure and increasing capacity and operational flexibility with the Cedar Creek pipeline replacement project and the Rolling Hills pipeline replacement project, the construction of the new Operations Facility, and the design of the Marty Leonard Wetlands, and other construction, improvements and repairs to the District's Water System; (ii) to refund a portion of the Issuer's outstanding Refundable Bonds; (iii) to fund a debt service reserve fund; and (iv) to pay costs of issuance for the Series 2026 Bonds.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026." Initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and exchanged for a like aggregate amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Series 2026 Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Series 2026 Bond" shall mean any of the Series 2026 Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND. (a) As authorized by Chapter 1207 and Chapter 371, Texas Government Code, as amended, the President of the Board of Directors, the General Manager, and the Chief Financial Officer of the Issuer are each hereby designated as an "Authorized Officer" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by the Approval Certificate executed by such Authorized Officer, for a period not to extend beyond February 17, 2027 in the selling and delivering of the Series 2026 Bonds, determining which of the Series 2015, Series 2016 Bonds, and Series 2016A Bonds shall be refunded and constitute "Refunded Bonds" in this Resolution and carrying out the other procedures specified in this Resolution, including the use of a book-entry only system with respect to the Series 2026 Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date and the date of delivery of the Series 2026 Bonds, any additional or different designation or title by which the Series 2026 Bonds shall be known, the price at which the Series 2026 Bonds will be sold (but in no event less than 97% of the principal amount of the Series 2026 Bonds), the principal amount

(not exceeding \$350,000,000) of the Series 2026 Bonds, the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Series 2026 Bonds), the rate of interest to be borne by each such maturity (but in no event to result in a net effective interest rate on the Series 2026 Bonds exceeding 6.00%), the interest payment dates and periods, the date or dates of optional redemption thereof, any mandatory sinking fund redemption provisions, the providing of bond insurance, if any, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the Series 2026 Bonds, and the refunding of the Refunded Bonds; provided that the refunding accomplished through the issuance of the Series 2026 Bonds must produce a present value debt service savings of at least 2.50% of the total principal amount of the Refunded Bonds, net of expenses and any Issuer contribution.

(b) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, in the denomination and aggregate principal amount set forth in the Approval Certificate (not exceeding \$350,000,000), numbered TR-1, payable in annual installments of principal to the initial registered owner thereof or to the registered assignee or assignees of said Bond or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, and may and shall be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, all as set forth in the Approval Certificate.

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

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the date of delivery (the "Issue Date") of the Initial Bond to the Underwriters (as defined in Section 31 hereof) to the respective scheduled due dates, or to the respective dates of prepayment or redemption, if any, of the installments of principal of the Initial Bond, and such interest shall be payable in the manner, at the rates, and on the dates, respectively, as provided in the Approval Certificate and the FORM OF INITIAL BOND set forth in this Resolution.

[Remainder of Page Intentionally Left Blank]

Section 5. FORM OF INITIAL BOND. The form of the Initial Bond, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Bond, shall be substantially as follows, with blank or bracketed information to be completed or deleted based upon the Approval Certificate:

FORM OF INITIAL BOND

NO. TR-1

\$ _____ *

UNITED STATES OF AMERICA
 STATE OF TEXAS
 TARRANT REGIONAL WATER DISTRICT,
 A WATER CONTROL AND IMPROVEMENT DISTRICT,
 WATER REVENUE REFUNDING AND IMPROVEMENT BONDS,
 SERIES 2026

TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to:

_____ *

or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of

_____ *

in annual installments of principal due and payable on March 1 in each of the years, and in the respective principal amounts, as set forth in the following schedule:

<u>Year*</u>	<u>Principal Amount*</u>	<u>Year*</u>	<u>Principal Amount*</u>
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and to pay interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of initial delivery of this Bond to the Underwriters (as defined in the Bond Resolution (hereinafter defined)), on the balance of each such installment of principal, respectively, from time to time remaining unpaid, at the rates as follows:

<u>Year*</u>	<u>Rate*</u>	<u>Year*</u>	<u>Rate*</u>
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* From Approval Certificate.

with said interest being payable semiannually on each March 1 and September 1, commencing _____*, while this Bond or any portion hereof is outstanding and unpaid.

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

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

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____*, to (i) pay for the planning, design, construction, and right of way costs related to the District's Water System, including to pay for the planning, design, construction, and right of way costs related to the District's Water System, including the District's continued work on preserving aging infrastructure and increasing capacity and operational flexibility with the Cedar Creek pipeline replacement project and the Rolling Hills pipeline replacement project, the construction of the new Operations Facility, and the design of the Marty Leonard Wetlands, and other construction, improvements and repairs to the District's Water System, and other construction, improvements and repairs to the District's Water System; (ii) to refund a portion of the Issuer's outstanding Refundable Bonds; (iii) to fund a debt service reserve fund; and (iv) to pay costs of issuance for the Series 2026 Bonds.

ON _____*, or any date thereafter, the unpaid installments of principal of this Bond may be prepaid or redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the installment or installments of principal, and the amount that is to be redeemed, and if less than a whole principal installment is to be called, the Issuer shall direct the

* From Approval Certificate.

Paying Agent/Registrar to call by lot or other customary method of random selection the portion of the principal installment to be redeemed (only in an integral multiple of \$5,000), at the redemption price of the principal amount to be prepaid or redeemed, plus accrued interest to the date fixed for prepayment or redemption.

**[THE PRINCIPAL INSTALLMENTS OF THIS BOND maturing on March 1, ____ and March 1, ____ are subject to mandatory prepayment or redemption prior to maturity in part, at a price equal to the principal amount of this Bond or portions hereof to be prepaid or redeemed plus accrued interest to the date of prepayment or redemption, on March 1 in the each of years and in the amounts as follows:

Principal Installment due on March 1, ____*

<u>Years</u>	<u>Amounts</u>
--------------	----------------

Principal Installment due on March 1, ____*

<u>Years</u>	<u>Amounts</u>
--------------	----------------

Principal Installment due on March 1, ____*

<u>Years</u>	<u>Amounts</u>
--------------	----------------

The amount of any principal installment of this Bond required to be prepaid or redeemed pursuant to the operation of such mandatory prepayment or redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of such principal installment of this Bond which, at least 50 days prior to the mandatory prepayment or redemption date (1) shall have been acquired by the Issuer at a price not exceeding such principal amount plus accrued interest to the date of purchase thereof, (2) shall have been purchased by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding such principal amount plus accrued interest to the date of purchase, or (3) shall have been prepaid or redeemed pursuant to the optional prepayment or redemption provisions and not theretofore credited against a mandatory prepayment or redemption requirement.]

AT LEAST 30 days prior to the date fixed for any such prepayment or redemption a written notice of such prepayment or redemption shall be mailed by the Paying Agent/Registrar to the registered owner hereof. By the date fixed for any such prepayment or redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required prepayment or redemption price for this Bond or the portion hereof which is to be so prepaid or redeemed, plus accrued interest thereon to the date fixed for prepayment or redemption. If such written notice of prepayment or redemption is given, and if due provision for such payment is

** From Approval Certificate, if applicable.

* From Approval Certificate.

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

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

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

installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date.

AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond and the interest thereon, are special obligations of the Issuer which, together with other outstanding bonds of the Issuer, are secured by and payable equally and ratably on a parity from a first lien on and pledge of the "Pledged Revenues," as defined in the Bond Resolution, which include the "Net Revenues of the District's Water System," as defined in the Bond Resolution, which specifically include certain amounts to be received by the Issuer (i) pursuant to the "Tarrant County Regional Water Supply Facilities Contract," dated August 29, 1979, among the Issuer and the Cities of Fort Worth and Mansfield, Texas, the "Tarrant County Regional Water Supply Facilities Supplemental Contract For Trinity River Authority of Texas," dated as of March 12, 1979 between the Issuer and Trinity River Authority of Texas, and the "Tarrant County Regional Water Supply Facilities Amendatory Contract", dated September 1, 1982, among the Issuer, the Cities of Fort Worth, Arlington, and Mansfield, Texas, and Trinity River Authority of Texas, which last named amendatory contract consolidates the previous contracts between such parties with respect to the Issuer's Water System into one instrument and sets forth the entire agreement between such parties with respect to the Issuer's Water System, and (ii) pursuant to contracts with other water customers of the Issuer.

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

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

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond and has caused this Bond to be dated as of _____*, 2026.

Secretary, Board of Directors

President, Board of Directors

(DISTRICT SEAL)

FORM OF REGISTRATION CERTIFICATE OF THE
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas
(COMPTROLLER'S SEAL)

Section 6. CHARACTERISTICS OF THE SERIES 2026 BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Series 2026 Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying

* From Approval Certificate.

Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Series 2026 Bond to which payments with respect to the Series 2026 Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Series 2026 Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Series 2026 Bond or Series 2026 Bonds shall be paid as provided in the FORM OF SERIES 2026 BOND set forth in this Resolution. Registration of assignments, transfers, conversions and exchanges of Series 2026 Bonds shall be made in the manner provided and with the effect stated in the FORM OF SERIES 2026 BOND set forth in this Resolution. Each substitute Series 2026 Bond shall bear a letter and/or number to distinguish it from each other Series 2026 Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Series 2026 Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Series 2026 Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Series 2026 Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Series 2026 Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Series 2026 Bonds in the manner prescribed herein, and said Series 2026 Bonds shall be of type composition printed on paper of customary weight and strength. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Series 2026 Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Series 2026 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2026 Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Series 2026 Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Series 2026 Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Series 2026 Bonds.

(c) In General. The Series 2026 Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2026 Bonds to be payable only to the registered owners thereof, (ii) if so provided in the Approval Certificate, may and/or shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2026 Bonds, (v) shall have the

characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Series 2026 Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF SERIES 2026 BOND set forth in this Resolution. The Series 2026 Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Series 2026 Bond issued in conversion of and exchange for any Series 2026 Bond or Series 2026 Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF SERIES 2026 BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Series 2026 Bonds that at all times while the Series 2026 Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Series 2026 Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Series 2026 Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Series 2026 Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the Issuer, to report to the owners of the Series 2026 Bonds and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Series 2026 Bonds and (ii) the amount of interest or amount treated as interest on the Series 2026 Bonds and required to be included in gross income of the owner thereof.

(f) Book-Entry Only System. The Series 2026 Bonds issued in exchange for the Initial Bond shall be initially issued in the form of a separate single fully registered Series 2026 Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2026 Bond shall be registered in the name of Cede & Co., as nominee of Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Series 2026 Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2026 Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Series 2026 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2026 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Series 2026 Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on, as the case may be, the Series 2026 Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2026 Bond is registered in the Registration Books as the absolute owner of such Series 2026 Bond for the purpose of payment of principal, premium, if any, and interest, as the case may be, with respect to such Series 2026 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2026 Bond, for the purpose of registering transfers with respect to such Series 2026 Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Series 2026 Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, or as the case may be, the Series 2026 Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Series 2026 Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, as the case may be, pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC and that it is in the best interest of the beneficial owners of the Series 2026 Bonds that they be able to obtain certificated Series 2026 Bonds, the Issuer or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2026 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Series 2026 Bonds and transfer one or more separate Series 2026 Bonds to DTC Participants having Series 2026 Bonds credited to their DTC accounts. In such event, the Series 2026 Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2026 Bonds shall designate, in accordance with the provisions of this Resolution.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Series 2026 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, or as the case may be, such Series 2026 Bond and all notices with respect to such Series 2026 Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

Section 7. FORM OF SERIES 2026 SUBSTITUTE BONDS. The form of all Series 2026 Bonds issued in conversion and exchange or replacement of any other Series 2026 Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Series 2026 Bonds, and the Form of Assignment to be printed on each of the Series 2026 Bonds, shall be, respectively, substantially as follows, with blank or bracketed information to be completed or deleted based upon the Approval Certificate, and with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SERIES 2026 SUBSTITUTE BOND

THE FOLLOWING TWO BRACKETED PARAGRAPHS ARE TO BE DELETED IF BOND IS NOT BOOK ENTRY ONLY:

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

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

NO. _____

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT,
WATER REVENUE REFUNDING AND IMPROVEMENT BONDS,
SERIES 2026

**INTEREST
RATE**
%

**MATURITY
DATE**

ISSUE DATE
_____, 2026

CUSIP NO.

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

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the 15th day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. However, notwithstanding the foregoing provisions, (1) the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof and (2) upon the written request, and at the risk and expense of, the registered owner of any Bond of this Series in the amount of \$1,000,000 or more, delivered to the Paying Agent/Registrar not less than 15 days prior to any interest payment date, payment of the interest due on such Bond on such date shall be paid on such date by wire transfer to any designated account in the United States of America which has available to it the wire service facilities of the Federal Reserve Bank. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The

* Date of delivery to the Underwriters (as defined in section 31 hereof).

* From Approval Certificate.

Issuer covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is one of an issue of Bonds dated as of _____*, 2026, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____* to (i) pay for the planning, design, construction, and right of way costs related to the District's Water System, including to pay for the planning, design, construction, and right of way costs related to the District's Water System, including the District's continued work on preserving aging infrastructure and increasing capacity and operational flexibility with the Cedar Creek pipeline replacement project and the Rolling Hills pipeline replacement project, the construction of the new Operations Facility, and the design of the Marty Leonard Wetlands, and other construction, improvements and repairs to the District's Water System; and other construction, improvements and repairs to the District's Water System; (ii) to refund a portion of the Issuer's outstanding Refundable Bonds; (iii) to fund a debt service reserve fund; and (iv) to pay costs of issuance for the Series 2026 Bonds.

ON _____*, or any date thereafter, the outstanding Bonds may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the maturity, or maturities, and the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the Bonds or portions thereof to be redeemed (provided that the Bonds to be redeemed only in integral multiples of \$5,000), at the redemption price of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

**[THE BONDS maturing on March 1, ____ and March 1, ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part, by lot or other customary random method selected by the Paying Agent/Registrar, at a redemption price equal to the principal amount of the Term Bonds or portions thereof to be redeemed plus accrued interest to the redemption date, on June 1 in each of the years and in the principal amounts as follows:

Term Bonds maturing on March 1, _____

Years

Amounts

* From Approval Certificate.

** From Approval Certificate, if applicable.

Term Bonds maturing on March 1, _____

Years

Amounts

The principal amount of the Term Bonds of a maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of the Term Bonds of such maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

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

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

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying

Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond and the interest thereon, are special obligations of the Issuer which, together with other outstanding bonds of the Issuer, are secured by and payable equally and ratably on a parity from a first lien on and pledge of the "Pledged Revenues," as defined in the Bond Resolution, which include the "Net Revenues of the District's Water System," as defined in the Bond Resolution, which specifically include certain amounts to be received by the Issuer (i) pursuant to the "Tarrant County Regional Water Supply Facilities Contract", dated August 29, 1979, among the Issuer and the Cities of Fort Worth and Mansfield, Texas, the "Tarrant County Regional Water Supply Facilities Supplemental Contract For Trinity River Authority of Texas," dated as of March 12, 1979 between the Issuer and Trinity River Authority of Texas, and the "Tarrant County Regional Water Supply Facilities Amendatory Contract," dated September 1, 1982, among the Issuer, the Cities of Fort Worth, Arlington, and Mansfield, Texas, and Trinity River Authority of Texas, which last named amendatory contract consolidates the previous contracts between such parties with respect to the Issuer's Water System into one instrument and sets forth the entire agreement between such parties with respect to the Issuer's Water System, and (ii) pursuant to contracts with other water customers of the Issuer.

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

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

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than as specified in the Bond Resolution.

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

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

XXXXXXXX
Secretary, Board of Directors

XXXXXXXX
President, Board of Directors

(DISTRICT SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated

BOKF, NA,
Dallas, Texas

By _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

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

Please Insert Social Security or
Other Identifying Number of Assignee

/ _____ /

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

Date: _____

Signature Guaranteed: _____

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

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

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

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in the future on a parity with the Bonds, as hereinafter provided in Sections 21 and 22 hereof.

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

The terms "Bond Resolution" and "Resolution" shall mean this resolution authorizing the Series 2026 Bonds; and it is hereby resolved and provided that Sections 8 through 24 of this Bond Resolution are applicable to all of the Bonds, as hereinafter defined, and substantially restate and are supplemental to and cumulative of Sections 8 through 24 of each of the Series 2015 Bond Resolution, the Series 2015A Bond Resolution, the Series 2016 Bond Resolution, the Series 2016A Bond Resolution, the Series 2017 Bond Resolution, the Taxable Series 2020 Bond Resolution, the Taxable Series 2020B Bond Resolution, the Series 2020C Bond Resolution, the Series 2022 Bond Resolution, and the Series 2024 Bond Resolution, with the appropriate changes and additions which are required with respect to the issuance of the Series 2026 Bonds.

The term "Bonds" shall mean collectively (i) the unpaid and unrefunded Series 2015 Bonds, Series 2015A Bonds, Series 2016 Bonds, Series 2016A Bonds, Series 2017 Bonds, Taxable Series 2020 Bonds, Taxable Series 2020B Bonds, Series 2020C Bonds, the Series 2022 Bonds, and the 2024 Bonds, to be outstanding at any time after the delivery of the Initial Bond, and (ii) the Series 2026 Bonds.

The term "Contracts" shall mean collectively: (a) the "Tarrant County Regional Water Supply Facilities Contract", dated as of August 29, 1979, among the District and the Cities of Fort Worth and Mansfield, Texas, the "Tarrant County Regional Water Supply Facilities Supplemental Contract For Trinity River Authority of Texas", dated as of March 12, 1979, between the District and Trinity River Authority of Texas, and the "Tarrant County Regional Water Supply Facilities Amendatory Contract", dated September 1, 1982, among the District, the Cities of Fort Worth, Arlington, and Mansfield, Texas, and Trinity River Authority of Texas, which last named amendatory contract consolidates the previous contracts between such parties with respect to the System into one instrument and sets forth the entire agreement between such parties with respect to the System; and (b) all water supply contracts heretofore or hereafter executed between the District and other cities and customers in connection with the District's Water System.

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

The term "District's Water System," "Issuer's Water System," or "System" shall mean all of the District's existing water storage, treatment, transportation, distribution, and supply facilities, including all dams, reservoirs, and other properties, wherever located, (a) which are currently being used for water supply purposes and, to the extent were, or are to be, financed with the proceeds from the sale of all bonds or obligations ever issued by the Issuer which have been payable from

or secured by a lien on or pledge of any part of the "Net Revenues of the System," or with revenues from said System, together with all future improvements, enlargements, extensions, and additions to any of the foregoing, and all future new facilities, which are acquired or constructed with the proceeds from the sale of Bonds and any Additional Bonds or moneys from the Contingency Fund (hereinafter described), and (b) all other facilities in the future which are deliberately and specifically, at the option of the Board, made a part of the System by resolution of the Board, and all repairs to, improvements, and replacements of the System, but such term does not include any oil, gas, and other mineral properties owned by the District or property disposed of from time to time in accordance with the provisions of Section 23(g) hereof, provided that any property acquired in substitution therefor shall be included in the System, along with all repairs to and other replacements of the System. In particular such term includes and shall include all of the District's existing Cedar Creek Project, a dam and reservoir on Cedar Creek in Henderson and Kaufman Counties, Texas, and Eagle Mountain Dam and Reservoir and Bridgeport Dam and Reservoir, which are water supply facilities of the District on the West Fork of the Trinity River, Richland-Chambers Reservoir in Navarro and Freestone Counties, Texas, and all transportation, storage, and other facilities related to all of the foregoing. Unless deliberately added to the System by the Board, at its option, in the manner prescribed above, said term does not include any District flood control facilities or facilities which provide waste treatment or other wastewater services of any kind. Said term does not include any facilities acquired or constructed by the District with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being revenue obligations of the District, which are not issued as Additional Bonds, and which are payable from any source, contract, or revenues whatsoever other than the Pledged Revenues; and Special Facilities Bonds may be issued for any lawful purpose and made payable from any source, contract, or revenues whatsoever other than the Pledged Revenues.

The term "Gross Revenues of the System" shall mean all of the revenues, income, rentals, rates, fees, and charges of every nature derived by the Board or the District from the operation and/or ownership of the System (except as hereinafter provided), including specifically all payments and amounts received by the Board or the District from Contracts, and any interest income from the investment of money in any Funds created or maintained pursuant to any resolution authorizing the issuance of Bonds or Additional Bonds, excepting only any Construction Fund created pursuant to any resolution authorizing any Bonds or Additional Bonds. There is excepted from such term, and such term does not include (i) revenues derived by the District from the production of oil, gas, and other minerals owned by the District, or the revenues derived from the granting, sale, or lease of the right to explore for and produce same, or (ii) the royalties, rentals, license fees, and other income (other than from water sales) derived by the District from (a) lands and assets owned by the District as flood control facilities or (b) property of the District at Eagle Mountain Dam and Reservoir and Bridgeport Dam and Reservoir on the West Fork of the Trinity River.

The term "Operation and Maintenance Expenses of the System" or "Current Expenses" shall mean all reasonable and necessary current costs of operation and maintenance of the System including, but not limited to, repairs and replacements, operating personnel, utilities, supervision, engineering, accounting, auditing, legal services, insurance premiums, paying agents fees, and any other supplies and services, administration of the System, and equipment necessary for proper operation and maintenance of the System, as well as payments made for the use or operation of any property, and payments made by the District in satisfaction of judgments or other liabilities resulting from claims not covered by the District's insurance. Neither depreciation nor any other

expense which does not represent a cash expenditure shall be considered an item of Operation and Maintenance Expense.

The terms "Net Revenues of the District's Water System", "Net Revenues of the System", and "Net Revenues" shall mean the Gross Revenues of the System less the Operation and Maintenance Expenses of the System.

The term "Pledged Revenues" shall mean: (a) the Net Revenues of the System and (b) any additional revenues, income, receipts, grants, donations, or other resources, received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the District, be pledged to the payment of the Bonds or the Additional Bonds.

The term "Refunded Bonds" has the meaning set forth in the recitals hereto.

The term "Series 2015 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 20, 2015, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2015.

The term "Series 2015 Bonds" shall mean all unpaid and unrefunded Series 2015 Bonds authorized by the Series 2015 Bond Resolution

The term "Series 2015A Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on October 20, 2015, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2015A.

The term "Series 2015A Bonds" shall mean all unpaid and unrefunded Series 2015A Bonds authorized by the Series 2015A Bond Resolution.

The term "Series 2016 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 19, 2016, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2016.

The term "Series 2016 Bonds" shall mean all unpaid and unrefunded Series 2016 Bonds authorized by the Series 2016 Bond Resolution.

The term "Series 2016A Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on March 15, 2016, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding Bonds, Series 2016A.

The term "Series 2016A Bonds" shall mean all unpaid and unrefunded Series 2016A Bonds authorized by the Series 2016A Bond Resolution.

The term "Series 2017 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on July 18, 2017, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding Bonds, Series 2017.

The term "Series 2017 Bonds" shall mean all unpaid and unrefunded Series 2017 Bonds authorized by the Series 2017 Bond Resolution.

The term "Series 2020C Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on October 20, 2020, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding Bonds, Series 2020C.

The term "Series 2020C Bonds" shall mean all unpaid and unrefunded Series 2020C Bonds authorized by the Series 2020C Bond Resolution.

The term "Series 2022 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on July 21, 2022, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2022.

The term "Series 2022 Bonds" shall mean all unpaid and unrefunded Series 2022 Bonds authorized by the Series 2022 Bond Resolution.

The term "Series 2024 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on May 14, 2024, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2024.

The term "Series 2024 Bonds" shall mean all unpaid and unrefunded Series 2024 Bonds authorized by the Series 2024 Bond Resolution.

The term "Series 2026 Bonds" shall mean collectively the Initial Bond as described and defined in Sections 1, 2, and 3 of this Bond Resolution, and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant to this Bond Resolution, all as provided for herein; and the Series 2026 Bonds are Additional Bonds issued to be payable from and secured by a first lien on and pledge of the Pledged Revenues equally and ratably on a parity with all of the other Bonds, as permitted by Sections 20 and 21 of the Series 2015 Bond Resolution, the Series 2015A Bond Resolution, the Series 2016 Bond Resolution, the Series 2016A Bond Resolution, the Series 2017 Bond Resolution, the Series 2015 Bond Resolution, the Series 2016 Bond Resolution, the Taxable Series 2020 Bond Resolution, the Taxable Series 2020B Bond Resolution, the Series 2020C Bond Resolution, the Series 2022 Bond Resolution, and the Series 2024 Bond Resolution.

The term " Taxable Series 2020 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 21, 2020, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding Bonds, Series 2015.

The term " Taxable Series 2020 Bonds" shall mean all unpaid and unrefunded Taxable Series 2020 Bonds authorized by the Taxable Series 2020 Bond Resolution.

The term "Taxable Series 2020B Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on October 20, 2020, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding Bonds, Taxable Series 2020B.

The term "Taxable Series 2020B Bonds" shall mean all unpaid and unrefunded Taxable Series 2020B Bonds authorized by the Taxable Series 2020B Bond Resolution.

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

Section 9. PLEDGE. (a) That the Bonds, as defined above, and any Additional Bonds, and the interest thereon, are and shall be secured equally and ratably on a parity by and payable from a first lien on and pledge of the Pledged Revenues; and the Series 2026 Bonds are Additional Bonds payable from and secured by a first lien on and pledge of the Pledged Revenues, as permitted by Sections 21 and 22 of the Series 2015 Bond Resolution, the Series 2015A Bond Resolution, the Series 2016 Bond Resolution, the Series 2016A Bond Resolution, the Series 2017 Bond Resolution, the Taxable Series 2020 Bond Resolution, the Taxable Series 2020B Bond Resolution, the Series 2020C Bond Resolution, the Series 2022 Bond Resolution, and the Series 2024 Bond Resolution.

(b) That Chapter 1208, Government Code, applies to the issuance of the Series 2026 Bonds and the pledge of the revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Series 2026 Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Series 2026 Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 10. REVENUE FUND. That there has been created and established, and there shall be maintained on the books of the District, and accounted for separate and apart from all other funds of the District, a special fund to be entitled the "Tarrant Regional Water District Water Revenue Bonds Revenue Fund" (hereinafter called the "Revenue Fund"). All Gross Revenues of the System (except investment interest and income from the other Funds hereinafter described and maintained) shall be credited to the Revenue Fund immediately upon receipt. All Operation and Maintenance Expenses of the System shall be paid from such Gross Revenues credited to the Revenue Fund, as a first charge against same.

Section 11. INTEREST AND REDEMPTION FUND. That for the sole purpose of paying the principal of and interest on all Bonds and any Additional Bonds, as the same come due, either upon redemption or at maturity, there has been created and established, and there shall be maintained, at an official depository bank of the District, a separate fund to be entitled the "Tarrant Regional Water District Revenue Bonds Interest and Redemption Fund" (hereinafter called the "Interest and Redemption Fund").

Section 12. THE CONTINGENCY AND IMPROVEMENT FUND AND THE RESERVE FUND. (a) That there has been created and established and there shall be maintained, at an official depository bank of the District, a separate fund to be entitled the "Tarrant Regional Water District Water Revenue Bonds Contingency and Improvement Fund" (hereinafter called the "Contingency

Fund"). The Contingency Fund shall be used solely for the purpose of paying the costs of improvements, enlargements, extensions, additions, or other capital expenditures relating to the System, and unexpected or extraordinary replacements of the System, for which System funds are not otherwise available, or for paying unexpected or extraordinary Operation and Maintenance Expenses of the System for which System Funds are not otherwise available, or for paying principal of and interest on any Bonds or Additional Bonds, when and to the extent the amount in the Interest and Redemption Fund is insufficient for such purpose.

(b) That there has been created and established and there shall be maintained at an official depository bank of the District, a separate fund to be entitled the "Tarrant Regional Water District Water Revenue Bonds Reserve Fund" (hereinafter called the "Reserve Fund"), solely for the further security and benefit of the Bonds and any Additional Bonds. The Reserve Fund shall be used solely for the purpose of (i) finally retiring the last of the Bonds and any Additional Bonds, and (ii) paying principal of and interest on the Bonds or any Additional Bonds when and to the extent the amounts in the Interest and Redemption Fund and Contingency Fund are insufficient for such purpose. There is now on deposit in the Reserve Fund, an amount of money sufficient to cause the Reserve Fund to contain the Required Amount (hereinafter defined). When and so long as the money and investments in the Reserve Fund are not less in market value than a "Required Amount" equal to the principal and interest requirements of the Bonds during the fiscal year in which such requirements are scheduled to be the greatest, no deposits shall be made to the credit of the Reserve Fund; but when and if the Reserve Fund at any time thereafter contains less than said "Required Amount" in market value, then, subject and subordinate to making the required deposits to the credit of the Interest and Redemption Fund, the District shall transfer from Pledged Revenues and deposit to the credit of the Reserve Fund, semiannually on or before the 25th days of each February and each August of each year, a sum equal to no less than 1/10th of the deficiency in the "Required Amount" until the Reserve Fund is restored to said "Required Amount." So long as the Reserve Fund contains said "Required Amount" in market value, all amounts in excess of said "Required Amount," if any, shall, at least annually, on or before the 25th day of February of each year, be deposited to the credit of the Interest and Redemption Fund.

Section 13. DEPOSITS OF PLEDGED REVENUES; INVESTMENTS. (a) That the Pledged Revenues shall be deposited into the Interest and Redemption Fund, the Reserve Fund, and the Contingency Fund, when and as required by this Bond Resolution, Sections 8 through 24 of the Series 2015 Bond Resolution, the Series 2015A Bond Resolution, the Series 2016 Bond Resolution, the Series 2016A Bond Resolution, the Series 2017 Bond Resolution, the Taxable Series 2020 Bond Resolution, the Taxable Series 2020B Bond Resolution, the Series 2020C Bond Resolution, the Series 2022 Bond Resolution, and the Series 2024 Bond Resolution, and Sections 8 through 24 of this Bond Resolution shall be applicable to all of the Bonds.

(b) That money in any Fund maintained pursuant to this Bond Resolution may, at the option of the District, be placed in time deposits or certificates of deposit secured by obligations of the type hereinafter described, or be invested in direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, United States Postal Service,

Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, Federal Housing Association, or Participation Certificates in the Federal Assets Financing Trust; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued by the District in terms of current market value as of the 20th day of February of each year. All interest and income derived from such deposits and investments immediately shall be credited to, and any losses debited to, the Fund from which the deposit or investment was made, and surpluses in any Fund shall be disposed of as herein provided. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or Additional Bonds.

Section 14. FUNDS SECURED. That money in all Funds described in this Bond Resolution shall be secured in the manner prescribed by law for securing funds of the District.

Section 15. DEBT SERVICE REQUIREMENTS. (a) That promptly after the delivery of the Initial Bond the District shall cause to be deposited to the credit of the Interest and Redemption Fund all accrued interest, if any, received from the sale and delivery of the Initial Bond, and any such deposit shall be used to pay part of the interest coming due on the Series 2026 Bonds.

(b) That the District shall transfer from the Pledged Revenues and deposit to the credit of the Interest and Redemption Fund the amounts, at the times, as follows:

(1) such amounts, deposited semiannually on or before the 25th day of each February and each August of each year, as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the interest scheduled to accrue and come due on all Bonds and Additional Bonds on the next succeeding interest payment date; and

(2) such amounts, deposited annually, on or before the 25th day of each February, as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay all principal scheduled to mature and come due on all Bonds on the next succeeding March 1, and to pay all principal of all Bonds and Additional Bonds, if any, scheduled to be redeemed prior to maturity on the next succeeding March 1 in accordance with the mandatory redemption provisions and schedules set forth in any applicable Bond Resolution.

Section 16. CONTINGENCY REQUIREMENTS. That there is now on deposit to the credit of the Contingency Fund an amount equal to at least \$1,100,000. No additional deposits are required to be made to the credit of the Contingency Fund unless and until such amount therein is reduced or depleted. If and when such amount in the Contingency Fund is reduced or depleted then, subject and subordinate to making the required deposits to the credit of the Interest and Redemption Fund and the Reserve Fund, such reduction or depletion shall be restored from amounts which shall be provided for such purpose in the District's Annual Budget for the next ensuing fiscal year or years; provided that the District is not required to budget more than \$100,000 for such purpose during any one fiscal year; but the District shall have the right to budget additional amounts for such purpose if it is deemed necessary or advisable by the Board. So long as the Contingency Fund contains money and investments not less than the amount of \$1,100,000 in market value, any surplus in the Contingency Fund over said amount shall, semiannually on or

before February 15 and August 15 of each year, be withdrawn, deposited to the credit of the Revenue Fund, commingled with other revenues from the operation of the System, and used for any lawful purpose for which Gross Revenues of the System may be used.

Section 17. DEFICIENCIES; EXCESS PLEDGED REVENUES. (a) That if on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Redemption Fund, the Reserve Fund, and the Contingency Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

(b) That, subject to making the required deposits to the credit of the Interest and Redemption Fund, the Reserve Fund, and the Contingency Fund, when and as required by this Bond Resolution, or any resolution authorizing the issuance of Additional Bonds, the excess Pledged Revenues may be used for any lawful purpose.

Section 18. BONDS AND ADDITIONAL BONDS NOT PAYABLE FROM TAXES. It is specifically provided that the District is not authorized to, and shall not, levy, collect, or use any tax of any nature to pay the principal of or interest on any of the Bonds or Additional Bonds.

Section 19. PAYMENT OF BONDS AND ADDITIONAL BONDS. Semiannually on or before each March 1 and September 1 while any of the Bonds or Additional Bonds are outstanding and unpaid, the District shall make available to the paying agents therefor, ratably and on a parity out of the Interest and Redemption Fund, and/or the Contingency Fund, or, from the Reserve Fund, money sufficient to pay such interest on and such principal of the Bonds or Additional Bonds as will accrue or mature, or which is scheduled to be redeemed prior to maturity, on each such March 1 and September 1, respectively. The paying agents shall destroy all paid Bonds or Additional Bonds, and the coupons, if any, appertaining thereto, and furnish the District with an appropriate certificate of cancellation or destruction.

Section 20. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection

20(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) the Issuer gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements, and (3) the Issuer directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 20(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 21. ADDITIONAL BONDS. (a) That the District shall have the right and power at any time and from time to time, and in one or more Series or issues, to authorize, issue, and deliver additional bonds (herein called "Additional Bonds"), which may be payable from and secured by a first lien on and pledge of the Pledged Revenues. No Additional Bonds shall be payable from or secured by ad valorem or other taxes.

(b) Additional Bonds, if and when authorized, issued, and delivered in accordance with the provisions hereof, shall be payable from the Interest and Redemption Fund, and shall be payable from and secured by a first lien on and pledge of the Pledged Revenues, equally and ratably on a parity with the Bonds and all other outstanding Additional Bonds.

(c) That the principal of all Additional Bonds must be scheduled to be paid or mature on March 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on March 1 and September 1.

Section 22. FURTHER REQUIREMENTS FOR ADDITIONAL BONDS. (a) That Additional Bonds shall be issued only in accordance with the provisions hereof, and then applicable laws, and may be issued in any amounts, for any lawful purpose relating to the System, including the refunding of any Bonds or Additional Bonds. No installment, Series, or issue of Additional Bonds shall be issued or delivered unless the President and the Secretary of the Board sign a written certificate to the effect (i) that the District is not in default as to any covenant, condition, or obligation in connection with all outstanding Bonds and Additional Bonds, and the resolutions authorizing the same, (ii) that the Interest and Redemption Fund and the Reserve Fund contain the amount then required to be therein, and (iii) that either (1) the Pledged Revenues in each fiscal year, commencing (A) with the third complete fiscal year following the execution of such certificate or report, or (B) with the fiscal year following the estimated completion date of any project for which the then proposed Additional Bonds are being issued (whichever of (A) or (B) is later) are estimated, based on a report of an independent engineer or firm of engineers, to be at least equal to 1.25 times the average annual principal and interest requirements of all Bonds and Additional Bonds to be outstanding after delivery of the then proposed Additional Bonds, or (2) based upon an opinion of legal counsel to the District, there are Contracts then in effect pursuant to which parties to such Contracts are obligated to make minimum payments to the District on a "take or pay" basis at such times and in such amounts as shall be necessary to provide to the District Pledged Revenues sufficient to pay when due all principal of and interest on all Bonds and Additional Bonds.

(b) That each resolution authorizing the issuance of Additional Bonds shall confirm the Reserve Fund as additional security for all such Additional Bonds, and the Reserve Fund shall be increased to the extent required to cause the Reserve Fund to be maintained in an amount not less than the principal and interest requirements, during the fiscal year in which such requirements are scheduled to be the greatest, of all Bonds and Additional Bonds to be outstanding after the issuance of such then proposed Additional Bonds (or any greater amount as may, at the option of the District, be provided for in any resolution authorizing the issuance of any Additional Bonds), and shall make provision for funding such Reserve Fund from Pledged Revenues, or, at the option of the District, from bond proceeds or other available sources. Such Reserve Fund may be funded in whole or in part initially, or may be funded in whole or in part from Pledged Revenues by approximately equal periodic payments, not less than annual, and within not more than five years from the date of such then proposed Additional Bonds.

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

Section 23. GENERAL COVENANTS, REPRESENTATIONS, AND WARRANTIES. That the District further covenants, represents, warrants, and agrees that:

(a) **PERFORMANCE.** It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each resolution authorizing the issuance of the Bonds and any Additional Bonds, and in each and every Bond and Additional Bond; that it will promptly pay or cause to be paid the principal of and interest on every Bond and Additional Bond, on the dates and in the places and manner prescribed in such resolutions and Bonds or Additional Bonds, and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Interest and Redemption Fund; and any holder of the Bonds or Additional Bonds may require the District, its Board, and its officials and employees, to carry out, respect, or enforce the covenants and obligations of each resolution authorizing the issuance of the Bonds and any Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the District, its Board, and its officials and employees.

(b) **DISTRICT'S LEGAL AUTHORITY.** It is a duly created and existing conservation and reclamation district of the State of Texas pursuant to Article 16, Section 59, of the Texas Constitution, and the laws of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the District in accordance with their terms.

(c) **TITLE.** It has acquired and constructed, and will operate and maintain the System, and has or will obtain lawful title to, or the lawful right to use and operate, the lands, buildings, and facilities constituting the System, that it warrants that it will defend the title to or lawful right to use and operate, all of the aforesaid lands, buildings, and facilities, and every part thereof, for the benefit of the holders and owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever, and is lawfully qualified to pledge the Pledged Revenues to the payment of the Bonds and Additional Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) **LIENS.** It will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or the System, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the District.

(e) **OPERATION OF THE SYSTEM.** While the Bonds or any Additional Bonds are outstanding and unpaid it will cause the System to be continuously and efficiently operated and maintained in good condition, repair, and working order, and at a reasonable cost.

(f) FURTHER ENCUMBRANCE. While the Bonds or any Additional Bonds are outstanding and unpaid, it will not additionally encumber the Pledged Revenues in any manner, except as permitted hereby in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of each resolution authorizing the issuance of the Bonds and any Additional Bonds; but the right of the District and the Board to issue revenue bonds for any lawful purpose payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained. This Resolution does not and is not intended to affect, limit, or prohibit the issuance of bonds payable solely from ad valorem taxes.

(g) SALE OF PROPERTY. While the Bonds or any Additional Bonds, are outstanding and unpaid, it will maintain its current legal corporate status as a conservation and reclamation district, and it will not sell, convey, mortgage, or in any manner transfer title to, or lease or otherwise dispose of the entire System, or any significant or substantial part thereof; provided that whenever the District deems it necessary to dispose of any real or personal property, machinery, fixtures, or equipment, it may sell or otherwise dispose of such real or personal property, machinery, fixtures, or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined by resolution of the Board that no such replacement or substitute is necessary; and all proceeds from the sale thereof shall be credited to the Revenue Fund. In all events counsel to the Issuer shall opine as to the validity of the Resolution, as supplemented and amended and counsel to the Contracting Parties shall opine on the validity of the obligation of the Contracting Parties under the Contract.

(h) INSURANCE. (1) It will carry or cause to be carried such insurance as usually would be carried by corporations or other business entities operating like properties and engaged in similar activities, with a responsible insurance company or companies; provided that no insurance shall be required to the extent that the Board determines, based on the advice of legal counsel, that no substantial liability can or will arise under a particular hazard. At any time while any contractor engaged in construction work shall be fully responsible therefor, the District shall not be required to carry insurance on the works being constructed, if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the owners or holders of the Bonds and Additional Bonds and their representatives at all reasonable times.

(2) Upon the happening of any loss or damage covered by insurance from one or more of said causes, the District shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the District. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the District for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be used promptly as follows:

(a) for the redemption prior to maturity of the Bonds and Additional Bonds, if any, ratably in the proportion that the outstanding principal of each Series or issue of Bonds or Additional Bonds bears to the total outstanding principal of all Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(b) if none of the outstanding Bonds or Additional Bonds is subject to redemption, then for the purchase on the open market and retirement of said Bonds and Additional Bonds, in the same proportion as prescribed in the foregoing clause (a), to the extent practicable; provided that the purchase price for any such Bond or Additional Bonds shall not exceed the redemption price of such Bond or Additional Bond on the first date upon which it becomes subject to redemption; or

(c) to the extent that the foregoing clauses (a) and (b) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the District, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (a) and/or (b) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(3) The annual audit hereinafter required shall contain a list of all such insurance policies carried, together with a statement as to whether or not all insurance premiums upon such policies have been paid.

(i) RATE COVENANT. It will fix, establish, maintain, revise (if and when necessary), and collect such rates, charges, and fees for the sale of water from the System and for the use and availability of the System as are necessary to produce Gross Revenues of the System sufficient, together with any other Pledged Revenues and any taxes as may be levied by the District for such purpose, (1) to pay all Operation and Maintenance Expenses of the System, and (2) to produce Pledged Revenues adequate to provide for all payments and deposits required to be made into the Interest and Redemption Fund, the Reserve Fund, and the Contingency Fund, when and as required by the resolutions authorizing all Bonds and Additional Bonds.

(j) RECORDS. It will keep proper books of records and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the System, the Pledged Revenues, and all Funds created pursuant to each resolution authorizing the issuance of the Bonds and Additional Bonds; and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholder.

(k) AUDITS. Each year while any of the Bonds or Additional Bonds are outstanding, an audit will be made of its books and accounts relating to the System and the Pledged Revenues by an independent certified public accountant or an independent firm of certified public accountants. As soon as practicable after the close of each year, and when said audit has been completed and made available to the District, a copy of such audit for the preceding year shall be mailed to the Municipal Advisory Council of Texas and to any bondholders who shall so request in writing. Such annual audit reports shall be open to the inspection of the owners or holders of the Bonds and Additional Bonds and their agents and representatives at all reasonable times.

(l) GOVERNMENTAL AGENCIES. It will comply with all of the terms and conditions of any and all franchises, permits, and agreements applicable to the System and the Bonds or Additional Bonds entered into between the District and any governmental agency, and the District will take all action necessary to enforce said terms and conditions; and the District will

obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the System.

(m) **CONTRACTS.** It will comply with the terms and conditions of the Contracts and will cause the other parties to the Contracts to comply with all of their obligations thereunder by all lawful means; and the Contracts will not be rescinded, modified, or amended in any way which would have a materially adverse effect on the operation of the System or the rights of the owners of the Bonds and Additional Bonds.

(n) **ANNUAL BUDGET.** On or before August 1 of each calendar year, it will prepare the preliminary Annual Budget of Operation and Maintenance Expenses of the System for the ensuing fiscal year, and such budget shall include a showing as to the proposed expenditures for such ensuing fiscal year, and shall show the estimated amount of Net Revenues of the System for such year. If the owners or holders of 25% in aggregate principal amount of the Bonds and Additional Bonds then outstanding shall so request on or before the 15th day of the aforesaid month, the Board shall hold a public hearing on or before the 15th day of the following month, at which any bondholder may appear in person or by agent or attorney and present any objections he may have to the final adoption of such budget. Notice of the time and place of such hearing shall be published twice, once in each of two successive weeks, in a newspaper of general circulation published in the District, with the date of the first publication to be at least fourteen days before the date fixed for the hearing; and copies of such notice shall be mailed at least ten days before the hearing to each bondholder who shall have filed his name and address with the Secretary of the Board for such purpose. The District further covenants that on or before October 1 of each calendar year it will finally adopt the Annual Budget of Operation and Maintenance Expenses of the System for such fiscal year (hereinafter sometimes called the "Annual Budget"). If for any reason the Board shall not have adopted the Annual Budget before the first day of any fiscal year, the budget for the preceding fiscal year shall be deemed to be in force until the adoption of the Annual Budget. The Operation and Maintenance Expenses of the System incurred in any fiscal year will not exceed the reasonable and necessary amount thereof. The District may, at any time deemed necessary by the Board, adopt an Amended or Supplemental Budget for the remainder of the then current fiscal year.

Section 24. **AMENDMENT OF RESOLUTION.** (a) The holders and registered owners of Bonds and Additional Bonds (hereinafter collectively called "holders") aggregating 51% in principal amount of the aggregate principal amount of then outstanding Bonds and Additional Bonds shall have the right from time to time to approve any amendment to any resolution authorizing the issuance of any Bonds or Additional Bonds, which may be deemed necessary or desirable by the District, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in said resolutions or in the Bonds or Additional Bonds so as to:

- (1) Make any change in the maturity of the outstanding Bonds or Additional Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds or Additional Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Bonds or Additional Bonds;

- (4) Modify the terms of payment of principal of or interest on the outstanding Bonds or Additional Bonds, or impose any conditions with respect to such payment;
- (5) Effect any change in the rights of the holders of the Bonds and Additional Bonds then outstanding, other than a change which similarly affects all such holders;
- (6) Change the minimum percentage of the principal amount of Bonds and Additional Bonds necessary for consent to such amendment.

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

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the District shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all Bonds and Additional Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the District may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the resolution being amended shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the District and all the holders of then outstanding Bonds and Additional Bonds and all future Additional Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendment.

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

(f) For the purpose of this Section, the fact of the holding of Bonds or Additional Bonds by any holder of Bonds or Additional Bonds which are not registered and which are payable to bearer, and the amount and numbers of such registered Bonds and Additional Bonds, and the date of their holding same, may be provided by the affidavit of the person claiming to be such

holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Bonds or Additional Bonds described in such certificate. The District may conclusively assume that such ownership continues until written notice to the contrary is served upon the District. All matters relating to the ownership of registered Bonds and Additional Bonds shall be determined from the bond registration books kept by the registrar therefor.

Section 25. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED SERIES 2026 BONDS. (a) Replacement Bonds. In the event any outstanding Series 2026 Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Series 2026 Bond, in replacement for such Series 2026 Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Series 2026 Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Series 2026 Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2026 Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2026 Bond, as the case may be. In every case of damage or mutilation of a Series 2026 Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Series 2026 Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Series 2026 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Series 2026 Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Series 2026 Bond) instead of issuing a replacement Series 2026 Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Series 2026 Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2026 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Series 2026 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2026 Bonds duly issued under this Resolution.

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

deliver such Series 2026 Bonds in the form and manner and with the effect, as provided in this Resolution for Series 2026 Bonds issued in conversion and exchange for other Series 2026 Bonds.

Section 26. CUSTODY, APPROVAL, AND REGISTRATION OF SERIES 2026 BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE, AND INSURANCE. The President of the Board of Directors of the Issuer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to said Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on said Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on said Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on said Initial Bond or on any Series 2026 Bonds issued and delivered in conversion of and exchange or replacement of any Series 2026 Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Series 2026 Bonds. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes. If insurance is obtained by the Underwriters (as defined in Section 31 hereof) on any of the Series 2026 Bonds, the Initial Bond and all the Series 2026 Bonds so insured shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 27. COVENANTS REGARDING TAX EXEMPTION. (a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Series 2026 Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the Series 2026 Bonds holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Series 2026 Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Series 2026 Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Series 2026 Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Series 2026 Bonds (less amounts deposited

into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Series 2026 Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Series 2026 Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Series 2026 Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Series 2026 Bonds, other than investment property acquired with –

(A) proceeds of the Series 2026 Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Series 2026 Bonds are issued,

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

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Series 2026 Bonds;

(7) to otherwise restrict the use of the proceeds of the Series 2026 Bonds or amounts treated as proceeds of the Series 2026 Bonds, as may be necessary, so that the Series 2026 Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Series 2026 Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Series 2026 Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2026 Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

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

limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Compliance with Code. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Series 2026 Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Series 2026 Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2026 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Series 2026 Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Series 2026 Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the President of the Board of Directors, the General Manager, or the Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Series 2026 Bonds.

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

Section 28. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Series 2026 Bonds, or (2) the date the Series 2026 Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Series 2026 Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 29. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2026 Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as

a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 30. CONTINUING DISCLOSURE. (a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"*Authority*" means Trinity River Authority.

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

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

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

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

(b) General. Pursuant to a Continuing Disclosure Agreement by and among the Issuer, the Cities, and the Authority, the Issuer, the Cities and the Authority have undertaken for the benefit of the beneficial owners of the Series 2026 Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Issuer, Cities and Authority in accordance with the Rule as promulgated by the SEC.

(c) Annual Reports. (i) The Issuer shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2026, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 32 of this Resolution, being the information described in Exhibit B hereto. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit B hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information containing the information described in the tables referenced in Exhibit B hereto under the heading "Annual Financial Statement and Operating Data of the Issuer" by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

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

(d) Disclosure Event Notices. The Issuer shall notify the MSRB, in a timely manner, of any of the following events with respect to the Series 2026 Bonds, not in excess of ten Business Days after occurrence of the event:

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

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

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

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Section 30(c) of this Resolution by the time required by such Section.

(e) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an Obligated Person with respect to the Series 2026 Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Resolution or applicable law that causes Series 2026 Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Series 2026 Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2026 Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THEHOLDER OR BENEFICIAL OWNER OF ANY SERIES 2026 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART

FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Series 2026 Bonds in the primary offering of the Series 2026 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Series 2026 Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2026 Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2026 Bonds in the primary offering of the Series 2026 Bonds.

Section 31. SALE OF SERIES 2026 BONDS. Pursuant to the authorizations in Section 3 hereof, as approved by the Authorized Officer, the Series 2026 Bonds may be sold either pursuant to the taking of bids therefor as provided in an Official Notice of Sale or pursuant to a purchase agreement (the "Purchase Agreement") with a purchaser or purchasers (collectively, the "Underwriters") to be approved by the Authorized Officer, and any supplements thereto which may be necessary to accomplish the issuance of the Series 2026 Bonds. Such Purchase Agreement is hereby authorized to be dated, executed and delivered on behalf of the Issuer by an Authorized Officer, with such changes therein as shall be approved by the Authorized Officer, the execution thereof by the Authorized Officer to constitute evidence of such approval. The delegation of authority to the Authorized Officer to approve the final terms of the Series 2026 Bonds as set forth in this Resolution is, and the decisions made by the Authorized Officer pursuant to such delegated authority will be, in the best interests of the Issuer, and the Authorized Officer is authorized to make a finding to such effect in the Approval Certificate.

Section 32. APPROVAL OF OFFICIAL STATEMENT. A Preliminary Official Statement relating to the Series 2026 Bonds, in substantially the form as submitted to the Board of Directors

at this meeting, is hereby approved and authorized to be distributed to prospective investors and other interested parties in connection with the underwriting and sale of the Series 2026 Bonds, with such changes therein as shall be approved by the President of the Board of Directors, the General Manager of the Issuer, or the Chief Financial Officer of the Issuer, including such changes as are necessary for distribution as a final Official Statement. It is further officially found, determined, and declared that the statements and representations contained in said Preliminary Official Statement are true and correct in all material respects. The use and distribution by the Purchaser of the Official Statement relating to the Series 2026 Bonds, is hereby approved. For the purpose of review by the Purchaser prior to purchasing the Series 2026 Bonds, the Issuer deems said Preliminary Official Statement to have been "final as of its date" within the meaning of Securities and Exchange Commission Rule 15c2-12.

Section 33. PURCHASE OR DEFEASANCE OF REFUNDED BONDS. (a) The Purchased Bonds are hereby directed to be purchased on the date(s) set forth in the Approval Certificate. Each holder of the Purchased Bonds identified in the Pricing Certificate hereto will deliver or cause to be delivered its Refunded Bonds to the District's DTC ATOP Account as described in the Invitation. On the Closing Date, the paying agent for the Purchased Bonds, on behalf of the District, will complete the purchase by paying the purchase price for the Purchased Bonds according to the instructions described in the Approval Certificate or other written instructions from the District or its financial advisor. It is hereby found and determined that the refunding of the Purchased Bonds is advisable and necessary in order to achieve a net present value savings in debt service.

(b) Concurrently with the delivery of the Series 2026 Bonds, the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Series 2026 Bonds, together with, to the extent necessary, available funds of the Issuer, with the paying agent/registrar for the Refunded Bonds, sufficient to provide for the refunding, of all of the Refunded Bonds, in accordance with Subchapter C of Chapters 1207 and 1371, Texas Government Code, as amended. The President of the Board of Directors of the Issuer and the Vice President/Secretary of the Board of Directors of the Issuer are hereby authorized, for and on behalf of the Issuer, to execute an Escrow Agreement in substantially the form set forth in Exhibit C hereto to accomplish such purpose, which escrow agreement or deposit agreement will provide for the payment in full of the Defeased Bonds (the "Escrow Agreement"). In addition, the Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary or appropriate for the Escrow Fund described in such Escrow Agreement. It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to achieve a net present value savings in debt service.

Section 34. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment, from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 35. FURTHER PROCEDURES. The President and the Secretary of the Board of Directors and the General Manager and the Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform

all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, and all details in connection therewith. In case any officer whose signature shall appear on any Series 2026 Bond shall cease to be such officer before the delivery of such Series 2026 Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 36. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 37. PUBLIC NOTICE. It is hereby officially found and determined that public notice of the time, place and purpose of said meeting was given, all as required by the Government Code, Chapter 551, as amended.

EXHIBIT "A"

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Series 2026 Bonds and any Additional Bonds (the "Obligations") the Issuer's General Manager, Assistant General Manager, and Chief Financial Officer (the "Responsible Persons") will:

For Obligations issued for newly acquired property or constructed property:

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

For Obligations issued for refunding purposes:

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

For all Obligations:

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

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

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

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

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

EXHIBIT "B"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 30 of this Resolution.

I. Annual Financial Statements and Operating Data of the Issuer

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement and Tables referred to) below:

Tables 1 through 9, inclusive, contained in the Official Statement and in Appendix B to such Official Statement, "Audited Financial Statements"

Accounting Principles

The accounting principles referred to in Section 30 of this Resolution are the accounting principles described in the notes to the financial statements referred to above.

EXHIBIT C

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Refunding Bonds, Series 2015, Water Revenue Bonds, Series 2016 and Water Revenue Refunding Bonds, Series 2016A

THIS ESCROW AGREEMENT, dated as of _____ (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between Tarrant Regional Water District, a Water Control and Improvement District (the "Issuer") and BOKF, NA, Dallas, Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") described in the Verification Report of _____ (the "Report") relating to the Refunded Obligations, attached hereto as Exhibit "B" and made a part hereof; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapters 1207 and 1371, Texas Government Code ("Chapters 1207 and 1371") authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment (paying agent) for any of the Refunded Obligations, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapters 1207 and 1371 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent may agree, provided that such deposits may be invested only in direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which may be in book entry form, and which shall mature and/or bear interest payable at such

times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, the Escrow Agent is the paying agent for the Refunded Obligations and this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapters 1207 and 1371; and

WHEREAS, Chapters 1207 and 1371 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment (paying agents) for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the issuance, sale, and delivery of Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2026 (the "Refunding Obligations") have been issued, sold and delivered for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, if applicable, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is herein also referred to as the "Paying Agent," and any paying agent for the Refunded Obligations, acting through the Escrow Agent, is also a party to this Agreement, as a paying agent for the Refunded Obligations to acknowledge their acceptance of the terms and provisions of this Agreement in such capacity.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent described in the Report or cash or other direct obligations of the United States of America substituted therefor pursuant to Article IV of this Agreement.

Section 1.02. Other Definitions. The terms "Agreement", "Issuer", "Escrow Agent", "Refunded Obligations", "Refunding Obligations," "Report" and "Paying Agent", when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01. Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report,

and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Refunding and Improvement Bonds, Series 2026 Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity dates and interest thereon to such maturity dates in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations mature, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or

securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Certificates of Indebtedness, Notes or Bonds - State and Local Government Series with an interest rate equal to zero percent (0%) (the "Zero SLGs") to the extent such Obligations are available from the Department of Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on any Escrowed Securities. Unless otherwise instructed by the Issuer in accordance with Section 4.03 hereof, the Escrow Agent shall acquire any Zero SLGs on the dates the Escrowed Securities listed in the Report mature, as shown in the Report, or on the first date Zero SLGs become available thereafter. The Escrow Agent shall purchase Zero SLGs that only mature on the dates shown in the Report.

Section 4.03. Substitutions and Reinvestments. At the discretion of the Issuer, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other moneys or securities held in the Escrow Fund provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct obligations of the United States of America), together with the interest thereon and other available moneys, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or direct noncallable and not pre-payable obligations of the United States Treasury (i.e., Treasury obligations which mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) (the "Substitute Obligations") for Escrowed Securities, if any, but only if such Substitute Obligations:

- (a) are in an amount, and/or mature in an amount, which is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,
- (b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and
- (c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII

CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor

bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, counsel at any time.

The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, written investment direction, statement, instrument, opinion, notice or other paper or document believed by it to be genuine and to have been signed or presented by the property party. The Escrow Agent need not investigate any fact or matter stated in the document.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder with directly or by or through its agents or attorneys and may in all cases pay reasonable compensation to any agent or attorney retained or employed by it in connection therewith.

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the

administration of this Agreement, the sum of \$_____, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) The Paying Agent is the place of payment (paying agent) for the Refunded Obligations. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall pay to the Paying Agent the sum of \$_____, the sufficiency of which is hereby acknowledged by the Paying Agent, for redemption fees for the Refunded Obligations; and the Paying Agent warrants that such sum is sufficient for such purpose. The Issuer covenants to timely pay for all future paying agency services of the Paying Agent for the Refunded Obligations in accordance with the paying agent fee schedule now in effect through the final payment of the Refunded Obligations, the sufficiency of which is hereby acknowledged by the Paying Agent. Additionally, the Paying Agent has agreed to look only to the Issuer for the payment of such fees and reimbursement of such expenses, and for the benefit of the registered owners of the Refunded Obligations, to perform the services as Paying Agent without regard to the future payment of such fees and expenses. The Paying Agent shall in no event assert any claim or lien against the Escrow Fund for any fees for their services, whether regular or extraordinary, as Paying Agent, or in any other capacity, or for reimbursement for any of its expenses.

(c) Upon receipt of the aforesaid specific sums stated in subsections (a) and (b) of this Section 7.03 for Escrow Agent and paying agency fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal

office and place of business in the State of Texas, having a combined capital and surplus of at least \$5,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 99 Church Street, New York, New York 10007, S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004, and Fitch, Inc., One State Street Plaza, New York, New York 10004.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.09. State Law Verification Requirements.

(A) Pursuant to sections 2252.152 and 2271.002, Texas Government Code, as amended, the Escrow Agent and any parent company, wholly owned subsidiary, majority-owned subsidiary, and affiliate:

- 1) Do not boycott Israel and agree not to boycott Israel during the term of this Agreement. ABoycott Israel@ has the meaning provided in section 808.001 of the Texas Government Code.
- 2) Unless affirmatively declared by the United States government to be excluded from the federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization, are not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or section 2270.0201 of the Texas Government Code.

For purposes of the foregoing, Aaffiliate@ means any entity that controls, is controlled by, or is under common control with the applicable entity within the meaning of SEC Rule 405, 17. C.F.R. 230.405 and exists to make a profit. The verifications contained in this section 6.12(A) shall survive termination of the Agreement until the statute of limitations has run.

(B) Pursuant to Section 2276.002, Texas Government Code, as amended, and Section 2274.002, Texas Government Code, as amended, the Escrow Agent and the District acknowledge and agree that this Agreement has an aggregate value of less than \$100,000, and in no event will the District pay the Escrow Agent \$100,000 or more for its services hereunder.

(C) The Escrow Agent represents and warrants, for purposes of Section 2252.908 of the Texas Government Code, that the Escrow Agent is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

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

TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT
DISTRICT

President

ATTEST:

Secretary

(Issuer Seal)

BOKF, NA

By: _____
Title: _____

INDEX TO EXHIBITS

- Exhibit "A" Addresses of the Issuer and the Escrow Agent
- Exhibit "B" Verification Report of Public Finance Partners LLC

EXHIBIT A

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

ISSUER

Tarrant Regional Water District
800 E. Northside Drive
Fort Worth, Texas 76102

Attention: General Manager

ESCROW AGENT

BOKF, NA
5956 Sherry Lane, Suite 1201
Dallas, TX 75225

Attention: Corporate Trust Department

EXHIBIT "B"

VERIFICATION REPORT OF PUBLIC FINANCE PARTNERS LLC

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 11

DATE: February 17, 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 on Panther Island

DISCUSSION:

- Pending litigation
- Real property issues

Submitted By:

Stephen Tatum
General Counsel

Next Scheduled Board Meeting

March 27, 2026, at 9:00 AM