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 4th Day of August 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.

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1. **Pledges of Allegiance**

2. **Public Comment**

   Citizens may present public comment at this time, limited to a total time of three (3) minutes per speaker, unless the speaker addresses the Board through a translator, in which case the limit is a total time of six (6) minutes. Each proposed speaker must have completed and submitted a speaker card prior to the commencement of the meeting, identifying any agenda item number(s) and topic(s) the speaker wishes to address with the Board. By law, the Board may not deliberate, debate, or take action on public comment but may place the item on a future agenda.

3. **Discussion of Proposed Fiscal Year 2027 General Fund and Governmental Contingency Fund Budgets - Dan Buhman, General Manager, and Sandy Newby, Chief Financial Officer**

4. **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 Conflicts with Chapter 551

5. **Future Agenda Items**

6. **Schedule Next Board Meeting**

7. **Adjourn**

Tarrant Regional Water District
Fiscal Year 2027
General Fund Budget

Tarrant Regional Water District Fiscal Year 2027 General Fund Operating Budget Guide

Contents

Introduction

TRWD's purpose is to enrich communities and improve quality of life through water supply, flood control, and recreation. We are focused on "doing the right thing, the right way, no matter what."

There are several drivers to the Fiscal Year 2027 General Fund budget, which is the source of funds to build and maintain a flood protection and recreation system that directly or indirectly benefits more than a million people in Fort Worth.

1. Maintain the existing flood protection system
2. Partnership with the U.S. Army Corps of Engineers (USACE) to continue construction of the Central City Flood Control Project
3. Construction of the Panther Island Canals
4. Progress on Panther Island Development
5. Additional recreation opportunities for the public

General Fund Budget Overview

The District's annual General Fund budget is comprised of multiple funds and is the culmination and combination of several efforts:

- The District's 2023-2026 Strategic Plan was adopted by the Board of Directors to align the Board and staff on priorities.

- The Recreation Master Plan was finalized in January 2025 to define the district's unique role in the recreation landscape.

- Central City Flood Control Project capital improvement plans are updated each year.

- Panther Island canals and real estate plans are likewise refined each year.

- Other District plans such as safety plans, facilities planning, cybersecurity plans, etc. are also created or updated each year.

- Each September the Board of Directors adopts an annual budget for the upcoming fiscal year beginning October 1.

The General Fund is the source of funds to build and maintain a flood protection and recreation system that directly or indirectly benefits more than a million people in Fort Worth. The annual General Fund budget primarily funds operations and maintenance of the flood control and recreation systems. It also includes some capital projects for recreation.

The Governmental Contingency Fund includes expenditures for special projects (Panther Island and Central City Flood Control Project) and for the debt service and revenues derived from the Tax Increment Financing used to pay the general obligation bonds issued for the Central City Flood Control Project.

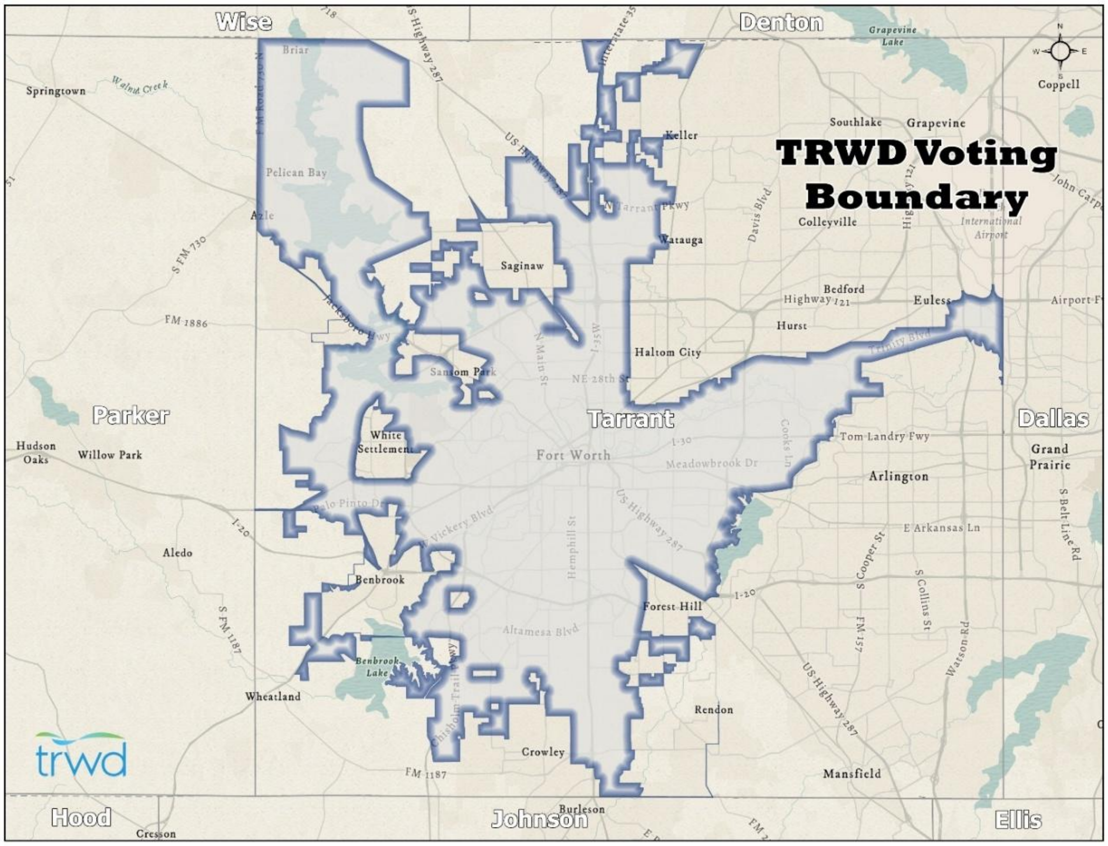
The General Fund is 100% tax funded. Revenues received from recreation, oil and gas leases, interest, and other sources (leases, permits, etc.) are directed to the Governmental Contingency Fund.

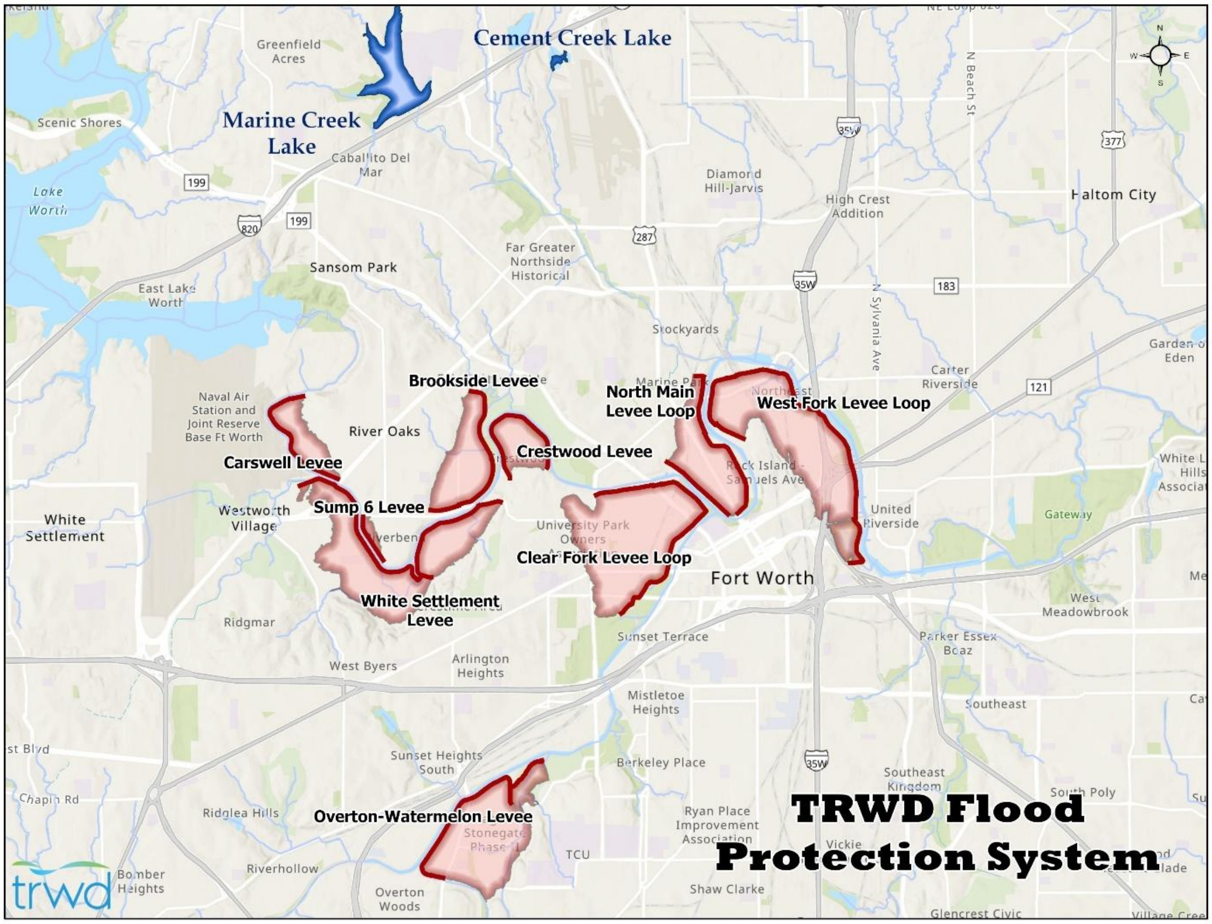
Currently there is a $28M reserve in the General Fund, consisting of:

- General Reserve of 25% of the annual operating expenses ($8M in Fiscal Year 2027)
- Debt Service Reserve ($10M)
- Variable Revenue Reserve ($10M)

Proposed FY27 General Fund Budget			
Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed
Operating Expenditures	$ 22,791,910	$ 25,888,045	$ 29,157,644
System Improvements & Capital	3,045,917	3,231,510	3,839,580
Subtotal Expenditures	$ 25,837,827	$ 29,119,555	$ 32,997,224
Capital Reserves	$ 4,847,169	$ 2,880,445	$ 242,776
Total General Fund Expenditures	$ 30,684,996	$ 32,000,000	$ 33,240,000
Revenues			
Taxes	$ 30,684,996	$ 32,000,000	$ 33,240,000
Total Revenues	$ 30,684,996	$ 32,000,000	$ 33,240,000

The figure below shows the TRWD taxing (or voting) boundaries. The second figure shows the flood protection system that is funded by the General Fund.





TRWD Flood Protection System
Marine Creek Lake
Cement Creek Lake
Brookside Levee
North Main Levee Loop
West Fork Levee Loop
Carswell Levee
Crestwood Levee
Sump 6 Levee
Clear Fork Levee Loop
White Settlement Levee
Overton-Watermelon Levee
Fort Worth
trwd

Governmental Contingency Fund

The Governmental Contingency Fund is a subset of the General Fund. Revenues derive from income sources such as oil and gas leases, interest income, land leases, fees, and recreation income. In 2024, the Board of Directors decided that recreation revenues should be directed to the Governmental Contingency Fund. Oil and gas royalties are directed to the Governmental Contingency Fund because they are derived on assets (e.g. reservoirs) that were originally built using general obligation debt paid for with tax revenues.

These funds are needed for two types of expenditures: Special Projects and Capital Projects. Special Project expenditures are generally large projects that could not be accomplished in an annual operating budget and can span multiple years. Currently, these large projects include:

- Non-Federal Partner (local) Cash Match. The Central City Flood Control Project is authorized as a 65% federal / 35% local funding split. The 35% local funding can be accomplished with up to 30% in local investments (e.g. utility relocations, land purchases) and at least 5% cash.
- TRWD invests in a program management team to manage the local share of the project: utility relocations, land acquisition, environmental cleanup, and coordination with the USACE. Central City Flood Control Project Betterments. These are project elements that go beyond the scope necessary to achieve the federally authorized flood risk reduction and ecosystem restoration purposes, and instead provide additional local benefit, enhanced performance, or expanded functionality.
- Stormwater canals on Panther Island
- Commercial real estate costs related to sale of land surplus to construction on Panther Island.
- A $350,000 annual repayment to the North Central Texas Council of Governments for a 10-year loan used to fill a funding gap on Texas Department of Transportation constructed bridges over the future bypass channel.

The capital projects category currently includes costs for the local portion (i.e. non-federal) of the Central City Flood Control Project. This category currently includes:

- Debt service for repayment of bonds used to complete local responsibilities such as utility relocations, land acquisitions and relocations.
- Tax Increment Financing District #9 revenues held for future debt service payments.

Fiscal Year 2027 General Fund and Governmental Contingency Fund

Because of significant ongoing investments in TRWD's flood control and recreation infrastructure, staff has consistently forecasted increases in our expenditures. However, the District has been able to lower or maintain our tax rate every year since 2020 due to several factors:

1. Federal regulations caused a one-year delay on the Central City Flood Control Project's North Bypass Channel, which impacted the timing of our staffing increases and other support services.

2. The District has budgeted for capital reserves each year, which are moved to the Governmental Contingency Fund. In 2027, we are shifting into a heavy delivery phase in which we invest that money in infrastructure, specifically the canals and park on Panther Island.

3. Staff has focused on narrowing the differential between budget and year-end actuals in the General Fund, especially in employee-related expenditures.

However, the District is now beginning the heavy delivery period of several initiatives. The strategic drivers to the Fiscal Year 2027 budget are described below.

Driver 1: Maintain the existing flood protection system

The District owns, maintains and operates a 27-mile levee system with 2 reservoirs that directly protect close to 1,000 businesses, 7,200 homes, and indirectly protect over a million people throughout our community.

The annual General Fund operating budget includes:

1. System Improvements and Capital: consisting of shorter-term projects that enhance and rehabilitate the current system and capital needed to support that system (such as heavy equipment, fleet, etc.).
2. Operating expenditures to operate and maintain the system already in place.
3. Planned Capital Reserves.

System improvements and capital in Fiscal Year 2027 includes improvements to the Trinity Trails and other recreation assets, purchases of capital equipment like pickup trucks and heavy equipment, and repairs to portions of the flood protection system.

The federal floodway was built primarily in the 1950's. The Fiscal Year 2027 budget funds maintenance of this flood protection system.

- Facilities and grounds maintenance, which includes mowing, slope repairs, maintenance of TRWD facilities, and hundreds of other maintenance tasks along the system.
- Equipment and fleet maintenance
- Recreation system maintenance, including the Trinity Trails and its trailheads, Twin Points Park, Airfield Falls, and other recreation assets.
- Cost sharing for stream gauging stations owned by the United States Geologic Survey (USGS) and some owned and operated by TRWD.

Public outreach and environmental stewardship are also important to TRWD. As owner and operator of the Fort Worth floodway, protecting the Trinity River water quality is a top priority. Public understanding of the flood protection system, the river as an asset to the community, and the river's water quality are accomplished through investments in several events:

- Fort Worth's Fourth
- Trash Bash
- Flyfest and Trout Stockings
- Mayfest
- Other community sponsorships and public outreach efforts

The District also supports the broader community by participating in several Tax Increment Financing Districts.

Support services are approximately 68% of the General Fund budget. The largest portion of this cost is the District's investment in its people. Employee related expenses are explained in a subsequent section below. Support services also include budget for:

- Property tax collection (roughly $1 million)
- Professional services: legal fees, audit fees, and consulting fees for items such as engineering, legislative, information technology, and financial services.
- Administrative support, which includes utilities, insurance, memberships, etc.
- Information technology costs

As mentioned previously, as part of the annual budgeting process, the District looks at future cash needs over the next 10-15 years, considering large projects that could not be accomplished in an annual operating budget. In Fiscal Year 2026, the District budgeted approximately $2.9 million in capital reserves, which are directed to the Governmental Contingency Fund. These funds pay for:

- Canals on Panther Island
- Betterments to the Central City Flood Control Project
- TRWD's required cash match to USACE for the Central City Flood Control Project.

Annually budgeted capital reserves will be insufficient for these expenses. The balance will be met through a combination of land sales, stormwater fees, oil and gas royalties, and miscellaneous revenues (leases, permits, equipment sales).

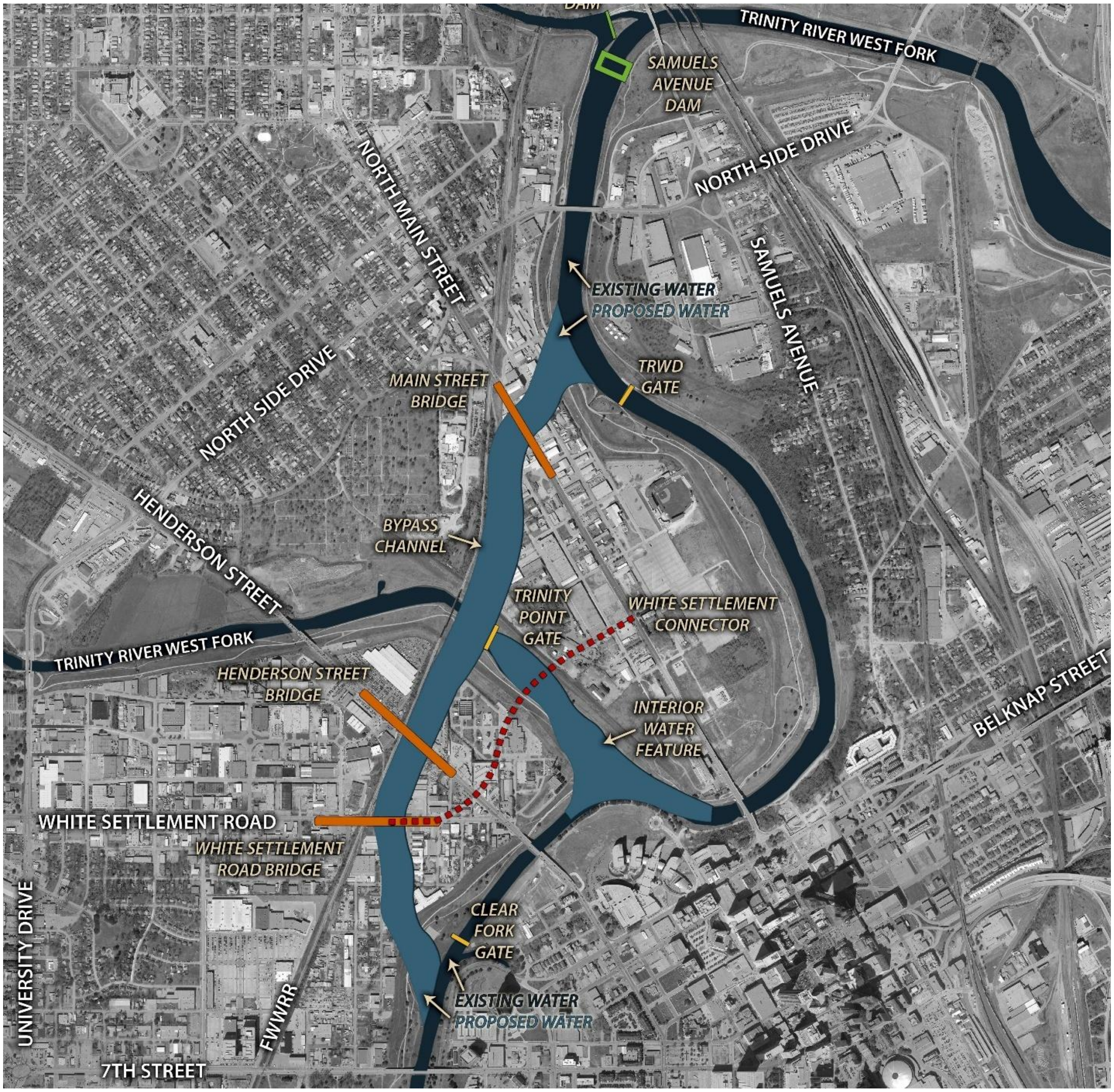
Driver 2: Partnership with USACE to continue construction of the Central City Flood Control Project

The Central City Flood Control Project is under construction. It is a US Army Corps of Engineers (USACE) flood risk management, aquatic ecosystem restoration and recreation project that is in the design and construction phases for various project elements. TRWD is the non-federal (local), cost-sharing sponsor. The project includes the following features:

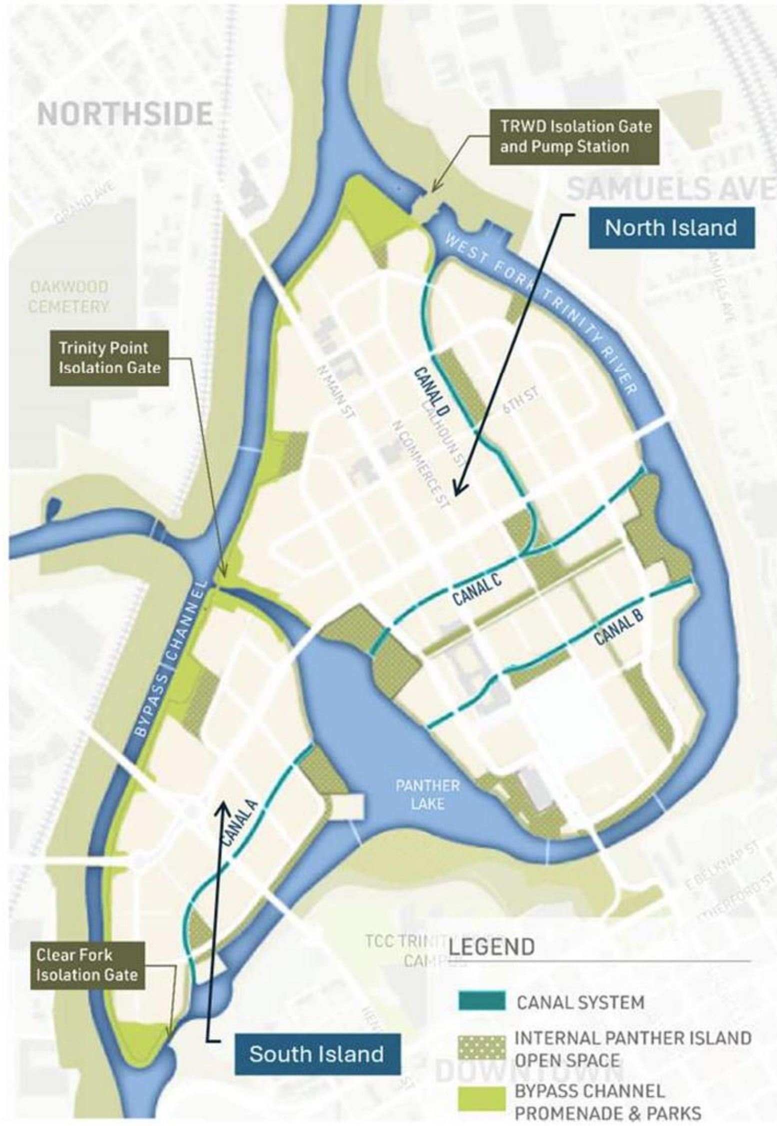
- Valley storage sites
- Bypass Channel (split into North and South for design and construction purposes)
- Flood isolation gates
- Vehicle, pedestrian and maintenance bridges that also provide flood control benefits
- Interior water feature
- Marine Creek dam, lock and channel expansion
- Samuels Avenue dam
- Stormwater pump station
- Aquatic ecosystem restoration features in Rockwood Park and Gateway Oxbow valley storage sites
- Recreation (trails, boat launches, moorings, open space, pocket parks, water features)
- Mitigation for aquatic resources

The USACE requested bids from contractors in 2025 to begin construction on Bypass Channel North. However, due to federal regulations regarding project labor agreements, the bid solicitation was delayed. USACE now plans to award a construction contract in Fall of 2026 and they anticipate construction will begin in the first quarter of 2027. TRWD will work directly with USACE to manage construction, and TRWD will own, operate and maintain the system once built.

TRWD invests in a program management team to manage the local share of the project: utility relocations, land acquisition, environmental cleanup, and coordination with the USACE. Beyond the dedicated program management team, the project requires significant resources from staff in the executive, engineering, operations, finance, purchasing, human resources, facilities, information technology, and other teams.



Driver 3: Construction of the Panther Island Canals



The Panther Island canal system is separate and distinct from the USACE Bypass Channel. The canals are locally funded, built, owned and operated without federal funding. They are multi-benefit elements that will provide flood protection, stormwater management, recreation, and economic development benefits.

TRWD is moving into the construction phase of a major portion of the canals and a new park. Design is complete on a significant length of Canal C and Canal D and construction on these elements and a park at the confluence of Canals C and D will begin in Fall of 2026. Excavation on these canal sections has already begun in partnership with Tarrant County. This new phase of canal and park development requires additional resources from the Central City Flood Control Project program management team, engineering, operations, finance, purchasing, and other District teams.

Driver 4: Progress on Panther Island Development

TRWD plans to sell all land on Panther Island that is surplus to construction needs. In 2026, TRWD hired U3 Advisors to sell a portion of that land. Through that process, we learned that many developers are looking for additional progress on the Central City Flood Control Project, Panther Island Canals, and incentive structures prior to making investments.

Significant progress has been made on Panther Island. In late 2026 and early 2027, Panther Island Canals, Bypass Channel North, and a large park at the confluence of Canals C and D will be under construction. The City of Fort Worth also established a Public Improvement District on the island, providing funds for activation, marketing, beautification, and other activities. TRWD has hired a public relations firm to improve communications with potential developers or land purchasers. SECO, an existing landowner on the island, recently signed a development incentive agreement with the City of Fort Worth, paving the way for the start of construction on their development.

This progress will lead the District to reactivate U3 Advisors in the coming year to sell a portion of its land holdings.

Driver 5: Additional recreation opportunities for the public

TRWD's recreation system began as levee maintenance roads and grew into a system of over 75 miles of Trinity Trails. In partnership with other communities, the Trinity Trails is a 100+ mile unified system with 34 trailheads connecting 31 neighborhoods and 21 city parks. Demand for the Trinity Trails and other District recreation assets (e.g. Twin Points Park, Airfield Falls) continues to grow. In response, we are investing in trail lighting, additional trash collection devices, trail signage and striping, and enhanced maintenance.

Employee Related Expenses

The Employee Related budget includes salaries and taxes, health insurance, retirement contributions, and other employee-related expenditures. There are three drivers influencing the budget increase. First, actual employee-related expenditures were 8% less than budget in Fiscal Year 2025. To close that gap, the employee-related expenditures budget in 2026 was *decreased* by 2% while still planning for merit increases, vacancy fill, and a small number of added positions. It is now clear that was too aggressive, especially as hiring improved and vacancies were filled more successfully than anticipated.

Second, employee-related costs continue to be affected by benefit cost escalation, particularly health insurance. Those costs compound across the existing workforce and new positions.

Third, the District is continuing to invest in TRWD's flood control and recreation infrastructure, resulting in an increase in operations, maintenance, and master plan implementation activities. This is driving the need for personnel to keep up with the additional workload.

The proposed Fiscal Year 2027 General Fund includes increases that generally fall into these areas:

- Construction inspectors to support active capital projects and who can later transition into an operational role as assets are placed into service.
- Operations and maintenance personnel needed to maintain floodway and recreation infrastructure.
- Finance and procurement staff needed to support the added volume and complexity of contracts, purchasing, and financial administration.
- Engineering staff needed to support the capital project workload.
- Facilities maintenance staff needed to support both aging facilities and new facilities being added to the system.

Cost Saving Measures

In light of the 2027 increase in employee related expenditures, we are delaying additions to staff on the information technology, physical security, and facilities teams. Though we are deferring some maintenance and lifecycle projects, management believes we can maintain operational coverage in 2027 with a manageable level of risk.

In addition, the District continues to review where work should be contracted rather than staffed internally. Because of our sustained growth, the analysis shows internal staffing is more cost-effective and lower risk over the short and long term. For example, District staff monitor and operate the reservoirs and floodway system. The computer modeling and flood planning are largely done in-house by the same staff that respond during flood conditions. In-house expertise saves money and builds the expertise needed during emergencies. The District's flood modeling experts also contribute to the flood planning and policy discussions within our region and state. This positions the District as an industry leader and a trustworthy partner to funding agencies.

The District also has a robust internal asset management program on the dams, levees, and appurtenances that make up the flood control system. Consistent monitoring and evaluations by internal staff extend the life of our assets and ensure maintenance is completed on time and at the correct frequency.

Enterprise Resource Planning Modernization

An Enterprise Resource Planning (ERP) system is a business management software used to manage daily processes like accounting, procurement, and human resources. For many years, the District used Lawson and Maximo (for asset management) as its ERP systems. In 2024, the District launched a modernization of its accounting, budgeting, procurement and human resources processes. Because Lawson was outdated, not developed for the District's business model, and no longer supported by the developer, the District began a switch to Workday as its ERP system.

This massive modernization to our processes and ERP software requires multiple years. The District is currently in the middle of this change. The intent is to begin using new budgeting software for Fiscal Year 2029 to develop the annual operating budgets. District staff are modernizing how the budget will be presented to the public and Board of Directors to increase transparency and clarity, and to strengthen internal budget management to ensure funds are spent efficiently and in accordance with Board priorities.

KEY:

Actions: *Review/discuss* · *Prepare/assemble* · *Present* · *Deadline* · *Workshop* · *Approval*

Abbreviations: *GM=General Manager* • *CHRO=Chief of Human Resources Officer* • *CFO= Chief Financial Officer* • *CEngO=Chief Engineering Officer* • *BOD=Board of Directors* • *AC=Advisory Committee*

1st QUARTER

OCTOBER

- Start of fiscal year.

NOVEMBER

- GM **reviews previous budget & sets targets** for coming year.
- Project Managers **prepare CIP Plan.**

DECEMBER

- TRWD staff **inputs budgets for coming year.**

2nd QUARTER

JANUARY

- GM **approves CIP Plan.**

FEBRUARY

- Staff **budget entry deadline**, (Feb 28).

MARCH

- Budget Dept **assembles budgets** (Around March 1–21).
- Executives meet to **discuss budget 1st draft** (Around March 22–30).

3rd QUARTER

APRIL

- **Preliminary water rate to customers,** (April 1).
- Budget Dept **prepares Revenue Fund Book**, (Around April 15–30).
- CEngO **presents CIP Plan** to AC then BOD.
- CHRO **recommends Raises %** to Admin/Policy Comm.

MAY

- Budget Dept **prepares General Fund Book**, (Around May 15–30).
- **Long Range Plan**/Special Projects/Cont Fund update

JUNE

- AC **reviews Revenue Fund budget**.

4th QUARTER

JULY

- BOD **workshop Rev Fund**.
- **Certified roll for tax rate received** (July 31).

AUGUST

- BOD **workshop General Fund and Special Projects** (1st week of August).
- BOD sets public hearing to **discuss tax rate and date for Sept. approval.**
- AC **recommends Rev Fund budget** to BOD.

SEPTEMBER

- BOD **approves** Revenue Fund, General Fund, Special Projects Fund and Tax Rate.

TRWD General Fund
FY27 Budget Summary

TRWD Purpose

Enriching communities and improving the quality of life through water supply, flood control, and recreation.

General Fund Budget

TRWD owns and operates the flood control system built by the Army Corps of Engineers after the 1949 Trinity River flood. The General Fund flood control budget is used to maintain that system to protect the public.

The General Fund budget supports the flood control and recreation functions of the District and is supported by tax revenues. The tax rate used to estimate the expected revenues is $0.0273 per $100 valuation.

The Fiscal Year 2027 (FY27) expenditures budget represents a 3.88% increase over the Fiscal Year 2026 budget.

Proposed FY27 General Fund Budget

Expenditures	**FY25 Actuals**	**FY26 Budget Approved**	**FY27 Budget Proposed**	**Change %**
Operating Expenditures	$ 22,791,910	$ 25,888,045	$ 29,157,644	12.63 %
System Improvements & Capital	3,045,917	3,231,510	3,839,580	18.82 %
Subtotal	**25,837,827**	**29,119,555**	**32,997,224**	13.32 %
Capital Reserves	4,847,169	2,880,445	242,776	(91.57)%
Total General Fund Expenditures	**30,684,996**	**32,000,000**	**33,240,000**	**3.88 %**
Revenues				
Taxes	30,684,996	32,000,000	33,240,000	3.88 %
Total Revenues	**30,684,996**	**32,000,000**	**33,240,000**	**3.88 %**

General Fund: Expenditures

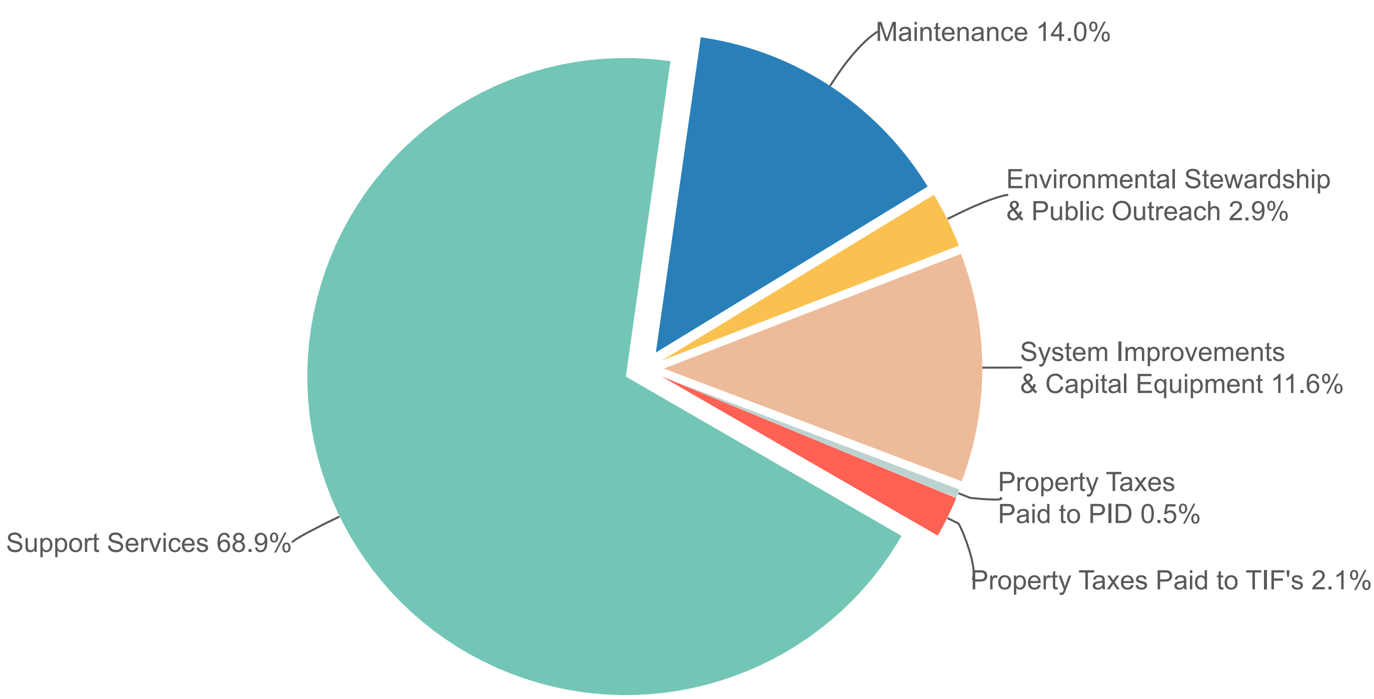
Summary

Expenditure Budget

The District's flood control and recreation missions require a combination of long-term planning and constant evaluation of the current system needs. System improvements and capital equipment support the enhancement of flood control infrastructure and recreation, while maintenance costs preserve the system that is already in place. Support Service costs include the personnel, administrative support, professional services, and information technology needed to execute the District's mission. Capital Reserves are used to fund large capital expenditures in the coming years

Budget Categories	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance	Change %
Maintenance	$ 3,635,524	$ 4,776,031	$ 4,630,379	$ (145,652)	(3.05)%
System Improvements & Capital	3,045,917	3,231,510	3,839,580	608,070	18.82 %
Environmental Stewardship & Public Outreach	782,809	898,998	940,220	41,222	4.59 %
Property Taxes Paid to TIF's	480,061	483,569	693,634	210,065	43.44 %
Property Taxes Paid to PID	—	150,000	150,000	—	— %
Support Services	17,893,516	19,579,447	22,743,411	3,163,964	16.16 %
Subtotal	**25,837,827**	**29,119,555**	**32,997,224**	**3,877,669**	**13.32 %**
Capital Reserves	4,847,169	2,880,445	242,776	(2,637,669)	(91.57)%
Total General Fund Expenditures	**$ 30,684,996**	**$ 32,000,000**	**$ 33,240,000**	**$ 1,240,000**	**3.88 %**

FY27 General Fund Expenditures*

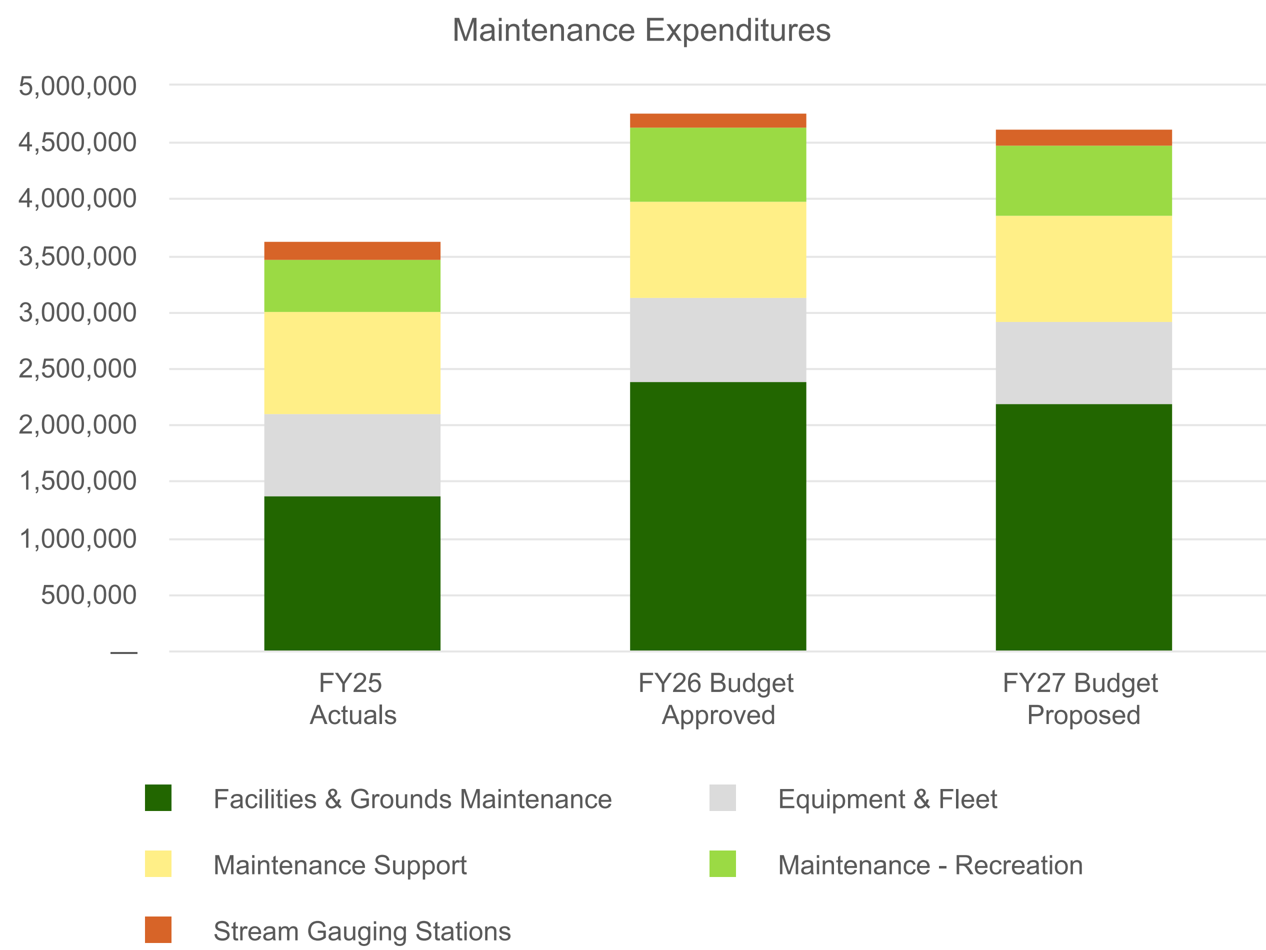


*Excludes the FY27 Capital Reserves budget

Maintenance Expenditures

The District is increasing the level of service it maintains on the floodway in response to growing public use. The overall maintenance budget decreased $145,652 (-3.0%) in fiscal year 2027. This decrease is primarily due to the reduction in FY27's annual sediment removal and erosion control project. FY27 will be the fifth year of a five year permit with USACE for sediment removal and erosion control on the West Fork. During the permit term the Floodway Operations team has budgeted and completed an annual sediment removal project at an estimated cost of $500 thousand per year. However, due to savings in FY26's budget the Floodway Operations team was able to begin the project early. As a result the FY27 budget includes only $300 thousand to finish the project.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Facilities & Grounds Maintenance	$ 1,379,687	$ 2,396,021	$ 2,190,421	$ (205,600)
Equipment & Fleet	731,087	734,710	738,232	3,522
Maintenance Support	900,990	866,210	934,726	68,516
Maintenance - Recreation	461,737	648,950	627,100	(21,850)
Stream Gauging Stations	162,023	130,140	139,900	9,760
Total	**$ 3,635,524**	**$ 4,776,031**	**$ 4,630,379**	**$ (145,652)**



System Improvements and Capital Equipment Expenditures

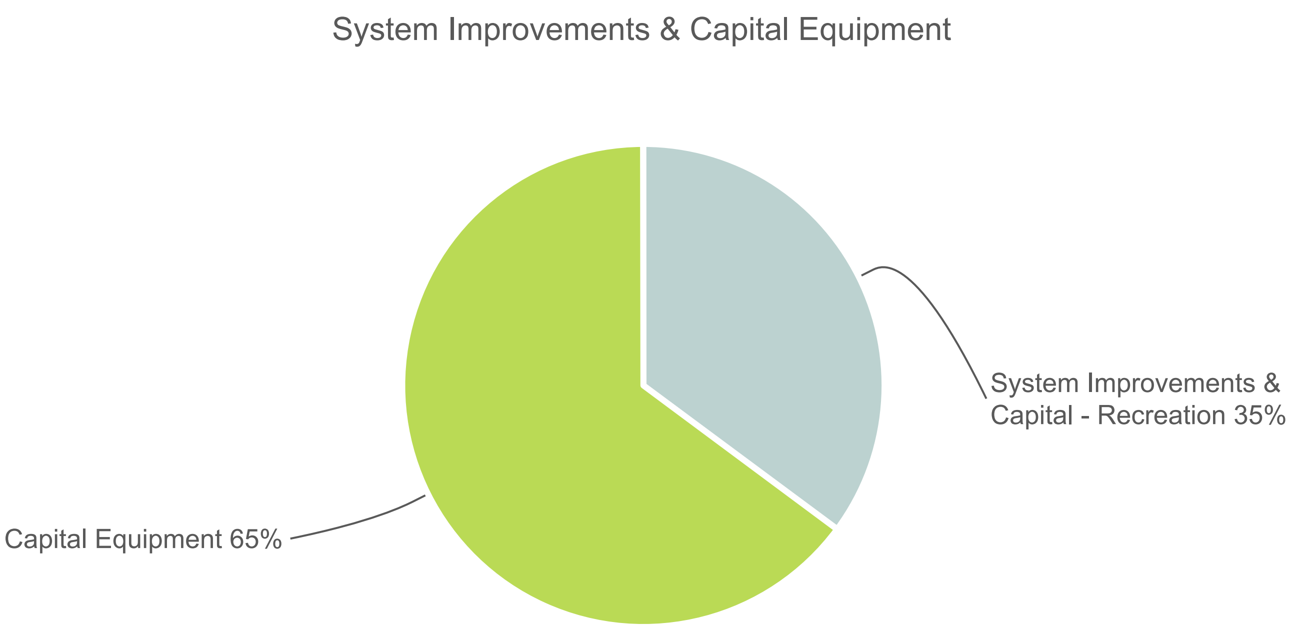
System improvement and capital equipment expenditures are used to improve and repair existing flood control and recreation infrastructure.

The largest expenditures in this budget line are to implement portions of the District's 2025 Recreation Master Plan. The FY27 projects include the continuation of the Trinity Lighted Loop on the Clear Fork which will enhance safety and security while improving the overall trail experience for the public by providing a designated, well-lit location for recreational use. Although the FY26 budget included funding for the Trinity Lighted Loop project, the project timeline was extended and the remaining work is re-budgeted in FY27.

The FY27 Capital Equipment budget reflects planned fleet and equipment replacements needed to support flood control and recreation operations, including an ISO 55000-based fleet asset management strategy shift and replacement of a 19-year-old excavator.

Additional details are shown on the following page.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
System Improvements & Capital - Recreation	$ 337,264	$ 1,615,000	$ 1,350,000	$ (265,000)
Capital Equipment	2,708,653	1,616,510	2,489,580	$ 873,070
Total	**$ 3,045,917**	**$ 3,231,510**	**$ 3,839,580**	**$ 608,070**



System Improvements and Capital Equipment Expenditures

		FY27 Budget Proposed
System Improvements & Capital Equipment - Recreation		
Recreation Master Plan - Signage and Striping		500,000
Recreation Master Plan - Trinity Lighted Loop		800,000
Bandalong Litter Trap Installation		50,000
	$	**1,350,000**
Capital Equipment**		
Pickup Trucks		1,173,000
Wheeled Hydraulic Excavator		690,000
Dump Truck		215,000
Tractors, Mowers, Sprayers		187,000
Miscellaneous Capital Equipment*		224,580
	$	**2,489,580**
Total System Improvements & Capital Equipment	**$**	**3,839,580**

*All individual items listed under “Miscellaneous” are less than $100 thousand.
** The District classifies any machinery or equipment purchases of $10 thousand or more as capital equipment.

Rendering of the Trinity Lighted Loop

Environmental Stewardship and Public Outreach Expenditures

The District acts as a steward of the natural environment and the communities it serves. As owners and operators of the Fort Worth floodway, protecting the quality of the water in the Trinity River is a priority of the District.

The net increase of $50,252 (7.5%) in the Public Outreach & Events budget is largely due to slight increases in costs of events as well as the addition of an Arbor Day event.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Environmental Stewardship	37,503	54,300	45,270	(9,030)
Public Outreach & Events (see detail below)	745,306	844,698	894,950	50,252
Total	**$ 782,809**	**$ 898,998**	**$ 940,220**	**$ 41,222**

Public Outreach & Events Detail	FY26 Budget Approved	FY27 Budget Proposed
Fort Worth's Fourth	$ 556,800	$ 502,000
Flyfest & Trout Stocking	77,500	100,000
Trash Bash	78,700	82,000
Mayfest	32,000	37,000
Arbor Day (new event)	—	35,000
Community Sponsorships	16,355	29,115
Other Public Outreach & Events	83,343	109,835
	$ 844,698	**$ 894,950**

The District organizes and hosts a variety of annual events that align with its mission to enhance quality of life and promote active lifestyles across North Texas communities. These events—including Fort Worth’s Fourth, Flyfest, Trash Bash, Mayfest, Kid Fish, and Youth Hunts are either hosted by the District or supported in partnership with other organizations.

Property Taxes Paid to TIF’s and PID

TRWD has agreed to participate in a number of tax increment financing (TIF) agreements to reinvest a portion of property taxes collected in programs that support economic development within District communities. In FY25 TIFs #3, #3A, and #8 were extended for an additional 20 years and the funding caps were removed.

Property Taxes Paid to TIF's	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
TIFs #3 & 3A Downtown	—	—	111,621	111,621
TIF #8 Lancaster	—	—	74,575	74,575
TIF #9 Trinity River Vision	178,986	189,581	190,667	1,086
TIF #12 East Berry	46,908	38,400	49,811	11,411
TIF #13 Woodway	108,099	121,326	99,461	(21,865)
TIF #14 Trinity Lakes	91,571	78,005	93,299	15,294
TIF #15 Stockyards	54,497	56,257	74,200	17,943
Total	**$ 480,061**	**$ 483,569**	**$ 693,634**	**$ 210,065**

Panther Island landowners established a Public Improvement District (PID) on Panther Island. TRWD has agreed to participate. The FY27 budget includes the anticipated PID assessment.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Property Taxes Paid to PID	**$ —**	**$ 150,000**	**$ 150,000**	**$ —**

Support Services

Summary

Support services make up 68% of the fiscal year 2027 General Fund budget and serve to support the District's efforts in providing flood control and recreation to the communities served by the District. The largest portion of this cost is the District's investment in its people, resulting in employee retention, low turnover rates, employee engagement, and a stable culture. Additional details are given on the following pages.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Employee Related	$ 13,504,458	$ 14,387,249	$ 17,192,763	$ 2,805,514
Professional Services	1,296,431	1,827,542	1,805,521	(20,938)
Administrative Support	2,201,149	2,440,501	2,767,007	326,506
Information Technology	891,478	924,155	978,120	53,965
Total	**$ 17,893,516**	**$ 19,579,447**	**$ 22,743,411**	**$ 3,165,047**

Support Services

Employee-Related Expenditures

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance	Change %
Salaries and Taxes	$ 10,035,094	$ 10,132,755	$ 12,272,148	$ 2,139,393	21.11 %
Group Health Insurance	1,620,923	2,534,927	2,889,486	354,559	13.99 %
Retirement Contribution	1,136,275	1,120,135	1,357,747	237,612	21.21 %
Other Post Employment Benefits	492,811	—	—	—	— %
Other Employee-Related Expenditures	219,355	599,432	673,382	73,950	12.34 %
Total	**$ 13,504,458**	**$ 14,387,249**	**$ 17,192,763**	**$ 2,805,514**	**19.50 %**

The Employee Related budget includes salaries and taxes, health insurance, retirement contributions, and other employee-related expenditures. There are three drivers influencing the increase.

First, actual employee-related expenditures were 8% less than budget in Fiscal Year 2025. To close that gap, the employee-related expenditures budget in 2026 was decreased by 2% while still planning for merit increases, vacancy fill, and added positions.

Second, employee-related costs continue to be affected by benefit cost escalation, particularly health insurance. Those costs compound across the existing workforce and new positions.

Third, the District is continuing to invest in TRWD’s flood control and recreation infrastructure, resulting in an increase in operations, maintenance, and master plan implementation activities. This is driving the need for personnel to keep up with the additional workload.

Support Services

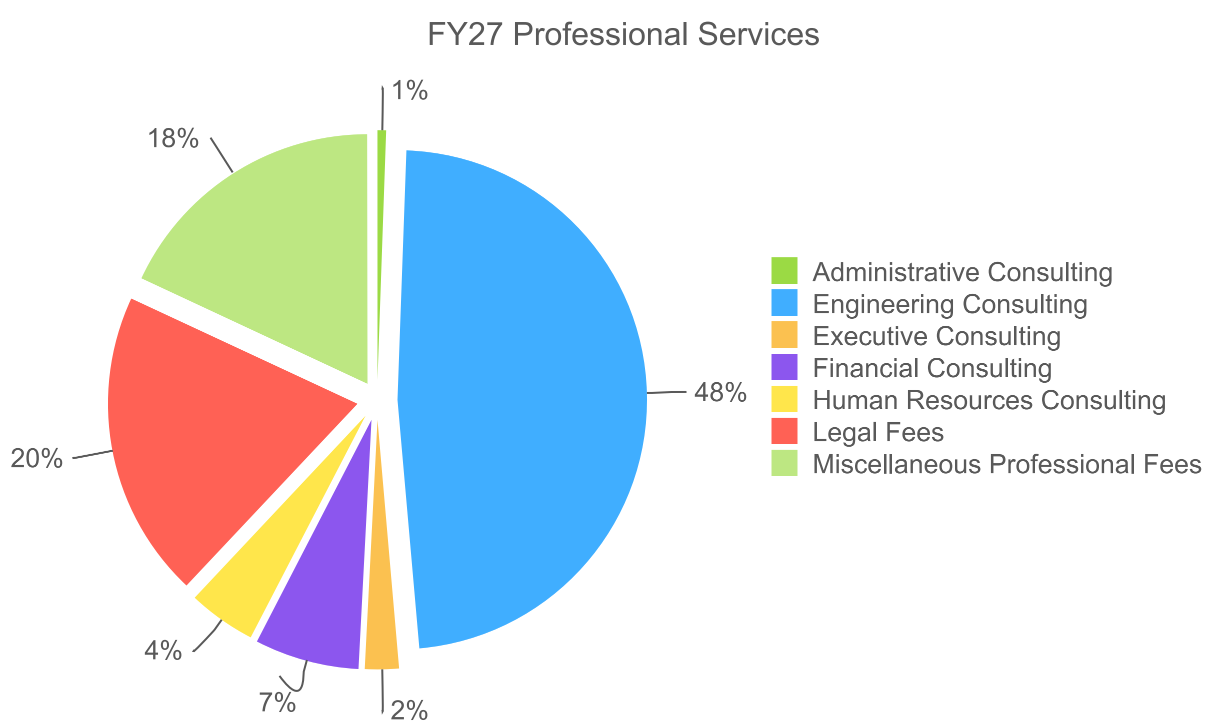
Professional Services

Professional services are provided by external vendors with specialized technical expertise to support the District's flood control and recreation efforts. Administrative consulting provides professional support for financial, human resource, and other administrative efforts. These services are generally used on an as needed basis.

The increase in Engineering Consulting is largely due to the planned economic analysis for Mary's Creek Flood Control Reservoir, which is schedule to take place in FY27.

The decrease in Miscellaneous Professional Fees is primarily due to the reclassification of the IT-related costs in the FY27 budget. In FY26 $144 thousand of IT professional costs was included in this category. For FY27 $120 thousand has been reallocated to the Information Technology Software line as these costs support the District's software needs.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Administrative Consulting	$ 6,729	$ 10,269	$ 10,269	$ —
Engineering Consulting	535,154	793,847	867,450	73,603
Executive Consulting	22,500	39,900	39,900	—
Financial Consulting	96,639	122,606	122,606	—
Human Resources Consulting	61,182	61,275	79,420	18,145
Subtotal Consulting Fees	$ 722,204	$ 1,027,897	$ 1,119,645	$ 91,748
Legal Fees	200,724	359,850	359,850	—
Miscellaneous Professional Fees	373,503	439,795	326,026	(113,769)
Total Professional Services	**$ 1,296,431**	**$ 1,827,542**	**$ 1,805,521**	**$ (22,021)**



Support Services

Administrative Support Expenditures

Administrative support services consist of a variety of overhead expenditures that support the District's flood control and recreation systems as a whole.

In FY25, the General Fund began reimbursing the Revenue Fund for its share of the new TRWD Service Center. In FY25 and FY26 these payments were calculated based on design costs. In FY26 the District entered into a construction contract for the Service Center. The FY27 payment is calculated using the design and construction costs combined.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Property Tax Collection	$ 886,020	$ 950,000	$ 900,000	$ (50,000)
TRWD Service Center Lease	500,000	500,000	950,000	450,000
Insurance	268,832	303,763	333,307	29,544
Utility Costs	293,867	327,445	340,590	13,145
Administrative Building Maintenance	34,393	27,062	24,550	(2,512)
Communication Equipment	35,122	74,080	55,035	(19,045)
Memberships	56,692	43,342	39,948	(3,394)
Legal Notices	1,388	1,820	1,630	(190)
Other Administrative Support	124,835	212,989	121,947	(91,042)
Total	**$ 2,201,149**	**$ 2,440,501**	**$ 2,767,007**	**$ 326,506**

Support Services

Information Technology

Information Technology supports the District's technology needs. In FY27 the District's IT Team is budgeting for two major initiatives: (1) shifting the Microsoft Enterprise licensing to prepare for the greater use of the Copilot AI solution and (2) the Maximo Comprehensive Maintenance System required lifecycle upgrade.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Software	$ 789,775	$ 640,295	$ 830,300	$ 190,005
Hardware	101,703	283,860	147,820	(136,040)
Total Information Technology	**$ 891,478**	**$ 924,155**	**$ 978,120**	**$ 53,965**

Capital Reserves

As part of the annual budgeting process, the District looks at what our future cash needs will be over the next 10-15 years, and what large projects it foresees that could not be accomplished in an annual Operating Budget. Cash needs will be met through a combination of land sales, stormwater fees, oil and gas royalties, miscellaneous revenues (including leases, permits and equipment sales), and capital reserves.

An example of a large project is the Panther Island Canals. The Canal system is a critical Panther Island feature that will manage drainage on the island. Fortunately, the District has been planning and accumulating cash for the Phase I segment that will begin construction in late 2026. Future segments are anticipated no sooner than 2030 after the North Main Street bridges are constructed and contingent upon the pace of development and the ability of the City to fund related bridge and street infrastructure. While the District will only build canal sections as sufficient resources are available, development progress is critical for TIF performance to generate revenue for the Central City local costs (i.e. debt service).

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Capital Reserves	4,847,169.00	2,880,445.00	$242,776	$(2,637,669)

Rendering of a section of the Panther Island Canal System

General Fund: Revenues

Sources of Revenue

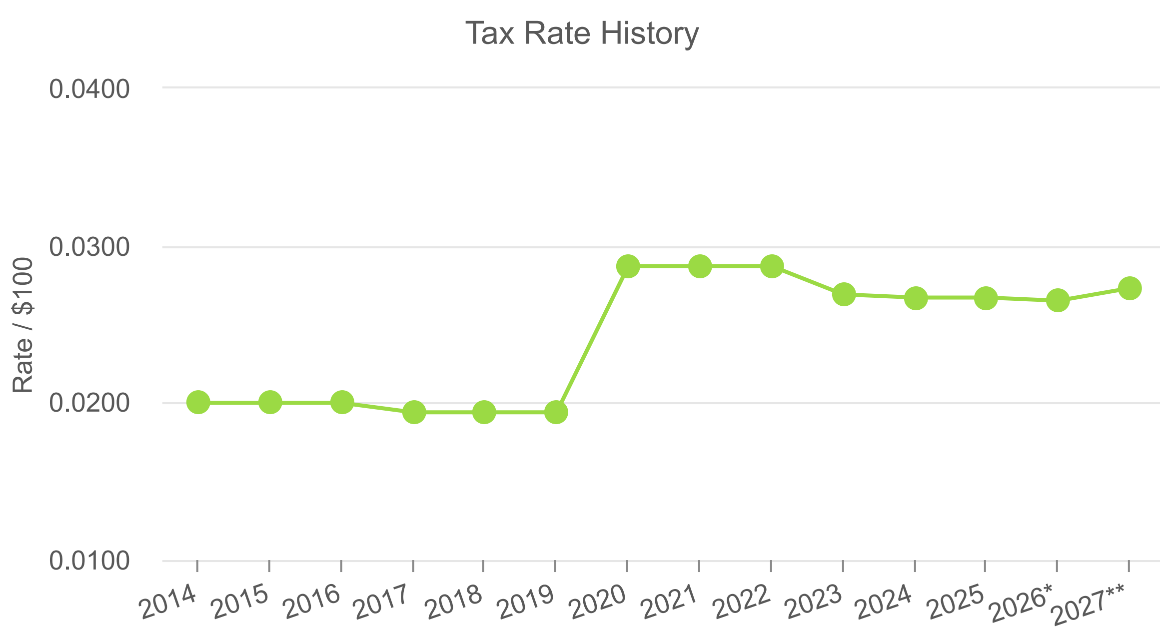
Tax Revenues

The flood control and recreation missions of the District are funded by the collection of property taxes.

As a governmental entity, the District is empowered to levy and collect ad valorem taxes to meet the maintenance, operations, and capital expenses of its systems. The approved budget for fiscal year 2027 estimates the tax revenues to be collected, using the 2026 ad valorem tax rate of $0.0273 per $100 valuation, to be approximately $33.2 million. This is based on a net taxable value of approximately $121.8 billion and represents a projected tax burden of approximately $82.70 for an average home valued at $302,919.

Tax Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Property Tax Revenue	$ 30,684,996	$ 32,000,000	$ 33,240,000	$ 1,240,000

	2026 Approved Rate	2027 Approved Rate	Increase/(Decrease)
Average Appraised value of Residence Homestead (per Tarrant Appraisal District)	$290,901	$302,919	$12,018
Tax Rate	.0265/100	.0273/100	.0008/100
Average Tax	$77.09	$82.70	$5.61



*Budgeted tax rate
* *Proposed tax rate

General Fund - Flood Control FY27 Budget

Expenditures		FY25 Actuals		FY26 Budget Approved		FY27 Budget Proposed		Variance	Change %	Notes
Maintenance										
Facilities & Grounds Maintenance	$	1,379,687	$	2,396,021	$	2,190,421	$	(205,600)	(8.58)%	
Equipment & Fleet		731,087		734,710		738,232		3,522	0.48%	
Maintenance Support		900,990		866,210		934,726		68,516	7.91%	
Stream Gauging Stations		162,023		130,140		139,900		9,760	7.50%	
Total Maintenance		3,173,787		4,127,081		4,003,279		(123,802)	(3.00)%	
System Improvements & Capital		2,708,653		1,616,510		2,489,580	$	873,070	54.01%	
Recreation										
Maintenance		461,737		648,950		627,100		(21,850)	(3.37)%	
System Improvements & Capital Equipment		337,264		1,615,000		1,350,000		(265,000)	(16.41)%	1
Total Recreation	$	799,001	$	2,263,950	$	1,977,100	$	(286,850)	(12.67)%	
Environmental Stewardship & Public Outreach										
Environmental Stewardship		37,503		54,300		45,270		(9,030)	(16.63)%	
Public Outreach & Events	$	745,306	$	844,698	$	894,950	$	50,252	5.95%	
Total Environmental Stewardship and Public Outreach		782,809		898,998		940,220		41,222	4.59%	
Property Taxes Paid to TIF's	$	480,061	$	483,569	$	693,634	$	210,065	43.44%	
Property Taxes Paid to PID	$	—	$	150,000	$	150,000	$	—	—%	
Support Services										
Employee Related	$	13,504,458	$	14,387,249	$	17,192,763	$	2,805,514	19.50%	2
Administrative Support		2,201,149		2,440,501		2,767,007		326,506	13.38%	3
Professional Services		1,296,431		1,827,542		1,805,521		(22,021)	(1.20)%	
Information Technology		891,478		924,155		978,120		53,965	5.84%	
Total Support Services		17,893,516		19,579,447		22,743,411		3,163,964	16.16%	
Subtotal	**$**	**25,837,827**	**$**	**29,119,555**	**$**	**32,997,224**		**3,877,669.00**	**12%**	
Capital Reserves		4,847,169.00		2,880,445		242,776		(2,637,669)	(1086)%	
Total General Fund Expenditures	**$**	**30,684,996**	**$**	**32,000,000**	**$**	**33,240,000**	**$**	**1,240,000**	**3.88 %**	

Revenues		FY25 Actuals		FY26 Budget Approved		FY27 Budget Proposed		Variance	Change %
Taxes	$	30,684,996	$	32,000,000	$	33,240,000	$	1,240,000	3.88%
Total Revenues	**$**	**30,684,996**	**$**	**32,000,000**	**$**	**33,240,000**	**$**	**1,240,000**	**3.88 %**

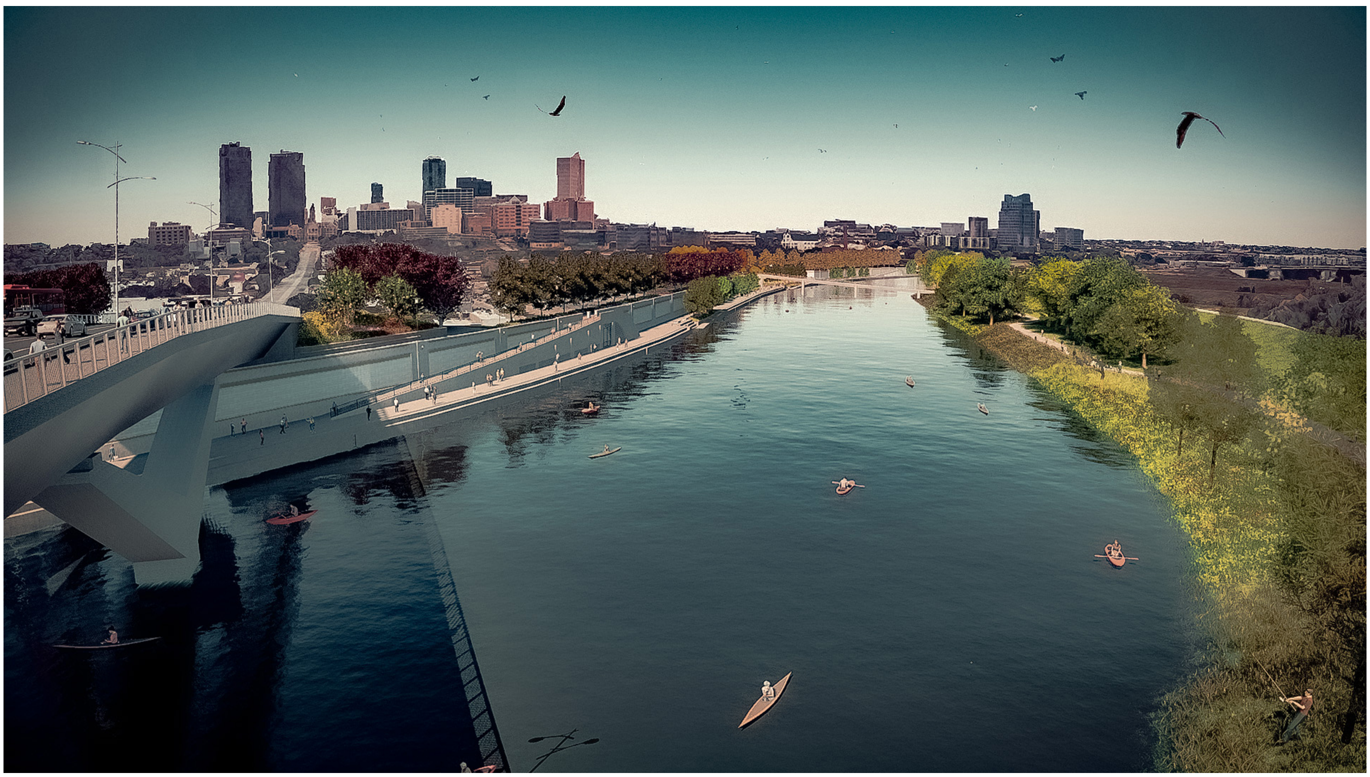
Variance Explanations

1. System and Capital Improvements - Recreation - The FY27 projects include the continuation of the Trinity Lighted Loop on the Clear Fork which will enhance safety and security while improving the overall trail experience for the public by providing a designated, well-lit location for recreational use. Although the FY26 budget included funding for the Trinity Lighted Loop project, the project timeline was extended and the remaining work is re-budgeted in FY27.

2. Employee Related - The Employee Related budget includes salaries and taxes, health insurance, retirement contributions, and other employee-related expenditures. There are three drivers influencing the increase in employee-related expenditures:
    a. First, actual employee-related expenditures were 8% less than budget in Fiscal Year 2025. To close that gap, the employee-related expenditures budget in 2026 was decreased by 2% while still planning for merit increases, vacancy fill, and added positions.
    b. Second, employee-related costs continue to be affected by benefit cost escalation, particularly health insurance. Those costs compound across the existing workforce and new positions.
    c. Third, the District is continuing to invest in TRWD's flood control and recreation infrastructure, resulting in an increase in operations, maintenance, and master plan implementation activities. This is driving the need for personnel to keep up with the additional workload.

3. Administrative Support - The increase is mainly due to the increase in the General Fund's payment for its portion of the new TRWD Service Center. In FY25, the General Fund began reimbursing the Revenue Fund for its share of the new TRWD Service Center. In FY25 and FY26 these payments were calculated based on design costs. In FY26 the District entered into a construction contract for the Service Center. The FY27 payment is calculated using the design and construction costs.

Governmental Contingency Fund



Rendering of the future North Bypass Channel

Governmental Contingency Fund
FY27 Budget Summary

The Governmental Contingency Fund consists of Special Projects and Capital Projects.

Special Project expenditures are generally large projects that could not be accomplished in an annual operating budget and can span multiple years (i.e. canals, betterments, and USACE cash match). The revenues are from non-operating income to support special projects approved by the Board. Recreation event expenditures are included in the General Fund and their revenues are in the Governmental Contingency Fund - Special Projects.

Capital Projects includes public improvements of the floodway and related infrastructure with general obligation bond proceeds funding these improvements. Additionally, TIF revenues for the Central City Flood Control Project and related debt service are budgeted here; the TIF proceeds are used to pay the annual debt service.

Special Projects:

Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Panther Island	$ 3,580,041	$ 13,700,000	$ 39,870,000	$ 26,170,000
Central City	350,000	1,228,200	1,671,000	442,800
Total Expenditures	**$ 3,930,041**	**$ 14,928,200**	**$ 41,541,000**	**$ 26,612,800**

Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Oil and Gas	$ 4,908,156	$ 5,000,000	$ 5,000,000	$ —
Interest Income	7,215,801	4,100,000	5,100,000	1,000,000
Capital Reserves	4,847,169	2,880,445	242,776	(2,637,669)
Recreation Revenues	943,112	994,600	925,000	(69,600)
Leases, Permits, & Other Income	1,479,807	1,589,663	1,318,615	(271,048)
Total Revenues	**$ 19,394,045**	**$ 14,564,708**	**$ 12,586,391**	**$ (1,978,317)**

Capital Projects:

Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Debt Service	$ 2,034,123	$ 4,862,600	$ 4,783,694	$ (78,906)
TIF Revenues held for future Debt Service Pmts	5,494,548	3,184,098	4,716,306	1,532,208
Total Expenditures	**$ 7,528,671**	**$ 8,046,698**	**$ 9,500,000**	**$ 1,453,302**

Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
TIF Revenues	7,528,671	8,046,698	9,500,000	1,453,302
Total Revenues	**$ 7,528,671**	**$ 8,046,698**	**$ 9,500,000**	**$ 1,453,302**

Special Projects: Expenditures

Special Projects Expenditures Summary

The Governmental Contingency Fund provides funding for special projects approved by the Board that support the mission of the District.

As part of its flood control mission, the District will need to build canals on Panther Island that will function as flood control and stormwater management.

The Phase I Canal Project includes:

1. Design of Canals B, C, and D within the levees; the 3-acre park on Calhoun; the Paseos on Canal C and Canal D from N. Main to the eastern edge of the park.
2. Construction of portions of Canal C, Canal D, and the adjacent paseos; the park; and the Canal D swale.

The total Phase I Project budget is $50 million. Construction of Phase I of the Canal System will begin in FY27, with cash flow requirements reflected in the budget below. The FY27 budget also includes $1.5 million to conclude right-of-way acquisition to support the Canal System on the north island.

Funding for activation to support the emerging development is included as a placeholder while consultant recommendations are prioritized. Funds may be used for events and temporary site improvements to draw people to Panther Island as the transformation takes shape. Additional or offsetting resources will be pursued from the Public Improvement District and adjacent private developers.

This fund also supports program management expenses for the Central City Flood Control project and payments to the North Central Texas Council of Governments for annual bridge payments through 2032. A portion of the 2018 bond program was allocated to Central City program management expenses but was exhausted in mid-FY26. Therefore, the FY26 budget amount reflects only a partial year's expense, while the increase for FY27 reflects a full-year of costs after the planned transition to the Governmental Contingency Fund. Both are reimbursable from the Tax Increment Finance District.

Panther Island Canal - Phase I Expenditures	Phase I Canal Project Budget	FY25 Actuals	FY26 Budget Approved	FY26 Project Forecast	FY27 Budget Proposed	Estimated Project Budget Remaining for FY28
Panther Island Canal - Phase I						
Canal System Construction	$45,580,500	$ —	$ 9,400,000	$ 150,000	$36,000,000	$ 9,430,500
Canal System Design	4,419,500	1,066,263	3,000,000	1,953,237	1,400,000	—
Panther Island Canal - Phase I Total	**$50,000,000**	**$ 1,066,263**	**$12,400,000**	**$ 2,103,237**	**$37,400,000**	**$ 9,430,500**

Panther Island & Central City Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Panther Island Expenditures				
Canal Right-of-Way Purchase	$ 1,729,900	$ 500,000	$ 1,500,000	$ 1,000,000
Panther Island Consulting	783,878	650,000	470,000	(180,000)
Panther Island Activation	—	150,000	500,000	350,000
Panther Island Expenditures Total	**$ 2,513,778**	**$ 1,300,000**	**$ 2,470,000**	**$ 1,170,000**
Central City				
Program Management	$ —	$ 878,200	$ 1,321,000	$ 442,800
NCTCOG Bridge Payment	350,000	350,000	350,000	—
Central City Total	**350,000**	**1,228,200**	**1,671,000**	**442,800**
Total Expenditures	**$ 3,930,041**	**$14,928,200**	**$41,541,000**	

Public Improvement District No. 23 - Panther Island

The City of Fort Worth established the Fort Worth Public Improvement District No. 23 – Panther Island (PID) in FY26 to fund maintenance and improvement activities within Panther Island. The PID is funded through assessments on current property owners with funds held by the City of Fort Worth. For FY27, it is anticipated that private property owners will be assessed at a rate of two cents. In addition, public property owners, including the District, have entered into voluntary participation agreements to be assessed at a rate of 16.5 cents. The District has budgeted $150 thousand in the General Fund for FY27 to meet this contractual obligation.

The District has entered into a contract with the City of Fort Worth to manage the PID during its initial years. In this role, the District will provide or contract for activities included in the PID budget. These activities will be reimbursed by the City of Fort Worth with available PID funds.

The FY27 proposed PID budget will be considered by the Fort Worth City Council in August and includes $217 thousand in improvement and maintenance expenditures.

Public Improvement District No. 23 - Panther Island FY27 Budget

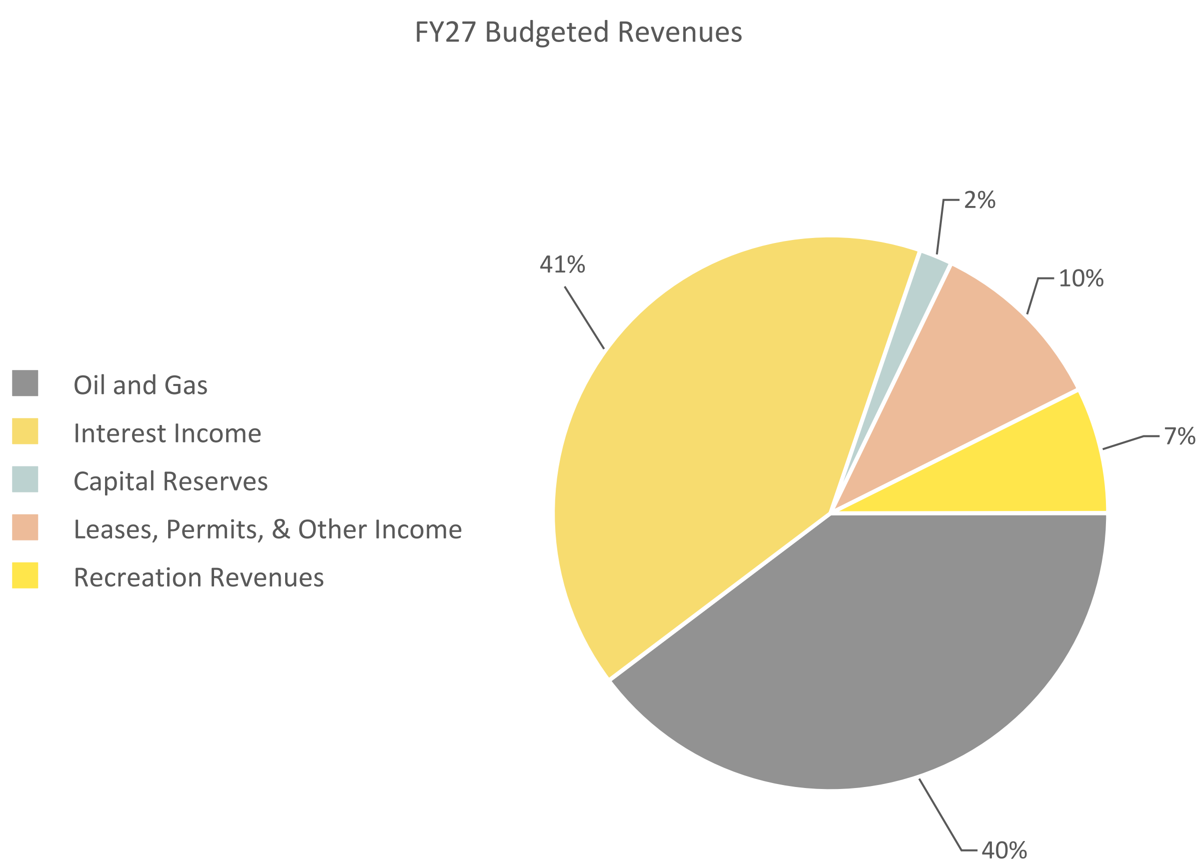
Revenues	
PID Assessments	$ 20,857
COFW Assessments	663
TRWD Assessments	126,218
Tarrant County Assessments	24
Tarrant County College Assessments	15,490
Total Budgeted Revenues	**163,252**
Use of prior year fund balance	53,848
Total Revenues	**$ 217,100**
Expenses	
City Administrative Fee	$ 3,265
Operations and Maintenance	50,000
Security Enhancements	50,000
Marketing	60,000
Public Events	50,000
Audit and Compliance	3,835
Total Budgeted Expenses	217,100
Contribution to fund balance	—
Total Expenses	**$ 217,100**

Special Projects: Revenues

Special Projects Sources of Revenue
Summary

The District earns revenues from oil and gas, interest income, leases, permits, fees, recreation and other income. These revenues are held in a separate Governmental Contingency Fund to support special projects specifically approved by the Board.

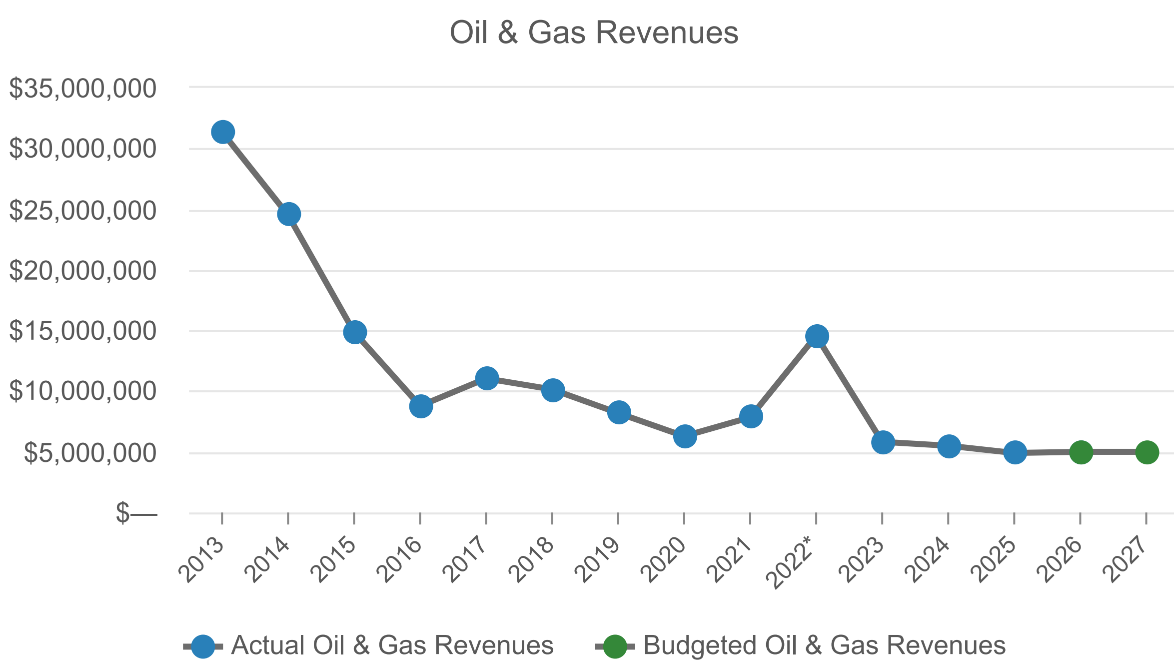
	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Oil and Gas	$ 4,908,156	$ 5,000,000	$ 5,000,000	$ —
Interest Income	7,215,801	4,100,000	5,100,000	1,000,000
Capital Reserves	4,847,169	2,880,445	242,776	(2,637,669)
Recreation Revenues	943,112	994,600	925,000	(69,600)
Leases, Permits, & Other Income	1,479,807	1,589,663	1,318,615	(271,048)
Total Revenues	**$ 19,394,045**	**$ 14,564,708**	**$ 12,586,391**	**$ (1,978,317)**



Special Projects Sources of Revenue
Oil & Gas Royalties

The majority of revenue from oil and gas royalties is generated from mineral interests located in Wise, Jack and Tarrant counties under and surrounding Lake Bridgeport and Eagle Mountain Lake. Due to uncertainty of oil and gas production, these revenues are set aside as a contingency.

The chart below illustrates the actual revenues received from oil and gas royalties for the past 13 years and the budgeted revenues for fiscal years 2026 and 2027. Prior to fiscal year 2020, oil and gas revenues were in the General Fund. In fiscal year 2020 these revenues were moved here to the Governmental Contingency Fund due to the variability of this revenue source.



*In FY22 the District received $14.6 million in oil and gas royalties which is $8.6 million more than prior years due to higher oil and gas prices and production growth during the year.

Interest Income

The District invests in US government and agency fixed income securities as well as investments in Local Government Investment Pools. The portfolio has a maximum maturity of three years, however the majority of the portfolio is invested in shorter term investments to be available if needed. To be conservative, the District is assuming a 2.5% interest rate in fiscal year 2027.

	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed
Interest Income	$ 7,215,801	$ 4,100,000	$ 5,100,000

Special Projects Sources of Revenue

Recreation Revenues

Recreation revenues are revenues earned in relation to recreation-type activities on District property. The majority of these revenues are boat ramp and park entry fees from Twin Points Park. The reduction in Panther Island venue fees reflects a decline in scheduled events in fiscal year 2027. The decrease in Recreation event revenues is mainly due to decreased sponsorships received in fiscal year 2026, and we are projecting a similar sponsorship outlook for fiscal year 2027.

Recreation Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Twin Points Park Fees	$ 559,830	$ 556,000	$ 556,000	$ —
Panther Island Venue Fees	197,269	250,000	195,000	(55,000)
Recreation Events	186,013	188,600	174,000	(14,600)
Total	**$ 943,112**	**$ 994,600**	**$ 925,000**	**$ (69,600)**

Leases, Permits & Other Income

The District collects revenues from leases and permits paid to use District property. Historically, the revenues from leases of Coyote Drive-in, Woodshed Restaurant and other locations on Bridgeport and Eagle Mountain lakes were used to offset recreation-type expenditures. In fiscal year 2024 these related expenditures were moved to the General Fund, while their revenues remained in the Governmental Contingency Fund.

The construction of the first canal is anticipated to begin early FY27. This canal segment is located at the current Coyote Drive-in location, therefore the Coyote Drive-in lease will not continue in FY27.

Leases, Permits & Other Income	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Annex East, West and Garage Lease	$ 602,391	$ 602,391	$ 602,391	$ —
Coyote Drive-In Theater Lease	177,656	175,000	—	(175,000)
Woodshed Restaurant Lease	182,958	175,000	175,000	—
Bridgeport/Eagle Mountain Leases	155,119	165,725	153,747	(11,978)
Other Floodway Leases & Permits	164,224	194,847	173,977	(20,870)
Land, Equipment, & Sand Sales	69,086	256,700	193,500	(63,200)
Miscellaneous Revenues	128,373	20,000	20,000	—
Total	**$ 1,479,807**	**$ 1,589,663**	**$ 1,318,615**	**$ (271,048)**

Capital Projects

Capital Projects - Central City Flood Control Project

In May 2018 a special bond election was held and the voters approved $250 million in bonds to finance the remaining outstanding local share of the Central City Flood Control Project. This $250 million will be repaid by the Tax Increment Reimbursement Zone Number Nine (TIF9) in accordance with the project costs funding agreement. The first bond proceeds ($50m) were received in August 2024 and the second tranche ($50m) was received August 2025. The bond proceeds are used to pay budgeted project costs and the TIF9 revenues will be used to pay debt service. The table below illustrates how the TIF Revenues collected will offset the budgeted debt expenditures for fiscal year 2027.

Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
Debt Service	$ 2,034,123	$ 4,862,600	$ 4,783,694	$ (78,906)
TIF Revenues held for future Debt Service Pmts	5,494,548	3,184,098	4,716,306	1,532,208
Total Expenditures	**$ 7,528,671**	**$ 8,046,698**	**$ 9,500,000**	**$ 1,453,302**

Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance
TIF Revenues	$ 7,528,671	$ 8,046,698	$ 9,500,000	$ 1,453,302
Total Revenues	**$ 7,528,671**	**$ 8,046,698**	**$ 9,500,000**	**$ 1,453,302**

Central City Flood Control Project utility relocation work making way for bypass channel construction

Central City Flood Control Project
Proposed FY27 Budget

The Central City Flood Control Project costs are funded with bond proceeds and paid for with TIF Revenues reserved for debt service payments.

TRWD		FY27 Budget Proposed
Cash Match	$	3,800,000
Betterments - Bypass Local Share (Pedestrian Bridge Design)		6,455,576
Land Acquisition		100,000
Relocation		112,107
Demolition		1,063,428
Environmental		1,552,587
Subtotal TRWD	**$**	**13,083,698**

City of Fort Worth		FY27 Budget Proposed
Sewer & Water Relocation Reimbursement	$	21,738,696
Storm Water Relocation		1,871,441
Franchise Utilities		5,996,922
Gateway Park		4,477,346
Subtotal City of Fort Worth	**$**	**34,084,405**

Total Central City Flood Control Project	**$**	**47,168,103**

Governmental Contingency Fund - FY27 Budget

Special Projects

Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance	Notes
Panther Island Canal - Phase One					
Canal System Construction	$ —	$ 9,400,000	$ 36,000,000	$ 26,600,000	1
Canal System Design	1,066,263	3,000,000	1,400,000	(1,600,000)	1
Total Panther Island Canal - Phase One	**1,066,263**	**12,400,000**	**37,400,000**	**25,000,000**	
Panther Island Expenditures					
Canal Right-of-Way Purchase	$ 1,729,900	$ 500,000	$ 1,500,000	$ 1,000,000	
Panther Island Consulting	$ 783,878	$ 650,000	$ 470,000	$ (180,000)	2
Panther Island Activation	$ —	$ 150,000	$ 500,000	$ 350,000	
Total Panther Island Expenditures	**$ 2,513,778**	**$ 1,300,000**	**$ 2,470,000**	**$ 1,170,000**	
Central City					
Program Management	—	878,200	1,321,000	442,800	3
NCTCOG Bridge Payment	350,000	350,000	350,000	—	4
Total Central City	**350,000**	**1,228,200**	**1,671,000**	**442,800**	
Total Expenditures	**$ 3,930,041**	**$ 14,928,200**	**$ 41,541,000**	**$ 26,612,800**	

Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance	Notes
Oil and Gas	$ 4,908,156	$ 5,000,000	$ 5,000,000	$ —	
Interest Income	7,215,801	4,100,000	5,100,000	1,000,000	5
Capital Reserves	4,847,169	2,880,445	242,776	(2,637,669)	6
Recreation Revenues	943,112	994,600	925,000	(69,600)	
Leases, Permits, & Other Income	1,479,807	1,589,663	1,318,615	(271,048)	
Total Revenues	**$ 19,394,045**	**$ 14,564,708**	**$ 12,586,391**	**$ (1,978,317)**	

Capital Projects

Expenditures	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance	Notes
Debt Service	$ 2,034,123	$ 4,862,600	$ 4,783,694	$ (78,906)	
TIF Revenues held for future Debt Service Pmts	5,494,548	3,184,098	4,716,306	1,532,208	
Total Expenditures	**$ 7,528,671**	**$ 8,046,698**	**$ 9,500,000**	**$ 1,453,302**	

Revenues	FY25 Actuals	FY26 Budget Approved	FY27 Budget Proposed	Variance	Notes
TIF Revenues	$ 7,528,671	$ 8,046,698	$ 9,500,000	$ 1,453,302	
Total Revenues	**$ 7,528,671**	**$ 8,046,698**	**$ 9,500,000**	**$ 1,453,302**	

Variance Explanations

Special Projects

1. **Canals** - As part of its flood control mission, TRWD will build canals on Panther Island that will function as flood control and stormwater management. This construction is anticipated to begin early FY27.

2. **Panther Island Consulting** - The FY26 budget included a contract for real estate and advisory services; this contract was suspended in Q2 of FY26 with the intent to reengage in the near future. The FY27 budget includes five months of support services.

3. **Program Management** - In FY26 the program management costs exceeded the GO bond budget and the excess costs were funded through the Governmental Contingency Fund. The FY27 budget includes a full year of program management expenses.

4. **NCTCOG Bridge Payment -** In FY27 the fifth of ten payments will be made

5. **Interest Income** - To be conservative, the District is assuming a 2.5% interest rate for short-term investments for FY27.

6. **Capital Reserves** - The Capital Reserves was established in FY26 for future cashflow needs. These revenues will be used to fund large projects that cannot be completed within the Operating Budget.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: August 4, 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 Conflicts with Chapter 551

DISCUSSION:

- Pending litigation

Submitted By:

Stephen Tatum
General Counsel

Next Scheduled Board Meeting

August 18, 2026 at 9:00 AM