

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 21<sup>st</sup> Day of September 2021 at 9:00 a.m.**

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

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

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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. If citizens wish to address the Board in person, each proposed speaker must have completed and submitted a speaker card prior to the commencement of the meeting identifying, if the speaker wishes to address the Board regarding a specific agenda item, the agenda item number(s) and topic(s). If citizens wish address the Board virtually, each proposed speaker must have contacted Mr. Chad Lorange of TRWD, by telephone at (817) 720-4367 or by email at [chad.lorange@trwd.com](mailto:chad.lorange@trwd.com), by no later than 3:00 P.M. on Monday, September 20, 2021 , identifying, if the speaker wishes to address the Board regarding specific agenda item(s), the agenda item number(s) and topic(s). In such event, each such member of the public will be provided with a dial-in number to address the Board. By law, the Board may not deliberate, debate or take any action on public comment but may place the item on a future agenda.**

**3. Consider Approval of the Minutes from the Meeting Held on August 17, 2021**

**4. Discuss and Consider Approval and Adoption of Proposed Board Governance Policy - Dan Buhman, General Manager**

5. **Consider Approval of Fiscal Year 2022 General Fund Budget - Sandy Newby, Chief Financial Officer**
6. **Consider Approval of Fiscal Year 2022 Revenue Fund Budget - Sandy Newby, Chief Financial Officer**
7. **Consider Approval of Fiscal Year 2022 Special Projects/Contingency Fund Budget - Sandy Newby, Chief Financial Officer**
8. **Vote to Adopt a Tax Rate of \$.0287/\$100 for Tax Year 2021 - Sandy Newby, Chief Financial Officer**
9. **Consider Approval of Contract with Weaver and Tidwell LLP for Internal Audit Services - Carol Tackel, Chief Internal Auditor**
10. **Consider Approval of Cisco SD-WAN Subscription, Support, and Hardware Through Flair Data Systems - Mick Maguire, Chief Administrative Officer**
11. **Consider Adoption of Hazard Mitigation Plan - Mick Maguire, Chief Administrative Officer**
12. **Consider Approval of Agreement with The National Theatre for Children, Inc. for Elementary School Water Conservation Education Services - Linda Christie, Governmental Affairs Director**
13. **Consider Approval of Contract with M&M Irrigation and Illumination for the TRWD Residential Sprinkler System Evaluation Program - Linda Christie, Governmental Affairs Director**
14. **Consider Approval of Contract with Garrett Demolition, Inc. for Demolition and Asbestos Abatement of Former Police and Fire Training Towers for the Central City Flood Control Project - Woody Frossard, Project Manager, Panther Island Central City Flood Project**
15. **Consider Approval of Joint Funding Agreement with U.S. Geological Survey for Gage Network Support Services - Rachel Ickert, Chief Water Resources Officer**
16. **Consider Approval of Contract with Stovall Commercial Contractors for Replacement of Gasoline Storage and Delivery System at Eagle Mountain Dam - Darrell Beason, Chief Operations Officer**
17. **Consider Approval of Capital Expenditures - Darrell Beason, Chief Operations Officer**

18. **Consider Approval of Operations Maintenance Expenditures - Darrell Beason, Chief Operations Officer**
19. **Staff Updates**
  - **Environmental Remediation Update - Woody Frossard, Project Manager, Panther Island Central City Flood Project**
  - **Quarterly Financial Update - Sandy Newby, Chief Financial Officer**
  - **Water Resources Update - Rachel Ickert, Chief Water Resources Officer**
20. **Executive Session under Texas Government Code:**

**Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation; and**

**Section 551.074 to Discuss or Deliberate Regarding Personnel Matters including:**

  - **The Recent Retirement of Jim Oliver and the Related Legal Inquiry**
  - **Any Potential Dispute Related to the Recent Retirement of Jim Oliver**
21. **Should Any Final Action, Decision, or Vote be Required, in the Opinion of the TRWD Board with Regard to Any Matter Considered in Executive Session, Related to the Recent Retirement of Jim Oliver, then the Final Action, Decision, or Vote Shall be in the Open Meeting Covered by the Notice Upon the Reconvening of the Public Meeting, Including Consideration and Possible Action Regarding Issues Surrounding the Retirement and Compensation of Jim Oliver**
22. **Future Agenda Items**
23. **Schedule Next Board Meeting**
24. **Adjourn**

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT REGIONAL WATER DISTRICT  
HELD ON THE 17<sup>th</sup> DAY OF AUGUST 2021 AT 9:00 A.M.

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

Present  
Leah King  
James Hill  
Jim Lane  
Marty Leonard  
Mary Kelleher

Also present were Dan Buhman, Alan Thomas, Crystal Alba, Darrell Beason, Steve Christian, Linda Christie, Ellie Garcia, Zach Huff, Chad Lorange, Mick Maguire, Jennifer Mitchell, Tina Nikolic, Rick Odom, and Ed Weaver of the Tarrant Regional Water District (District or TRWD).

Also in attendance were Lee F. Christie, Ethel Steele, and Jeremy Harmon of Pope, Hardwicke, Christie, Schell, Kelly & Taplett, L.L.P., General Counsel for the District; Kathryn Long of Thompson & Horton LLP; Jessica Priest of Fort Worth Report; Joyce Baker; Doreen Geiger; and Thomas Torlincasi.

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

1.

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

2.

Public comment was received from Thomas Torlincasi regarding the transparency initiative.

Public comment was received from Doreen Geiger regarding personnel matters.

3.

On a motion made by Director Hill and seconded by Director Lane, the Directors voted unanimously to approve the minutes from the Board meetings held on July 28, 2021 and July 29, 2021. It was accordingly ordered that these minutes be placed in the permanent files of the District.

4.

With the recommendation of management, Director Lane moved to place a proposal to adopt a tax year 2021 tax rate of \$.0287/\$100 on the agenda for the September 21, 2021 Board of Directors Meeting. The vote also established the date for a public hearing to be held September 20, 2021 at 11:00 AM on the proposed tax year 2021 tax rate of \$.0287/\$100. Director Kelleher seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Lane moved to approve a purchase in the amount of \$130,732.30 from JR Designs for materials to repair the seawall at the Richland-Chambers office compound. Funding for this item is included in the Fiscal Year 2021 Bond Fund. Director Hill seconded the motion and the vote in favor was unanimous.

6.

The Board held a discussion regarding committee assignments. Directors Leonard and Kelleher were assigned to the Construction and Operations Committee. Directors King and Hill were assigned to the Administration and Policy Committee. Directors Lane and Kelleher were assigned to the Real Estate Committee. Directors Hill and Leonard were assigned to the Finance and Audit Committee. Directors King and Lane were

assigned to the Recreation Committee.

7.

With the recommendation of management, Director Hill moved to approve the appointment of Mick Maguire as the District's Records Management Officer. Director Lane seconded the motion and the vote in favor was unanimous.

8.

Kathryn Long of Thompson & Horton LLP made a presentation on Board governance policies.

9.

#### Staff Updates

- Transparency Initiative
- Water Resources Update
- Legislative Update
- MWBE Vendor Participation Update
- Trail Sign Replacement

10.

The Board next held an Executive Session commencing at 10:07 a.m. under Section 551.071 to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code and to Conduct a Private Consultation with Attorneys Regarding Pending or Contemplated Litigation; Section 551.072 to Deliberate the Purchase, Exchange, Lease or Value of Real Property; and Section 551.074 to Deliberate Regarding Personnel Matters, including the recent retirement of Jim Oliver and the related legal inquiry, and any potential dispute related to the recent retirement of Jim Oliver.

Upon completion of the executive session at 11:03 a.m., the President reopened the meeting.

11.

With the recommendation of management, Director Lane moved to approve a change in selection criteria for the competitive sealed proposal procurement method, the Board having found that a weighted value assigned to price for civil works projects utilizing the Government Code Chapter 2269 Subchapter D procurement method to be at not less than 40 percent of that total weighted value of all selection criteria to be in the public interest. The Board designated the General Manager, or his designee, to assign the weighted value for civil works projects utilizing the Government Code Chapter 2269 Subchapter D procurement method of not less than 40 percent of the total weighted value of all selection criteria. Director Hill seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and general counsel, Director Lane moved to approve a contractual waiver of jury trial in the contract for construction of the IPL Section 19 long tunnel, the Board having found that a contractual waiver of the Texas state constitutional right to a trial by jury would be desirable, fair and advantageous for the District. Director Kelleher seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Hill moved to grant authority to acquire, by purchase, an easement interest in the following described tract, which is necessary for the public use and purpose of construction and operation of the Integrated Pipeline Project.

**IPL Parcel 768  
(Hoeffner)**

**A permanent easement interest across a 3.825-acre tract of land situated in the I. W. Burton Survey, Abstract Number 3, Henderson County, Texas, and being more particularly described as part of that certain 103.28-acre tract of land as described in a deed recorded under Clerk's File No. 2010-00008586, description in Volume 2504, Page 878, Real Property Records of Henderson County, Texas, and being further described in the accompanying resolution and in the survey plat attached hereto for the negotiated purchase price of \$50,000.**



EXHIBIT "A"  
Property Description

Being 3.825 acres (166,619 square feet) of land situated in the I. W. Burton Survey, Abstract Number 3, Henderson County, Texas, and more particularly part of that certain 103.28 acre tract of land conveyed to Carolyn Allene Smith Wilson, Trustee of the Carolyn Allene Smith Wilson Exemption Trust, as described by Deed recorded under Clerk's File No. 2010-00008586, description in Volume 2504, Page 878, Real Property Records of Henderson County, Texas, (R.P.R.H.C.T.), being further described as follows:

**BEGINNING** at a set 1/2 inch iron rod with plastic cap stamped K.L.K. #4687 in the North line of said Wilson 103.28 acre tract and the South line of a called 497.955 acre tract of land conveyed to Bradley Hoeffner and Helen Hoeffner, as described by Deed recorded in Volume 2213, Page 245, Real Property Records of Henderson County, Texas from which a found 1/2 inch iron rod for the Northeast corner of said Wilson tract and the Northwest corner of a called 100 acre tract, (Tract 1) conveyed to Carolyn Morton Walker, as described by Deed recorded in Volume 2722, Page 552, (R.P.R.H.C.T.) bears, N 87°54'59" E, a distance of 646.54 feet, said 1/2 inch iron rod set for the point of beginning also being the Northeast corner of the tract herein described, and the **POINT OF BEGINNING** (N: 6,732,209.073, E: 2,858,645.610, Grid);

- (1) **THENCE** S 45°19'25" E, a distance of 958.21 feet along the Northeast line of the tract herein described to a set 1/2 inch iron rod with plastic cap stamped K.L.K. #4687 for the Southeast corner of tract herein described and being in the East line of said Wilson 103.28 acre tract and the West line of said Carolyn Morton Walker 100 acre (Tract 1);
- (2) **THENCE** S 02°53'43" E, a distance of 222.33 feet along the East line of said Wilson tract and tract herein described and the West line of said Walker tract to a set 1/2 inch iron rod with plastic cap stamped K.L.K. #4687 from which a found 4 inch square concrete monument for the Southeast corner of said Wilson 103.28 acre tract bears S 02°53'43" E, a distance of 922.97 feet;
- (3) **THENCE** N 45°19'25" W, a distance of 1263.37 feet along the Southwest line of the tract herein described to a set 1/2 inch iron rod with plastic cap stamped K.L.K. #4687 for the Northwest corner of same, also being in the North line of said Wilson 103.28 acre tract and the South line of aforementioned Hoeffner 497.955 acre tract from which a found 1/2 inch iron rod for the Northwest corner of said Wilson 103.28 acre tract bears S 87°54'59" W, a distance of 1591.50 feet;
- (4) **THENCE** N 87°54'59" E, a distance of 205.90 feet along the North line of said Wilson 103.28 acre tract and tract herein described and the South line of said Hoeffner 497.955 acre tract to the **POINT OF BEGINNING**, containing 3.825 acres (166,619 square feet) of land.


NOTE: Basis of bearing is the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (NAD 83) (2007) with all distances adjusted to surface by project combined scale factor of 0.9999804020.

NOTE: Plat to accompany this legal description

I do certify on this 5<sup>th</sup> day of February, 2016 to Fidelity National Title Insurance Company, Attorney's Title Company of Henderson County, and Tarrant Regional Water District, that a survey was made on the ground as per the field notes shown on this survey and is true and correct according to the standards of the Texas Society of Professional Surveyors Standards and Specifications for a Category 2, Condition III survey, and accurate as to the boundaries and areas of the subject property and the size, location and type of buildings and improvements, if any, and shows the location of all visible easements and rights-of-way and the rights-of-way, easements and other matters of record as listed in Schedule B of the Commitment for Title issued by Fidelity National Title Insurance Company, with an effective date of December 9, 2015, issued date of December 31, 2015, GF # 15-339-DD affecting the subject property and listed in Exhibit "A-1" attached hereto.

Except as shown on the survey: (i) there are no visible encroachments upon the subject property by visible improvements on adjacent property, (ii) there are no visible encroachments on adjacent property, streets or alleys by any visible improvements on the subject property, and (iii) there are no visible conflicts or discrepancies.

This survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 2, Condition III Survey.

  
\_\_\_\_\_  
Kevin L. Kilgore  
Registered Professional Land Surveyor  
Texas Registration Number 4687

Dated: 2/5/16



EXHIBIT "A"  
PARCEL 768

WM. J.L. SCOTT SURVEY  
ABSTRACT 13

IPL PARCEL 767  
BRADLEY HOFFNER  
AND HELEN HOFFNER  
VOLUME 2213, PAGE 245  
R.P.R.H.C.T.  
CALLED 497.955 AC.

CENTERLINE 50-FT. WIDE  
EASEMENT  
ONEOK STERLING III PIPELINE, LLC  
CLERK'S FILE NO. 2013-00004305  
R.P.R.H.C.T.

P.O.B.  
N: 6,732,209.073  
E: 2,858,645.610  
(GRID)

SURVEY LINE

FENCE

S 87°54'59" W 1591.50'

N 87°54'59" E  
FENCE 646.54'

S 45°19'25" E 958.21'

N 45°19'25" W 1263.37'

N 02°53'43" W 698.12'

S 02°53'43" E 922.97'

PARCEL 768  
3.825 AC.  
166,619 SQ. FT.

LINE	BEARING	DISTANCE
L1	S 02°53'43" E	222.33'
L2	N 87°54'59" E	205.90'

I.W. BURTON SURVEY  
ABSTRACT 3

CAROLYN ALLENE SMITH WILSON, TRUSTEE OF THE  
CAROLYN ALLENE SMITH WILSON EXEMPTION  
TRUST

CLERK'S FILE NO. 2010-00008586  
DESCRIPTION IN VOLUME 2504, PAGE 878  
R.P.R.H.C.T.  
CALLED 103.28 AC.

JOEL FRANCIS WILSON, TRUSTEE  
WILSON MANAGEMENT TRUST  
VOLUME 1369, PAGE 602  
R.P.R.H.C.T.  
(FIRST TRACT) CALLED 261.237  
AC.

IPL PARCEL 769  
CAROLYN MORTON WALKER  
VOL. 2722, PG. 552  
CALLED 100 AC. (TRACT 1)  
LESS & EXCEPT 5 AC.  
R.P.R.H.C.T.

MAXIMUS  
(903-753-0941)

CROSS-TIE  
FENCE CORNER  
POST

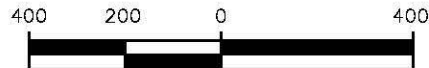
4" SQ. CONCRETE  
MONUMENT FOUND  
5 ACRE TRACT

1/2" IRF

LEGEND

- = MARKER FOUND AS NOTED
- = 1/2" IRON ROD SET WITH K.L.K. #4687 CAP

NOTE: KNOWN UNDERGROUND UTILITIES SHOWN ARE  
QUALITY LEVEL B SUE - (1/17/2013)



GRAPHIC SCALE IN FEET  
1" = 400'

NOTE: LEGAL DESCRIPTION TO ACCOMPANY THIS PLAT.

**Kilgore & Company, Inc.**  
www.kilgore.com

6712 PALUXY DRIVE  
TYLER, TX 75703  
(903) 581-7800 (TEL)  
(903) 581-3756 (FAX)

PROJ NO: 201010P768  
SCALE: 1" = 400'  
DATE: 02-08-2016  
DRAWN BY: RTW  
CHECKED BY: RN  
REVISED DATE:

PRINTED ON:  
2/8/2016  
9:55:11 AM



SHEET TITLE EXHIBIT "A"  
SEGMENT 19-1, PARCEL 768  
CAROLYN ALLENE SMITH WILSON, TRUSTEE  
OF THE CAROLYN ALLENE SMITH WILSON  
EXEMPTION TRUST

PROJECT INTEGRATED PIPELINE PROJECT

BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM,  
NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM NAD83 (2007)  
WITH ALL DISTANCES ADJUSTED TO SURFACE BY PROJECT COMBINED  
SCALE FACTOR 0.9999804020.

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

14.

No action was taken regarding the retirement or compensation of Jim Oliver.

15.

There were no future agenda items approved.

16.

A tax rate hearing meeting was scheduled for September 20, 2021 at 11:00 AM. The next board meeting was scheduled for September 21, 2021 at 9:00 AM.

17.

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

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President

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Secretary

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 4**

**DATE:** September 21, 2021

**SUBJECT:** **Discuss and Consider Approval and Adoption of Proposed Board Governance Policy**

**FUNDING:** N/A

**RECOMMENDATION:**

Management recommends approval and adoption of the proposed Board Governance Policy.

**DISCUSSION:**

The proposed Board Governance Policy outlines the structure by which the Board will govern itself and perform its duties on behalf of TRWD. Thompson and Horton, LLP prepared the proposed Governance Policy in consultation with District staff to be considered by the Board of Directors.

**Submitted By:**

Dan Buhman  
General Manager



# **Board Governance Policies**

## ***Proposed Policies***

The following amends and supersedes the Tarrant Regional Water District Board Governance Policies adopted July 22, 2013 and amended on November 18, 2014 and September 17, 2019. These Board Governance Policies are effective \_\_\_\_\_, 2021.

## **1.0 LEGAL STATUS**

The Tarrant Regional Water District (“TRWD” or the “District”) is a water control and improvement district created under article XVI, section 59 of the Texas Constitution. TRWD is a political subdivision of the State of Texas.

TRWD’s authority comes from the legislative act creating TRWD, Tex. Rev. Civ. Stat. Ann. art. 8280–207 as amended (the “Enabling Act”). Under the provisions of the Enabling Act and the Texas Water Code, all powers of TRWD shall be exercised by TRWD’s Board of Directors (the “Board”).



## **2.0 MISSION AND OBJECTIVES**

**2.1 Vision Statement.** Enriching Communities, Improving the Quality of Life.

**2.2 Mission Statement.** It is TRWD's mission to:

1. Deliver a reliable, resilient, and sustainable supply of water to the public at the lowest cost and highest quality possible;
2. Reduce the risk of flooding in our communities with dependable flood damage reduction infrastructure and operations; and
3. Enhance the quality of life in North Texas communities by creating recreation opportunities around TRWD infrastructure to enable active lifestyles.

**2.3 Tenets and Objectives.** The strategic tenets of TRWD include resource stewardship, reliability, continuous improvement, a results-oriented approach, and care for the communities TRWD serves and its employees.

The strategic objectives TRWD identifies to guide its work shall be set forth in a Strategic Plan prepared by the General Manager that is updated and presented regularly, and not less than once every five (5) years, to TRWD's Board.

### **3.0 THE BOARD OF DIRECTORS**

TRWD shall be governed by a board of five elected directors.

**3.1 Board Authority.** The Board shall be responsible for the management of all the affairs of TRWD.

The Board may only officially act or transact any business of TRWD by majority vote of the Directors present at a properly-noticed meeting that complies with the Texas Open Meetings Act, at which a quorum of the Board is present and voting.

**3.2 No Individual Director Authority.** Individual Directors shall not exercise authority over TRWD, its property, or its employees. Unless expressly authorized by the Board, individual Directors may not act on behalf of the Board, may not speak on behalf of the Board, and may not commit the Board on an issue.

No individual Director may waive or disclose any privilege, confidential information, or right available to the Board, including any privileges or confidentiality which may apply to litigation, to real property matters, to matters concerning the awarding of contracts, or purchasing of equipment or materials.

**3.3 Board Duties and Responsibilities:** The Board will select and employ a person to serve as the General Manager for TRWD. The Board makes all decisions regarding the General Manager's compensation and has the authority to remove the General Manager in the best interests of TRWD. The General Manager will report directly to the Board.

The Board, in consultation with and with recommendations developed by the General Manager and executive team, will adopt the overall strategic plan and objectives of TRWD and review them on a regular basis. The Board shall also adopt policies it determines are in the best interest of TRWD for the operation of the District.

Each year, the Board shall adopt an annual budget.

The Board shall faithfully discharge its duties by conducting its affairs and management of TRWD in a highly ethical manner to serve the public trust and based on sound business judgment. Directors shall not discharge their duties or direct actions of TRWD for any purpose of private gain or to seek personal advantage.

**3.4 Delegation to the General Manager.** The Board delegates to the General Manager the full authority to manage and operate TRWD's affairs subject only to the orders or directives of the Board. This delegation of authority to the General Manager includes all general powers and duties in the Enabling Act, other applicable law, and Board policies necessary to accomplish TRWD's mission, plans, and strategic objectives

as approved by the Board, except for the powers and duties specifically reserved for the Board by the Enabling Act, state law, or other Board policies.

The Board's delegation of authority to the General Manager includes the authority to employ all persons necessary to properly conduct TRWD's business and operations. The general powers, duties, and responsibilities of the General Manager are set forth in Section 4.0 of these Board Governance Policies.

The strategic objectives TRWD identifies to guide its works shall be set forth in a Strategic Plan prepared by the General Manager and adopted by the Board that is updated and presented regularly to TRWD's Board, and no less than once every five (5) years, to ensure TRWD is furthering its mission for the North Texas community.

**3.5 Elections.** The election of Directors for TRWD's Board is governed by Texas Water Code Chapter 49, subchapter D and the Texas Election Code. Elections will be held in May of each odd-numbered year to elect the appropriate number of Directors. Generally, members of the Board shall serve staggered four-year terms until their successors have been qualified.

The Board shall convene at a regularly-scheduled, special, or called Board meeting no later than the eleventh day after the election day and not earlier than the time prescribed by the Election Code to conduct the local canvas. After the local canvas is conducted at the Board meeting, and before further Board action is taken, the elected candidates shall be administered the oath of office.

Within thirty (30) days after qualification of Directors following an election, each elected Director shall certify in writing that he or she has read these Board Governance Policies and agrees to follow them in the discharge of his or her duties as a Director of TRWD's Board.

**3.6 Election of Officers.** At the first Board meeting after qualification of Directors following an election, the Board shall elect from its membership a President, Vice President, and Secretary and such other officers or assistant officers the Board deems necessary. In addition, the Board may call an election of officers as it deems necessary and appropriate based on a majority vote of the Board at a properly-noticed meeting at which a quorum of the Board is present and voting.

The Vice President or Secretary shall serve as chairperson and shall preside over the Board meeting during the election of officers until such time as the President is elected.

Nominations for officers may be taken from the floor at the Board meeting prior to the vote. After nominations have been closed, Board members shall cast their vote. When there is only one nominee for an office, the chair can declare that the nominee is elected, effecting the election by unanimous consent or acclamation. An election to an office shall become final immediately.

Individual officer vacancies in the midst of a term may be filled by vote of the Board at the next regularly-scheduled Board meeting or at a special or called Board meeting.

**3.7 Duties of the President.** The Board President is the chief executive officer of the District and shall execute all documents on behalf of TRWD unless the Board authorizes another Director, the General Manager, or other TRWD staff member to execute a document or documents on behalf of TRWD. The President shall generally be authorized to represent the District at official functions unless the Board authorizes another Director to serve as the District's representative at a particular function.

The President shall preside as the chairperson at all Board meetings. In the absence or unavailability of the President, the Vice President or Secretary shall preside. As chairperson, the President shall:

1. Call to order any Board meeting;
2. Preserve order and decorum in all Board meetings;
3. Confine the Directors' debate at Board meetings to the issue under discussion;
4. Decide all questions of order with guidance from *Robert's Rules of Order*, subject to a Director's appeal and request for a vote on the question of order;
5. Have the right to declare a recess for a short intermission or break; and
6. State all questions submitted for a voice vote or roll call vote, upon the request of any Director.

The President shall generally be authorized to recommend the creation of Board committees to the Board and appoint Directors to serve on Board committees. The President shall call special meetings of the Board and review the agendas for Board meetings.

The President shall inform the Board of all correspondence to TRWD that directly concerns the Board and deliver the advice of attorneys and auditors to Directors.

The President, in consultation and cooperation with the General Manager and executive team or leadership team, shall respond to Director requests for reports, Director requests for information, requests for special meetings, and placement of matters on the agenda for Board meetings. The President may request that the General Manager or appropriate executive or leadership team member respond to Director requests.

**3.8 Duties of the Vice President.** The Vice President shall act as the Board President in case of absence or unavailability of the President. The Vice President shall serve as

the chairperson at any Board meeting if the President is absent. The Vice President shall also have authority to execute contracts and documents on behalf of TRWD in the absence or unavailability of the President. The Vice President shall also have the authority to attest to the President's signature on all contracts and legal documents if the Secretary is absent or unavailable.

**3.9 Duties of the Secretary.** The Secretary is responsible for ensuring that all records and books of TRWD are properly kept and may attest to the President's signature on all contracts and legal documents. TRWD's Records Management Officer assists the Secretary in the discharge of this responsibility to ensure proper management and retention of records and books. The General Manager may select one or more staff members to assist the Secretary and Records Management Officer ensure proper management and retention of records and books.

**3.10 Access to Information.** An individual Director, acting in his or her official capacity, shall have the right to request and obtain information regarding TRWD's administration or operations, including fiscal management, contracting and purchasing, personnel matters, and existing reports or internal correspondence regarding TRWD's affairs. If a Director is not acting in his or her official capacity, the Director has no greater right to TRWD records than a member of the public.

If information is requested and provided to an individual Director that is confidential or privileged, the General Manager or his designee shall advise the Director of the responsibility to comply with all confidentiality and privilege requirements.

Individual Directors shall not direct or require TRWD staff to prepare reports derived from an analysis of information in existing District records or to create a new record compiled from information in existing District records. Directives to TRWD staff regarding the preparation of reports shall be made by the Board as a whole.

**3.11 Communication with or regarding TRWD Staff.** Directors should direct all requests for information from or meetings with TRWD staff to the General Manager or his or her designee. The General Manager, or his or her designee, may make the decision whether to attend the meeting between a Director and TRWD staff.

A Director may not exert pressure of any kind on the General Manager or staff members to hire, promote, change the compensation or benefits of, or dismiss any employee of the District. The authority to hire, promote, dismiss, or change the compensation or benefits of any TRWD staff ultimately rests with the General Manager. If a Director does attempt to exert such pressure, the General Manager is instructed and obligated to bring the matter to the attention of the Board.

**3.12 Training.** The Board shall receive annual training and/or legal updates regarding open governance, particularly the Texas Open Meetings Act and Texas Public Information Act, and ethics.

**3.13 Expense Reimbursement.** Directors may submit and receive reimbursement for actual expenses incurred by an individual Director for his or her reasonable travel, lodging, or meals required when attending to the business of the District.

**3.14 Education and Training Expenses.** Because a well-educated and knowledgeable Board of Directors is important to TRWD's mission and objectives, TRWD may authorize and reimburse Directors' reasonable expenses for attending educational, training, and developmental opportunities related to issues facing water districts.

#### **AUTHORITY**

Tex. Elec. Code § 67.003(b)

Tex. Gov't Code §§ 551.001, et seq.

Tex. Water Code § 49.053

Tex. Water Code § 49.054

Tex. Water Code § 49.056

Tex. Water Code § 49.057

Tex. Water Code, Chapter 49, subchapter D

## **4.0 THE GENERAL MANAGER**

The General Manager shall perform all general powers and duties delegated to the General Manager by the Board. The General Manager shall report to the Board of Directors and work with TRWD's executive team and leadership team to effectuate the District's strategic direction, formulate procedures and plans, and provide overall direction to the District to ensure TRWD's continued success. The General Manager is ultimately responsible for the management, operational effectiveness, and financial health of the District.

**4.1 Executive and Leadership Teams.** The General Manager may establish an executive team and leadership team and may select the members to serve on the executive team and leadership team to assist the General Manager with the management and operation of the District.

**4.2 Hiring and Removal.** The Board, acting as a body, shall hire a General Manager of TRWD. The Board, acting as a body, may remove a General Manager if the Board determines it is in the best interests of TRWD.

**4.3 Duties and Responsibility of the General Manager.** The General Manager shall manage and operate TRWD's affairs in accordance with local, state, and federal law and Board policies. The General Manager may delegate any general duties or responsibilities, including the duties identified below, to a member of the executive team, leadership team, or other TRWD staff to serve as the General Manager's designee.

In addition to the general powers and duties delegated by the Board to the General Manager, the General Manager shall:

1. Collaborate with the Board of Directors in defining and establishing TRWD's mission, vision, and strategic goals;
2. Attend all special and regular meetings of the Board of Directors and meetings of Board Committees, or ensure that a member of the executive team or leadership team attends in the General Manager's absence or unavailability;
3. Manage and oversee the complete operation of TRWD in accordance with the direction established in the Strategic Plan and ensure compliance with all legal and regulatory requirements;
4. Supervise and control access to and activities upon TRWD facilities or property;

5. Have ultimate authority to hire, determine compensation and benefits, and supervise all employees of TRWD, including dismissal of any TRWD employee for any reason not prohibited by local, state, or federal law;
6. Serve as the primary spokesperson and representative for the District and act as a liaison between the District and the community;
7. Develop and recommend to the Board strategies and operating plans that support Board initiatives and assist in achieving short-term and long-term goals of TRWD, including strategies and plans which ensure and promote the financial health and viability of the District;
8. Ensure the Board is advised of the financial health and needs of the District;
9. Continuously review Board policies and if any deficiencies are identified, provide such information to the Board;
10. Ensure TRWD staff develop and implement administrative procedures and practices to effectuate Board policies and to ensure TRWD complies with all local, state, and federal laws;
11. Ensure TRWD administrative procedures and practices are consistent with and reflective of the policies adopted by the Board;
12. Make recommendations to the Board on any matter the General Manager deems necessary;
13. Make recommendations, as appropriate, to the Board regarding the hiring of private consultants (accountants, engineers, and financial advisers) and supervise and coordinate the authorized work of any private consultant retained by the Board; and
14. Perform any other duties and responsibilities assigned to the General Manager by the Board.

**4.4 Annual Evaluation.** The Board of Directors shall conduct an annual review of the General Manager's performance. The annual review should be conducted prior to December 1 each year. The Board may enlist the assistance of a private consultant or attorney to facilitate the evaluation process.

The Board shall conduct the General Manager's evaluation, which may be developed with a private consultant, based on pre-established criteria identified by the Board that are tied to the District's Strategic Plan and the duties and responsibilities delegated to the General Manager. The General Manager shall conduct a self-evaluation, in consultation with any private consultant retained by the Board, which addresses each of the criteria established by the Board.



Each Director shall participate in the evaluation of the General Manager based on the General Manager's self-evaluation and a Director's individual discussion with the General Manager or interview conducted by any private consultant retained by the Board.

The Board shall complete the evaluation and discuss the Board's conclusions with the General Manager in an executive session closed to the public.

**4.5 Compensation.** The Board of Directors shall establish the annual salary the General Manager receives. The Board may vote to authorize additional remuneration to the General Manager, such as incentive or performance-based compensation, so long as the additional compensation is consistent with the Texas Constitution and Texas state law.

**4.6 Ethics and Standards of Conduct.** The General Manager shall follow all standards of conduct and ethical practices set forth in Board policies and TRWD's administrative procedures. The General Manager shall not accept payment from any source other than TRWD for work performed as the District's General Manager. No member of the General Manager's family, within the third degree by consanguinity or within the second degree of affinity as defined in Chapter 573, subchapter B of the Texas Government Code, may be employed by TRWD or have a substantial interest in an organization associated with or benefiting from TRWD without disclosure to and authorization from the Board of Directors.

**5.0 BOARD POLICYMAKING.** In addition to these Board Governance Policies and the framework under which the Board of Directors must operate under the law, the Board shall adopt additional policies for the operation of TRWD. The following procedures shall be followed with respect to preparation and adoption of Board Governance Policies, Board policies, and presentation of TRWD administrative procedures to the Board.

### **5.1 Definitions.**

Board Governance Policies: Board Governance Policies shall be the policies, outlined herein, that are adopted by the Board regarding the Board's own internal operations and procedures and shall be binding on all individual Directors serving on the Board.

Board Policies: TRWD shall be guided by Board-adopted written policies accessible to all stakeholders that serve as a primary method by which the Board exercises its governance over the operation of the District.

Administrative Procedures: The General Manager and TRWD staff shall be responsible for developing and enforcing procedures for the operation of the District that are consistent with and designed to implement Board policy and local, state, and federal law. TRWD's administrative procedures shall be designed to promote and further the mission and objectives of the District. These procedures shall be the administrative regulations of TRWD and should consist of guidelines, handbooks, manuals, forms, and any other documents setting forth the standard operating procedures of TRWD.

**5.2 Requests for Additional Policies or Amendments to Policies.** The General Manager or designee shall monitor Board policies and the implementation of Board policies and identify any needed changes or additions to existing Board policies to ensure compliance with all local, state, and federal law, and the effective operations of the District.

The Board or an individual Director may also request at a properly-noticed meeting or in writing to the Board President and General Manager, that TRWD staff prepare an additional Board policy or amendment to existing Board Governance Policies or other Board policy for consideration by the Administration and Policy Committee.

**5.3 Policy Formation and Submission.** When the General Manager or designee identifies needed additions or amendments to Board Governance Policies or Board policies, or the Board or an individual Director requests additions or amendments to Board Governance Policies or Board policies, the General Manager or designee shall prepare the requested policies or amendments to existing policy. The General Manager or designee shall ensure all proposed Board Governance Policies or Board policies or amendments to existing Board Governance Policies or Board policies go through legal review. After legal review, the General Manager or designee shall submit the proposed

policies or amendments to existing policy to the Administration and Policy Committee for review and consideration.

After consideration of the proposed additions or amendments to Board Governance Policies or Board policies by the Administration and Policy Committee, the Committee members, in consultation with and assistance from the General Manager or appropriate member of the executive or leadership team, shall make recommendations regarding any proposed additions or amendments to Board Governance Policies or Board policies to the Board for review and consideration.

**5.4 Consideration and Adoption of Board Policy.** All proposed policies or amendments to existing Board Governance Policies or other Board policies shall be considered by the Board at a regular, special, or called Board meeting or Board workshop. The proposed policy or amendment to Board Governance Policies or other Board policy shall be timely placed on the Board agenda. A copy of the proposed Board policy or amendment to existing Board policy shall be provided to all Directors at least 72 hours before the Board meeting where the proposed policy or amendment to Board Governance Policies or other Board policy will be considered.

All policies or amendments to Board Governance Policies or other Board policies must be adopted by a majority vote of the Board at a properly-noticed meeting at which a quorum of the Board is present and voting. The formal adoption of Board Governance Policies or other Board policies or amendments to Board Governance Policies or other Board policies shall be recorded in the minutes of the Board meeting. Only those proposed policies or amendments to proposed policies adopted by a majority vote of the Board shall be regarded as official policy of TRWD's Board of Directors.

**5.5 Board Review of Administrative Procedures.** Administrative procedures that are developed or amended by the General Manager or his or her designee shall be regularly presented to the Board. The Board does not vote on or adopt TRWD's administrative procedures.

## **6.0 BOARD MEETINGS**

A meeting of the Board of Directors of TRWD is defined as any meeting that is required to be posted under the Texas Open Meetings Act. The Board shall give written notice of the date, hour, place, and subject(s) of each meeting it holds.

All regular monthly meetings and special meetings of the Board shall be open to the public, and public notices shall be posted in compliance with applicable state law.

**6.1 Regular Monthly Board Meetings.** The Board of Directors shall conduct monthly regular Board meetings in accordance with Section 49.064 of the Texas Water Code and Chapter 551 of the Texas Government Code. The Monthly Board Meeting shall be held at 800 E. Northside Drive, Fort Worth, Texas in the TRWD Administrative Offices building. When determined necessary and for the convenience of the Directors, the Board President, or a majority vote of the of the Board, may change the location of a Board meeting. The notice for that Board meeting shall reflect the changed location.

Directors of the TRWD shall be given 72 hours' notice for regular monthly and special meetings.

All meeting notices and official records of Board meetings shall be preserved in accordance with applicable state law and TRWD's record retention procedures.

**6.2 Special or Called Board Meetings/Board Workshops.** The Board President shall call special or called Board meetings or workshops as appropriate. The Board President shall call a special or called Board meeting or workshop at the President's discretion or at the formal, written request of two Directors. A formal request shall:

1. Be submitted by two or more Directors to the Board President either by e-mail or paper;
2. Contain language for the specific agenda item(s) for the requested special or called Board meeting that is/are identical from two Directors; and
3. If submitted on paper, be signed by two or more Directors with the date of the request.

The Board shall hold a special or called meeting addressing the specific agenda items presented in the formal, written request within 60 days after the formal, written request is received.

**6.3 Emergency Meetings.** The Board President may call an emergency meeting when an emergency or an urgent public matter arises that is an imminent threat to public health and safety, or a reasonably unforeseeable situation arises, and the Board has a need to take immediate action.

Notice for emergency meetings shall be provided to the Directors at least one hour prior to the scheduled time of an emergency meeting.

**6.4 Notice to the Public.** Notice of a Board meeting shall be posted in a place convenient to the public and in the Administrative Offices of TRWD, as well as on the internet, at least 72 hours before the scheduled time of a meeting. The notice shall also be provided to the secretary of state and the county clerk of the county in which the administrative office of TRWD is located; or, TRWD may post notice of each meeting on TRWD's website.

Notice for an emergency Board meeting or the addition of an emergency action item to a meeting agenda must be posted for at least one hour before the meeting is convened.

**6.5 Executive Session (Closed Meeting).** The Board of Directors may meet in executive session closed to the general public on matters exempted by the Texas Open Meetings Act or other applicable state law from public meeting requirements, provided that requirements for public notice and documentation of such sessions are followed.

Procedures for Executive Session: If a closed meeting is allowed, the Board shall not conduct the executive session unless a quorum of the Board first convenes in an open meeting for which proper notice has been given and the presiding officer has publicly announced that an executive session will be held and has identified the section or sections of the Texas Open Meetings Act or other applicable law under which the executive session is held.

Certified Agenda: The Board shall keep a certified agenda of the proceedings of each executive session closed to the general public except for private consultations with the District's attorney as permitted under Sections 551.071 and 551.103 of the Texas Government Code. The certified agenda will include a statement of the subject matter for each deliberation, a record of any further action taken, and an announcement by the Board President at the beginning and end of the closed executive session indicating the date and time. Board members, acting in their official capacity, may not receive, remove, or copy the certified agenda from an executive session.

The Board President shall attest that the certified agenda is a true and correct record of the proceedings. The certified agenda will be retained by the District's General Counsel as a record of a closed executive session for at least two years after the date of the meeting. If litigation regarding the executive session is brought within the two-year preservation period, the Board shall preserve the certified agenda while the litigation is pending.

Recording Prohibited: Executive sessions (closed meetings) may not be recorded by any person unless a majority vote of the Board authorizes such recording.

Conflicts of Interest in Executive Session: A member of the Board of Directors shall not participate in a portion of an executive session involving any litigation that the member

has pending against the District. Additionally, no person shall attend a portion of an executive session when the individual's interests on a topic are adverse to the District's.

No Participation in Improper Closed Meetings: No Director shall willfully call or aid in calling an executive session, or to close a meeting or session to the public, or willfully participate in an executive session where an executive session is not duly posted or otherwise not permissible. No Director shall knowingly participate in an executive session knowing that a certified agenda of the executive session is not being kept. No Director or group of Directors of the Board should circumvent, or conspire to circumvent, the provisions of the Texas Open Meetings Act by meeting in numbers constituting less than a quorum for the purpose of secret deliberations in contravention of the Open Meetings Act.

If, in the opinion of a Director, a discussion in the executive session goes beyond the specific called agenda item(s) or includes topics that should not be discussed in executive session under law, the Director should call the presiding officer's attention to a "point of order."

Except as required by court order, other applicable law or under the provisions of this section, no one other than a TRWD Board member will be granted access to executive session records. Requests for access or review of such records by a TRWD staff member or legal counsel retained to represent TRWD must be made in writing to the General Counsel and must state the reasons for the request. Access to the records will be granted only by the General Counsel. The General Counsel will be responsible for maintaining the confidentiality of executive session records.

**6.6 Rules of Order.** The Board of Directors will use the modified parliamentary procedures as articulated in *Robert's Rules of Order, Newly Revised* as a guide, except as otherwise provided for under Board operating procedures or by law. The Board may suspend procedural rules at any Board meeting by a majority vote of Directors who are present and cast a vote.

**6.7 Voting.** Directors may vote by a show of hands or by voice vote, depending on the direction given by the Board President. Any Director may abstain from a vote. Such vote or abstention from the vote shall be recorded upon that Director's request.

Any final action, decision, or vote by the Board on a matter deliberated in an executive session shall be made only in an open meeting for which proper notice has been given.

**6.8 Discussion and Limitations.** All Board discussions shall first be addressed to the Board President and then opened to the entire Board. Discussion shall be limited solely to the agenda item presently under deliberation. The Board President shall terminate any discussion that does not apply to the agenda item before the Board.

Additionally, the Board President shall terminate discussions which exceed any agreed time limitation for discussion of a particular agenda item, and that time limit has expired. The Board President shall not otherwise interfere or impede debate among the Directors so long as members wish to address only those items under consideration.

Directors shall conduct themselves in accordance with the Board's Standards of Conduct and ethical obligations during discussions.

**6.9 Public Comment.** The Board will allow each member of the public who desires to address the Board regarding an item on an agenda for an open meeting of the Board to address the Board regarding the agenda item at the meeting before the Board's consideration of the agenda item. At all other times during Board meetings, the audience shall not enter into discussion or debate on matters being considered by the Board. In addition, the Board may provide a forum at regular Board meetings for members of the public to comment on matters not on the agenda.

All individual presentations shall be limited to three (3) minutes, regardless of the number of agenda items on which the individual seeks to comment, or six (6) minutes if such comments are provided through a translator. The Board President may allow additional time for an individual presentation if the Board President deems the time limit is unreasonable under the circumstances.

In response to an inquiry from a member of the public at a meeting, the Board may either provide a statement of specific factual information or recite existing policy. Any deliberation or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

**6.10 Minutes.** Action taken by the Board of Directors shall be carefully recorded by the Board Secretary or TRWD staff member assisting the Board Secretary and provided to all Directors before the next meeting at which the minutes shall be approved. Corrections to the minutes shall be made at the meeting at which they are approved. Once approved or corrected by the Board at the next regular or special/called meeting, these minutes shall serve as the legal record of official Board action. Approved minutes of all meetings shall be signed by the Board President and Board Secretary.

Minutes of the Board of Directors meetings shall be kept in an official file and retained in accordance with TRWD's records retention schedule. Individuals wishing to review the minutes should contact TRWD during regular business hours. Minutes may also be accessed by visiting TRWD's website.

**6.11 Conduct at Board Meetings.** The Board shall not tolerate disruption of the meeting by members of the public. If, after at least one warning from the Board President, any person continues to disrupt the meeting by his or her words or actions, the Board President shall request assistance from law enforcement officials to have the person removed from the meeting.

Individuals attending Board meetings shall not engage in conduct that disrupts, interrupts, or causes delay in the proceedings. The Board President shall take such measures as may be necessary to ensure that decorum is preserved at all times during Board meetings.

**6.12 Board Committees.** Duly-created Board committees, discussed in Section 8.0 of these Board Governance Policies—which may consist of Directors and TRWD staff—may only conduct meetings and transact business within the specific authority granted by the Board. In order to be binding on the Board, all committee business must be reported to the Board at the next regular or special/called Board meeting for approval and entry into the Board’s minutes as a public record.

**6.13 Training.** Members of the TRWD Board of Directors shall participate in regular training on the Texas Open Meetings Act.

#### **AUTHORITY**

Tex. Gov’t Code §§ 551.001, et seq.  
Tex. Gov’t Code § 551.005.  
Tex. Gov’t Code § 551.041  
Tex. Gov’t Code 551.042  
Tex. Gov’t Code § 551.045  
Tex. Gov’t Code E § 551.0554  
Tex. Gov’t Code § 551.101  
Tex. Gov’t Code § 551.103  
Tex. Gov’t Code § 551.104  
Tex. Gov’t Code § 551.144  
Tex. Gov’t Code § 551.445  
Tex. Atty. Gen. Op. JC-0120 (1999)  
Tex. Atty. Gen. Op. JM-1004 (1989)  
Tex. Atty. Gen. Op. JC-0506 (2002)  
Tex. Atty. Gen. Op. KP-0300 (2020)



## **7.0 BOARD MEETING AGENDAS**

The General Manager, in consultation with the Board President, shall prepare the agenda for all Board meetings. Agendas for all Board meetings shall be sufficiently specific in order to inform the public of subjects to be deliberated at the meeting, including any special or unusual matters in which the public has a particular interest.

**7.1 Requests for Agenda Items.** The Board President or any two members of the Board of Directors may request that a subject be included on the meeting agenda for open meetings. A request can be made orally at a Board meeting that is open to the public or in writing to the Board President and/or General Manager.

The General Manager shall include all timely submitted items that satisfy these criteria on a preliminary agenda for review in consultation with the Board President. If a written request for an agenda item is not made with sufficient time to be placed on the agenda for the next Board meeting, the General Manager shall include the requested agenda item on the agenda for the following Board meeting.

**7.2 Order of Business.** The order of business for all regular monthly meetings of the Board of Directors shall be as set forth in the agenda accompanying the notice of the meeting. During the meeting, the Board President may change the order in which agenda items are taken, unless a majority of the Board votes to retain the order of items as listed on the agenda.

**7.3 Consent Agenda.** When preparing the agenda, the General Manager, in consultation with the Board President, shall determine which agenda items, if any, qualify for placement on the consent agenda. Consent agendas shall include routine or recurring items which are grouped under one action item. The Board of Directors shall be provided with background material supporting each consent agenda item. Consent agenda items shall be acted on by one Board vote without separate discussion, unless the General Manager or a Board member requests that an item be withdrawn from the consent agenda for individual consideration. Any remaining consent agenda items shall be adopted under a single motion and vote.

By way of example only, consent Agenda Items may include, but are not limited to:

1. Items that are ministerial in nature; or
2. Items not involving an expenditure of funds.

**7.4 Executive Session.** All Board meeting agendas shall include language reflecting the possibility of an executive session during an open meeting, in accordance with state law.

**7.5 Emergency Agenda Items.** In an emergency or when there is an urgent public necessity, a meeting agenda to deliberate or take action on an emergency or urgent public necessity, or a supplemental notice to add the deliberation or taking of action on the emergency or urgent public necessity as an item to the agenda for a meeting for which notice has been posted in accordance with the Texas Open Meetings Act, is sufficient if the notice or supplemental notice is posted for at least one hour before the meeting is convened.

**AUTHORITY**

Tex. Gov't Code §§ 551.001, et seq.

## 8.0 BOARD COMMITTEES

The purpose of Board Committees is to provide adequate time for detailed review and evaluation of information for a small group of Directors to be knowledgeable and informed on appropriate matters. The Committees shall keep the Board apprised of the matters it is considering and make recommendations to the Board prior to Board action.

**8.1 Standing Committees.** TRWD's Board has established the following standing or perpetuate committees of TRWD's Board of Directors:

**Construction and Operations Committee.** This Committee reviews TRWD's construction activities as well as the operations and maintenance of TRWD infrastructure. This review includes, but is not limited to, design, construction, and maintenance contracts for new and existing infrastructure, water supply contracts, conservation programs, watershed protection and water quality, and electricity purchases.

**Real Estate Committee.** This Committee reviews, considers, and evaluates real estate purchases, operating agreements, and sales of real estate.

**Finance and Audit Committee.** This Committee reviews TRWD's financial information, investment policies, and audits. This Committee serves on behalf of the Board as the primary point of contact for the internal auditor and internal audit department.

**Administration and Policy Committee.** This Committee reviews and evaluates Board Governance Policies and Board Policies, including proposals or recommendations for additions or amendments to Board Governance Policies and Board Policies. This Committee also oversees the General Manager's annual evaluation and makes recommendations to the Board regarding the General Manager's compensation.

**Recreation Committee.** This Committee considers all aspects of TRWD's recreation investments including, but not limited to, infrastructure investments, infrastructure operations and maintenance, programming, and events. Construction, operations, and maintenance activities specific to TRWD recreation infrastructure are considered by and within the purview of the Recreation Committee. All other construction, operations, and maintenance activities are in the purview of the Construction and Operations Committee.

**8.2 Special Purpose Committees:** In addition to the standing or perpetual committees discussed in Section 8.1, the Board may vote from time to time to create special purpose committees to address a particular project or program. The Board shall give a name to a special purpose committee that is reflective of the committee's function

and purpose. A special purpose committee created by the Board shall exist for no longer than one year unless the Board votes to extend the time for its existence.

**8.3 New Committees.** The Board President or two members of the Board may propose the creation of new or additional standing committees or special purpose committees. The Board shall consider the creation of any new standing or special purpose committee to confirm the need for the new committee. Any new standing or special purpose committee is created by a majority vote of the Board at the next regularly-scheduled Board meeting after the new committee is proposed.

**8.4 Committee Membership.** The Board President appoints Directors to standing committees or special purpose committees. Each Director shall serve on at least two standing committees. The General Manager or designee from the executive or leadership team shall be an ex-officio member of all Committees. The General Manager and/or designee may be excused from a Committee meeting when matters related to the General Manager are under review or consideration.

If a vacancy occurs on a Board-established Committee, the President shall promptly designate a replacement Director to the Committee.

On or before August 1 in an election year, the Board shall vote to appoint or reappoint the members of TRWD's standing committees.

**8.5 Committee Meetings.** Committee meetings will be held on the date, time, and location determined by the Directors who serve on the Committee.

**8.6 Board Referrals of Matters to Committees.** The Board may refer specific items to committees for review or consideration and for recommendation to the Board. If the Board refers an item to a Committee, a Committee meeting shall be called as soon as practicable to review or consider the matter and prepare a recommendation to the Board for potential Board action.

## **9.0 BOARD OF DIRECTORS STANDARDS OF CONDUCT AND ETHICAL OBLIGATIONS**

These Standards of Conduct govern, affirm, and clarify the policies and expectations of TRWD concerning the conduct of members of the Board of Directors. It is in the best interests of TRWD for its governing body to maintain the highest standards of integrity, candor, impartiality, and conduct so that the best interests of TRWD may be served and the business of TRWD is carried out in a manner that upholds TRWD's business responsibilities and derives confidence of TRWD's staff, customers, and constituents. In conducting themselves in a manner consistent with the highest standards of integrity and personal conduct, TRWD Directors shall avoid even the appearance of any conflict of interest or impropriety.

These Standards of Conduct and Ethical Obligations should be reflected in Board policies and TRWD administrative procedures to ensure the General Manager, TRWD's executive and leadership teams, and all TRWD staff adhere to appropriate standards of conduct and the utmost ethical practices in the performance of their duties for TRWD.

**9.1 General Standards of Conduct.** Each Director is expected to demonstrate the highest degree of ethics in their official responsibilities and duties in order to maintain the integrity of TRWD. Each Director must commit to ensuring that they conduct themselves with honesty, integrity, and fairness in the discharge of their duties and ensure that TRWD business is conducted ethically and transparently.

Each Director is expected to become familiar with these policies and state law and procedures regarding ethical practices for public officials.

Additionally, members of the Board of Directors shall adhere to the following standards:

1. Attend all duly-scheduled Board meetings and committee meetings insofar as possible and become informed concerning issues to be considered at those meetings.
2. Communicate to other Board members and the General Manager expressions of public reaction to Board policies and programs.
3. Inform oneself about current issues by individual study and through participation in programs providing needed information.
4. Avoid being placed in a position of conflict of interest, and refrain from using the Board position for personal or partisan gain.
5. Take no private action that will compromise the Board or TRWD staff and respect the confidentiality of information that is privileged or confidential.

6. Bring about desired changes through legal and ethical procedures, upholding and enforcing all applicable statutes, regulations, and court decisions pertaining to water control and improvement districts.
7. Work with other Board members to establish effective Board policies and to delegate authority for the administration of the District to the General Manager.
8. Endeavor to make policy decisions only after full discussion at publicly-held Board meetings.
9. Render all decisions based on the available facts and independent judgment and refuse to surrender that judgment to other individuals or special interest groups.
10. Encourage the free expression of opinion by all Board members, and seek systematic communications between and among the Board, TRWD staff, and the community.
11. Work with other Board members and the General Manager to establish effective policies and practices prohibiting unlawful discrimination, including conduct that constitutes sexual harassment.
12. Support TRWD's employment of those persons best qualified to serve as staff and insist on avoiding preferential treatment of any person.

**9.2 Attendance at Board Meetings.** If a Director fails to attend six (6) consecutive regular meetings of the Board, or one-half or more of the regular meetings scheduled during the prior twelve (12) months, the Board by unanimous vote may remove the Director from serving as a member of the Board of Directors. The Board of Directors, however, may determine if fairness requires that the absences be excused on the basis of illness or other good cause.

**9.3 Conflict of Interest Disclosure.** If a Director has a substantial interest in a business entity or in real property, as defined by Local Government Code Chapter 171, the Board member shall file with the official recordkeeper of the Board, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation on the matter if the Board action will have a special economic effect on the business entity or the value of the property that is distinguishable from its effect on the public.

If a Director is required to file and does file an affidavit under this section, the Board member is not required to abstain from further participation in the matter at issue if a majority of the Board is likewise required to file and does file affidavits of similar interest on the same official action.

An individual has a “substantial interest” if the individual or his or her parent, child, stepchild, spouse, or spouse’s parent:

1. Has a controlling interest in the business entity;
2. Has ownership in excess of ten percent of the voting interest in the business entity or in excess of \$15,000 of the fair market value of the business entity;
3. Has any participating interest, either direct or indirect, by shares, stock, or otherwise, whether or not voting rights are included, in the profits, proceeds, or capital gains of the business entity in excess of ten percent;
4. Holds the position of a member of the Board of Directors or other governing board of the business entity;
5. Serves as an elected officer of the business entity; or
6. Is an employee of the business entity.

**9.4 Contractors, Vendors, and Consultants.** All activities of TRWD shall be carried out in accordance with local, state, and federal law. Directors are expected to avoid any improper interactions with contractors, vendors, and consultants who provide services to or seek to provide services including, but not limited to, bribes, kickbacks, or other illegal payments.

TRWD does not authorize or condone illegal or unethical activities by any of its contractors, vendors, and consultants. Directors who have knowledge of illegal or unethical activities by such third parties shall immediately report to the Board or the General Manager any activities which may be an indicator of illegal or unethical business practices.

No Director, or member of a Director’s family, shall solicit or accept any gift, favor, or service from a current or potential contractor, vendor, or consultant that might reasonably tend to influence the Director in the discharge of official duties or that the officer knows or should know is being offered with the intent to influence the Director’s official conduct. Directors are specifically prohibited from accepting from current or potential contractors, vendors, and consultants:

1. Vacations, pleasure trips, or hunting trips;
2. Discounts not available to the general public;
3. Products or services not available to the general public under similar circumstances;
4. Loans or advances;

5. Entertainment at a discount unavailable to the general public; or
6. Other unusual favors not available to the general public at the same cost.

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

A "gift" does not include a reasonable meal accepted as a guest, or a promotional item of nominal value, typical of items given at vendor booths at conferences.

**9.5 Confidentiality.** When there are competing confidentiality or security concerns, the Board may establish reasonable procedures or limitations to preserve confidentiality. If a member of the Board requests access to records which may be confidential, TRWD shall direct such requests to the General Counsel for review. Individual records responsive to the request shall first be reviewed by the General Counsel and marked as "Confidential." Records so marked may be reviewed by the requesting Board member, but copies may not be released, or their contents disclosed, without the approval of the Board. The reviewing Board member is required to maintain the records in the same manner they were maintained by TRWD.

At the time a Director is provided access to confidential records or to reports compiled from such records, the General Manager, other District employee, or General Counsel shall advise them of their responsibility to comply with confidentiality requirements.

**9.6 Privilege.** Communications between the Board of Directors and legal counsel is considered confidential if the information is not intended for disclosure to third persons other than those persons to whom the disclosure of information is made in furtherance of rendering professional legal services to TRWD and/or the Board of Directors or those reasonably necessary for the transmission of the communication. The attorney-client privilege belongs to the Board as a whole, and the privilege may not be waived except by the Board as a whole. Any unauthorized disclosure of an attorney-client communication is strictly prohibited.

**9.7 Prohibition on Nepotism.** A Director may not appoint a person to a position that is to be directly or indirectly compensated from public funds or fees of office if the person is related to the Director by blood (consanguinity) within the third degree or by marriage (affinity) within the second degree; or the person is related to another member of the Board of Directors by blood or marriage within a prohibited degree defined under state law. This prohibition on nepotism expressly includes directing the General Manager or TRWD staff to employ such a person at TRWD.

**9.8 Prohibition on Bribery.** A Director shall not intentionally or knowingly offer, confer, agree to confer on another, solicit, accept, or agree to accept a benefit:



- In exchange for the Director’s decision, opinion, recommendation, vote, or other exercise of discretion as a Director of TRWD;
- In exchange for a violation of a duty imposed on the public servant by law; or
- That is a political contribution as defined by Title 15 of the Election Code or an expenditure made and reported as a lobbying expense in accordance with Government Code, Chapter 305, if the benefit was offered, conferred, solicited, accepted, or agreed to pursuant to an express agreement to take or withhold a specific exercise of official discretion, if such exercise of official discretion would not have been taken or withheld but for the benefit. “Benefit” means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.

**9.9 Prohibition on Illegal Gifts:** A Director shall not solicit, accept, or agree to accept any benefit from a person the Director is interested in or likely to become interested in contracts, purchases, payments, claims, or other pecuniary transactions with TRWD.

A Director who receives an unsolicited benefit that the Director is prohibited from accepting under this section may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax exempt charitable organization formed for educational, religious, or scientific purposes.

This prohibition on illegal gifts does not apply to:

1. A fee prescribed by law to be received by the Director or any other benefit to which the Director is lawfully entitled or for which he or she gives legitimate consideration in a capacity other than as a public servant;
2. A gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the status of the recipient as a Director;
3. A benefit to a Director required to file a statement under Texas Government Code Chapter 572 or a report under Texas Election Code Title 15 that is derived from a function in honor or appreciation of the recipient if:
  - The benefit and the source of any benefit in excess of \$50 is reported in the statement; and
  - The benefit is used solely to defray the expenses that accrue in the performance of duties or activities as a Director which are non-reimbursable by TRWD;
4. A political contribution as defined by Title 15 of the Texas Election Code;

5. An item with a value of less than \$50, excluding cash or a negotiable instrument as described by Texas Business and Commerce Code § 3.104;
6. An item issued by TRWD that allows the use of property or facilities owned, leased, or operated by TRWD;
7. Transportation and lodging expenses or meals in connection with a conference or similar event at which the Director renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory; or
8. Food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.

**9.10 Prohibition on Improper Honoraria and Expenses.** A Director shall not solicit, accept, or agree to accept an honorarium in consideration for services that the Director would not have been requested to provide but for his or her official position or duties as a member of TRWD's Board of Directors. A Director, however, is not prohibited from accepting transportation and lodging expenses or meals in connection with a conference or similar event in which he or she renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory.

**9.11 Prohibition on Abuse of Office.** A Director shall not, with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly violate a law that specifically applies to Directors of water districts and that directly or indirectly imposes a duty on the Director or governs the conduct of the Director. A Director, likewise, shall not misuse TRWD property, services, personnel, or any other thing of value belonging to the District, that has come into his or her custody by virtue of his or her status as a Director of TRWD's Board. Such misuse includes dealing with TRWD property contract to:

- An agreement under which the Director holds the property;
- A contract of employment or oath of office of the Director;
- A law, including provisions of the General Appropriations Act specifically relating to government property, that prescribes the manner of custody or disposition of the property; or
- A limited purpose for which the property is delivered or received.

**9.12 Prohibition on Misuse of Official Information:** A Director shall not use or rely on information the Director has access to by virtue of his or her service as a Director and that has not been made public to:

- Acquire or aid another to acquire a pecuniary interest in any property, transaction, or enterprise that may be affected by the information;
- Speculate or aid another to speculate on the basis of the information; or
- As a Director, coerce another into suppressing or failing to report that information to a law enforcement agency.

A Director likewise shall not, with intent to obtain a benefit or with intent to harm or defraud another, disclose or use information for a nongovernmental purpose that the Director has access to because he or she serves as a member of the Board of Directors that has not been made public.

For purposes of Section 9.12, “information that has not been made public” means any information to which the public does not generally have access, and that is prohibited from disclosure under the Texas Public Information Act.

**9.13 Protections for Acting on a Legislative Measure.** A Director may not be subject to disciplinary action or a sanction, penalty, disability, or liability for:

- An action permitted by law that the Director takes in the Director’s official capacity regarding a legislative measure;
- Proposing, endorsing, or expressing support for or opposition to a legislative measure or taking any action permitted by law to support or oppose a legislative measure;
- The effect of a legislative measure or of a change in law proposed by a legislative measure on any person; or
- A breach of duty in connection with the Director’s practice of or employment in a licensed or regulated profession or occupation, to disclose to any person information, or to obtain a waiver or consent from any person, regarding the Director’s actions relating to a legislative measure; or the substance, effects, or potential effects of a legislative measure.

### **AUTHORITY**

Tex. Gov’t Code §§ 551.001, et seq.  
Tex. Gov’t Code §§ 552.001, et seq.  
Tex. Gov’t Code § 572.059  
Tex. Gov’t Code § 573.002  
Tex. Gov’t Code § 573.041

Tex. Loc. Gov't Code § 171.002  
Tex. Loc. Gov't Code § 171.004  
Tex. Penal Code §§ 1.07(41)(A), (E)  
Tex. Penal Code. § 36.01  
Tex. Penal Code § 36.02  
Tex. Penal Code § 36.07  
Tex. Penal Code §§ 36.08(d), (i)  
Tex. Penal Code §§ 36.10(a)-(b)  
Tex. Penal Code §§ 39.01(1)-(2)  
Tex. Penal Code § 39.02(a).  
Tex. Atty Gen. Op. OR 2006-03805 (2006).  
Tex. Atty. Gen. Op JC-184 (2000)

## **10.0 COUNSEL**

Legal services shall generally be provided to TRWD under the direction of the General Counsel. This includes the coordination of external counsel, including external counsel selected or authorized by the Board to represent the District.

The following sets forth the manner in which TRWD and its Board of Directors will utilize legal services from internal and external attorneys.

**10.1 Internal Counsel.** The Board delegates to the General Manager the authority to hire and employ an attorney or attorneys for the District, through TRWD's normal employee hiring process, to serve as the District's in-house legal counsel and representative in matters requiring legal services. This in-house legal counsel may serve as the District's General Counsel.

Internal counsel shall report directly to the General Manager or designee and assist the Board upon request.

**10.2 Requests for Services from Internal Counsel.** To coordinate and monitor the provision of legal services for the District, the Board delegates to the General Manager the ability to determine how to channel staff requests for legal advice from internal counsel.

Board requests for specific legal research and/or formal opinions of internal counsel must be requested by the President, a majority of the Board, or a written request to the President by two or more Board members. Board requests for legal services from internal counsel should be directed to the General Manager to provide to internal counsel.

**10.3 Special Counsel to the Board.** The Board may, by majority vote, retain Special Counsel to the Board, who may serve as the District's General Counsel, to advise on legal matters affecting the Board. The Board may utilize Special Counsel to the Board, in lieu of or in addition to internal counsel, to provide representation and advice to the Board at Board meetings.

The Board President is authorized to request Special Counsel to the Board to attend Board meetings or issue opinions. Special Counsel to the Board shall only be compensated for attending a Board meeting if their presence is requested in writing by the Board President.

Special counsel to the Board shall be responsible and report directly to the Board as a whole. Although Special Counsel to the Board reports directly to the Board, the attorney(s) shall coordinate and work with the General Manager, internal counsel, and/or other TRWD staff as appropriate to coordinate and enhance the quality of legal services provided to the Board.

**10.4 Director Requests for Services from Special Counsel to the Board.** Directors may make requests for legal services from Special Counsel to the Board in writing to the Board President. Upon receipt of an appropriate request for legal services from a Board member, the Board President may request that Special Counsel to the Board perform the service or issue the opinion. If the Board President receives an identical or substantially similar request for legal services from Special Counsel to the Board from two or more Directors, the request must be forwarded to Special Counsel to the Board for action within a reasonable timeframe. Opinions by Special Counsel to the Board not provided during a Board meeting shall be issued in writing and delivered to all Directors.

**10.5 External Counsel.** Beginning at the latest January 1, 2022 and every three years after that, the Board, through the General Manager, shall publish a Request for Qualifications ("RFQ") for all external counsel, which includes Special Counsel to the Board. The General Manager in consultation and coordination with the executive and leadership teams shall review all responses to the RFQ and present a list to the Board recommending the candidates deemed best qualified to provide external legal services to TRWD. The Board may adopt, reject, or amend the list of recommended external counsel.

The General Manager or in-house counsel, in consultation with the General Manager, shall have the ability to retain external counsel for TRWD in legal matters based on the list of external counsel approved by the Board.

External Counsel will report directly to the General Manager or in-house counsel, but is also responsible for reporting to the Board as requested. Special Counsel to the Board selected under the RFQ process shall report directly to the Board.

**10.6 Attorney-Client Privilege.** Communication with all legal counsel, whether internal counsel, Special Counsel to the Board, or external counsel, is considered confidential if it is not intended to be disclosed to third persons other than those to whom the disclosure is made in furtherance of the rendition of professional legal services to the District and/or the Board or those reasonably necessary for the transmission of the communication. The attorney-client privilege belongs to the Board, as a whole, and the privilege may not be waived except by the Board, as a whole. Any unauthorized disclosure of an attorney-client communication is strictly prohibited.

## **11.0 AUDITORS AND AUDIT REPORTING**

**11.1 Internal Auditor(s).** TRWD shall employ an internal auditor who will oversee, facilitate, and assist with TRWD's internal audit function. TRWD may also employ other audit personnel or independently contract with audit personnel to assist with TRWD's internal audit function.

To provide independence and objectivity in TRWD's internal audit function, the internal auditor and any internal audit personnel shall report functionally to the Finance and Audit Committee and TRWD's Board and administratively to the Deputy General Manager. The internal auditor will serve as the liaison between TRWD's administration and the Finance and Audit Committee and Board with respect to the internal audit function. The internal auditor will cooperate with other departments or divisions within TRWD as necessary to effectively perform the duties and responsibilities of the internal auditor while maintaining the independence of the internal audit function.

The Board may also approve and retain private auditors or a private auditing firm, for up to a five-year period, based on the recommendation of the Finance and Audit Committee and the internal auditor, to assist TRWD with its internal audit function. The private auditors or private auditing firm assisting with TRWD's internal audit function shall cooperate with the internal auditor and any TRWD personnel, but shall report to the Finance and Audit Committee and the Board.

**11.2 External Auditor(s).** External auditors shall be approved and retained by the Board with the recommendation of the Finance and Audit Committee and the Chief Financial Officer. The external auditor will cooperate with, but function independently of, TRWD's executive management, the internal auditor, and TRWD staff.

The Board shall select an external auditor for provision of audit services for up to a five-year period.

TRWD's external audit examination shall be conducted in accordance with generally accepted auditing standards and shall include all funds over which the Board has direct or supervisory control.

When a circumstance occurs in which the external auditors feel that information should be brought directly to the Board, this matter shall be communicated to the Finance and Audit Committee, who shall in turn inform the full Board. The members of the Finance and Audit Committee are obligated to report such opinions or findings directly to the Board.

The auditors' final report, which shall include a letter to management, shall be submitted directly to the Finance and Audit Committee and subsequently presented to the whole Board.

**11.3 Audited Financial Reports.** TRWD's audited financial reports shall be prepared in accordance with Generally Accepted Accounting Principles as defined by the Governmental Accounting Standards Board and presented in "Audits of State and Local Government Units" and "Governmental Accounting and Financial Reporting Standards."





# **Board Governance Policies**

## ***Comparison of Current and Proposed Policies***

**TARRANT REGIONAL WATER DISTRICT BOARD GOVERNANCE POLICIES  
GENERAL COMPARISON OF CURRENT BOARD GOVERNANCE POLICIES AND  
PROPOSED NEW BOARD GOVERNANCE POLICIES**

\* Text that is in green is new.

Current Board Governance Policies	Proposed New Board Governance Policies
	<p><b>1.0 LEGAL STATUS</b>                      The Tarrant Regional Water District (“TRWD” or the “District”) is a water control and improvement district created under article XVI, section 59 of the Texas Constitution. TRWD is a political subdivision of the State of Texas.                      TRWD’s authority comes from the legislative act creating TRWD, Tex. Rev. Civ. Stat. Ann. art. 8280–207 as amended (the “Enabling Act”). Under the provisions of the Enabling Act and the Texas Water Code, all powers of TRWD shall be exercised by TRWD’s Board of Directors (the “Board”).</p>
	<p><b>2.0 MISSION AND OBJECTIVES</b>  <b>2.1 Vision Statement.</b> Enriching Communities, Improving the Quality of Life.  <b>2.2 Mission Statement.</b> It is TRWD’s mission to:</p> <ol style="list-style-type: none"> <li>1. Deliver a reliable, resilient, and sustainable supply of water to the public at the lowest cost and highest quality possible;</li> <li>2. Reduce the risk of flooding in our communities with dependable flood damage reduction infrastructure and operations; and</li> <li>3. Enhance the quality of life in North Texas communities by creating recreation opportunities around TRWD infrastructure to enable active lifestyles.</li> </ol> <p><b>2.3 Tenets and Objectives.</b> The strategic tenets of TRWD include resource stewardship, reliability, continuous improvement, a results-oriented approach, and care for the communities TRWD serves and its employees.                      The strategic objectives TRWD identifies to guide its work shall be set forth in a Strategic Plan prepared by the General Manager that is updated and presented regularly, and not less than once every five (5) years, to TRWD’s Board.</p>
	<p><b>3.0 THE BOARD OF DIRECTORS</b>                      TRWD shall be governed by a board of five elected directors.</p>
<p><u>BOARD AUTHORITY</u>                      The Board is responsible for the management of all of the affairs of the District. TEX. WATER CODE § 49.057 However, the Board may delegate to the General Manager full authority to manage and operate the affairs of the District subject only to orders of the Board. TEX. WATER CODE § 49.056 The General Manager may, among other duties, supervise and control access to and activities upon District facilities.</p>	<p><b>3.1 Board Authority.</b> The Board shall be responsible for the management of all the affairs of TRWD.                      The Board may only officially act or transact any business of TRWD by majority vote of the <del>members</del> Directors present at a <del>an open meeting held in compliance with the Government Code Chapter 551</del> properly-noticed meeting that complies with the Texas Open Meetings Act, at which a quorum of the Board is present and voting.</p>

Current Board Governance Policies	Proposed New Board Governance Policies
<p>The Board may act only by majority vote of the members present at an open meeting held in compliance with Government Code Chapter 551, at which a quorum of the Board is present and voting.</p>	
<p><u>TRANSACTING BUSINESS</u>  When a proposal is presented to the Board, a discussion shall be held and a decision reached. Although there may be dissenting votes, which are a matter of public record, each Board decision shall be an action by the whole Board binding upon each member.</p>	
<p><u>INDIVIDUAL AUTHORITY FOR COMMITTING THE BOARD</u>  Board members as individuals shall not exercise authority over the District, its property, or its employees. Except for appropriate duties and functions of the Board President, an individual member may act on behalf of the Board only with the express authorization of the Board. Without such authorization, no individual member may commit the Board on any issue. No individual member may waive or disclose any privilege, confidential information or right available to the Board, including any privileges or confidentiality which may apply to litigation, to real property matters, to matters concerning the awarding of contracts, or purchasing of equipment or materials.  A Board member may not exert pressure of any kind on the General Manager or staff members to bring about the retention, promotion, or dismissal of any employee or consultant of the District. If a Board member does attempt to exert such pressure, the General Manager is instructed and obligated to bring the matter to the attention of the Board.</p>	<p><b>3.2 Individual Authority for Committing the Board</b>  <del>No Individual Director Authority.</del> Board members as individuals shall not exercise authority over the District TRWD, its property, or its employees. Except for appropriate duties and functions of the Board President, and individual member may act on behalf of the Board only with the express authorization of the Board. Unless expressly authorized by the Board, individual Directors may not act on behalf of the Board, may not speak on behalf of the Board, and may not commit the Board on an issue.  No individual Director may waive or disclose any privilege, confidential information, or right available to the Board, including any privileges or confidentiality which may apply to litigation, to real property matters, to matters concerning the awarding of contracts, or purchasing of equipment or materials.  <del>A Board member may not exert pressure of any kind on the General Manager or staff members to bring about the retention, promotion, or dismissal of any employee or consultant of the District. If a Board member does attempt to exert such pressure, the General Manager is instructed and obligated to bring the matter to the attention of the Board.</del></p>
	<p><b>3.3 Board Duties and Responsibilities:</b> The Board will select and employ a person to serve as the General Manager for TRWD. The Board makes all decisions regarding the General Manager's compensation and has the authority to remove the General Manager in the best interests of TRWD. The General Manager will report directly to the Board.  The Board, in consultation with and with recommendations developed by the General Manager and executive team, will adopt the overall strategic plan and objectives of TRWD and review them on a regular basis. The Board shall also adopt policies it determines are in the best interest of TRWD for the operation of the District.  Each year, the Board shall adopt an annual budget.  The Board shall faithfully discharge its duties by conducting its affairs and management of TRWD in a highly ethical</p>

Current Board Governance Policies	Proposed New Board Governance Policies
	<p>manner to serve the public trust and based on sound business judgment. Directors shall not discharge their duties or direct actions of TRWD for any purpose of private gain or to seek personal advantage.</p>
	<p><b>3.4 Delegation to the General Manager.</b> The Board delegates to the General Manager the full authority to manage and operate TRWD’s affairs subject only to the orders or directives of the Board. This delegation of authority to the General Manager includes all general powers and duties in the Enabling Act, other applicable law, and Board policies necessary to accomplish TRWD’s mission, plans, and strategic objectives as approved by the Board, except for the powers and duties specifically reserved for the Board by the Enabling Act, state law, or other Board policies.</p> <p>The Board’s delegation of authority to the General Manager includes the authority to employ all persons necessary to properly conduct TRWD’s business and operations. The general powers, duties, and responsibilities of the General Manager are set forth in Section 4.0 of these Board Governance Policies.</p> <p>The strategic objectives TRWD identifies to guide its works shall be set forth in a Strategic Plan prepared by the General Manager and adopted by the Board that is updated and presented regularly to TRWD’s Board, and no less than once every five (5) years, to ensure TRWD is furthering its mission for the North Texas community.</p>
	<p><b>3.5 Elections.</b> The election of Directors for TRWD’s Board is governed by Texas Water Code Chapter 49, subchapter D and the Texas Election Code. Elections will be held in May of each odd-numbered year to elect the appropriate number of Directors. Generally, members of the Board shall serve staggered four-year terms until their successors have been qualified.</p> <p>The Board shall convene at a regularly-scheduled, special, or called Board meeting no later than the eleventh day after the election day and not earlier than the time prescribed by the Election Code to conduct the local canvas. After the local canvas is conducted at the Board meeting, and before further Board action is taken, the elected candidates shall be administered the oath of office.</p> <p>Within thirty (30) days after qualification of Directors following an election, each elected Director shall certify in writing that he or she has read these Board Governance Policies and agrees to follow them in the discharge of his or her duties as a Director of TRWD’s Board.</p>
	<p><b>3.6 Election of Officers.</b> At the first Board meeting after qualification of Directors following an election, the Board shall elect from its membership a President, Vice President, and Secretary and such other officers or assistant officers the Board deems necessary. In addition, the Board</p>

Current Board Governance Policies	Proposed New Board Governance Policies
	<p>may call an election of officers as it deems necessary and appropriate based on a majority vote of the Board at a properly-noticed meeting at which a quorum of the Board is present and voting.</p> <p>The Vice President or Secretary shall serve as chairperson and shall preside over the Board meeting during the election of officers until such time as the President is elected.</p> <p>Nominations for officers may be taken from the floor at the Board meeting prior to the vote. After nominations have been closed, Board members shall cast their vote. When there is only one nominee for an office, the chair can declare that the nominee is elected, effecting the election by unanimous consent or acclamation. An election to an office shall become final immediately.</p> <p>Individual officer vacancies in the midst of a term may be filled by vote of the Board at the next regularly-scheduled Board meeting or at a special or called Board meeting.</p>
<p><u>DIRECTION TO COUNSEL</u></p> <p>The District’s counsel reports to the Board as a whole. Requests for specific legal research and/or formal opinions of counsel must be requested by the President or a majority of the Board.</p>	
	<p><b>10.0 COUNSEL</b></p> <p>Legal services shall generally be provided to TRWD under the direction of the General Counsel. This includes the coordination of external counsel, including external counsel selected or authorized by the Board to represent the District. The following sets forth the manner in which TRWD and its Board of Directors will utilize legal services from internal and external attorneys.</p>
	<p><b>10.1 Internal Counsel.</b> The Board delegates to the General Manager the authority to hire and employ an attorney or attorneys for the District, through TRWD’s normal employee hiring process, to serve as the District’s in-house legal counsel and representative in matters requiring legal services. This in-house legal counsel may serve as the District’s General Counsel.</p> <p>Internal counsel shall report directly to the General Manager or designee and assist the Board upon request.</p>
	<p><b>10.2 Requests for Services from Internal Counsel.</b> To coordinate and monitor the provision of legal services for the District, the Board delegates to the General Manager the ability to determine how to channel staff requests for legal advice from internal counsel.</p> <p>Board requests for specific legal research and/or formal opinions of internal counsel must be requested by the President, a majority of the Board, or a written request to the President by two or more Board members. Board requests</p>

Current Board Governance Policies	Proposed New Board Governance Policies
	for legal services from internal counsel should be directed to the General Manager to provide to internal counsel.
	<p><b>10.3 Special Counsel to the Board.</b> The Board may, by majority vote, retain Special Counsel to the Board, who may serve as the District’s General Counsel, to advise on legal matters affecting the Board. The Board may utilize Special Counsel to the Board, in lieu of or in addition to internal counsel, to provide representation and advice to the Board at Board meetings.</p> <p>The Board President is authorized to request Special Counsel to the Board to attend Board meetings or issue opinions. Special Counsel to the Board shall only be compensated for attending a Board meeting if their presence is requested in writing by the Board President.</p> <p>Special counsel to the Board shall be responsible and report directly to the Board as a whole. Although Special Counsel to the Board reports directly to the Board, the attorney(s) shall coordinate and work with the General Manager, internal counsel, and/or other TRWD staff as appropriate to coordinate and enhance the quality of legal services provided to the Board.</p>
	<p><b>10.4 Director Requests for Services from Special Counsel to the Board.</b> Directors may make requests for legal services from Special Counsel to the Board in writing to the Board President. Upon receipt of an appropriate request for legal services from a Board member, the Board President may request that Special Counsel to the Board perform the service or issue the opinion. If the Board President receives an identical or substantially similar request for legal services from Special Counsel to the Board from two or more Directors, the request must be forwarded to Special Counsel to the Board for action within a reasonable timeframe. Opinions by Special Counsel to the Board not provided during a Board meeting shall be issued in writing and delivered to all Directors.</p>
	<p><b>10.5 External Counsel.</b> Beginning at the latest January 1, 2022 and every three years after that, the Board, through the General Manager, shall publish a Request for Qualifications (“RFQ”) for all external counsel, which includes Special Counsel to the Board. The General Manager in consultation and coordination with the executive and leadership teams shall review all responses to the RFQ and present a list to the Board recommending the candidates deemed best qualified to provide external legal services to TRWD. The Board may adopt, reject, or amend the list of recommended external counsel.</p> <p>The General Manager or in-house counsel, in consultation with the General Manager, shall have the ability to retain</p>

Current Board Governance Policies	Proposed New Board Governance Policies
	<p>external counsel for TRWD in legal matters based on the list of external counsel approved by the Board.</p> <p>External Counsel will report directly to the General Manager or in-house counsel, but is also responsible for reporting to the Board as requested. Special Counsel to the Board selected under the RFQ process shall report directly to the Board.</p>
	<p><b>10.6 Attorney-Client Privilege.</b> Communication with all legal counsel, whether internal counsel, Special Counsel to the Board, or external counsel, is considered confidential if it is not intended to be disclosed to third persons other than those to whom the disclosure is made in furtherance of the rendition of professional legal services to the District and/or the Board or those reasonably necessary for the transmission of the communication. The attorney-client privilege belongs to the Board, as a whole, and the privilege may not be waived except by the Board, as a whole. Any unauthorized disclosure of an attorney-client communication is strictly prohibited.</p>
	<p><b>11.0 AUDITORS AND AUDIT REPORTING</b></p>
	<p><b>11.1 Internal Auditor(s).</b> TRWD shall employ an internal auditor who will oversee, facilitate, and assist with TRWD’s internal audit function. TRWD may also employ other audit personnel or independently contract with audit personnel to assist with TRWD’s internal audit function.</p> <p>To provide independence and objectivity in TRWD’s internal audit function, the internal auditor and any internal audit personnel shall report functionally to the Finance and Audit Committee and TRWD’s Board and administratively to the Deputy General Manager. The internal auditor will serve as the liaison between TRWD’s administration and the Finance and Audit Committee and Board with respect to the internal audit function. The internal auditor will cooperate with other departments or divisions within TRWD as necessary to effectively perform the duties and responsibilities of the internal auditor while maintaining the independence of the internal audit function.</p> <p>The Board may also approve and retain private auditors or a private auditing firm, for up to a five-year period, based on the recommendation of the Finance and Audit Committee and the internal auditor, to assist TRWD with its internal audit function. The private auditors or private auditing firm assisting with TRWD’s internal audit function shall cooperate with the internal auditor and any TRWD personnel, but shall report to the Finance and Audit Committee and the Board</p>
	<p><b>11.2 External Auditor(s).</b> External auditors shall be approved and retained by the Board with the recommendation of the Finance and Audit Committee and the Chief Financial Officer. The external auditor will</p>

Current Board Governance Policies	Proposed New Board Governance Policies
	<p>cooperate with, but function independently of, TRWD’s executive management, the internal auditor, and TRWD staff.</p> <p>The Board shall select an external auditor for provision of audit services for up to a five-year period.</p> <p>TRWD’s external audit examination shall be conducted in accordance with generally accepted auditing standards and shall include all funds over which the Board has direct or supervisory control.</p> <p>When a circumstance occurs in which the external auditors feel that information should be brought directly to the Board, this matter shall be communicated to the Finance and Audit Committee, who shall in turn inform the full Board. The members of the Finance and Audit Committee are obligated to report such opinions or findings directly to the Board.</p> <p>The auditors’ final report, which shall include a letter to management, shall be submitted directly to the Finance and Audit Committee and subsequently presented to the whole Board.</p>
	<p><b>11.3 Audited Financial Reports.</b> TRWD’s audited financial reports shall be prepared in accordance with Generally Accepted Accounting Principles as defined by the Governmental Accounting Standards Board and presented in “Audits of State and Local Government Units” and “Governmental Accounting and Financial Reporting Standards.”</p>
<p><u>AUTHORITY OF PRESIDENT</u>  The President of the Board is the chief executive officer of the District, presides at all meetings of the Board, and shall execute all documents on behalf of the District unless the Board authorizes the General Manager or other employee of the District to execute a document or documents on behalf of the District. TEX. WATER CODE § 49.054 The President shall generally be authorized to represent the District at official functions, to submit items for and approve the agendas for Board meetings, and to create Board committees and appoint Board members to serve on Board committees.</p>	<p><del>AUTHORITY OF PRESIDENT</del> <u>DUTIES OF THE PRESIDENT</u>  The <del>President of the Board</del> Board President is the chief executive officer of the District, <del>presides at all meetings of the Board, and</del> and shall execute all documents on behalf of <del>the District</del> TRWD unless the Board authorizes another Director, the General Manager, or other <del>employee of the District to execute a document or documents on behalf of the District.</del> TEX. WATER CODE § 49.054 TRWD staff member to execute a document or documents on behalf of TRWD. The President shall generally be authorized to represent the District at official functions unless the Board authorizes another Director to serve as the District’s representative at a particular function.</p> <p>The President shall preside as the chairperson at all Board meetings. In the absence or unavailability of the President, the Vice President or Secretary shall preside. As chairperson, the President shall:</p> <ol style="list-style-type: none"> <li>1. Call to order any Board meeting;</li> <li>2. Preserve order and decorum in all Board meetings;</li> <li>3. Confine the Directors' debate at Board meetings to the issue under discussion;</li> </ol>



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	<p>4. Decide all questions of order with guidance from <i>Robert's Rules of Order</i>, subject to a Director's appeal and request for a vote on the question of order;</p> <p>5. Have the right to declare a recess for a short intermission or break; and</p> <p>6. State all questions submitted for a voice vote or roll call vote, upon the request of any Director.</p> <p>The President shall generally be authorized to <del>represent the District at official functions, to submit items for and approve the agendas for Board meetings, and to create Board committees and appoint Board members to serve on Board committees.</del> recommend the creation of Board committees to the Board and appoint Directors to serve on Board committees. The President shall call special meetings of the Board and review the agendas for Board meetings.</p> <p>The President shall inform the Board of all correspondence to TRWD that directly concerns the Board and deliver the advice of attorneys and auditors to Directors.</p> <p>The President, in consultation and cooperation with the General Manager and executive team or leadership team, shall respond to Director requests for reports, Director requests for information, requests for special meetings, and placement of matters on the agenda for Board meetings. The President may request that the General Manager or appropriate executive or leadership team member respond to Director requests.</p>
	<p><b>3.8 Duties of the Vice President.</b> The Vice President shall act as the Board President in case of absence or unavailability of the President. The Vice President shall serve as the chairperson at any Board meeting if the President is absent. The Vice President shall also have authority to execute contracts and documents on behalf of TRWD in the absence or unavailability of the President. The Vice President shall also have the authority to attest to the President's signature on all contracts and legal documents if the Secretary is absent or unavailable.</p>
	<p><b>3.9 Duties of the Secretary.</b> The Secretary is responsible for ensuring that all records and books of TRWD are properly kept and may attest to the President's signature on all contracts and legal documents. TRWD's Records Management Officer assists the Secretary in the discharge of this responsibility to ensure proper management and retention of records and books. The General Manager may select one or more staff members to assist the Secretary and Records Management Officer ensure proper management and retention of records and books.</p>
	<p><b>3.11 Communication with or regarding TRWD Staff.</b> Directors should direct all requests for information from or meetings with TRWD staff to the General Manager or his or</p>

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	<p>her designee. The General Manager, or his or her designee, may make the decision whether to attend the meeting between a Director and TRWD staff.</p> <p>A Director may not exert pressure of any kind on the General Manager or staff members to hire, promote, change the compensation or benefits of, or dismiss any employee of the District. The authority to hire, promote, dismiss, or change the compensation or benefits of any TRWD staff ultimately rests with the General Manager. If a Director does attempt to exert such pressure, the General Manager is instructed and obligated to bring the matter to the attention of the Board.</p>
	<p><b>3.12 Training.</b> The Board shall receive annual training and/or legal updates regarding open governance, particularly the Texas Open Meetings Act and Texas Public Information Act, and ethics.</p>
	<p><b>3.13 Expense Reimbursement.</b> Directors may submit and receive reimbursement for actual expenses incurred by an individual Director for his or her reasonable travel, lodging, or meals required when attending to the business of the District.</p>
	<p><b>3.14 Education and Training Expenses.</b> Because a well-educated and knowledgeable Board of Directors is important to TRWD’s mission and objectives, TRWD may authorize and reimburse Directors’ reasonable expenses for attending educational, training, and developmental opportunities related to issues facing water districts.</p>
	<p><b>4.0 THE GENERAL MANAGER</b></p> <p>The General Manager shall perform all general powers and duties delegated to the General Manager by the Board. The General Manager shall report to the Board of Directors and work with TRWD’s executive team and leadership team to effectuate the District’s strategic direction, formulate procedures and plans, and provide overall direction to the District to ensure TRWD’s continued success. The General Manager is ultimately responsible for the management, operational effectiveness, and financial health of the District.</p>
	<p><b>4.1 Executive and Leadership Teams.</b> The General Manager may establish an executive team and leadership team and may select the members to serve on the executive team and leadership team to assist the General Manager with the management and operation of the District.</p>
	<p><b>4.2 Hiring and Removal.</b> The Board, acting as a body, shall hire a General Manager of TRWD. The Board, acting as a body, may remove a General Manager if the Board determines it is in the best interests of TRWD.</p>
	<p><b>4.3 Duties and Responsibility of the General Manager.</b> The General Manager shall manage and operate TRWD’s affairs in accordance with local, state, and federal</p>

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	<p>law and Board policies. The General Manager may delegate any general duties or responsibilities, including the duties identified below, to a member of the executive team, leadership team, or other TRWD staff to serve as the General Manager’s designee.</p> <p>In addition to the general powers and duties delegated by the Board to the General Manager, the General Manager shall:</p> <ol style="list-style-type: none"> <li>1. Collaborate with the Board of Directors in defining and establishing TRWD’s mission, vision, and strategic goals;</li> <li>2. Attend all special and regular meetings of the Board of Directors and meetings of Board Committees, or ensure that a member of the executive team or leadership team attends in the General Manager’s absence or unavailability;</li> <li>3. Manage and oversee the complete operation of TRWD in accordance with the direction established in the Strategic Plan and ensure compliance with all legal and regulatory requirements;</li> <li>4. Supervise and control access to and activities upon TRWD facilities or property;</li> <li>5. Have ultimate authority to hire, determine compensation and benefits, and supervise all employees of TRWD, including dismissal of any TRWD employee for any reason not prohibited by local, state, or federal law;</li> <li>6. Serve as the primary spokesperson and representative for the District and act as a liaison between the District and the community;</li> <li>7. Develop and recommend to the Board strategies and operating plans that support Board initiatives and assist in achieving short-term and long-term goals of TRWD, including strategies and plans which ensure and promote the financial health and viability of the District;</li> <li>8. Ensure the Board is advised of the financial health and needs of the District;</li> <li>9. Continuously review Board policies and if any deficiencies are identified, provide such information to the Board;</li> <li>10. Ensure TRWD staff develop and implement administrative procedures and practices to effectuate Board policies and to ensure TRWD complies with all local, state, and federal laws;</li> </ol>

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	<ol style="list-style-type: none"> <li>11. Ensure TRWD administrative procedures and practices are consistent with and reflective of the policies adopted by the Board;</li> <li>12. Make recommendations to the Board on any matter the General Manager deems necessary;</li> <li>13. Make recommendations, as appropriate, to the Board regarding the hiring of private consultants (accountants, engineers, and financial advisers) and supervise and coordinate the authorized work of any private consultant retained by the Board; and</li> <li>14. Perform any other duties and responsibilities assigned to the General Manager by the Board.</li> </ol>
	<p><b>4.4 Annual Evaluation.</b> The Board of Directors shall conduct an annual review of the General Manager’s performance. The annual review should be conducted prior to December 1 each year. The Board may enlist the assistance of a private consultant or attorney to facilitate the evaluation process.</p> <p>The Board shall conduct the General Manager’s evaluation, which may be developed with a private consultant, based on pre-established criteria identified by the Board that are tied to the District’s Strategic Plan and the duties and responsibilities delegated to the General Manager. The General Manager shall conduct a self-evaluation, in consultation with any private consultant retained by the Board, which addresses each of the criteria established by the Board.</p> <p>Each Director shall participate in the evaluation of the General Manager based on the General Manager’s self-evaluation and a Director’s individual discussion with the General Manager or interview conducted by any private consultant retained by the Board.</p> <p>The Board shall complete the evaluation and discuss the Board’s conclusions with the General Manager in an executive session closed to the public.</p>
	<p><b>4.5 Compensation.</b> The Board of Directors shall establish the annual salary the General Manager receives. The Board may vote to authorize additional remuneration to the General Manager, such as incentive or performance-based compensation, so long as the additional compensation is consistent with the Texas Constitution and Texas state law.</p>
	<p><b>4.6 Ethics and Standards of Conduct.</b> The General Manager shall follow all standards of conduct and ethical practices set forth in Board policies and TRWD’s</p>

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	<p>administrative procedures. The General Manager shall not accept payment from any source other than TRWD for work performed as the District's General Manager. No member of the General Manager's family, within the third degree by consanguinity or within the second degree of affinity as defined in Chapter 573, subchapter B of the Texas Government Code, may be employed by TRWD or have a substantial interest in an organization associated with or benefiting from TRWD without disclosure to and authorization from the Board of Directors.</p>
	<p><b>6.0 BOARD MEETINGS</b>  A meeting of the Board of Directors of TRWD is defined as any meeting that is required to be posted under the Texas Open Meetings Act. The Board shall give written notice of the date, hour, place, and subject(s) of each meeting it holds. All regular monthly meetings and special meetings of the Board shall be open to the public, and public notices shall be posted in compliance with applicable state law.</p>
	<p><b>6.1 Regular Monthly Board Meetings.</b> The Board of Directors shall conduct monthly regular Board meetings in accordance with Section 49.064 of the Texas Water Code and Chapter 551 of the Texas Government Code. The Monthly Board Meeting shall be held at 800 E. Northside Drive, Fort Worth, Texas in the TRWD Administrative Offices building. When determined necessary and for the convenience of the Directors, the Board President, or a majority vote of the of the Board, may change the location of a Board meeting. The notice for that Board meeting shall reflect the changed location.  Directors of the TRWD shall be given 72 hours' notice for regular monthly and special meetings.  All meeting notices and official records of Board meetings shall be preserved in accordance with applicable state law and TRWD's record retention procedures.</p>
	<p><b>6.2 Special or Called Board Meetings/Board Workshops.</b> The Board President shall call special or called Board meetings or workshops as appropriate. The Board President shall call a special or called Board meeting or workshop at the President's discretion or at the formal, written request of two Directors. A formal request shall:</p> <ol style="list-style-type: none"> <li>1. Be submitted by two or more Directors to the Board President either by e-mail or paper;</li> <li>2. Contain language for the specific agenda item(s) for the requested special or called Board meeting that is/are identical from two Directors; and</li> </ol>

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	<p>3. If submitted on paper, be signed by two or more Directors with the date of the request.</p> <p>The Board shall hold a special or called meeting addressing the specific agenda items presented in the formal, written request within 60 days after the formal, written request is received.</p>
	<p><b>6.3 Emergency Meetings.</b> The Board President may call an emergency meeting when an emergency or an urgent public matter arises that is an imminent threat to public health and safety, or a reasonably unforeseeable situation arises, and the Board has a need to take immediate action. Notice for emergency meetings shall be provided to the Directors at least one hour prior to the scheduled time of an emergency meeting.</p>
	<p><b>6.4 Notice to the Public.</b> Notice of a Board meeting shall be posted in a place convenient to the public and in the Administrative Offices of TRWD, as well as on the internet, at least 72 hours before the scheduled time of a meeting. The notice shall also be provided to the secretary of state and the county clerk of the county in which the administrative office of TRWD is located; or, TRWD may post notice of each meeting on TRWD’s website.</p> <p>Notice for an emergency Board meeting or the addition of an emergency action item to a meeting agenda must be posted for at least one hour before the meeting is convened.</p>
<p><u>EXCEPTIONS FOR CLOSED MEETINGS</u> The Board may conduct a closed meeting as authorized by the Texas Open Meetings Act or other applicable law.</p>	<p><u>EXCEPTIONS FOR CLOSED MEETINGS</u> <b>6.5 Executive Session (Closed Meeting).</b> The Board of Directors may <del>conduct a closed meeting</del> meet in executive session closed to the general public on matters exempted by <del>the as authorized by the</del> Texas Open Meetings Act or other applicable state law from public meeting requirements, provided that requirements for public notice and documentation of such sessions are followed.</p>
<p><u>PROCEDURES FOR CLOSED MEETINGS</u> If a closed meeting is allowed, the Board shall not conduct the closed meeting unless a quorum of the Board first convenes in an open meeting for which proper notice has been given and the presiding officer has publicly announced that a closed meeting will be held and has identified the section or sections of the Open Meetings Act or other applicable law under which the closed meeting is held. TEX. GOV’T CODE § 551.101 A Board member shall not participate in a portion of a closed meeting involving any litigation that such Board member has pending against the District. Tex. Atty Gen. Op. JM-1004 (1989) No person shall attend a portion of a closed meeting when the individual’s interests on a topic are adverse to the District’s. Tex. Atty Gen. Op. No. JC-0506 (2002)</p>	<p><u>Procedures for Closed Meetings Executive Session:</u> If a closed meeting is allowed, the Board shall not conduct the <del>closed meeting</del> executive session unless a quorum of the Board first convenes in an open meeting for which proper notice has been given and the presiding officer has publicly announced that <del>a closed meeting</del> an executive session will be held and has identified the section or sections of the Texas Open Meetings Act or other applicable law under which the <del>closed meeting</del> executive session is held. <del>TEX. GOV’T CODE § 551.101</del> Certified Agenda: The Board shall keep a certified agenda of the proceedings of each executive session closed to the general public except for private consultations with the District’s attorney as permitted under Sections 551.071 and 551.103 of the Texas Government Code. The certified agenda will include a statement of the subject matter for each deliberation, a record of any further action taken, and an</p>

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<p>If the Board elects to post notices of Board committee meetings, these procedures shall be modified appropriately to apply to such meetings.</p>	<p>announcement by the Board President at the beginning and end of the closed executive session indicating the date and time. Board members, acting in their official capacity, may not receive, remove, or copy the certified agenda from an executive session.</p> <p>The Board President shall attest that the certified agenda is a true and correct record of the proceedings. The certified agenda will be retained by the District's General Counsel as a record of a closed executive session for at least two years after the date of the meeting. If litigation regarding the executive session is brought within the two-year preservation period, the Board shall preserve the certified agenda while the litigation is pending.</p> <p><u>Recording Prohibited:</u> Executive sessions (closed meetings) may not be recorded by any person unless a majority vote of the Board authorizes such recording.</p> <p><u>Conflicts of Interest in Executive Session:</u> A <del>Board member</del> member of the Board of Directors shall not participate in a portion of a <del>closed meeting</del> an executive session involving any litigation that <del>such Board member</del> the member has pending against the District. <del>Tex. Atty Gen. Op. JM 1004 (1989)</del> Additionally, no person shall attend a portion of a <del>closed meeting</del> an executive session when the individual's interests on a topic are adverse to the District's. <del>Tex. Atty Gen. Op. No. JC-0506 (2002)</del></p> <p><del>If the Board elects to post notices of Board committee meetings, these procedures shall be modified appropriately to apply to such meetings.</del></p> <p><u>No Participation in Improper Closed Meetings:</u> No Director shall willfully call or aid in calling an executive session, or to close a meeting or session to the public, or willfully participate in an executive session where an executive session is not duly posted or otherwise not permissible. No Director shall knowingly participate in an executive session knowing that a certified agenda of the executive session is not being kept. No Director or group of Directors of the Board should circumvent, or conspire to circumvent, the provisions of the Texas Open Meetings Act by meeting in numbers constituting less than a quorum for the purpose of secret deliberations in contravention of the Open Meetings Act.</p> <p>If, in the opinion of a Director, a discussion in the executive session goes beyond the specific called agenda item(s) or includes topics that should not be discussed in executive session under law, the Director should call the presiding officer's attention to a "point of order."</p> <p>Except as required by court order, other applicable law or under the provisions of this section, no one other than a TRWD Board member will be granted access to executive session records. Requests for access or review of such records by a TRWD staff member or legal counsel retained</p>

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	<p>to represent TRWD must be made in writing to the General Counsel and must state the reasons for the request. Access to the records will be granted only by the General Counsel. The General Counsel will be responsible for maintaining the confidentiality of executive session records.</p> <p><b>6.6 Rules of Order.</b> The Board of Directors will use the modified parliamentary procedures as articulated in <i>Robert's Rules of Order, Newly Revised</i> as a guide, except as otherwise provided for under Board operating procedures or by law. The Board may suspend procedural rules at any Board meeting by a majority vote of Directors who are present and cast a vote.</p> <p><b>6.7 Voting.</b> Directors may vote by a show of hands or by voice vote, depending on the direction given by the Board President. Any Director may abstain from a vote. Such vote or abstention from the vote shall be recorded upon that Director's request.</p> <p>Any final action, decision, or vote by the Board on a matter deliberated in an executive session shall be made only in an open meeting for which proper notice has been given.</p> <p><b>6.8 Discussion and Limitations.</b> All Board discussions shall first be addressed to the Board President and then opened to the entire Board. Discussion shall be limited solely to the agenda item presently under deliberation. The Board President shall terminate any discussion that does not apply to the agenda item before the Board.</p> <p>Additionally, the Board President shall terminate discussions which exceed any agreed time limitation for discussion of a particular agenda item, and that time limit has expired. The Board President shall not otherwise interfere or impede debate among the Directors so long as members wish to address only those items under consideration.</p> <p>Directors shall conduct themselves in accordance with the Board's Standards of Conduct and ethical obligations during discussions.</p>
<p><u>PUBLIC COMMENT</u></p> <p>The Board will allow each member of the public who desires to address the Board regarding an item on an agenda for an open meeting of the Board to address the Board regarding the item at the meeting before or during the Board's consideration of the item. The timing of such comments (whether before or during consideration of the item) shall be in the discretion of the President. In addition, the Board may provide a forum at regular Board meetings for members of the public to comment on matters not on the agenda. Generally, all comments shall be limited to three (3) minutes, or six (6) minutes if such comments are provided through a translator, unless extended by the President. In response to an inquiry from a member of the public at a meeting, the Board may either provide a statement of specific factual information or recite existing policy. TEX. GOV'T CODE § 551.042 Any deliberation or</p>	<p><b>6.9 Public Comment.</b> The Board will allow each member of the public who desires to address the Board regarding an item on an agenda for an open meeting of the Board to address the Board regarding the agenda item at the meeting before <del>or during</del> the Board's consideration of the agenda item. <del>The timing of such comments (whether before or during consideration of the item) shall be in the discretion of the President.</del> At all other times during Board meetings, the audience shall not enter into discussion or debate on matters being considered by the Board. In addition, the Board may provide a forum at regular Board meetings for members of the public to comment on matters not on the agenda.</p> <p><del>Generally,</del> All commenters individual presentations shall be limited to three (3) minutes, regardless of the number of agenda items on which the individual seeks to comment, or</p>



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<p>decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting. <i>Id.</i></p>	<p>six (6) minutes if such comments are provided through a translator <del>unless extended by the President.</del> The Board President may allow additional time for an individual presentation if the Board President deems the time limit is unreasonable under the circumstances.</p> <p>In response to an inquiry from a member of the public at a meeting, the Board may either provide a statement of specific factual information or recite existing policy. <del>TEX. GOV'T CODE § 551.042</del> Any deliberation or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting. <del>It</del></p>
	<p><b>6.10 Minutes.</b> Action taken by the Board of Directors shall be carefully recorded by the Board Secretary or TRWD staff member assisting the Board Secretary and provided to all Directors before the next meeting at which the minutes shall be approved. Corrections to the minutes shall be made at the meeting at which they are approved. Once approved or corrected by the Board at the next regular or special/called meeting, these minutes shall serve as the legal record of official Board action. Approved minutes of all meetings shall be signed by the Board President and Board Secretary.</p> <p>Minutes of the Board of Directors meetings shall be kept in an official file and retained in accordance with TRWD's records retention schedule. Individuals wishing to review the minutes should contact TRWD during regular business hours. Minutes may also be accessed by visiting TRWD's website.</p>
	<p><b>6.11 Conduct at Board Meetings.</b> The Board shall not tolerate disruption of the meeting by members of the public. If, after at least one warning from the Board President, any person continues to disrupt the meeting by his or her words or actions, the Board President shall request assistance from law enforcement officials to have the person removed from the meeting.</p> <p>Individuals attending Board meetings shall not engage in conduct that disrupts, interrupts, or causes delay in the proceedings. The Board President shall take such measures as may be necessary to ensure that decorum is preserved at all times during Board meetings.</p>
	<p><b>6.12 Board Committees.</b> Duly-created Board committees, discussed in Section 8.0 of these Board Governance Policies—which may consist of Directors and TRWD staff—may only conduct meetings and transact business within the specific authority granted by the Board. In order to be binding on the Board, all committee business must be reported to the Board at the next regular or special/called Board meeting for approval and entry into the Board's minutes as a public record.</p>

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	<p><b>6.13 Training.</b> Members of the TRWD Board of Directors shall participate in regular training on the Texas Open Meetings Act.</p>
	<p><b>7.0 BOARD MEETING AGENDAS</b> The General Manager, in consultation with the Board President, shall prepare the agenda for all Board meetings. Agendas for all Board meetings shall be sufficiently specific in order to inform the public of subjects to be deliberated at the meeting, including any special or unusual matters in which the public has a particular interest.</p>
<p><u>AGENDAS</u> The President or any two Board members may request the inclusion of a particular item on the agenda of an open meeting.</p>	<p><u>AGENDAS</u> <b>7.1 Requests for Agenda Items.</b> <del>The President or any two Board members</del> The Board President or any two members of the Board of Directors may request <del>the inclusion of a particular item on the</del> that a subject be included on the meeting agenda for open meetings. A request can be made orally at a Board meeting that is open to the public or in writing to the Board President and/or General Manager. The General Manager shall include all timely submitted items that satisfy these criteria on a preliminary agenda for review in consultation with the Board President. If a written request for an agenda item is not made with sufficient time to be placed on the agenda for the next Board meeting, the General Manager shall include the requested agenda item on the agenda for the following Board meeting.</p>
	<p><b>7.2 Order of Business.</b> The order of business for all regular monthly meetings of the Board of Directors shall be as set forth in the agenda accompanying the notice of the meeting. During the meeting, the Board President may change the order in which agenda items are taken, unless a majority of the Board votes to retain the order of items as listed on the agenda.</p>
	<p><b>7.3 Consent Agenda.</b> When preparing the agenda, the General Manager, in consultation with the Board President, shall determine which agenda items, if any, qualify for placement on the consent agenda. Consent agendas shall include routine or recurring items which are grouped under one action item. The Board of Directors shall be provided with background material supporting each consent agenda item. Consent agenda items shall be acted on by one Board vote without separate discussion, unless the General Manager or a Board member requests that an item be withdrawn from the consent agenda for individual consideration. Any remaining consent agenda items shall be adopted under a single motion and vote. By way of example only, consent Agenda Items may include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Items that are ministerial in nature; or</li> </ol>

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	<p>2. Items not involving an expenditure of funds.</p>
	<p><b>7.4 Executive Session.</b> All Board meeting agendas shall include language reflecting the possibility of an executive session during an open meeting, in accordance with state law.</p>
	<p><b>7.5 Emergency Agenda Items.</b> In an emergency or when there is an urgent public necessity, a meeting agenda to deliberate or take action on an emergency or urgent public necessity, or a supplemental notice to add the deliberation or taking of action on the emergency or urgent public necessity as an item to the agenda for a meeting for which notice has been posted in accordance with the Texas Open Meetings Act, is sufficient if the notice or supplemental notice is posted for at least one hour before the meeting is convened.</p>
	<p><b>8.0 BOARD COMMITTEES</b>  The purpose of Board Committees is to provide adequate time for detailed review and evaluation of information for a small group of Directors to be knowledgeable and informed on appropriate matters. The Committees shall keep the Board apprised of the matters it is considering and make recommendations to the Board prior to Board action.</p>
	<p><b>8.1 Standing Committees.</b> TRWD’s Board has established the following standing or perpetuate committees of TRWD’s Board of Directors:</p> <p><b><u>Construction and Operations Committee.</u></b> This Committee reviews TRWD’s construction activities as well as the operations and maintenance of TRWD infrastructure. This review includes, but is not limited to, design, construction, and maintenance contracts for new and existing infrastructure, water supply contracts, conservation programs, watershed protection and water quality, and electricity purchases.</p> <p><b><u>Real Estate Committee.</u></b> This Committee reviews, considers, and evaluates real estate purchases, operating agreements, and sales of real estate.</p> <p><b><u>Finance and Audit Committee.</u></b> This Committee reviews TRWD’s financial information, investment policies, and audits. This Committee serves on behalf of the Board as the primary point of contact for the internal auditor and internal audit department.</p> <p><b><u>Administration and Policy Committee.</u></b> This Committee reviews and evaluates Board Governance Policies and Board Policies, including proposals or recommendations for additions or amendments to Board Governance Policies and Board Policies. This Committee also oversees the General Manager’s annual evaluation and makes recommendations to the Board regarding the General Manager’s compensation.</p>

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	<p><b>Recreation Committee.</b> This Committee considers all aspects of TRWD’s recreation investments including, but not limited to, infrastructure investments, infrastructure operations and maintenance, programming, and events. Construction, operations, and maintenance activities specific to TRWD recreation infrastructure are considered by and within the purview of the Recreation Committee. All other construction, operations, and maintenance activities are in the purview of the Construction and Operations Committee.</p>
	<p><b>8.2 Special Purpose Committees:</b> In addition to the standing or perpetual committees discussed in Section 8.1, the Board may vote from time to time to create special purpose committees to address a particular project or program. The Board shall give a name to a special purpose committee that is reflective of the committee’s function and purpose. A special purpose committee created by the Board shall exist for no longer than one year unless the Board votes to extend the time for its existence.</p>
	<p><b>8.3 New Committees.</b> The Board President or two members of the Board may propose the creation of new or additional standing committees or special purpose committees. The Board shall consider the creation of any new standing or special purpose committee to confirm the need for the new committee. Any new standing or special purpose committee is created by a majority vote of the Board at the next regularly-scheduled Board meeting after the new committee is proposed.</p>
	<p><b>8.4 Committee Membership.</b> The Board President appoints Directors to standing committees or special purpose committees. Each Director shall serve on at least two standing committees. The General Manager or designee from the executive or leadership team shall be an ex-officio member of all Committees. The General Manager and/or designee may be excused from a Committee meeting when matters related to the General Manager are under review or consideration.</p> <p>If a vacancy occurs on a Board-established Committee, the President shall promptly designate a replacement Director to the Committee.</p> <p>On or before August 1 in an election year, the Board shall vote to appoint or reappoint the members of TRWD’s standing committees.</p>
	<p><b>8.5 Committee Meetings.</b> Committee meetings will be held on the date, time, and location determined by the Directors who serve on the Committee.</p>

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	<p><b>8.6 Board Referrals of Matters to Committees.</b> The Board may refer specific items to committees for review or consideration and for recommendation to the Board. If the Board refers an item to a Committee, a Committee meeting shall be called as soon as practicable to review or consider the matter and prepare a recommendation to the Board for potential Board action.</p>
<p><u>VOTE FOR FINAL ACTION</u> A final action, decision, or vote on a matter deliberated in a closed meeting shall be made only in an open meeting for which proper notice has been given. TEX. GOV'T CODE § 551.102</p>	<p><b>See 6.7 Voting.</b> Any final action, decision, or vote by the Board on a matter deliberated in an executive session shall be made only in an open meeting for which proper notice has been given.</p>
<p><u>CERTIFIED AGENDA</u> The Board shall keep a certified agenda of the proceedings of each closed meeting. The certified agenda must include a statement of the subject matter of each deliberation, a record of any further action taken, and an announcement by the presiding officer at the beginning and end of the closed meeting indicating the date and time. The presiding officer shall certify that a certified agenda is a true and correct record of the proceedings. TEX. GOV'T CODE § 551.10 Closed meetings may not be recorded by any person except by a majority vote of the Board.</p>	<p><b>See 6.5 Executive Session (Closed Meeting)</b>  <u>Certified Agenda:</u> The Board shall keep a certified agenda of the proceedings of each executive session closed to the general public except for private consultations with the District's attorney as permitted under Sections 551.071 and 551.103 of the Texas Government Code. The certified agenda will include a statement of the subject matter for each deliberation, a record of any further action taken, and an announcement by the Board President at the beginning and end of the closed executive session indicating the date and time. Board members, acting in their official capacity, may not receive, remove, or copy the certified agenda from an executive session. The Board President shall attest that the certified agenda is a true and correct record of the proceedings. The certified agenda will be retained by the District's General Counsel as a record of a closed executive session for at least two years after the date of the meeting. If litigation regarding the executive session is brought within the two-year preservation period, the Board shall preserve the certified agenda while the litigation is pending.</p>
<p><u>PRESERVATION</u> The Board shall preserve the certified agenda of a closed meeting for at least two years after the date of the meeting. If a legal action involving the meeting is brought within that period, the Board shall preserve the certified agenda while the action is pending. TEX. GOV'T CODE § 551.104(a)</p>	<p><b>See 6.5 Executive Session (Closed Meeting)</b>  The Board President shall attest that the certified agenda is a true and correct record of the proceedings. The certified agenda will be retained by the District's General Counsel as a record of a closed executive session for at least two years after the date of the meeting. If litigation regarding the executive session is brought within the two-year preservation period, the Board shall preserve the certified agenda while the litigation is pending.</p>
<p><u>PUBLIC ACCESS</u> A certified agenda of a closed meeting is available for public inspection and copying only under a court order issued as a</p>	<p><b>See 6.5 Executive Session (Closed Meeting)</b>  Except as required by court order, other applicable law or under the provisions of this section, no one other than a TRWD</p>

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<p>result of litigation involving an alleged violation of the Open Meetings Act. TEX. GOV'T CODE § 551.104(b), (c)</p>	<p>Board member will be granted access to executive session records. Requests for access or review of such records by a TRWD staff member or legal counsel retained to represent TRWD must be made in writing to the General Counsel and must state the reasons for the request. Access to the records will be granted only by the General Counsel. The General Counsel will be responsible for maintaining the confidentiality of executive session records</p>
<p><u>BOARD ACCESS</u> A member of the Board, acting in his or her official capacity, may review the certified agenda of a closed meeting but may not receive, remove nor copy the certified agenda. TEX. ATTY GEN. OP. JC-0120 (1999)</p>	<p><i>See</i> row above.</p>
<p><u>PROHIBITIONS</u> No Board member shall participate in a closed meeting knowing that a certified agenda of the closed meeting is not being made. TEX. GOV'T CODE § 551.145 No individual, corporation, or partnership shall without lawful authority disclose to a member of the public the certified agenda of a meeting that was lawfully closed to the public. TEX. GOV'T CODE § 551.146 No Board member shall knowingly call or aid in calling or organizing a closed meeting that is not permitted under the Open Meetings Act, close or aid in closing a regular meeting to the public except as permitted under the Open Meetings Act, or participate in a closed meeting that is not permitted under the Open Meetings Act. TEX. GOV'T CODE § 551.144(a)</p>	<p><b><i>See 6.5 Executive Session (Closed Meeting)</i></b></p> <p><u>No Participation in Improper Closed Meetings:</u> No Director shall willfully call or aid in calling an executive session, or to close a meeting or session to the public, or willfully participate in an executive session where an executive session is not duly posted or otherwise not permissible. No Director shall knowingly participate in an executive session knowing that a certified agenda of the executive session is not being kept. No Director or group of Directors of the Board should circumvent, or conspire to circumvent, the provisions of the Texas Open Meetings Act by meeting in numbers constituting less than a quorum for the purpose of secret deliberations in contravention of the Open Meetings Act.</p> <p>If, in the opinion of a Director, a discussion in the executive session goes beyond the specific called agenda item(s) or includes topics that should not be discussed in executive session under law, the Director should call the presiding officer's attention to a "point of order."</p>
<p><u>INDIVIDUAL ACCESS TO INFORMATION</u> An individual Board member, acting in his or her official capacity, shall have the right to information pertaining to District fiscal affairs, business transactions, and governance, including information that properly may otherwise be withheld from members of the general public in accordance with the Texas Public Information Act, subject to these policies and applicable law.</p>	<p><b>3.10 Access to Information.</b> An individual Director, acting in his or her official capacity, shall have the right to request and obtain information regarding TRWD's administration or operations, including fiscal management, contracting and purchasing, personnel matters, and existing reports or internal correspondence regarding TRWD's affairs.</p>
<p><u>REQUESTS FOR RECORDS</u> Individual Board members seeking access to records in their official capacity shall request access to records from the General Manager, or in his absence, the Assistant General Manager or their designee(s). If a Board member seeks information as a member of the public under the Texas Public Information Act, the request shall so state, be in writing, and be directed to the District's</p>	<p><b>3.10 Access to Information</b></p> <p>If a Director is not acting in his or her official capacity, the Director has no greater right to TRWD records than a member of the public.</p> <p>If information is requested and provided to an individual Director that is confidential or privileged, the General</p>

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<p>acting Public Information Officer. The deadlines, exceptions and exemptions of the Public Information Act shall apply to such requests.</p> <p>Individual Board members shall not direct or require District employees to prepare reports derived from an analysis of information in existing District records or to create a new record compiled from information in existing District records. Directives to staff regarding the preparation of reports shall be by Board action.</p>	<p>Manager or his designee shall advise the Director of the responsibility to comply with all confidentiality and privilege requirements.</p> <p>Individual Directors shall not direct or require TRWD staff to prepare reports derived from an analysis of information in existing District records or to create a new record compiled from information in existing District records. Directives to TRWD staff regarding the preparation of reports shall be made by the Board as a whole.</p>
<p><u>CONFIDENTIALITY</u></p> <p>When there are competing confidentiality or security concerns, the Board may establish reasonable procedures or limitations to preserve confidentiality.</p> <p>If a member of the Board requests access to records which may be confidential, staff shall direct such requests to the General Counsel for review. Individual records responsive to the request shall first be reviewed by the General Counsel and marked as “Confidential.” Records so marked may be reviewed by the requesting Board member, but copies may not be released, or their contents disclosed, without the approval of the Board. The reviewing Board member is required to maintain the records in the same manner they were maintained by the District. TEX. ATTY GEN. OP. OR 2006-03805 (2006)</p> <p>At the time Board members are provided access to confidential records or to reports compiled from such records, the General Manager, other District employee, or General Counsel shall advise them of their responsibility to comply with confidentiality requirements.</p>	<p><b>9.5 Confidentiality.</b> When there are competing confidentiality or security concerns, the Board may establish reasonable procedures or limitations to preserve confidentiality. If a member of the Board requests access to records which may be confidential, TRWD shall direct such requests to the General Counsel for review. Individual records responsive to the request shall first be reviewed by the General Counsel and marked as “Confidential.” Records so marked may be reviewed by the requesting Board member, but copies may not be released, or their contents disclosed, without the approval of the Board. The reviewing Board member is required to maintain the records in the same manner they were maintained by the District TRWD. <del>TEX. ATTY GEN. OP. OR 2006-03805 (2006)</del></p> <p>At the time <del>Board members are</del> a Director is provided access to confidential records or to reports compiled from such records, the General Manager, other District employee, or General Counsel shall advise them of their responsibility to comply with confidentiality requirements.</p>
	<p><b>9.6 Privilege.</b> Communications between the Board of Directors and legal counsel is considered confidential if the information is not intended for disclosure to third persons other than those persons to whom the disclosure of information is made in furtherance of rendering professional legal services to TRWD and/or the Board of Directors or those reasonably necessary for the transmission of the communication. The attorney-client privilege belongs to the Board as a whole, and the privilege may not be waived except by the Board as a whole. Any unauthorized disclosure of an attorney-client communication is strictly prohibited.</p>
<p><u>RESPONSIBILITY FOR RECORDS</u></p> <p>A person, including a Board member, commits a criminal offense if the person:</p> <ol style="list-style-type: none"> <li>1. Knowingly or intentionally destroys, conceals, removes, or otherwise impairs the verity, legibility, or availability of a District record in contravention of Local Government Code Chapter 202. TEX. LOCAL GOV'T CODE § 202.008; TEX. PENAL CODE § 37.10</li> <li>2. Willfully destroys, mutilates, alters, or removes public information without permission as provided by Government</li> </ol>	

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<p>Code Chapter 552 (Public Information Act). TEX. GOV'T CODE § 552.351</p> <p>3. Distributes information considered confidential under the Public Information Act. TEX. GOV'T CODE § 552.352</p>	
<p><u>RESTRICTIONS OF PUBLIC SERVANTS – PENAL CODE</u></p> <p>“Public servant” shall mean a person elected, selected, appointed, employed, or otherwise designated as one of the following, even if the person has not yet qualified for office or assumed his or her duties:</p> <ol style="list-style-type: none"> <li>1. An officer, employee, or agent of government; or</li> <li>2. A candidate for nomination or election to public office.</li> </ol> <p>TEX. PENAL CODE §§ 1.07(a)(41)(A), (E)</p>	
	<p><b>9.4 Contractors, Vendors, and Consultants.</b> All activities of TRWD shall be carried out in accordance with local, state, and federal law. Directors are expected to avoid any improper interactions with contractors, vendors, and consultants who provide services to or seek to provide services including, but not limited to, bribes, kickbacks, or other illegal payments.</p> <p>TRWD does not authorize or condone illegal or unethical activities by any of its contractors, vendors, and consultants. Directors who have knowledge of illegal or unethical activities by such third parties shall immediately report to the Board or the General Manager any activities which may be an indicator of illegal or unethical business practices.</p> <p>No Director, or member of a Director’s family, shall solicit or accept any gift, favor, or service from a current or potential contractor, vendor, or consultant that might reasonably tend to influence the Director in the discharge of official duties or that the officer knows or should know is being offered with the intent to influence the Director’s official conduct. Directors are specifically prohibited from accepting from current or potential contractors, vendors, and consultants:</p> <ol style="list-style-type: none"> <li>1. Vacations, pleasure trips, or hunting trips;</li> <li>2. Discounts not available to the general public;</li> <li>3. Products or services not available to the general public under similar circumstances;</li> <li>4. Loans or advances;</li> <li>5. Entertainment at a discount unavailable to the general public; or</li> <li>6. Other unusual favors not available to the general public at the same cost.</li> </ol> <p>Any Director receiving such offers shall immediately report such offers to the General Manager or to the Board of Directors.</p> <p>A “gift” does not include a reasonable meal accepted as a guest, or a promotional item of nominal value, typical of items given at vendor booths at conferences.</p>



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<p><del>Prohibited activities are covered by, but are not limited to, the following:</del></p> <p><u>BRIBERY</u></p> <p>A public servant shall not intentionally or knowingly offer, confer, agree to confer on another, solicit, accept, or agree to accept a benefit:</p> <p>a. As consideration for the public servant’s decision, opinion, recommendation, vote, or other exercise of discretion as a public servant.</p> <p>b. As consideration for a violation of a duty imposed on the public servant by law.</p> <p>c. That is a political contribution as defined by Title 15 of the Election Code or an expenditure made and reported as a lobbying expense in accordance with Government Code, Chapter 305, if the benefit was offered, conferred, solicited, accepted, or agreed to pursuant to an express agreement to take or withhold a specific exercise of official discretion, if such exercise of official discretion would not have been taken or withheld but for the benefit.</p> <p>“Benefit” means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.</p> <p>TEX. PENAL CODE § 36.01(3), § 36.02</p>	<p><b>9.8 Prohibition on Bribery.</b> A public servant Director shall not intentionally or knowingly offer, confer, agree to confer on another, solicit, accept, or agree to accept a benefit:</p> <ul style="list-style-type: none"> <li>• <del>As consideration for the public servant’s</del> In exchange for the Director’s decision, opinion, recommendation, vote, or other exercise of discretion as a <del>public servant</del> Director of TRWD;</li> <li>• <del>As consideration for</del> In exchange for a violation of a duty imposed on the public servant by law; or</li> <li>• That is a political contribution as defined by Title 15 of the Election Code or an expenditure made and reported as a lobbying expense in accordance with Government Code, Chapter 305, if the benefit was offered, conferred, solicited, accepted, or agreed to pursuant to an express agreement to take or withhold a specific exercise of official discretion, if such exercise of official discretion would not have been taken or withheld but for the benefit. “Benefit” means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.</li> </ul> <p>TEX. PENAL CODE § 36.01(3), § 36.02</p>
<p><u>ILLEGAL GIFTS</u></p> <p>A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the public servant knows is interested in or likely to become interested in any such transactions. TEX. PENAL CODE §§ 1.07(41)(A), (E), § 36.08(d)</p> <p>A public servant who receives an unsolicited benefit that the public servant is prohibited from accepting under this section may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax exempt charitable organization formed for educational, religious, or scientific purposes. TEX. PENAL CODE § 36.08(i)</p>	<p><b>9.9 Prohibition on Illegal Gifts:</b> A public servant who <del>exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the public servant knows is interested in or likely to become interested in any such transactions. TEX. PENAL CODE §§ 1.07(41)(A), (E), § 36.08(d)</del> Director shall not solicit, accept, or agree to accept any benefit from a person the Director is interested in or likely to become interested in contracts, purchases, payments, claims, or other pecuniary transactions with TRWD.</p> <p>A public servant Director who receives an unsolicited benefit that the <del>public servant</del> Director is prohibited from accepting under this section may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax exempt charitable organization formed for educational, religious, or scientific purposes.</p> <p>TEX. PENAL CODE § 36.08(i)</p>

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<p><u>EXCEPTIONS</u>            “Illegal gifts to public servants” does not apply to:</p> <p>a. A fee prescribed by law to be received by a public servant or any other benefit to which the public servant is lawfully entitled or for which he or she gives legitimate consideration in a capacity other than as a public servant;</p> <p>b. A gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient;</p> <p>c. A benefit to a public servant required to file a statement under Government Code Chapter 572 or a report under Election Code Title 15 that is derived from a function in honor or appreciation of the recipient if:</p> <p>(1) The benefit and the source of any benefit in excess of \$50 is reported in the statement; and</p> <p>(2) The benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the office which are nonreimbursable by the state or political subdivision;</p> <p>d. A political contribution as defined by Election Code Title 15;</p> <p>e. An item with a value of less than \$50, excluding cash or a negotiable instrument as described by Business and Commerce Code § 3.104;</p> <p>f. An item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity;</p> <p>g. Transportation and lodging expenses or meals in connection with a conference or similar event at which the public servant renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory; or</p> <p>h. Food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.</p> <p>TEX. PENAL CODE § 36.10(a)-(b)</p>	<p>This prohibition on illegal gifts does not apply to:</p> <ol style="list-style-type: none"> <li>1. A fee prescribed by law to be received by the Director or any other benefit to which the Director is lawfully entitled or for which he or she gives legitimate consideration in a capacity other than as a public servant;</li> <li>2. A gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the status of the recipient as a Director;</li> <li>3. A benefit to a Director required to file a statement under Texas Government Code Chapter 572 or a report under Texas Election Code Title 15 that is derived from a function in honor or appreciation of the recipient if:           <ul style="list-style-type: none"> <li>• The benefit and the source of any benefit in excess of \$50 is reported in the statement; and</li> <li>• The benefit is used solely to defray the expenses that accrue in the performance of duties or activities as a Director which are non-reimbursable by TRWD;</li> </ul> </li> <li>4. A political contribution as defined by Title 15 of the Texas Election Code;</li> <li>5. An item with a value of less than \$50, excluding cash or a negotiable instrument as described by Texas Business and Commerce Code § 3.104;</li> <li>6. An item issued by TRWD that allows the use of property or facilities owned, leased, or operated by TRWD;</li> <li>7. Transportation and lodging expenses or meals in connection with a conference or similar event at which the Director renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory; or</li> <li>8. Food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.</li> </ol>
<p><u>HONORARIA AND EXPENSES</u>            A public servant commits a Class A misdemeanor offense if he or she solicits, accepts, or agrees to accept an honorarium in</p>	<p><b>9.10 Prohibition on Improper Honoraria and Expenses.</b> A <del>public servant</del> Director shall not solicit, accept, or agree to accept an honorarium in consideration</p>

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<p>consideration for services that the public servant would not have been requested to provide but for his or her official position or duties. However, a public servant is not prohibited from accepting transportation and lodging expenses or meals in connection with a conference or similar event in which he or she renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory. TEX. PENAL CODE § 36.07</p>	<p>for services that the Director would not have been requested to provide but for his or her official position or duties as a member of TRWD’s Board of Directors. A Director, however, <del>public servant</del> is not prohibited from accepting transportation and lodging expenses or meals in connection with a conference or similar event in which he or she renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory. TEX. PENAL CODE § 36.07</p>
<p><u>ABUSE OF OFFICE</u> A public servant shall not, with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly violate a law relating to the office or misuse District property, services, personnel, or any other thing of value belonging to the District, that has come into his or her custody by virtue of his or her office or employment. TEX. PENAL CODE § 39.02(a) “Law relating to the office” means a law that specifically applies to a person acting in the capacity of a public servant and that directly or indirectly imposes a duty on the public servant or governs the conduct of the public servant. TEX. PENAL CODE § 39.01(1) “Misuse” means to deal with property contrary to:</p> <ol style="list-style-type: none"> <li>a. An agreement under which the public servant holds the property;</li> <li>b. A contract of employment or oath of office of a public servant;</li> <li>c. A law, including provisions of the General Appropriations Act specifically relating to government property, that prescribes the manner of custody or disposition of the property; or</li> <li>d. A limited purpose for which the property is delivered or received.</li> </ol> <p>TEX. PENAL CODE § 39.01(2)</p>	<p><b>9.11 Prohibition on Abuse of Office.</b> A <del>public servant</del> Director shall not, with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly violate a law relating to the office or misuse District property, services, personnel, or any other thing of value belonging to the District, that has come into his or her custody by virtue of his or her office or employment. <del>TEX. PENAL CODE § 39.02(a)</del> “Law relating to the office” means a law that specifically applies to a person acting in the capacity of a public servant and that directly or indirectly imposes a duty on the public servant or governs the conduct of the public servant. <del>TEX. PENAL CODE § 39.01(1)</del> “Misuse” means to deal with property contrary to:</p> <p>that specifically applies to Directors of water districts and that directly or indirectly imposes a duty on the Director or governs the conduct of the Director. A Director, likewise, shall not misuse TRWD property, services, personnel, or any other thing of value belonging to the District, that has come into his or her custody by virtue of his or her status as a Director of TRWD’s Board. Such misuse includes dealing with TRWD property contract to:</p> <ul style="list-style-type: none"> <li>• An agreement under which the <del>public servant</del> Director holds the property;</li> <li>• A contract of employment or oath of office of a <del>public servant</del> the Director;</li> <li>• A law, including provisions of the General Appropriations Act specifically relating to government property, that prescribes the manner of custody or disposition of the property; or</li> <li>• A limited purpose for which the property is delivered or received.</li> </ul> <p><del>TEX. PENAL CODE § 39.01(2)</del></p>
	<p><b>9.12 Prohibition on Misuse of Official Information:</b> A Director shall not use or rely on information the Director has access to by virtue of his or her service as a Director and that has not been made public to:</p> <ul style="list-style-type: none"> <li>• Acquire or aid another to acquire a pecuniary interest in any property,</li> </ul>

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	<p>transaction, or enterprise that may be affected by the information;</p> <ul style="list-style-type: none"> <li>• Speculate or aid another to speculate on the basis of the information; or</li> <li>• As a Director, coerce another into suppressing or failing to report that information to a law enforcement agency.</li> </ul> <p>A Director likewise shall not, with intent to obtain a benefit or with intent to harm or defraud another, disclose or use information for a nongovernmental purpose that the Director has access to because he or she serves as a member of the Board of Directors that has not been made public. For purposes of Section 9.12, “information that has not been made public” means any information to which the public does not generally have access, and that is prohibited from disclosure under the Texas Public Information Act</p>
<p><u>CONFLICT OF INTEREST</u></p> <p>If a Board member has a substantial interest in a business entity or in real property, as defined by Local Government Code Chapter 171, the Board member shall file with the official record keeper of the Board, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation on the matter if the Board action will have a special economic effect on the business entity or the value of the property that is distinguishable from its effect on the public.</p> <p>If a Board member is required to file and does file an affidavit under this section, the Board member is not required to abstain from further participation in the matter at issue if a majority of the Board is likewise required to file and does file affidavits of similar interest on the same official action.</p> <p>TEX. LOC. GOV'T CODE ANN. §§ 171.002, .004</p>	<p><b>9.3 Conflict of Interest Disclosure.</b> If a <del>Board member</del> Director has a substantial interest in a business entity or in real property, as defined by Local Government Code Chapter 171, the Board member shall file with the official recordkeeper of the Board, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation on the matter if the Board action will have a special economic effect on the business entity or the value of the property that is distinguishable from its effect on the public.</p> <p>If a <del>Board member</del> Director is required to file and does file an affidavit under this section, the Board member is not required to abstain from further participation in the matter at issue if a majority of the Board is likewise required to file and does file affidavits of similar interest on the same official action.</p> <p><del>TEX. LOC. GOV'T CODE ANN. §§ 171.002, .004</del></p> <p>An individual has a “substantial interest” if the individual or his or her parent, child, stepchild, spouse, or spouse’s parent:</p> <ol style="list-style-type: none"> <li>1. Has a controlling interest in the business entity;</li> <li>2. Has ownership in excess of ten percent of the voting interest in the business entity or in excess of \$15,000 of the fair market value of the business entity;</li> <li>3. Has any participating interest, either direct or indirect, by shares, stock, or otherwise, whether or not voting rights are included, in the profits, proceeds, or capital gains of the business entity in excess of ten percent;</li> <li>4. Holds the position of a member of the Board of Directors or other governing board of the business entity;</li> <li>5. Serves as an elected officer of the business entity; or</li> </ol>

Current Board Governance Policies	Proposed New Board Governance Policies
<p><b>NEPOTISM</b>            Except as provided by law, a public official (as defined by Chapter 573, Government Code) may not appoint a person to a position that is to be directly or indirectly compensated from public funds or fees of office if:</p> <ol style="list-style-type: none"> <li>a. The person is related to the public official by blood (consanguinity) within the third degree or by marriage (affinity) within the second degree; or</li> <li>b. The person is related to another member of the board by blood or marriage within a prohibited degree.</li> </ol> <p>TEX. GOV'T CODE §§ 573.002, .041; ATTY. GEN. OP. JC-184 (2000)</p>	<p>6. Is an employee of the business entity.</p> <p><b>9.7 Prohibition on Nepotism.</b> <del>Except as provided by law a public official (as defined by Chapter 573, Government Code)</del> A Director may not appoint a person to a position that is to be directly or indirectly compensated from public funds or fees of office if the person is related to the Director by blood (consanguinity) within the third degree or by marriage (affinity) within the second degree; or the person is related to another member of the Board of Directors by blood or marriage within a prohibited degree defined under state law. This prohibition on nepotism expressly includes directing the General Manager or TRWD staff to employ such a person at TRWD.  <del>TEX. GOV'T CODE §§ 573.002, .041; ATTY. GEN. OP. JC 184 (2000)</del></p>
<p><b>PROTECTIONS FOR ACTING ON A LEGISLATIVE MEASURE</b>            A Board member may not be subject to disciplinary action or a sanction, penalty, disability, or liability for:</p> <ol style="list-style-type: none"> <li>1. An action permitted by law that the officer takes in the officer's official capacity regarding a legislative measure;</li> <li>2. Proposing, endorsing, or expressing support for or opposition to a legislative measure or taking any action permitted by law to support or oppose a legislative measure;</li> <li>3. The effect of a legislative measure or of a change in law proposed by a legislative measure on any person; or</li> <li>4. A breach of duty, in connection with the Board member's practice of or employment in a licensed or regulated profession or occupation, to disclose to any person information, or to obtain a waiver or consent from any person, regarding the officer's actions relating to a legislative measure;</li> </ol> <p>TEX. GOV'T CODE § 572.059</p>	<p><b>9.13 Protections for Acting on a Legislative Measure.</b> A <del>Board member</del> Director may not be subject to disciplinary action or a sanction, penalty, disability, or liability for:</p> <ul style="list-style-type: none"> <li>• An action permitted by law that the <del>officer</del> Director takes in the <del>officer's</del> Director's official capacity regarding a legislative measure;</li> <li>• Proposing, endorsing, or expressing support for or opposition to a legislative measure or taking any action permitted by law to support or oppose a legislative measure;</li> <li>• The effect of a legislative measure or of a change in law proposed by a legislative measure on any person; or</li> <li>• A breach of duty in connection with the <del>Board member's</del> Director's practice of or employment in a licensed or regulated profession or occupation, to disclose to any person information, or to obtain a waiver or consent from any person, regarding the <del>officer's</del> Director's actions relating to a legislative measure; or the substance, effects, or potential effects of a legislative measure.</li> </ul> <p>TEX. GOV'T CODE § 572.059</p>
	<p><b>9.0 BOARD OF DIRECTORS STANDARDS OF CONDUCT AND ETHICAL OBLIGATIONS</b>            These Standards of Conduct govern, affirm, and clarify the policies and expectations of TRWD concerning the conduct of members of the Board of Directors. It is in the best interests of TRWD for its governing body to maintain the</p>

Current Board Governance Policies	Proposed New Board Governance Policies
	<p>highest standards of integrity, candor, impartiality, and conduct so that the best interests of TRWD may be served and the business of TRWD is carried out in a manner that upholds TRWD’s business responsibilities and derives confidence of TRWD’s staff, customers, and constituents. In conducting themselves in a manner consistent with the highest standards of integrity and personal conduct, TRWD Directors shall avoid even the appearance of any conflict of interest or impropriety.</p> <p>These Standards of Conduct and Ethical Obligations should be reflected in Board policies and TRWD administrative procedures to ensure the General Manager, TRWD’s executive and leadership teams, and all TRWD staff adhere to appropriate standards of conduct and the utmost ethical practices in the performance of their duties for TRWD.</p>
<p><u>STATEMENT OF ETHICS</u>  Members of the Board shall adhere to the following ethical standards:</p> <ol style="list-style-type: none"> <li>1. Attend all duly scheduled Board meetings and committee meetings insofar as possible, and become informed concerning issues to be considered at those meetings.</li> <li>2. Communicate to other Board members and the General Manager expressions of public reaction to Board policies and programs.</li> <li>3. Inform oneself about current issues by individual study and through participation in programs providing needed information.</li> <li>4. Support the employment of those persons best qualified to serve as staff, and insist on a regular and impartial evaluation of all staff.</li> <li>5. Avoid being placed in a position of conflict of interest, and refrain from using the Board position for personal or partisan gain.</li> <li>6. Take no private action that will compromise the Board or staff, and respect the confidentiality of information that is privileged or confidential.</li> <li>7. Bring about desired changes through legal and ethical procedures, upholding and enforcing all applicable statutes, regulations, and court decisions pertaining to water control and improvement districts.</li> <li>8. Work with other Board members to establish effective Board policies and to delegate authority for the administration of the District to the General Manager.</li> <li>9. Work with other Board members to establish effective policies and practices prohibiting unlawful discrimination, including conduct that constitutes sexual harassment.</li> <li>10. Endeavor to make policy decisions only after full discussion at publicly held Board meetings.</li> <li>11. Render all decisions based on the available facts and independent judgment, and refuse to surrender that judgment to other individuals or special interest groups.</li> </ol>	<p><b>9.1 General Standards of Conduct.</b> Each Director is expected to demonstrate the highest degree of ethics in their official responsibilities and duties in order to maintain the integrity of TRWD. Each Director must commit to ensuring that they conduct themselves with honesty, integrity, and fairness in the discharge of their duties and ensure that TRWD business is conducted ethically and transparently. Each Director is expected to become familiar with these policies and state law and procedures regarding ethical practices for public officials.</p> <p>Additionally, members of the Board of Directors shall adhere to the following <del>ethical</del> standards:</p> <ol style="list-style-type: none"> <li>1. Attend all duly-scheduled Board meetings and committee meetings insofar as possible and become informed concerning issues to be considered at those meetings.</li> <li>2. Communicate to other Board members and the General Manager expressions of public reaction to Board policies and programs.</li> <li>3. Inform oneself about current issues by individual study and through participation in programs providing needed information.</li> <li><del>4. Support the employment of those persons best qualified to serve as staff, and insist on a regular and impartial evaluation of all staff.</del></li> <li>4. Avoid being placed in a position of conflict of interest, and refrain from using the Board position for personal or partisan gain.</li> <li>5. Take no private action that will compromise the Board or TRWD staff and respect the confidentiality of information that is privileged or confidential.</li> <li>6. Bring about desired changes through legal and ethical procedures, upholding and</li> </ol>

Current Board Governance Policies	Proposed New Board Governance Policies
<p>12. Encourage the free expression of opinion by all Board members, and seek systematic communications between and among the Board, staff, and all elements of the community.</p>	<p>enforcing all applicable statutes, regulations, and court decisions pertaining to water control and improvement districts.</p> <p>7. Work with other Board members to establish effective Board policies and to delegate authority for the administration of the District to the General Manager.</p> <p>8. Endeavor to make policy decisions only after full discussion at publicly-held Board meetings.</p> <p>9. Render all decisions based on the available facts and independent judgment and refuse to surrender that judgment to other individuals or special interest groups.</p> <p>10. Encourage the free expression of opinion by all Board members, and seek systematic communications between and among the Board, TRWD staff, and all elements of the community.</p> <p>11. Work with other Board members and the General Manager to establish effective policies and practices prohibiting unlawful discrimination, including conduct that constitutes sexual harassment.</p> <p>12. Support TRWD's employment of those persons best qualified to serve as staff and insist on avoiding preferential treatment of any person.</p>
	<p><b>9.2 Attendance at Board Meetings.</b> If a Director fails to attend six (6) consecutive regular meetings of the Board, or one-half or more of the regular meetings scheduled during the prior twelve (12) months, the Board by unanimous vote may remove the Director from serving as a member of the Board of Directors. The Board of Directors, however, may determine if fairness requires that the absences be excused on the basis of illness or other good cause.</p>

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 5**

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Fiscal Year 2022 General Fund Budget

**FUNDING:** Fiscal Year 2022 General Fund

**RECOMMENDATION:**

Management recommends approval of the proposed Fiscal Year 2022 General Fund budgeted expenditures of **\$20,868,980**.

**DISCUSSION:**

The proposed General Fund Budget consists of \$20,868,980 related to Flood Control expenditures offset by projected revenues of \$22,150,000 from property tax revenues and interest income.

The Board of Directors met on July 28, 2021 for a budget workshop and no changes have been made since that time.

To provide more clarity, a summary of all budgets being approved for FY2022 has been added for reference and can be seen on pages 1 through 3 of the attached General Fund Budget packet. Please see attached schedules for further details.

**Submitted By:**

Sandy Newby  
Chief Financial Officer





**Fiscal Year 2022  
Proposed  
General Fund  
Operating Budget**

**Board Meeting  
September 21, 2021**

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**Summarized FY22 Proposed Revenue Budgets**

<b>Revenues</b>	<b>Revenue Fund FY22 Proposed Budget</b>	<b>General Fund FY22 Proposed Budget</b>	<b>Special Projects/ Contingency Fund FY22 Proposed Budget</b>	<b>Total Revenues</b>
Sale of Water	\$ 146,199,243	\$ -	\$ -	\$ 146,199,243
Taxes	\$ -	\$ 22,000,000	\$ -	\$ 22,000,000
TIF Revenues	\$ -	\$ -	\$ 6,680,455	\$ 6,680,455
Oil and Gas Revenues	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
Excess Reserve Funds	\$ 3,323,130	\$ -	\$ -	\$ 3,323,130
Dallas Water Utility	\$ 2,189,902	\$ -	\$ -	\$ 2,189,902
Contributions	\$ 1,205,668	\$ -	\$ -	\$ 1,205,668
Interest Income	\$ 910,000	\$ 150,000	\$ 100,000	\$ 1,160,000
Other Water Sales	\$ 500,000	\$ -	\$ -	\$ 500,000
Other Income	\$ 542,045	\$ -	\$ 832,246	\$ 1,374,291
<b>Total Revenues</b>	<b>\$ 154,869,988</b>	<b>\$ 22,150,000</b>	<b>\$ 13,612,701</b>	<b>\$ 190,632,689</b>

**Summarized FY22 Proposed Expenditure Budgets**

Expenditures	Revenue Fund FY22	General Fund FY22	Special Projects/ Contingency Fund FY22	Total Expenditures
	Proposed Budget	Proposed Budget	Proposed Budget	
Debt Service	\$ 79,901,067	\$ -	\$ 6,680,455	\$ 86,581,522
Pumping Power	\$ 18,000,000	\$ -	\$ -	\$ 18,000,000
				\$ -
<u>Maintenance</u>				\$ -
Pipeline & Pump Station	\$ 3,782,800	\$ -	\$ -	\$ 3,782,800
Facilities & Grounds Maintenance	\$ 1,918,733	\$ 776,880	\$ -	\$ 2,695,613
Equipment & Fleet	\$ 786,341	\$ 505,681	\$ -	\$ 1,292,022
Maintenance Support	\$ 624,688	\$ 459,713	\$ -	\$ 1,084,401
Benbrook Reservoir O&M	\$ 515,000	\$ -	\$ -	\$ 515,000
Stream Gauging Stations	\$ 180,000	\$ 212,000	\$ -	\$ 392,000
Total Maintenance	\$ 7,807,562	\$ 1,954,274	\$ -	\$ 9,761,836
<u>Watershed Protection, Environmental Stewardship and Public Outreach</u>				
Water Efficiency Program	\$ 2,879,502	\$ -	\$ -	\$ 2,879,502
Watershed Protection	\$ 453,453	\$ -	\$ -	\$ 453,453
Environmental	\$ 396,860	\$ 61,100	\$ -	\$ 457,960
Pollution Campaign	\$ 160,000	\$ 40,000	\$ -	\$ 200,000
Reservoir Cleanups	\$ 47,000	\$ -	\$ -	\$ 47,000
Stormwater Program	\$ -	\$ 75,000	\$ -	\$ 75,000
Public Outreach	\$ -	\$ 96,351	\$ -	\$ 96,351
Total Watershed Protection & Environmental Stewardship	\$ 3,936,815	\$ 272,451	\$ -	\$ 4,209,266
System Improvements	\$ 4,275,560	\$ 905,000	\$ -	\$ 5,180,560
Capital	\$ 1,062,718	\$ 900,000	\$ 787,500	\$ 2,750,218
Net Recreation Expenses	\$ -	\$ -	\$ 2,341,260	\$ 2,341,260
Panther Island/Central City	\$ -	\$ -	\$ 225,000	\$ 225,000
<u>Support Services</u>				
Employee Related	\$ 30,232,594	\$ 11,368,176	\$ -	\$ 41,600,770
Consulting Fees	\$ 2,798,255	\$ 816,405	\$ 100,000	\$ 3,714,660
Legal Fees	\$ 634,200	\$ 784,500	\$ -	\$ 1,418,700
Misc. Professional Fees	\$ 321,945	\$ 474,315	\$ -	\$ 796,260
Admin Support Services	\$ 3,179,571	\$ 2,562,692	\$ -	\$ 5,742,263
IT	\$ 2,719,701	\$ 831,167	\$ -	\$ 3,550,868
Total Support Services	\$ 39,886,266	\$ 16,837,255	\$ 100,000	\$ 56,823,521
<b>Total Expenditures</b>	<b>\$ 154,869,988</b>	<b>\$ 20,868,980</b>	<b>\$ 10,134,215</b>	<b>\$ 185,873,183</b>

**Revenue, General, and Special Projects/Contingency Funds**

**Full Time Equivalents Budgeted by Fund**

	<u>FY21</u>	<u>FY22</u>
Revenue	256	250
<b>General</b>	92	91
Special Project/Contingency	9	10
Dallas Bond	36	49
<b>Total</b>	<u>393</u>	<u>400</u>

**Budgeted Expenditures Per Capita**

	<u>Revenue</u>	<u><b>General</b></u>	<u>Special Projects/ Contingency</u>
Revenues Per Capita	73.44	48.77	29.97
Expenditures Per Capita	73.44	45.95	22.31

Population data is from 2020. General and Special Project/Contingency funds population is the TRWD taxing/voting district. Revenue Fund population is the service area which purchases water from TRWD.

# General Fund

## Flood Protection



Trinity River

## Flood Protection FY22 Budget Summary

### TRWD Flood Protection Mission

Reduce the risk of flooding in our communities with dependable flood damage reduction infrastructure and operations.

### Flood Protection Overview

TRWD was created during the 1920's in part to help protect Fort Worth from devastating floods that wreaked havoc on parts of the city. Since that time, the District has played an active role in protecting people and properties along the Trinity River. The District has and continues to work closely with the U.S. Army Corps of Engineers to maintain a 27-mile levee system built in the 1950's. Additionally, the District maintains both Marine Creek and Cement Creek to provide additional protection to the city during flooding events.

Each year the District works to efficiently and effectively manage the current flood protection infrastructure while at the same time looking ahead to prepare for potential future flood events.

The annual budget includes both short term maintenance as well as long term strategies and structure implementation while working every year to increase practices for cost effective management of the system. The District believes in preparing now for the future in order to protect its citizens in the best possible manner.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget
<b>Flood Protection System Revenues</b>			
Taxes	\$ 21,924,922	\$ 21,000,000	\$ 22,000,000
Interest Income	\$ 389,423	\$ 380,000	\$ 150,000
<b>Total Revenues</b>	<b>\$ 22,314,345</b>	<b>\$ 21,380,000</b>	<b>\$ 22,150,000</b>
<b>Flood Protection System Expenditures</b>			
Operating	\$ 16,373,244	\$ 19,038,351	\$ 19,968,980
Capital	\$ 744,930	\$ 1,378,100	\$ 900,000
<b>Total Expenditures</b>	<b>\$ 17,118,174</b>	<b>\$ 20,416,451</b>	<b>\$ 20,868,980</b>
<b>Budgeted Net Increase to Equity</b>	<b>\$ 5,196,171</b>	<b>\$ 963,549</b>	<b>\$ 1,281,020</b>
<b>Reimbursable Projects</b>			
Reimbursable Project Revenues	\$ 1,207,356	\$ 250,000	\$ -
Reimbursable Project Expenses	\$ 808,642	\$ 250,000	\$ -
<b>Total</b>	<b>\$ 398,714</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Budgeted Net Increase to Equity</b>	<b>\$ 5,594,885</b>	<b>\$ 963,549</b>	<b>\$ 1,281,020</b>

### Sources of Revenue

The following table illustrates the sources of General Fund income. These revenue components provide the needed financial resources for the District to continue its Flood Protection mission each year. Each of the revenue sources will be discussed further in the upcoming sections.

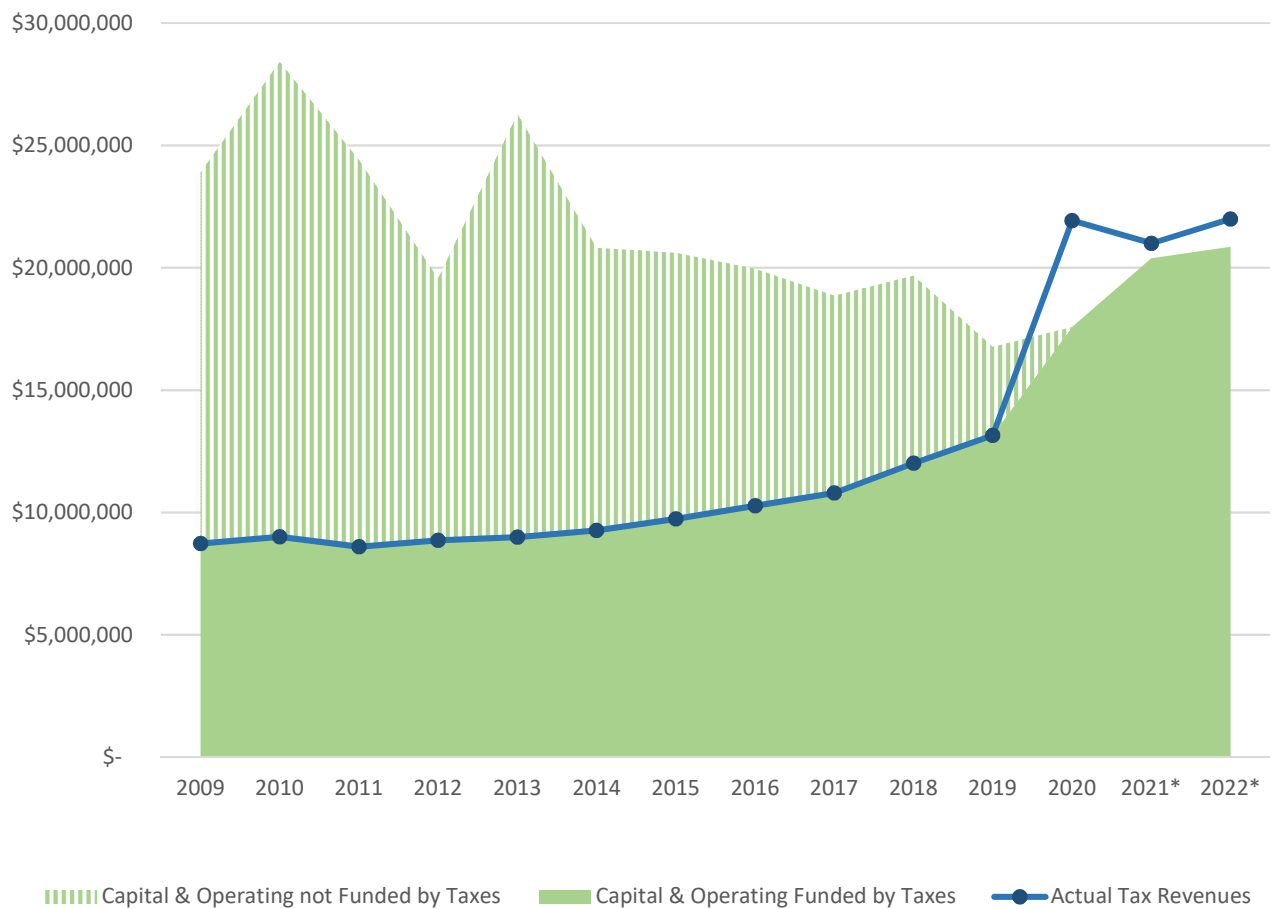
	<b>FY20 Actuals</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Taxes	\$ 21,924,922	\$ 21,000,000	\$ 22,000,000	\$ 1,000,000	4.8%
Interest Income	\$ 389,423	\$ 380,000	\$ 150,000	\$ (230,000)	-60.5%
<b>Total Revenues</b>	<b>\$ 22,314,345</b>	<b>\$ 21,380,000</b>	<b>\$ 22,150,000</b>	<b>\$ 770,000</b>	<b>3.6%</b>



### Tax Revenues

As a governmental entity, the District is empowered to levy and collect ad valorem taxes to meet the maintenance and operations expenses of its flood control and administrative functions. The District's ad valorem property tax is currently set at \$0.0287 per \$100 valuation and is projected to generate \$22 million in revenues for the District. This is based on a net taxable value of approximately \$75 billion and represents a projected tax burden of approximately \$61 for an estimated average home valued at \$215 thousand.

The chart below shows the Property Tax Revenues for the past 14 years compared to the Operating and Capital Budget. The difference between the Tax Revenues and the Operating and Capital Budget comes from Interest Income, and Other Miscellaneous Income.



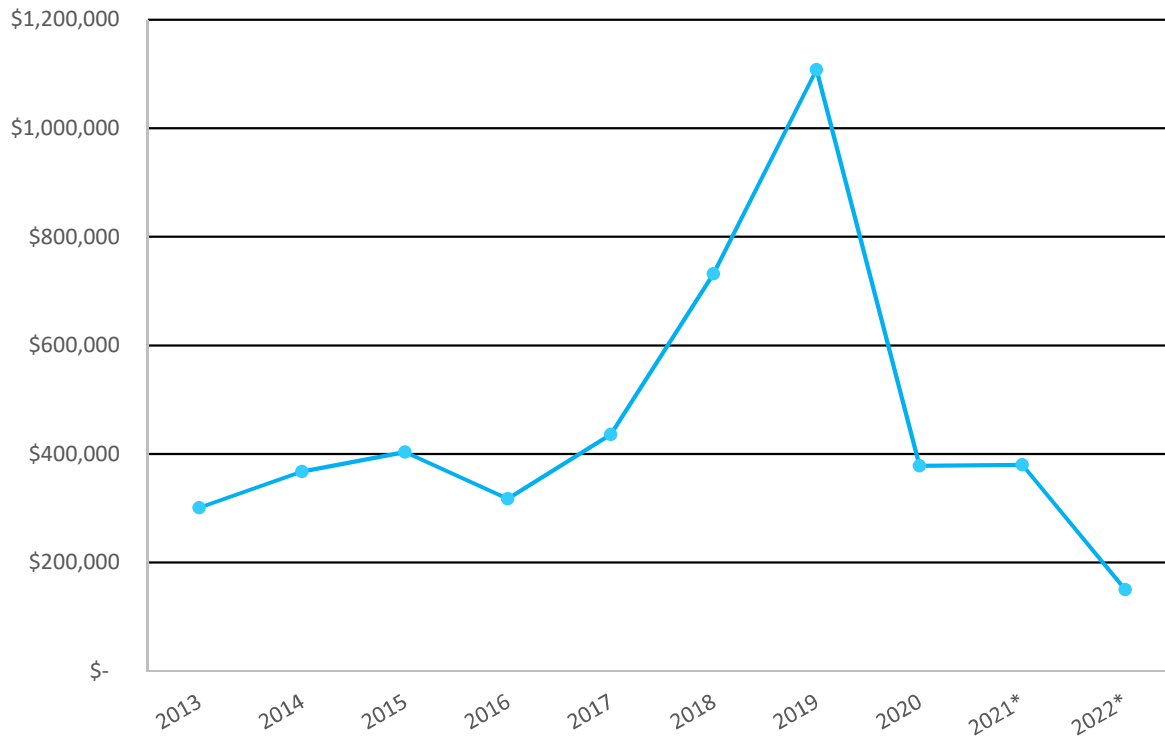
\*Budgeted tax revenues

### Interest Income

Interest income is generated from the District's General Fund investment portfolio. The portfolio consists of U.S. government and agency fixed income securities as well as investments in Local Government Investment Pools. The investment portfolio has an overall average maturity of one year.

	<b>FY20 Actuals</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Interest Income	\$ 389,423	\$ 380,000	\$ 150,000	\$ (230,000)	-60.5%

### Investment Income History



\*Budgeted investment income

## FY22 Operating Expenditures

### Strategic Objectives

Tarrant Regional Water District has five strategic objectives in 2020-2022 strategic plan. The General Fund operating budget centers around accomplishing these objectives.

**Objective 1:** Further TRWD's flood control mission through regional partnerships.

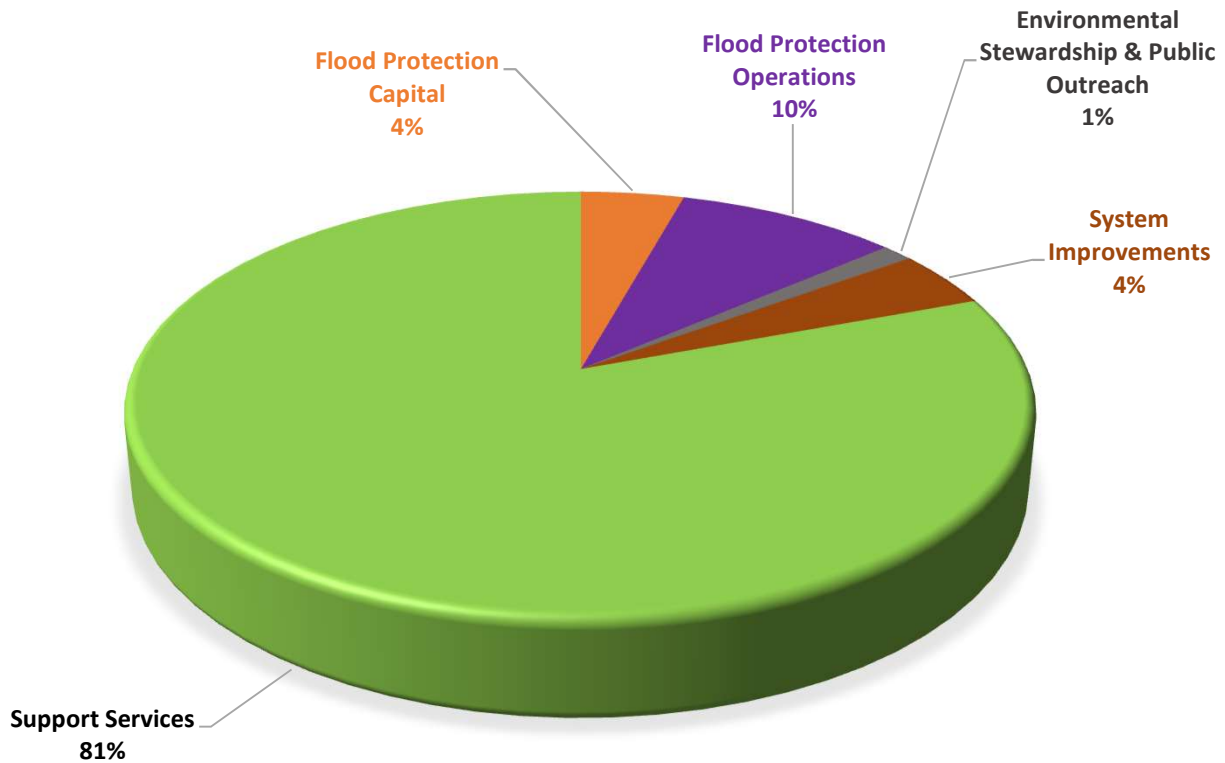
**Objective 2:** Responsible management of TRWD assets.

**Objective 3:** Further TRWD as an employer of choice.

**Objective 4:** Foster TRWD relationships.

**Objective 5:** Emergency preparedness and management.

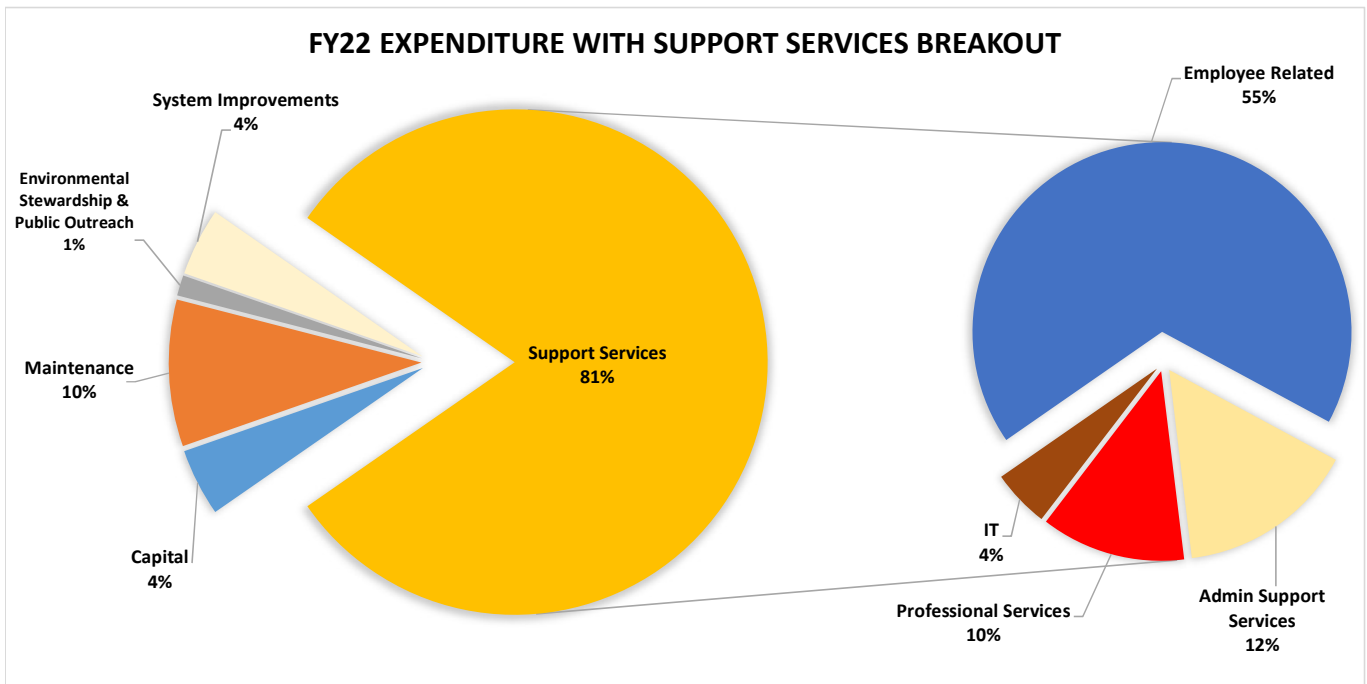
## FY22 Proposed Budget



### Expenditure Budget Overview

The FY22 Flood Protection Operating Budget is presented below in budget categories. Flood protection capital, system improvement projects and maintenance budgets are directly related to costs associated with the District's commitment to reducing the public's risk of flooding. Programs like Stormwater management, environmental stewardship and public outreach have become vital elements of the District's overall operating budget. Support Services are comprised of administrative and professional services, information technology and a staff committed to the Flood Protection mission. Additional details of the budget categories will be provided on the following pages.

Budget Categories	FY20 Actuals	FY21 Approved	FY22 Proposed	Variance	% Change
		Budget	Budget		
Maintenance	\$ 1,924,209	\$ 2,235,055	\$ 1,954,274	\$ (280,781)	-12.6%
System Improvements	\$ 257,164	\$ 192,000	\$ 905,000	\$ 713,000	371.4%
Capital	\$ 1,553,572	\$ 1,628,100	\$ 900,000	\$ (728,100)	-44.7%
Environmental Stewardship & Public Outreach	\$ 705,966	\$ 464,388	\$ 272,451	\$ (191,937)	-41.3%
Support Services	\$ 13,485,905	\$ 16,146,908	\$ 16,837,255	\$ 690,347	4.3%
<b>Total</b>	<b>\$ 17,926,816</b>	<b>\$ 20,666,451</b>	<b>\$ 20,868,980</b>	<b>\$ 202,529</b>	<b>1.0%</b>

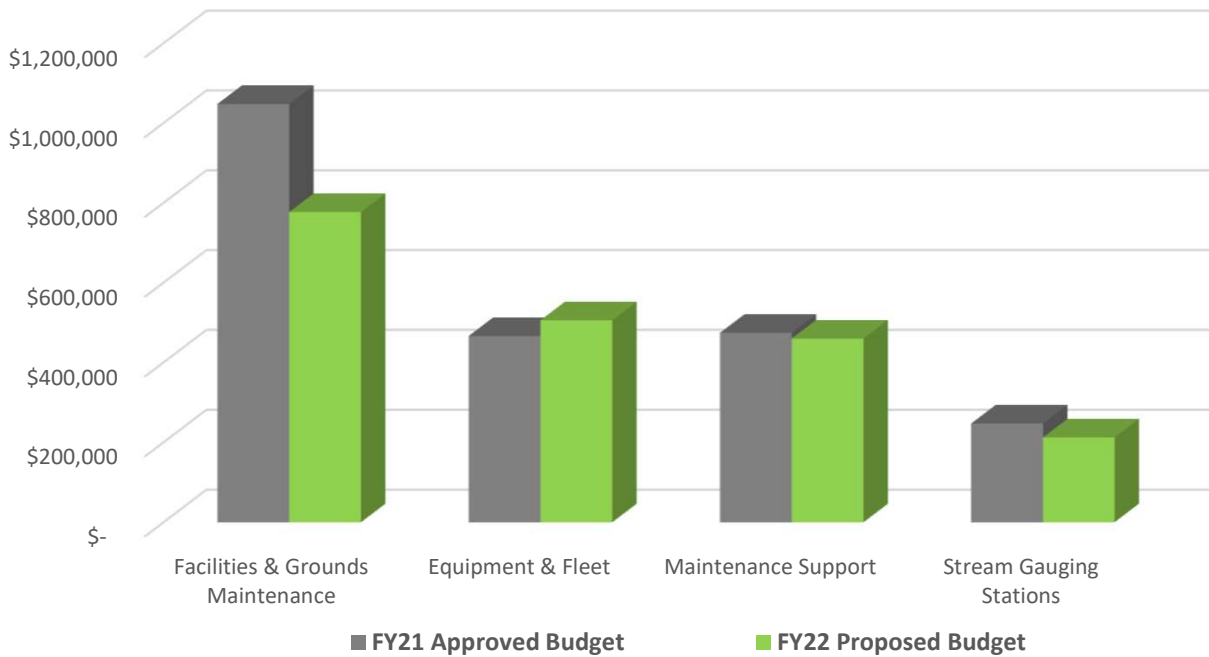


### Maintenance Budget

The Flood Protection Operations Budget consists of maintenance budgets that are directly related to the Flood Protection strategic goals. In FY22, the overall maintenance costs are budgeted to decrease by 12.6%. The majority of the decrease is in facilities and grounds maintenance costs due to the FY21 budget including the demolition of the old Lake Patrol office, which is not in the FY22 budget.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Facilities & Grounds Maintenance	\$ 916,036	\$ 1,047,740	\$ 776,880	\$ (270,860)	-25.9%
Equipment & Fleet	\$ 556,946	\$ 466,252	\$ 505,681	\$ 39,429	8.5%
Maintenance Support	\$ 290,895	\$ 474,063	\$ 459,713	\$ (14,350)	-3.0%
Stream Gauging Stations	\$ 160,332	\$ 247,000	\$ 212,000	\$ (35,000)	-14.2%
<b>Total</b>	<b>\$ 1,924,209</b>	<b>\$ 2,235,055</b>	<b>\$ 1,954,274</b>	<b>\$ (280,781)</b>	<b>-12.6%</b>

**Budget Comparison FY21 to FY22**



### System Improvement Budget

A component of the Flood Protection budget is system improvement projects. The following table provides a list of the proposed projects for FY22.

<b>Projects</b>	<b>FY22 Proposed Budget</b>
Evaluations of Flood Levels for FW Floodway	\$ 300,000
Upper West Fork silt removal and toe erosion repair	\$ 280,000
Lower Westfork Trail replacement between Riverside Dr and Sycamore Creek	\$ 135,000
Rehabilitate Levees	\$ 100,000
Property Restorations (Bridgeport & Eagle Mountain)	\$ 50,000
Trail Resurfacing	\$ 40,000
<b>Total</b>	<b>\$ 905,000</b>



Trail resurfacing enhances the trails for safety and sustainability. Shown here is a resurfacing project that will replace the weathered asphalt.

## Capital Budget

The District considers purchases of \$10K or greater for machinery and equipment to be a capital purchase. Purchases of property and construction costing \$20K or more will also fall in the category of a capital asset. The budgets for all of the approved capital purchases are listed below.

<b>Capital Projects</b>	<b>FY22 Proposed Budget</b>
Remove & Replace LED Underground Storage Tank & Fuel System	\$ 100,000
Land Easements along the Floodway	\$ 25,000
<b>Total Capital Projects</b>	<b>\$ 125,000</b>

<b>Capital Equipment</b>	<b>FY22 Proposed Budget</b>
<b>Replacements</b>	
1 - Tractor 4WD Utility w/ Cab	\$ 213,000
1 - 22' patrol boat with trailer	\$ 160,000
1 - Heavy duty telehandler replacement	\$ 155,000
1 - Heavy Duty 40' Belly Dump Trailer	\$ 60,000
1 - 1 Ton 4WD Ext Cab & Chassis w/ Utility Bed Replacement	\$ 49,000
1 - 3/4 Ton 2WD Utility Van Replacement	\$ 35,000
1 - Commercial Remote Control Slope Mower Addition	\$ 30,000
	<b>\$ 702,000</b>
<b>Additions</b>	
1 - 120KW Stand-by Generator Trailer Mounted Addition	\$ 73,000
	<b>\$ 73,000</b>
<b>Total Capital Equipment</b>	<b>\$ 775,000</b>
<b>Total Capital Expenditures</b>	<b>\$ 900,000</b>

## Environmental Stewardship and Public Outreach Budget

Environmental Stewardship is one of the District's primary strategic goals. As owners and operators of the Fort Worth Floodway, protecting the quality of the water in the Trinity River is a priority. The Stormwater Program identifies and implements strategies to improve Stormwater quality before it enters the river. This budget also consists of routine water testing costs, which are projected to decrease in FY22. Stormwater Program costs are budgeted to decrease due to the completion of a multi-year CE-QUAL-W2 contract, which simulates how physical changes effect water quality in the Trinity River. Environmental costs are decreasing due to the completion of a multi-year stormwater/bacteria program, which was a series of special water quality studies in the Trinity River Floodway/Watersheds.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Public Outreach	\$ 100,210	\$ 106,288	\$ 96,351	\$ (9,937)	-9.3%
Stormwater Program	\$ 296,975	\$ 220,000	\$ 75,000	\$ (145,000)	-65.9%
Environmental Costs	\$ 191,539	\$ 98,100	\$ 61,100	\$ (37,000)	-37.7%
Pollution Campaign	\$ 117,242	\$ 40,000	\$ 40,000	\$ -	0.0%
<b>Total</b>	<b>\$ 705,966</b>	<b>\$ 464,388</b>	<b>\$ 272,451</b>	<b>\$ (191,937)</b>	<b>-41.3%</b>



Sampling of the Trinity River is performed monthly from five different locations along the Floodway.

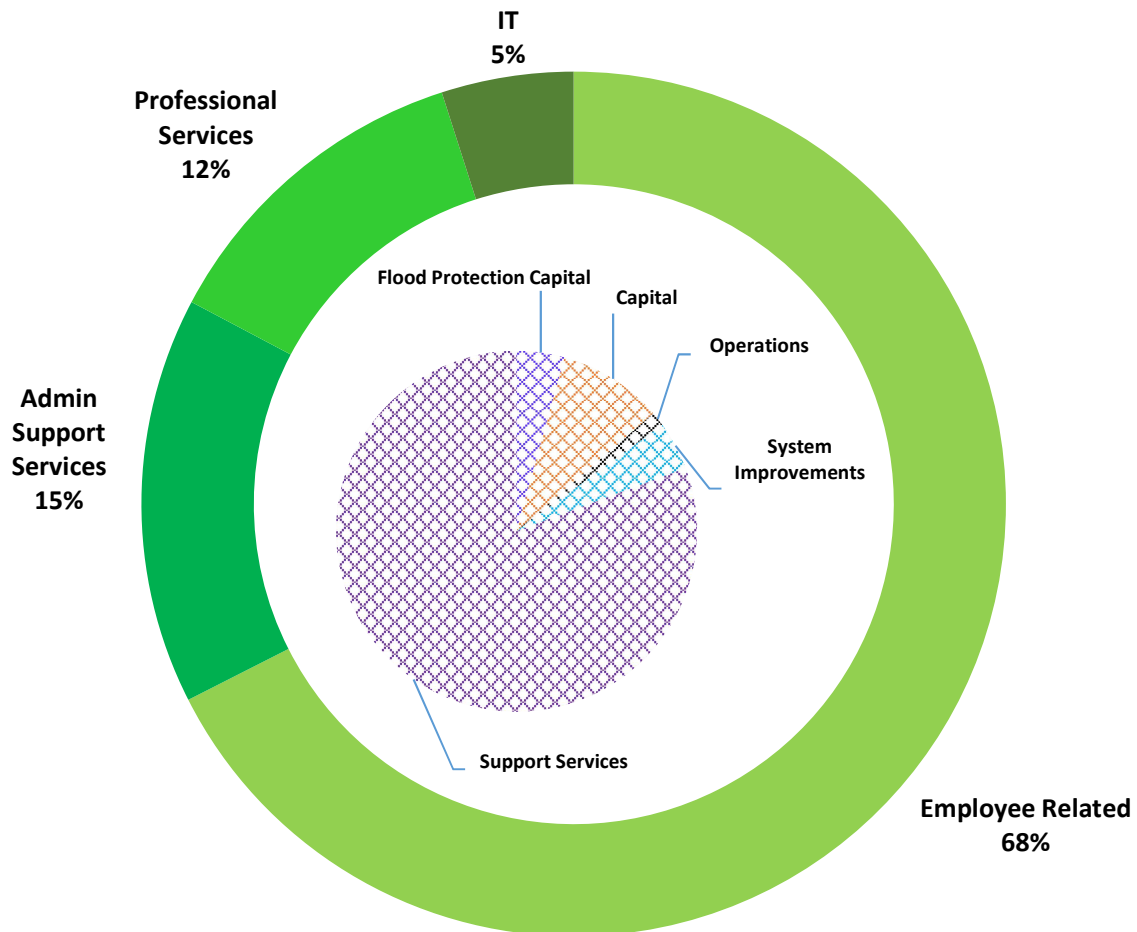


### Support Services Budget Overview

The Support Services budget consists of expenditures for services that support the District overall including employee and administrative costs. Employee related budgets make up 68% of the overall support services budget for FY22. As shown in the table below, support budgets are proposed to increase by 4.3% for FY22 as compared to FY21. Additional details of each of these areas will be discussed on the following pages.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Employee Related	\$ 9,447,851	\$ 10,969,132	\$ 11,368,176	\$ 399,044	3.6%
Admin Support Services	\$ 2,298,345	\$ 2,110,091	\$ 2,562,692	\$ 452,601	21.4%
Professional Services	\$ 1,145,466	\$ 2,221,128	\$ 2,075,220	\$ (145,908)	-6.6%
IT	\$ 594,243	\$ 846,557	\$ 831,167	\$ (15,390)	-1.8%
<b>Total</b>	<b>\$ 13,485,905</b>	<b>\$ 16,146,908</b>	<b>\$ 16,837,255</b>	<b>\$ 690,347</b>	<b>4.3%</b>

### FY22 Support Services Budget



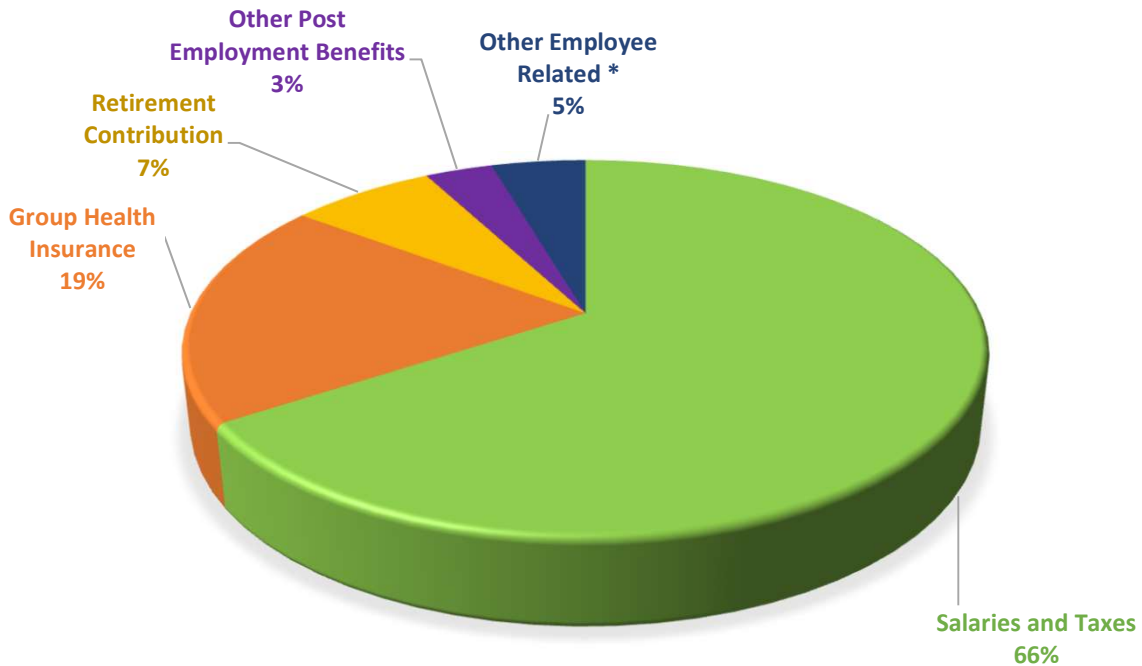
**Support Services  
Employee Related Budget**

Total Employee Related expenditures budgeted for FY22 are \$11.4M, representing an increase of 3.6% from prior year's budget. This increase is mainly due to the 3% increase to salaries and related costs for raises, bonuses, and promotions, 1% increase for market adjustments, and increases to group health mainly due to changes in employee insurance tiers. A 10% increase in the Other Post Employment Benefits (OPEB) budget will be seen each year until 75% of the OPEB Trust is funded, and currently the OPEB Trust is 57% funded.

	FY21 Approved		FY22 Proposed	Variance	% Change
	FY20 Actuals	Budget	Budget		
Salaries and Taxes	\$ 6,637,093	\$ 7,231,232	\$ 7,475,130	\$ 243,898	3.4%
Group Health Insurance	\$ 1,407,681	\$ 2,119,995	\$ 2,213,438	\$ 93,443	4.4%
Retirement Contribution	\$ 752,146	\$ 768,805	\$ 793,263	\$ 24,458	3.2%
Other Post Employment Benefits	\$ 305,997	\$ 336,597	\$ 370,256	\$ 33,659	10.0%
Other Employee Related *	\$ 344,934	\$ 512,503	\$ 516,089	\$ 3,586	0.7%
<b>Total</b>	<b>\$ 9,447,851</b>	<b>\$ 10,969,132</b>	<b>\$ 11,368,176</b>	<b>\$ 399,044</b>	<b>3.6%</b>

\* Other employee related costs include business and travel, education, and the employee wellness program.

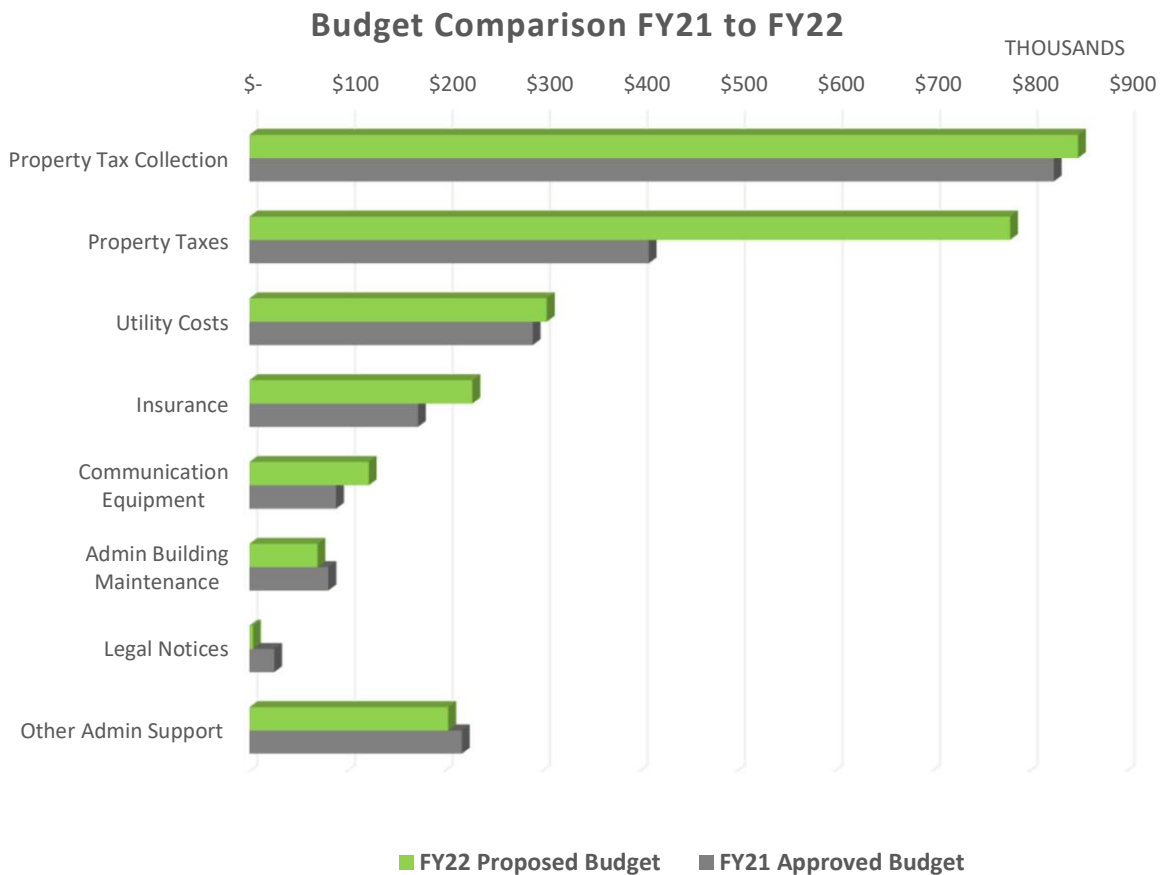
**FY22 Employee Related Budget**



**Support Services  
Administrative Support Services Budget**

The Administrative Support Services budget consists of overhead type expenditures. The largest decrease for the FY22 budget can be seen in legal notices, due to FY22 not being an election year. The District pays property taxes through Tax Increment Financing Districts set up by the City of Fort Worth, and those property tax expenses were previously underbudgeted due to increased property values. The increase in property tax expenses is to bring the budget in line with those increases.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Property Tax Collection	\$ 805,650	\$ 825,000	\$ 850,000	\$ 25,000	3.0%
Property Taxes	\$ 730,930	\$ 409,371	\$ 780,000	\$ 370,629	90.5%
Utility Costs	\$ 296,021	\$ 290,411	\$ 304,898	\$ 14,487	5.0%
Insurance	\$ 147,776	\$ 172,739	\$ 228,582	\$ 55,843	32.3%
Communication Equipment	\$ 37,845	\$ 88,745	\$ 122,270	\$ 33,525	37.8%
Admin Building Maintenance	\$ 79,805	\$ 80,778	\$ 69,660	\$ (11,118)	-13.8%
Legal Notices	\$ 1,907	\$ 25,280	\$ 3,530	\$ (21,750)	-86.0%
Other Admin Support	\$ 198,411	\$ 217,767	\$ 203,752	\$ (14,015)	-6.4%
<b>Total</b>	<b>\$ 2,298,345</b>	<b>\$ 2,110,091</b>	<b>\$ 2,562,692</b>	<b>\$ 452,601</b>	<b>21.4%</b>

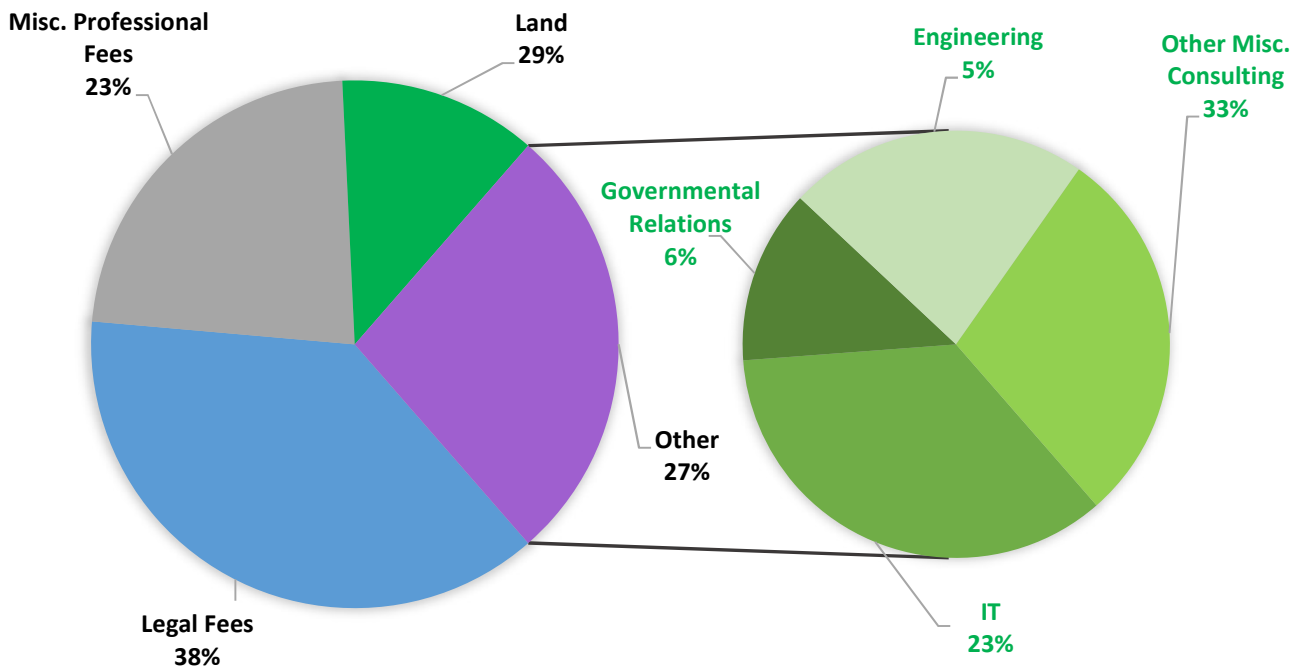


**Support Services  
Professional Services Budget**

Legal and consulting services make up the majority of the FY22 Professional Services budget. Additional detail of the FY22 consulting fees is shown in the chart below. The miscellaneous professional fees budget consists of the financial audit, surveying, and other professional fees. Consulting fees include projects such as: cyber security improvements, inspections of various dams and levees, and phase 5 of the asset management project.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Consulting Fees	\$ 412,852	\$ 969,405	\$ 816,405	\$ (153,000)	-15.8%
Legal Fees	\$ 674,456	\$ 784,500	\$ 784,500	\$ -	0.0%
Misc. Professional Fees	\$ 58,158	\$ 467,223	\$ 474,315	\$ 7,092	1.5%
<b>Total</b>	<b>\$ 1,145,466</b>	<b>\$ 2,221,128</b>	<b>\$ 2,075,220</b>	<b>\$ (145,908)</b>	<b>-6.6%</b>

**FY22 Professional Services with Consulting Budget Breakout**



**Support Services  
Information Technology Budget**

The software budget is increasing to accommodate the increase in use of Microsoft products as more employees are working virtually. The hardware budget is projected to decrease due to the completion of the CISCO-SD WAN hardware purchase in FY21. Also, replacement equipment being purchased as part of the regular lifecycle process is less expensive than it has been in previous years. Additionally, the IS Division is planning to spend extra time throughout the year focusing on stabilizing the support and maintenance tasks for the extensive network that has been built out over the last several years to support the operations of TRWD.

	<b>FY20 Actuals</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Software	\$ 334,512	\$ 399,867	\$ 437,487	\$ 37,620	9.4%
Hardware	\$ 259,731	\$ 446,690	\$ 393,680	\$ (53,010)	-11.9%
<b>Total</b>	<b>\$ 594,243</b>	<b>\$ 846,557</b>	<b>\$ 831,167</b>	<b>\$ (15,390)</b>	<b>-1.8%</b>



General Fund - Flood Protection FY22 Budget

Revenues	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change	
Taxes	\$ 21,000,000	\$ 22,000,000	\$ 1,000,000	4.8%	
Interest Income	\$ 380,000	\$ 150,000	\$ (230,000)	-60.5%	1
Reimbursable Project Revenues	\$ 250,000	\$ -	\$ (250,000)	-100.0%	2
<b>Total Revenues</b>	<b>\$ 21,630,000</b>	<b>\$ 22,150,000</b>	<b>\$ 520,000</b>	<b>2.4%</b>	

Expenditures	FY21 Approved Budget	FY22 Proposed Budget	Variance		Notes*
<u>Maintenance</u>					
Facilities & Grounds Maintenance	\$ 1,047,740	\$ 776,880	\$ (270,860)	-25.9%	3
Equipment & Fleet	\$ 466,252	\$ 505,681	\$ 39,429	8.5%	
Maintenance Support	\$ 474,063	\$ 459,713	\$ (14,350)	-3.0%	
Stream Gauging Stations	\$ 247,000	\$ 212,000	\$ (35,000)	-14.2%	4
Total Maintenance	\$ 2,235,055	\$ 1,954,274	\$ (280,781)	-12.6%	
System Improvements	\$ 192,000	\$ 905,000	\$ 713,000	371.4%	5
Capital	\$ 1,628,100	\$ 900,000	\$ (728,100)	-44.7%	6
<u>Environmental Stewardship and Public Outreach</u>					
Public Outreach	\$ 106,288	\$ 96,351	\$ (9,937)	-9.3%	
Stormwater Program	\$ 220,000	\$ 75,000	\$ (145,000)	-65.9%	7
Environmental	\$ 98,100	\$ 61,100	\$ (37,000)	-37.7%	8
Pollution Campaign	\$ 40,000	\$ 40,000	\$ -	0.0%	
Total Environmental Stewardship and Public Outreach	\$ 464,388	\$ 272,451	\$ (191,937)	-41.3%	
<u>Support Services</u>					
Employee Related	\$ 10,969,132	\$ 11,368,176	\$ 399,044	3.6%	
Admin Support Services	\$ 2,110,091	\$ 2,562,692	\$ 452,601	21.4%	9
Professional Services	\$ 2,221,128	\$ 2,075,220	\$ (145,908)	-6.6%	
IT	\$ 846,557	\$ 831,167	\$ (15,390)	-1.8%	
Total Support Services	\$ 16,146,908	\$ 16,837,255	\$ 690,347	4.3%	
<b>Total Expenditures</b>	<b>\$ 20,666,451</b>	<b>\$ 20,868,980</b>	<b>\$ 202,529</b>	<b>1.0%</b>	

<b>Budgeted Net Increase to Equity</b>	<b>\$ 963,549</b>	<b>\$ 1,281,020</b>	<b>\$ 317,471</b>	<b>32.9%</b>	
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\*See explanations for significant variances on next page

## Variance Explanations

**1 Interest Income**

This decrease is due to lower interest rates.

**2 Reimbursable Project Revenues**

This decrease is due to the completion of a trailhead that was funded by the City of Fort Worth.

**3 Facilities & Grounds Maintenance**

Decrease due to the FY20 budget for demolition of the old Lake Patrol office not being budgeted for in FY21.

**4 Stream Gauging Stations**

The decrease is due to removing certain measurements that are no longer needed.

**5 System Improvements**

The increases in system improvements are due to flood evaluations for Mary's Creek, silt removal on upper west fork, levee rehabilitation, property restoration, and trail improvements.

**6 Capital**

The decrease in Capital is due to the completion of trailhead construction that was budgeted in FY21.

**7 Stormwater Program**

The Stormwater program decrease is due to the completion of a multi-year CE-QUAL-W2 contract, which simulates how physical changes effect water quality in the Trinity River.

**8 Environmental**

The Environmental budget consists of routine water testing costs, which are projected to decrease in FY22 due to a restructuring of the support for Stormwater sampling and the completion of multi-year stormwater/bacteria program, which was a series of special water quality studies in the Trinity River Floodway/Watersheds.

**9 Admin Support Services**

This increase is due to the increase in property taxes paid to TIF's because of increased property values.

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 6

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Fiscal Year 2022 Revenue Fund Budget

**FUNDING:** Fiscal Year 2022 Revenue Fund

**RECOMMENDATION:**

Management recommends approval of the proposed Fiscal Year 2022 Revenue Fund budgeted expenditures of **\$154,869,988**.

**DISCUSSION:**

The proposed Revenue Fund Budget consists of Water Supply expenditures of \$154,869,988 offset by expected non-contract revenues of \$8,670,745 for a proposed net revenue requirement from contract customers of \$146,199,243.

The resulting proposed budgeted water rate for FY 2022 is \$1.25503.

The Board of Directors met on July 28, 2021 for a budget workshop and no changes have been made since that time. The Customer Advisory Committee met on September 2, 2021 and recommends the proposed FY 2022 Revenue Fund budget for Water Supply to the TRWD Board of Directors.

To provide more clarity, a summary of all budgets being approved for FY2022 has been added and can be seen on pages 1 through 3 of the attached Revenue Fund Budget. Please see attached schedules for further details.

**Submitted By:**

Sandy Newby  
Chief Financial Officer





**Fiscal Year 2022  
Proposed  
Revenue Fund  
Operating Budget**

**Board Meeting  
September 21, 2021**

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**Summarized FY22 Proposed Revenue Budgets**

<b>Revenues</b>	<b>Revenue Fund FY22 Proposed Budget</b>	<b>General Fund FY22 Proposed Budget</b>	<b>Special Projects/ Contingency Fund FY22 Proposed Budget</b>	<b>Total Revenues</b>
Sale of Water	\$ 146,199,243	\$ -	\$ -	\$ 146,199,243
Taxes	\$ -	\$ 22,000,000	\$ -	\$ 22,000,000
TIF Revenues	\$ -	\$ -	\$ 6,680,455	\$ 6,680,455
Oil and Gas Revenues	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
Excess Reserve Funds	\$ 3,323,130	\$ -	\$ -	\$ 3,323,130
Dallas Water Utility	\$ 2,189,902	\$ -	\$ -	\$ 2,189,902
Contributions	\$ 1,205,668	\$ -	\$ -	\$ 1,205,668
Interest Income	\$ 910,000	\$ 150,000	\$ 100,000	\$ 1,160,000
Other Water Sales	\$ 500,000	\$ -	\$ -	\$ 500,000
Other Income	\$ 542,045	\$ -	\$ 832,246	\$ 1,374,291
<b>Total Revenues</b>	<b>\$ 154,869,988</b>	<b>\$ 22,150,000</b>	<b>\$ 13,612,701</b>	<b>\$ 190,632,689</b>

**Summarized FY22 Proposed Expenditure Budgets**

Expenditures	Revenue Fund FY22	General Fund FY22	Special Projects/ Contingency Fund FY22	Total Expenditures
	Proposed Budget	Proposed Budget	Proposed Budget	
Debt Service	\$ 79,901,067	\$ -	\$ 6,680,455	\$ 86,581,522
Pumping Power	\$ 18,000,000	\$ -	\$ -	\$ 18,000,000
				\$ -
<u>Maintenance</u>				\$ -
Pipeline & Pump Station	\$ 3,782,800	\$ -	\$ -	\$ 3,782,800
Facilities & Grounds Maintenance	\$ 1,918,733	\$ 776,880	\$ -	\$ 2,695,613
Equipment & Fleet	\$ 786,341	\$ 505,681	\$ -	\$ 1,292,022
Maintenance Support	\$ 624,688	\$ 459,713	\$ -	\$ 1,084,401
Benbrook Reservoir O&M	\$ 515,000	\$ -	\$ -	\$ 515,000
Stream Gauging Stations	\$ 180,000	\$ 212,000	\$ -	\$ 392,000
Total Maintenance	\$ 7,807,562	\$ 1,954,274	\$ -	\$ 9,761,836
<u>Watershed Protection, Environmental Stewardship and Public Outreach</u>				
Water Efficiency Program	\$ 2,879,502	\$ -	\$ -	\$ 2,879,502
Watershed Protection	\$ 453,453	\$ -	\$ -	\$ 453,453
Environmental	\$ 396,860	\$ 61,100	\$ -	\$ 457,960
Pollution Campaign	\$ 160,000	\$ 40,000	\$ -	\$ 200,000
Reservoir Cleanups	\$ 47,000	\$ -	\$ -	\$ 47,000
Stormwater Program	\$ -	\$ 75,000	\$ -	\$ 75,000
Public Outreach	\$ -	\$ 96,351	\$ -	\$ 96,351
Total Watershed Protection & Environmental Stewardship	\$ 3,936,815	\$ 272,451	\$ -	\$ 4,209,266
System Improvements	\$ 4,275,560	\$ 905,000	\$ -	\$ 5,180,560
Capital	\$ 1,062,718	\$ 900,000	\$ 787,500	\$ 2,750,218
Net Recreation Expenses	\$ -	\$ -	\$ 2,341,260	\$ 2,341,260
Panther Island/Central City	\$ -	\$ -	\$ 225,000	\$ 225,000
<u>Support Services</u>				
Employee Related	\$ 30,232,594	\$ 11,368,176	\$ -	\$ 41,600,770
Consulting Fees	\$ 2,798,255	\$ 816,405	\$ 100,000	\$ 3,714,660
Legal Fees	\$ 634,200	\$ 784,500	\$ -	\$ 1,418,700
Misc. Professional Fees	\$ 321,945	\$ 474,315	\$ -	\$ 796,260
Admin Support Services	\$ 3,179,571	\$ 2,562,692	\$ -	\$ 5,742,263
IT	\$ 2,719,701	\$ 831,167	\$ -	\$ 3,550,868
Total Support Services	\$ 39,886,266	\$ 16,837,255	\$ 100,000	\$ 56,823,521
<b>Total Expenditures</b>	<b>\$ 154,869,988</b>	<b>\$ 20,868,980</b>	<b>\$ 10,134,215</b>	<b>\$ 185,873,183</b>

*Revenue, General, and Special Projects/Contingency Funds*

**Full Time Equivalents Budgeted by Fund**

	<u>FY21</u>	<u>FY22</u>
<b>Revenue</b>	256	250
General	92	91
Special Project/Contingency	9	10
Dallas Bond	36	49
<b>Total</b>	<u>393</u>	<u>400</u>

**Budgeted Expenditures Per Capita**

	<u>Revenue</u>	<u>General</u>	<u>Special Projects/ Contingency</u>
Revenues Per Capita	73.44	48.77	29.97
Expenditures Per Capita	73.44	45.95	22.31

Population data is from 2020. General and Special Project/Contingency funds population is the TRWD taxing/voting district. Revenue Fund population is the service area which purchases water from TRWD.

# Revenue Fund

## Water Supply



Spillway at Richland Chambers

## TRWD Revenue Fund FY22 Budget Summary

### TRWD Water Supply Mission

Deliver a reliable, resilient supply of water to the public at the lowest cost and highest quality possible.

### Water Supply Overview

TRWD provides water to more than two million people in an 11-county service area, making it one of the largest water suppliers in the state. The District provides raw water to more than 55 wholesale customers in North Central Texas, the largest of which include the cities of Fort Worth, Arlington and Mansfield as well as the Trinity River Authority.

### Proposed FY22 Revenue Fund Budget

Revenues	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget
Sale of Water	\$ 122,563,865	\$ 144,805,284	\$ 146,199,243
Contributions	\$ 914,407	\$ 1,205,668	\$ 1,205,668
Interest Income	\$ 4,968,308	\$ 2,650,000	\$ 910,000
Other Income	\$ 5,897,524	\$ 3,692,562	\$ 6,555,077
<b>Total Revenues</b>	<b>\$ 134,344,104</b>	<b>\$ 152,353,514</b>	<b>\$ 154,869,988</b>

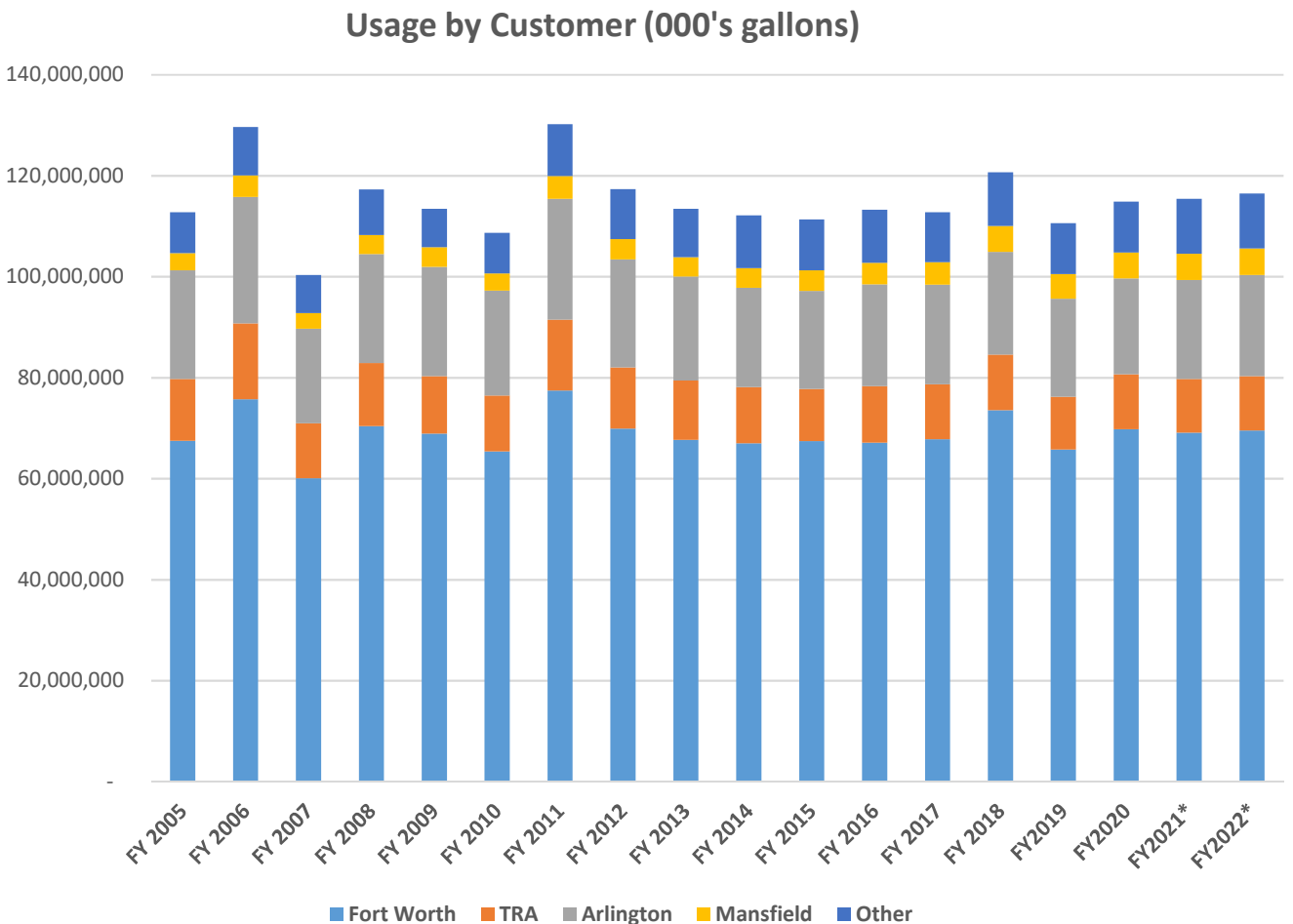
Expenditures	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget
Operating	\$ 52,035,078	\$ 73,349,051	\$ 73,906,203
Capital	\$ 688,731	\$ 993,517	\$ 1,062,718
Debt Service	\$ 79,784,005	\$ 78,010,949	\$ 79,901,067
<b>Total Expenditures</b>	<b>\$ 132,507,814</b>	<b>\$ 152,353,517</b>	<b>\$ 154,869,988</b>

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget
System Rate	\$ 1.05881	\$ 1.25448	\$ 1.25503

## Water Supply Demands

Demand for water supply is based on many factors including population growth, water conservation, weather patterns, and changing population lifestyles. All these factors play into the current water supply and future demand requirements. The District manages both the current demand needs and prepares for the future demand requirements while working to keep the water rate stable for its customers.

The graph below shows water usage for the past 16 years and budgeted usage for FY21 & FY22. The District is currently preparing for future demands by expanding transmission system infrastructure and developing new sources of supply.



\*Budgeted Usage



### System Rate Calculation

The Sale of Water revenues are estimated using the budgeted raw water rate multiplied by the budgeted water sales for FY22. This budgeted rate, expressed in dollars per 1000 gallons, is calculated by taking the budgeted expenditures for FY22, subtracting other income sources and dividing that number by the estimated usage in gallons. Each fiscal year, the four primary customers provide their estimated usage for the year. The remaining customers' estimated usage is determined using historical data of actual reported usage.

<b>Net System Revenue Requirements</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>% Change</b>
Total Expenditures	\$ 152,353,517	\$ 154,869,988	1.7%
Less: Other Revenues Not Through Sale of Water	\$ (7,548,230)	\$ (8,670,745)	14.9%
<b>Net System Revenue Requirement</b>	<b>\$ 144,805,287</b>	<b>\$ 146,199,243</b>	<b>1.0%</b>

<b>Gallage (000'S)</b>	<b>FY21 Budgeted Water Sales</b>	<b>FY22 Budgeted Water Sales</b>	<b>% Change</b>
Fort Worth	69,088,000	69,513,944	0.6%
Arlington	19,623,931	20,003,136	1.9%
Trinity River Authority	10,661,844	10,815,437	1.4%
Mansfield	5,152,362	5,254,197	2.0%
Other	10,904,250	10,904,250	0.0%
<b>Total Gallage (000's)</b>	<b>115,430,387</b>	<b>116,490,964</b>	<b>0.9%</b>

<b>Calculated System Rate</b>	<b>FY21 Budgeted Rate</b>	<b>FY22 Budgeted Rate</b>	<b>% Change</b>
District Rate	\$1.25448	\$1.25503	0.04%

### System Rate Model

To accurately project water rates, the District utilizes a rate model. The customers' estimates for raw water usage are combined with the District's estimated expenses to calculate an estimated rate. A sample of the District's rate model for the years 2021 - 2030 is shown below.

	Approved 2021	Proposed 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025
<b>SYSTEM OPERATIONS</b>					
Operations and Maintenance	55,349,048	55,899,229	59,812,175	63,999,027	68,478,959
Pumping Power	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Capital Expenditures	993,517	1,062,718	1,500,000	1,000,000	1,100,000
<b>TOTAL EXPENSES</b>	<b>74,342,565</b>	<b>74,961,947</b>	<b>79,312,175</b>	<b>82,999,027</b>	<b>87,578,959</b>
<b>OUTSTANDING BOND DEBT SERVICE</b>					
Outstanding Principal & Interest	76,153,899	72,681,691	70,432,094	69,835,043	68,269,290
Outstanding Extendible Commercial Paper Bonds	0	6,505,510	0	0	0
Bond Paying Agent Fees	7,050	6,350	7,050	7,050	7,050
<b>TOTAL OUTSTANDING BOND DEBT SERVICE</b>	<b>76,160,949</b>	<b>79,193,551</b>	<b>70,439,144</b>	<b>69,842,093</b>	<b>68,276,340</b>
<b>PROPOSED BOND DEBT SERVICE</b>					
Extendible Commercial Paper Bonds	800,000		7,000,000	4,000,000	2,000,000
2021 Issue - \$0 mil	1,050,000				
2022 Issue - \$50 mil		714,490	2,513,580	2,512,360	1,366,540
2023 Issue - \$50 mil			1,000,635	2,943,030	2,587,725
2024 Issue - \$60 mil				1,389,150	3,804,675
2025 Issue - \$180 mil					4,829,375
2026 Issue - \$125 mil					
2027 Issue - \$80 mil					
2028 Issue - \$50 mil					
<b>TOTAL PROPOSED BOND DEBT SERVICE</b>	<b>1,850,000</b>	<b>714,490</b>	<b>10,514,215</b>	<b>10,844,540</b>	<b>14,588,315</b>
<b>TOTAL EXPENDITURES</b>	<b>152,353,514</b>	<b>154,869,988</b>	<b>160,265,534</b>	<b>163,685,660</b>	<b>170,443,614</b>
<b>OTHER REVENUE (not through the sale of water)</b>					
Water Sales not under system rate	500,000	500,000	505,000	510,050	515,151
Dallas Water Utilities Reimbursement of O&M	2,422,529	2,189,902	2,343,195	2,507,219	2,682,724
Interest Earned	2,650,000	910,000	2,800,000	3,000,000	3,200,000
Other Revenues	1,975,701	5,070,843	1,798,421	1,816,406	1,834,570
<b>TOTAL OTHER REVENUE (not through the sale of water)</b>	<b>7,548,230</b>	<b>8,670,745</b>	<b>7,446,617</b>	<b>7,833,674</b>	<b>8,232,444</b>
<b>NET SYSTEM REQUIREMENTS</b>	<b>144,805,284</b>	<b>146,199,243</b>	<b>152,818,917</b>	<b>155,851,986</b>	<b>162,211,170</b>
<b>SYSTEM WATER RATES</b>					
<b>PROJECTED WATER USE (1000 GAL.) - 5 yr. customer demands projections</b>					
Fort Worth	69,088,000	69,513,944	74,214,569	75,637,262	77,059,955
Arlington	19,623,931	20,003,136	20,420,043	20,679,254	20,938,465
Trinity River Authority	10,661,844	10,815,437	10,858,260	10,907,278	10,956,295
Mansfield	5,152,362	5,254,197	5,447,125	5,619,707	5,792,289
Other	10,904,250	10,904,250	11,122,335	11,344,782	11,571,677
<b>TOTAL</b>	<b>115,430,387</b>	<b>116,490,964</b>	<b>122,062,332</b>	<b>124,188,283</b>	<b>126,318,681</b>
<b>PROJECTED SYSTEM WATER RATE (\$/1000 GAL.)</b>					
District Rate	<b>1.25448</b>	<b>1.25503</b>	<b>1.25197</b>	<b>1.25497</b>	<b>1.28414</b>
<b>PROJECTED SYSTEM REVENUE: (\$)</b>					
Fort Worth	86,669,617	87,241,840	92,914,742	94,922,139	98,955,953
Arlington	24,617,858	25,104,465	25,565,372	25,951,746	26,887,970
Trinity River Authority	13,375,086	13,573,660	13,594,264	13,688,255	14,069,443
Mansfield	6,463,543	6,594,156	6,819,661	7,052,537	7,438,124
Other	13,679,180	13,685,122	13,924,879	14,237,307	14,859,681
<b>TOTAL SYSTEM REVENUE</b>	<b>144,805,284</b>	<b>146,199,243</b>	<b>152,818,917</b>	<b>155,851,986</b>	<b>162,211,170</b>

(Continued on next page)

## System Rate Model

	PROJECTED 2026	PROJECTED 2027	PROJECTED 2028	PROJECTED 2029	PROJECTED 2030
<b>SYSTEM OPERATIONS</b>					
Operations and Maintenance	73,272,486	78,401,560	83,889,670	89,761,946	96,045,283
Pumping Power	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Capital Expenditures	500,000	550,000	605,000	665,500	732,050
<b>TOTAL EXPENSES</b>	<b>91,772,486</b>	<b>96,951,560</b>	<b>102,494,670</b>	<b>108,427,446</b>	<b>114,777,333</b>
<b>OUTSTANDING BOND DEBT SERVICE</b>					
Outstanding Principal & Interest	68,251,912	68,301,146	68,193,205	68,138,922	65,091,564
Outstanding Extendible Commercial Paper Bonds	0	0	0	0	0
Bond Paying Agent Fees	7,050	7,050	7,050	7,050	7,050
<b>TOTAL OUTSTANDING BOND DEBT SERVICE</b>	<b>68,258,962</b>	<b>68,308,196</b>	<b>68,200,255</b>	<b>68,145,972</b>	<b>65,098,614</b>
<b>PROPOSED BOND DEBT SERVICE</b>					
Extendible Commercial Paper Bonds					
2021 Issue - \$0 mil					
2022 Issue - \$50 mil	1,366,540	1,366,540	1,366,540	1,366,540	2,510,300
2023 Issue - \$50 mil	1,940,660	1,940,660	1,940,660	1,940,660	2,946,185
2024 Issue - \$60 mil	2,731,050	2,731,050	2,731,050	2,731,050	3,806,300
2025 Issue - \$180 mil	9,658,750	9,658,750	9,658,750	9,658,750	12,427,750
2026 Issue - \$125 mil	3,363,000	6,726,000	6,726,000	8,632,125	8,636,750
2027 Issue - \$80 mil		2,151,750	4,303,500	5,527,125	5,522,875
2028 Issue - \$50 mil			1,343,500	3,457,250	3,456,750
<b>TOTAL PROPOSED BOND DEBT SERVICE</b>	<b>19,060,000</b>	<b>24,574,750</b>	<b>28,070,000</b>	<b>33,313,500</b>	<b>39,306,910</b>
<b>TOTAL EXPENDITURES</b>	<b>179,091,448</b>	<b>189,834,506</b>	<b>198,764,925</b>	<b>209,886,918</b>	<b>219,182,857</b>
<b>OTHER REVENUE (not through the sale of water)</b>					
Water Sales not under system rate	520,302	525,505	530,760	536,068	541,428
Dallas Water Utilities Reimbursement of O&M	2,870,515	3,071,451	3,286,452	3,516,504	3,762,659
Interest Earned	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Other Revenues	1,852,915	1,871,445	1,890,159	1,909,061	1,928,151
<b>TOTAL OTHER REVENUE (not through the sale of water)</b>	<b>8,443,732</b>	<b>8,668,400</b>	<b>8,907,371</b>	<b>9,161,632</b>	<b>9,432,239</b>
<b>NET SYSTEM REQUIREMENTS</b>	<b>170,647,716</b>	<b>181,166,106</b>	<b>189,857,553</b>	<b>200,725,286</b>	<b>209,750,618</b>
<b>SYSTEM WATER RATES</b>					
<b>PROJECTED WATER USE (1000 GAL.) - 5 yr. customer demands projections</b>					
Fort Worth	78,482,649	79,905,342	81,328,036	82,750,729	84,173,422
Arlington	21,197,676	21,456,887	21,716,098	21,975,309	22,234,520
Trinity River Authority	11,005,313	11,054,330	11,103,348	11,152,366	11,201,383
Mansfield	5,964,871	6,137,453	6,310,035	6,482,617	6,655,199
Other	11,803,111	12,039,173	12,279,957	12,525,556	12,776,067
<b>TOTAL</b>	<b>128,453,620</b>	<b>130,593,185</b>	<b>132,737,474</b>	<b>134,886,577</b>	<b>137,040,591</b>
<b>PROJECTED SYSTEM WATER RATE (\$/1000 GAL.)</b>					
<b>District Rate</b>	<b>1.32848</b>	<b>1.38726</b>	<b>1.43032</b>	<b>1.48810</b>	<b>1.53057</b>
<b>PROJECTED SYSTEM REVENUE: (\$)</b>					
Fort Worth	104,262,416	110,849,120	116,325,417	123,141,710	128,833,561
Arlington	28,160,631	29,766,183	31,061,049	32,701,550	34,031,554
Trinity River Authority	14,620,308	15,335,179	15,881,382	16,595,883	17,144,534
Mansfield	7,924,196	8,514,215	9,025,393	9,646,810	10,186,267
Other	15,680,165	16,701,408	17,564,313	18,639,332	19,554,702
<b>TOTAL SYSTEM REVENUE</b>	<b>170,647,716</b>	<b>181,166,106</b>	<b>189,857,553</b>	<b>200,725,286</b>	<b>209,750,618</b>

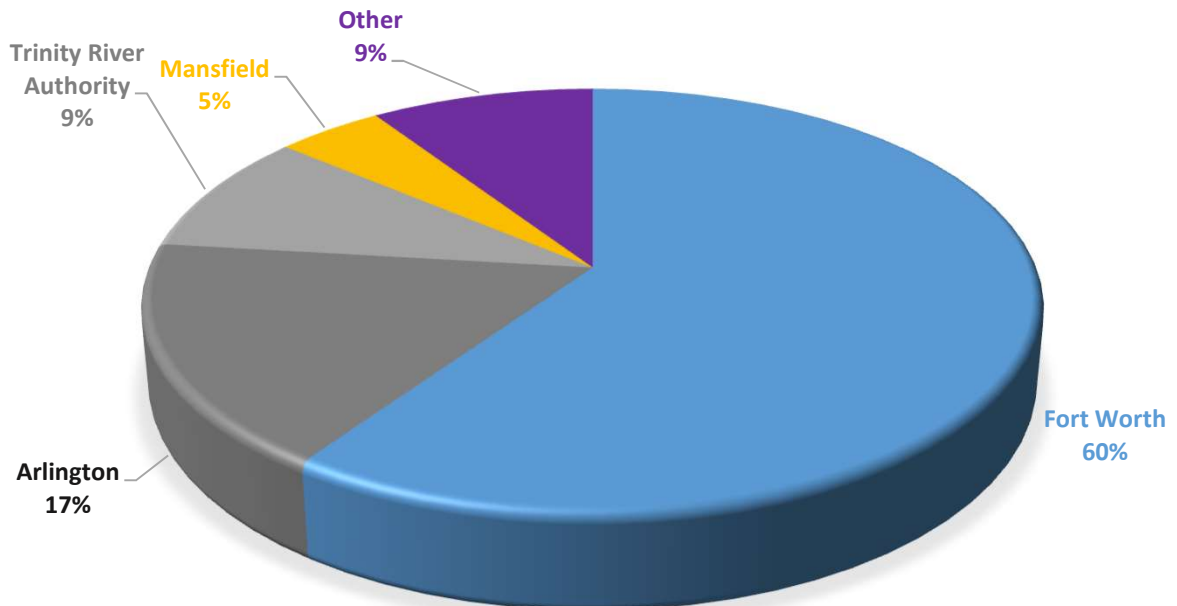
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### Water Usage Projections

Each fiscal year, the primary customers provide their estimated usage for the year. The remaining customers' estimated usage is determined using historical data of actual reported usage. The customers' projected usage for FY22 increased 1.1M gallons from FY21. The District's four primary customers account for 91% of budgeted water sales for FY22.

Gallorage (000'S)	FY21 Budgeted	FY22 Budgeted	Variance	% Change
	Water Sales	Water Sales		
Fort Worth	69,088,000	69,513,944	425,944	0.6%
Arlington	19,623,931	20,003,136	379,205	1.9%
Trinity River Authority	10,661,844	10,815,437	153,593	1.4%
Mansfield	5,152,362	5,254,197	101,835	2.0%
Other	10,904,250	10,904,250	-	0.0%
<b>Total Gallorage (000's)</b>	<b>115,430,387</b>	<b>116,490,964</b>	<b>1,060,577</b>	<b>0.92%</b>

### FY22 Budgeted Water Usage by Customer

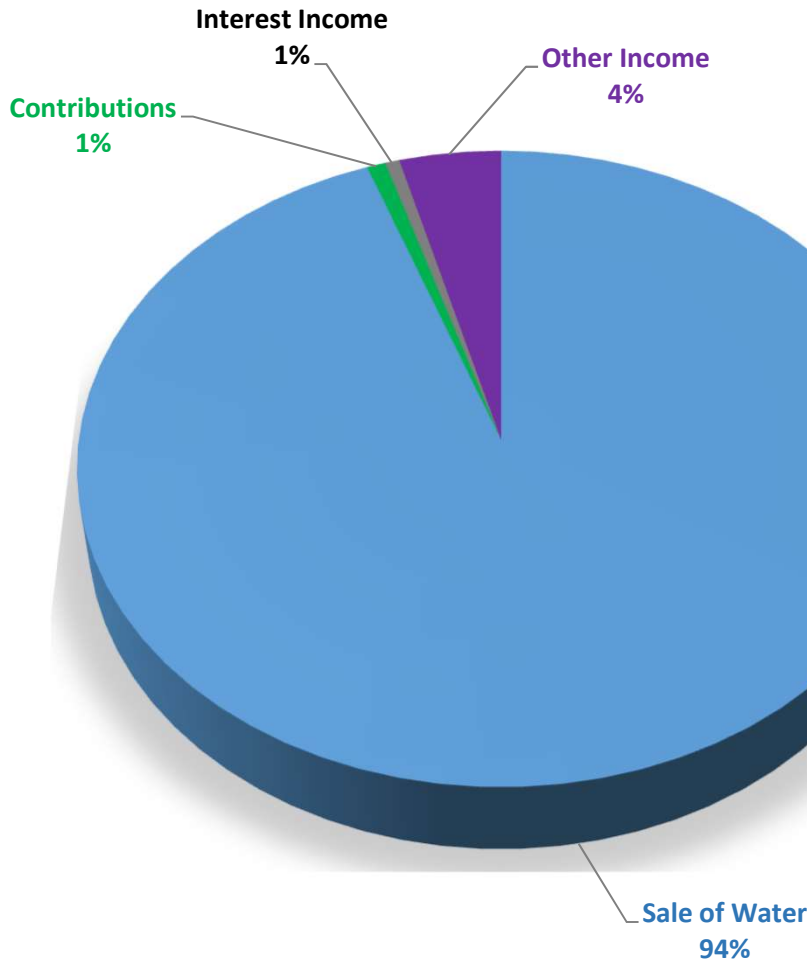


### Sources of Revenue

The Sale of Water provides the primary source and largest single component of income to the Revenue Fund. Interest Earnings on investments, program contributions and other income sources provide the remaining 6% of the budgeted revenues for FY22. These individual components will be discussed in more detail on the following pages.

Sources	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Sale of Water	\$ 122,563,865	\$ 144,805,284	\$ 146,199,243	\$ 1,393,959	1.0%
Contributions	\$ 914,407	\$ 1,205,668	\$ 1,205,668	\$ -	0.0%
Interest Income	\$ 4,968,308	\$ 2,650,000	\$ 910,000	\$ (1,740,000)	-65.7%
Other Income	\$ 5,897,524	\$ 3,692,562	\$ 6,555,077	\$ 2,862,515	77.5%
<b>Total</b>	<b>\$ 134,344,104</b>	<b>\$ 152,353,514</b>	<b>\$ 154,869,988</b>	<b>\$ 2,516,474</b>	<b>1.7%</b>

### FY22 Budgeted Revenues

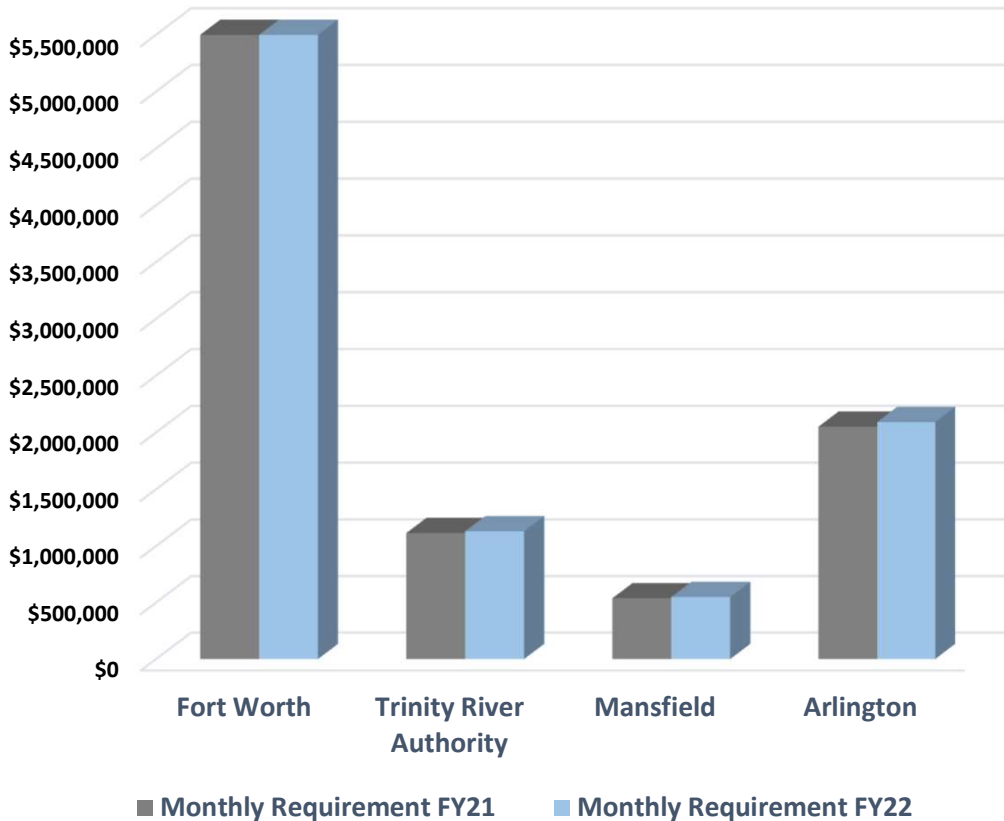


Sale of Water

Customer Monthly Payments

	Fort Worth	Trinity River Authority	Mansfield	Arlington
FY 2022 Estimated Usage (000's)	69,513,944	10,815,437	5,254,197	20,003,136
FY 2022 Rate per 1,000 Gallons	\$1.25503	\$1.25503	\$1.25503	\$1.25503
<b>FY22 Budgeted Revenue Requirement</b>	<b>\$87,241,840</b>	<b>\$13,573,659</b>	<b>\$6,594,156</b>	<b>\$25,104,465</b>
FY21 Budgeted Revenue Requirement	\$86,669,617	\$13,375,086	\$6,463,543	\$24,617,858
<b>Monthly Requirement FY22</b>	<b>\$7,270,153</b>	<b>\$1,131,138</b>	<b>\$549,513</b>	<b>\$2,092,039</b>
Monthly Requirement FY21	\$7,222,468	\$1,114,590	\$538,629	\$2,051,488

Budgeted Customer Monthly Payments



### Contributions

Contribution revenues help off-set the District's expenses for the Water Efficiency Campaign. In FY22 these revenues will account for \$1.2M in income for the Revenue Fund. A closer look at these program's expense budgets will be shown in the expenditures section on page 23.

In FY22, both the City of Dallas and North Texas Municipal Water District (NTMWD) have agreed to contribute \$583,334 each to the public outreach and education campaign, also known as "Water is Awesome." Additionally, Upper Trinity Water District, the City of Dallas and NTMWD each help support the Regional Water Symposiums. The City of Dallas has also agreed to contribute \$20K to the Weekly Watering program in FY22.

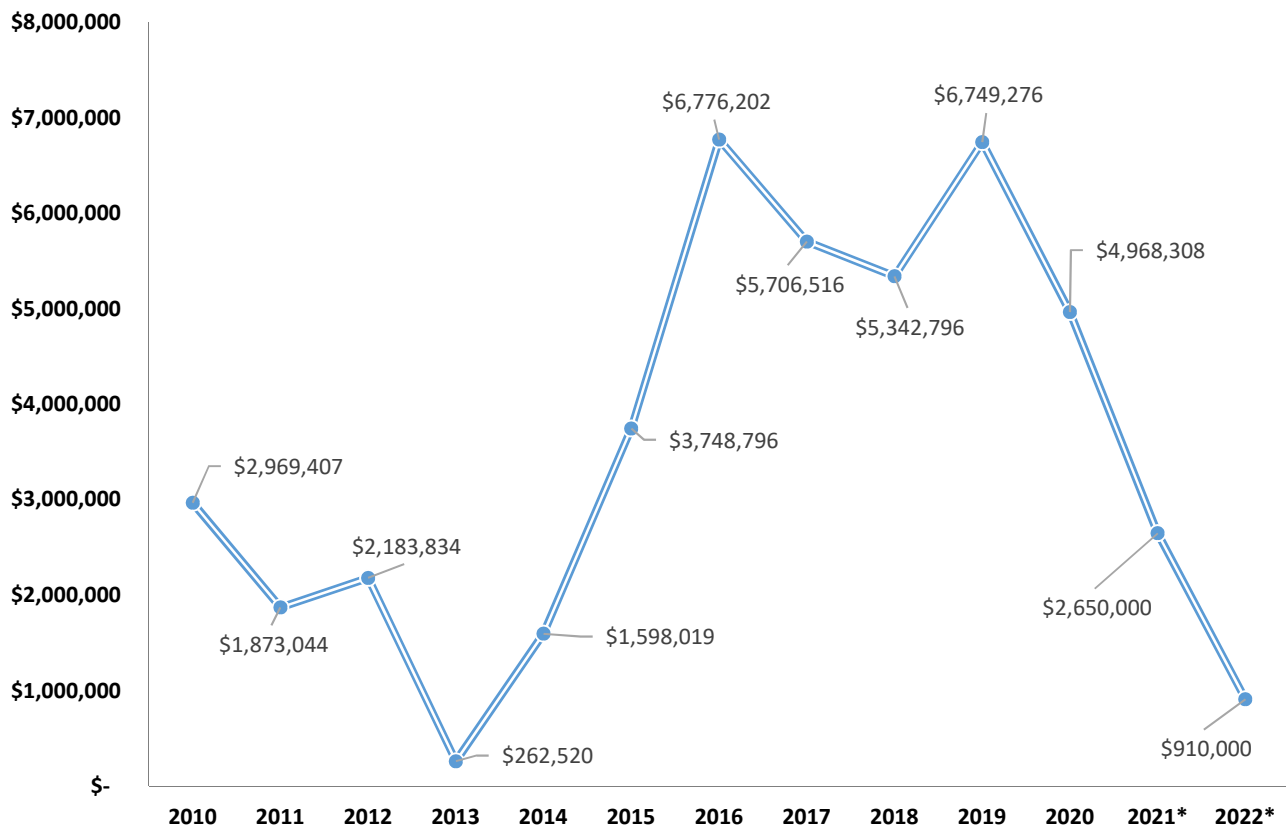
<b>Water Efficiency Program Revenues</b>	<b>FY22 Proposed Budget</b>
Public Outreach & Education - City of Dallas	\$ 583,334
Public Outreach & Education - NTMWD	\$ 583,334
Weekly Watering Program - City of Dallas	\$ 20,000
Regional Symposiums - City of Dallas	\$ 5,000
Regional Symposiums - NTMWD	\$ 5,000
Regional Symposiums - UTWD	\$ 5,000
Regional Symposiums Registration Fees	\$ 4,000
<b>Total Water Efficiency Program Revenues</b>	<b>\$ 1,205,668</b>



### Interest Income

The Revenue Fund budgeted interest income includes interest income generated from the operating Revenue Fund as well as the Bond Reserve Fund and the unspent bond proceeds. The majority of the income comes from the Reserve Fund which holds a balance equal to the largest annual debt service payment per bond covenant requirements and is able to invest in longer term investments. In addition to the Reserve Fund, in the past the District issued long-term debt for multi-year projects which allowed available proceeds to be invested and increased Interest Income in those years. As the District changes to issuing Extendible Commercial Paper Bonds, those excess proceeds will not be available as the District will only issue for short term cash flow needs and then roll those issuances to long-term bonds after they are spent. The offset is that Interest Expense will also be lower than it would have been as the District did not have to pay interest on proceeds that weren't needed at the beginning of a project. Therefore, starting in FY19, the District has decreased the budgeted Interest Income to account for that change in debt issuance practices.

The graph below illustrates the actual interest earned on investments for the past 11 years and budgeted interest income for FY21 and FY22.



\*Budgeted Interest Income



### Other Income

The largest increase in Other Income in the FY22 budget is due to excess reserves of \$3.3M that will be available due to the decrease in debt service requirements. Debt service requirements decreased with bond refundings in the prior years as well as annual principle reductions.

Sources	FY20 Actuals	FY21 Approved	FY22 Proposed	Variance
		Budget	Budget	
Excess Reserve Funds	\$ 3,062,674	\$ -	\$ 3,323,130	\$ 3,323,130
Dallas Water Utilities	\$ 1,318,949	\$ 2,422,529	\$ 2,189,902	\$ (232,627)
Other Income	\$ 873,175	\$ 770,033	\$ 542,045	\$ (227,988)
Other Water Sales - not based on rate	\$ 642,726	\$ 500,000	\$ 500,000	\$ -
<b>Total</b>	<b>\$ 5,897,524</b>	<b>\$ 3,692,562</b>	<b>\$ 6,555,077</b>	<b>\$ 2,862,515</b>



The Hydroelectric Turbine, pictured above, is located at Arlington Outlet and produces electricity which the District sells back to the grid.

## FY22 Operating Expenditures

### Strategic Objectives

Tarrant Regional Water District has five water supply strategic objectives, and operating costs are budgeted with these goals in mind.

**Objective 1:** Water supply and delivery diversification, resilience, and operational flexibility through studies, modifications to current system, and an environmental sustainability plan.

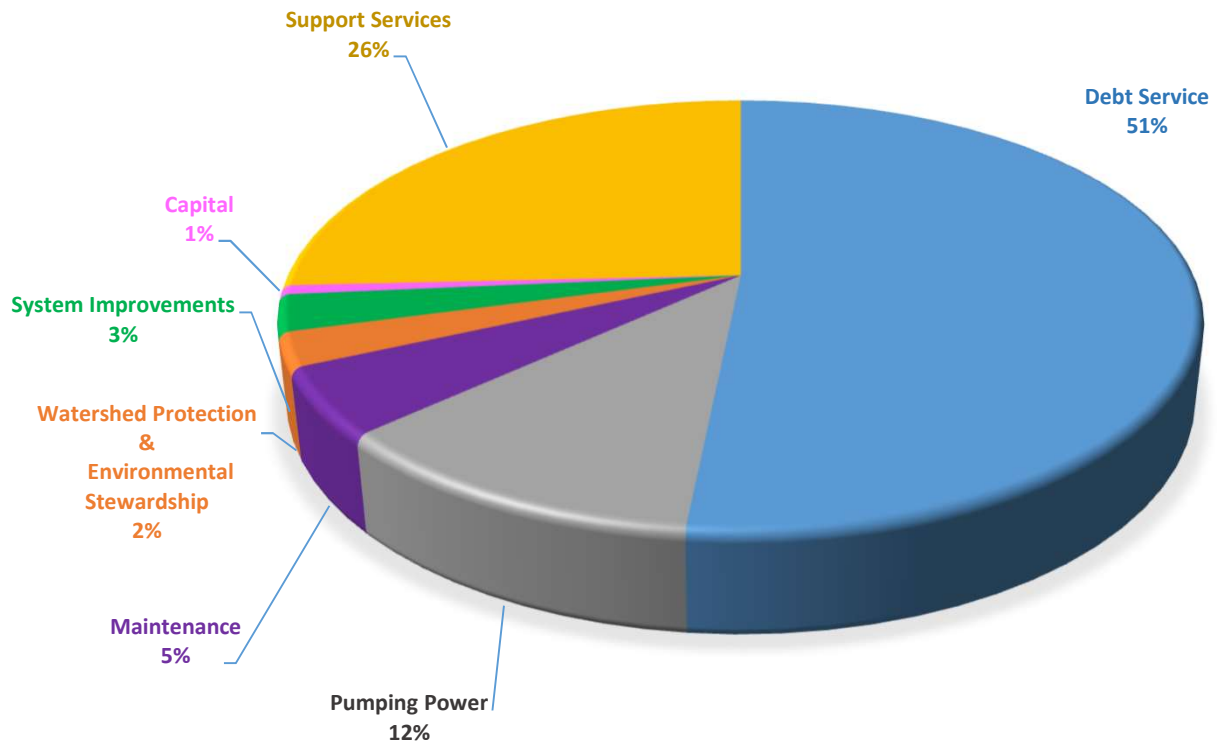
**Objective 2:** Responsible management of TRWD assets by enhancing financial forecasting to capture large capital improvements, rehabilitation, and renewal costs through long range budgeting.

**Objective 3:** Further TRWD as an employer of choice and weave social responsibility and diversity into our culture and business practices.

**Objective 4:** Foster TRWD relationships with our partners, customers, and diverse business community, and the public.

**Objective 5:** Emergency preparedness and management by developing, updating, and testing response plans for mission areas across the organization.

### FY22 PROPOSED BUDGET

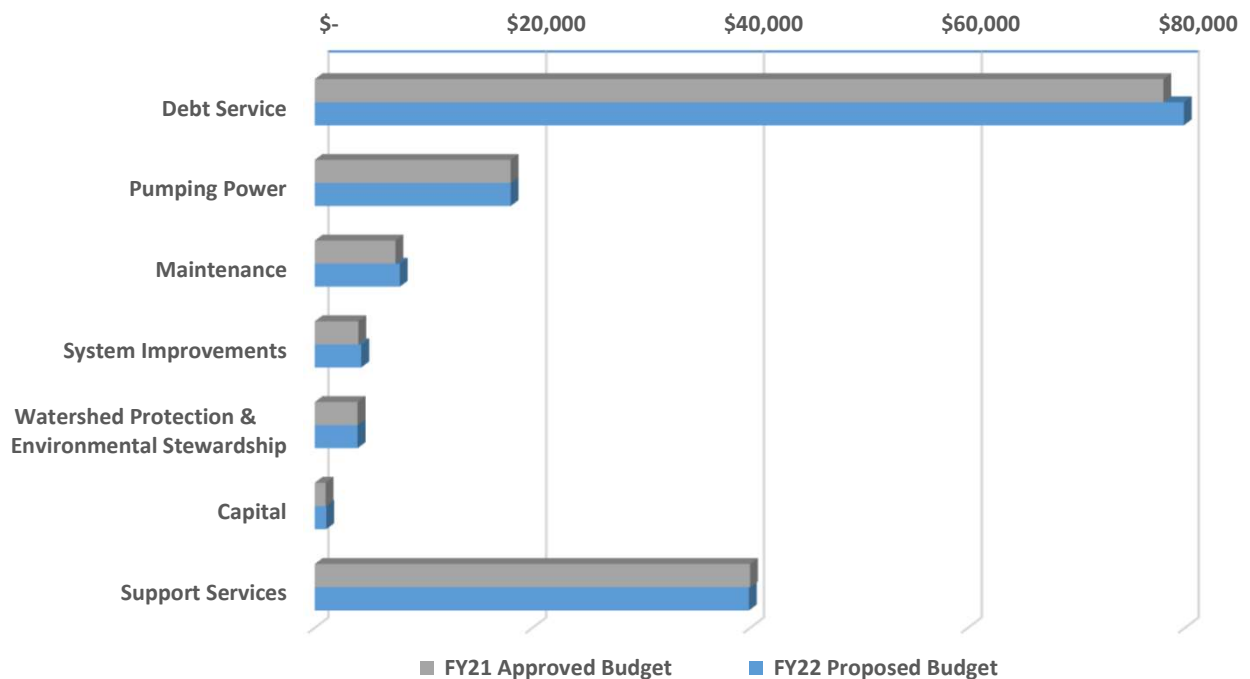


### Revenue Fund Expenditure Budget Overview

The FY22 Water Supply Operating Budget is presented in budget categories. The Revenue Fund capital, system improvements and maintenance budgets are directly related to the District's commitment to delivering a reliable, resilient supply of water to the public at the lowest cost and highest quality possible. Through incorporation of the Water Efficiency program, the Pollution Campaign, and the Watershed Protection programs, the District continues to show its commitment to Watershed Protection and Environmental Stewardship. The Water Supply operations are supported through administrative and professional services, information technology and a staff committed to the Water Supply mission. The table below shows the FY20 actual costs in each area, along with the FY21 approved budget and the proposed FY22 budget.

Budget Categories	FY20 Actuals	FY21 Approved	FY22 Proposed	Variance	% Change
		Budget	Budget		
Debt Service	\$ 79,784,005	\$ 78,010,949	\$ 79,901,067	\$ 1,890,118	2.4%
Pumping Power	\$ 8,362,731	\$ 18,000,000	\$ 18,000,000	\$ -	0.0%
Maintenance	\$ 6,482,767	\$ 7,417,766	\$ 7,807,562	\$ 389,796	5.3%
System Improvements	\$ 1,408,872	\$ 4,002,945	\$ 4,275,560	\$ 272,615	6.8%
Watershed Protection & Environmental Stewardship	\$ 2,996,928	\$ 3,935,002	\$ 3,936,815	\$ 1,813	0.0%
Capital	\$ 688,731	\$ 993,517	\$ 1,062,718	\$ 69,201	7.0%
Support Services	\$ 32,783,780	\$ 39,993,338	\$ 39,886,266	\$ (107,072)	-0.3%
<b>Total</b>	<b>\$ 132,507,814</b>	<b>\$ 152,353,517</b>	<b>\$ 154,869,988</b>	<b>\$ 2,516,471</b>	<b>1.7%</b>

Budget Comparison FY21 to FY22 (thousands)



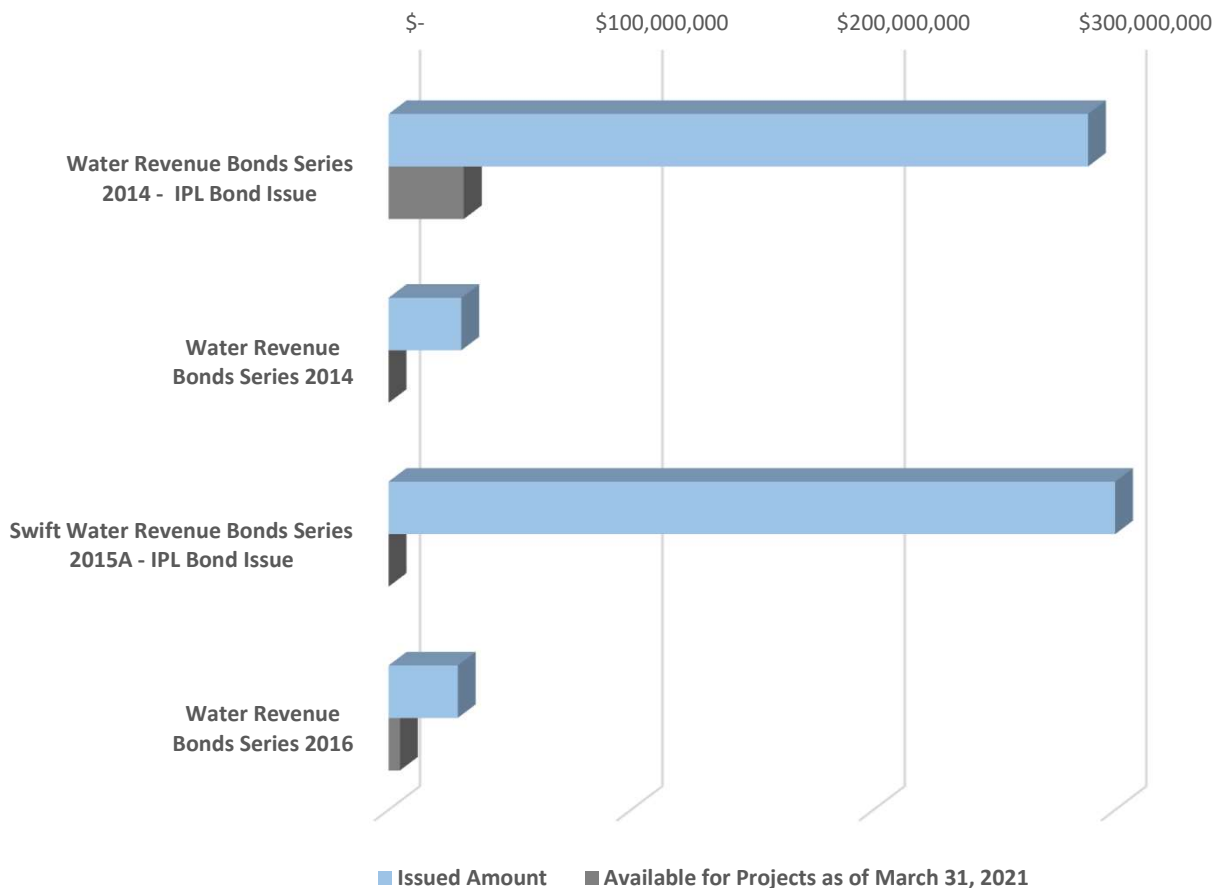
### Debt

The District is sensitive to the escalating costs related to water supply and the impact to our customers. We continue to explore financing options that reduce the cost of capital investments and we prioritize our expenditures through our asset management and capital improvement program.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	%Change
Bonds Payable	\$ 37,084,535	\$ 35,945,000	\$ 40,560,000	\$ 4,615,000	12.8%
Interest Expense	\$ 42,672,770	\$ 42,038,899	\$ 39,314,717	\$ (2,724,182)	-6.5%
Bond Issuance Expense	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
Paying Agent Fees	\$ 6,700	\$ 7,050	\$ 6,350	\$ (700)	-9.9%
<b>Total Debt Service</b>	<b>\$ 79,784,005</b>	<b>\$ 78,010,949</b>	<b>\$ 79,901,067</b>	<b>\$ 1,890,118</b>	<b>2.4%</b>

The graph below illustrates how much debt the District has issued since 2014 and the amount of available funds we have as of March 31, 2021.

**Bonds Issued vs Available as of March 31, 2021**

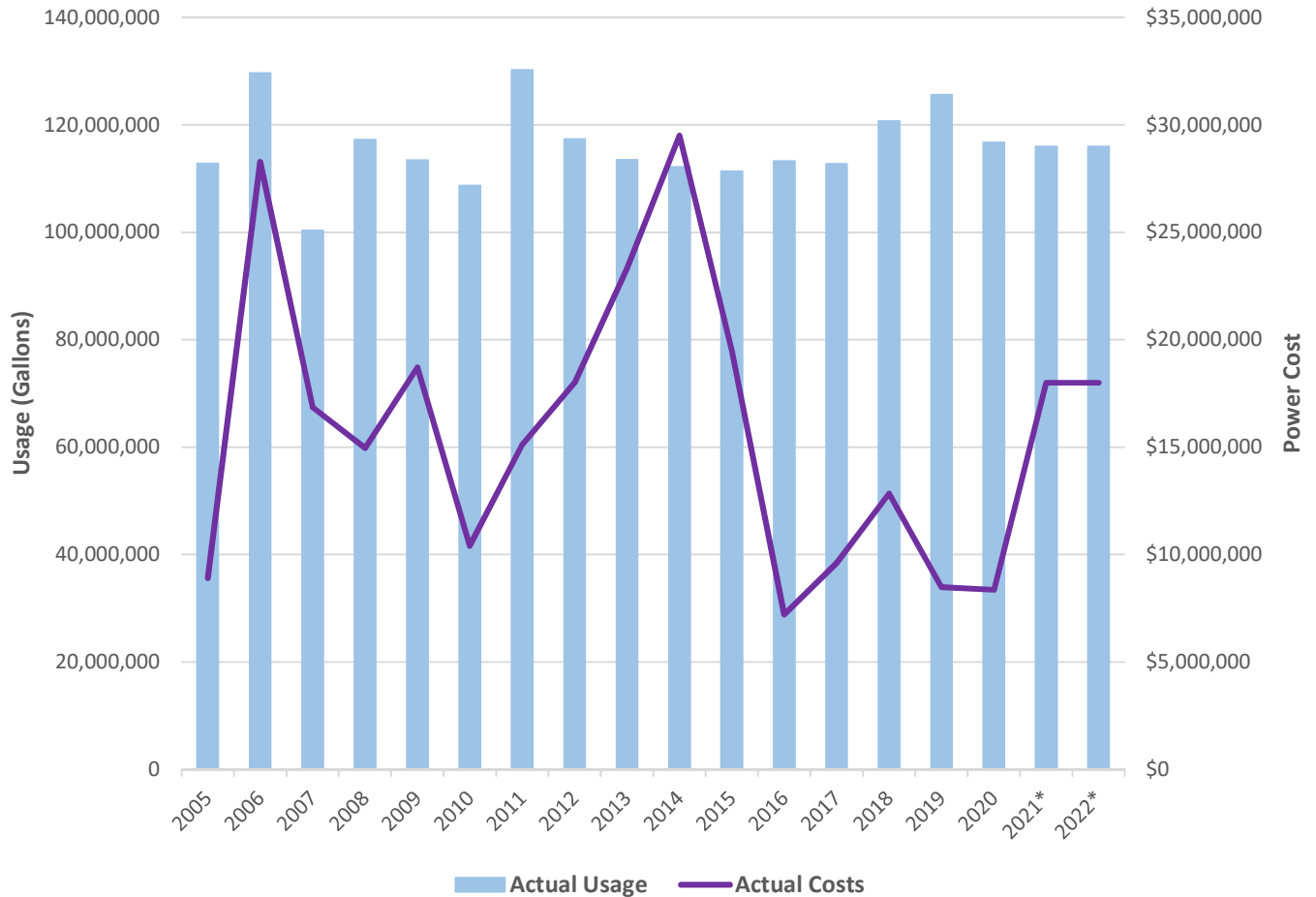


### Pumping Power Budget

Pumping power is broken out as a budget category in an effort to further explain the factors that influence pumping power costs. The amount of rainfall leading into the fiscal year and power unit costs have the greatest impact on actual costs. The graph below illustrates how changes in usage do not always have a direct correlation to pumping power costs. In FY16 the Customer Advisory Committee agreed that because the uncertainties of predicting pumping costs 18 months in advance are so great, the annual pumping power budget would be set at \$23M annually. In FY19 the budget was reduced to \$20M annually due to significantly low power cost years as well as additional model information. In FY21 the budget was reduced again to \$18M, as the impact of the Integrated Pipeline on pumping power is expected to decrease costs, and that decrease is being carried over to the FY22 budget.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance
Pumping Power	\$ 8,362,731	\$ 18,000,000	\$ 18,000,000	\$ -

Power Cost vs Usage



\*Budgeted Usage and Pumping Power Costs for FY21 and FY22

### Maintenance Budget

The Water Supply Maintenance budget contains the costs to maintain the water supply system. The largest increase for FY22 is the addition of facilities maintenance budgets for IPL locations as the IPL comes online.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Pipeline & Pump Station	\$ 3,706,816	\$ 3,647,000	\$ 3,782,800	\$ 135,800	3.7%
Facilities & Grounds Maintenance	\$ 1,101,284	\$ 1,605,895	\$ 1,918,733	\$ 312,838	19.5%
Equipment & Fleet	\$ 617,026	\$ 808,054	\$ 786,341	\$ (21,713)	-2.7%
Maintenance Support	\$ 480,986	\$ 626,817	\$ 624,688	\$ (2,129)	-0.3%
Benbrook Reservoir O&M	\$ 314,765	\$ 515,000	\$ 515,000	\$ -	0.0%
Stream Gauging Stations	\$ 261,890	\$ 215,000	\$ 180,000	\$ (35,000)	-16.3%
<b>Total</b>	<b>\$ 6,482,767</b>	<b>\$ 7,417,766</b>	<b>\$ 7,807,562</b>	<b>\$ 389,796</b>	<b>5.3%</b>



TRWD has a pipe replacement program that utilizes sophisticated technology to identify areas on each pipe segment with the highest potential of failure. Sections of pipe are replaced by the District's crew while demands are low, saving time and valuable dollars. The FY22 Pipeline and Pump station budget includes a \$770K budget to replace pipe segments.

### System Improvement Budget

The Water Supply System Improvement budget consists of projects that enhance, strengthen, or support the current system infrastructure. Listed below are the System Improvement projects budgeted for FY22.

The Water Supply Planning Studies project is an analysis that will evaluate existing and future system capacity and operational needs in the TRWD water delivery system. This master plan will serve as a platform to evaluate and prioritize water delivery system capital projects needed to meet projected demands and to evaluate needs for resiliency and operational flexibility in the system.

Variable frequency drives run the pump motors and are crucial to the pump stations, and their manufacturer is requiring upgrades for continued support of the drives. Additionally, FY22 will be Phase 2 of the upgrades for six Allen Bradley/Rockwell drives.

Project	FY22 Proposed Budget
Water Supply Planning Studies	\$ 800,000
Variable Frequency Drive Upgrades	\$ 760,000
Annual Pipeline Replacement Segments	\$ 500,000
Richland Chambers Pipeline and Pump Station Repairs and Upgrades	\$ 452,000
Richland Chambers Road Repairs	\$ 285,000
Bridgeport Communication Project	\$ 240,000
Addition of Wireless Communication at Arlington Outlet	\$ 200,000
PICA Pipeline Inspection	\$ 150,000
Asset Management Project Phase 5	\$ 114,000
CC Pipeline Crossing of Trinity Study with Fluvial Geomorphologist	\$ 100,000
Other Miscellaneous System Improvement Projects	\$ 674,560
<b>Total</b>	<b>\$ 4,275,560</b>



## Watershed Protection and Environmental Stewardship Budget

From ensuring the best water quality in our reservoirs through the Reverse Litter campaign and Reservoir Cleanups to our Water Efficiency program, TRWD is committed to protecting our watersheds and being strong environmental stewards. The District's development of wetlands not only provides an additional source for water supply, but also provides a wide array of ancillary benefits, which include optimal habitat for wildlife, as well as educational and research opportunities. Details of the District's largest environmental and watershed protection program are discussed on the next page.

The District collects water samples every quarter from each reservoir. The costs to test these samples are included in the environmental cost budget and are projected to decrease in FY22. This is due to the restructuring of the support for stormwater sampling program, and the completion of a multi-year stormwater/bacteria program, which was a series of special water quality studies in the Trinity River Floodway/Watersheds.

	FY20 Actuals	FY21 Approved		FY22 Proposed		Variance	% Change
		Budget	Budget	Budget	Budget		
Water Efficiency Program	\$ 1,941,904	\$ 2,863,502	\$ 2,879,502	\$ 16,000	0.6%		
Watershed Protection	\$ 236,506	\$ 369,950	\$ 453,453	\$ 83,503	22.6%		
Environmental	\$ 334,088	\$ 499,550	\$ 396,860	\$ (102,690)	-20.6%		
Pollution Campaign	\$ 468,968	\$ 160,000	\$ 160,000	\$ -	0.0%		
Reservoir Cleanups	\$ 15,462	\$ 42,000	\$ 47,000	\$ 5,000	11.9%		
<b>Total</b>	<b>\$ 2,996,928</b>	<b>\$ 3,935,002</b>	<b>\$ 3,936,815</b>	<b>\$ 1,813</b>	<b>0.0%</b>		



TRWD actively participates in an average of 60 events per year with the TRWD Stream Trailer.



## Watershed Protection and Environmental Stewardship Budget (continued)

### Water Efficiency Program

The Water Efficiency program has enabled TRWD to defer new supplies and capital costs. Last year the North Texas Municipal Water District (NTMWD) joined the TRWD-Dallas partnership, unifying the awareness campaign messaging and media buys. With this additional support the District has been able to increase our reach to the public through advertising and focus more on school education programs.

#### FY22 Water Efficiency Program

Program Area	Expenditures	Contributions	TRWD Portion
"Water is Awesome" Campaign	\$ 2,050,002	\$ 1,166,668	\$ 883,334
Campaign Programs (waterwise, weekly watering, etc.)	\$ 410,000	\$ 20,000	\$ 390,000
School Education Program	\$ 313,000	\$ -	\$ 313,000
Video and Promotional Items	\$ 45,000	\$ -	\$ 45,000
Gardening & Landscape Workshops	\$ 31,500	\$ -	\$ 31,500
Regional Symposiums	\$ 24,000	\$ 19,000	\$ 5,000
Program Exhibits	\$ 6,000	\$ -	\$ 6,000
<b>Total</b>	<b>\$ 2,879,502</b>	<b>\$ 1,205,668</b>	<b>\$ 1,673,834</b>



### Capital Budget

The District considers purchases of \$10K or greater for a piece of machinery or equipment to be a capital purchase. Purchases of property and construction costs of more than \$20K will also fall in the category of a capital asset. The FY22 budget includes \$175K for a two-way radio expansion project to ensure continuous communication throughout the District's service area, where cell phone service may not be available. The budget also includes \$85K in continued construction costs to upgrade two pump station vibration units. The FY22 capital expenditure budget is detailed below.

<b>Capital Projects</b>	<b>FY22 Proposed Budget</b>
Two-Way Radio Expansion	\$ 175,000
Upgrade to 6500 Vibration Units	\$ 85,000
Admin Building Note	\$ 82,218
Land Purchases	\$ 25,000
<b>Total Capital Projects</b>	<b>\$ 367,218</b>
<b>Capital Equipment</b>	
<u>Replacement:</u>	
4 - 1/2 Ton 4WD Ext. Cap Pickup	\$ 150,000
1 - Tractor 4WD 140HP with Cap	\$ 106,500
4 - 1/2 Ton 4WD Crew Cab Pickup	\$ 102,000
1 - 3/4 Ton 4WD Ext Cab & Chassis	\$ 90,000
4 - 1 Ton 4WD Cab & Chassis	\$ 49,000
	<b>\$ 497,500</b>
<u>Additions:</u>	
1 - 120KW Stand-By Generator	\$ 73,000
1 - 150KW Stand-By Generator	\$ 47,000
1 - 125KW Stand-By Generator	\$ 39,000
1 - Heavy Duty Multi-Purpose Welder	\$ 39,000
	<b>\$ 198,000</b>
<b>Total Capital Equipment</b>	<b>\$ 695,500</b>
<b>Total Capital Expenditures</b>	<b>\$ 1,062,718</b>

Vibration units help identify pump inefficiencies and potential damage following failure events. The data collected from the vibration units also help identify necessary preventative maintenance in order to avoid costly failures from occurring.

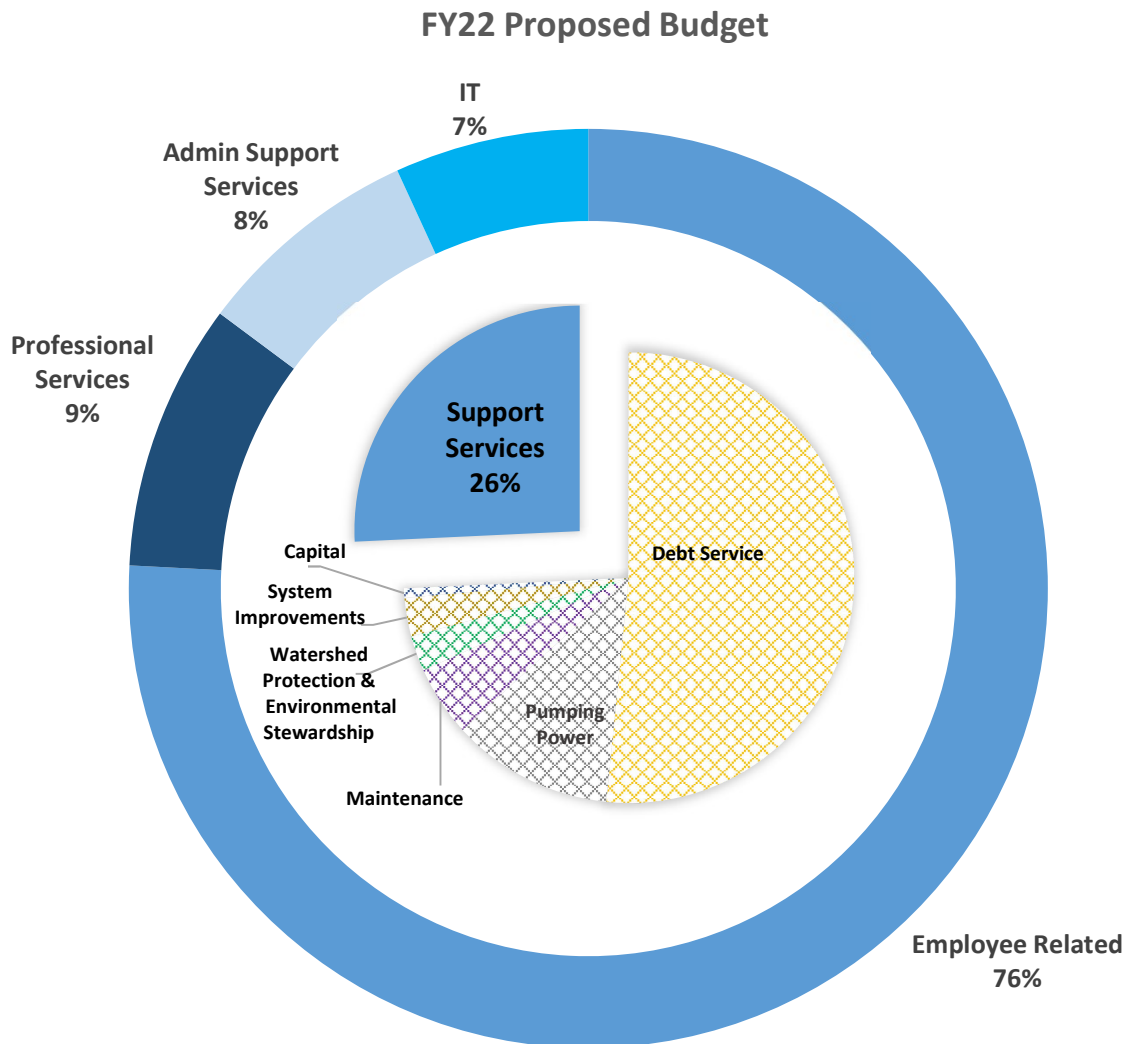


6500 Vibration Unit

### Support Services Budget Overview

The support services budget consists of expenditures for services that support the District overall, including personnel and administrative costs. Employee related budgets make up 76% of the overall support services budget for FY22. Additional details of each of these areas will be discussed on the following pages.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Employee Related	\$ 24,458,840	\$ 30,035,516	\$ 30,232,594	\$ 197,078	0.7%
Professional Services	\$ 3,539,346	\$ 3,606,402	\$ 3,754,400	\$ 147,998	4.1%
Admin Support Services	\$ 2,779,029	\$ 3,301,269	\$ 3,179,571	\$ (121,698)	-3.7%
IT	\$ 2,006,565	\$ 3,050,151	\$ 2,719,701	\$ (330,450)	-10.8%
<b>Total Support Services</b>	<b>\$ 32,783,780</b>	<b>\$ 39,993,338</b>	<b>\$ 39,886,266</b>	<b>\$ (107,072)</b>	<b>-0.3%</b>



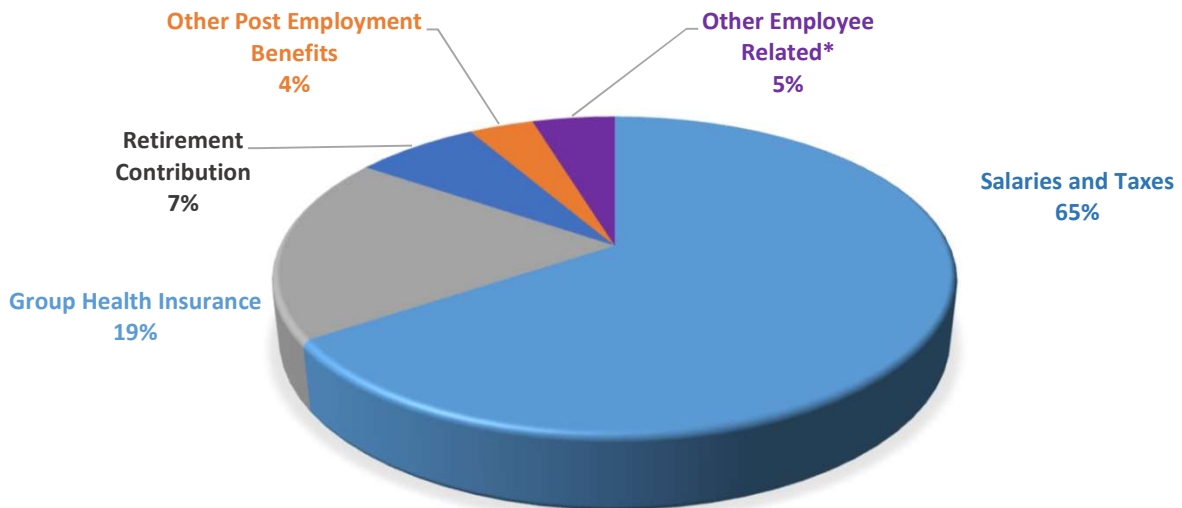
**Support Services  
Employee Related Budget**

The total Employee Related budget for FY22 is \$30.2M, representing an increase of 0.7% from the prior year's budget. The drivers for the increase in personnel costs were a 3% salary increase, 1% allowance for market adjustments, and increases to group health partially due to changes in employee insurance tiers and partially due to Affordable Care Act insurance provision requirements. These increases were netted with a change in allocation percentages which causes less expense to be allocated to Revenue fund beginning in FY22. A 10% increase in the Other Post Employment Benefits (OPEB) budget will be seen each year until 75% of the OPEB liability is funded. After the FY21 contribution, the OPEB trust is 57% funded.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Salaries and Taxes	\$ 17,241,094	\$ 19,718,306	\$ 19,830,603	\$ 112,298	0.6%
Group Health Insurance	\$ 3,207,879	\$ 5,519,872	\$ 5,737,673	\$ 217,801	3.9%
Retirement Contribution	\$ 1,946,487	\$ 2,170,841	\$ 2,134,158	\$ (36,683)	-1.7%
Other Post Employment	\$ 1,014,621	\$ 1,116,083	\$ 1,110,769	\$ (5,315)	-0.5%
Other Employee Related*	\$ 1,048,759	\$ 1,510,414	\$ 1,419,391	\$ (91,023)	-6.0%
<b>Total</b>	<b>\$ 24,458,840</b>	<b>\$ 30,035,516</b>	<b>\$ 30,232,594</b>	<b>\$ 197,079</b>	<b>0.7%</b>

\* Other employee related budgets include business and travel, education, and the employee wellness program.

**FY22 Employee Related Budgets**



**Support Services**  
**Professional Services Budget**

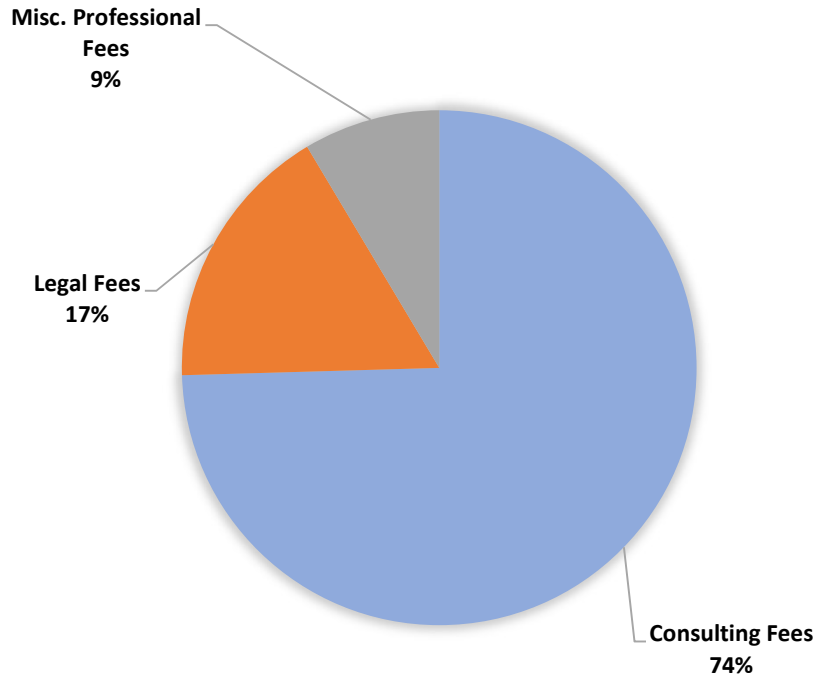
Legal and consulting services make up the majority of the FY22 professional services budget. Additional detail of the FY22 consulting services is shown in the chart below. The miscellaneous professional fees consists of the budgets for the annual audit, arbitration, and surveying and appraisal fees.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Consulting Fees	\$ 2,955,134	\$ 2,665,585	\$ 2,798,255	\$ 132,670	5.0%
Legal Fees	\$ 399,578	\$ 646,500	\$ 634,200	\$ (12,300)	-1.9%
Misc. Professional Fees	\$ 184,634	\$ 294,317	\$ 321,945	\$ 27,628	9.4%
<b>Total</b>	<b>\$ 3,539,346</b>	<b>\$ 3,606,402</b>	<b>\$ 3,754,400</b>	<b>\$ 147,998</b>	<b>4.1%</b>

**FY22 Large Consulting Projects**

Cyber Security and Information Technology Consulting	\$ 514,995
Pipeline Infrastructure Testing and Studies	\$ 458,000
Riverware Software Support	\$ 100,000
Diversity and Inclusion Program	\$ 57,000

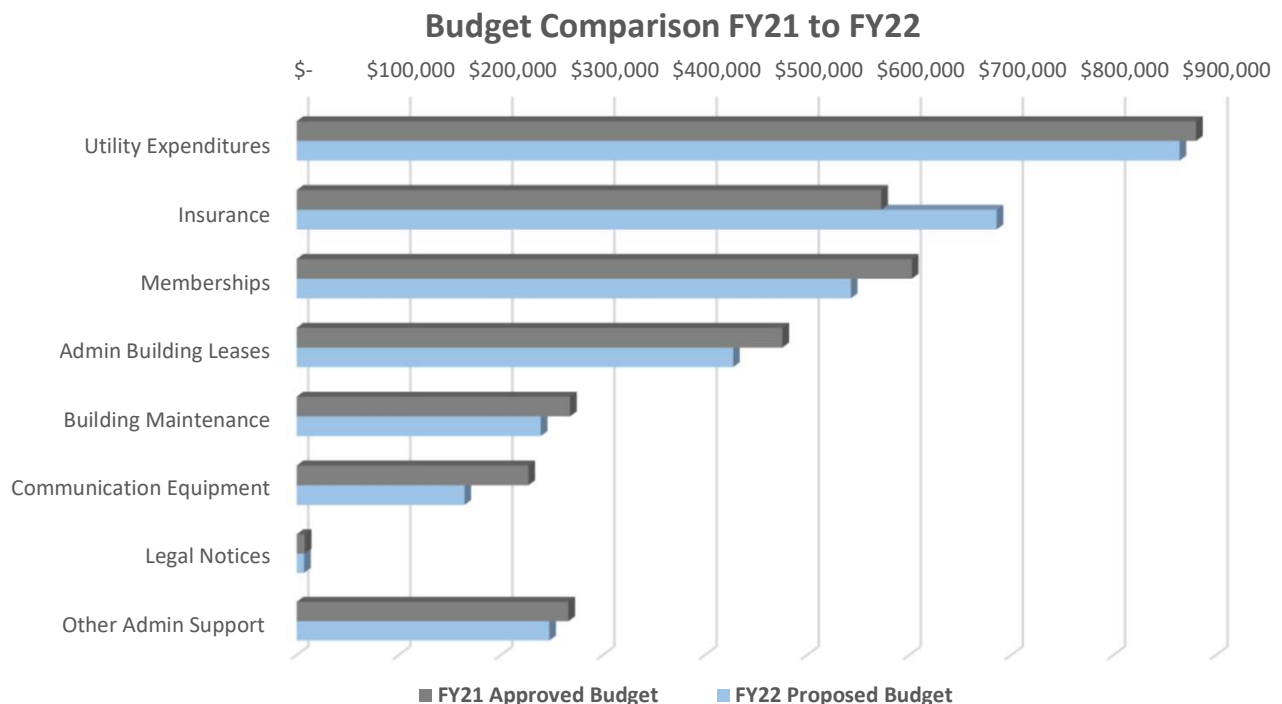
**FY22 Professional Services**



### Support Services Administrative Support Services Budget

The Administrative Support Services budget consists of overhead type expenditures. Utility costs are budgeted to decrease in FY22 due to the restructuring of the District's telephone contracts, and reducing the number of phone lines needed. Membership Dues include annual membership fees to the Water Research Foundation as well as memberships for IT that provide access to training and a platform for research. The decrease in communication equipment is the result of FY21 tower inspections and repairs needed for aging equipment being completed. Additionally, the increase to insurance costs is due to increasing rates after numerous natural disasters. The table and chart below show the budget changes from FY21 to FY22 for all administrative support areas.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Utility Expenditures	\$ 822,025	\$ 880,679	\$ 864,539	\$ (16,140)	-1.8%
Insurance	\$ 489,993	\$ 572,765	\$ 685,745	\$ 112,980	19.7%
Memberships	\$ 529,963	\$ 602,712	\$ 542,943	\$ (59,769)	-9.9%
Admin Building Leases	\$ 475,890	\$ 475,890	\$ 427,698	\$ (48,192)	-10.1%
Building Maintenance	\$ 244,115	\$ 267,841	\$ 239,239	\$ (28,602)	-10.7%
Communication Equipment	\$ 28,963	\$ 227,065	\$ 164,510	\$ (62,555)	-27.5%
Legal Notices	\$ 4,436	\$ 8,060	\$ 7,340	\$ (720)	-8.9%
Other Admin Support	\$ 183,644	\$ 266,257	\$ 247,557	\$ (18,700)	-7.0%
<b>Total</b>	<b>\$ 2,779,029</b>	<b>\$ 3,301,269</b>	<b>\$ 3,179,571</b>	<b>\$ (121,698)</b>	<b>-3.7%</b>



**Support Services**  
**Information Technology Budget**

The Information Technology budget is projected to decrease due to the completion of the CISCO-SD WAN hardware purchase in FY21. Also, replacement equipment being purchased as part of the regular lifecycle process is less expensive than it has been in previous years. Additionally, the IS Division is planning to spend extra time throughout the year focusing on stabilizing the support and maintenance tasks for the extensive network that has been built out over the last several years to support the operations of TRWD.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Software	\$ 1,145,353	\$ 1,569,021	\$ 1,538,661	\$ (30,360)	-1.9%
Hardware	\$ 861,212	\$ 1,481,130	\$ 1,181,040	\$ (300,090)	-20.3%
<b>Total</b>	<b>\$ 2,006,565</b>	<b>\$ 3,050,151</b>	<b>\$ 2,719,701</b>	<b>\$ (330,450)</b>	<b>-10.8%</b>

Revenue Fund FY22 Budget

Revenues	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change	Notes*
Sale of Water	\$ 144,805,284	\$ 146,199,243	\$ 1,393,959	1.0%	
Contributions	\$ 1,205,668	\$ 1,205,668	\$ -	0.0%	
Interest Income	\$ 2,650,000	\$ 910,000	\$ (1,740,000)	-65.7%	1
Excess Reserve Funds	\$ -	\$ 3,323,130	\$ 3,323,130	100.0%	2
Dallas Water Utility	\$ 2,422,529	\$ 2,189,902	\$ (232,627)	-9.6%	
Other Income	\$ 770,033	\$ 542,045	\$ (227,988)	-29.6%	3
Other Water Sales	\$ 500,000	\$ 500,000	\$ -	0.0%	
<b>Total Revenues</b>	<b>\$ 152,353,514</b>	<b>\$ 154,869,988</b>	<b>\$ 2,516,474</b>	<b>1.7%</b>	

Expenditures	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change	Notes*
Debt Service	\$ 78,010,949	\$ 79,901,067	\$ 1,890,118	2.4%	
Pumping Power	\$ 18,000,000	\$ 18,000,000	\$ -	0.0%	
<u>Maintenance</u>					
Pipeline & Pump Station	\$ 3,647,000	\$ 3,782,800	\$ 135,800	3.7%	
Facilities & Grounds Maintenance	\$ 1,605,895	\$ 1,918,733	\$ 312,838	19.5%	4
Equipment & Fleet	\$ 808,054	\$ 786,341	\$ (21,713)	-2.7%	
Maintenance Support	\$ 626,817	\$ 624,688	\$ (2,129)	-0.3%	
Benbrook Reservoir O&M	\$ 515,000	\$ 515,000	\$ -	0.0%	
Stream Gauging Stations	\$ 215,000	\$ 180,000	\$ (35,000)	-16.3%	5
Total Maintenance	\$ 7,417,766	\$ 7,807,562	\$ 389,796	5.3%	
System Improvements	\$ 4,002,945	\$ 4,275,560	\$ 272,615	6.8%	
<u>Watershed Protection and Environmental Stewardship</u>					
Water Efficiency Program	\$ 2,863,502	\$ 2,879,502	\$ 16,000	0.6%	
Watershed Protection	\$ 369,950	\$ 453,453	\$ 83,503	22.6%	6
Environmental	\$ 499,550	\$ 396,860	\$ (102,690)	-20.6%	7
Pollution Campaign	\$ 160,000	\$ 160,000	\$ -	0.0%	
Reservoir Cleanups	\$ 42,000	\$ 47,000	\$ 5,000	11.9%	
Total Watershed Protection & Environmental Stewardship	\$ 3,935,002	\$ 3,936,815	\$ 1,813	0.0%	
Capital	\$ 993,517	\$ 1,062,718	\$ 69,201	7.0%	
<u>Support Services</u>					
Employee Related	\$ 30,035,516	\$ 30,232,594	\$ 197,078	0.7%	
Professional Services	\$ 3,606,402	\$ 3,754,400	\$ 147,998	4.1%	
Admin Support Services	\$ 3,301,269	\$ 3,179,571	\$ (121,698)	-3.7%	
IT	\$ 3,050,151	\$ 2,719,701	\$ (330,450)	-10.8%	
Total Support Services	\$ 39,993,338	\$ 39,886,266	\$ (107,072)	-0.3%	
<b>Total Expenditures</b>	<b>\$ 152,353,516</b>	<b>\$ 154,869,988</b>	<b>\$ 2,516,472</b>	<b>1.7%</b>	

\*See explanations for significant variances on next page



## Variance Explanations

### 1 Interest Income

The decrease is due to lower interest rates and less proceeds available to invest as projects are built causing less cash to be on hand for investing.

### 2 Excess Reserve Funds

The largest increase in Other Income in the FY22 budget is due to excess reserves of \$3.3M that will be available due to the decrease in debt service requirements. Debt service requirements decreased with bond refundings in the prior years as well as annual principle reductions.

### 3 Other Income

This reflects a decrease in sale of equipment as well as miscellaneous revenue.

### 4 Facilities & Grounds Maintenance

Increase is due to more facilities coming online as portions of the IPL are completed.

### 5 Stream Gauging Stations

The decrease is due to removing certain measurements that are no longer needed.

### 6 Watershed Protection

This increase is due to an additional \$65k of modeling support for stormwater protection on the Mary's Creek project.

### 7 Environmental

The decrease is due to a \$75k drop in restructuring the support for stormwater sampling program and completion of a multi-year stormwater/bacteria program, which was a series of special water quality studies in the Trinity River Floodway/Watersheds.

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 7

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Fiscal Year 2022 Special Projects/Contingency Fund Budget

**FUNDING:** Fiscal Year 2022 Special Projects/Contingency Fund

#### **RECOMMENDATION:**

Management recommends approval of the proposed Fiscal Year 2022 Special Projects/Contingency Fund Budgeted expenditures of **\$10,134,215**.

#### **DISCUSSION:**

The proposed Special Projects/Contingency Fund Budget consists of net recreation expenditures of \$2,341,260, special project expenditures of \$1,112,500, and debt service expenditures for the Panther Island/Central City project of \$6,680,455. These expenditures are offset by expected revenues for oil and gas royalties of \$6,000,000, interest and other income of \$932,246, and TIF revenues of \$6,680,455. Overall, the Special Projects/Contingency Fund is expected to have an increase to equity for future projects of \$3,478,486.

The Board of Directors met on July 28, 2021 for a budget workshop and no changes have been made since that time.

To provide more clarity, a summary of all budgets being approved for FY2022 has been added and can be seen on pages 1 through 3 of the attached Special Projects/Contingency Fund Budget. Please see attached schedules for further details.

#### **Submitted By:**

Sandy Newby  
Chief Financial Officer



**Fiscal Year 2022**  
**Proposed**  
**Special Projects/Contingency Fund**  
**Operating Budget**

**Board Meeting**  
**September 21, 2021**

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**Summarized FY22 Proposed Revenue Budgets**

<b>Revenues</b>	<b>Revenue Fund FY22 Proposed Budget</b>	<b>General Fund FY22 Proposed Budget</b>	<b>Special Projects/ Contingency Fund FY22 Proposed Budget</b>	<b>Total Revenues</b>
Sale of Water	\$ 146,199,243	\$ -	\$ -	\$ 146,199,243
Taxes	\$ -	\$ 22,000,000	\$ -	\$ 22,000,000
TIF Revenues	\$ -	\$ -	\$ 6,680,455	\$ 6,680,455
Oil and Gas Revenues	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
Excess Reserve Funds	\$ 3,323,130	\$ -	\$ -	\$ 3,323,130
Dallas Water Utility	\$ 2,189,902	\$ -	\$ -	\$ 2,189,902
Contributions	\$ 1,205,668	\$ -	\$ -	\$ 1,205,668
Interest Income	\$ 910,000	\$ 150,000	\$ 100,000	\$ 1,160,000
Other Water Sales	\$ 500,000	\$ -	\$ -	\$ 500,000
Other Income	\$ 542,045	\$ -	\$ 832,246	\$ 1,374,291
<b>Total Revenues</b>	<b>\$ 154,869,988</b>	<b>\$ 22,150,000</b>	<b>\$ 13,612,701</b>	<b>\$ 190,632,689</b>

**Summarized FY22 Proposed Expenditure Budgets**

Expenditures	Revenue Fund FY22	General Fund FY22	Special Projects/ Contingency Fund FY22	Total Expenditures
	Proposed Budget	Proposed Budget	Proposed Budget	
Debt Service	\$ 79,901,067	\$ -	\$ 6,680,455	\$ 86,581,522
Pumping Power	\$ 18,000,000	\$ -	\$ -	\$ 18,000,000
				\$ -
<u>Maintenance</u>				\$ -
Pipeline & Pump Station	\$ 3,782,800	\$ -	\$ -	\$ 3,782,800
Facilities & Grounds Maintenance	\$ 1,918,733	\$ 776,880	\$ -	\$ 2,695,613
Equipment & Fleet	\$ 786,341	\$ 505,681	\$ -	\$ 1,292,022
Maintenance Support	\$ 624,688	\$ 459,713	\$ -	\$ 1,084,401
Benbrook Reservoir O&M	\$ 515,000	\$ -	\$ -	\$ 515,000
Stream Gauging Stations	\$ 180,000	\$ 212,000	\$ -	\$ 392,000
Total Maintenance	\$ 7,807,562	\$ 1,954,274	\$ -	\$ 9,761,836
<u>Watershed Protection, Environmental Stewardship and Public Outreach</u>				
Water Efficiency Program	\$ 2,879,502	\$ -	\$ -	\$ 2,879,502
Watershed Protection	\$ 453,453	\$ -	\$ -	\$ 453,453
Environmental	\$ 396,860	\$ 61,100	\$ -	\$ 457,960
Pollution Campaign	\$ 160,000	\$ 40,000	\$ -	\$ 200,000
Reservoir Cleanups	\$ 47,000	\$ -	\$ -	\$ 47,000
Stormwater Program	\$ -	\$ 75,000	\$ -	\$ 75,000
Public Outreach	\$ -	\$ 96,351	\$ -	\$ 96,351
Total Watershed Protection & Environmental Stewardship	\$ 3,936,815	\$ 272,451	\$ -	\$ 4,209,266
System Improvements	\$ 4,275,560	\$ 905,000	\$ -	\$ 5,180,560
Capital	\$ 1,062,718	\$ 900,000	\$ 787,500	\$ 2,750,218
Net Recreation Expenses	\$ -	\$ -	\$ 2,341,260	\$ 2,341,260
Panther Island/Central City	\$ -	\$ -	\$ 225,000	\$ 225,000
<u>Support Services</u>				
Employee Related	\$ 30,232,594	\$ 11,368,176	\$ -	\$ 41,600,770
Consulting Fees	\$ 2,798,255	\$ 816,405	\$ 100,000	\$ 3,714,660
Legal Fees	\$ 634,200	\$ 784,500	\$ -	\$ 1,418,700
Misc. Professional Fees	\$ 321,945	\$ 474,315	\$ -	\$ 796,260
Admin Support Services	\$ 3,179,571	\$ 2,562,692	\$ -	\$ 5,742,263
IT	\$ 2,719,701	\$ 831,167	\$ -	\$ 3,550,868
Total Support Services	\$ 39,886,266	\$ 16,837,255	\$ 100,000	\$ 56,823,521
<b>Total Expenditures</b>	<b>\$ 154,869,988</b>	<b>\$ 20,868,980</b>	<b>\$ 10,134,215</b>	<b>\$ 185,873,183</b>

**Revenue, General, and Special Projects/Contingency Funds**

**Full Time Equivalents Budgeted by Fund**

	<u>FY21</u>	<u>FY22</u>
Revenue	256	250
General	92	91
Special Project/Contingency	9	10
Dallas Bond	36	49
<b>Total</b>	<b>393</b>	<b>400</b>

**Budgeted Expenditures Per Capita**

	<u>Revenue</u>	<u>General</u>	<u>Special Projects/ Contingency</u>
Revenues Per Capita	73.44	48.77	29.97
Expenditures Per Capita	73.44	45.95	22.31

Population data is from 2020. General and Special Project/Contingency funds population is the TRWD taxing/voting district. Revenue Fund population is the service area which purchases water from TRWD.

# Special Projects/Contingency Fund



Airfield Falls Trails



**Special Projects/Contingency Fiscal Year 2022 Budget Summary**

The Special Projects/Contingency Fund includes revenues from non-operating income, as well as net expenses for the Recreation mission and other capital projects. Additionally, TIF revenues for the Panther Island / Central City Project and related debt service are budgeted here. Details of the budget for non-operating income and expenses will be provided on the following pages.

<b>Revenues Special Projects/Contingency Fund</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Oil and Gas Revenues	\$ 6,000,000	\$ 6,000,000	\$ -	0.0%
Interest Income	\$ 460,000	\$ 100,000	\$ (360,000)	-78.3%
Other Income	\$ 1,041,637	\$ 832,246	\$ (209,391)	-20.1%
<b>Total Revenues</b>	<b>\$ 7,501,637</b>	<b>\$ 6,932,246</b>	<b>\$ (569,391)</b>	<b>-7.6%</b>

<b>Expenditures Special Projects/Contingency Fund</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Capital Expenditures	\$ -	\$ 787,500	\$ 787,500	100.0%
Panther Island/Central City Canal	\$ -	\$ 225,000	\$ 225,000	100.0%
Consulting Services	\$ -	\$ 100,000	\$ 100,000	100.0%
Net Recreation Expenses	\$ 1,229,165	\$ 2,341,260	\$ 1,112,095	90.5%
<b>Total Expenses</b>	<b>\$ 1,229,165</b>	<b>\$ 3,453,760</b>	<b>\$ 2,224,595</b>	<b>181.0%</b>

<b>Debt Service - Panther Island/Central City Project</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
TIF Revenues	\$ 5,439,849	\$ 6,680,455	\$ 1,240,606	22.8%
Debt Service Expenditures	\$ 5,439,849	\$ 6,680,455	\$ 1,240,606	22.8%
<b>Net Change in Debt Services Equity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.0%</b>

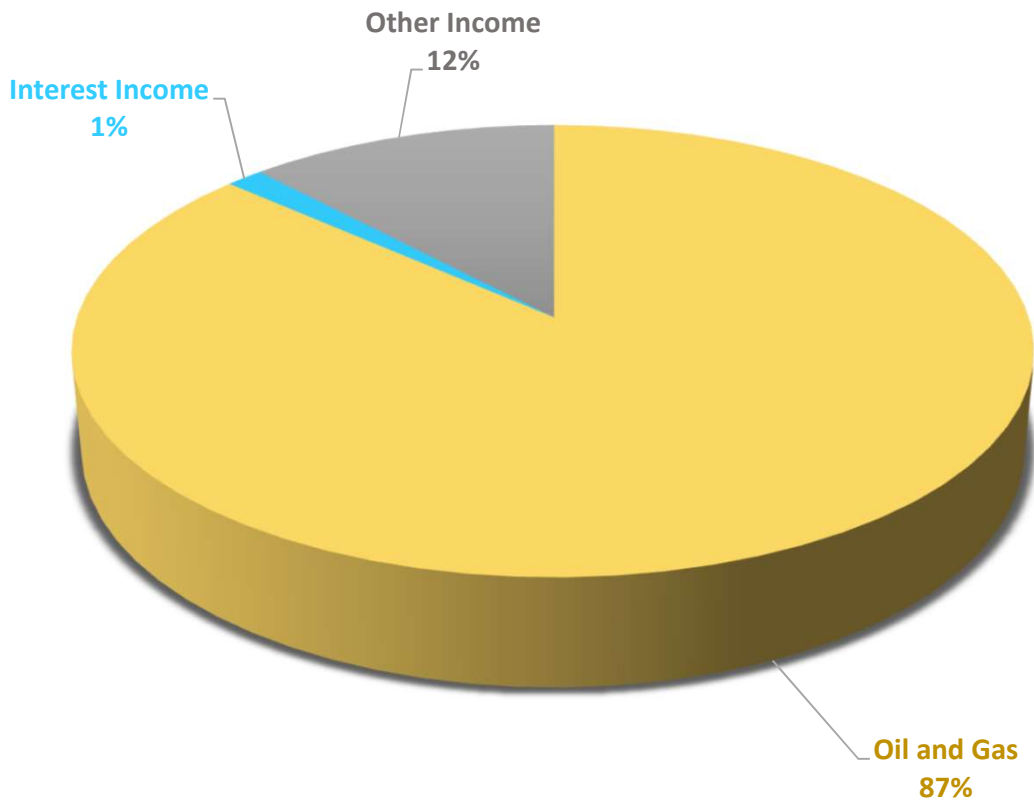
<b>Budgeted Net Increase to Equity</b>	<b>\$ 6,272,472</b>	<b>\$ 3,478,486</b>	<b>\$ (2,793,986)</b>	<b>-44.5%</b>
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### Special Projects/Contingency Revenues

Beginning in fiscal year 2020, the District began setting aside future Oil and Gas revenues, interest income, and other revenues in a Special Projects/Contingency Fund.

	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Oil and Gas	\$ 6,289,144	\$ 6,000,000	\$ 6,000,000	\$ -	0.0%
Interest Income	\$ 333,835	\$ 460,000	\$ 100,000	\$ (360,000)	-78.3%
Other Income	\$ 939,968	\$ 1,041,637	\$ 832,246	\$ (209,391)	-20.1%
<b>Total Special Projects/Contingency Fund Revenues</b>	<b>\$ 7,562,947</b>	<b>\$ 7,501,637</b>	<b>\$ 6,932,246</b>	<b>\$ (569,391)</b>	<b>-7.6%</b>

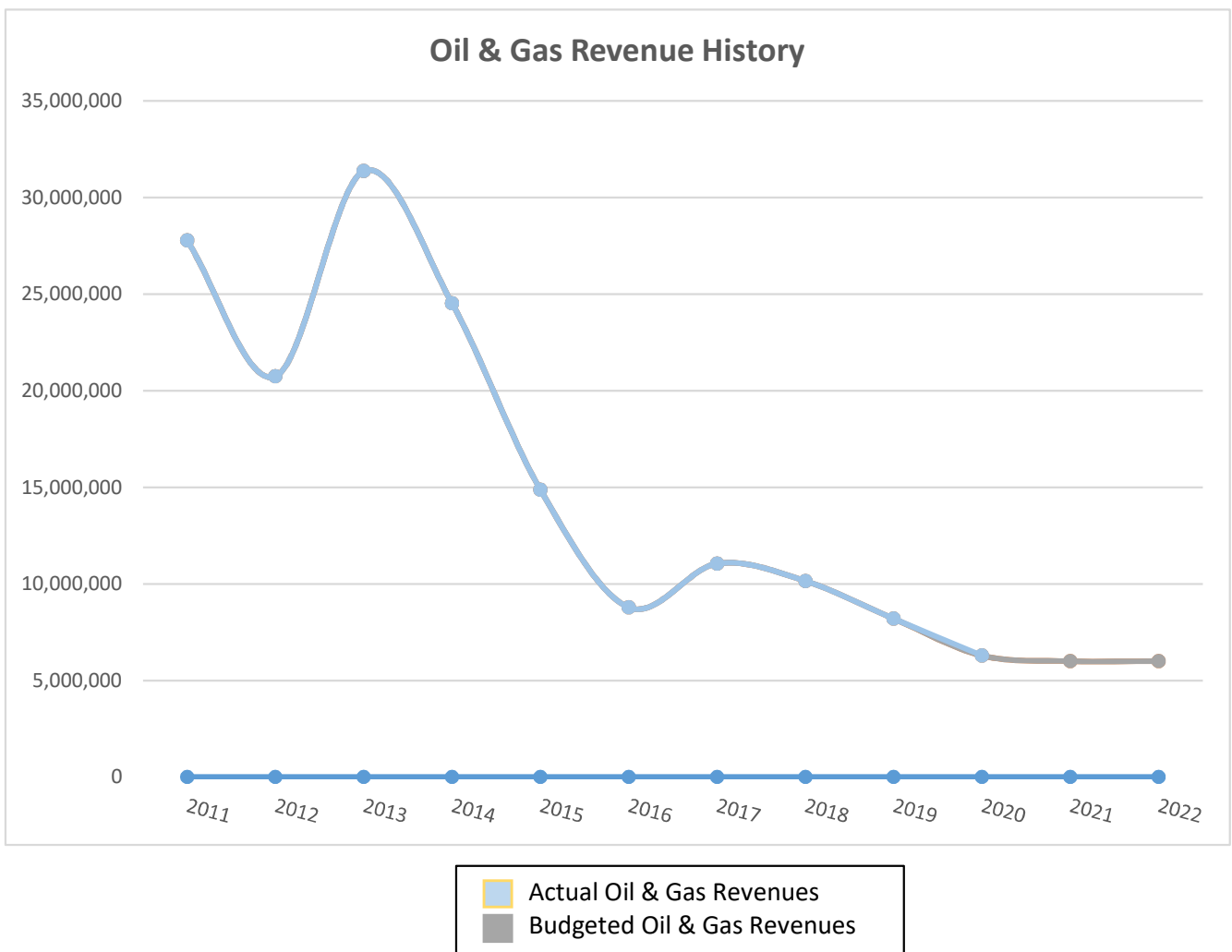
### FY22 Proposed Budget



### Special Projects/Contingency Revenues Oil and 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 Lake Eagle Mountain. Due to uncertainty of oil and gas production, these revenues will be set aside as a contingency for future needs.

The chart below illustrates the actual revenues received from oil and gas royalties for the past 10 years with the budgeted revenues for FY21 and FY22. Prior to FY20 Oil and Gas revenues were in the General Fund; in FY20 they were moved to the Special Projects/Contingency Fund.



**Special Projects/Contingency Revenues**

***Interest Income***

Interest income is generated from the District's General Fund investment portfolio. The portfolio consists of U.S. government and agency fixed income securities as well as investments in Local Government Investment Pools. The portfolio has an overall average maturity of two years. The decrease in interest income budget from FY21 to FY22 is due to low interest rates.

	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Interest Income	\$ 460,000	\$ 100,000	\$ (360,000)	-78.3%

***Other Income***

Other Income consists of leases, permits, sales of land and equipment, and other miscellaneous revenues.

<b>Sources</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
Annex East, West and Garage Lease	\$ 602,391	\$ 602,391	\$ -	0.0%
Floodway Leases & Permits	\$ 177,757	\$ 185,355	\$ 7,598	4.3%
Miscellaneous Revenues	\$ 196,589	\$ 32,000	\$ (164,589)	-83.7%
Land, Equipment, & Sand Sales	\$ 64,900	\$ 12,500	\$ (52,400)	-80.7%
<b>Total</b>	<b>\$ 1,041,637</b>	<b>\$ 832,246</b>	<b>\$ (209,391)</b>	<b>-20.1%</b>

### **Special Projects/Contingency Expenditures**

The Special Projects/Contingency fund provides a funding resource to support projects approved by the Board. In FY22, the expenses proposed in the Special Projects/Contingency fund include the second payment of property purchased in FY21 for a future stormwater canal as well as consulting work related to land along the floodway. Expenses related to the design, construction, and engineering related to detention credits for property owners along the Panther Island/Central City Canal are also included in this budget.

	<b>FY22 Proposed Budget</b>
Capital Expenditures - Property Purchase	\$ 787,500
Panther Island/Central City Canal Design and Construction	\$ 225,000
Consulting Services	\$ 100,000
Net Recreation Expenses (detail on pages 10-18)	\$ 2,341,260
<b>Total</b>	<b>\$ 3,453,760</b>

## Recreation FY22 Budget Summary

### Recreation Overview

Much of the infrastructure TRWD has built provides excellent recreational opportunities for the public. For example, maintenance roads double as trails for public use, and the recreation fund then provides additional recreation opportunities through trailheads that allow easier access to the trail system. The Recreation Fund budget provides the needed resources to maintain the recreation side of the infrastructure and produce events that drive communities to the river. Overall, in FY22 the District has a \$5.2M recreation program for a net investment of \$2.3M.

Operating Revenues	FY20 Actuals	FY21 Approved		FY22 Proposed		Variance	% Change
		Budget	Budget	Budget	Budget		
Events & Programming	\$ 306,523	\$ 1,017,750	\$ 1,019,400	\$ 1,019,400	\$ 1,650	0.2%	
Infrastructure Enhancement	\$ -	\$ -	\$ 675,000	\$ 675,000	\$ 675,000	100.0%	
Infrastructure (Ongoing Maintenance)	\$ 1,072,486	\$ 1,339,210	\$ 1,132,840	\$ 1,132,840	\$ (206,370)	-15.4%	
<b>Total Revenues</b>	<b>\$ 1,379,009</b>	<b>\$ 2,356,960</b>	<b>\$ 2,827,240</b>	<b>\$ 2,827,240</b>	<b>\$ 470,280</b>	<b>20.0%</b>	
<b>Operating Expenditures</b>							
Events & Programming	\$ 661,558	\$ 1,410,300	\$ 1,540,900	\$ 1,540,900	\$ 130,600	9.3%	
Infrastructure Enhancement	\$ -	\$ -	\$ 1,465,000	\$ 1,465,000	\$ 1,465,000	100.0%	
Infrastructure (Ongoing Maintenance)	\$ 787,241	\$ 797,275	\$ 694,650	\$ 694,650	\$ (102,625)	-12.9%	
Admin Support	\$ 461,531	\$ 1,378,550	\$ 1,467,950	\$ 1,467,950	\$ 89,400	6.5%	
<b>Total Expenditures</b>	<b>\$ 1,910,330</b>	<b>\$ 3,586,125</b>	<b>\$ 5,168,500</b>	<b>\$ 5,168,500</b>	<b>\$ 1,582,375</b>	<b>44.1%</b>	
<b>Net Recreation Expenses</b>	<b>\$ (531,321)</b>	<b>\$ (1,229,165)</b>	<b>\$ (2,341,260)</b>	<b>\$ (2,341,260)</b>	<b>\$ (1,112,095)</b>	<b>90.5%</b>	

## Recreation Event and Programming Budget Summary

Revenues	FY20 Actuals	FY21 Approved	FY22 Proposed	Variance	% Change
		Budget	Budget		
Oktoberfest Fort Worth	\$ 70	\$ 330,000	\$ 330,000	\$ -	0.0%
Panther Island Ice Rink	\$ 265,751	\$ 250,000	\$ 250,000	\$ -	0.0%
Fort Worth Fourth	\$ 25,000	\$ 225,000	\$ 235,000	\$ 10,000	4.4%
Rockin' the River	\$ 125	\$ 114,500	\$ 114,500	\$ -	0.0%
Fort Wurst	\$ 1,500	\$ 41,000	\$ 52,500	\$ 11,500	28.0%
Flyfest	\$ 116	\$ 17,000	\$ 14,000	\$ (3,000)	-17.6%
Sunday Funday	\$ 5,121	\$ 12,000	\$ 8,900	\$ (3,100)	-25.8%
PIP - Rentals & Concessions	\$ -	\$ -	\$ 6,000	\$ 6,000	0.0%
Trash Bash	\$ 3,000	\$ 17,500	\$ 2,500	\$ (15,000)	-85.7%
Adopt a Drain	\$ 840	\$ 750	\$ 1,000	\$ 250	33.3%
Adopt a River	\$ 5,000	\$ 10,000	\$ 5,000	\$ (5,000)	-50.0%
<b>Total Revenues</b>	<b>\$ 306,523</b>	<b>\$ 1,017,750</b>	<b>\$ 1,019,400</b>	<b>\$ 1,650</b>	<b>0.2%</b>
<b>Expenditures</b>					
Oktoberfest Fort Worth	\$ 57,037	\$ 297,500	\$ 295,000	\$ (2,500)	-0.8%
Panther Island Ice Rink	\$ 262,476	\$ 227,500	\$ 250,000	\$ 22,500	9.9%
Fort Worth Fourth	\$ 89,011	\$ 370,500	\$ 372,500	\$ 2,000	0.5%
Rockin' the River	\$ 26,352	\$ 174,000	\$ 171,000	\$ (3,000)	-1.7%
Fort Wurst	\$ -	\$ 26,200	\$ 26,200	\$ -	0.0%
Flyfest	\$ 36,972	\$ 55,000	\$ 55,000	\$ -	0.0%
Sunday Funday	\$ 10,447	\$ 8,900	\$ 12,500	\$ 3,600	40.4%
PIP - Rentals & Concessions	\$ -	\$ -	\$ 12,000	\$ 12,000	100.0%
Trash Bash	\$ 32,675	\$ 103,500	\$ 81,000	\$ (22,500)	-21.7%
Adopt a Drain	\$ 543	\$ 3,000	\$ 1,000	\$ (2,000)	-66.7%
Trout Stockings	\$ 25,000	\$ 27,250	\$ 27,250	\$ -	0.0%
Mayfest	\$ (1,739)	\$ 17,500	\$ 18,000	\$ 500	2.9%
Adopt a River	\$ 5,588	\$ 20,000	\$ 20,000	\$ -	0.0%
Marine Creek Health Fair	\$ 2,244	\$ 9,500	\$ 7,000	\$ (2,500)	-26.3%
Miscellaneous Events	\$ 3,555	\$ 5,600	\$ 4,500	\$ (1,100)	-19.6%
Program Support	\$ 111,397	\$ 64,350	\$ 187,950	\$ 123,600	192.1%
<b>Total Expenditures</b>	<b>\$ 661,558</b>	<b>\$ 1,410,300</b>	<b>\$ 1,540,900</b>	<b>\$ 130,600</b>	<b>9.3%</b>
<b>Net Investment</b>	<b>\$ (355,035)</b>	<b>\$ (392,550)</b>	<b>\$ (521,500)</b>	<b>\$ (128,950)</b>	<b>32.8%</b>

**Recreation Events & Programming Budget Summary (continued)**

<b>Events &amp; Programming</b>	<b>Revenue FY22 Proposed Budget</b>	<b>Expenditures FY22 Proposed Budget</b>	<b>Net Investment FY22 Proposed Budget</b>
Oktoberfest Fort Worth	\$ 330,000	\$ 295,000	\$ 35,000
Panther Island Ice Rink	\$ 250,000	\$ 250,000	\$ -
Fort Worth Fourth	\$ 235,000	\$ 372,500	\$ (137,500)
Rockin' the River	\$ 114,500	\$ 171,000	\$ (56,500)
Fort Wurst	\$ 52,500	\$ 26,200	\$ 26,300
Flyfest	\$ 14,000	\$ 55,000	\$ (41,000)
Sunday Funday	\$ 8,900	\$ 12,500	\$ (3,600)
PIP - Rentals & Concessions	\$ 6,000	\$ 12,000	\$ (6,000)
Trash Bash	\$ 2,500	\$ 81,000	\$ (78,500)
Adopt a Drain	\$ 1,000	\$ 1,000	\$ -
Adopt a River	\$ 5,000	\$ 20,000	\$ (15,000)
Trout Stockings	\$ -	\$ 27,250	\$ (27,250)
Mayfest	\$ -	\$ 18,000	\$ (18,000)
Marine Creek Health Fair	\$ -	\$ 7,000	\$ (7,000)
Miscellaneous Events	\$ -	\$ 4,500	\$ (4,500)
Program Support	\$ -	\$ 187,950	\$ (187,950)
<b>Total</b>	<b>\$ 1,019,400</b>	<b>\$ 1,540,900</b>	<b>\$ (521,500)</b>

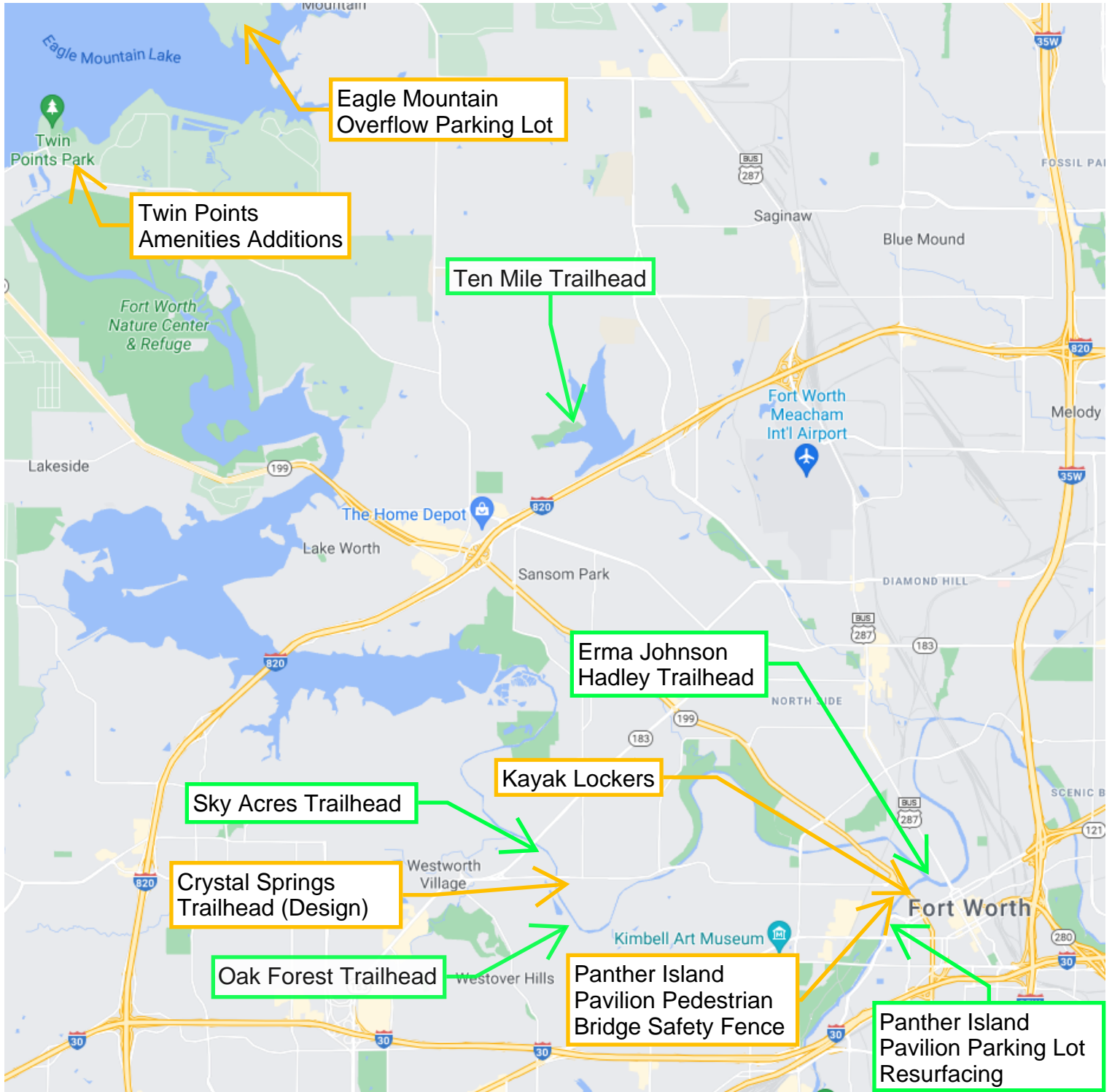


## Recreation Infrastructure Enhancements Budget Summary

These are the proposed infrastructure enhancement projects. See next page for map and detail of these projects.

Infrastructure Enhancement	Budgeted Contributions FY2022	Budgeted Expenditures FY2022	Infrastructure Enhancement Net Cost
Panther Island Pavilion - Parking Lot Resurfacing	\$ 400,000	\$ 550,000	\$ (150,000)
Oak Forest Trailhead	\$ 250,000	\$ 250,000	\$ -
Beneath the Surface - Art Project Along the Trails	\$ 25,000	\$ 25,000	\$ -
Ten Mile Trailhead	\$ -	\$ 200,000	\$ (200,000)
Sky Acres Trailhead (183/Airfield Falls)	\$ -	\$ 130,000	\$ (130,000)
Erma Johnson Hadley Trailhead	\$ -	\$ 100,000	\$ (100,000)
Panther Island Pavilion Pedestrian Bridge Safety Fence	\$ -	\$ 50,000	\$ (50,000)
Eagle Mountain Overflow Parking Lot	\$ -	\$ 50,000	\$ (50,000)
Public Art & Signs	\$ -	\$ 50,000	\$ (50,000)
Twin Points Amenities Additions	\$ -	\$ 25,000	\$ (25,000)
Crystal Springs Trailhead	\$ -	\$ 25,000	\$ (25,000)
Kayak Lockers at Panther Island - Henderson Bridge	\$ -	\$ 10,000	\$ (10,000)
<b>Total</b>	<b>\$ 675,000</b>	<b>\$ 1,465,000</b>	<b>\$ (790,000)</b>

# Map of FY 2022 Proposed Infrastructure Enhancements for Recreation



Large Projects - described on next page

Trail design and improvements to current infrastructure

Public Art & Signs and Beneath The Surface are not denoted on this map as they will be spread out throughout the trail system.

## Descriptions of Large FY 2022 Proposed Infrastructure Enhancements for Recreation

Ten Mile Bridge Trailhead - The District is working in conjunction with the City of Fort Worth to build a quiet trailhead for launching kayaks/canoes near their new park. This trailhead will also provide restrooms and water at the halfway point along the 6 mile long Marine Creek Trail loop.

Erma Johnson Hadley - This trailhead will connect Encore Panther Island Apartments and North Main traffic to the Trinity Trails.

Sky Acres Trailhead - This trailhead will accommodate extra parking for access to Airfield Falls.

Oak Forest Trailhead - This trailhead will be fully reimbursed by a private donor.

Panther Island Pavilion parking Lot Resurfacing -The majority of this project will be reimbursed by TCC.

## Recreation Infrastructure Budget Summary

Revenues	FY21 Approved		FY22 Proposed		Variance	% Change
	FY20 Actuals	Budget	Budget	Budget		
Woodshed Restaurant	\$ 136,286	\$ 211,000	\$ 148,000	\$ (63,000)	-29.9%	
Coyote Drive-In Theatre	\$ 179,819	\$ 175,000	\$ 175,000	\$ -	0.0%	
Twin Points Park	\$ 472,567	\$ 445,000	\$ 475,000	\$ 30,000	6.7%	
Eagle Mountain Park	\$ -	\$ -	\$ 6,500	\$ 6,500	100.0%	
Panther Island Facilities	\$ 75,985	\$ 136,000	\$ 136,000	\$ -	0.0%	
Trinity Trail Permits	\$ -	\$ 10,000	\$ 13,000	\$ 3,000	30.0%	
Bridgeport & EM Leases	\$ 207,829	\$ 188,210	\$ 179,340	\$ (8,870)	-4.7%	
LaGrave Stadium	\$ -	\$ 174,000	\$ -	\$ (174,000)	-100.0%	
<b>Total Revenues</b>	<b>\$ 1,072,486</b>	<b>\$ 1,339,210</b>	<b>\$ 1,132,840</b>	<b>\$ (206,370)</b>	<b>-15.4%</b>	
<b>Expenditures</b>						
Woodshed Restaurant	\$ 1,271	\$ 3,600	\$ 3,600	\$ -	0.0%	
Coyote Drive-In Theatre	\$ 63,419	\$ 82,100	\$ 65,000	\$ (17,100)	-20.8%	
Twin Points Park	\$ 173,153	\$ 172,000	\$ 180,250	\$ 8,250	4.8%	
Eagle Mountain Park	\$ 66,423	\$ 65,225	\$ 83,450	\$ 18,225	27.9%	
Panther Island Facilities	\$ 73,080	\$ 176,650	\$ 178,050	\$ 1,400	0.0%	
Public Art & Signs	\$ 80,586	\$ 50,000	\$ -	\$ (50,000)	-100.0%	
Trailhead maintenance	\$ 156,219	\$ 247,700	\$ 184,300	\$ (63,400)	-25.6%	
Trailhead construction	\$ 173,090	\$ -	\$ -	\$ -	0.0%	
<b>Total Expenditures</b>	<b>\$ 787,241</b>	<b>\$ 797,275</b>	<b>\$ 694,650</b>	<b>\$ (102,625)</b>	<b>-12.9%</b>	
<b>Net Revenues</b>	<b>\$ 285,245</b>	<b>\$ 541,935</b>	<b>\$ 438,190</b>	<b>\$ (103,745)</b>	<b>-19.1%</b>	



Twin Points Park is located at Eagle Mountain Lake and attracts an average of 60,000 visitors each year.

**Recreation Infrastructure Budget Summary (continued)**

Infrastructure Expenditures & Related Revenue	Revenue FY22 Proposed Budget	Expenditures FY22 Proposed Budget	Net Revenue/Cost FY22 Proposed Budget
Woodshed Restaurant	\$ 148,000	\$ 3,600	\$ 144,400
Coyote Drive-In Theatre	\$ 175,000	\$ 65,000	\$ 110,000
Twin Points Park	\$ 475,000	\$ 180,250	\$ 294,750
Eagle Mountain Park	\$ 6,500	\$ 83,450	\$ (76,950)
Panther Island Facilities	\$ 136,000	\$ 178,050	\$ (42,050)
Trinity Trail Permits	\$ 13,000	\$ -	\$ 13,000
Bridgeport & EM Leases	\$ 179,340	\$ -	\$ 179,340
Trailhead maintenance	\$ -	\$ 184,300	\$ (184,300)
<b>Total</b>	<b>\$ 1,132,840</b>	<b>\$ 694,650</b>	<b>\$ 438,190</b>

## Recreation Support Services Overview

The Administrative Support Services budget consists of costs that support the District overall, including personnel and administrative costs.

Expenditures	FY20 Actuals	FY21 Approved Budget	FY22 Proposed Budget	Variance	% Change
Personnel Services	\$ 457,298	\$ 1,203,402	\$ 1,360,034	\$ 156,632	13.0%
Administrative Support Services	\$ 4,233	\$ 175,148	\$ 107,916	\$ (67,232)	-38.4%
<b>Total Expenditures</b>	<b>\$ 461,531</b>	<b>\$ 1,378,550</b>	<b>\$ 1,467,950</b>	<b>\$ 89,400</b>	<b>6.5%</b>
<b>Net Investment</b>	<b>\$ (461,531)</b>	<b>\$ (1,378,550)</b>	<b>\$ (1,467,950)</b>	<b>\$ (89,400)</b>	<b>6.5%</b>



TRWD manages the 400-acre Eagle Mountain Park that features 6 miles of hiking trails

### TIF Revenues and Debt for the Panther Island/Central City Project

In May 2018 a special bond election was held and approved by the voters to issue \$250M in bonds to finance the remaining outstanding local share of the Panther Island/Central City Project. This \$250M will be repaid by The City of Fort Worth Tax Increment Reimbursement Zone Number Nine (TIF9) in accordance with the project costs funding agreement, hence, we have both the TIF revenue and debt service expense shown in the Special Projects/Contingency fund. The table below illustrates how the TIF Revenues collected will directly offset the budgeted debt expenditures for FY22. See Pages 20-29 for details of what work is planned for 2022.

<b>Debt Service</b>	<b>FY20 Actuals</b>	<b>FY21 Approved Budget</b>	<b>FY22 Proposed Budget</b>	<b>Variance</b>	<b>% Change</b>
TIF Revenues	\$ 6,581,130	\$ 5,439,849	\$ 6,680,455	\$ 1,240,606	-22.8%
Debt Service Expenditures	\$ 4,654,718	\$ 5,439,849	\$ 6,680,455	\$ 1,240,606	22.8%
<b>Change in Debt Services Equity</b>	<b>\$ 1,926,412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

As of FY20 no debt has been issued. The expenses shown above are project costs that were paid using the TIF Revenues as there were not enough project costs to require debt issuances.

**Special Projects/Contingency Fund - Panther Island/Central City Project**

Below is a summary of the planned expenses for the Panther Island/Central City project for FY 2022. All of the TRWD - Panther Island/Central City Project costs will be paid by bonds or current TIF revenues.

**TRWD - Panther Island/Central City Project Budget 2022**

<b>USACE - Central City Flood Control Project</b>	<b>Approved 2021 Budget</b>	<b>Projected Year End 2021</b>	<b>Proposed 2022 Budget</b>
Land Acquisition	\$2,495,261	\$2,144,759	\$4,743,862
Flood Control Cash Match	\$0	\$0	\$0
Relocation	\$358,366	\$50,000	\$2,897,973
Demolition	\$3,989,423	\$635,445	\$1,202,119
Environmental	\$1,073,842	\$1,388,322	\$466,625
Program Management	\$2,175,417	\$2,075,471	\$2,098,645
<b>Total USACE Project</b>	<b>\$10,092,309</b>	<b>\$6,293,997</b>	<b>\$11,409,224</b>
<b>Local Projects</b>			
Marine Creek/Stockyards Connection	\$0	\$0	\$0
Bypass Local Share	\$2,948,713	\$0	\$2,948,713
<b>Total Local Projects</b>	<b>\$2,948,713</b>	<b>\$0</b>	<b>\$2,948,713</b>
<b>Total Panther Island/Central City Project Budget 2022</b>	<b>\$13,041,022</b>	<b>\$6,293,997</b>	<b>\$14,357,937</b>



**Special Projects/Contingency Fund - Panther Island/Central City Project**

**Plan B - Shovel Ready Plan - North and South Channel Design and Construction readiness**

	2022	2023	2024	2025	2026	2027	Total
<b>USACE - Central City Flood Control Project</b>							
Land Acquisition	\$4,743,862	\$0	\$0	\$0	\$0	\$0	\$4,743,862
Flood Control Cash Match	\$0	\$6,043,288	\$8,690,000	\$4,520,000	\$0	\$0	\$19,253,288
Relocation	\$2,897,973	\$116,291	\$0	\$0	\$0	\$0	\$3,014,264
Demolition	\$1,202,119	\$1,832,910	\$0	\$2,457,492	\$125,085	\$0	\$5,617,606
Environmental	\$466,625	\$139,145	\$351,956	\$17,269	\$0	\$0	\$974,995
Program Coordination	\$2,098,645	\$1,945,180	\$1,937,368	\$1,078,120	\$667,810	\$0	\$7,727,123
<b>Subtotal USACE - Central City Flood Control Project</b>	<b>\$11,409,224</b>	<b>\$10,076,814</b>	<b>\$10,979,324</b>	<b>\$8,072,881</b>	<b>\$792,895</b>	<b>\$0</b>	<b>\$41,331,138</b>
<b>Local Projects</b>							
Bypass Local Share	\$2,948,713	\$0	\$7,388,633	\$7,260,743	\$1,191,612	\$0	\$18,789,701
<b>Subtotal Local Projects</b>	<b>\$2,948,713</b>	<b>\$0</b>	<b>\$7,388,633</b>	<b>\$7,260,743</b>	<b>\$1,191,612</b>	<b>\$0</b>	<b>\$18,789,701</b>
<b>Contingency</b>							
Local	\$0	\$242,464	\$5,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$35,242,464
<b>Total Plan B - TRWD</b>	<b>\$14,357,937</b>	<b>\$10,319,278</b>	<b>\$23,367,957</b>	<b>\$25,333,624</b>	<b>\$11,984,507</b>	<b>\$10,000,000</b>	<b>\$95,363,303</b>

**Special Projects/Contingency Fund - Panther Island/Central City Project**

**Plan A Minimum Federal Eligibility Plan - North Channel Design and Construction and South Design only readiness**

2022	
<b>USACE - Central City Flood Control Project</b>	
Land Acquisition	\$2,495,261
Flood Control Cash Match	\$0
Relocation	\$536,366
Demolition	\$1,034,688
Environmental	\$465,211
Program Coordination	\$2,098,645
<b>Total Plan A - TRWD</b>	<b>\$6,630,171</b>

**Plan C - Unconstrained Fully Funded**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
<b>USACE - Central City Flood Control Project</b>										
Land Acquisition	\$4,743,862	\$521,964	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,265,826
Flood Control Cash Match	\$0	\$6,043,288	\$8,690,000	\$4,520,000	\$0	\$0	\$0	\$0	\$0	\$19,253,288
Relocation	\$3,467,104	\$116,291	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,583,395
Demolition	\$1,770,967	\$3,039,812	\$568,026	\$2,457,492	\$125,085	\$0	\$0	\$0	\$0	\$7,961,382
Environmental	\$466,625	\$811,733	\$688,254	\$353,567	\$336,298	\$0	\$0	\$0	\$0	\$2,656,477
Program Coordination	\$2,098,645	\$1,945,180	\$1,937,368	\$1,078,120	\$667,810	\$0	\$0	\$0	\$0	\$7,727,123
<b>Subtotal USACE - Central City Flood Control Project</b>	<b>\$12,547,203</b>	<b>\$12,478,268</b>	<b>\$11,883,648</b>	<b>\$8,409,179</b>	<b>\$1,129,193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,447,491</b>
<b>Local Projects</b>										
Marine Creek Lock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,015,474	\$8,229,902	\$10,245,376
Bypass Local Share	\$2,948,713	\$0	\$7,388,633	\$7,260,743	\$1,191,612	\$0	\$0	\$0	\$0	\$18,789,701
<b>Subtotal Local Projects</b>	<b>\$2,948,713</b>	<b>\$0</b>	<b>\$7,388,633</b>	<b>\$7,260,743</b>	<b>\$1,191,612</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,015,474</b>	<b>\$8,229,902</b>	<b>\$29,035,077</b>
<b>Contingency</b>										
Local	\$0	\$242,464	\$5,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0	\$0	\$35,242,464
<b>Total Plan C - TRWD</b>	<b>\$15,495,916</b>	<b>\$12,720,732</b>	<b>\$24,272,281</b>	<b>\$25,669,922</b>	<b>\$12,320,805</b>	<b>\$10,000,000</b>	<b>\$0</b>	<b>\$2,015,474</b>	<b>\$8,229,902</b>	<b>\$110,725,032</b>

**Special Projects/Contingency Fund - Panther Island/Central City Project**

Below is an outline of the City of Fort Worth's anticipated participation based on Plans A, B and C. Additionally we have noted the USACE's ask for fiscal year 2022.

**City of Fort Worth Participation by Plan**

Plan A-Minimum Federal Eligibility Plan

City of Fort Worth        \$23,330,331

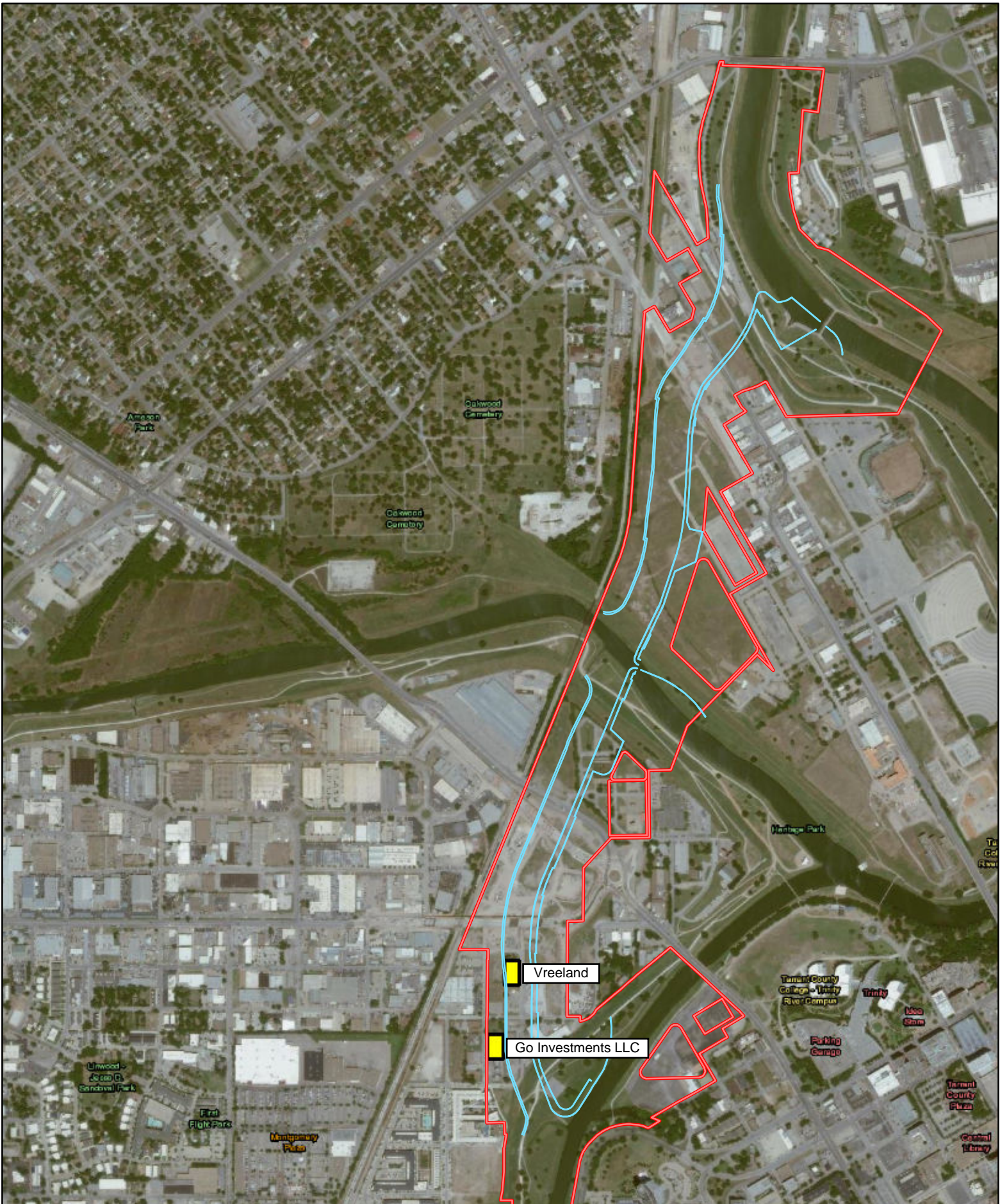
Plan B-Shovel Ready North and South Channel

City of Fort Worth        \$27,194,784

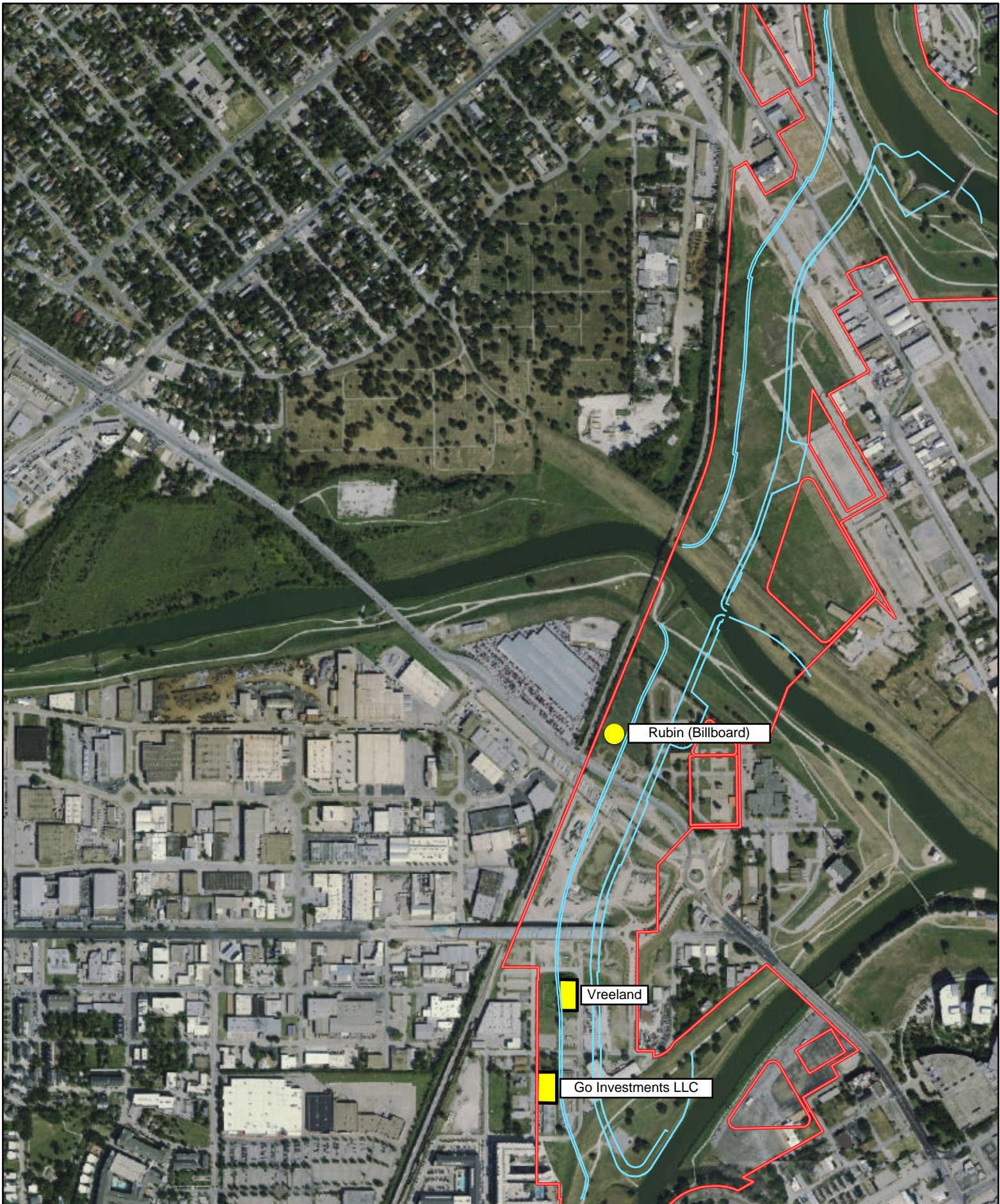
Plan C-Unconstrained, Fully Funded Plan

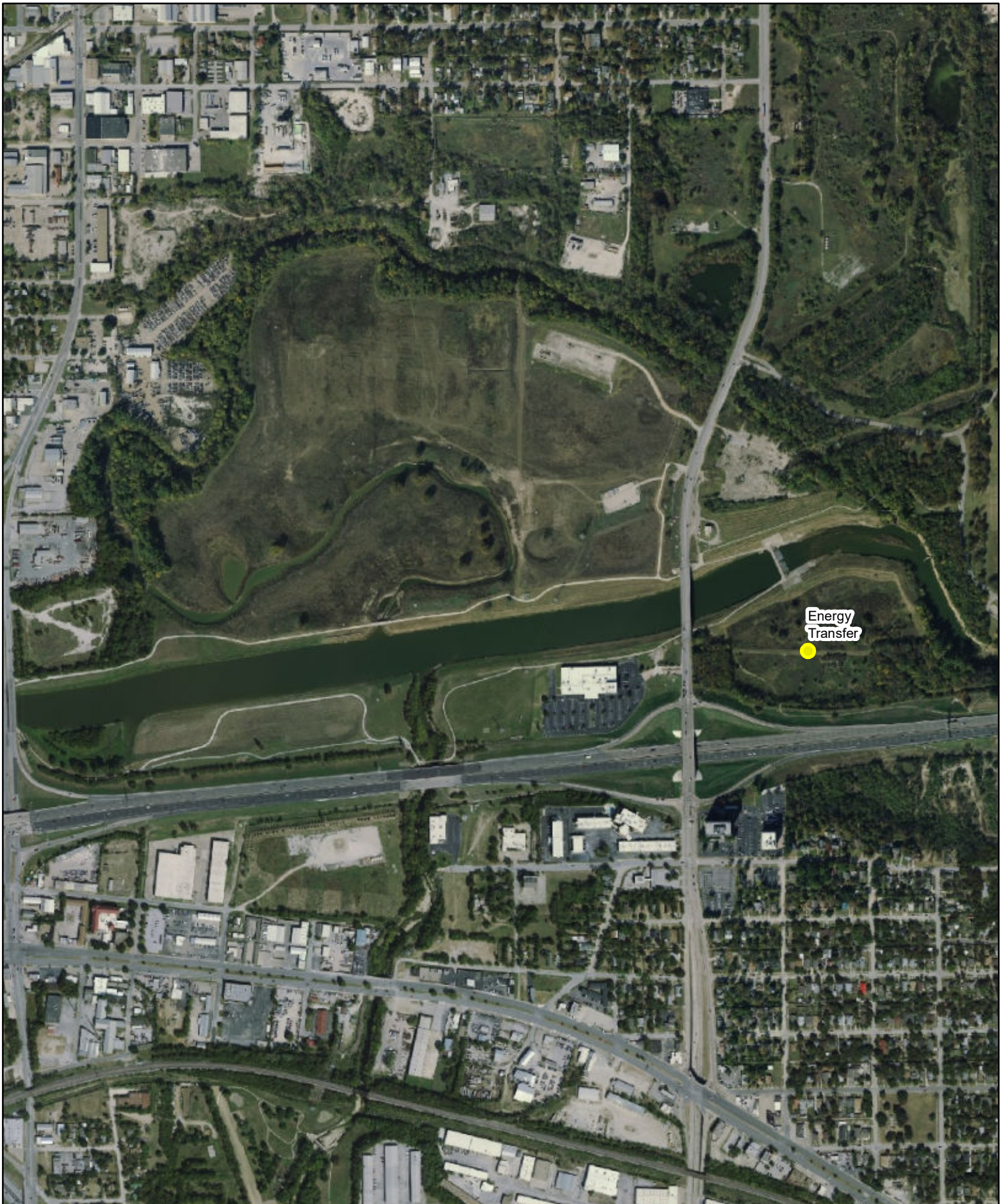
City of Fort Worth        \$30,697,805

*USACE's FY22 Fed Ask for the Central City/Panther Island Project = \$40,900,000*









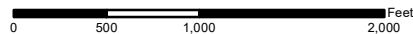
Energy Transfer



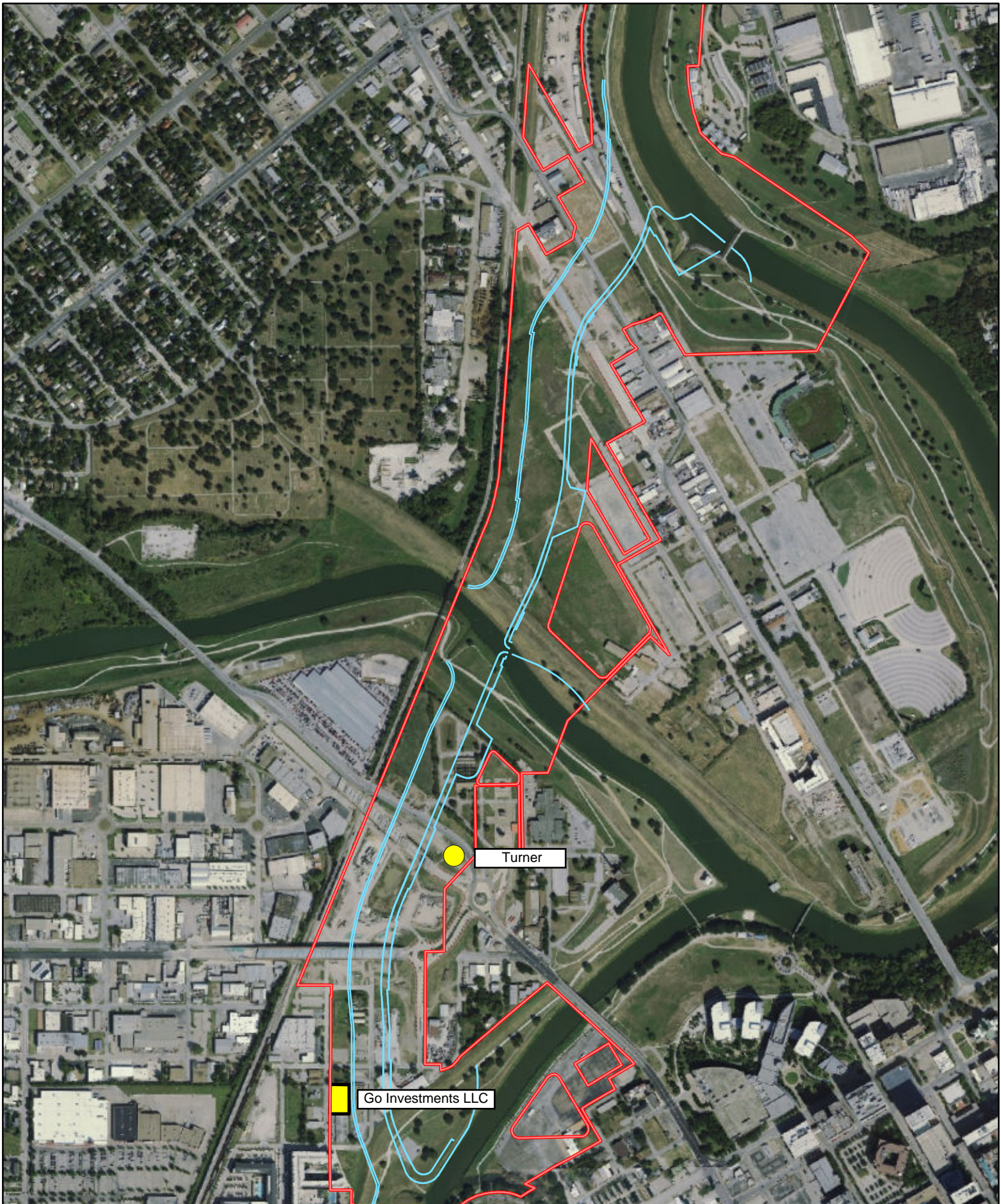


Disclaimer:  
 This data is an approximation based upon the best information available at the time of printing. Information contained on this map is intended for general planning level use only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents approximate relative locations. The Tarrant Regional Water District is not liable for misuse of this information or derivative products resulting from this map.

MAP PRODUCED ON 7/6/2021







Turner

Go Investments LLC



**Special Projects/Contingency Fund - FY22 Budget Summary**

<b>Revenue</b>	<b>FY21 Approved</b>	<b>FY22 Proposed</b>	<b>Variance</b>	<b>% Change</b>	
	<b>Budget</b>	<b>Budget</b>			
Oil and Gas Revenues	\$ 6,000,000	\$ 6,000,000	\$ -	0.0%	
Interest Income	\$ 460,000	\$ 100,000	\$ (360,000)	-78.3%	1
Other Income	\$ 1,041,637	\$ 832,246	\$ (209,391)	-20.1%	2
<b>Total Revenues</b>	<b>\$ 7,501,637</b>	<b>\$ 6,932,246</b>	<b>\$ (569,391)</b>	<b>-7.6%</b>	

<b>Expenditures</b>	<b>FY21 Approved</b>	<b>FY22 Proposed</b>	<b>Variance</b>	<b>% Change</b>	
	<b>Budget</b>	<b>Budget</b>			
Capital Expenditures	\$ -	\$ 787,500	\$ 787,500	100.0%	3
Consulting Services	\$ -	\$ 100,000	\$ 100,000	100.0%	4
Panther Island/Central City Canal	\$ -	\$ 225,000	\$ 225,000	100.0%	5
Net Recreation Expenses	\$ 1,229,165	\$ 2,341,260	\$ 1,112,095	90.5%	6
<b>Total Expenditures</b>	<b>\$ 1,229,165</b>	<b>\$ 3,453,760</b>	<b>\$ 2,224,595</b>	<b>181.0%</b>	

<b>Debt Service - Panther Island/ Central City Project</b>	<b>FY21 Approved</b>	<b>FY22 Proposed</b>	<b>Variance</b>	<b>% Change</b>	
	<b>Budget</b>	<b>Budget</b>			
TIF Revenues	\$ 5,439,849	\$ 6,680,455	\$ 1,240,606	22.8%	7
Debt Service Expenditures	\$ 5,439,849	\$ 6,680,455	\$ 1,240,606	22.8%	7
<b>Total Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.0%</b>	

<b>Budgeted Net Increase to Equity</b>	<b>\$ 6,272,472</b>	<b>\$ 3,478,486</b>	<b>\$ (2,793,986)</b>	<b>-44.5%</b>	
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## **Variance Explanations**

**1 Interest Income**

This decrease is due to lower interest rates.

**2 Other Income**

Previous budgets included income from lease notes and interest earned on cash held in trust for General Fund purposes that is not available for the Special Projects/Contingency fund.

**3 Capital Expenditures**

This is the second payment of property purchased for a future stormwater canal.

**4 Consulting Services**

This budget is for potential consulting work related to land along the floodway.

**5 Panther Island/Central City Canal Design and Construction**

This budget includes building the canal lift and the design and engineering related to detention credits for property owners along the canal.

**6 Net Recreation Expenses**

The majority of this increase is due to approximately \$1M of additional trailhead and recreation infrastructure projects in FY22.

**7 TIF Revenues/ Debt Service Expenditures**

The increase in TIF Revenue is due to expected increases in property values. The Debt Service is budgeted to align with TIF Revenues so as to only use TIF Revenues for Debt Service.

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 8**

**DATE:** September 21, 2021

**SUBJECT:** Vote to Adopt a Tax Rate of \$.0287/\$100 Valuation for Tax Year 2021

**FUNDING:** N/A

**RECOMMENDATION:**

Management recommends formal adoption of an ad valorem tax rate of \$.0287/\$100 valuation, for tax year 2021. This represents no increase to the tax rate from tax year 2020.

**DISCUSSION:**

The Board must adopt a tax rate by official action and set it out in a written resolution, ordinance, or order. The tax rate must be adopted after the adoption of the FY 2022 General Fund Budget.

The public hearing was held September 20, 2021 at 11:00 AM on the proposed tax year 2021 tax rate of \$.0287/\$100.

**Submitted By:**

Sandy Newby  
Chief Financial Officer

**ORDER OF BOARD OF DIRECTORS OF  
TARRANT REGIONAL WATER DISTRICT  
ADOPTING AD VALOREM TAX**

On the 21st day of September 2021, at a regularly scheduled meeting of the Board of Directors of Tarrant Regional Water District, upon motion duly made and seconded, the Board of Directors unanimously entered the following order:

IT IS HEREBY ORDERED that Tarrant Regional Water District adopt for tax year 2021 an ad valorem tax rate of \$.0287 per \$100 of taxable value as appraised by the Tarrant County Appraisal District and that the Water District staff take the necessary steps to implement collection of the tax so adopted.

\_\_\_\_\_  
Leah M. King, President

ATTEST:

\_\_\_\_\_  
Jim Lane, Secretary

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 9**

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Contract with Weaver and Tidwell LLP for Internal Audit Services

**FUNDING:** Fiscal Year 2022 - \$90,000

**RECOMMENDATION:**

Management recommends award of contract to Weaver and Tidwell LLP for internal audit services for five years (fiscal years 2022 through 2026).

**DISCUSSION:**

Please find attached the memo prepared by Tarrant Regional Water District's Internal Audit Department discussing the Request for Statement of Qualifications and responses to the District's Internal Audit Request for Statement of Qualifications. The staff rankings of the firms interviewed is attached.

**Submitted By:**

Carol Tackel  
Chief Internal Auditor

## Internal Audit RFSOQ

TRWD posted the Internal Audit RFSOQ on Civcast on March 1, 2021. The deadline for the return of the proposals was March 23, 2021. TRWD received nine proposals as listed below:

Whitley Penn	Weaver	BakerTilly
BSW	Crowe	Eide Bailly
Frazier and Deeter	MGT of America	Bonadio Group

These nine proposals were evaluated and ranked by the following staff:

Sandy Newby	Carol Tackel
Rachel Ickert	Jennifer Mitchell

The criteria used for ranking is as follows (see attached ranking sheet):

- Experience of term and firm, with governmental and otherwise
- Project delivery approach
- Indicators of probable performance
- References

All firms were ranked and evaluators interviewed the top three. References were contacted after the interviews. The top three firms are listed below:

- Whitley Penn
- Weaver
- BakerTilly

As reflected in the attached ranking sheet, Weaver was ranked number one during the interview process. Their hourly billing rates range from \$115 to \$345 depending on the staff level. Project scopes and number of hours are always agreed upon prior to the audit. This is to ensure they are within the District's budget for these services.

## 21-077 Internal Audit Services

Technical Quality Criteria	Total Points Available	Baker Tilly US LLP	Weaver and Tidwell LLC	Whitley Penn LLP
Experience of Team and Firm, Governmental or Otherwise	40.00	20.00	40.00	20.00
	Rank			
Project Delivery Approach	20.00	10.00	20.00	10.00
	Rank			
Indications of Probable Performance	20.00	10.00	20.00	10.00
	Rank			
References	20.00	10.00	20.00	10.00
	Rank			
<b>Total</b>	<b>100.00</b>	<b>50.00</b>	<b>100.00</b>	<b>50.00</b>



## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 10

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Cisco SD-WAN Subscription, Support, and Hardware Through Flair Data Systems

**FUNDING:** Fiscal Year 2021 General Fund Budget - \$275,000

#### **RECOMMENDATION:**

Management recommends approval of purchase **in an amount of \$212,036** for Cisco SD-WAN subscription service, support and necessary hardware to implement an updated network management software across the District communications network.

#### **DISCUSSION:**

This Cisco solution modernizes District network management and gives the District a set of network utilities that, once lifecycle replacement projects are completed over the next few months, will maximize the performance, security, and sustainability of the network for the next several years. Using these tools, the District is able to manage the demand on the network and better ensure that data is successfully transmitted during both normal and emergency operations where parts of the network have failed. Better utilities for network management also helps more fully utilize the District's soon to be implemented infrastructure and ensure best usage of the available equipment prior to expensive expansions in the future. Flair Data Systems was selected using Texas DIR cooperative contract DIR-TSO-4167.

This item was reviewed by the Construction and Operations committee on September 17, 2021.

#### **Submitted By:**

Mick Maguire  
Chief Administrative Officer

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 11

**DATE:** September 21, 2021

**SUBJECT:** Consider Adoption of Hazard Mitigation Plan

**FUNDING:** N/A

#### **RECOMMENDATION:**

Management recommends adoption of a Hazard Mitigation Plan (HMP) that has been submitted to the Texas Department of Emergency Management (TDEM) and Federal Emergency Management Agency (FEMA).

#### **DISCUSSION:**

The District has completed the development of a HMP, which has been approved by TDEM and FEMA, pending adoption by the District's Board of Directors.

The plan was created by collecting information from each District division and ensuring a strategy was in place to reduce or eliminate damage to infrastructure, interruption in critical lifeline services, and subsequent impacts to the District's customers.

The plan utilized the existing Risk and Resiliency study completed in early 2020 and worked with the various District divisions and customers to complete the HMP. The purpose of the plan is to identify, assess, and reduce the long-term risk to life and property from natural and man-made disasters. The plan includes four key elements: Risk Assessment, Capability Assessment, Mitigation Strategy, and Plan Maintenance.

A FEMA approved HMP is a requirement for receiving certain types of non-emergency disaster assistance grants such as Building Resilient Infrastructure and Communities (BRIC).

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

#### **Submitted By:**

Mick Maguire  
Chief Administrative Officer

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

**WHEREAS**, Tarrant Regional Water District (DISTRICT) has historically experienced damage from natural hazards and it continues to be vulnerable to the effects of the hazards profiled in the 2021 HAZARD MITIGATION PLAN (PLAN), which result in loss of property and life, economic hardship, and threats to public health and safety, and

**WHEREAS**, DISTRICT has developed and received conditional approval from the Texas Department of Emergency Management (TDEM) and Federal Emergency Management Agency (FEMA) for its PLAN under the requirements of 44 CFR 201.6; and

**WHEREAS**, the PLAN specifically addresses hazard mitigation strategies, and PLAN maintenance procedures for the DISTRICT; and

**WHEREAS**, the PLAN recommends several hazard mitigation actions that will provide mitigation for specific hazards that impact the DISTRICT with the effect of protecting people and property from loss associated with those hazards; and

**WHEREAS**, adoption of this PLAN will make the DISTRICT eligible for funding to alleviate the impacts of future hazards.

**NOW, THEREFORE**, it is hereby

**RESOLVED**, that the 2021 Hazard Mitigation Plan is hereby adopted as an official plan of the DISTRICT;

**FURTHER RESOLVED**, that the respective officials identified in the PLAN are hereby directed to pursue implementation of the recommended actions assigned to them; and

**FURTHER RESOLVED**, Future revisions and PLAN maintenance required by 44 CFR 201.6 and FEMA are hereby adopted as part of this resolution for a period of five (5) years from the date of this resolution.

PASSED, APPROVED AND ADOPTED THIS 21<sup>ST</sup> DAY OF SEPTEMBER, 2021.

TARRANT REGIONAL WATER DISTRICT

BY: \_\_\_\_\_  
Leah M. King  
President, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Jim Lane, Secretary

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 12

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Agreement with The National Theatre for Children, Inc. for Elementary School Water Conservation Education Services

**FUNDING:** Fiscal Year 2022 Revenue Fund Budget - \$135,525

#### **RECOMMENDATION:**

Management recommends approval of a contract **in an amount not-to-exceed \$135,525** with The National Theatre for Children, Inc. for elementary school water conservation education services.

#### **DISCUSSION:**

The 2019 water conservation plan update identified a goal to increase youth education programs to expand knowledge of the importance of water services and water conservation. In fall 2020, District staff worked with The National Theatre for Children, Inc. (NTC) to develop live virtual presentations for 4,173 students and 272 teachers at 10 pilot schools within four Tarrant County school districts. In spring 2021, NTC presented the all-digital, livestream program to 50 schools within eight school districts. A total of 16,541 students and 862 teachers participated in *The Aqua League* program focused on the amazing ways we use water, water's incredible journey, how we move water, and how we can save and protect it. Each student received a custom printed playbook, in English and Spanish, and had access to a website with activities and TRWD specific information. Participating teachers completed a program evaluation survey and rated it 6.5 on a 7 point scale for overall educational value. Staff recognizes the positive response, broad reach and overall teacher-student engagement of the program.

The proposed FY22 agreement with NTC will provide education program services for up to 65 schools and 23,000 students and teachers. Digital programs will be offered this fall and, if possible, in-person shows next spring. Staff will also work to expand the program in two additional school districts.

The National Theatre for Children, Inc. is not a certified diverse business but anticipates utilizing a certified diverse business subcontractor for a proposed participation of 5%.

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

#### **Submitted By:**

Linda Christie  
Governmental Affairs Director

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 13

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Contract with M&M Irrigation and Illumination for the TRWD Residential Sprinkler System Evaluation Program

**FUNDING:** Fiscal Year 2022 Revenue Fund Budget - \$169,975

#### **RECOMMENDATION:**

Management recommends approval of a contract **in an amount not-to-exceed \$169,975** with M&M Irrigation and Illumination for the TRWD Residential Sprinkler System Evaluation Program.

#### **DISCUSSION:**

Since 2012, staff has managed the Residential Sprinkler System Evaluation Program to provide customer cities with conservation program support and to reduce water waste from inefficient outdoor watering practices. M&M Irrigation and Illumination (MMii) was first selected as the vendor to provide evaluations in Fiscal Year 2018. Since that time, MMii has performed an average of 1,632 residential sprinkler system evaluations each year in customer cities throughout Tarrant County. MMii is a local company out of Bedford, Texas, and holds current evaluation contracts with the City of Allen, City of Prosper, and the Upper Trinity Regional Water District. Staff recommends a one-year contract for Fiscal Year 2022 with two one-year renewal options that could extend the contract through Fiscal Year 2024 as long as budgeted funds are available.

The proposed agreement with MMii is through an Interlocal Cooperation Agreement with the City of Allen. By using the Interlocal Agreement, The District will have the same terms and conditions as the City of Allen contract. Allen has contracted with MMii for the past seven years and recently renewed their contract for Fiscal Year 2021. The District will receive the benefit of lower costs and will further the District's goal in working regionally with other communities and our customer cities to promote conservation efforts.

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

#### **Submitted By:**

Linda Christie  
Governmental Affairs Director

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 14

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Contract with Garrett Demolition, Inc. for Demolition and Asbestos Abatement of Former Police and Fire Training Towers for the Central City Flood Control Project

**FUNDING:** Fiscal Year 2022 Special Projects/Contingency Fund - \$1,202,119

#### **RECOMMENDATION:**

Management recommends approval of a contract **in an amount not-to-exceed \$118,491** with Garrett Demolition, Inc. for demolition and asbestos abatement of former Police and Fire Training Towers for the Central City Flood Control Project. In addition, management requests authorization of an additional 20% contingency to cover costs associated with any additional unforeseen demolition or abatement costs necessary should they be required, for a total budget authorization of \$142,190. Management also recommends that the General Manager or his designee be granted authority to execute all documents necessary to complete this transaction.

#### **DISCUSSION:**

The former Police and Fire Training Towers property is located within the South Bypass Channel and is part of the property supplied by the District to USACE. This project is required this year in order to maintain the Corps of Engineers' (USACE) ability to request funds for the Bypass Channel design and to clear the area ahead of required City of Fort Worth utility relocations critical for the South Bypass Channel.

Garrett Demolition, Inc. will perform the following services as part of this contract for demolition and asbestos abatement of the site: site clearing, asbestos abatement, demolition of structures, hauling to local landfills, backfill, compaction and reestablishment of vegetation. Disposal fees to the landfill(s) are paid under a separate District contract.

Competitive sealed proposals from three companies were received on July 29, 2021. The competitive sealed proposals were reviewed and Garrett Demolition, Inc. had the best value to the District with a base bid of \$118,491.

Garrett Demolition, Inc. is a Diverse Business and has subcontracted portions of the contract to four subcontractors resulting in an overall Diverse Business participation commitment of 86.5%. The following subcontractors are proposed as part of this contract: HP EnviroVision; Guaranteed Hydromulch, LLC (DB); Spooner & Associates (DB); SB Fleet-Lube (DB).

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

**Submitted By:**

Woody Frossard  
Project Manager, Panther Island Central City Flood Project

## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 15

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Joint Funding Agreement with U.S. Geological Survey for Gage Network Support Services

**FUNDING:** Fiscal Year 2022 General Fund Budget - \$165,000  
Fiscal Year 2022 Revenue Fund Budget - \$175,000

#### **RECOMMENDATION:**

Management recommends approval of a joint-funding agreement (JFA) **in an amount not-to-exceed \$356,730** with the U.S. Geological Survey (USGS) for Gage Network Support Services.

#### **DISCUSSION:**

District management regularly makes decisions related to flood operations, water supply, or water quality based on rainfall, streamflow, water level, or water quality data collected and published by the USGS. During times of flood, the District utilizes data collected at reservoir and stream sites to inform flood discharge decisions. During water supply operations, the District uses observed water levels to monitor available reservoir storage to optimize water delivery from the pipelines. Additionally, District management evaluates the reliability of District water supply infrastructure and the viability of potential future sites using USGS data. District management monitors water quality conditions for recreation in the Fort Worth Floodway with data collected by USGS.

The District does its part to support a reliable gage network in the Trinity River basin. The data collected at District-sponsored USGS sites benefits many other entities. This includes the National Weather Service radar rainfall estimates and river forecasts. Surrounding communities use the data to inform Federal Emergency Management Agency floodplain mapping in their communities. Emergency management coordinators use data to aid evacuations during flooding. State water planners use the data to assess the reliability and status of state water supplies.

Annual O&M services provided by the USGS include responding to service calls, making periodic field measurements to ensure data accuracy, and publishing quality-controlled data. In addition to O&M services, installation of manual-read staff gages at Bridgeport, Eagle Mountain, and Cedar Creek will be performed under the FY22 agreement. Staff gages are used by District staff to make manual lake level readings in the case that the automatic recording gage at the reservoir is out of service.



This agreement has a total cost of \$390,480. The USGS contribution is \$33,750 (9%). The District is responsible for the remaining \$356,730 for services provided during the October 1, 2021 through September 30, 2022 period.

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

**Submitted By:**

Rachel A. Ickert, P.E  
Chief Water Resources Officer



## United States Department of the Interior

U.S. GEOLOGICAL SURVEY  
Oklahoma-Texas Water Science Center  
1505 Ferguson Lane  
Austin, TX 78754

July 30, 2021

Mr. Craig Ottman

Tarrant Regional Water District  
800 East Northside Drive  
Fort Worth, TX 76102

Dear Mr. Ottman:

Enclosed is one digitally signed copy of our standard joint-funding agreement for the project(s) Oklahoma-Texas Water Science Center Water Resource Investigations, during the period October 1, 2021 through September 30, 2022 in the amount of \$356,730 from your agency. U.S. Geological Survey contributions for this agreement are \$33,750 for a combined total of \$390,480. This agreement **replaces** the one dated July 27, 2021 previously issued to you. Please sign and return one fully-executed agreement to Kandis Becher via email to [gs-w-ot\\_otadmin@usgs.gov](mailto:gs-w-ot_otadmin@usgs.gov).

Federal law requires that we have a signed agreement before we start or continue work. Please return the signed agreement by **October 1, 2021**. If, for any reason, the agreement cannot be signed and returned by the date shown above, please contact Kristine Blickenstaff by phone number (682) 316-5033 or email [kblickenstaff@usgs.gov](mailto:kblickenstaff@usgs.gov) to make alternative arrangements.

This is a fixed cost agreement to be billed quarterly via Down Payment Request (automated Form DI-1040). Please allow 30-days from the end of the billing period for issuance of the bill. If you experience any problems with your invoice(s), please contact Kandis Becher at phone number (682) 316-5051 or email at [kkbecher@usgs.gov](mailto:kkbecher@usgs.gov).

The results of all work performed under this agreement will be available for publication by the U.S. Geological Survey. We look forward to continuing this and future cooperative efforts in these mutually beneficial water resources studies.

Sincerely,

*Timothy H. Raines*

Timothy H. Raines  
Director

Enclosure  
22SJJFATX062000

**Form 9-1366  
(May 2018)**

**U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement  
FOR  
Water Resource Investigations**

**Customer #: 600000623  
Agreement #: 22SJJFATX062000  
Project #: SJ009ME  
TIN #: 75-6002584**

**Fixed Cost Agreement YES[ X ] NO[ ]**

THIS AGREEMENT is entered into as of the October 1, 2021, by the U.S. GEOLOGICAL SURVEY, Oklahoma-Texas Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the Tarrant Regional Water District party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation Water Resource Investigations (per attachment), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of \$0.00

- (a) \$33,750 by the party of the first part during the period October 1, 2021 to September 30, 2022
- (b) \$356,730 by the party of the second part during the period October 1, 2021 to September 30, 2022
- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: \$0

Description of the USGS regional/national program:

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program, and if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (<https://www.usgs.gov/about/organization/science-support/science-quality-and-integrity/fundamental-science-practices>).

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement  
FOR

Customer #: 600000623  
Agreement #: 22SJJFATX062000  
Project #: SJ009ME  
TIN #: 75-6002584

Water Resource Investigations

9. Billing for this agreement will be rendered quarterly. Invoices not paid within 60 days from the billing date will bear Interest, Penalties, and Administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C. § 3717) established by the U.S. Treasury.

USGS Technical Point of Contact

Name: Kristine Blickenstaff  
Branch Chief - Integrated  
Hydrology+Data Science  
Address: 501 W. Felix Street Bldg 24  
Fort Worth, TX 76115  
Telephone: (682) 316-5033  
Fax: (682) 316-5022  
Email: kblickenstaff@usgs.gov

Customer Technical Point of Contact

Name: Craig Ottman  
Address: 800 East Northside Drive  
Fort Worth, TX 76102  
Telephone: (817) 335-2491  
Fax:  
Email: Craig.Ottman@trwd.com

USGS Billing Point of Contact

Name: Kandis Becher  
Budget Analyst  
Address: 501 W. Felix Street Bldg 24  
Fort Worth, TX 76115  
Telephone: (682) 316-5051  
Fax: (682) 316-5022  
Email: kkbecher@usgs.gov

Customer Billing Point of Contact

Name: Craig Ottman  
Address: 800 East Northside Drive  
Fort Worth, TX 76102  
Telephone: (817) 335-2491  
Fax:  
Email: Craig.Ottman@trwd.com

U.S. Geological Survey  
United States  
Department of Interior

Tarrant Regional Water District

**Signature**  
Digitally signed by  
TIMOTHY RAINES  
Date: 2021.07.30  
13:26:49 -05'00'  
By TIMOTHY RAINES Date: 07/30/2021  
Name: Timothy H. Raines  
Title: Director

**Signatures**  
By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:  
  
By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:  
  
By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

**Tarrant Regional Water District  
22SJJFATX062000**

STATION NUMBER	DESCRIPTION	CODE	NO. UNITS	DIFF FACTOR	USGS FUNDS	TRWD FUNDS	TOTAL GROSS COST
<b>001: SURFACE WATER PROGRAM</b>							
08042600	West Fork Trinity River at Hwy 281 nr Windthorst, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$0	\$15,900	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
							\$17,400
08042800	W. Fork Trinity River near Jacksboro, TX						
	Full Range Streamflow Station	QCONT	0	1.00	\$0	\$0	
	Funded by Federal Priority Streamgages						
	Rain Gage	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$1,500
08042820	Lost Creek Reservoir near Jacksboro, TX						
	Reservoir Elevation	RES-E	1	1.00	\$0	\$6,550	
	STATION SW TOTAL:						\$6,550
08042950	Big Ck nr Chico, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$0	\$15,900	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
							\$17,400
08043000	Bridgeport Reservoir above Bridgeport, TX						
	Reservoir Contents	RES-C	1	1.05	\$0	\$8,300	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	Staff Gage Install	INSTALL	1	1.00	\$0	\$4,300	
	STATION SW TOTAL:						\$14,100
08043950	Big Sandy Creek near Bridgeport, TX						
	Full Range Streamflow Station	QCONT	0	1.00	\$0	\$0	
	Funded by Federal Priority Streamgages						
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$1,500
08044500	W. Fork Trinity River near Boyd, TX						
	Full Range Streamflow Station	QCONT	0	1.00	\$0	\$0	
	Funded by Federal Priority Streamgages						
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$1,500
08044800	Walnut Creek at Reno, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$5,700	\$10,200	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$17,400
08045000	Eagle Mountain Reservoir above Fort Worth, TX						
	Reservoir Contents	RES-C	1	1.05	\$0	\$8,300	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	Staff Gage Install	INSTALL	1	1.00	\$0	\$4,000	
	STATION SW TOTAL:						\$13,800
08045400	Lake Worth above Fort Worth, TX						
	Reservoir Contents	RES-C	1	1.05	\$0	\$8,300	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$9,800

**Tarrant Regional Water District  
22SJFATX062000**

STATION NUMBER	DESCRIPTION	CODE	NO. UNITS	DIFF FACTOR	USGS FUNDS	TRWD FUNDS	TOTAL GROSS COST
08045550	W. Fork Trinity River at White Settlement, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$5,700	\$10,200	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$17,400
08045800	Lake Weatherford near Weatherford, TX						
	Reservoir Elevation	RES-E	1	1.00	\$0	\$6,550	
	STATION SW TOTAL:						\$6,550
08045995	Clear Fork Trinity River at Kelly Road near Aledo, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$5,700	\$10,200	
	STATION SW TOTAL:						\$15,900
08047000	Clear Fork Trinity River near Benbrook, TX						
	Full Range Streamflow Station	QCONT	1	1.20	\$0	\$19,080	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$20,580
08047050	Mary's Creek at Benbrook, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$5,700	\$10,200	
	STATION SW TOTAL:						\$15,900
08047500	Clear Fork Trinity River at Fort Worth, TX						
	Funded by Federal Priority Streamgages	QCONT	0	1.00	\$0	\$0	\$0
	Site funded by NSIP						
	STATION SW TOTAL:						
08048000	W. Fork Trinity River at Fort Worth, TX						
	Funded by Federal Priority Streamgages	QCONT	0	1.00	\$0	\$0	
	Weather Station, Operation & Maintenance	WSTAT	1	1.00	\$0	\$5,000	
	STATION SW TOTAL:						\$5,000
08048543	W. Fork Trinity River at Beach St. Fort Worth, TX						
	Full Range Streamflow Station	QCONT	0	1.00	\$0	\$0	
	Site funded by Trinity River Compact						
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$1,500
08048970	Village Ck at Everman, TX						
	Full Range Streamflow Station	QCONT	1	1.00	\$5,250	\$10,650	
	STATION SW TOTAL:						\$15,900
08049200	Lake Arlington at Arlington, TX						
	Reservoir Elevation	RES-E	1	1.20	\$0	\$7,860	
	Rain Gage Station	RSTAD	1	1.00	\$0	\$1,500	
	STATION SW TOTAL:						\$9,360

**Tarrant Regional Water District  
22SJJFATX062000**

STATION NUMBER	DESCRIPTION	CODE	NO. UNITS	DIFF FACTOR	USGS FUNDS	TRWD FUNDS	TOTAL GROSS COST
08062575	Trinity River at Dosser Full Range Streamflow Station	QCONT	0	1.00	\$0	\$15,900	
	STATION SW TOTAL:						\$15,900
08062700	Trinity River at Trinidad, TX Full Range Streamflow Station Funded by Federal Priority Streamgages	QCONT	0	1.00	\$0	\$0	\$0
	STATION SW TOTAL:						
08062800	Cedar Creek nr Kemp, TX Full Range Streamflow Station Funded by Federal Priority Streamgages	QCONT	0	1.00	\$0	\$0	\$0
	STATION SW TOTAL:						
08062895	Kings Creek at H 34 nr Kaufman, TX Full Range Streamflow Station	QCONT	1	1.1	\$5,700	\$12,240	
	STATION SW TOTAL:						\$17,940
08063010	Cedar Creek Reservoir near Trinidad, TX Reservoir Contents Rain Gage Station Wind Speed and Direction Staff Gage Install	RES-C RSTAD WIND INSTALL	1 1 1 1	1.05 1.00 1.00 1.00	\$0 \$0 \$0 \$0	\$8,300 \$1,500 \$1,500 \$9,700	
	STATION SW TOTAL:						\$21,000
08063100	Richland Creek near Dawson, TX Full Range Streamflow Station	QCONT	1	1.00	\$0	\$15,900	
	STATION SW TOTAL:						\$15,900
08063460	Richland Creek at CR 0030, TX Full Range Streamflow Station	QCONT	1	1.00	\$0	\$15,900	
	STATION SW TOTAL:						\$15,900
08063600	Lake Waxahachie near Waxahachie Reservoir Elevation	RES-E	1	1.00	\$0	\$6,550	
	STATION SW TOTAL:						\$6,550
08063800	Waxahacie Creek near Bardwell, TX Full Range Streamflow Station	QCONT	1	1.00	\$0	\$15,900	
	STATION SW TOTAL:						\$15,900
08064510	Halbert Lake near Corsicana, TX Reservoir Elevation	RES-E	1	1.00	\$0	\$6,550	
	STATION SW TOTAL:						\$6,550
08064550	Richland-Chambers Reservoir near Kerens, TX Reservoir Contents Rain Gage Station Wind Speed and Direction	RES-C RSTAD WIND	1 1 1	1.00 1.00 1.00	\$0 \$0 \$0	\$7,900 \$1,500 \$1,500	
	STATION SW TOTAL:						\$10,900

**Tarrant Regional Water District  
22SJJFATX062000**

STATION NUMBER	DESCRIPTION	CODE	NO. UNITS	DIFF FACTOR	USGS FUNDS	TRWD FUNDS	TOTAL GROSS COST
08064570	Trinity Rv at Hwy 287 nr Cayuga, TX Full Range Streamflow Station	QCONT	1	1.00	\$0	\$15,900	\$15,900
STATION SW TOTAL:							\$15,900
SURFACE WATER TOTAL					<u>\$33,750</u>	<u>\$317,730</u>	<u>\$351,480</u>

**003: WATER QUALITY PROGRAM**

08048000

W. Fork Trinity River at Fort Worth, TX							
O&M of 5-parameter Water-Quality Monitor T, SC, DO, pH, Turb.							
		WQMON5	1	0.9	\$0	\$39,000	\$39,000
WATER QUALITY TOTAL					<u>\$0</u>	<u>\$39,000</u>	<u>\$39,000</u>

PROJECT	USGS FUNDS	TRWD FUNDS	TOTAL COST
<b>001: SURFACE WATER</b>	\$33,750	\$317,730	\$351,480
<b>003: WATER QUALITY</b>	\$0	\$39,000	\$39,000
<b>GRAND TOTAL</b>	<u>\$33,750</u>	<u>\$356,730</u>	<u>\$390,480</u>



## TARRANT REGIONAL WATER DISTRICT

### AGENDA ITEM 16

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Contract with Stovall Commercial Contractors for Replacement of Gasoline Storage and Delivery System at Eagle Mountain Dam

**FUNDING:** Fiscal Year 2022 General Fund - \$100,000

#### **RECOMMENDATION:**

Management recommends approval of a contract **in an amount not-to-exceed \$95,471.60** for replacement of gasoline storage and delivery system at the Eagle Mountain Dam.

#### **DISCUSSION:**

The existing system utilizes an underground storage tank (UST) that was installed in 1992. The expected life of a UST is 30 years. A recent inspection has confirmed that the tank and piping need to be replaced.

The contract includes removal and disposal of existing system, permits, sampling, site restoration, and all material, labor, and equipment to install a new 1000 gallon aboveground fuel storage and delivery system.

The District will be utilizing Buy Board Contract #590-19, a local Governmental Purchasing Cooperative, in accordance with Governmental Code 791.025.

When utilizing a Purchasing Cooperative, there is no Diverse Business opportunity unless already established by the contract being utilized. The Diverse Business participation on this contract is 0%.

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

#### **Submitted By:**

Darrell Beason  
Chief Operations Officer

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 17**

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Capital Expenditures

**FUNDING:** Fiscal Year 2022 General/Revenue Budgets

**RECOMMENDATION:**

Management recommends approval of capital expenditures as outlined on the attached spreadsheet.

**DISCUSSION:**

All statutory bidding requirements have been satisfied.

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

**Submitted By:**

Darrell Beason  
Chief Operations Officer

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

Project	Vendor	Amount	Purpose	Budget Line	Budget	
					Source	Amount
1 ITB No. 22-012 1 Ton 4wd Ext Cab LWB UTL - Unit 2-424	Lake Country Chevrolet	\$49,856.32	New unit will replace unit 2-328 2014 Ford 1 Ton 4wd Ext Cab Utility Truck with approximately 92,000 miles. New unit will be assigned to a Operations & Maintenance Technician. Upon receipt of the new unit, unit 2-328 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the State of Texas Co-Op program, TXSmartbuy, in accordance with Local Government Code 271.083.			
<b>Total for Unit 2-424</b>		<b>\$49,856.32</b>		11965	Revenue	<b>\$49,000.00</b>
2 ITB No. 22-012 1 Ton 4wd Ext Cab LWB UTL - Unit 2-426	Lake Country Chevrolet	\$49,856.32	New unit will replace unit 2-239 2007 Chevrolet 3/4 Ton 4wd Reg Cab Utility Truck with approximately 141,000 miles. New unit will be assigned to FW Fleet. Upon receipt of the new unit, unit 2-239 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the State of Texas Co-Op program, TXSmartbuy, in accordance with Local Government Code 271.083.			
<b>Total for Unit 2-426</b>		<b>\$49,856.32</b>		11967	General	<b>\$49,000.00</b>
3 ITB No. 22-012 3/4 Ton 4wd Ext Cab LWB UTL - Unit 2-428	Lake Country Chevrolet	\$46,916.32	New unit will be an addition to the Fleet. New unit will be assigned to a Instrumentation & Electrical Tech. The purchase will be made utilizing the State of Texas Co-Op program, TXSmartbuy, in accordance with Local Government Code 271.083.			
<b>Total for Unit 2-428</b>		<b>\$46,916.32</b>		11969	Revenue	<b>\$45,000.00</b>
4 ITB No. 22-012 3/4 Ton 4wd Ext Cab LWB UTL - Unit 2-430	Lake Country Chevrolet	\$46,916.32	New unit will replace unit 2-336 2015 Ford 3/4 Ton 2wd Ext Cab Utility Truck with approximately 92,000 miles. New unit will be assigned to a Instrumentation & Electrical Tech. Upon receipt of the new unit, unit 2-336 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the State of Texas Co-Op program, TXSmartbuy, in accordance with Local Government Code 271.083.			
<b>Total for Unit 2-430</b>		<b>\$46,916.32</b>		11971	Revenue	<b>\$45,000.00</b>
5 ITB No. 22-010 3/4 Ton 2wd Utility Van - Unit 2-423	Caldwell Country Chevrolet	\$34,465.00	New unit will replace unit 2-278 2010 Ford 1/2 Ton 2wd E150 Van with approximately 107,000 miles. New unit will be assigned to a HVAC Technician. Upon receipt of the new unit, unit 2-278 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025.			
<b>Total for Unit 2-423</b>		<b>\$34,465.00</b>		12033	General	<b>\$35,000.00</b>
6 ITB No. 22-010 1/2 Ton 4WD Crew Cab SWB Pickup - Unit 2-419	Caldwell Country Chevrolet	\$35,775.00	New unit will replace unit 2-286 2011 Chevrolet 1/2 Ton 4wd Ext Cab SWB Pickup with approximately 106,000 miles. New unit will be assigned to Assistant Environmental Manager. Upon receipt of the new unit, unit 2-286 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025.			
<b>Total for Unit 2-419</b>		<b>\$35,775.00</b>		11961	Revenue	<b>\$34,000.00</b>

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

Project	Vendor	Amount	Purpose	Budget Line	Budget
7 ITB No. 22-010 1/2 Ton 4WD Crew Cab SWB Pickup - Unit 2-425	Caldwell Country Chevrolet	\$35,775.00	New unit will replace unit 2-316 2013 Dodge 1/2 Ton 4wd Crew Cab SWB Pickup with approximately 112,000 miles. New unit will be assigned to Reservoir Supervisor. Upon receipt of the new unit, unit 2-316 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025.		
<b>Total for Unit 2-425</b>		<b>\$35,775.00</b>		11966	Revenue <b>\$34,000.00</b>
8 ITB No. 22-010 1/2 Ton 4WD Crew Cab SWB Pickup - Unit 2-427	Caldwell Country Chevrolet	\$35,775.00	New unit will replace unit 2-364 2017 Chevrolet 1/2 Ton 4wd Crew Cab SWB Pickup with approximately 105,000 miles. New unit will be assigned to JPL Program Manager. Upon receipt of the new unit, unit 2-364 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Buyboard Contract 601-19, a local Governmental Purchasing Cooperative, in accordance with Government Code 791.025.		
<b>Total for Unit 2-427</b>		<b>\$35,775.00</b>		11968	Revenue <b>\$34,000.00</b>
9 ITB No. 22-011 1/2 Ton 4WD Ext Cab SWB Pickup - Unit 2-421	Silsbee Ford	\$32,796.25	New unit will replace unit 2-288 2012 Chevrolet 1/2 Ton 2wd Reg Cab LWB Pickup with approximately 117,000 miles. New unit will be assigned to a Reservoir Inspector. Upon receipt of the new unit, unit 2-288 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, TIPS USA Contract 200206, in accordance with Government Code 791.025.		
<b>Total for Unit 2-421</b>		<b>\$32,796.25</b>		11962	Revenue <b>\$30,000.00</b>
10 ITB No. 22-011 1/2 Ton 4WD Ext Cab SWB Pickup - Unit 2-422	Silsbee Ford	\$32,796.25	New unit will replace unit 2-289 2011 Ford 1/2 Ton 2wd Reg Cab LWB Pickup with approximately 109,000 miles. New unit will be assigned to a Reservoir Inspector. Upon receipt of the new unit, unit 2-289 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, TIPS USA Contract 200206, in accordance with Government Code 791.025.		
<b>Total for Unit 2-422</b>		<b>\$32,796.25</b>		11963	Revenue <b>\$30,000.00</b>
11 ITB No. 22-011 1/2 Ton 4WD Ext Cab SWB Pickup - Unit 2-429	Silsbee Ford	\$32,796.25	New unit will be an addition to the Fleet. New unit will be assigned to a Reservoir Inspector. The purchase will be made utilizing the Interlocal Cooperative, TIPS USA Contract 200206, in accordance with Government Code 791.025.		
<b>Total for Unit 2-429</b>		<b>\$32,796.25</b>		11970	Revenue <b>\$30,000.00</b>
12 ITB No. 22-011 1/2 Ton 4WD Ext Cab SWB Pickup - Unit 2-432	Silsbee Ford	\$32,796.25	New unit will replace 2-343 2014 Ford 1/2 Ton 4WD Ext Cab Pickup with approximately 140,000 miles. New unit will be assigned to TX811 Locator Inspector. Upon receipt of the new unit, unit 2-343 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, TIPS USA Contract 200206, in accordance with Government Code 791.025.		
<b>Total for Unit 2-432</b>		<b>\$32,796.25</b>		12038	Revenue <b>\$30,000.00</b>
13 ITB No. 22-011 1/2 Ton 4WD Ext Cab SWB Pickup - Unit 2-433	Silsbee Ford	\$32,796.25	New unit will replace 2-344 2014 Ford 1/2 Ton 4WD Ext Cab Pickup with approximately 137,000 miles. New unit will be assigned to IPL Inspector. Upon receipt of the new unit, unit 2-344 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, TIPS USA Contract 200206, in accordance with Government Code 791.025.		
<b>Total for Unit 2-433</b>		<b>\$32,796.25</b>		12039	Revenue <b>\$30,000.00</b>

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

Project	Vendor	Amount	Purpose	Budget Line	Budget
14 ITB No. 22-017 Commercial Remote Control Slope Mower Unit 6-185	<b>Kinloch Equipment &amp; Supply, Inc.</b>	\$57,897.75	New unit will be an addition to the Fleet and assigned to Floodway Operations. A remote controlled mower will allow our employees to guide the unit from a safe distance, eliminating the risk of roll over, reduce the cost of labor cost and challenge of weedeating steep slopes. The unit will increase productivity on difficult terrain with the climbing ability of 55%. The purchase will be made utilizing the Interlocal Cooperative, BuyBoard Contract #611-20- in accordance with Government Code 791.025.		
<b>Total for Unit 6-185</b>		<b>\$57,897.75</b>		12082	General <b>\$30,000.00</b>
ITB No. 22-002 Tractor 140 Hp W/Cab - Unit 6-184	<b>John Deere Company</b>	\$108,073.87	New unit will replace 6-134 2007 Case MXU125 4wd Tractor with approximately 3700 hours. New unit will be assigned to Operations. Upon receipt of the new unit, unit 6-134 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GR01-20 in accordance with Government Code 791.025.		
15					
<b>Total for Unit 6-184</b>		<b>\$108,073.87</b>		11973	General <b>\$106,500.00</b>
ITB No. 22-002 Tractor 140 Hp W/Cab - Unit 6-186	<b>John Deere Company</b>	\$108,073.87	New unit will replace 6-163 2012 Kubota M126X Krawler 4wd Tractor with approximately 4000 hours. New unit will be assigned to Operations. On May 10, 2021 this unit experienced an engine failure and the cost of the engine replacement was over 50% of the current value of the unit. Management determined after the condition assessment and the cost of repair it was recommended to replace the unit. Unit 6-163 will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GR01-20 in accordance with Government Code 791.025.		
16					
<b>Total for Unit 6-186</b>		<b>\$108,073.87</b>		12123	General <b>\$106,500.00</b>
ITB No. 22-002 Tractor 140 Hp W/Cab - Unit 6-183	<b>John Deere Company</b>	\$108,073.87	New unit will replace 6-131 2006 Case MXM155 4wd Tractor with approximately 3950 hours. New unit will be assigned to Operations. Upon receipt of the new unit, unit 6-131 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GR01-20 in accordance with Government Code 791.025.		
17					
<b>Total for Unit 6-183</b>		<b>\$108,073.87</b>		11972	Revenue <b>\$106,500.00</b>
ITB No. 22-007 Heavy Duty 40' Belly Dump - Unit 10-176	<b>Kirby-Smith Machinery Inc.</b>	\$63,381.00	New unit will replace 10-97 1996 Clement 38' Steel End Dump Trailer. New unit will be assigned to the Operations Resource Calendar. Unit 10-97 will be sold at auction. The purchase will be made utilizing the BuyBoard Contract #599-19 in accordance with Government Code 791.025.		
18					
<b>Total for Unit 10-176</b>		<b>\$63,381.00</b>		12083	General <b>\$60,000.00</b>
ITB No. 22-006 Heavy Duty Telehandler - Unit 17-13	<b>Kirby-Smith Machinery Inc.</b>	\$155,673.00	New unit will replace 17-2 1993 Clark 5,000 LB Forklift. New unit will be assigned to the Operations Resource Calendar. Upon receipt of the new unit, unit 17-2 will be evaluated against the vehicle pool and the appropriate unit will be sold at auction. The purchase will be made utilizing the BuyBoard Contract #597-19 in accordance with Government Code 791.025.		
19					
<b>Total for Unit 17-13</b>		<b>\$155,673.00</b>		11977	General <b>\$155,000.00</b>
ITB No. 22-004 120KW Stand-by Generator - Unit 12-212	<b>Loftin Equipment Company, Inc.</b>	\$73,398.00	New unit will be an addition and will be a mobile emergency back up power supply to a variety of Projects and emergency situations. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GE02-20 in accordance with Government Code 791.025.		
20					
<b>Total for Unit 12-212</b>		<b>\$73,398.00</b>		12064	General <b>\$73,000.00</b>

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

Project	Vendor	Amount	Purpose	Budget Line	Budget
ITB No. 22-004 125KW Stand-by Generator - Unit 12-177	Loftin Equipment Company, Inc.	\$46,490.00	New unit will replace 12-27 1997 Generac 125KW Stand-by Generator and will provide emergency back up power to Communications & Cedar Creek Administrative Offices. Unit 12-27 will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GE02-20 in accordance with Government Code 791.025.		
21					
<b>Total for Unit 12-177</b>		<b>\$46,490.00</b>		11974	Revenue <b>\$39,000.00</b>
ITB No. 22-004 120KW Stand-by Generator - Unit 12-213	Loftin Equipment Company, Inc.	\$73,398.00	New unit will be an addition and will be a mobile emergency back up power supply to a variety of Projects and emergency situations. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GE02-20 in accordance with Government Code 791.025.		
22					
<b>Total for Unit 12-213</b>		<b>\$73,398.00</b>		12065	Revenue <b>\$73,000.00</b>
ITB No. 22-004 150KW Stand-by Generator - Unit 12-211	Loftin Equipment Company, Inc.	\$50,583.00	New unit will replace 12-15 1990 Onan 15KW Stand-by Generator and will provide Emergency Power to Bridgeport Spillway Communication project. Unit 12-15 will be sold at auction. The purchase will be made utilizing the Interlocal Cooperative, HGACBuy Contract GE02-20 in accordance with Government Code 791.025.		
23					
<b>Total for Unit 12-211</b>		<b>\$50,583.00</b>		11975	Revenue <b>\$47,000.00</b>
ITB No. 22-003 Heavy Duty Multi-Purpose Welder - Unit 12-276	Grainger	\$45,347.31	New unit will replace 12-61 a 1996 Miller Big 40 Welder that is now 25 years old and in poor condition. Unit 12-61 will be sold at auction. The purchase will be made utilizing the State of Texas Co-Op program, TXMAS, in accordance with Local Government Code 271.083.		
24					
<b>Total for Unit 12-276</b>		<b>\$45,347.31</b>		11978	Revenue <b>\$39,000.00</b>
<b>General Actuals</b>	<b>\$650,818.81</b>		<b>General Budget</b>		<b>\$615,000.00</b>
Revenue Actuals	\$738,887.39		Revenue Budget		\$695,500.00
Capital Equipment Actual Total	<u>\$1,389,706.20</u>		Capital Equipment Budget Total		<u>\$1,310,500.00</u>
<b>VENDOR TOTALS</b>					
Grand Total for Kirby Smith		\$219,054.00			
Grand Total for Lake Country Chevrolet		\$193,545.28			
Grand Total for Silsbee Ford		\$163,981.25			
Grand Total for Caldwell Chevrolet		\$141,790.00			
Grand Total for Loftin Equipment Company, Inc.		\$243,869.00			
Grand Total for Grainger		\$45,347.31			
Grand Total for United AG & Turf		\$324,221.61			
Grand Total for Kinloch Equipment & Supply, Inc.		\$57,897.75			
Capital Equipment Total		<u>\$1,389,706.20</u>			

**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 18**

**DATE:** September 21, 2021

**SUBJECT:** Consider Approval of Operations Maintenance Expenditures

**FUNDING:** Fiscal Year 2022 General/Revenue Budgets

**RECOMMENDATION:**

Management recommends approval of operations maintenance expenditures as outlined on the attached spreadsheet.

**DISCUSSION:**

All statutory bidding requirements have been satisfied.

This item was reviewed by the Construction and Operations Committee on September 17, 2021.

**Submitted By:**

Darrell Beason  
Chief Operations Officer

**Tarrant Regional Water District  
Board of Directors Meeting  
September 2022  
Operations Maintenance**

Project	Vendor	Amount	Purpose	Budget Line	Budget
ITB 21-134 Contract for Maintenance and Technical Services for Switchgear, Transformers, and Feeder Cable.	Shermco Inc.	\$80 field/hr and \$68 shop/hr \$120 overtime field/hr and \$93 overtime shop/hr	ITB 21-134 Shermco Inc is the lowest conforming bidder with the following rates: \$80 per field hour and \$68 per shop hour for services provided during normal working hours and \$120 per field overtime hour and \$93 per shop overtime area with a 18% markup on materials. <b>This contract is for one initial one-year period with the option to renew for four additional one-year periods</b>	9968	Revenue \$400,000
				9961	
				9963	
				9965	
				9964	
				9959	
				9967	
				10903	
11445					
11672					

Project	Vendor	Amount	Purpose	Budget Line	Budget
ITB 21-135 Contract with Evans Enterprises, Inc. for Maintenance and Technical Services for Pump Motors	Evans Enterprises, Inc.	\$53 field/hr and \$48 shop/hr \$64 overtime field/hr and \$64 overtime shop/hr	ITB 21-135 Evans Enterprises, Inc is the lowest conforming bidder with the following rates: \$53 per field hour and \$48 per shop area for services provided during normal working hours and \$64 per field overtime hour and \$64 per shop overtime hour with a 15% markup on materials. <b>This contract is for one initial one-year period with the option to renew for four additional one-year periods</b>	10547	Revenue \$200,000
				9968	
				9961	
				9963	
				9965	
				9964	
				9959	
				9967	
				10903	
				11445	
11672					



**TARRANT REGIONAL WATER DISTRICT**

**AGENDA ITEM 20**

**DATE:** September 21, 2021

**SUBJECT:** Executive Session

**FUNDING:** N/A

**RECOMMENDATION:**

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

Section 551.074 to Deliberate Regarding Personnel Matters

- The Recent Retirement of Jim Oliver and the Related Legal Inquiry
- Any Potential Dispute Related to the Recent Retirement of Jim Oliver

**DISCUSSION:**

- Conflict of duty of counsel
- Pending litigation
- Real property issues

**Submitted By:**

Alan Thomas  
Deputy General Manager

Next Scheduled Board Meeting

October 19, 2021