

BOARD OF DIRECTORS MEETING

January 18, 2022



PLEDGE OF ALLEGIANCE

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.



PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG

Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.



2

Public Comment



3

Consider Approval of the Minutes from the Meeting Held on December 14, 2021



4

Consider Approval of Issuance of Letter Supporting the Application of TTI, Inc to be a Foreign Trade Zone at its Facility in the Alliance Corridor

Linda Christie, *Government Affairs Director*



5

Consider Approval of the District's Annual Comprehensive Financial Report for the Year Ended September 30, 2021

Sandy Newby, *Chief Financial Officer*



Annual Comprehensive Financial Report

FY 2021

Condensed Schedule of Net Position (p.24)

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 273,776,582	\$ 286,443,966	\$ 309,815,548	\$ 503,212,548	\$ 583,592,130	\$ 789,656,514
Capital assets	371,744,493	375,138,247	1,994,311,374	2,031,260,774	\$2,366,055,867	2,406,399,021
Total Assets	645,521,075	661,582,213	2,304,126,922	2,534,473,322	2,949,647,997	3,196,055,535
Total Deferred Outflows of Resources	394,816	565,749	10,383,680	56,318,079	10,778,496	56,883,828
Current liabilities	6,986,189	8,064,619	99,545,538	101,460,944	106,531,727	109,525,563
Long-term liabilities	12,419,866	11,071,319	1,497,440,502	1,720,819,104	1,509,860,368	1,731,890,423
Total Liabilities	19,406,055	19,135,938	1,596,986,040	1,822,280,048	1,616,392,095	1,841,415,986
Total Deferred Inflows of Resources	201,573	410,882	4,123,986	4,349,368	4,325,559	4,760,250
Net position						
Net investment in cap. assets	371,744,493	375,138,247	580,388,360	624,792,728	952,132,853	999,930,975
Restricted for						
Capital Projects	5,621,205	5,552,676			5,621,205	5,552,676
Debt Service			100,358,807	102,311,377	100,358,807	102,311,377
Unrestricted	248,942,565	261,910,219	32,653,409	37,057,880	281,595,974	298,968,099
Total Net Position	\$ 626,308,263	\$ 642,601,142	\$ 713,400,576	\$ 764,161,985	\$1,339,708,839	\$1,406,763,127

Dallas Water Utilities
\$250M debt issuance

- Increased current and other assets
- Increased long-term liabilities

Capital Assets increase with Panther Island/Central City Project and Integrated Pipeline Project

TRWD & DWU Refundings increased Deferred Outflows

Condensed Schedule of Activities (p.27)

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues						
Charges for services	\$ 8,441,492	\$ 10,760,556	\$ 149,721,357	\$ 166,216,070	\$ 158,162,849	\$ 176,976,626
Operating Grants and Contributions	247,607	223,910	1,885,301	1,142,129	2,132,908	1,366,039
Capital Grants and Contributions	10,951,777	5,000,645			10,951,777	5,000,645
Total Program Revenues	19,640,876	15,985,111	151,606,658	167,358,199	171,247,534	183,343,310
General Revenues						
Property tax revenues	21,941,700	23,067,000			21,941,700	23,067,000
Investment income (loss)	763,675	63,736	5,810,806	(227,021)	6,574,481	(163,285)
Other revenues	88,912	81,243	425,392	305,082	514,304	386,325
Total Revenues	42,435,163	39,197,090	157,842,856	167,436,260	200,278,019	206,633,350
Expenses						
Flood protection	19,842,221	18,615,103			19,842,221	18,615,103
Recreation	2,781,733	4,289,108			2,781,733	4,289,108
Water supply			116,647,345	116,674,851	116,647,345	116,674,851
Total Expenses	22,623,954	22,904,211	116,647,345	116,674,851	139,271,299	139,579,062
Changes in Net Position	19,811,209	16,292,879	41,195,511	50,761,409	61,006,720	67,054,288
Net Position - Beginning of year	606,497,054	626,308,263	672,205,065	713,400,576	1,278,702,119	1,339,708,839
Net Position - Ending	\$ 626,308,263	\$ 642,601,142	\$ 713,400,576	\$ 764,161,985	\$ 1,339,708,839	\$ 1,406,763,127

Governmental Activities

- Charges for Services - Oil & Gas Revenue increased \$2M
- Capital Grants and Contributions - PI/CC Contribution Revenue decreased \$6M
- Property Tax Revenues - increased \$1M
- Recreation expenses increased \$1.5M

Business-Type Activities

- Charges for Services - Water Sales increased \$16.5M
- Investment income decreased \$6M

Financial Analysis: Capital Assets (p.29)

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Nondepreciable						
Land	\$ 266,698,783	\$ 269,621,461	\$ 176,246,877	\$ 177,959,672	\$ 442,945,660	\$ 447,581,133
Construction in progress	73,537,106	76,191,992	1,200,354,015	1,251,635,976	1,273,891,121	1,327,827,968
Total nondepreciable assets	340,235,889	345,813,453	1,376,600,892	1,429,595,648	1,716,836,781	1,775,409,101
Depreciable						
Dams and spillways	3,070,461	3,070,461	230,228,128	230,276,676	233,298,589	233,347,137
Pipeline			565,626,000	565,673,446	565,626,000	565,673,446
Wetlands			56,160,860	56,160,860	56,160,860	56,160,860
Communications			20,787	20,787	20,787	20,787
Buildings	49,179,554	49,103,834	7,987,396	7,854,201	57,166,950	56,958,035
Technology Infrastructure			3,240,353	3,240,353	3,240,353	3,240,353
Machinery and equipment	11,002,593	10,946,927	13,065,120	13,420,113	24,067,713	24,367,040
Flood control	8,115,517	8,115,517			8,115,517	8,115,517
Other project costs			151,114,301	151,114,301	151,114,301	151,114,301
	71,368,125	71,236,739	1,027,442,945	1,027,760,737	1,098,811,070	1,098,997,476
Less						
Accumulated depreciation	(39,859,521)	(41,911,945)	(409,807,813)	(430,031,517)	(449,667,334)	(471,943,462)
Total depreciable assets	31,508,604	29,324,794	617,635,132	597,729,220	649,143,736	627,054,014
Intangible assets, net of accum amort.			75,350	3,935,906	75,350	3,935,906
Total	\$ 371,744,493	\$ 375,138,247	\$ 1,994,311,374	\$ 2,031,260,774	\$ 2,366,055,867	\$ 2,406,399,021

Governmental Activities

- Increases in Land and CIP due to future stormwater canal and Panther Island/Central City Project

Business-Type Activities

- Increase in Land and CIP due to Integrated Pipeline Project
- New Intangible Asset is Asset Management System

Fiduciary Fund Statements (p. 44-45)

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Other Post-Employment Benefits Trust Fund</u>
ADDITIONS	
Employer Contributions	\$ 2,063,672
Net Appreciation in Fair Value of Investments	1,822,450
Total Additions	<u>3,886,122</u>
DEDUCTIONS	
Benefit Payments	292,111
Other Post-Employment Benefits Plan Administrative Expense	68,206
Total Deductions	<u>360,317</u>
Net Increase in Fiduciary Net Position	3,525,805
Fiduciary Net Position	
Beginning of Year	<u>10,642,226</u>
End of Year	<u>\$ 14,168,031</u>

Other Post Employments Benefits Trust Fund

Employer Contributions

- \$1.8M payment into the Trust
- \$300K retiree claims paid (Benefit Payments)
- \$2.1M

Total Liability \$25M (p. 70)

Trust Funded 55% of Liability (p. 70)

Bonds Payable (p. 62)

Business-type Activities

	Balance at Oct. 1, 2020	Additions	Deletions	Balance at Sept. 30, 2021	Due Within One Year
TRWD Bonds	\$ 714,550,000	\$424,785,000	\$ 349,590,000	\$ 789,745,000	\$ 32,625,000
TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)	289,995,000	538,420,000	275,170,000	\$ 553,245,000	16,535,000
Bonds from Direct Borrowings (TRWD Bonds)	336,100,000		74,230,000	261,870,000	7,935,000
Bonds from Direct Borrowings (City of Dallas Water Utilities Project)	125,675,000		3,680,000	121,995,000	3,735,000
Total Construction and Improvement Bonds	<u>\$ 1,466,320,000</u>	<u>\$963,205,000</u>	<u>\$ 702,670,000</u>	<u>\$1,726,855,000</u>	<u>\$ 60,830,000</u>

TRWD Refunded \$378.5M in principal (including Direct Borrowings) and \$55M in interest (advance refunding) for a cashflow savings of \$89.5M.

TRWD City of Dallas Water Utility Project – refunded \$266M in principal and \$33.8M in interest (advance refunding) for a cashflow savings of \$63.2M and issued \$250M for Phase III of the Integrated Pipeline

Principal Taxpayers (p.110)

2020

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Winner LLC	1,938,352,072	1	2.5%
American Airlines Inc/Envoy Air Inc	964,327,109	2	1.3%
OnCor Electric Delivery Co LLC	608,952,883	3	0.8%
Bell Textron Inc/Bell Helicopter Inc.	482,736,231	4	0.6%
Alcon Laboratories Inc/Alcon Manufacturing LTD	426,233,973	5	0.6%
DDR/DTC City Investments LP Etal	288,872,491	6	0.4%
Atmos Energy/Mid Tex Division	204,063,420	7	0.3%
Bus	199,267,891	8	0.3%
At Industrial Owner 1/3/4/7 Holdco LP	192,421,917	9	0.3%
AT&T Mobility Inc	184,113,057	10	0.2%

2021

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Winner LLC	1,958,426,229	1	2.4%
OnCor Electric Delivery Co LLC	1,486,400,083	2	1.8%
American Airlines Inc/American Airlines Inc	942,538,548	3	1.2%
Bell Textron Inc/Bell Helicopter Inc	545,880,812	4	0.7%
Alcon Laboratories Inc/Alcon Laboratories Inc	392,514,997	5	0.5%
DDR/DTC City Investmtns LP Etal	249,769,325	6	0.3%
AT&T Mobility LLC	221,168,571	7	0.3%
Atmos Energy/Mid Tex Division	219,479,531	8	0.3%
Burnett Plaza Holdings LLC	166,762,390	9	0.2%
F7 SSSM LLC	157,987,644	10	0.2%

Trends: Enterprise Fund Expenses (p.111)

LAST 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Operating Maintenance and Administrative	Interest Expense	Depreciation and Amortization
2012	\$ 46,127,011	\$ 19,238,227	\$ 16,656,082
2013	55,653,489	14,938,583 (2)	16,573,425
2014	69,552,995	18,920,099 (3)	16,428,450
2015	52,841,262 (1)	17,779,112	17,379,561
2016	42,392,196 (1)	16,440,189	19,013,491
2017	43,972,464	19,609,135 (4)	19,574,133
2018	44,164,379	53,833,757 (5)	20,369,970
2019	41,005,392	53,294,373	20,206,511
2020	44,814,778	51,027,808	20,804,759
2021	55,545,963 (6)	40,188,317 (7)	20,940,571

Operating & Maintenance Expense increased

- Pumping Power
- Bond Issuance Costs

Interest Expense decreased

- Refunding of multiple bonds

Trends: General Fund Revenues (p.112)

LAST 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Oil and Gas Royalties	Land Lease Rentals	Interest Income	Other (1)	Property Taxes
2012	\$20,738,333	\$ 875,426	\$ 708,010	\$ 9,042,451	\$ 8,857,981
2013	31,367,889	1,385,702	300,771	4,345,035	8,993,946
2014	24,518,478	1,314,725	367,655	3,710,328	9,263,039
2015	15,875,262 (2)	1,601,445	403,723	3,913,415	9,737,304
2016	8,781,804 (2)	1,598,047	317,333	6,338,094	10,271,392
2017	11,048,761 (3)	1,389,533	435,789	6,335,706	10,799,762
2018	10,148,141	1,403,276	731,769 (4)	4,935,928	12,010,248
2019	8,197,878 (2)	1,562,198	1,435,560 (4)	9,055,684	13,152,496
2020	6,414,237 (2)	1,272,670	763,675 (5)	9,300,640	21,924,922 (6)
2021	7,843,251 (3)	1,404,345	63,736 (5)	9,799,305	23,089,003

Oil & Gas increased due to price increase

Interest Income decreased due to drop in market value

Other includes TIF 9 revenue and other miscellaneous revenues

Property taxes increased due to increase in property values

Trends: Enterprise Fund Revenues (p.113)

LAST 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Sale of Water (5)	Sale of System Capacity	Investment Income (loss)	Land Lease Rentals	Other (1)
2012	\$ 95,758,347	\$ 3,086,592	\$ 2,183,834	\$ 76,624	\$ 650,548
2013	112,139,871	7,903,394	262,520	85,681	1,129,678
2014	121,710,988	14,072,987	1,598,019	88,640	985,602
2015	120,844,075	21,453,659	3,748,796 (2)	74,378	1,244,742 (3)
2016	115,849,316	23,057,320	6,776,202 (2)	172,361	3,943,515 (4)
2017	127,130,021	27,954,778	5,706,516	157,262	775,215
2018	124,380,349	26,197,337	5,511,784	156,797	1,823,912 (4)
2019	120,669,062	26,125,003	14,653,818 (6)	164,955	5,364,786 (4)
2020	123,206,591	26,026,083	5,810,806 (7)	145,268	2,654,108 (8)
2021	138,108,606	27,272,197	(227,021) (9)	152,743	2,129,735

Sale of Water increased due to higher system costs

Sale of System Capacity is Dallas Water Utilities' cost to use the TRWD Water system

Investment Income shows a loss due to decrease in market value of bond investments (no cash effect)

6

Consider Approval of Contract with Pipeline Inspection and Condition Analysis Corporation for Condition Assessment of 72-inch Cedar Creek Pipe

Jason Gehrig, *Infrastructure Engineering Director*

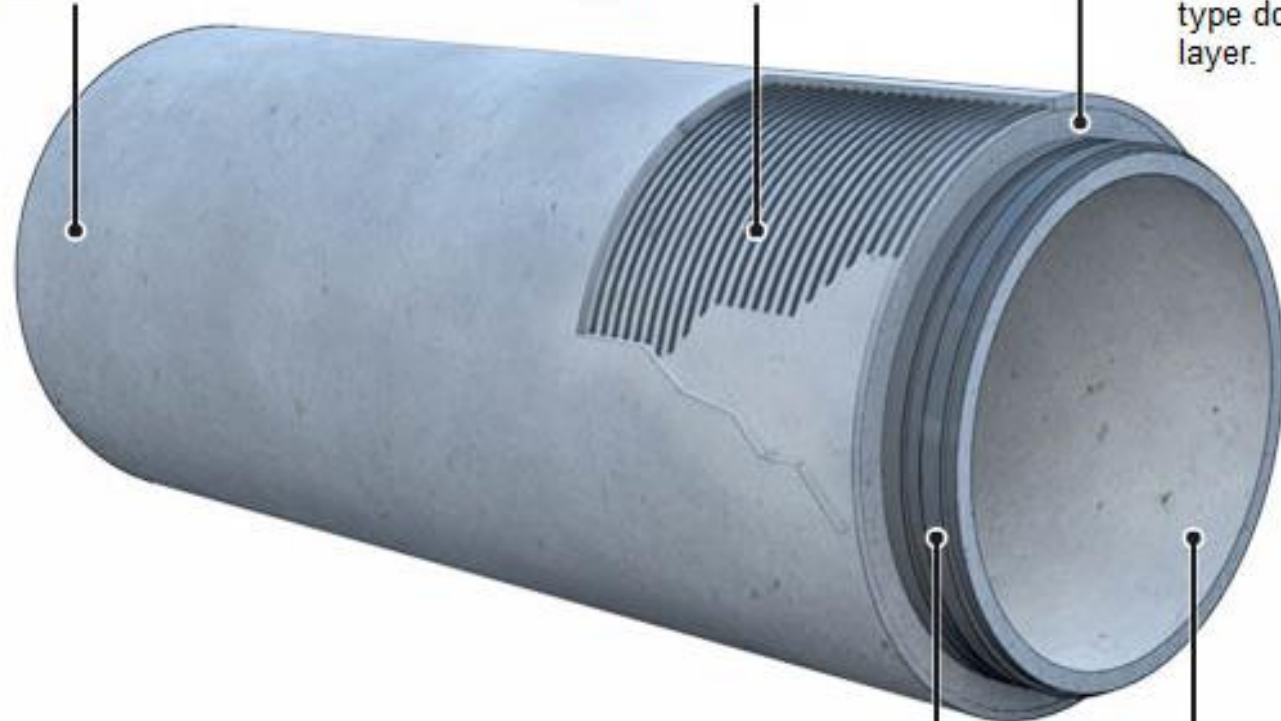
Goal:

Moving beyond just identifying locations and counts of wire breaks, to better determining remaining structural strength of the pipe

An outside coating of mortar protects the wires.

High-tension wires tightly wrap the pipe, holding it together.

A layer of concrete surrounds the steel in one type of pipe. Another type does not have this layer.



A thin, steel pipe acts as a moisture barrier.

The innermost layer is a strong concrete core.



PICA

Concrete Pressure Pipe Condition Assessment Tool



2020 Testbed at Ennis Pump Station

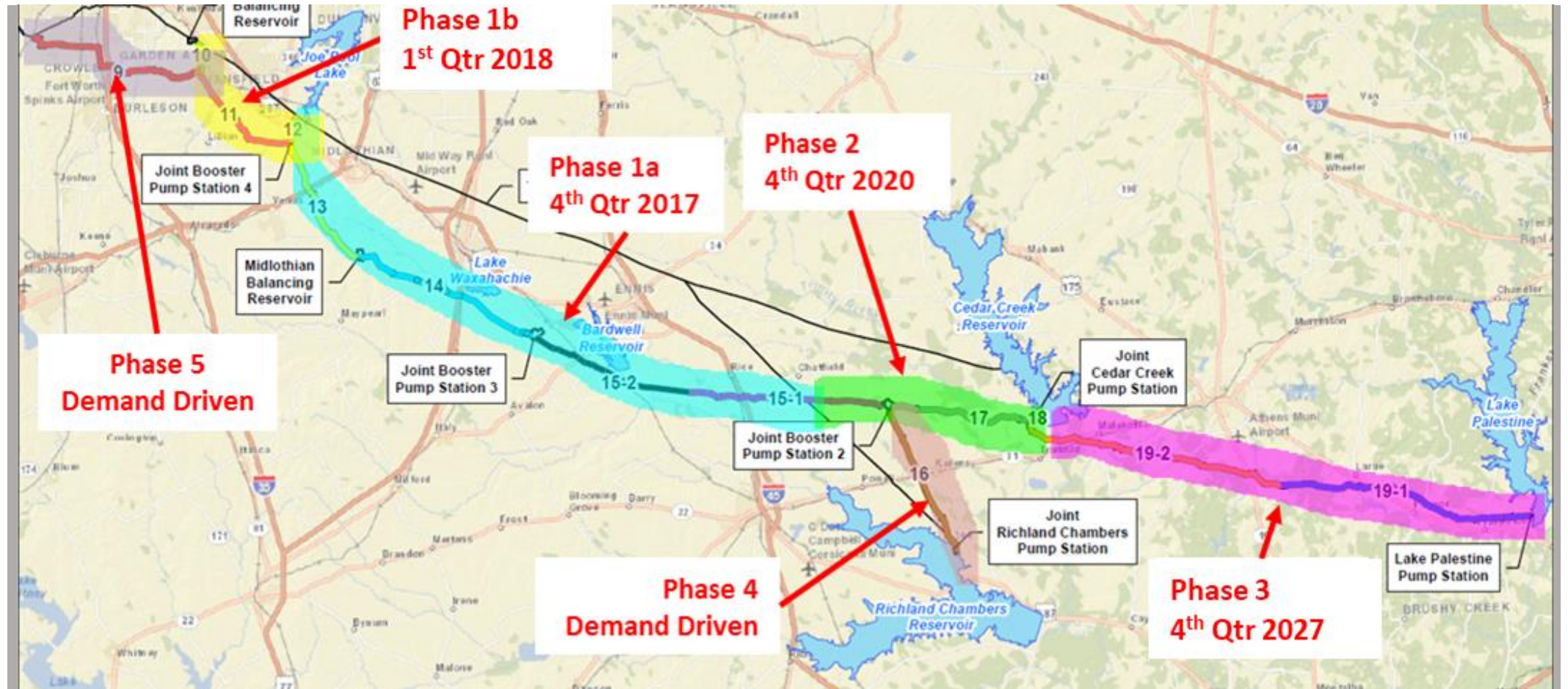


7

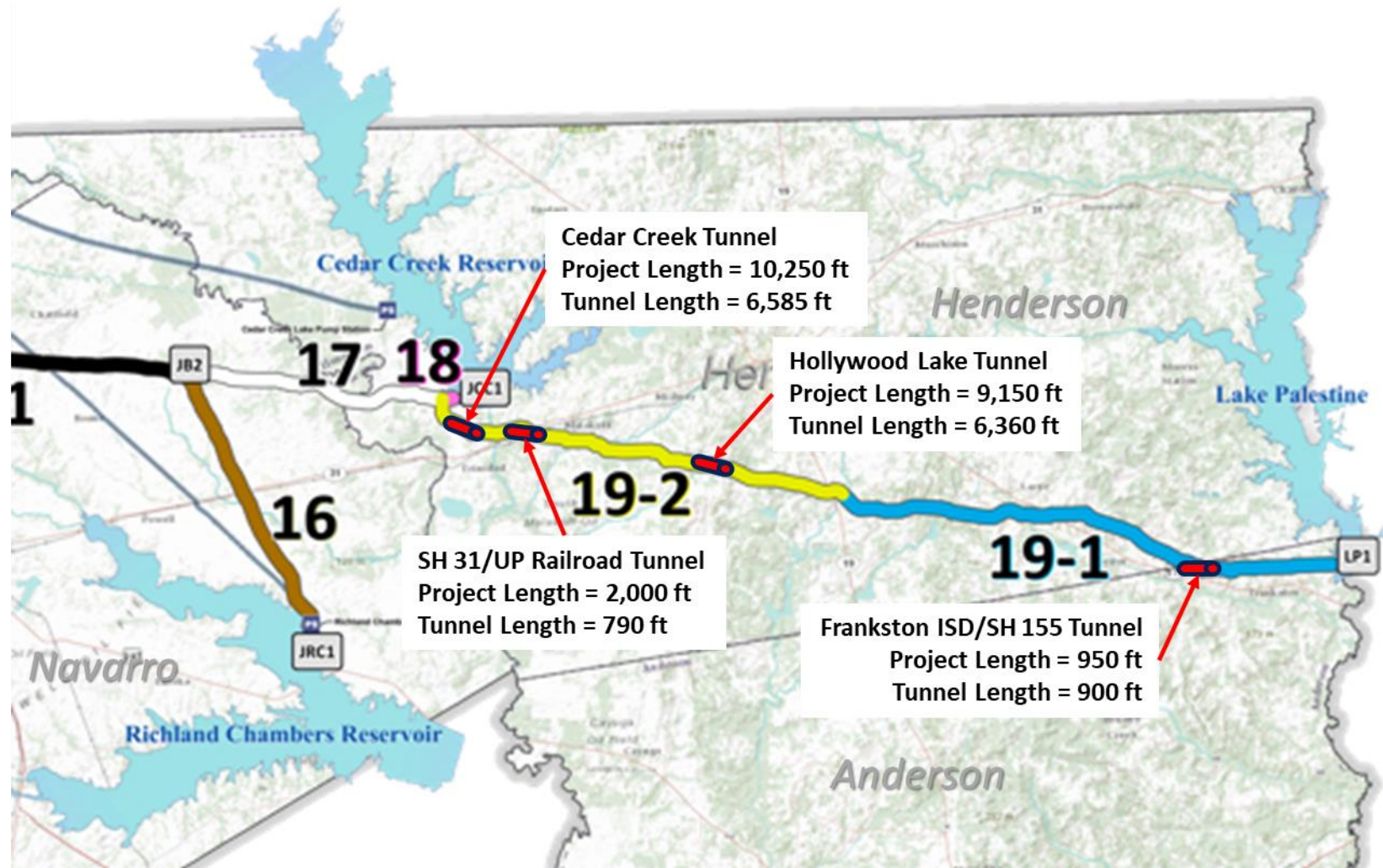
Consider Approval of Contract with Traylor-Sundt Joint Venture for Dallas Phase 3 Section 19 Long Tunnel Crossings Construction of the Integrated Pipeline Project

Ed Weaver, IPL Program Manager

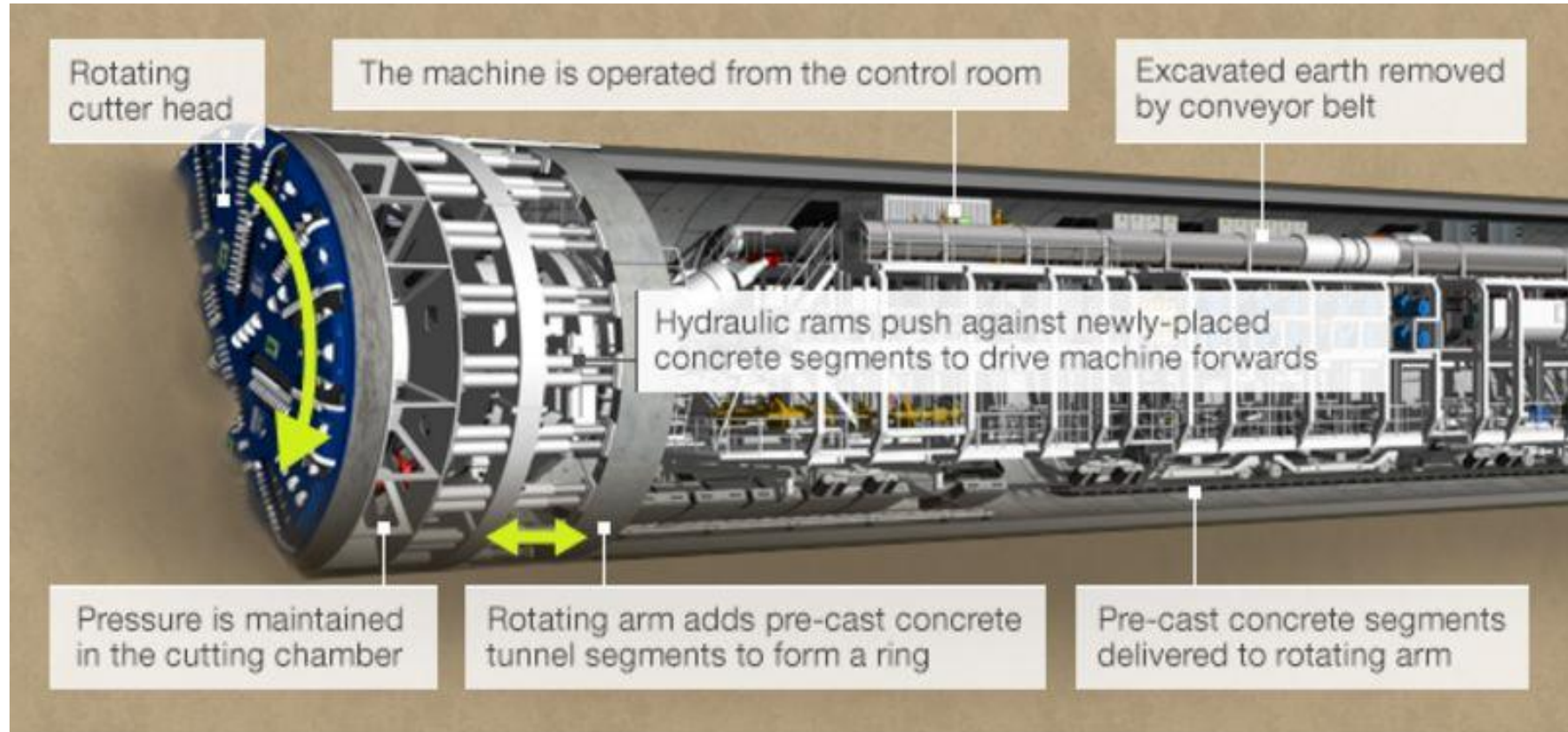
Integrated Pipeline Layout and Phases



Integrated Pipeline Phase 3 Long Tunnels

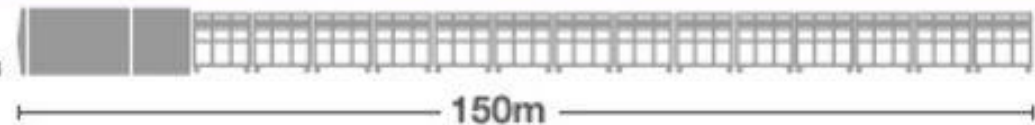


Integrated Pipeline Phase 3 Long Tunnels – Earth Pressure Balance (EPB) Tunnel Boring Machine



Source: Crossrail

Person to scale



8

Consider Approval and Adoption of the Following Proposed Board Policies to be Effective February 1, 2022: Employment Practices; Employee Standards of Conduct and Code of Ethics

Lisa Cabrera, Chief Human Resources Officer

BOARD GOVERNANCE POLICIES

This is how the Board governs itself.

COMPLETED NOV. 1



BOARD-ADOPTED POLICIES

This is how the Board exercises its governance over operations of the District.

- Financial
- Public Information
- Records Management
- Human Resources
- IT
- Operations



ADMINISTRATIVE PROCEDURES

This is how Staff executes Board-adopted Policies.

- Presented to the Board
- Posted to the website

Staff Update

MWBE Vendor Participation Update

Crystal Alba, Diverse Business Specialist

End of 4th Quarter FY 2021

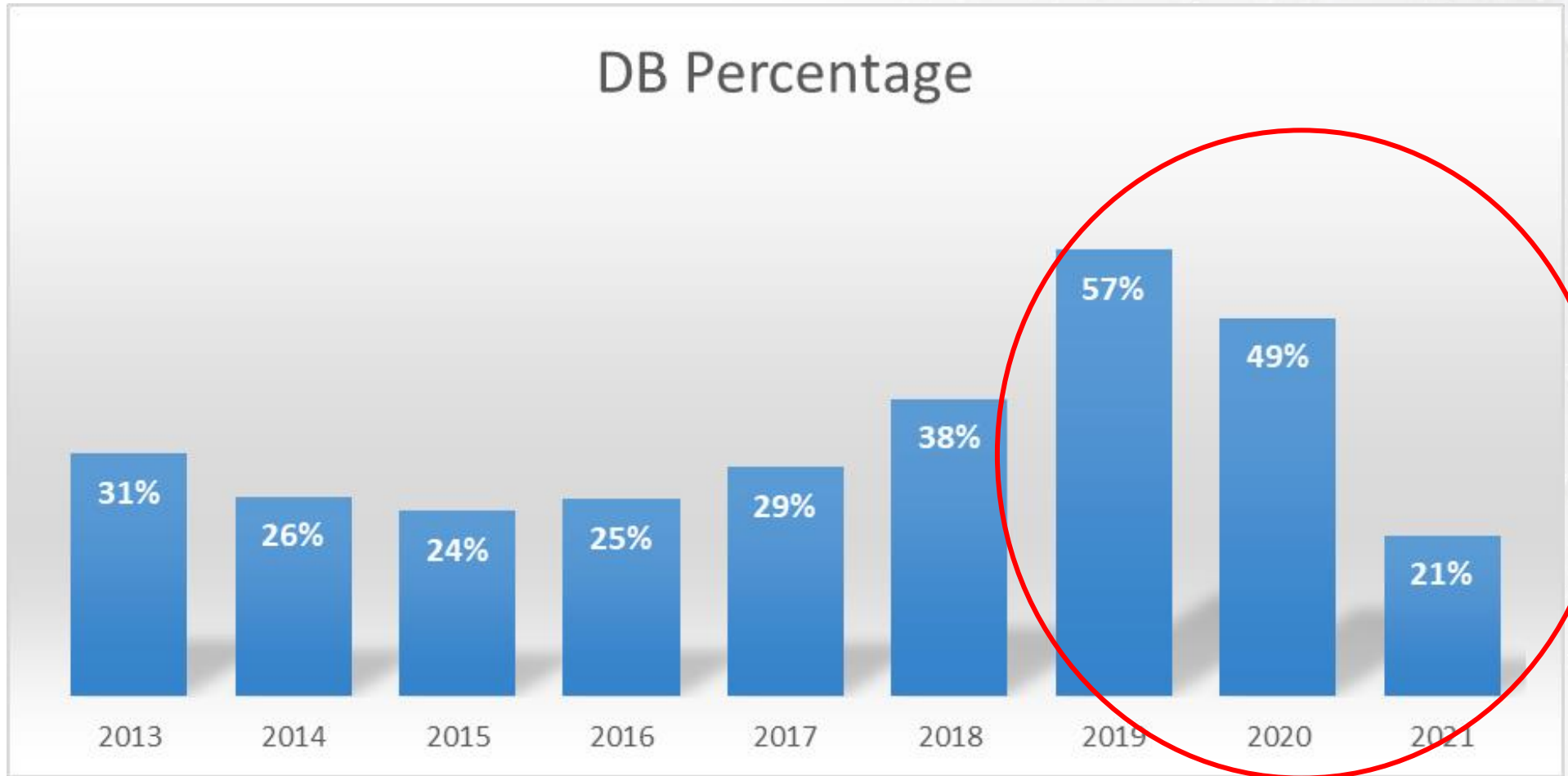
	Total Actuals	Diverse Business Actuals	Diverse Business %
Tarrant Regional Water District *(w/o IPL and Central City Project)	\$135,824,691	\$22,876,502	17%
**Central City Project	\$55,651,676	\$19,257,445	35%
***Integrated IPL (IPL)	\$794,197,112	\$263,233,465	33%
TRWD Grand Total	\$985,673,479	\$305,367,412	31%

*TRWD General Fund, Revenue Fund and Construction Funds reporting dates are 10/1/2013 – 9/30/2021.

**Central City Project reporting dates are 7/1/2006-9/30/2021.

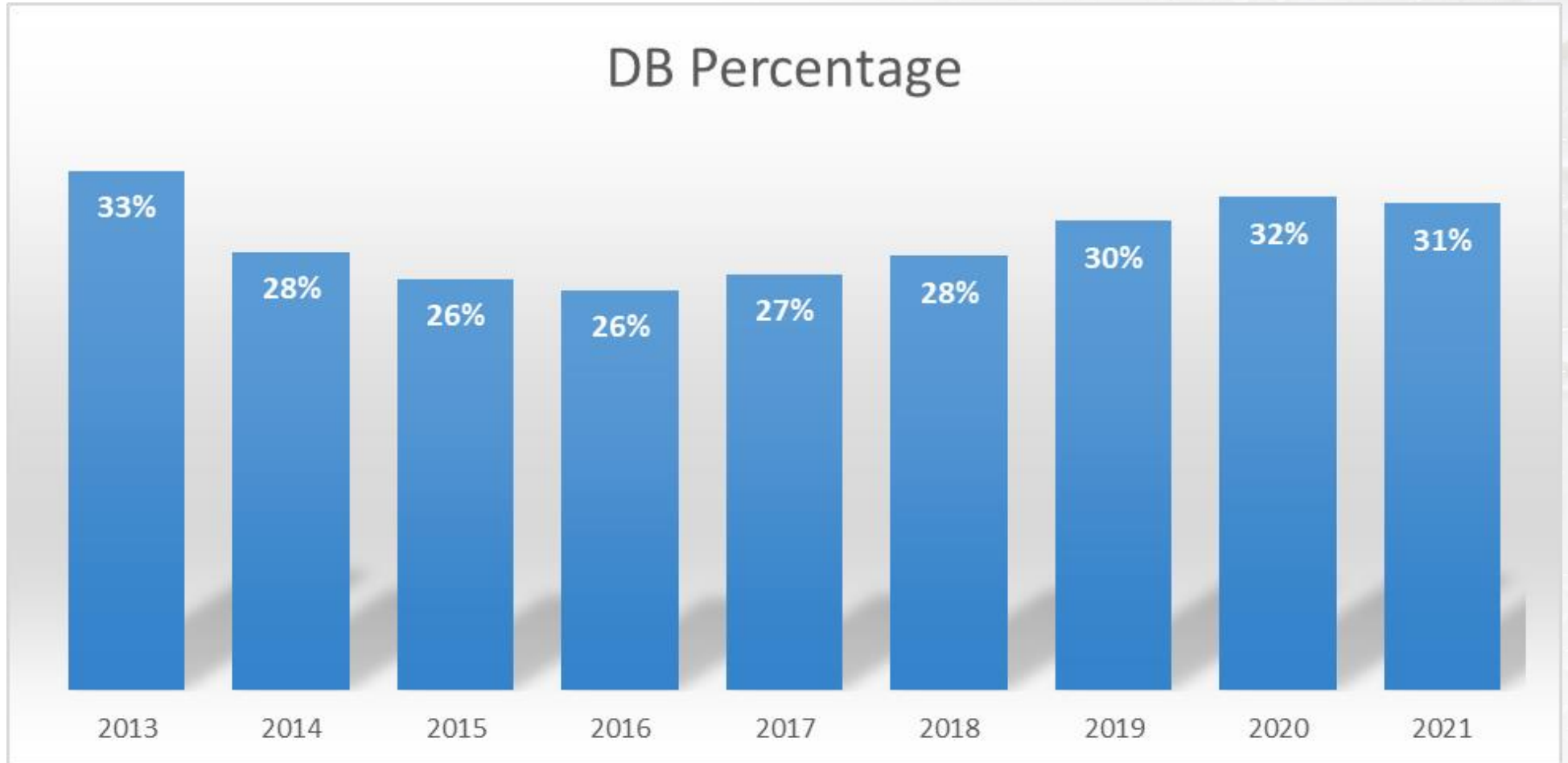
***TRWD IPL Reporting dates are 1/1/2009 – 9/30/2021. Figures do not include pipe, owner furnished equipment or land.

Diverse Business Actuals Percentage by Year

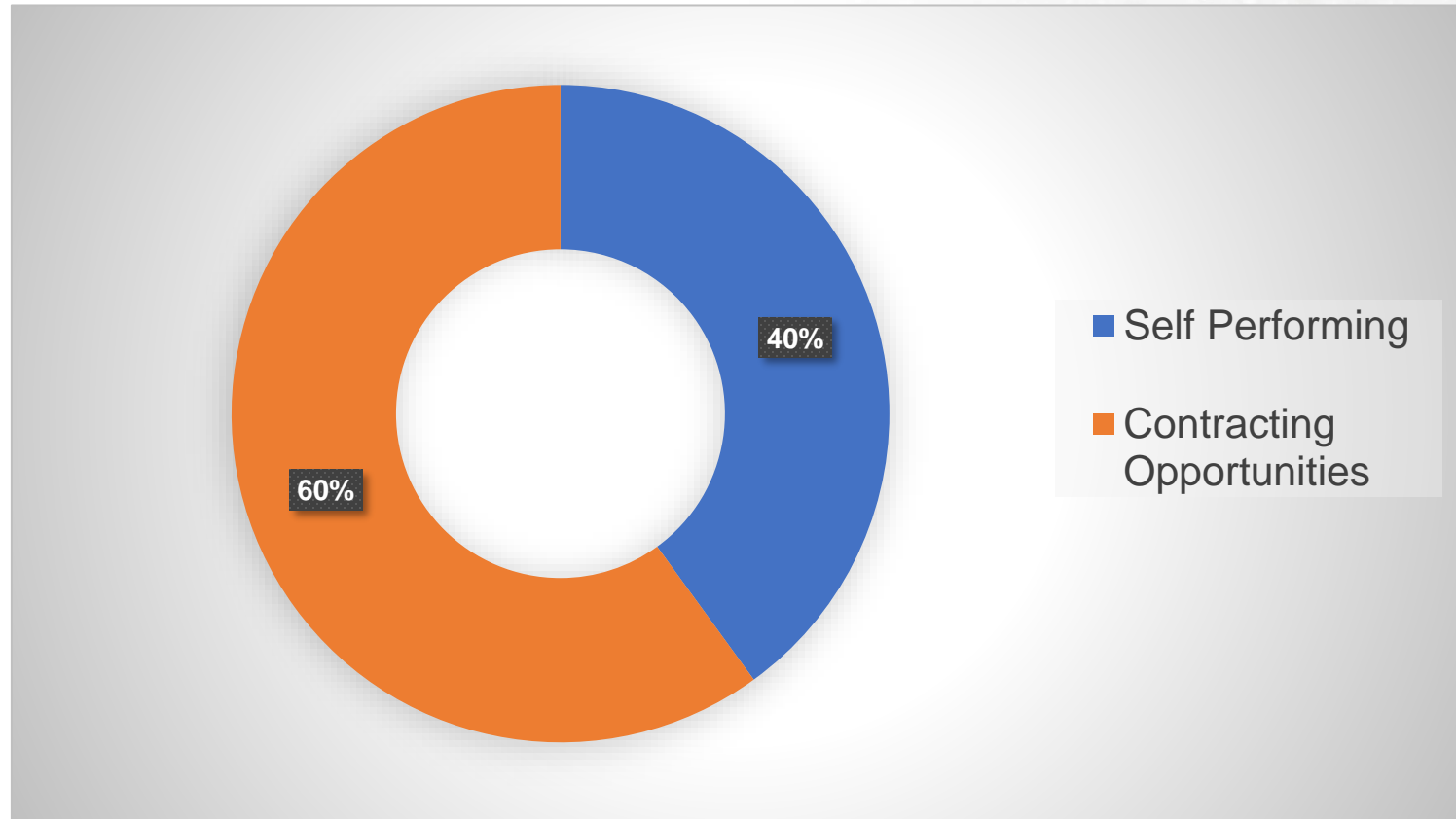


Reporting Dates: 10/1/20-9/30/21

Diverse Business Actuals Percentage by Year - Cumulative



Subcontractor Contract Utilization



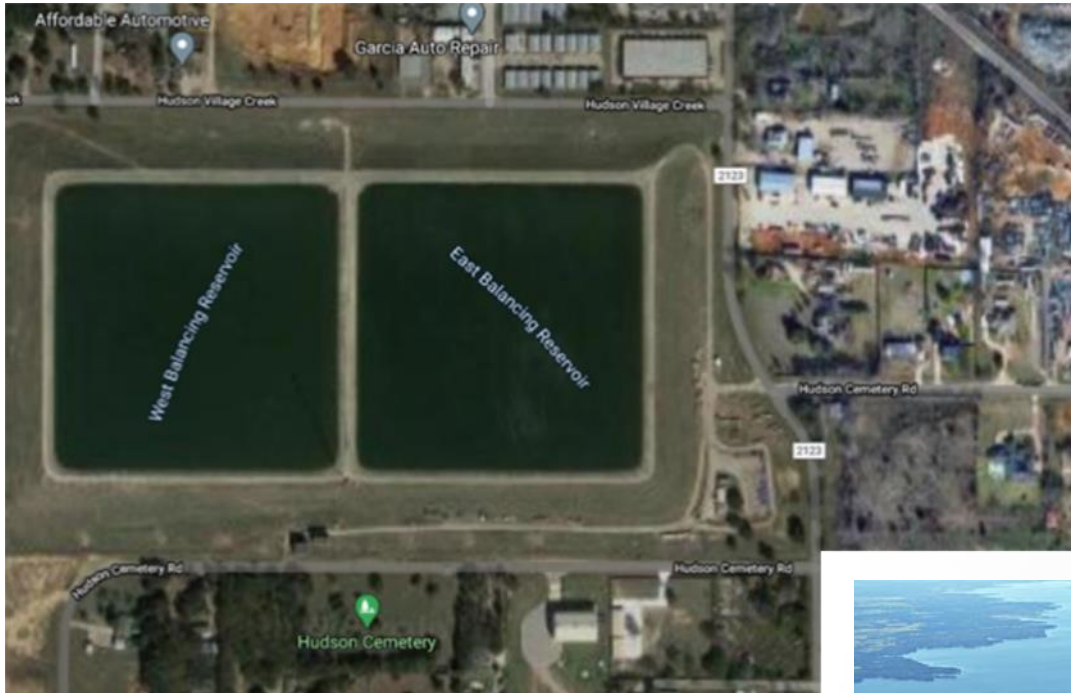
**Based on Total Number of Projects*

Increasing Diverse Business Dollars

- Closer contract utilization monitoring.
- Work with project managers to look at utilizing more certified business



Increasing Diverse Business Dollars



- Kennedale Balancing Reservoir Yard Piping Inlet and Outlet Modifications – Proposed DB Dollars 12.5 Million (31%).

- Wetland Design and Environmental Permitting Services for the Cedar Creek Wetlands Project – Proposed DB Dollars 3.3 Million (30%).



Staff Update

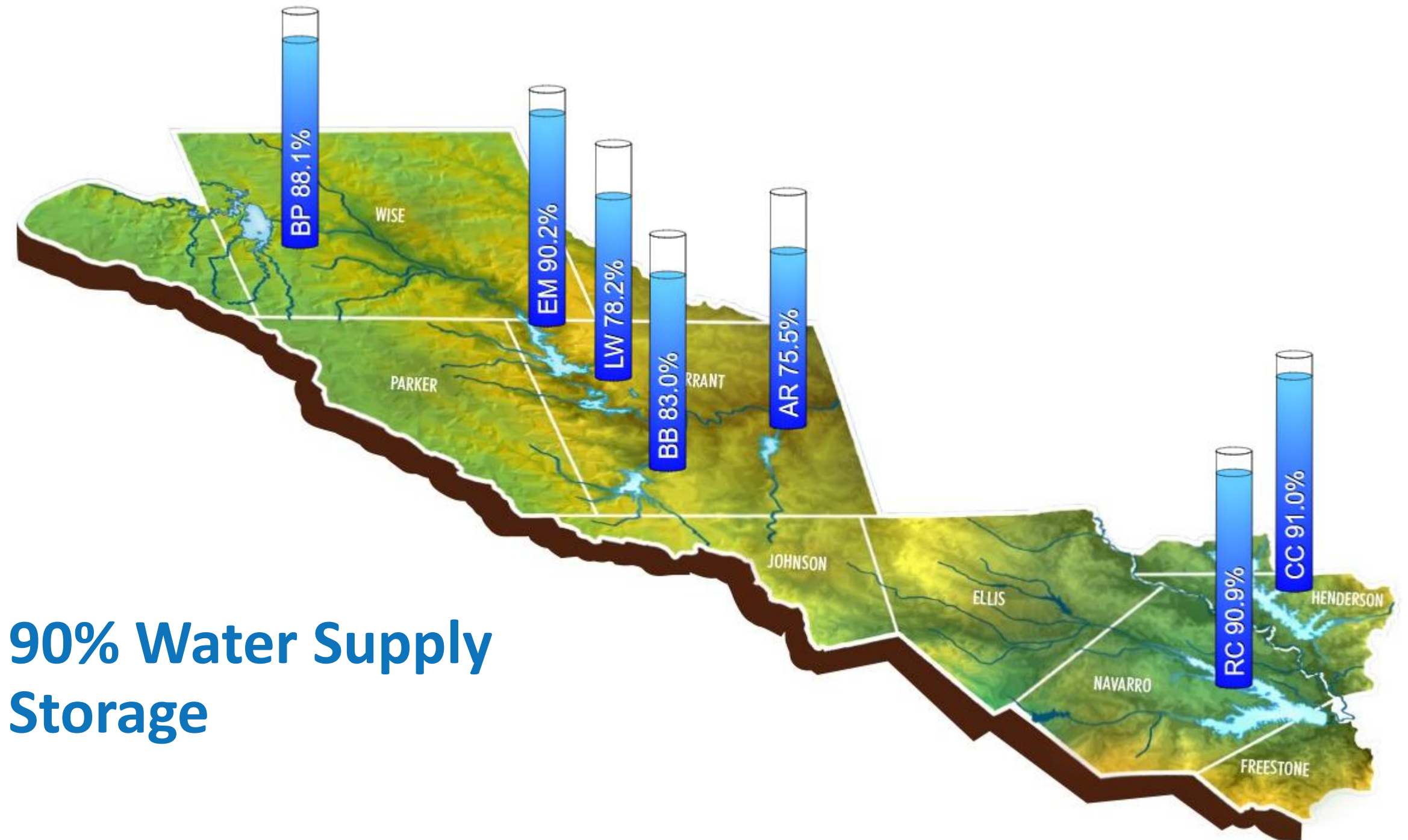
Asset Management Award

Rachel Ickert, *Chief Water Resources Officer*

Staff Update

Water Resources Update

Rachel Ickert, *Chief Water Resources Officer*



90% Water Supply Storage

U.S. Drought Monitor

Texas

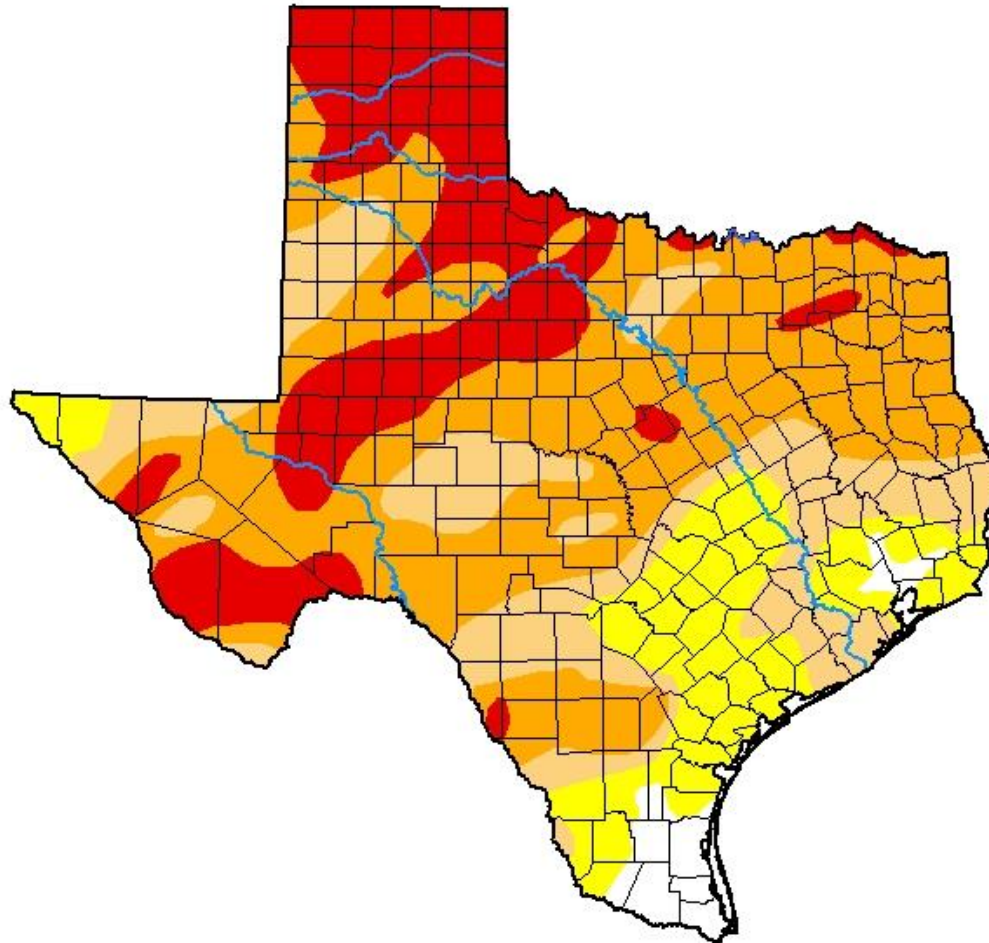
January 11, 2022

(Released Thursday, Jan. 13, 2022)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	3.21	96.79	82.48	62.44	21.91	0.00
Last Week <i>01-04-2022</i>	7.58	92.42	79.83	54.25	16.69	0.00
3 Months Ago <i>10-12-2021</i>	46.74	53.26	14.58	0.53	0.00	0.00
Start of Calendar Year <i>01-04-2022</i>	7.58	92.42	79.83	54.25	16.69	0.00
Start of Water Year <i>09-28-2021</i>	45.57	54.43	7.26	0.27	0.00	0.00
One Year Ago <i>01-12-2021</i>	31.28	68.72	48.02	32.25	18.62	5.97



Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

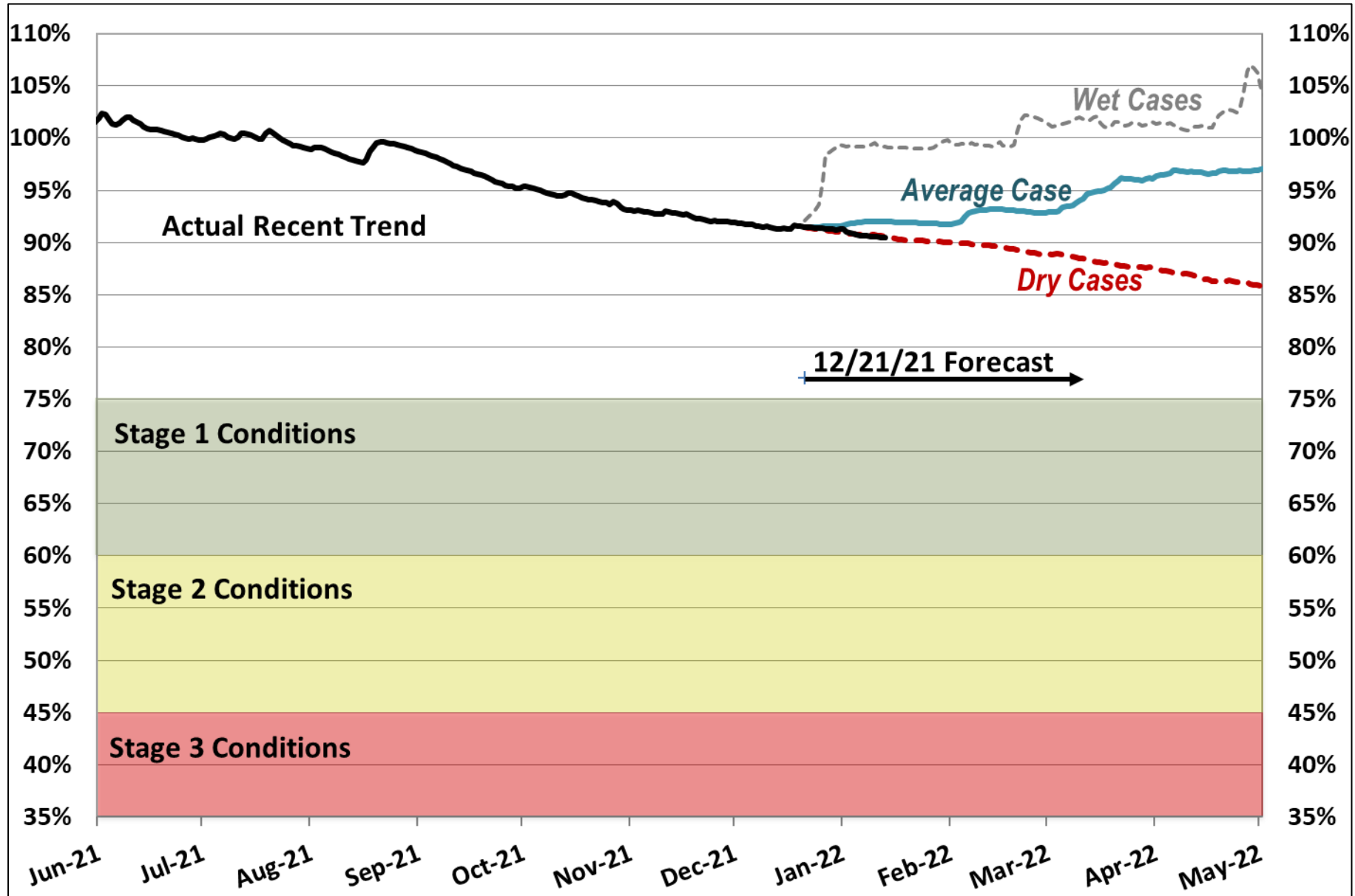
Author:

Richard Tinker
CPC/NOAA/NWS/NCEP



droughtmonitor.unl.edu

Projected Water Supply Storage



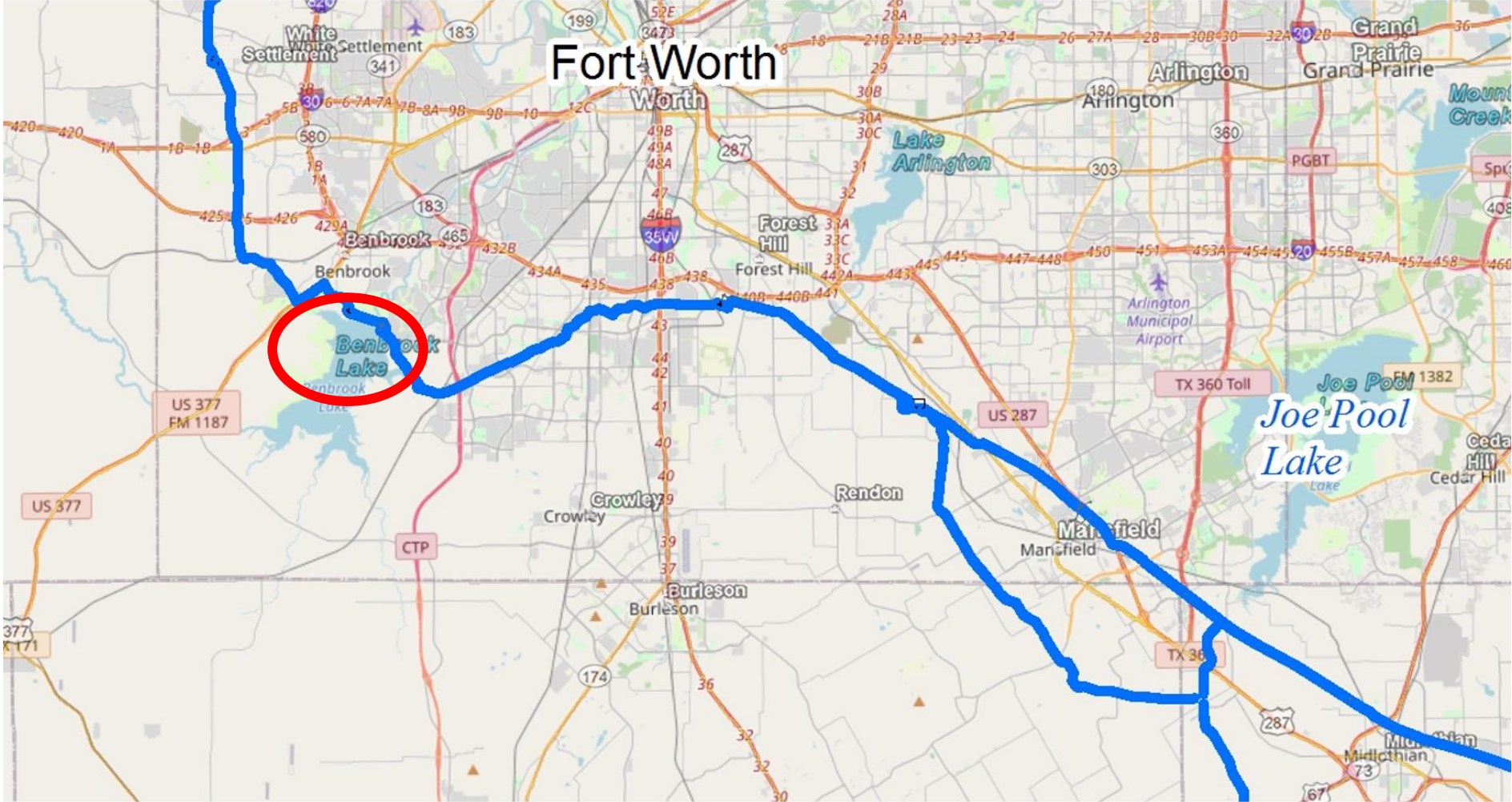
Staff Update

Original Equipment Manufacturer Repair of Benbrook Lake Pump Station Pump #1

Jason Gehrig, *Infrastructure Engineering Director*

Lake Benbrook Pump Station

Pump #1 OEM Repair



Original Equipment Manufacturer Repair of Benbrook Lake Pump Station Pump #1



Lake Benbrook Pump #1 OEM Repair



Motor Above



Pump Column Below

Lake Benbrook PS Pump #1 Repair



Lake Benbrook PS Pump #1 Repair



Lake Benbrook PS Pump #1 Repair





10

Executive Session



11

Consider Approval of Settlement of Claims in the Integrated Pipeline Project - Karamanos (1163, 1164) Lawsuit

Steve Christian, *Real Property Director*



12

Future Agenda Items



13

Next Board Meeting
February 2, 2022 & February 15, 2022





14

Adjourn