

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 18th Day of July 2023 at 9:00 a.m.

**Front Doors to the Main Admin Building at 800 East Northside Drive Will Open to
the Public at 8:30am and Close Fifteen (15) Minutes After the Meeting Adjourns**

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

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

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

Citizens may present public comment at this time, limited to a total time of three (3) minutes per speaker, unless the speaker addresses the Board through a translator, in which case the limit is a total time of six (6) minutes. 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 any agenda item number(s) and topic(s) the speaker wishes to address with the Board. If citizens wish to 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 - by no later than 3:00 p.m. on Monday, July 17, 2023, identifying any agenda item number(s) and topic(s) the speaker wishes to address with the Board. In such event, the speaker will be provided with a dial-in number to address the Board. By law, the Board may not deliberate, debate, or take action on public comment but may place the item on a future agenda.

- 3. Consider Approval of the Minutes from the Meeting Held on June 20, 2023**
- 4. Consider Approval of Contract with Hydro Resources Mid-Continent, Inc. for Aquifer Storage and Recovery Well Demonstration Study - Well Drilling - Zachary Huff, Water Resources Engineering Director**

5. **Consider Approval of Contract with BAR Constructors, Inc. for Phase 3 of the Integrated Pipeline Project - Lake Palestine Lake Pump Station and Intake - Package 1 - Wet Well and Intake Channel - Ed Weaver, IPL Program Manager**
6. **Consider Approval of Change in Calculation of Retainage with Traylor-Sundt Joint Venture for Section 19 Long Tunnel of the Integrated Pipeline Project - Ed Weaver, IPL Program Manager**
7. **Consider Approval of Contract with Veit National, Corporation for Demolition and Asbestos Abatement of South Bypass Channel - Package 2 for the Central City Flood Control Project - Kate Beck, Program Director Central City Flood Control Project**
8. **Consider Approval of Renewal of Service Agreement with Republic Waste Services DBA Arlington Landfill (formerly Allied Waste Systems) and Itasca Landfill, TX, LP for Environmental Waste Disposal Fees - Kate Beck, Program Director Central City Flood Control Project**
9. **Consider Approval of Amendment to Agreement with Aptim for Environmental Engineering Services for Central City Flood Control Project - Kate Beck, Program Director Central City Flood Control Project**
10. **Consider Approval of Resolution Authorizing the Issuance, Sale, and Delivery of Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue ECP Series A Refunding Bonds, Pledging Revenues for the Payment of the Bond, Approving an Official Statement, and Authorizing Other Instruments and Procedures Relating Thereto - Sandy Newby, Chief Financial Officer**
11. **Staff Updates**
 - **General Manager Update - Dan Buhman, General Manager**
 - **Water Resources Update - Rachel Ickert, Chief Water Resources Officer**
 - **Regional Water Conservation Public Awareness Campaign Update - Dustan Compton, Conservation Manager**
 - **Fort Worth Hispanic Chamber's "50 Emerging Latino Leaders" Update - Sandy Newby, Chief Financial Officer**
12. **Executive Session under Texas Government Code:**

Section 551.071 of the Texas Government Code, for Private Consultation with its Attorney about Pending or Contemplated Litigation or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with this Chapter

- 13. Future Agenda Items**
- 14. Schedule Next Board Meeting**
- 15. Adjourn**

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20th DAY OF JUNE 2023 AT 9:00 A.M.

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

Present
Leah King
Mary Kelleher
C.B. Team
Paxton Motheral

Absent
James Hill

Also present were Alan Thomas, Crystal Alba, Frank Beaty, Lisa Cabrera, Steve Christian, Linda Christie, Jason Gehrig, Kelly Harper, Zach Hatton, Rachel Ickert, Courtney Kelly, Sandy Newby, Stephen Tatum, Devin Taylor, and Ed Weaver of the Tarrant Regional Water District (District or TRWD).

1.

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

2.

Public comment was received from Lavonne Cockrell, who spoke regarding transparency. Public comment was received from Lon Burnam, who spoke regarding two agenda items.

3.

Secretary Kelleher assumed chairmanship of the meeting for agenda item number 3 to preside over the election of officers process per Board Governance Policy 3.6. Director Team nominated Leah King for President, James Hill for Vice President and Mary

Kelleher for Secretary. Director Motheral seconded the motion and the votes were 4 in favor, 0 against. President King then resumed chairmanship of the meeting.

4.

Director Motheral moved to approve the minutes from the meeting held on May 16, 2023. Director Team seconded the motion, and the votes were 4 in favor, 0 against. It was accordingly ordered that these minutes be placed in the permanent files of the District.

5.

With the recommendation of management, Director Team moved to approve the consent agenda which includes operations and maintenance expenditures and human resources expenditures. Consent agenda items are detailed in the attached spreadsheet. Funding for these items is included in the Fiscal Year 2023 General and Revenue Fund Budgets. Director Kelleher seconded the motion, and the votes were 4 in favor, 0 against.

Tarrant Regional Water District
 June 20, 2023 Board of Directors Meeting
 Consent Agenda

OPERATIONS AND MAINTENANCE EXPENDITURES

Project	Vendor	Amount	Purpose	Budget
1 Contract for Richland-Chambers Compound Pavement Resurfacing	Premier Industrial Services, LLC	\$271,000	The asphalt pavement within the Richland-Chambers compound is more than 20 years old, has reached the end of its useful life, and requires resurfacing. The pavement serves as entry roads, parking lots, and service roads. Approximately 50% of the pavement has deteriorated as evidenced by visible cracks and potholes. Failure to perform this project will likely result in significant additional expenses caused by base failure and ongoing road deterioration. The project consists of repairing potholes, filling cracks, and installing two courses of penetrating chip seal to 19,000 square yards of pavement.	Revenue \$300,000

HUMAN RESOURCE EXPENDITURES

Project	Vendor	Amount	Purpose	Budget
2 Contract for Wellness Platform Services	The Vitality Group, LLC	\$6.90 per employee per month; current estimated annual cost is \$28,980	The District prioritizes the health of its employees and aims to provide resources and tools to improve their wellbeing. Vitality Wellness Platform Services provide employees an opportunity to engage in everyday wellness activities and track their annual biometric screening results. The proposed contract would commence upon August 1, 2023 and terminate on July 31, 2024 with an option to renew for four (4) additional one-year periods with acceptable performance and fees.	General \$75,000
Approximate Total		<u>\$299,980.00</u>		Total <u>\$375,000</u>

6.

With the recommendation of management, Director Team moved to approve a contract in an amount not-to-exceed \$332,775 with Rexa, Inc. for the purchase three (3) electro-hydraulic actuators for the Richland-Chambers low-capacity Waxahachie pump station. Funding for this item is included in the Fiscal Year 2023 Revenue Fund Budget. Director Kelleher seconded the motion, and the votes were 4 in favor, 0 against.

7.

With the recommendation of management, Director Team moved to approve a contract in an amount not-to-exceed \$2,684,622 with Val-Matic Valve & Manufacturing Corp. to manufacture, assemble, and deliver three (3) 90-inch diameter and two (2) 102-inch diameter butterfly valves for the Cedar Creek Section II Pipeline Replacement project, one (1) 90-inch diameter butterfly valve for isolation on the Richland-Chambers Ennis Booster Pump Station Discharge Header Piping, and two (2) 84-inch diameter butterfly valves for the Benbrook Connection Pipeline at Rolling Hills Booster Pump Station. Funding for this item is included in the Bond Fund. Director Motheral seconded the motion, and the votes were 4 in favor, 0 against.

8.

With the recommendation of management, Director Motheral moved to approve a contract in an amount not-to-exceed \$289,755 with Black & Veatch Corp. for engineering services for the Power Resilience Study project. These engineering services include study phase and conceptual design investigation services. Funding for this item is included in the Fiscal Years 2023 and 2024 Revenue Fund Budgets. Director Kelleher seconded the motion, and the votes were 4 in favor, 0 against.

9.

With the recommendation of management, and subject to a correction of item 4 in the staff memo, Director Team moved to approve a credit change order in the amount of (\$411,311.98) with Ebara Corp. for programming modifications, motor sensors, contract set-offs and unused contract allowance items remaining in Procurement Package 09 - Pumps, Motors and Drives for Joint Cedar Creek Lake Pump Station Contract. Item No. 4 of the staff memo is corrected to read as follows: Item No. 4: The project included a Factory Witness Travel Allowance of \$350,000. A total of \$227,392.23 was used for factory witness travel. The remaining \$122,607.77 is unused and the amount reduced from contract. The current contract price is \$12,743,890 and the revised not to exceed contract amount, including this change order, will be \$12,332,578.02. In addition, authority is granted to the General Manager or his designee to execute all documents associated with the contract amendment. Funding for this item is included in the Bond Fund. Director Motheral seconded the motion, and the votes were 4 in favor, 0 against.

10.

With the recommendation of management, Director Kelleher moved to approve final payment in the amount of \$48,065.57, and contract closeout with Ebara Corp. for Procurement Package 09 - Pumps, Motors and Drives for Joint Cedar Creek Lake Pump Station of the Integrated Pipeline Project. The original contract value was \$12,694,890 and with approved change orders to date totaling \$(362,311.98) puts the final contract value at \$12,332,578.02. In addition, authority is granted to the General Manager or his designee to execute all documents associated with the contract amendment. Funding for this item is included in the Bond Fund. Director Team seconded the motion, and the votes were 4 in favor, 0 against.

11.

With the recommendation of management, President King moved to approve insurance renewal for a one-year period in the amount of \$996,882 for Property Lines of Coverage, \$229,834 for Casualty Lines of Coverage, and Workers Compensation Coverage with Sedgwick as the selected vendor of the Texas Water Conservation Association Risk Management Fund, a self-insurance pool formed by Texas water districts and authorities to provide expert resources and access to a customized insurance program for its members. The cost of Workers Compensation coverage will be based on actual salaries multiplied by job classification rates and the TRWD experience modifier. Funding for this item is included in the Fiscal Year 2024 General Fund Budget. Director Team seconded the motion, and the votes were 4 in favor, 0 against.

12.

With the recommendation of management, President King moved to approve a contract in an amount not-to-exceed \$171,500 with Mercer, LLC to conduct a Total Rewards Study, which includes job description harmonization, compensation benchmarking, total rewards assessment, compensation strategy development, and administrative guidelines advancement. Funding for this item is included in the Fiscal Year 2023 General Fund Budget. Director Kelleher seconded the motion, and the votes were 4 in favor, 0 against.

13.

President King led a discussion regarding potential action by the Board to recognize and honor service to both the community and the Board by past Board members Jim Lane and Marty Leonard. President King moved to name the future District Operations Facility in honor of Jim Lane and the future Cedar Creek Wetlands in honor

of Marty Leonard. Director Kelleher seconded the motion and the votes were 4 in favor, 0 against. Director Motheral requested management investigate how other municipalities and government agencies name facilities in order to create a formal policy. President King directed staff to bring a draft policy to the board for consideration in the near future.

14.

Staff Updates

- Water Resources Update presented by Rachel Ickert, Chief Water Resources Officer
- MWBE Vendor Participation Update presented by Crystal Alba, Diverse Business Specialist

The Board of Directors recessed for a break from 10:10 a.m. to 10:16 a.m.

15.

The Board next held an Executive Session commencing at 10:16 a.m. under Section 551.071 of the Texas Government Code to Consult with Legal Counsel on a Matter in Which the Duty of Counsel Under the Texas Disciplinary Rules of Professional Conduct Clearly Conflicts with Chapter 551, Texas Government Code; and Section 551.072 of the Texas Government Code to Deliberate the Purchase, Exchange, Lease or Value of Real Property.

Upon completion of the executive session at 10:46 a.m., the President reopened the meeting.

16.

With the recommendation of management and general counsel, Director Team moved to approve three (3) consents to assignment to assign the following agreements

from Brazos Electric Power Cooperative, Inc (Brazos) to Jack County Power LLC: 1) 2000 Additional Raw Water Supply Contract (as amended and assigned) between TRWD and Brazos, 2) 2004 Pipeline Easement and Right of Way Agreement from TRWD to Brazos, and 3) 2005 Pipeline Easement and Right of Way Agreement from TRWD to Brazos. Director Motheral seconded the motion, and the votes were 4 in favor, 0 against.

17.

With the recommendation of management and outside counsel, Director Team moved to approve the settlement of claims in the condemned property interests owned by Fredrick L. and Donna Jo Williams for IPL Parcel No. 732 in the amount of \$200,000. Funding for this item is included in the Bond Fund. Director Kelleher seconded the motion, and the votes were 4 in favor, 0 against.

18.

There were no future agenda items approved.

19.

The next board meetings were scheduled for July 17, 2023, at 3:00 p.m. and July 18, 2023, at 9:00 a.m.

20.

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

President

Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: July 18, 2023

SUBJECT: Consider Approval of Contract with Hydro Resources Mid-Continent, Inc. for Aquifer Storage and Recovery Well Demonstration Study - Well Drilling

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of a contract **in an amount not-to-exceed \$3,453,290** with Hydro Resources Mid-Continent, Inc. for drilling of the Aquifer Storage and Recovery wells.

DISCUSSION:

Aquifer Storage and Recovery (ASR) is a proven technology to store water underground for later use. Benefits of ASR systems include improved resilience in times of drought, avoidance of evaporation, storage for emergency situations, and an intermittent source of supply to be used during peak demand periods. The District has thoroughly evaluated this water supply strategy, conducting studies in 2000, 2002, 2015, and a business case evaluation in 2016.

In September of 2016, the District's Board authorized further development of ASR as a water supply strategy. A full-scale pilot test ASR well was the next step forward, and the 100% design of this well was completed earlier this year.

This first phase of the project includes drilling one full-scale demonstration ASR well and one monitoring well at the Trinity River Authority water treatment plant. The water to be injected will be treated, potable water.

Hydro Resources Mid-Continent, Inc. will perform the following services as part of this contract: site preparation, drilling and installing one monitoring well, drilling and installing one ASR well, collecting groundwater and core samples, testing, and sampling. Both wells will be installed in the Hosston Formation of the Trinity Aquifer, approximately 1,450 feet deep.

Once the well drilling is completed, a second construction contract will be required to construct the ASR surface facilities, which includes the ASR well pump, motor, electrical building, yard piping, and associated controls. Additional TRWD Board approval will be requested for this follow-up phase.

Competitive sealed proposals were solicited per statute and two proposals were received. The selection team evaluated the proposals and determined that Hydro Resources Mid-Continent, Inc. submitted the proposal providing the best value to the District. See attached evaluation score sheet.

Hydro Resources is a prime, non-certified business and has subcontracted portions of the contract to non-certified businesses. The proposed participation is 0%.

This item was reviewed by the Construction and Operations Committee on July 14, 2023.

Submitted By:

Zachary Huff
Water Resources Engineering Director



Final Evaluation Sheet

23-140 ASR Well Demonstration Study - Well Drilling

Technical Quality Criteria	Total Points Available	Alsay Incorporated	Hydro Resources - Mid Continent Inc.
Proposed Contract Price and Contract Times	40.0	40.0	37.2
Price		\$3,134,300.00	\$3,453,290.00
Experience and qualifications of proposed key personnel	25.0	17.6	24.8
Days		300	150
Experience / past performance of Offeror	20.0	12.2	19.8
Contractor's approach to the project	15.0	5.0	14.6
Total	100.0	74.8	96.4

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: July 18, 2023

SUBJECT: Consider Approval of Contract with BAR Constructors, Inc. for Phase 3 of the Integrated Pipeline Project - Lake Palestine Lake Pump Station and Intake - Package 1 - Wet Well and Intake Channel

FUNDING: Dallas Bond Fund

RECOMMENDATION:

Management recommends approval of a contract in the amount of **\$53,826,721** with BAR Constructors, Inc. for construction of Phase 3 of the Integrated Pipeline Project - Lake Palestine Lake Pump Station and Intake - Package 1 - Wet Well and Intake Channel, funded 100% by City of Dallas.

DISCUSSION:

On October 25, 2019, City of Dallas requested the District proceed with design and construction of Phase 3 of the Integrated Pipeline Project. Phase 3 of the Integrated Pipeline spans from Lake Palestine to Cedar Creek. There are two Phase 3 projects currently underway - Section 19 TXDOT Tunnel Crossing and Section 19 Long Tunnel Crossing.

The Lake Palestine Lake Pump Station of the Integrated Pipeline Project is part of the system that will enable pumping of Dallas’ permitted water from Lake Palestine through the IPL to a Dallas delivery point in Grand Prairie by 2027. This contract includes excavation of the intake channel that connects the pump station to the deepest part of the reservoir and construction of the pump wet well substructure.

On June 08, 2023, competitive sealed proposals were received from two offerors:

Tabulation of Offers Received					
Project: IPL Lake Palestine Lake Pump Station – Package 1 (LP1IN)		Project Number: IPL-CSP-23-065			
Owner: Tarrant Regional Water District		Date: June 08, 2023			
Engineer: Jacobs					
Name of Offeror	Addenda Received	Bid Bond Attached	Total Offer Amount	Substantial Completion Days	Final Completion Days
BAR Constructors, Inc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$53,826,721.00	671	790
Thalle Construction Co., Inc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$51,810,850.00	690	720

The IPL Project selection team, consisting of three District members and two Dallas members, evaluated, ranked, and determined that BAR Constructors, Inc. (BAR) submitted the proposal that offers the best value to both the District and the City of Dallas. BAR has previously successfully performed pipeline and facility project work for both the District and Dallas Water Utilities.

BAR provided a plan for Fair Opportunities in Purchasing and Contracting Program showing 1.4% participation. BAR is also qualified as a DBE/HUB contractor under the Program which puts total DBE/HUB participation at 41.5%.

Management also requests that the General Manager or his designee be granted authority to execute all documents associated with the contract described herein.

Included for reference are staff recommendation and Fair Opportunity in Purchasing and Contracting Summary.

This item was reviewed by the Construction and Operations Committee on July 14, 2023.

Submitted By:

Ed Weaver
IPL Program Manager



Memo

TO: Ed Weaver

FROM: Matt Gaughan

DATE: July 07, 2023

SUBJECT: Recommendation for Award of Contract for Construction of Lake Palestine Lake Pump Station and Intake – Package 1 – Substructure and Intake Channel of the Integrated Pipeline Project to BAR Constructors, Inc.

Two prospective Contractors submitted Competitive Sealed Proposals on June 08, 2023 for the referenced project.

The IPL selection team evaluated the two Proposals. Scoring by the selection team was made based on reviews of the Proposals by the members of the selection team. The selection team was assisted in their evaluation efforts by reports from the review team made up of IPL staff members charged with review of documents and investigation of references submitted by the Offerors. The results of the selection process are shown in the following Offeror Evaluation Worksheet:

IPL Project

IPL Lake Palestine Lake Pump Station - Package 1 (LP1IN)

Offeror Selection Worksheet

Tabulation of Scoring

Criteria	Criteria	Points	BAR Constructors	Thalle Construction Co.
A	Proposed Contract Price and Contract Time			
	Proposed Contract Price	40	\$53,826,721.00	\$51,810,850.00
	Proposed Substantial Completion Contract Days		671	690
	Point Value		38.6	40.0
B	Contractor's Approach to the Project	15	13.6	9.8
C	Experience/past performance of Offeror	15	14.4	8.2
D	Experience and qualifications of proposed key personnel	15	13.0	9.2
E	FOPC Participation	15	5.0	6.0
Total Points			84.6	73.2

The selection team determined that BAR Constructors, Inc., a local company with offices in Lancaster, Texas, submitted the Proposal that provides the best value to Dallas and the District. BAR proposed the higher cost proposal and the earliest completion date.

BAR’s proposal demonstrating an excellent approach to the project and more qualified key personnel. BAR has successfully completed five (5) IPL projects (Section 15-2 Pipeline, S2x12 Interconnect, S1x10 Interconnect, JCC1 Pump Station Package 1, and JCC1 Pump Station Package 2). BAR is currently constructing the open cut portion of the IPL Section 19 Long Tunnel Project and the KBR Yard Piping and Inlet and Outlet Modifications project.

It is recommended that a contract be awarded to BAR Constructors, Inc. in the amount of \$53,826,721.00 to construct the Project.

Fair Opportunity in Purchasing and Contracting

Project: Integrated Pipeline Project – Lake Palestine Lake Pump Station and Intake – Package 1 – Substructure and Intake Channel

BAR Constructors, Inc. with offices in Lancaster, Texas, has signed the IPL Project Fair Opportunity Purchasing documentation, and proposes to use the following subcontractors, suppliers, and sub-consultants:

Project Category: Construction

LOCAL/NON-LOCAL CONTRACT SUMMARY

	Amount	Percent
Local Contracts	\$27,289,958.00	50.7%
Non-Local Contracts	\$24,743,763.00	46.0%
Optional Supplemental Services	\$1,793,000.00	3.3%
Total This Agenda	\$53,826,721.00	100.0%

LOCAL/NON-LOCAL DBE/HUB PARTICIPATION THIS ACTION

<u>Local</u>	<u>Certification</u>
LaFer	DBE / HUB
Romero Steel	DBE / HUB

DBE/HUB Subcontractor Participation is 1.4%.
 BAR Constructors, Inc. is certified as DBE/HUB. With self-performance, the total DBE/HUB participation is 41.5%



July 13, 2023

Mr. Ed Weaver
Tarrant Regional Water District
800 E. Northside Drive
Fort Worth, TX 76102

RE: Tarrant Regional Water District
Lake Palestine Lake Pump Station and Intake - Package 1
Discrepancy in Number of Days to Reach Substantial Completion

Dear Mr. Weaver:

On June 8, 2023, BAR Constructors submitted a Proposal indicating 671 days from the date of notice to proceed to reach substantial completion. This 671 days along with the final completion days indicated of 790 days, exceeds the maximum 60 day difference between the two events indicated in the project specifications.

The 671 days for substantial completion was incorrectly calculated using the substantial completion date of 6/16/25. The date for calculating days for substantial completion should have been 8/15/25 as shown in the "activity name" column for activity ID 360 on the project schedule in BAR's qualifications packet. Using a NTP date of 8/15/23 and substantial completion date of 8/15/25, days to reach substantial completion should be 731.

In summary, BAR's Proposal should read 731 days to reach substantial completion, and 790 days to reach final completion.

We apologize for the confusion this has caused, and should you have any further questions, please do not hesitate to contact me at 972-227-3287.

Sincerely

BAR Constructors, Inc.

A handwritten signature in blue ink that reads "Bryan Hignight".

Bryan Hignight
Estimator/Project Manager

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: July 18, 2023

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

FUNDING: Dallas Bond Fund

RECOMMENDATION:

Management recommends a change in the calculation of the retainage being held for Traylor-Sundt Joint Venture to **5% of the contract price**. All remaining contract payments are to be made in full. However, any changes to the contract price by change order or alternate base bid work for the project will require adjustment to the retainage schedule.

DISCUSSION:

The District is required to hold 10% retainage on contract progress payments. If at any time however, after 50% of the work has been completed, the Board finding that satisfactory progress is being made, may authorize that the remaining payments be made in full.

Traylor-Sundt Joint Venture is expected to reach the 50% complete stage of the contract in July. The total current contract price is \$221,709,302.25 with retainage to be held at 50% of the contract price in the amount of \$11,085,465.11.

Traylor-Sundt Joint Venture's performance has been satisfactory to date and has provided written Consent of its Surety to the reduction in retainage. The District is requesting permission to cease retainage on future payments and hold retainage equal to 5% of the contract price.

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

Management also requests that the General Manager or his designee be granted authority to execute all documents associated with the contract described herein.

This item was reviewed by the Construction and Operations Committee on July 14, 2023.

Submitted By:

Ed Weaver
IPL Program Manager



Memo

TO: Ed Weaver

FROM: Charles Cameron

COPY: Coy Veach

DATE: July 18th, 2023

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

Traylor Sundt Joint Venture will reach the 50% Completion milestone for the reference project on 1st July 2023. Traylor-Sundt Joint Venture's work on the project is acceptable and there are no outstanding issues that would show that a higher amount of retainage should be held. In accordance with the terms of the Agreement, the District can, under these circumstances, change the calculation of the retainage being held hold retainage to the amount representing 5% of the total Contract Price if they determine that the amount retained is adequate for the protection of the District.

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

The current Contract Price and amount subject to retainage is \$221,709,302.25. IPL Staff is recommended that District hold retainage in the amount of \$11,085,465.11 until the Project is complete and adjust this amount if any changes are made to the Contract Price by Change Order or alternate base bid work for the Project.

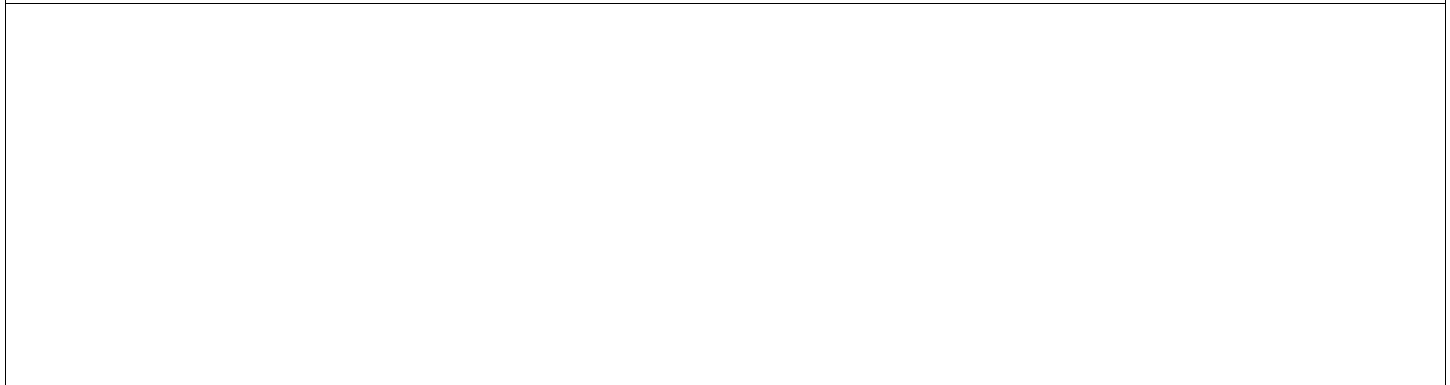
The Consent of Surety to Reduction in Retainage is attached.

Consent of Surety to Reduction in Retainage

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

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

Surety Company agrees to the reduction in retainage to \$ 11,085,465.11



Date: July 7, 2023

Name of Surety Company: *

Signature: *Salena Wood*

Authorized Representative

Title: Salena Wood, Attorney-In-Fact

Address: **

* TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
 FIDELITY AND DEPOSIT COMPANY OF MARYLAND,
 ZURICH AMERICAN INSURANCE COMPANY
 FEDERAL INSURANCE COMPANY

Email: salena.wood@aon.com
(Attach Power of Attorney and place surety seal below)

** One Tower Square, Bond/5PB, Hartford, CT 06183 (Travelers)
 1299 Zurich Way, Schaumburg, IL 60196-1056 (F&D & Zurich)
 202B Hall's Mill Road, Whitehouse Station, NJ 08889 (Federal)





**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

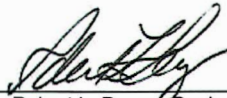
KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Salena Wood** of **ST LOUIS**, **Missouri**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April**, 2021.



State of Connecticut

City of Hartford ss.

By: 
Robert L. Raney, Senior Vice President

On this the **21st** day of **April**, 2021, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, 2026




Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **7th** day of **July**, 2023




Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Susan R. SCHWARTZ, Salena WOOD, Thomas U. KRIPPENE, Catherine L. GEIMER, Eric D. SAUER, Christina BARATTI, Jennifer WILLIAMS and Barbara PANNIER, all of St. Louis, Missouri**, EACH, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 15th day of January, A.D. 2020.



**ATTEST:
ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*
Vice President

By: *Dawn E. Brown*
Secretary

**State of Maryland
County of Baltimore**

On this 15th day of January, A.D. 2020, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Secretary of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this _____ day of _____.



Brian M. Hodges

By: Brian M. Hodges
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
www.reportsfclaims@zurichna.com
800-626-4577

Power of Attorney

Federal Insurance Company | Vigilant Insurance Company | Pacific Indemnity Company
Westchester Fire Insurance Company | ACE American Insurance Company

Know All by These Presents, that FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY corporations of the Commonwealth of Pennsylvania, do each hereby constitute and appoint Christina L. Baratti, Catherine L. Geimer, Thomas U. Krippene, Barbara Pannier, Eric D. Sauer, Susan R. Schwartz, Jennifer Williams and Salena Wood of St. Louis, Missouri

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY have each executed and attested these presents and affixed their corporate seals on this 14th day of January, 2020.

Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

Stephen M. Haney

Stephen M. Haney, Vice President



STATE OF NEW JERSEY
County of Hunterdon

ss.

On this 14th day of January, 2020 before me, a Notary Public of New Jersey, personally came Dawn M. Chloros and Stephen M. Haney, to me known to be Assistant Secretary and Vice President, respectively, of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros and Stephen M. Haney, being by me duly sworn, severally and each for herself and himself did depose and say that they are Assistant Secretary and Vice President, respectively, of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY and know the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of said Companies; and that their signatures as such officers were duly affixed and subscribed by like authority.

Notarial Seal



KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2024

[Signature]
Notary Public

CERTIFICATION

Resolutions adopted by the Boards of Directors of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY on August 30, 2016; WESTCHESTER FIRE INSURANCE COMPANY on December 11, 2006; and ACE AMERICAN INSURANCE COMPANY on March 20, 2009:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into in the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
(2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
(3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(4) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing to any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested."

I, Dawn M. Chloros, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY (the "Companies") do hereby certify that

- (i) the foregoing Resolutions adopted by the Board of Directors of the Companies are true, correct and in full force and effect,
(ii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Whitehouse Station, NJ, this 7/7/23



Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT:
Telephone (908) 903- 3493 Fax (908) 903- 3656 e-mail: surety@chubb.com

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: July 18, 2023

SUBJECT: Consider Approval of Contract with Veit National, Corporation for Demolition and Asbestos Abatement of South Bypass Channel - Package 2 for the Central City Flood Control Project

FUNDING: Fiscal Year 2023 Special Projects/Contingency Fund - \$295,365

RECOMMENDATION:

Management recommends approval of a contract **in an amount not-to exceed \$246,137** with Veit National, Corporation for demolition and asbestos abatement of South Bypass Channel - Package 2 for the Central City Flood Control Project. In addition, management requests authorization of an additional 20% contingency to cover any additional unforeseen demolition or abatement costs necessary should they be required, for a total budget authorization of \$295,365.

DISCUSSION:

The properties in Demolition Package 2 are located within the South Bypass Channel and are part of the property supplied by the District to USACE for the Central City Flood Control project. This project is required this year in order to maintain the Corps of Engineers' (USACE) schedule for Central City construction, which will improve flood protection for the community, and to clear the area ahead of required City of Fort Worth utility relocations critical for the South Bypass Channel.

Veit National, Corporation 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.

Competitive sealed proposals from four companies were received on June 30, 2023. An additional proposal was determined to be non-conforming and was rejected. The competitive sealed proposals were reviewed, and Veit National, Corporation had the best value to the District.

Veit National, Corporation is not a Diverse Business but has subcontracted portions of the contract to 4 subcontractors resulting in an overall Diverse Business participation commitment of 40%. The following subcontractors are proposed as part of this contract: Allen & Co. Environmental Services (DB); Terradyne Group (DB); Universal Fence Company, Inc. (DB); Northern Haulers, Inc. (DB).

Management requests that the General Manager or his designee be granted authority to execute all documents necessary to complete the transaction.

This item was reviewed by the Construction and Operations Committee on July 14, 2023.

Submitted By:

Kate Beck
Program Director, Central City Flood Control Project

CENTRAL CITY SOUTH BYPASS CHANNEL			
DEMOLITION AND ASBESTOS ABATEMENT - PACKAGE 2			
TRWD CSP # 23-124			
Company Name	Base Proposal	Total Proposal	Completion Time
VEIT NATIONAL, CORPORATION	\$246,137.00	\$274,637.00	75
PATRIOT DEMOLITION SERVICES, INC	\$310,000.00	\$328,000.00	55
GARRETT DEMOLITION, INC	\$345,207.00	\$418,341.00	57
RNDI COMPANIES, INC	\$363,360.00	\$396,990.00	90
NON-COMPLIANT BIDDER- LONE STAR TRUCKING AND EXCAVATION			

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: July 18, 2023

SUBJECT: Consider Renewal of Service Agreement with Republic Waste Services DBA Arlington Landfill (formerly Allied Waste Systems) and Itasca Landfill, TX, LP for Environmental Waste Disposal Fees

FUNDING: Fiscal year 2023 Special Projects/Contingency Fund

RECOMMENDATION:

Management recommends renewal of the service agreement with Republic Waste Services.

DISCUSSION:

The Board previously authorized a multi-year service agreement with Republic Waste Services locking in waste disposal fees through December of 2023 based on the volumes of demolition and environmental waste anticipated from the Central City Project. Republic Waste Services has maintained their competitive pricing and is the only firm able to address all of our remaining demolition environmental waste needs. This agreement allows the District to continue to cost effectively complete our local sponsor duties as part of the Central City Flood Control Program and satisfy the US Army Corps of Engineer schedule requirements and meet the local, state and federal waste disposal requirements. By paying the landfills directly through this service agreement, we have eliminated additional markup on those fees by contractors and pre-negotiated discounted waste disposal rates. Staff recommends renewal of these rates with pricing extended for an additional three years, effective through the end of 2026.

This item was reviewed by the Construction and Operations Committee on July 14, 2023.

Submitted By:

Kate Beck
Program Director, Central City Flood Control Project

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 9

DATE: July 18, 2023

SUBJECT: Consider Approval of Amendment to Agreement with Aptim for Environmental Engineering Services for Central City Flood Control Project

FUNDING: Fiscal Year 2023 Special Projects/Contingency Fund - \$1,400,000

RECOMMENDATION:

Management recommends approval of amendment to the existing contract **adding an additional \$1,400,000** for Aptim to complete Environmental Engineering, Procurement and Remediation Services required of the District by USACE and TCEQ on the Central City Flood Control Project.

DISCUSSION:

This contract specifically provides environmental engineering services, including site investigations in the form of Phase I and Phase 2 site assessments, Affected Property Assessment Report (APAR) development, and Response Action Plan (RAP) development, bid document preparation, solicitation, field oversight, and remediation services on behalf of the District. The additional funds are needed for Aptim to complete the environmental engineering services at sites located in the path of the USACE for Central City in order to obtain Certificates of Completion from TCEQ prior to the channel excavation.

Aptim will continue to subcontract portions of the contract to seven (7) subcontractors, all of which are Diverse Business firms, maintaining an overall Diverse Business participation commitment of 25%. The following subcontractors and diverse businesses are proposed as part of this contract: Dougherty Sprague Environmental (DB); Geosearch, LP (DB); Roddy Qualls Environmental Drilling (DB); Southwest Geosciences, Inc. (DB); Eagle Remediation & Demolition (DB); Sunbelt Industrial Services (DB); Lockton (DB); Armstrong Lab (DB); Targus Associates (DB) and Eurofins Xenco laboratory (DB).

Management requests that the General Manager or his designee be granted authority to execute all documents necessary to complete the transaction.

This item was reviewed by the Construction and Operations Committee on July 14, 2023.

Submitted By:

Kate Beck
Program Director, Central City Flood Control Project

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 10

DATE: July 18, 2023

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

FUNDING: N/A

RECOMMENDATION:

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

DISCUSSION:

The resolution authorizes the sale of ECP Series A (Enterprise Fund) Refunding Bonds to refund any ECP Bonds outstanding under the District's Extendable Commercial Paper Financing Program. This resolution gives the District the flexibility to refund the Extendable Commercial Paper Bonds ("ECP") to long-term fixed rate bonds at any time over the next 12 months. This Resolution is necessary should the District need quick access to the bond market if the ECP Bonds are no longer marketable at a cost effective interest rate. The decision to refund will depend on the market conditions, costs and/or market accessibility.

The District's financial advisors and Bond Counsel have advised the District on the need for this resolution. Please see attached the resolution for the sale.

This item was reviewed by the Finance Committee on July 12, 2023.

Submitted By:

Sandy Newby
Chief Financial Officer

CERTIFICATE FOR RESOLUTION

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

We, the undersigned officers of the Board of Directors of said District, hereby certify as follows:

1. The Board of Directors of said District convened in REGULAR MEETING ON THE 18TH DAY OF JULY, 2023, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

- Leah King, President
- James Hill, Vice President
- Mary Kelleher, Secretary
- C.B. Team, Director
- Paxton Motheral, Director

and all of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

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

was duly introduced for the consideration of said Board and read in full. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: All members of said Board shown present above voted "Aye"; except _____.

NOES: _____.

ABSTENTION: _____.

2. That a true, full, and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said Meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing

paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 18th day of July, 2023.

Secretary, Board of Directors

President, Board of Directors

(SEAL)

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

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

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

WHEREAS, among other bonds, pursuant to a Master Resolution Establishing the Tarrant Regional Water District, A Water Control and Improvement District Extendable Commercial Paper Financing Program And Authorizing Water Revenue Bonds - Extendable Commercial Paper Mode, adopted on June 21, 2016 (the "Master Resolution"), the Issuer has previously authorized to be outstanding the following described junior lien bonds:

Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Bonds - Extendable Commercial Paper Mode, Series A (Tax-Exempt) and Tarrant Regional Water District, a Water Control and Improvement District Water Revenue Bonds - Extendable Commercial Paper Mode, Series A (Taxable), in the original principal amount not to exceed \$150,000,000 (collectively, the "ECP Series A Bonds"); and

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

WHEREAS, the issuance of the Bonds and the application of the proceeds of the Bonds to refund the Refunded Bonds, which consist of bonds in an extendable commercial paper mode, makes it impracticable to determine the maximum amount by which the aggregate amount of payments to be made under the Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds for purposes of Section 1207.008(a)(2), Texas Government Code; and

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

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

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

Section 1. AMOUNT AND PURPOSE OF THE BONDS. Bonds of the Issuer are hereby authorized to be issued for the purpose of obtaining funds (i) to refund a portion of the Issuer's outstanding Refundable Bonds, and (ii) to pay costs of issuance of such bonds.

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

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND. (a) As authorized by Chapters 1207 and 1371, Texas Government Code, as amended, the General Manager, the Deputy General Manager, and the Chief Financial Officer of the Issuer are each hereby designated as an "Authorized Officer" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by a certificate executed by such Authorized Officer (the "Approval Certificate") for a period not to extend beyond July 18, 2024, in selling and delivering the ECP Series A Refunding Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded Bonds" in this Resolution and carrying out the other procedures specified in this Resolution, including the use of a book-entry only system with respect to the ECP Series A Refunding Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date and the date of delivery of the ECP Series A Refunding Bonds, any additional or different designation or title by which the Bond shall be known (including, if the ECP Series A Bonds are issued on a taxable basis, inclusion of an appropriate designation as such), the price at which the ECP Series A Refunding Bonds will be sold (but in no event less than 95% of the principal amount of the ECP Series A Refunding Bonds), the principal amount (not exceeding \$150,000,000) of the ECP Series A Refunding Bonds, the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding thirty years from the date of the ECP Series A Refunding Bonds), the rate of interest, to be borne by each such maturity (but in no event to result in the net effective interest rate on the ECP Series A Refunding Bonds exceeding 10% per annum), the initial interest payment date, the date or dates of any optional redemption thereof,

any mandatory sinking fund redemption provisions, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the ECP Series A Refunding Bonds and the refunding of the Refunded Bonds.

(b) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, in the denomination and aggregate principal amount set forth in the Approval Certificate (not exceeding \$150,000,000), numbered TR-1, payable in annual installments of principal to the initial registered owner thereof or to the registered assignee or assignees of said Bond or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, and may and shall be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, all as set forth in the Approval Certificate.

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

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

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

FORM OF INITIAL BOND

NO. TR-1 \$ _____ *

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

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

* From Approval Certificate.

hereby promises to pay to: _____* or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of _____* in annual installments of principal due and payable on March 1 in each of the years, and in the respective principal amounts, as set forth in the following schedule:

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

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

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

* From Approval Certificate.

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

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

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____*, for the purpose of obtaining funds (i) to refund a portion of the Issuer's outstanding "Tarrant Regional Water District, A Water Control and Improvement District Water Revenue Bonds - Extendable Commercial Paper Mode, Series A (Tax-Exempt)" and "Tarrant Regional Water District, A Water Control and Improvement District Water Revenue Bonds - Extendable Commercial Paper Mode, Series A (Taxable) and (ii) to pay costs of issuance of this Bond.

ON _____ 1, _____*, or any date thereafter, the unpaid installments of principal of this Bond may be prepaid or redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the installment or installments of principal, and the amount that is to be redeemed, and if less than a whole principal installment is to be called, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the portion of the principal installment to be redeemed (only in an integral multiple of \$5,000), at the redemption price of the principal amount to be prepaid or redeemed, plus accrued interest to the date fixed for prepayment or redemption.

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

Principal Installment due on March 1, _____

Years

Amounts

* From Approval Certificate.

** From Approval Certificate, if applicable.

Principal Installment due on March 1, _____

Years

Amounts

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

AT LEAST 30 days prior to the date fixed for any such prepayment or redemption a written notice of such prepayment or redemption shall be mailed by the Paying Agent/Registrar to the registered owner hereof. By the date fixed for any such prepayment or redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required prepayment or redemption price for this Bond or the portion hereof which is to be so prepaid or redeemed, plus accrued interest thereon to the date fixed for prepayment or redemption. If such written notice of prepayment or redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so prepaid or redeemed, thereby automatically shall be treated as prepaid or redeemed prior to its scheduled due date, and shall not bear interest after the date fixed for its prepayment or redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the prepayment or redemption price plus accrued interest to the date fixed for prepayment or redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such prepayments or redemptions of principal of this Bond or any portion hereof.

THIS BOND, to the extent of the unpaid principal balance hereof, or any unpaid portion hereof in any integral multiple of \$5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such transfer, this Bond must be presented and surrendered to the Paying Agent/ Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Bond, or any portion or portions hereof in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of

this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Bond Resolution, this Bond, to the extent of the unpaid principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute bond issued in exchange for any portion of this Bond shall have a single stated principal maturity date), upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. If this Bond or any portion hereof is assigned and transferred or converted each bond issued in exchange for any portion hereof shall have a single stated principal maturity date corresponding to the due date of the installment of principal of this Bond or portion hereof for which the substitute bond is being exchanged, and shall bear interest at the rate applicable to and borne by such installment of principal or portion thereof. Such bonds, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date. AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this

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

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

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

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

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

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

XXXXXXXX
Secretary, Board of Directors

XXXXXXXX
President, Board of Directors

(DISTRICT SEAL)

* From Approval Certificate.

FORM OF REGISTRATION CERTIFICATE OF THE
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

Section 6. CHARACTERISTICS OF THE ECP SERIES A REFUNDING BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the ECP Series A Refunding Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each ECP Series A Refunding Bond to which payments with respect to the ECP Series A Refunding Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of ECP Series A Refunding Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute ECP Series A Refunding Bond or ECP Series A Refunding Bonds shall be paid as provided in the FORM OF ECP Series A Refunding Bond set forth in this Resolution. Registration of assignments, transfers, conversions and exchanges of ECP Series A Refunding Bonds shall be made in the manner provided and with the effect stated in the FORM OF ECP Series A Refunding Bond set forth in this Resolution. Each substitute ECP Series A Refunding Bond shall bear a letter and/or number to distinguish it from each other ECP Series A Refunding Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such ECP Series A Refunding Bond, date and manually sign the Paying Agent/Registrar's

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

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

(c) In General. The ECP Series A Refunding Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such ECP Series A Refunding Bonds to be payable only to the registered owners thereof, (ii) may, and if so provided in the Approval Certificate, shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other ECP Series A Refunding Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the ECP Series A Refunding Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF ECP Series A Refunding Bond set forth in this Resolution. The ECP Series A Refunding Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute ECP Series A Refunding Bond issued in conversion of and exchange for any ECP Series A Refunding Bond or ECP Series A Refunding Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF ECP Series A Refunding Bond.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the ECP Series A Refunding Bonds that at all times while the ECP Series A Refunding Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the ECP Series A Refunding Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later

than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the ECP Series A Refunding Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the ECP Series A Refunding Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

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

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

With respect to ECP Series A Refunding Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the ECP Series A Refunding Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the ECP Series A Refunding Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the ECP Series A Refunding Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on, as the case may be, the ECP Series A Refunding Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each ECP Series A Refunding Bond is registered in the

Registration Books as the absolute owner of such ECP Series A Refunding Bond for the purpose of payment of principal, premium, if any, and interest, as the case may be, with respect to such ECP Series A Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such ECP Series A Refunding Bond, for the purpose of registering transfers with respect to such ECP Series A Refunding Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the ECP Series A Refunding Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, or as the case may be, the ECP Series A Refunding Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a ECP Series A Refunding Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, as the case may be, pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

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

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

Section 7. FORM OF ECP SERIES A REFUNDING SUBSTITUTE BONDS. The form of all ECP Series A Refunding Bonds issued in conversion and exchange or replacement of any

other ECP Series A Refunding Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such ECP Series A Refunding Bonds, and the Form of Assignment to be printed on each of the ECP Series A Refunding Bonds, shall be, respectively, substantially as follows, with blank or bracketed information to be completed or deleted based upon the Approval Certificate, and with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF ECP SERIES A REFUNDING SUBSTITUTE BOND

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

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

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

NO. _____ PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT,
WATER REVENUE ECP SERIES A REFUNDING BOND [TAXABLE*]

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP NO.
%		_____, ____	

ON THE MATURITY DATE specified above TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to CEDE & CO. or to the

* Include only if ECP Series A Bonds are issued on a taxable basis.
** Date of initial delivery to the Underwriters (as defined in Section 31 hereof).

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

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

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date

* From Approval Certificate.

for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of an issue of Bonds dated as of _____*, _____, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____* for the purpose of obtaining funds (i) to refund a portion of the Issuer's outstanding "Tarrant Regional Water District, A Water Control and Improvement District Water Revenue Bonds - Extendable Commercial Paper Mode, Series A (Tax-Exempt)" and "Tarrant Regional Water District, A Water Control and Improvement District Water Revenue Bonds - Extendable Commercial Paper Mode, Series A (Taxable)" and (ii) to pay costs of issuance of the Bonds.

ON _____ 1, _____,* or any date thereafter, the outstanding Bonds may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the maturity, or maturities, and the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the Bonds or portions thereof to be redeemed (provided that the Bonds to be redeemed only in integral multiples of \$5,000), at the redemption price of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

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

Term Bonds maturing on March 1, _____

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

Term Bonds maturing on March 1, _____

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

* From Approval Certificate.

** From Approval Certificate, if applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

Secretary, Board of Directors

President, Board of Directors

(DISTRICT SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated BOKF, NA
Dallas, Texas

By _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

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

Please Insert Social Security or
Other Identifying Number of Assignee
/ _____ /

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

Date: _____

Signature Guaranteed: _____

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

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

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

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

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

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

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

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

(b) all water supply contracts heretofore or hereafter executed between the District and other cities and customers in connection with the District's Water System.

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

The term "District's Water System," "Issuer's Water System," or "System" shall mean all of the District's existing water storage, treatment, transportation, distribution, and supply facilities, including all dams, reservoirs, and other properties, wherever located, (a) which are currently being used for water supply purposes and, to the extent financed with the proceeds from the sale of the Bonds or Additional Bonds or moneys from the Contingency Fund (hereinafter created), all facilities acquired or constructed in the future, and all improvements to any of the foregoing, and (b) all other facilities which in the future are deliberately and specifically, at the option of the Board, made a part of the System by resolution of the Board, but such term does not include any oil, gas, and other mineral properties owned by the District or property disposed of from time to time in accordance with the provisions of Section 23(g) hereof, provided that any property acquired in substitution therefor shall be included in the System, along with all repairs to and other replacements of the System. In particular such term includes and shall include (i) all of the District's existing Cedar Creek Project, a dam and reservoir on Cedar Creek in Henderson and Kaufman Counties, Texas, and Eagle Mountain Dam and Reservoir and Bridgeport Dam and Reservoir, which are water supply facilities of the District on the West Fork of the Trinity River, Richland-Chambers Reservoir in Navarro and Freestone Counties, Texas, and all transportation, storage, and other facilities related to all of the foregoing and (ii) the Projects which were financed or refinanced with the proceeds from the sale of bonds originally authorized by the Series 1983 Bond Resolution, the Series 1986 Bond Resolution, Series 1999 Bond Resolution, the Series 2002 Bond Resolution, the Series 2006 Bond Resolution, the Series 2008A Bond Resolution, the Series 2008B Bond Resolution, the Series 2009 Bond Resolution, the Series 2010 Bond Resolution, the Series 2010A Bond Resolution, the Series 2010B Bond Resolution, the Series 2012 Bond Resolution, the Series 2012A Bond Resolution, the Series 2014 Bond Resolution, the Series 2015 Bond Resolution, the Series 2015A Bond Resolution, the Series 2016 Bond Resolution, the Series 2016A Bond Resolution, the Series 2017 Bond Resolution, the Taxable Series 2020 Bond Resolution, the Taxable Series 2020B Bond Resolution, the Series 2020C Bond Resolution, the Series 2022 Bond Resolution, and the Master Resolution and made a part of the System. Unless deliberately added to the System by the Board, at its option, in the manner prescribed above, said term does not include any District flood control facilities or facilities which provide waste treatment or other wastewater services of any kind. Said term does not include any facilities acquired or constructed by the District with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being revenue obligations of the District, which are not issued as Additional Bonds, and which are payable from any source, contract, or revenues whatsoever other than the Pledged Revenues; and Special Facilities Bonds may be issued for any lawful purpose and made payable from any source, contract, or revenues whatsoever other than the Pledged Revenues.

The term "ECP Series A Refunding Bonds" shall mean collectively the Initial Bond as described and defined in Sections 1, 2, and 3 of this Bond Resolution, and all substitute bonds

exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant to this Resolution, all as provided for herein; and the ECP Series A Refunding Bonds are Additional Bonds issued to be payable from and secured by a first lien on and pledge of the Pledged Revenues equally and ratably on a parity with all of the other Bonds, as permitted by Sections 21 and 22 of the Series 2015 Bond Resolution, the Series 2015A Bond Resolution, the Series 2016 Bond Resolution, the Series 2016A Bond Resolution, the Series 2017 Bond Resolution, the Taxable Series 2020 Bond Resolution, the Taxable Series 2020B Bond Resolution, the Series 2020C Bond Resolution, and the Series 2022 Bond Resolution.

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

The term "Master Resolution" shall have meaning given to it in the Preamble hereto.

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

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

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

The term "Refundable Bonds" shall have the meaning give to it in the Preamble hereto.

The term "Refunded Bonds" shall mean those Refundable Bonds to be refunded as designated by the Authorized Officer in the Approval Certificate.

The term "Series 1983 Bond Resolution" shall mean the resolution adopted by the Board of Directors of the District on May 18, 1983, authorizing the Tarrant County Water Control and Improvement District Number One Water Revenue Bonds, Series 1983.

The term "Series 1986 Bond Resolution" shall mean the resolution adopted by the Board of Directors of the District on July 15, 1986, authorizing the Tarrant County Water Control and Improvement District Number One Water Revenue Bonds, Series 1986.

The term "Series 1999 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on May 18, 1999, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 1999.

The term "Series 2002 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on December 17, 2002, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2002.

The term "Series 2006 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on March 21, 2006, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2006.

The term "Series 2008A Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on June 17, 2008, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2008A.

The term "Series 2008B Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on June 17, 2008, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2008B.

The term "Series 2009 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 20, 2009, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2009.

The term "Series 2010 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 19, 2010, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2010.

The term "Series 2010A Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on May 18, 2010, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2010A.

The term "Series 2010B Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on May 18, 2010, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2010B.

The term "Series 2012 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 17, 2012, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2012.

The term "Series 2012A Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on September 18, 2012, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2012A.

The term "Series 2014 Bond Resolution" shall mean the Resolution adopted by the Board of Directors of the District on January 21, 2014, authorizing Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2014.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 12. THE CONTINGENCY AND IMPROVEMENT FUND AND THE RESERVE FUND. (a) That there has been created and established and there shall be maintained, at an official depository bank of the District, a separate fund to be entitled the "Tarrant Regional Water District Water Revenue Bonds Contingency and Improvement Fund" (hereinafter called the "Contingency Fund"). The Contingency Fund shall be used solely for the purpose of paying the costs of improvements, enlargements, extensions, additions, or other capital expenditures relating to the System, and unexpected or extraordinary replacements of the System, for which System funds are not otherwise available, or for paying unexpected or extraordinary Operation and Maintenance Expenses of the System for which System Funds are not otherwise available, or for paying principal

of and interest on any Bonds or Additional Bonds, when and to the extent the amount in the Interest and Redemption Fund is insufficient for such purpose.

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

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

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

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

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

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

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

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

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

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

purpose if it is deemed necessary or advisable by the Board. So long as the Contingency Fund contains money and investments not less than the amount of \$1,100,000 in market value, any surplus in the Contingency Fund over said amount shall, semiannually on or before February 15 and August 15 of each year, be withdrawn, deposited to the credit of the Revenue Fund, commingled with other revenues from the operation of the System, and used for any lawful purpose for which Gross Revenues of the System may be used.

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

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

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

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

Section 20. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall

be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 20(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) the Issuer gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements, and (3) the Issuer directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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

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

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

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

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

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

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

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

periodic payments, not less than annual, and within not more than five years from the date of such then proposed Additional Bonds.

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

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

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

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

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

(d) LIENS. It will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or the System, that it will pay all lawful claims for rents, royalties, labor, materials, and

supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the District.

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

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

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

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

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

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

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

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

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

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

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

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

(l) GOVERNMENTAL AGENCIES. It will comply with all of the terms and conditions of any and all franchises, permits, and agreements applicable to the System and the Bonds or Additional Bonds entered into between the District and any governmental agency, and the District will take all action necessary to enforce said terms and conditions; and the District will obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the System.

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

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

preceding fiscal year shall be deemed to be in force until the adoption of the Annual Budget. The Operation and Maintenance Expenses of the System incurred in any fiscal year will not exceed the reasonable and necessary amount thereof. The District may, at any time deemed necessary by the Board, adopt an Amended or Supplemental Budget for the remainder of the then current fiscal year.

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

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

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

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

amendment in substantially the form of the copy thereof on file as aforesaid, the District may adopt the amendatory resolution in substantially the same form.

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

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

(f) For the purpose of this Section, the fact of the holding of Bonds or Additional Bonds by any holder of Bonds or Additional Bonds which are not registered and which are payable to bearer, and the amount and numbers of such registered Bonds and Additional Bonds, and the date of their holding same, may be provided by the affidavit of the person claiming to be such holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Bonds or Additional Bonds described in such certificate. The District may conclusively assume that such ownership continues until written notice to the contrary is served upon the District. All matters relating to the ownership of registered Bonds and Additional Bonds shall be determined from the bond registration books kept by the registrar therefor.

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

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed ECP Series A Refunding Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a ECP Series A Refunding Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to

save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a ECP Series A Refunding Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such ECP Series A Refunding Bond, as the case may be. In every case of damage or mutilation of a ECP Series A Refunding Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the ECP Series A Refunding Bond so damaged or mutilated.

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

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

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, this Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such ECP Series A Refunding Bonds in the form and manner and with the effect, as provided in this Resolution for ECP Series A Refunding Bonds issued in conversion and exchange for other ECP Series A Refunding Bonds.

Section 26. CUSTODY, APPROVAL, AND REGISTRATION OF ECP Series A Refunding Bonds; BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE, AND INSURANCE. The President of the Board of Directors of the Issuer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to said Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on said Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on said Initial Bond. The approving legal opinion of the Issuer's Co-Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on said Initial Bond or on any ECP Series A Refunding Bonds issued and delivered in conversion of and exchange

or replacement of any ECP Series A Refunding Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the ECP Series A Refunding Bonds. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes. If insurance is obtained by the Underwriter (as defined in Section 31 hereof) on any of the ECP Series A Refunding Bonds, the Initial Bond and all the ECP Series A Refunding Bonds so insured shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 27. COVENANTS REGARDING TAX EXEMPTION. If the ECP Series A Refunding Bonds are to be issued on a tax-exempt basis, the following shall apply:

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

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

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

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the ECP Series A Refunding Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

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

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

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

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

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

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

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

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

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

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

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

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

Section 28. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. If the ECP Series A Refunding Bonds are issued on a tax-exempt basis, the Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the ECP Series A Refunding Bonds, or (2) the date the ECP Series A Refunding Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the ECP Series A Refunding Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 29. DISPOSITION OF PROJECT. If the ECP Series A Refunding Bonds are issued on a tax-exempt basis, the Issuer covenants that the property constituting the Project refinanced by the ECP Series A Refunding Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not

adversely affect the tax-exempt status of the ECP Series A Refunding Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

"*Authority*" means Trinity River Authority.

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

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

"*Obligated Person*" means the Issuer, the Authority, and the Cities, or any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) in the Rule.

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

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

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

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

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be

required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB, or filed with the SEC.

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

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

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer or an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or an Obligated Person, any of which affect security holders, if material; and

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

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

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Section 30(c) of this Resolution by the time required by such Section. As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board of Directors and official or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

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

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

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY ECP Series A Refunding Bond OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell ECP Series A Refunding Bonds in the primary offering of the ECP Series A Refunding Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding ECP Series A Refunding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as bond counsel)

determines that such amendment will not materially impair the interest of the holders and beneficial owners of the ECP Series A Refunding Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling ECP Series A Refunding Bonds in the primary offering of the ECP Series A Refunding Bonds.

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

Section 32. APPROVAL OF OFFICIAL STATEMENT. A Preliminary Official Statement relating to the ECP Series A Refunding Bonds, will be approved and authorized to be distributed to prospective investors and other interested parties in connection with the underwriting and sale of the ECP Series A Refunding Bonds, with such changes therein as shall be approved by an Authorized Officer, including such changes as are necessary for distribution as a final Official Statement. The use and distribution by the Underwriters of the Official Statement relating to the ECP Series A Refunding Bonds, is hereby approved. For the purpose of review by the Underwriters prior to purchasing the ECP Series A Refunding Bonds, an Authorized Officer may deem said Preliminary Official Statement to have been "final as of its date" within the meaning of Securities and Exchange Commission Rule 15c2-12.

Section 33. REFUNDING OF REFUNDED BONDS. (a) The Refunded Bonds shall be paid upon the earlier of their stated maturity dates or the earliest redemption dates for which notice of redemption can be given pursuant to the Master Resolution, in each case at a price of par plus accrued interest to the date of payment. As soon as practicable after sale of the ECP Series A Refunding Bonds, appropriate notices of redemption shall be delivered to the paying agent/registrar for the Refunded Bonds to notify, in accordance with the requirements of the Master Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

(b) Concurrently with the delivery of the ECP Series A Refunding Bonds, the Issuer shall cause to be deposited an amount from the proceeds from the sale of the ECP Series A Refunding Bonds, together with, to the extent necessary, available funds of the Issuer, with the paying agent/registrars for the Refunded Bonds, sufficient to provide for the refunding and redemption, on the date or dates fixed for redemption, of all of the Refunded Bonds, in accordance with Subchapter C of Chapter 1207, Texas Government Code, as amended. The President of the Board of Directors of the Issuer and the Secretary or other authorized officer of the Board of Directors of the Issuer are hereby authorized, for and on behalf of the Issuer, to execute a Deposit Agreement in substantially the form set forth in Exhibit C hereto to accomplish such purpose. In addition, the Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary for the Payment Account described in such Deposit Agreement. It is hereby found and determined that the refunding of the Refunded Bonds, which consist of bonds in an extendable commercial paper mode, makes it impracticable to determine the maximum amount by which the aggregate amount of payments to be made under the Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds for purposes of Section 1207.008(a)(2), Texas Government Code.

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

Section 35. FURTHER PROCEDURES. The President and the Secretary of the Board of Directors, the General Manager, the Deputy General Manager, and the Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, and all details in connection therewith. In case any officer whose signature shall appear on any ECP Series A Refunding Bond shall cease to be such officer before the delivery of such ECP Series A Refunding Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

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

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

Section 38. EFFECTIVENESS. This Resolution shall be effective from the date and after the date of adoption by the Issuer; provided, however, if an Approval Certificate for the ECP Series

A Refunding Bonds authorized by this Resolution is not executed prior to July 18, 2024, this Resolution shall be void ab initio and shall be of no force and effect.

EXHIBIT "A"

WRITTEN PROCEDURES RELATING TO CONTINUING
COMPLIANCE WITH FEDERAL TAX COVENANTS

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

For Obligations issued for newly acquired property or constructed property:

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

For Obligations issued for refunding purposes:

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

For all Obligations:

- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse itself with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
 - assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
 - assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.
- B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations the Responsible Persons will:
- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
 - monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
 - monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
 - monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
 - determine whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
 - determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
 - take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the resolution authorizing the Obligations.
- C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-

exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

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

EXHIBIT B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

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

I. Annual Financial Statements and Operating Data of the Issuer

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

Tables 1 through 9 in the Official Statement and in Appendix B

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

EXHIBIT "C"

FORM OF DEPOSIT AGREEMENT

DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (the "Agreement"), dated as of _____, ____, made by and between Tarrant Regional Water District, a Water Control and Improvement District (the "Issuer"), a political subdivision of the State of Texas acting by and through the President and Secretary or other authorized officer of the Board of Directors of the Issuer (the "Board"), and U.S. Bank National Association (the "Bank"), a banking association organized and existing under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Issuer has heretofore issued and delivered and there is currently outstanding the obligations described on Exhibit "A" hereto (hereinafter called the "Refunded Obligations"); and

WHEREAS, in accordance with the provisions of Chapter 1207, Texas Government Code (the "Act"), the Issuer is authorized to sell refunding bonds in an amount sufficient to provide for the full and complete payment of obligations, deposit the proceeds of such refunding bonds with the place of payment for the obligations being refunded and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the Issuer on _____, ____, pursuant to a resolution (the "Bond Resolution") passed and adopted by the Board, authorized the issuance of bonds known as "Tarrant Regional Water District, a Water Control and Improvement District Water Revenue ECP Series A Refunding Bonds" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Obligations; and

WHEREAS, a portion of the proceeds of sale of the Bonds, together with other available funds of the Issuer, are to be deposited with the Bank under this Agreement, which deposit of funds will be sufficient to pay and redeem in full the Refunded Obligations on _____, (the Redemption Date);

NOW, THEREFORE, in consideration of the mutual agreements herein contained and the payment to the Bank of amounts provided in Section 8 hereof, and to secure the payment of the principal of and the interest on the Refunded Obligations, the Issuer and the Bank hereby agree as follows:

SECTION 1. A trust clearing account (hereinafter called the "Payment Account") shall be maintained at the Bank for the benefit of the holders of the Refunded Obligations, and, immediately following the delivery of the Bonds, the Issuer agrees and covenants to cause to be deposited with the Bank for the credit of the Payment Account the sum of \$ _____.

The Bank agrees to establish such Payment Account and further agrees to receive said moneys, apply the same as set forth herein, and to hold uninvested the cash deposited and credited to the Payment Account for application and disbursement for the payment and redemption of the Refunded Obligations on the Redemption Date.

SECTION 2. In reliance upon the Sufficiency Certificate of Financial Advisor, a copy of which is attached hereto as Exhibit "B", the Issuer represents that the amount deposited to the credit of the Payment Account, as provided in Section 1 hereof, will be sufficient to pay and redeem in full all the Refunded Obligations on the Redemption Date, and the Bank acknowledges the sufficiency of the deposit for said purpose.

The Bank acknowledges receipt of a copy of the Bond Resolution providing for the redemption of the Refunded Obligations on the Redemption Date at the price of par and accrued interest and acknowledges receipt of the form of notice of redemption attached hereto. The Bank will give the notice of redemption as required by the order authorizing the issuance of the Refunded Bonds.

SECTION 3. The Bank agrees that all funds held in the Payment Account shall constitute a dedicated interest and sinking fund for the payment of the principal of and interest on the Refunded Obligations which will mature and become due on and after the date of this Agreement, such funds deposited to the credit of the Payment Account shall be applied solely in accordance with the provisions of this Agreement and the Issuer shall have no right or title with respect thereto, except as otherwise provided herein. Such funds shall not be subject to checks or drafts drawn by the Issuer.

SECTION 4. If, for any reason, the funds on hand in the Payment Account shall be insufficient to pay the redemption price of the Refunded Obligations on the Redemption Date, notice of any such insufficiency shall be immediately given by the Bank to the Issuer by the fastest means possible.

SECTION 5. The Bank represents that the deposit covered by this Agreement shall constitute firm banking arrangements to insure payment of the Refunded Obligations and such deposit is collateralized to insure against any loss or diminution by virtue of any action of the Bank or as a result of its lack of financial integrity by a pledge of direct obligations of the United States of America, in the par or face amount at least equal to the principal amount of said monies to the extent such money is not insured by the Federal Deposit Insurance Corporation.

SECTION 6. The Bank, as paying agent for the Refunded Obligations, shall, without further direction from anyone, including the Issuer, cause to be paid with funds on deposit in the Payment Account the amount required to pay and redeem in full the Refunded Obligations on the Redemption Date when such obligations are presented for payment in accordance with their terms.

SECTION 7. The Bank shall have no lien whatsoever upon any of the moneys deposited to the credit of the Payment Account for payment of services rendered hereunder, services rendered as Paying Agent for the Refunded Obligations, or for any costs or expenses incurred hereunder and reimbursable from the Issuer.

SECTION 8. Moneys on deposit in the Payment Account shall be held uninvested pending the disbursement of moneys. In consideration for the services rendered hereunder, the Issuer shall pay to the Bank the sum of \$_____. No investment of funds deposited to the credit of the Payment Account shall be made on or after the Redemption Date. Neither the Issuer nor the Bank shall invest any moneys deposited in the Payment Account.

SECTION 9. The Bank hereby agrees that the compensation noted in Section 8 is full and complete payment for the administration of this Agreement, and the Bank acknowledges and agrees that such amount is and represents the total amount of compensation due the Bank for services rendered as paying agent for the Refunded Obligations. The Bank hereby agrees to pay, assume and be fully responsible for any additional charges that it may incur in the performance of its duties and responsibilities as paying agent for the Refunded Obligations.

SECTION 10. The Bank shall not be responsible for any recital herein, except with respect to its organization, its powers and authority and to the safety and security of the deposit of funds to be made by the Issuer hereunder. As to the existence or nonexistence of any fact relating to the Issuer or as to the sufficiency or validity of any instrument, paper or proceedings relating to the Issuer, the Bank shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Issuer Secretary or other authorized officer as sufficient evidence of the facts therein contained. The Bank may accept a certificate of the Secretary or other authorized officer of the Board under the Issuer's seal, to the effect that a resolution or other instrument in the form therein set forth has been adopted by the Board, as conclusive evidence that such resolution or other instrument has been duly adopted and is in full force and effect.

The duties and obligations of the Bank shall be determined solely by the express provisions of this Agreement, and the Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank.

In the absence of bad faith on the part of the Bank, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Bank, conforming to the requirements of this Agreement; but notwithstanding any provision of this Agreement to the contrary, in the case of any such certificate or opinion or any evidence which by any provision hereof is specifically required to be furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether it conforms to the requirements of this Agreement.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Bank unless it shall be proved that the Bank was negligent in ascertaining or acting upon the pertinent facts. The Bank shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness, or validity of the deposits made pursuant to this Agreement, or for the form or execution thereof, or for the identity or authority or any person making or executing such deposits.

The term "Responsible Officers" of the Bank, as used in this Agreement, shall mean and include the Chairman of the Board of Directors, the President, any Vice President and any Second

Vice President, the Secretary and any Assistant Secretary, the Treasurer and any Assistant Treasurer, and ever other officer and assistant officer of the Bank customarily performing functions similar to those performed by the persons who at the time shall be officers, respectively, or to whom any corporate trust matter is referred, because of his knowledge of an familiarity with a particular subject; and the term "Responsible Officer" of the Bank, as used in this Agreement, shall mean and include any of said officers or persons.

SECTION 11. This Agreement is between the Issuer and the Bank only, and in connection herewith the Bank is authorized by the Issuer to rely upon the representations of the Issuer with respect to this Agreement and the deposits made pursuant hereto and as to the Issuer's right and power to execute and deliver this Agreement, and the Bank shall not be liable in any manner as a result of such reliance. The duties of the Bank hereunder shall only be to the Issuer and the holders of the Refunded Obligations. In the event conflicting demands or notices are made upon the Bank growing out of or relating to this Agreement or the Bank in good faith is in doubt as to what action should be taken hereunder, the Bank shall have the right at its election to:

(a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) File a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses and attorney fees suffered or incurred by the Bank as a result thereof. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in Dallas, Texas.

The Bank may consult with legal counsel in the event of any dispute or question regarding the construction of any of the provisions hereof or its duties hereunder, and in the absence of negligence or bad faith on the part of the Bank, no liability shall be incurred by the Bank for any action taken pursuant to this Section and the Bank shall be fully protected in acting in accordance with the opinion and instructions of legal counsel that is knowledgeable and has expertise in the field of law addressed in any such legal opinion with respect to the instructions given.

Nothing in this Agreement shall be construed to require the Bank to expend or risk its own funds in the performance of any of its duties or the exercise of any of its rights hereunder.

SECTION 12. Time shall be of the essence in the performance of obligations from time to time imposed upon the Bank by this Agreement.

SECTION 13. Following the final payment and redemption of the Refunded Obligations, the Bank shall forward by letter to the Issuer, to the attention of the President, or other designated

official of the Issuer, a final accounting statement with respect to the payment and discharge of the Refunded Obligations, together with all canceled Refunded Obligations.

SECTION 14. Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

Tarrant Regional Water District, a Water Control and Improvement District
800 East North Side Drive
FortWorth, Texas 76102-1097

Attention: Chief Financial Officer

U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005

Attention: Corporate Trust Services

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery.

Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

SECTION 15. Whenever under the terms of this Agreement the performance date of any provision hereof, including the date of maturity of interest on or principal of the Refunded Obligations, shall be a Sunday or a legal holiday or a day on which the Bank is authorized by law to close, then the performance thereof, including the payment of principal of and interest on the Refunded Obligations, need not be made on such date but may performed or paid, as the case may be, on the next succeeding business day of the Bank with the same force and effect as if made on the date of performance or payment and with respect to a payment, no interest shall accrue for the period after such date.

SECTION 16. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every said Refunded Obligation as executed, authenticated and delivered and in all proceedings pertaining thereto as said Refunded Obligations shall have been modified as provided in this Agreement. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of said Refunded Obligations as provided herein and the execution and delivery of this Agreement have been duly and effectively taken and that said Refunded Obligations and coupons in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof as provided in this Agreement.

SECTION 17. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 18. This Agreement shall terminate either (i) when the Refunded Obligations and coupons appertaining thereto have been paid and discharged in accordance with the provisions of this Agreement or (ii) at the expiration of four (4) years after the Redemption Date, whichever circumstance shall first occur. Subject to applicable unclaimed property laws of the State, moneys held in the Payment Account at the termination of this Agreement shall be remitted and transferred to the Issuer.

SECTION 19. Neither the Issuer nor the Bank shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and be without effect.

SECTION 20. This Agreement shall inure to the benefit of and be binding upon the Bank and the Issuer and their respective successors.

SECTION 21. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. This Agreement shall be governed by the laws of the State of Texas.

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

TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT DISTRICT

President

ATTEST:

Secretary

(Issuer Seal)

U.S. BANK NATIONAL ASSOCIATION

Title: _____

EXHIBIT "A"

Schedule of Refunded Obligations

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 12

DATE: July 18, 2023

SUBJECT: Executive Session

FUNDING: N/A

RECOMMENDATION:

Section 551.071 of the Texas Government Code, for Private Consultation with its Attorney about Pending or Contemplated Litigation or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with this Chapter

DISCUSSION:

- Pending litigation

Submitted By:

Alan Thomas
Deputy General Manager

Next Scheduled Board Meeting

August 15, 2023 at 9:00 AM