

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 12th Day of December 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. Each proposed speaker must have completed and submitted a speaker card prior to the commencement of the meeting, identifying any agenda item number(s) and topic(s) the speaker wishes to address with the Board. By law, the Board may not deliberate, debate, or take action on public comment but may place the item on a future agenda.

3. Consider Approval of the Minutes from the Meeting Held on November 14, 2023

4. Consider Changes and Additions to Board Governance and Board-Approved Policies - Stephen Tatum, General Counsel

5. Consider Approval of Board Resolution Setting the Fees of Office for TRWD Board Members as Required Under Texas Water Code Section 49.060 - Stephen Tatum, General Counsel

6. Consider Approval of a Consent Agenda

- Release of Retainage with Garrett Demolition, Inc. for Demolition and Asbestos Abatement of the South Bypass Channel - Package 1 for the Central City Flood Control Project**

- **Contract with Davis Crane Service for 110-Ton Hydraulic Crawler Crane**
 - **Contract with Manual Chores for Right of Way Grounds Maintenance**
 - **Contract with Green World Care for Right of Way Grounds Maintenance**
 - **Contract with Lawn Patrol for Central Facilities Grounds Maintenance**
7. **Consider Approval of Discretionary Services Agreement with Oncor Electric Delivery Company to Prepare and Submit a Multi-Route Application for Expansion of Certificate of Convenience and Necessity to the Texas Public Utilities Commission for Transmission Electric Service for the Lake Palestine Pump Station - Zachary Huff, Water Resources Engineering Director**
 8. **Consider Approval of Amendment with Black & Veatch Corporation for Engineering Services for Design of Two 90-inch Pipeline Crossings at FM 664 Highway Expansion and Additional Survey for Cedar Creek Pipeline Replacement Project in the Mansfield to Waxahachie Area - Jason Gehrig, Infrastructure Engineering Director**
 9. **Consider Approval of Task Order with HV Engineering for Electrical Engineering Services for Protective Relays and Arc Flash Analysis - Jason Gehrig, Infrastructure Engineering Director**
 10. **Consider Approval of Contract with Tarrant County Master Gardener Association for Water Conservation Program Services - Linda Christie, Government Affairs Director**
 11. **Consider Board Appointments for Tax Increment Financing Districts - Linda Christie, Government Affairs Director**
 12. **Consider Approval of Resolution Regarding the Tarrant Regional Water District's Designated Investment Officers - Sandy Newby, Chief Financial Officer**
 13. **Consider Approval of Investment Policy and Strategies for the Tarrant Regional Water District - Sandy Newby, Chief Financial Officer**
 14. **Staff Updates**
 - **Water Resources and Planning Update - Rachel Ickert, Chief Water Resources Officer**
 - **Conservation Awards and Update - Linda Christie, Government Affairs Director**
 - **Public Information Update - Courtney Kelly, Public Information Coordinator**

15. Executive Session under Texas Government Code:

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

Section 551.072 of the Texas Government Code to Deliberate the Purchase, Exchange, Lease or Value of Real Property

16. Consider Approval of Mediated Settlement Agreement in EnerVest Litigation - Stephen Tatum, General Counsel

17. Consider Approval of Letter of Support to Texas Commission on Environmental Quality Supporting City of Fort Worth's Position Regarding an Application for Solid Waste Recycling Facility in Tarrant County - Darrel Andrews, Environmental Director

18. Consider Approval of Authorization to Acquire Real Property Interests by Purchase for the Cedar Creek Pipeline Rehab Project - Steve Christian, Real Property Director

Parcel 12A

(Lonejack, LLC)

A permanent easement interest across a 0.689-acre tract of land situated in M. Gregg Survey, Abstract No. 1555, City of Mansfield, Tarrant County, Texas

19. Future Agenda Items

20. Schedule Next Board Meeting

21. Adjourn

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 14th DAY OF NOVEMBER 2023 AT 9:00 A.M.

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

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

Also present were Dan Buhman, Alan Thomas, Darrel Andrews, Darrell Beason, Lisa Cabrera, Linda Christie, Woody Frossard, Ellie Garcia, Zach Hatton, Natasha Hill, Zach Huff, Rachel Ickert, Courtney Kelly, Laramie LaRue, Mick Maguire, Sandy Newby, Stephen Tatum 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.

There were no persons from the general public requesting the opportunity to address the Board of Directors.

3.

Director Hill moved to approve the minutes from the meeting held on October 17, 2023. Director Kelleher seconded the motion, and the votes were 5 in favor, 0 against. It was accordingly ordered that these minutes be placed in the permanent files of the District.

4.

With the recommendation of management, Director Hill moved to approve a Memorandum of Understanding between the District and City of Fort Worth to outline the cooperative efforts and responsibilities to preserve, improve, and create green space. President King invited Mayor Mattie Parker to address the Board. Mayor Parker expressed her gratitude for and commitment to the critical partnership between the District and City of Fort Worth to protect and preserve both green and blue spaces for future generations. President King commended the Mayor and City for their work on the program and expressed thanks for the opportunity to collaborate with the City in many capacities. Director Kelleher seconded the motion, and the votes were 5 in favor, 0 against.

5.

With the recommendation of management, Director Hill moved to approve a contract in an amount not-to-exceed \$75,185.50 with Robinson Taylor Industries to furnish and install three rooftop exhaust fans for Richland-Chambers Lake Pump Station. Funding for this item is included in the Fiscal Year 2024 Revenue Fund. Director Motheral seconded the motion, and the votes were 5 in favor, 0 against.

6.

With the recommendation of management, Director Team moved to approve consent to assignment of an existing irrigation contract between the District and Cassco Development Company to Clearfork Association, Inc. Director Hill seconded the motion, and the votes were 4 in favor, 0 against. Director Motheral recused himself from the vote.

7.

With the recommendation of management, Director Hill moved to approve placing

policy changes and additions on the TRWD website for a 30-day public comment period and on the December 2023 board meeting agenda for review and final approval. Changes to District policy include: (1) amending current District policy on purchasing and procurement to incorporate recent changes to state law, (2) adding a new Board Governance policy related to Board Compensation to incorporate recent changes to state law, and (3) adding a new Board-Approved policy for naming District-owned facilities in response to a Board request. Director Team seconded the motion, and the votes were 5 in favor, 0 against.

8.

- Water Resources and Planning Update presented by Rachel Ickert, Chief Water Resources Officer
- Presentation of Award, U.S. Army Corps of Engineers Public Service Commendation Medal presented by Dan Buhman, General Manager

The Board of Directors recessed for a break from 9:35 a.m. to 9:39 a.m.

9.

The Board next held an Executive Session commencing at 9:39 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; and Section 551.074 of the Texas Government Code Regarding Personnel Matters and General Manager Annual Evaluation.

Upon completion of the executive session at 11:20 a.m., the President reopened the meeting.

10.

Thompson & Horton, LLC, engaged by the Board of Directors in September of 2023, completed the annual performance evaluation of the General Manager, Dan Buhman, in accordance with section 4.4 of the Board Governance Policy. President King moved to approve a 4% annual pay raise and annual car allowance of \$13,000 for Dan Buhman for the remainder of 2023 and 2024. Funding for this item is included in the Fiscal Year 2024 General Fund. Director Hill seconded the motion, and the votes were 5 in favor, 0 against.

11.

With the recommendation of management, Director Hill moved to approve authorization to acquire, by purchase, interests in the following described tract(s), which are necessary for the public use and purpose of construction and operation of the Cedar Creek Wetland Project.

Fee simple title, including any improvements located thereon, of (A) a 284.0583-acre tract of land located in the Nathaniel Smith Survey, Abstract No. 486, in the John L. Robertson Survey, Abstract No. 645, in the Daniel C. Rogers Survey, Abstract No. 428, and in the J.A. Pfeifer Survey, Abstract No. 664, Kaufman County, Texas; (B) a 40.0902-acre tract of land located in the A.G. Melton Survey, Abstract No. 496, in the John L. Robertson Survey, Abstract No. 678, and in the John L. Robertson Survey, Abstract No. 645, Henderson County and Kaufman County, Texas; and (C) a 22.3535-acre tract of land located in the Nathaniel Smith Survey, Abstract No. 486, and in the Martha J. Love Survey, Abstract No. 295, Kaufman County, Texas; said 284.0583-acre tract, 40.0902-acre tract, and 22.3535-acre tract of land being portions of the remainder of a called 9,032.380-acre tract of land conveyed to TRINITY MATERIALS, INC., by deeds thereof filed for record in Henderson County Clerk's Instrument No. 2005-00020651, Official Public Records, Henderson County, Texas, and in Kaufman County Clerk's Instrument No. 2005-00024898, Official Public Records, Kaufman County, Texas, and being further described in the accompanying resolution and in the survey plats and metes and bounds descriptions attached hereto for the negotiated purchase price of \$2,300,000.

EXHIBIT “A”

See Attached



*** METES AND BOUNDS DESCRIPTION ***

Being a 284.0583 acre tract of land located in the Nathaniel Smith Survey, Abstract No. 486, in the John L. Robertson Survey, Abstract No. 645, in the Daniel C. Rogers Survey, Abstract No. 428, and in the J.A. Pfeifer Survey, Abstract No. 664, Kaufman County, Texas, said 284.0583 acre tract of land being a portion of the remainder of a called 9,032.380 acre tract of land conveyed to **TRINITY MATERIALS, INC.**, by deed thereof filed for record in Kaufman County Clerk's Instrument No. (K.C.C.I. No.) 2005-00024898, Official Public Records, Kaufman County, Texas (O.P.R.K.C.T.), said 284.0583 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8" iron rod with a cap stamped "SPOONER 5922" set (hereinafter referred to as iron rod set) on an easterly property line of a called 4,083.468 acre tract of land identified as "Tract 2" as conveyed to Tarrant Regional Water District, by deed thereof filed for record in K.C.C.I. No. 2014-0001607, O.P.R.K.C.T., from said beginning point a 1/2" iron rod with a cap stamped "2117" found at an easterly property corner of the said 4,083.468 acre tract and also being at the southeast corner of an existing 100' Pipeline Easement, identified as "Segment 1," as conveyed to Tarrant Regional Water District, by deed thereof filed for record in K.C.C.I. No. 2014-0001609, O.P.R.K.C.T., bears North 12°24'40" East, 474.57 feet, said beginning point also having a NAD83 Texas North Central Zone (4202) grid coordinate of N: 6,826,814.74 and E: 2,605,805.69;

THENCE over and across said 9,032.380 acre tract of land the following courses and distances:

South 09°16'03" East, 1,482.43 feet to an iron rod set;

South 12°56'17" East, 410.91 feet to an iron rod set;

South 34°35'51" East, 844.89 feet to an iron rod set;

South 59°06'32" West, 1,075.16 feet to an iron rod set;

South 33°44'19" East, 1,718.23 feet to an iron rod set;

South 64°57'15" West, 3,431.22 feet to an iron rod set on an easterly property line of the said 4,083.468 acre tract;

THENCE along the said easterly property lines the following courses and distances:

North 04°35'31" East, 1,184.64 feet;

North 06°52'37" East, 616.69 feet;

North 62°53'28" West, 136.01 feet;

North 17°27'52" East, 124.78 feet;



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North 10°42'40" East, 412.66 feet;

North 29°40'55" East, 233.27 feet;

North 12°23'54" East, 338.36 feet;

North 00°13'13" West, 90.69 feet;

North 10°49'03" West, 362.98 feet;

North 22°27'57" West, 259.58 feet;

North 32°11'38" West, 206.20 feet;

North 55°10'02" West, 580.85 feet;

North 17°54'46" West, 112.15 feet;

North 18°51'29" East, 134.92 feet;

North 44°41'46" East, 442.95 feet;

North 32°18'38" East, 222.30 feet;

North 14°47'18" East, 298.10 feet;

North 06°49'49" East, 172.57 feet;

North 42°08'46" East, 102.87 feet;

North 60°15'53" East, 168.60 feet;

North 85°40'20" East, 241.06 feet;

South 79°32'16" East, 629.43 feet;

South 88°45'00" East, 75.31 feet;

North 86°27'57" East, 79.00 feet;

North 81°00'43" East, 217.91 feet;

North 72°38'08" East, 146.17 feet;



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North 60°37'00" East, 63.00 feet;

North 54°33'56" East, 514.58 feet to the beginning of a non-tangent curve to the left having a radius of 2,646.72 feet;

Along the said curve to the left, an arc length of 229.14 feet and across a chord which bears North 19°37'08" East, a chord length of 229.07 feet to the **POINT OF BEGINNING**.

The hereinabove described tract of land contains **284.0583 acres (12,373,385 square feet)**.

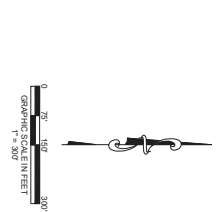
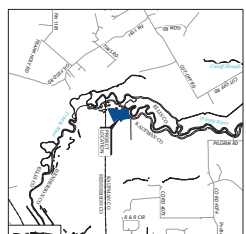
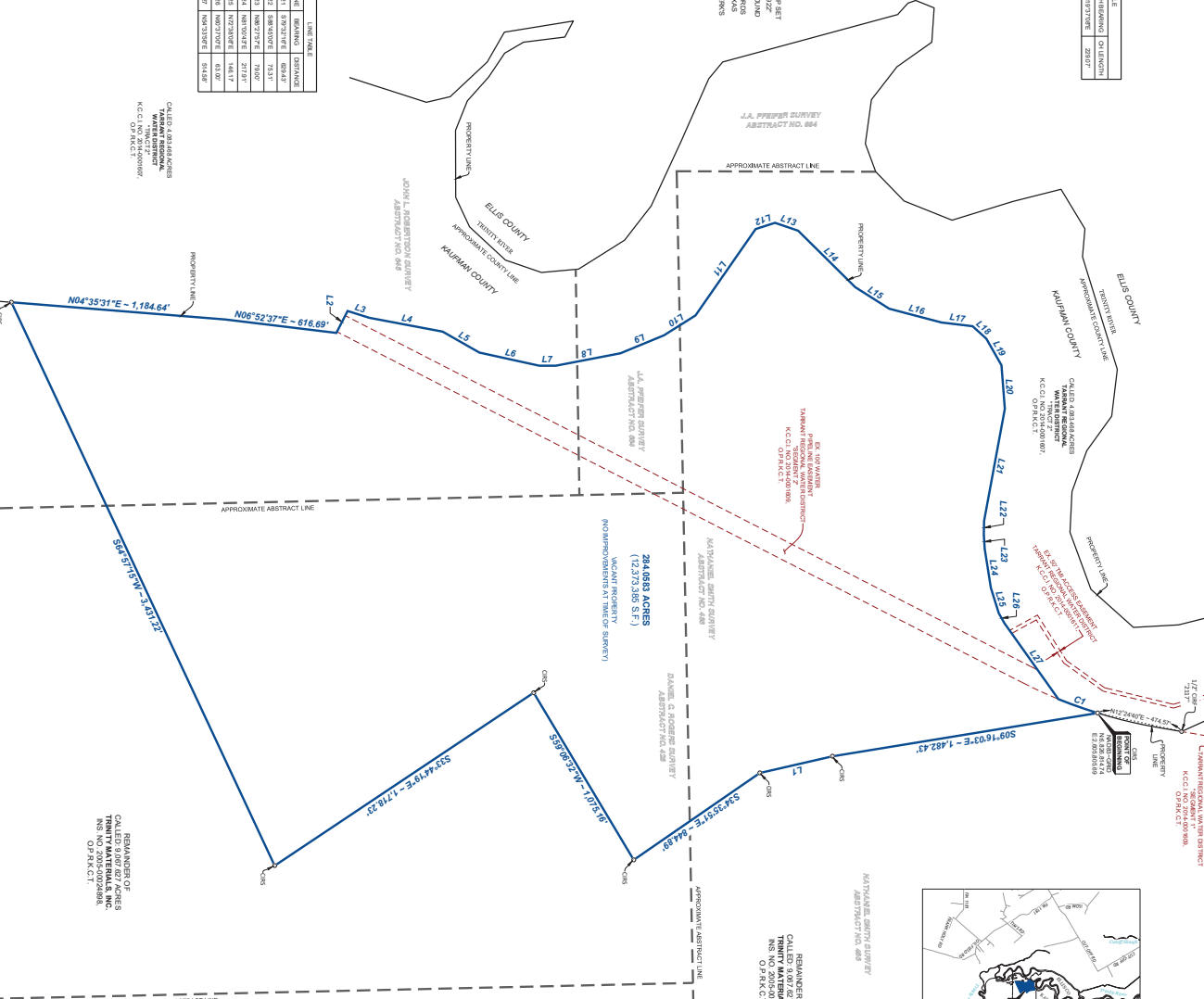
OWNER TABLE	SECTION	ACREAGE	DATE
OWNER #1	SECTION 27	284.0583	2007
OWNER #2	SECTION 28	284.0583	2007
OWNER #3	SECTION 29	284.0583	2007
OWNER #4	SECTION 30	284.0583	2007

- LEGEND**
- DE-NON-RODENT GOLF SET
 - CRS
 - CRS
 - OFFICIAL PUBLIC RECORDS
 - MATHEMATICAL RECORDS
 - K.C.I. NO.

LINE	BEGINN	END	LENGTH	BEARING
L1	1.1	1.2	1.184664	N04°35'31"E
L2	1.2	1.3	616.69	N06°52'37"E
L3	1.3	1.4	...	...
L4	1.4	1.5	...	...
L5	1.5	1.6	...	...
L6	1.6	1.7	...	...
L7	1.7	1.8	...	...
L8	1.8	1.9	...	...
L9	1.9	2.0	...	...
L10	2.0	2.1	...	...
L11	2.1	2.2	...	...
L12	2.2	2.3	...	...
L13	2.3	2.4	...	...
L14	2.4	2.5	...	...
L15	2.5	2.6	...	...
L16	2.6	2.7	...	...
L17	2.7	2.8	...	...
L18	2.8	2.9	...	...
L19	2.9	3.0	...	...
L20	3.0	3.1	...	...
L21	3.1	3.2	...	...
L22	3.2	3.3	...	...
L23	3.3	3.4	...	...
L24	3.4	3.5	...	...
L25	3.5	3.6	...	...
L26	3.6	3.7	...	...
L27	3.7	3.8	...	...
L28	3.8	3.9	...	...
L29	3.9	4.0	...	...
L30	4.0	4.1	...	...

LINE	BEGINN	END	LENGTH	BEARING
L31	4.1	4.2	...	...
L32	4.2	4.3	...	...
L33	4.3	4.4	...	...
L34	4.4	4.5	...	...
L35	4.5	4.6	...	...
L36	4.6	4.7	...	...
L37	4.7	4.8	...	...
L38	4.8	4.9	...	...
L39	4.9	5.0	...	...
L40	5.0	5.1	...	...
L41	5.1	5.2	...	...
L42	5.2	5.3	...	...
L43	5.3	5.4	...	...
L44	5.4	5.5	...	...
L45	5.5	5.6	...	...
L46	5.6	5.7	...	...
L47	5.7	5.8	...	...
L48	5.8	5.9	...	...
L49	5.9	6.0	...	...
L50	6.0	6.1	...	...
L51	6.1	6.2	...	...
L52	6.2	6.3	...	...
L53	6.3	6.4	...	...
L54	6.4	6.5	...	...
L55	6.5	6.6	...	...
L56	6.6	6.7	...	...
L57	6.7	6.8	...	...
L58	6.8	6.9	...	...
L59	6.9	7.0	...	...
L60	7.0	7.1	...	...
L61	7.1	7.2	...	...
L62	7.2	7.3	...	...
L63	7.3	7.4	...	...
L64	7.4	7.5	...	...
L65	7.5	7.6	...	...
L66	7.6	7.7	...	...
L67	7.7	7.8	...	...
L68	7.8	7.9	...	...
L69	7.9	8.0	...	...
L70	8.0	8.1	...	...

CALLERS 4.8184 ACRES
WATER RIGHTS
K.C.I. NO. 20-260866,
O.P.R. NO. 1



REMANUENS OF
NATHANIEL SMITH SURVEY
ABSTRACT NO. 486

REMANUENS OF
DANIEL C. ROGERS SURVEY
ABSTRACT NO. 428

REMANUENS OF
JOHN L. ROBERTSON SURVEY
ABSTRACT NO. 664

REMANUENS OF
CALLER'S 4.8184 ACRES
WATER RIGHTS
K.C.I. NO. 20-260866,
O.P.R. NO. 1

REMANUENS OF
TRINITY MATERIALS, INC.
NO. 29-037234
O.P.R. NO. 1

REMANUENS OF
VACANT PROPERTY
NO. 29-037234
O.P.R. NO. 1

PREPARED FOR

BOUNDARY SURVEY OF
284.0583 ACRE TRACT LOCATED IN
NATHANIEL SMITH SURVEY, ABSTRACT NO. 486, IN THE
JOHN L. ROBERTSON SURVEY, ABSTRACT NO. 664, IN THE
DANIEL C. ROGERS SURVEY, ABSTRACT NO. 428, AND IN THE
J.A. PFEIFER SURVEY, ABSTRACT NO. 664,
KAUFMAN COUNTY, TEXAS

CDAR CREEK WETLANDS PROJECT

SPooner & Associates
SURVEYORS & ENGINEERS
OVER 50 YEARS OF SERVICE
309 DIVERS STREET, CEDAR RAPIDS, IOWA 52401
(817) 666-8446 WWW.SPOONER-SURVEYORS.COM
TXPLS #1996 NO. 1005669

DATE: 09/05/2023
S&A: ION-09-08-6
SCALE: 1" = 400'
DRAWN BY: R. HENDERSON
CHECKED BY: F. SPOONER
REVISIONS:

SHEET
1
OF 1

CERTIFICATION

The bearings and distances shown herein are referenced to the Texas Coordinate System of 1983. Texas North Central Zone. Zone 12B. All are based on the North American Datum of 1983. 2013 Adjustment. All areas shown herein are as shown on the plat.

No attempt has been made in a part of this survey to confirm, clarify, or show data concerning the depth or condition of any existing or proposed utility. Location and construction conditions are not shown or intended. It is the responsibility of the user or engineer of the project to determine the depth, location, and condition of any existing or proposed utility. Responsibility is not assumed by the surveyor for any damage or injury to property or persons that may result from the use of the data hereon.

The surveyor, surveyor's office, and/or client warrant and warrantors are not responsible for any error or omission in this report. The surveyor's office and/or client warrantors are not responsible for any error or omission in this report.

This field work was completed on August 30, 2023.

ION-09-08-6
Erik S. Spooner, R.P.L.S.
Texas Registration No. 29372
1299 W. Third St., Cedar Rapids, IA 52401

EXHIBIT “B”

See Attached

*** METES AND BOUNDS DESCRIPTION ***

Being a 40.0902 acre tract of land located in the A.G. Melton Survey, Abstract No. 496, in the John L. Robertson Survey, Abstract No. 678, and in the John L. Robertson Survey, Abstract No. 645, Henderson County and Kaufman County, Texas, said 40.0902 acre tract of land being a portion of the remainder of a called 9,032.380 acre tract of land conveyed to **TRINITY MATERIALS, INC.**, by deeds thereof filed for record in Henderson County Clerk's Instrument No. (H.C.C.I. No.) 2005-00020651, Official Public Records, Henderson County, Texas (O.P.R.H.C.T.), and in Kaufman County Clerk's Instrument No. (K.C.C.I. No.) 2005-00024898, Official Public Records, Kaufman County, Texas (O.P.R.K.C.T.), said 40.0902 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2" iron rod found with a cap stamped "2117" found at an east property corner of a called 4,083.468 acre tract of land identified as "Tract 2", and being conveyed to Tarrant Regional Water District, by deed thereof filed for record in K.C.C.I. No. 2014-0001607, O.P.R.K.C.T., same being recorded in H.C.C.I. No. 2014-00001288, O.P.R.H.C.T., said commencing point being at the southeast corner of an existing 100' Pipeline Easement, identified as "Segment 1," and being conveyed to Tarrant Regional Water District, by deed thereof filed for record in K.C.C.I. No. 2014-0001609, O.P.R.K.C.T., said commencing point also having a NAD83 Texas North Central Zone (4202) grid coordinate of N: 6,827,278.18 and E: 2,605,907.68;

THENCE South 17°51'31" West, over and across said 9,032.380 acre tract, 8,035.24 feet to a 5/8" iron rod with a cap stamped "SPOONER 5922" set (hereinafter referred to as iron rod set), on the east property line of the said 4,083.468 acre tract, and being the **POINT OF BEGINNING** of the herein described tract of land, said beginning point also having a NAD83 Texas North Central Zone (4202) grid coordinate of N: 6,819,630.52 and E: 2,603,443.67;

THENCE over and across said 9,032.380 acre tract of land the following courses and distances:

South 71°57'38" East, 352.43 feet to an iron rod set;

South 36°05'54" East, 289.19 feet to an iron rod set;

South 74°20'05" East, 397.52 feet to an iron rod set;

South 63°27'26" East, 545.22 feet to an iron rod set;

South 11°56'32" West, 662.04 feet to an iron rod set;

South 05°08'23" West, 471.11 feet to an iron rod set;

South 09°06'53" West, 120.86 feet to an iron rod set on a northerly property line of the said 4,083.468 acre tract;

THENCE along the said northerly property lines of the 4,083.468 acre tract the following courses and distances:



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North 72°28'25" West, 514.61 feet;

North 65°43'57" West, 176.48 feet;

North 66°27'49" West, 70.27 feet;

North 53°38'56" West, 81.40 feet;

North 43°27'10" West, 413.04 feet;

North 29°36'19" West, 141.10 feet;

North 27°27'55" West, 114.78 feet;

North 09°08'57" West, 94.94 feet;

North 02°04'31" West, 474.12 feet;

North 04°35'31" East, 536.05 feet to the **POINT OF BEGINNING**.

The hereinabove described tract of land contains **40.0902 acres (1,746,329 square feet)**.

EXHIBIT “C”

See Attached

*** METES AND BOUNDS DESCRIPTION ***

Being a 22.3535 acre tract of land located in the Nathaniel Smith Survey, Abstract No. 486, and in the Martha J. Love Survey, Abstract No. 295, Kaufman County, Texas, said 22.3535 acre tract of land being a portion of the remainder of a called 9,032.380 acre tract of land conveyed to **TRINITY MATERIALS, INC.**, by deed thereof filed for record in Kaufman County Clerk's Instrument No. (K.C.C.I. No.) 2005-00024898, Official Public Records, Kaufman County, Texas (O.P.R.K.C.T.), said 22.3535 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found at an easterly property corner of a called 108.035 acre tract conveyed to Tarrant Regional Water District, identified as "Tract 2", by deed thereof filed for record in K.C.C.I. No. 2014-0001607, O.P.R.K.C.T., said beginning point also being the northeast corner of an existing 100' Pipeline Easement, identified as "Segment 1," as conveyed to Tarrant Regional Water District, by deed thereof filed for record in K.C.C.I. No. 2014-0001609, O.P.R.K.C.T., said beginning point also having a NAD83 Texas North Central Zone (4202) grid coordinate of N: 6,829,331.26 and E: 2,606,261.38;

THENCE South 09°46'30" West, along the east line of the said existing 100' Pipeline Easement, 2,083.47 feet to a 1/2" iron rod with a cap stamped "2117" found at an easterly property corner of a called 4,083.468 acre tract of land identified as "Tract 1", as conveyed to Tarrant Regional Water District by said deed of K.C.C.I. No. 2014-0001607, O.P.R.K.C.T., said iron rod also being at the southeast corner of the said existing 100' Pipeline Easement;

THENCE along the easterly property lines of the said 4,083.468 acre tract the following courses and distances:

North 24°18'58" West, 427.09 feet;

North 24°20'56" West, 467.81 feet;

North 25°46'19" West, 497.57 feet;

North 19°13'35" West, 49.35 feet;

North 09°39'06" West, passing at a distance of 11.81 feet the most northerly northeast property corner of the said 4,083.468 acre tract, same being the most southerly southeast property corner of the said 108.035 acre tract, and continuing along the easterly property line of the said 108.035 acre tract, in all a total distance of 31.99 feet;

THENCE along the easterly property lines of the said 108.035 acre tract the following courses and distances:

North 01°31'26" East, 33.11 feet;

North 25°45'33" East, 63.12 feet;

North 32°04'07" East, 76.58 feet;



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North 48°12'31" East, 607.95 feet;

North 67°55'42" East, 360.83 feet;

North 81°13'27" East, 105.01 feet to the **POINT OF BEGINNING**.

The hereinabove described tract of land contains **22.3535 acres (973,717 square feet)**.

In addition, the General Manager of TRWD or his designee is authorized to take all steps which may be reasonably necessary to complete the acquisition, including, but not limited to, the authority to pay all customary, reasonable and necessary closing and related costs. Funding for this item is included in the Bond Fund. Director Kelleher seconded the motion, and the votes were 5 in favor, 0 against.

12.

There were no future agenda items approved.

13.

The next board meeting was scheduled for December 12, 2023, at 9:00 a.m.

14.

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

President

Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 4

DATE: December 12, 2023

SUBJECT: Consider Changes and Additions to Board Governance and Board-Approved Policies

FUNDING: N/A

RECOMMENDATION:

Management recommends the Board consider (1) changes to existing Board-Approved policies to reflect recent changes in state law, and (2) a new Board Governance policy related to naming District-owned facilities.

DISCUSSION:

Management recommends the following changes to District policy: (1) amending current District policy on purchasing and procurement to incorporate recent changes to state law, (2) adding a new Board Governance policy related to Board Compensation to incorporate recent changes to state law, and (3) adding a new Board-Approved policy for naming District-owned facilities in response to a Board request.

All legislation referenced below passed during the 88th Texas Legislative session (2023).

Amendments to Existing Board-Approved Policy 201 – Purchasing and Procurement

Section 49.273(d) of the Texas Water Code requires the board to advertise the letting of construction, repair, and renovation contracts of \$75,000 or more. HB 3507 increased that statutory amount from \$75,000 to \$150,000. Section 49.273(i) authorizes the board to delegate the authority to approve change orders that involve an increase or decrease of \$50,000 or less for construction, repair, renovation contracts. HB 3437 increased that threshold increase/decrease amount from \$50,000 or less to \$150,000 or less.

To incorporate these statutory changes into current Board-Approved policy 201 (Purchasing and Procurement), section 201.5 will be updated to increase the board contract approval threshold amount from \$75,000 to \$150,000, and the change order threshold from \$50,000 to \$150,000. Corresponding changes will also be made to several policy provisions that delegate approval authority for certain contracts to the General Manager.

In addition, management proposes adding a new provision to policy 201 that delegates to the General Manager the authority to sell any District-owned personal property valued

at \$10,000 or less that has been found to be surplus. Texas Water Code section 49.226 provides that any personal property valued at more than \$300 owned by the District which is found by the board to be surplus and is not needed by the District may be sold under order of the board either by public or private sale or may be exchanged for other personal property needed by the District. Currently, no District policy addresses the designation of surplus property. Management recommends adding a section to do so in the manner of section 49.226.

New Board Governance Policy 3.13 – Board Compensation

HB 2815 amended section 49.060 of the Texas Water Code to direct the board to set by resolution the fees of office for its board members, and capping those fees at the amount of per diem set by the Texas Ethics Commission for members of the Texas Legislature. Proposed New Board Governance Policy 3.13 will be added to incorporate this statutory change.

New Board-Approved Policy 107 – District-owned facility naming policy and process.

Lastly, in response to a Board member request, management proposes a new Board Governance Policy to establish criteria and processes for naming District-Owned facilities.

After Board discussion, these policies will be placed on the District website for public comment, then presented to the Board for further discussion and/or approval at the December 2023 regular Board meeting.

This item was reviewed by the Administration and Policy Committee on December 5, 2023.

Submitted By:

Stephen Tatum
General Counsel

201.0 PURCHASING AND PROCUREMENT POLICY

TRWD is committed to obtaining quality goods and services at a reasonable cost by generating competition whenever possible, when allowed or required by law. TRWD should adhere to the highest ethical values in the purchase and receipt of, and payment for, goods and services to support TRWD's business. TRWD shall comply fully with all state and federal purchasing laws, rules, and regulations.

201.1 Purpose. The purpose of this Policy is to establish authority for the purchasing function within TRWD and provide a framework that promotes and facilitates an efficient purchasing function for TRWD's acquisition of goods and services that complies with all applicable state and federal purchasing laws.

201.2 Scope. This Purchasing Policy applies to all TRWD employees and officials involved in the purchasing process. This Policy applies to TRWD's purchase of goods or services made with funds approved by the Board.

201.3 Definitions. The following definitions apply to this Purchasing Policy:

Bidder - A company that submits a bid in response to a solicitation for goods or services.

Change Order – A document used in construction contracts to change the contract by modifying the plans, specifications, or scope of work after the performance of the contract has begun and potentially increasing or decreasing the contract amount. Change Orders may also be used to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished under a contract.

Confidential/Proprietary Information - Information provided in response to a request for a bid, proposal, or qualification by a bidder (a vendor, contractor, potential vendor, or potential contractor) to which the bidder claims ownership or exclusive rights and which is protected from disclosure under the Texas Public Information Act, Texas Government Code § 552.1101.

Contract - A formal, written agreement executed by an authorized TRWD employee containing the terms and conditions under which goods or services are furnished to TRWD.

Goods - Any personal property purchased by TRWD, including equipment, supplies, material, and component or repair parts.

Offeror - A company that submits a proposal in response to a TRWD purchasing or procurement request.

Services – The furnishing of labor and any ancillary materials by a vendor that does not include the delivery of a tangible end product and includes all work or labor performed for TRWD on a contractual basis including maintenance, construction, manual, clerical, personal, or professional services.

Specifications - A concise description of the goods or services that TRWD seeks to procure and the requirements the vendor must meet to be considered for award. The specification is the total description of the item or services to be purchased.

Vendor – A supplier of goods or services to TRWD.

201.4 General Purchasing and Procurement Authority. The General Manager has designated the Purchasing Department as the purchasing and procurement authority for TRWD. The General Manager has designated the Purchasing Manager to determine the purchase or procurement method that provides the best value for TRWD that is consistent with this Policy and complies with the laws applicable to the District.

201.5 Contracting and Signature Authority. Unless contracting authority is otherwise delegated by the Board, all contracts that have a value of ~~\$75,000~~ \$150,000 or greater must be approved by the Board. Change orders to existing contracts that would increase or decrease the contract by more than ~~\$50,000~~ \$150,000 must be approved by the Board. Subject to the Procurement Requirements set forth in 201.9.6, the Board delegates to the TRWD staff-member responsible for administering a construction contract the authority to approve a change order that involves an increase or decrease of ~~\$50,000~~ \$150,000 or less, as allowed by Texas Water Code § 49.273(i).

Except for documents required by law to have the Board President's signature, the Board delegates to the General Manager signature authority for all TRWD contracts. The General Manager may establish designees to sign contracts at specific amounts in a written Delegation of Signature Authority memorandum that is presented to the Board.

201.5.1 Renewal of Hardware/Software Maintenance and Support Agreements. The Board delegates authority to the General Manager or designee to approve renewal of annual hardware/software maintenance and support agreements. The General Manager or designee shall notify the Administration and Policy Committee regarding approval of any agreement for renewal of hardware/software maintenance and support over ~~\$75,000~~ \$150,000.

201.5.2 Original Equipment Manufacturer (OEM) Repairs and Maintenance. The Board delegates authority to the General Manager or designee to approve contracts for pump station maintenance and large equipment repairs of \$75,000 or more using original equipment manufacturers or their authorized dealers. The General Manager or designee shall notify the Construction and Operations Committee regarding approval of any OEM items over ~~\$75,000~~ \$150,000.

201.5.3 Public Relations and Advocacy Contracts. The Board delegates authority to the General Manager or designee to approve the renewal of public relations and governmental advocacy contracts that will, or are likely to, exceed ~~\$75,000~~ \$150,000 in a given fiscal year, provided that the General Manager or designee shall notify the Administration and Policy Committee regarding the approval of any such contract renewals. This delegation of authority also applies to renewals of contracts that may not exceed ~~\$75,000~~ \$150,000 in a given fiscal year but will, over the life of the contract, exceed ~~\$75,000~~ \$150,000.

201.5.4 Insurance Contracts. In accordance with delegation to the General Manager of ultimate authority to determine compensation and benefits for TRWD employees in Board Governance Policy 4.3, the Board delegates authority to the General Manager or designee to approve the renewal of administrative, personnel-related insurance and benefit agreements, provided that the General Manager or designee shall notify the Administration and Policy Committee of any renewals of contracts over ~~\$75,000~~ \$150,000.

201.6 Development of Purchasing Procedures. The General Manager or designee shall establish and implement administrative procedures or guidelines consistent with this Policy to guide TRWD in its purchasing function. The administrative procedures should include:

- A more detailed discussion of permissible competitive procurement methods TRWD may use;
- Specific state procurement requirements;
- Requirements for TRWD contracts and change orders to contracts that comply with all applicable law and TRWD's practice; and
- Safeguards for the detection and prevention of fraud, waste, and abuse in TRWD's purchasing process.

The administrative procedures should ensure that TRWD's purchasing and procurement processes are fair and equitable, foster competition, and result in the provision of quality goods and services to TRWD at a reasonable cost.

201.7 Conduct of Purchasing Employees. TRWD employees assigned to the Purchasing Department and any other TRWD employees who are involved directly or indirectly in TRWD's procurement and purchasing process must follow TRWD's Board-adopted Employee Code of Ethics and must:

- Avoid activities that compromise or give the perception of compromising the best interests of TRWD;

- Avoid the knowing use of confidential or proprietary information for actual or anticipated gain;
- Maintain the confidentiality of the proprietary information of bidders and offerors, to the extent allowed by law;
- Avoid any activity that would create a conflict between their personal interest and the interest of TRWD;
- Avoid the appearance of unethical or compromising practices in relationships, actions, and communications associated with TRWD's purchase or procurement of goods or services;
- Avoid soliciting or accepting money, loans, gifts, favors, or anything of value, from present or potential vendors that might influence or give the perception of influencing a purchasing decision; and
- Never purchase goods or services for or on behalf of TRWD that are for their own personal benefit.

If any conflict or potential conflict of interest exists, the employee shall notify the Purchasing Manager in writing. If the Purchasing Manager finds that the employee has a conflict of interest, the employee will remove themselves from the purchasing or procurement process.

201.8 Violations. A violation or unauthorized departure from this Policy or the administrative procedures created to effectuate this Policy may result in removal from TRWD's purchasing process, disciplinary action up to and including termination as determined by the General Manager or designee, and possible criminal penalties.

201.9 Procurement Requirements. The following reflects TRWD's requirements for certain types of procurement.

The following strategies that are employed with the intention of circumventing the formal competitive bidding process are prohibited:

- Component Purchases – Purchasing a series of component parts or goods that, in normal purchasing practices, would be made in a single purchase.
- Separate Purchases - Purchasing goods or services in a series of separate purchases that, in normal purchasing practices, would have been made in a single purchase.
- Sequential Purchases – Purchases of items made over a period of time that, in normal purchasing practices, would be made in a single purchase.

201.9.1. Construction, Equipment, Materials, and Machinery Contracts.

For purchases over \$25,000 but less than ~~\$75,000~~ \$150,000, TRWD shall solicit three formal bids on a uniform set of specifications as set forth in Texas Water Code § 49.273(e). Responses to the solicitation are not required to be sealed.

For purchases over ~~\$75,000~~ \$150,000, TRWD shall solicit three formal bids on a uniform set of specifications. Responses to this solicitation must be sealed. TRWD shall advertise the solicitation in a newspaper with general circulation in TRWD's geographical area once a week for two consecutive weeks before the bids are opened, and the first publication must be at least fourteen days prior to the date of the opening of the sealed bids as required by Texas Water Code § 49.273(d).

201.9.2. Professional or Consulting Services. In accordance with Texas Government Code § 2254.003(a), TRWD may not select a provider of professional services on the basis of competitive bids but rather shall make its selection and award a contract on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price. Under Texas Government Code § 2254.002(2)(A), Professional Services include accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, professional nursing, and forensic science.

In accordance with 30 Texas Administrative Code § 292.13(4), TRWD shall maintain a list of at least three qualified persons or firms for each area of professional service used by the District. The pre-qualified persons or firms shall be sent a request for proposal for any contract award for a new project which is expected to exceed \$25,000.

In selecting attorneys, engineers, auditors, financial advisors, or other professional consultants, TRWD shall follow the procedures provided in the Professional Services Procurement Act, Texas Government Code Chapter 2254, Subchapter A, as required by Texas Water Code § 49.057(d).

TRWD shall select consultants, who study or advise TRWD under a contract but do not have a traditional employer-employee relationship with TRWD, based on demonstrated competence, knowledge, and qualifications and on the reasonableness of the proposed fee for the services.

201.9.3 High-Technology Procurement. TRWD shall procure equipment, goods, or services of a highly technical nature, as defined by Texas Local Government Code § 252.001(4), of more than \$50,000 by using appropriate local government cooperative purchasing programs, a request for proposal, or competitive sealed bidding.

201.9.4 Reverse Auction Procedure. TRWD may use the reverse auction procedure, as defined by Texas Government Code § 2155.062(d).

201.9.5. Fuel Purchases. Fuel purchases will be procured based on the dollar limit thresholds listed in Section 201.9.1. The purchase requisition for fuel purchases should include, at a minimum: the type of fuel needed; the amount needed to include the unit of measure; the location of fuel delivery; and the required delivery date.

201.9.6 Change Order Limitations. Change orders are not subject to the requirements of 201.9.1. In accordance with Texas Water Code § 49.273(i), change orders, in the aggregate, may not increase the original contract price by more than twenty-five (25) percent. The aggregate of change orders that increase the original contract price by more than twenty-five (25) percent may be issued only as a result of unanticipated conditions encountered during construction, repair, renovation, or changes in regulatory criteria or to facilitate project coordination with other political.

201.9.7 Surplus Property. Any personal property valued at up to \$10,000 owned by the District, which is found by the General Manager or designee to be surplus and is not needed by the District, may be sold under order of the General Manager or designee either by public or private sale or may be exchanged for other personal property needed by the District. Personal property must be exchanged for like fair market value, which value may be determined by the District. The General Manager or designee shall notify the Finance Committee regarding surplus designation and sale.

201.10. Restriction of Communication. Once a formal procurement process has begun, all communication with bidders or potential bidders regarding the competitive solicitation must be made by and through the Purchasing Department. Any and all other communication between a bidder/offeror and TRWD staff concerning the competitive solicitation is strictly prohibited. Failure to comply with this requirement may result in TRWD disqualifying the bidder's/offeror's submittal.

This restriction on communication applies only to communications regarding the competitive solicitation and does not prohibit a bidder or potential bidder from communicating with the Board or TRWD staff regarding ongoing business with TRWD or contracts previously executed with TRWD.

201.11 Certificate of Interested Parties. Before TRWD enters into a contract that requires Board approval or has a value of at least \$1,000,000, or is for services that would require a person to register as a lobbyist under Texas Government Code Chapter 305, the business entity must submit a disclosure of interested parties (Form 1295) with the Texas Ethics Commission, as required by Texas Government Code § 2252.908.

201.12 Cooperative Purchasing. TRWD may use local government cooperative purchasing programs created in accordance with state law to satisfy its competitive bidding requirements. All matters relating to or purchases made through a cooperative purchasing program should be handled by the Purchasing Department.

201.13 Exemptions to Competitive Purchasing. TRWD is not required to utilize competitive bidding in the following circumstances:

- TRWD may contract with any person to provide laboratory or environment services related to the environment, health, or drinking water testing.
- TRWD is not required to advertise or seek competitive bids for repairs and maintenance if the scope or extent of the repair work cannot be readily ascertained or if the nature of the repair work does not readily lend itself to competitive bidding.
- TRWD is not required to advertise or seek competitive bids for security or surveillance systems or components of or additions to TRWD facilities relating to security or surveillance, including systems used for the prevention of terrorist or criminal acts and incidents or acts of war, if the Board finds that doing so would compromise the safety and security of TRWD facilities or residents.
- TRWD is not required to advertise or seek competitive bids for the purchase of electricity for use by the District.
- TRWD is not required to advertise or seek competitive bids for contracts for services related to compliance with a state or federal construction storm water requirement, including acquisition of permits, construction, repair, and removal of temporary erosion control devices, cleaning of silt and debris from streets and storm sewers, monitoring of construction sites, and preparation and filing of all required reports.
- TRWD may purchase equipment, materials, or machinery at an auction that is open to the public.
- If TRWD experiences an emergency condition that may create a serious health hazard or unreasonable economic loss to TRWD that requires immediate corrective action, TRWD may negotiate limited duration contracts to make the necessary repairs. TRWD shall comply with all requirements of Texas Water Code § 49.274 regarding such contracts.
- If goods or services are available from only one source and unique to one vendor, to the best of TRWD's belief based upon thorough research, TRWD may purchase such sole source goods or services without competitive bidding.

201.14 Fair Opportunities and Diverse Businesses. TRWD is committed to promoting full and equal opportunity for all business to supply the goods and services needed to support the mission and operations of the District. TRWD encourages the participation and use of certified Diverse Businesses—businesses that are minority-

owned, woman-owned, socially disadvantaged, economically disadvantaged, small, service-disabled, and/or historically underutilized businesses—in the District’s procurement processes through neutral means. The Purchasing Department will ensure that the Board-adopted Fair Opportunities Purchasing and Contracting Policy is followed in TRWD’s purchasing and procurement processes.

201.15 Procurement Cards (P-Cards). TRWD may use Procurement Cards, or P-Cards, in certain circumstances to provide an expedient and efficient method of purchasing relatively small-dollar items. Procurement Cards should only be provided to identified TRWD staff as determined the General Manager or designee. The General Manager or designee shall establish a process for issuing P-Cards and tracking use of P-Cards.

All purchasing with Procurement Cards shall be made in strict compliance with this Policy and any established administrative procedures governing the use of P-Cards. Procurement Cards shall not be used to circumvent TRWD’s purchasing and procurement process. Under no circumstance can the holder of a Procurement Card use the P-Card for a personal purchase or a single purchase that exceeds the cardholder’s purchasing authority set forth in TRWD procedures.

TRWD shall establish administrative procedures for the responsible and lawful use of Procurement Cards.

201.16 Electrical Energy Procurement. TRWD may purchase energy in regulated service areas, such as through rural electric cooperatives, and deregulated service areas, through a Retail Electric Provider (REP). TRWD shall procure energy consistent with the risk profile strategies identified by the General Manager or designee that have been presented to the Board.

TRWD shall establish administrative procedures regarding energy procurement that address:

- TRWD’s risk profile for purchasing power;
- TRWD’s approach for procuring power in regulated service areas and deregulated service areas;
- TRWD’s commitment to the use of renewable energy;
- The approval of power purchases;
- The process for amendments to contracts related to energy procurement with REPs,
- Adding or replacing an REP; and

- Any delegated authority for energy procurement.

Any energy procurement that extends the term of the contract shall require approval of the Construction and Operations Committee. Power purchases within the term of an existing contract will require the approval of the Construction and Operations Committee, except when the window of opportunity due to operational needs or market conditions requires rapid response. In this case, the General Manager or their designee may approve power purchases and notify the Construction and Operations Committee.

A regular update regarding TRWD's Energy Procurement will be provided to the Board. The General Manager or designee should maintain a document or memorandum regarding Delegated Authority for Energy Procurement. This memorandum, with any changes, should be provided to the Board with TRWD's update regarding Energy Procurement.



Board Governance Policies

The following amends and supersedes the Tarrant Regional Water District Board Governance Policies adopted July 22, 2013 and amended on November 18, 2014 and September 17, 2019. These Board Governance Policies were adopted on October 19, 2021 and were amended on March 21, 2023.

1.0 LEGAL STATUS

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

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

2.0 MISSION AND OBJECTIVES

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

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

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

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

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

3.0 THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

Each year, the Board shall adopt an annual budget.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.13 Board Compensation. A Director is entitled to receive fees of office for each day the Director actually spends performing the duties of a Director. For this policy, “performing the duties of a Director” means substantive performance of the management or business of the District, including participation in Board and committee meetings and other activities involving the substantive deliberation of District business and in pertinent educational programs. The phrase does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

The Board by resolution shall set the fees of office, as well as a limit on the fees of office that a Director may receive in a year. The Board may not set the fees of office at an amount greater than the amount of the per diem set by the Texas Ethics Commission for members of the legislature under section 24a, Article III, Texas Constitution. The Board may not set the annual limit at an amount greater than \$7,200.

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

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

3.16 Board Vacancies. A mid-term vacancy on the Board shall be filled for the remainder of the unexpired term by appointment of the Board no later than sixty (60) days after the date the vacancy occurs. The appointment shall be made by majority vote of the Board at a regular or special meeting. Eligible candidates for appointment shall be compiled through any process the Board in its discretion determines to be fair, appropriate, and in the best interests of the public. Factors to consider in making the appointment may include the amount of time before the next regular Board election, the results of the most recent past election, public input, and any other factors the Board considers to be in the public’s interest.

AUTHORITY

Tex. Elec. Code § 67.003(b)
Tex. Gov’t Code §§ 551.001, et seq.

Tex. Water Code § 49.053

Tex. Water Code § 49.054

Tex. Water Code § 49.056

Tex. Water Code § 49.057

Tex. Water Code § 49.060

Tex. Water Code § 49.105

Tex. Water Code, Chapter 49, subchapter D

4.0 THE GENERAL MANAGER

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

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

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

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

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

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

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

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

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

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

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

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

4.6 Ethics and Standards of Conduct. The General Manager shall follow all standards of conduct and ethical practices set forth in Board policies and TRWD's administrative procedures. The General Manager shall not accept payment from any source other than TRWD for work performed as the District's General Manager.

No member of the General Manager's family, within the third degree by consanguinity or within the second degree of affinity as defined in Chapter 573, subchapter B of the Texas Government Code, and no domestic partner of or individual in a dating relationship with the General Manager, may be employed by TRWD or have a substantial interest in an organization associated with or benefiting from TRWD without disclosure to and authorization from the Board of Directors.

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

5.1 Definitions.

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

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

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

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

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

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

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

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

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

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

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

6.0 BOARD MEETINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.6 Rules of Order. The Board of Directors will use the modified parliamentary procedures as articulated in *Robert's Rules of Order, Newly Revised* as a guide when applicable or when any procedural dispute arises. The Board President shall be the final authority for interpreting the applicability of *Robert's Rules of Order* in all Board meetings. The Board may suspend procedural rules at any Board meeting by a majority vote of Directors who are present and cast a vote.

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

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

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

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

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

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

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

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

6.10 Minutes. Action taken by the Board of Directors shall be carefully recorded by the Board Secretary or TRWD staff member assisting the Board Secretary and provided to all Directors before the next meeting at which the minutes shall be approved. Public comments shall be recorded in the minutes by reciting the agenda item and/or subject written on the commenter's speaker card submitted prior to the meeting, or as communicated to TRWD staff prior to the public meeting. Corrections to the minutes shall be made at the meeting at which they are approved. Once approved or corrected by the Board at the next regular or special/called meeting, these minutes shall serve as the legal record of official Board action. Approved minutes of all meetings shall be signed by the Board President and Board Secretary.

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

6.11 Conduct at Board Meetings. The Board shall not tolerate disruption of the meeting by members of the public. If, after at least one warning from the Board President,

any person continues to disrupt the meeting by his or her words or actions, the Board President shall request assistance from law enforcement officials to have the person removed from the meeting.

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

6.12 Board Committees. Duly-created Board committees, discussed in Section 8.0 of these Board Governance Policies—which may consist of Directors and TRWD staff—may only conduct meetings, consider issues, and make recommendations to the Board regarding matters within the specific authority granted by the Board. Unless otherwise delegated by the Board to the committee, to be binding on the Board, all committee recommendations must be provided to the Board at the next regular or special/called Board meeting for consideration and discussion, and a vote by the Board regarding the committee’s recommendation.

6.13 Training. Members of the TRWD Board of Directors shall participate in annual training prior to September 1 each year on the Texas Open Meetings Act.

AUTHORITY

Tex. Gov’t Code §§ 551.001, et seq.
Tex. Gov’t Code § 551.005
Tex. Gov’t Code § 551.007
Tex. Gov’t Code § 551.041
Tex. Gov’t Code 551.042
Tex. Gov’t Code § 551.045
Tex. Gov’t Code E § 551.0554
Tex. Gov’t Code § 551.101
Tex. Gov’t Code § 551.103
Tex. Gov’t Code § 551.104
Tex. Gov’t Code § 551.144
Tex. Gov’t Code § 551.445
Tex. Atty. Gen. Op. JC-0120 (1999)
Tex. Atty. Gen. Op. JM-1004 (1989)
Tex. Atty. Gen. Op. JC-0506 (2002)
Tex. Atty. Gen. Op. KP-0300 (2020)

7.0 BOARD MEETING AGENDAS

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

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

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

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

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

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

1. Items that are routine and ministerial in nature;
2. Items not involving an expenditure of funds; or
3. Items involving a minimal or nominal expenditure of funds.

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

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

AUTHORITY

Tex. Gov't Code §§ 551.001, et seq.

8.0 BOARD COMMITTEES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.0 BOARD OF DIRECTORS STANDARDS OF CONDUCT AND ETHICAL OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.7 Prohibition on Nepotism. A Director may not appoint a person to a position that is to be directly or indirectly compensated from public funds or fees of office if the person is related to the Director by blood (consanguinity) within the third degree or by marriage (affinity) within the second degree; or the person is related to another member of the Board of Directors by blood or marriage within a prohibited degree defined under state law. In addition, a Director may not appoint a person to a position that is to be directly or indirectly compensated from public funds or fees of office if the person is a domestic partner of or in a romantic relationship with the Director.

This prohibition on nepotism expressly includes directing the General Manager or TRWD staff to employ such a person at TRWD.

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

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

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

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

This prohibition on illegal gifts does not apply to:

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

4. A political contribution as defined by Title 15 of the Texas Election Code;
5. An item with a value of less than \$50, excluding cash or a negotiable instrument as described by Texas Business and Commerce Code § 3.104;
6. An item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity;
7. Transportation and lodging expenses or meals in connection with a conference or similar event at which the Director renders services, such as addressing an audience or engaging in a seminar, to the extent those services are more than merely perfunctory; or
8. Food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.

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

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

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

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

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

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

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

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

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

AUTHORITY

Tex. Gov’t Code §§ 551.001, et seq.

Tex. Gov't Code §§ 552.001, et seq.
Tex. Gov't Code § 572.059
Tex. Gov't Code § 573.002
Tex. Gov't Code § 573.041
Tex. Loc. Gov't Code § 171.002
Tex. Loc. Gov't Code § 171.004
Tex. Penal Code §§ 1.07(41)(A), (E)
Tex. Penal Code. § 36.01
Tex. Penal Code § 36.02
Tex. Penal Code § 36.07
Tex. Penal Code §§ 36.08(d), (i)
Tex. Penal Code §§ 36.10(a)-(b)
Tex. Penal Code §§ 39.01(1)-(2)
Tex. Penal Code § 39.02(a).
Tex. Atty Gen. Op. OR 2006-03805 (2006).
Tex. Atty. Gen. Op JC-184 (2000)

10.0 COUNSEL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.0 AUDITORS AND AUDIT REPORTING

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

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

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

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

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

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

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

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

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

107.0 DISTRICT-OWNED FACILITY NAMING POLICY AND PROCESS

107.1 Purpose. The purpose of this Policy is to establish criteria and processes for naming District-owned facilities.

107.2 Scope. This policy applies to all District-owned facilities or any facility or infrastructure for which TRWD has been given or offered naming rights.

107.3 Definition of Facility. For this policy, a “facility” means a place, building, installation, structure, amenity, or other improvement to real property. The term may also include specific features, fixtures, or appurtenances of real property, as well as a piece of equipment provided for a particular purpose.

107.4 Naming Policy. Recommendations for naming District-owned facilities must be submitted to the TRWD Board of Directors for approval. If a recommendation is to name a facility after an individual, living or deceased, the recommendation should be based on the individual’s extraordinary contributions for the betterment of TRWD and its constituents.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 5

DATE: December 12, 2023

SUBJECT: Consider Approval of Board Resolution Setting the Fees of Office for TRWD Board Members as Required Under Texas Water Code Section 49.060

FUNDING: N/A

RECOMMENDATION:

Management recommends approval of the resolution.

DISCUSSION:

Under section 49.060 of the Texas Water Code, the members of the Board of Directors of TRWD are entitled to receive fees of office for each day spent performing the duties of a Director. Sections 49.060(a) and (a-1) of the Texas Water Code, as well as TRWD Board Governance Policy 3.13, require the Board to set by resolution the fees of office at an amount not to exceed the amount of the per diem set by the Texas Ethics Commission for members of the Texas Legislature. The Board is also legally required to set a limit on the amount a Director can receive in a year, at an amount not to exceed \$7,200. Management therefore recommends the Board approve such a resolution to fulfill its legal duty under the Texas Water Code and TRWD Board Governance Policy.

This item was reviewed by the Administration and Policy Committee on December 5, 2023.

Submitted By:

Stephen Tatum
General Counsel

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

WHEREAS, the Tarrant Regional Water District (“TRWD”) is a duly created political subdivision of the State of Texas operating under the Constitution and laws of the State of Texas;

WHEREAS, under the Texas Water Code, the members of the Board of Directors of TRWD are entitled to receive fees of office for each day spent performing the duties of a Director;

WHEREAS, sections 49.060(a) and (a-1) of the Texas Water Code, as well as TRWD Board Governance Policy 3.13, require the Board of Directors of TRWD to (1) set by resolution the fees of office for each day spent performing the duties of a Director at an amount not to exceed the amount of the per diem set by the Texas Ethics Commission for members of the Texas Legislature, and (2) set a limit on the amount a Director may receive in a year, not to exceed a total amount of \$7,200; and

WHEREAS, the TRWD Board of Directors passes this resolution in fulfillment of its legal duty under the Texas Water Code and TRWD Board Governance Policy.

NOW, THEREFORE, BE IT RESOLVED that the fees of office for a member of the Board of Directors of the Tarrant Regional Water District shall be equal to the per diem set by the Texas Ethics Commission for members of the Texas Legislature for each day the Director actually spends performing the duties of a Director, at a total annual amount not to exceed \$7,200. For purposes of this resolution, the phrase “performing the duties of a Director” means substantive performance of the management or business of TRWD, including participation in Board and committee meetings and other activities involving the substantive deliberation of District business and in pertinent educational programs. The phrase does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF DECEMBER, 2023.

TARRANT REGIONAL WATER DISTRICT

BY: _____
Leah M. King
President, Board of Directors

ATTEST:

Mary Kelleher, Secretary

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 6

DATE: December 12, 2023

SUBJECT: Consider Approval of Consent Agenda

RECOMMENDATION:

Management recommends approval of the Consent Agenda.

Item: Release of Retainage for Demolition and Asbestos Abatement of the South Bypass Channel - Package 1 for the Central City Flood Control Project

Vendor: Garrett Demolition, Inc.

Amount: \$19,730.78 / FY 2024 Special Projects/Contingency Fund

Reviewed by: Construction and Operations Committee

The properties in Demolition Package 1 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 to clear the area ahead of required City of Fort Worth utility relocations critical for the South Bypass Channel.

Garrett Demolition, Inc. performed 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.

Work started in July 2023, and the demolition portion ended mid-August. The contractor then hydro-mulched the properties at the end of August. The District accepts the final condition and recommends that the retainage be released, in accordance with the terms of the contract. Management also requests the Board of Directors grant authority to the General Manager or his designee to execute all documents associated with the contract described herein.

Item: Contract for 110-Ton Hydraulic Crawler Crane Project

Vendor: Davis Crane Service

Amount: not-to-exceed \$80,000 / FY 2024 Revenue Fund

Reviewed by: Construction and Operations Committee

This project is the annual predictive maintenance pipe replacement, consisting of replacing 15 damaged segments of the 90" Richland-Chambers Pipeline during FY2024. The targeted segments have been identified through the District's Pipeline Integrity Program. The damaged segments are located between Highway 34 and downstream of the Ennis Pump Station. Six companies were solicited and one bid was received.

Davis Crane is a prime, non-certified business. There are no subcontracting opportunities.

All statutory bidding requirements have been satisfied.

Item: Contract for Right of Way Grounds Maintenance

Vendor: Manual Chores

Amount: Year 1: \$152,624; Total Potential Spend: \$763,120 / FY 2024 Revenue Fund

Reviewed by: Construction and Operations Committee

Request for Proposals were solicited per statute (Texas Local Government Code Chapter 252) and 10 proposals were received. The evaluation team determined that Manual Chores is one of three vendors which will provide the best value to the District. This contract is for the annual pipeline right of way and central facilities grounds maintenance. This contract is for one year (1) period with the option to renew for up to four (4) additional one (1) year periods.

Manual Chores is a prime, certified business and will self-perform its portion of the project, resulting in 0% diverse participation.

All statutory bidding requirements have been satisfied.

Item: Contract for Right of Way Grounds Maintenance

Vendor: Green World Care

Amount: Year 1: \$220,352; Total Potential Spend: \$1,101,760 / FY 2024 Revenue Fund

Reviewed by: Construction and Operations Committee

Request for Proposals were solicited per statute (Texas Local Government Code Chapter 252) and 10 proposals were received. The evaluation team determined that Green World Care is one of three vendors which will provide the best value to the District. This contract is for the annual pipeline right of way and central facilities grounds maintenance. This

contract is for one year (1) period with the option to renew for up to four (4) additional one (1) year periods.

Green World Care is a prime, non-certified business and has subcontracted its portion of the project to certified businesses, resulting in a diverse participation commitment of 13%.

All statutory bidding requirements have been satisfied.

Item: **Contract for Central Facilities Grounds Maintenance**

Vendor: Lawn Patrol

Amount: Year 1: \$68,517; Total Potential Spend: \$342,585 / FY 2024 Revenue Fund

Reviewed by: Construction and Operations Committee

Request for Proposals were solicited per statute (Texas Local Government Code Chapter 252) and 10 proposals were received. The evaluation team determined that Lawn Patrol is one of three vendors which will provide the best value to the District. This contract is for the annual pipeline right of way and central facilities grounds maintenance. This contract is for one year (1) period with the option to renew for up to four (4) additional one (1) year periods.

Lawn Patrol is a prime, certified business and has subcontracted its portion of the project to certified businesses, resulting in a diverse participation commitment of 10%.

All statutory bidding requirements have been satisfied.



Bid Tabulation

ITB No. 24-007
Description CRAWLER CRANE AND OPERATOR FOR FY'24 PIPE REPLACEMENT
Due Date and Time OCTOBER 12, 2023 AT 02:00 PM CT

Company Name	Bid Amount
Davis Crane	\$69,750.00



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: Floodway

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	6.84	37.60	36.15	22.12	1.57	26.33
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	66.84	97.60	66.15	82.12	61.57	86.33

Section: 1

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	20.77	21.60	17.28	12.71	11.37	15.13
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	80.77	81.60	47.28	72.71	71.37	75.13



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 10

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	27.25	37.60	21.24	22.12	22.12	26.33
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	0.00	10.00
Total	100.00	100.00	87.25	97.60	51.24	82.12	72.12	86.33

Section: 11

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	25.80	35.29	32.97	20.76	23.03	24.71
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	85.80	95.29	62.97	80.76	83.03	84.71



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 12

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	39.51	40.00	37.14	23.79	21.85	24.30	26.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	5.00	10.00
Total	100.00	99.51	100.00	97.14	53.79	81.85	79.30	86.01

Section: 13

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	19.73	25.13	20.88	14.78	18.08	17.60
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	5.00	10.00
Total	100.00	100.00	79.73	85.13	50.88	74.78	73.08	77.60



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 14

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	34.62	40.00	32.76	23.53	33.88	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	5.00	10.00
Total	100.00	60.00	94.62	100.00	62.76	83.53	88.88	88.01

Section: 15-1

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	29.69	40.00	32.85	23.53	33.10	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	89.69	100.00	62.85	83.53	93.10	88.01

24-023 Pipeline ROW Mowing

Section: 15-2

Technical Quality Criteria	Total Points Available							
		Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	27.78	40.00	32.00	23.53	26.67	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	87.78	100.00	62.00	83.53	86.67	88.01

Section: 17

Technical Quality Criteria	Total Points Available							
		Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	20.43	40.00	32.00	23.53	34.98	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	80.43	100.00	62.00	83.53	94.98	88.01



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 18

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	33.33	40.00	32.00	23.53	27.40	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	93.33	100.00	62.00	83.53	87.40	88.01

Section: 2

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	31.61	32.14	28.91	18.90	21.42	22.50
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	5.00	10.00
Total	100.00	100.00	91.61	92.14	58.91	78.90	76.42	82.50



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 3

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	33.75	40.00	32.00	23.53	26.67	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	93.75	100.00	62.00	83.53	86.67	88.01

Section: 4

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	30.84	40.00	32.00	23.53	36.36	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	90.84	100.00	62.00	83.53	96.36	88.01



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 5

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	0.00	31.43	40.00	32.00	23.53	35.16	28.01
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	60.00	91.43	100.00	62.00	83.53	95.16	88.01

Section: 6

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	16.54	25.69	21.47	15.11	16.29	17.99
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	76.54	85.69	51.47	75.11	76.29	77.99



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 7

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	32.00	37.60	36.15	22.12	23.92	26.33
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	92.00	97.60	66.15	82.12	83.92	86.33

Section: 8

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	17.28	21.60	17.28	12.71	13.90	15.13
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	77.28	81.60	47.28	72.71	73.90	75.13



Evaluation Sheet

24-023 Pipeline ROW Mowing

Section: 9

Technical Quality Criteria	Total Points Available	Manual Chores	Lawn Patrol	Green World Care	Steelhead	Renegade	Cross Plus	ATX
Price	40.00	40.00	13.43	37.60	4.70	22.12	0.47	26.33
Work Experience and past performance record with the District a	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	20.00	20.00	0.00	20.00	20.00	20.00
Equipment List	10.00	10.00	10.00	10.00	0.00	10.00	10.00	10.00
Total	100.00	100.00	73.43	97.60	34.70	82.12	60.47	86.33



Evaluation Sheet

Date of Evaluation: 11/9/2023

23-166 Grounds Maintenance at Central Facilities

Technical Quality Criteria	Total Points Available	Lawn Patrol, Inc	WCD Enterprises, LLC	Gator Construction & Landscape Group, LLC
Price	40.00	40.00	0.00	0.00
Work Experience and past performance record with the District and others	30.00	30.00	30.00	30.00
Contractor's proposed means and methods to perform work	20.00	20.00	10.00	0.00
Equipment List	10.00	10.00	10.00	0.00
Total	100.00	100.00	50.00	30.00

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 7

DATE: December 12, 2023

SUBJECT: Consider Approval of a Discretionary Services Agreement with Oncor Electric Delivery Company to Prepare and Submit a Multi-Route Application for Expansion of Certificate of Convenience and Necessity to the Texas Public Utilities Commission for Transmission Electric Service for the Lake Palestine Pump Station

FUNDING: Dallas Bond Fund

RECOMMENDATION:

Management recommends approval of an amended Discretionary Services Agreement (DSA) in an amount of **\$1,850,000, not-to-exceed a total of \$2,000,000** with Oncor Electric Delivery Company LLC (Oncor) to prepare and submit an application for a multi-route Certificate of Convenience and Necessity (CCN) to complete routing of a 138-kV electrical transmission main to the IPL Lake Palestine Pump Station (LP1).

DISCUSSION:

The District entered an agreement with Oncor, in September 2022, to begin designing and routing the LP1 transmission line at a cost of \$150,000. Due to local landowners objecting to the initial route selection, Oncor must file a multi-route CCN application with the Texas Public Utilities Commission (PUC). This DSA allows Oncor to evaluate and present multiple route options to the PUC. The PUC will solicit public comments, and then will select the best route for the transmission line in accordance with PUC rules on construction of new electric services. Once the PUC selects the route, Oncor will negotiate again with the landowners to obtain the right of way. Oncor will commence work upon this project immediately following receipt of the executed DSA. Once the DSA is completed, the District will execute a Facilities Extension Agreement (FEA) with Oncor for the final design and construction of the transmission main. Construction of the transmission line is expected to be complete in 2026.

This item was reviewed by the Construction and Operations Committee on December 8, 2023.

Submitted By:

Zachary Huff
Water Resources Engineering Director

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 8

DATE: December 12, 2023

SUBJECT: Consider Approval of Amendment with Black & Veatch Corporation for Engineering Services for Design of Two 90-inch Pipeline Crossings at FM 664 Highway Expansion and Additional Survey for Cedar Creek Pipeline Replacement Project in the Mansfield to Waxahachie Area

FUNDING: Bond Fund

RECOMMENDATION:

Management recommends approval of an amendment **in an amount not-to-exceed \$192,445** for engineering services with Black & Veatch Corporation for additional survey work and the design of an additional 476 feet of pipe at the FM 664 Highway Expansion adjacent to the current 11 miles being designed as part of the Cedar Creek Section 2 Pipeline Replacement project. These engineering services include preliminary design investigations, final design plans and specifications, and procurement phase services.

DISCUSSION:

In October of 2019, the District awarded an engineering design services contract for the removal and replacement of approximately ten miles of Cedar Creek pipeline in the Mansfield to Waxahachie area where significant amounts of distressed 72-inch pipe exist. An additional mile of pipe was added to the design from Walnut Creek Drive to Broad Street, authorized by the Board in February 2023. This combined 11-mile replacement will improve the District's reliability in delivering water to customer cities, reduce the risk to the surrounding rapidly urbanizing areas, and increase the District's pipeline capacity for the future.

In August 2023, Texas Department of Transportation (TxDOT) informed the District that the current 2-lane road, FM 664, would be expanded to four lanes beginning Fall of 2024. In order to handle the additional vehicular load, reduce the likelihood of pipe failure beneath the roadway, and facilitate the ability to perform any future repairs from the interior of the pipe, the existing pre-stressed concrete cylinder pipes for both Cedar Creek and Richland-Chambers will need to be replaced with 90-inch steel pipe encased in concrete. The downstream adjacent mile of Cedar Creek pipe is already under design as part of the Cedar Creek Section 2 Pipeline Replacement Project and included up to the current FM 664 location. This amendment would add 250 feet to the Cedar Creek project, and 226 feet of work on the Richland-Chambers pipeline for a total of 476 feet.

As part of the utility adjustments for the highway expansion project, the District and TxDOT will be working together to develop a cost-sharing agreement for the design and construction associated with the replacement of the District's existing pipelines at FM 664.

Black & Veatch is a prime, non-certified business that has subcontracted portions of this Amendment to certified diverse businesses, resulting in diverse business participation commitment of 27.5%.

These engineering services will take place over the next six months with construction planned to begin in the fall of 2024. Attached is the scope of services to be provided by the Black & Veatch Corporation for this amendment.

This item was reviewed by the Construction and Operations Committee on December 8, 2023.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

December 4, 2023

Tarrant Regional Water District
 808 E. Northside Dr.
 Fort Worth, Texas 76102

Cedar Creek Section 2 Pipeline Replacement
 B&V Project 403740
 B&V File 12.2100

Attention: Courtney Jalbert

Subject: Scope and Fee Proposal for Amendment 5 - Adding FM 664 Crossing to BV's Current Design Package

Dear Courtney:

Thank you so much for the opportunity to work with your team providing Engineering Services for the Cedar Creek Pipeline Section 2 Replacement Project (CCRPL-2). It has been our privilege to support the Tarrant Regional Water District (TRWD) on this design. Per TRWD's request, we have prepared a scope and fee proposal for your consideration.

Scope:

Black & Veatch will provide design services for adding approximately 476 linear feet of pipeline replacement across FM 664 expanded ROW. Expansion in the vicinity of the CC and RC Pipelines is scheduled to begin the summer of 2025. The road is anticipated to go from a 2-lane to a 4-lane highway. Specifically, services include Task Management, Engineering Design, and Additional Services in accordance with the Prime Agreement executed on October 15, 2019 (Contract No. 19-095). The Work Breakdown Structure includes the tasks listed below which are detailed in Exhibit A. Sub-consultant proposals are included in Appendix A.

Schedule and Fee:

Black & Veatch anticipates completing these tasks within 6 months from notice to proceed. Our total fee for completing Tasks 1 through 3 and Additional Services is \$192,445. See detailed fee breakdown in table below.

Task	Work Breakdown Structure	Fee
Task 1	Task Management Services	\$20,118
Task 2	Design FM 664 Crossing Improvements	\$123,196
Task 3	TM and Report Updates	\$22,677
Additional Services	Topographic Survey and SUE Services	\$26,454
Total Fee		\$ 192,445

December 4, 2023 |

Very truly yours,


Elizabeth R. Blackwelder, P.E.
Black & Veatch Corporation

ERB
Enclosure(s)

cc: Jason Gehrig, P.E.



Exhibit A

**Scope of Work – Engineering Services for
Cedar Creek Section 2 Pipeline Replacement
Amendment No. 5 - FM 664 Crossing Improvements**

December 2023



FM 664 Crossing Improvements- Background

Tarrant Regional Water District (TRWD) is currently in the process of replacing portions of the Section 2 Cedar Creek Pipeline to address integrity issues and to increase capacity to meet future needs. TxDOT has developed plans to expand Ovilla Road (FM 664) in the City of Waxahachie, Texas. As a result of the expansion, TRWD has decided to extend the design and construction limits for CID 5 to the East to include improvements to their existing pipelines under this crossing. The design consist on replacing the 72-inch Cedar Creek (CC) Pipeline and the 90-inch Richland-Chambers (RC) pipeline across the proposed TxDOT right-of-way (ROW) expansion along FM 664. The CID 5 extension to be designed under this scope of work is approximately from STA 1497+36 to STA 1499+62.

Based on the location and timing of the proposed improvements, TRWD has decided to include this work as a part of the Cedar Creek Segment 2 Pipeline Replacement Project (CCRPL-2) and to schedule construction of these pipeline improvements to be completed for TxDOT to begin expansion of this stretch of the road by April 2025. Figure 1-1 below provides an overall CCRPL-2 project map with the FM 664 crossing shown at the East end of Construction ID 5.

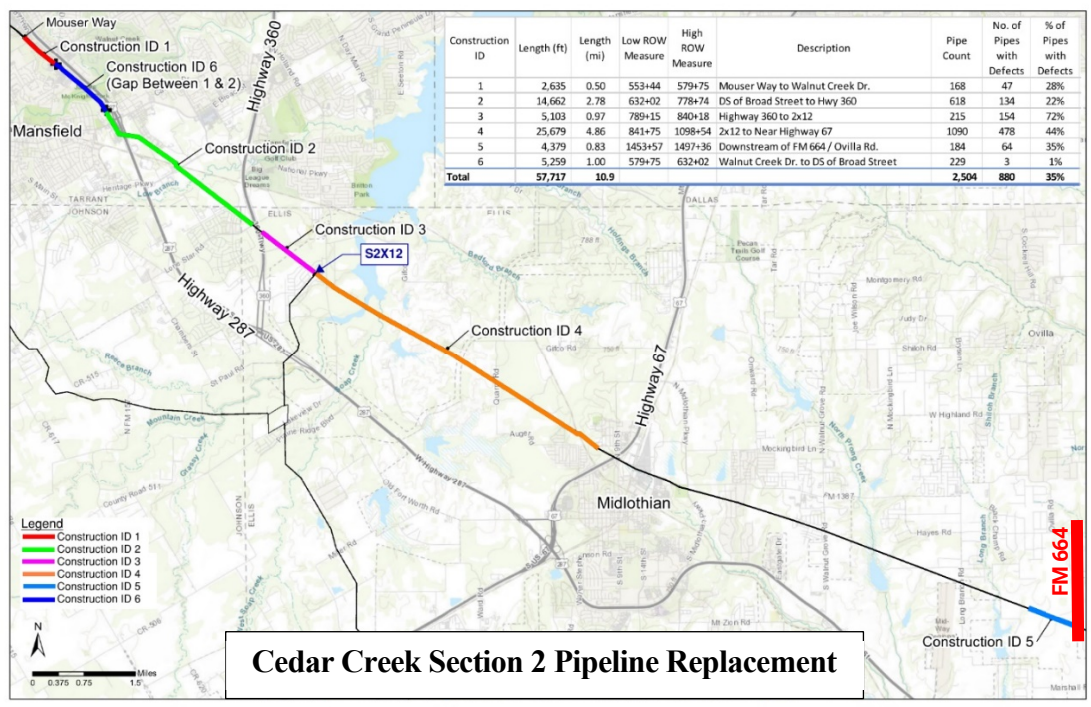


Figure 1:-- Overall CCRPL-2 Project Location Map

BASIC SERVICES

Task 1: Task Management Services

Black & Veatch will include the FM 664 Crossing Improvements in the ongoing project management services for 6 months starting from Notice to Proceed (NTP) on Amendment 5 services which include:

- A. FM 664 Task Set Up and Close Out
 - i. Task Set Up
 - Updating Quality Assurance and Quality Control (QA/QC) Plan:
 - Project Schedule: Update project schedule in MS Project format.
 - ii. Task Closeout: Package and upload to the project's SharePoint site all GIS, CAD, easements, and other project specific related documents requested by TRWD. Meet with TRWD to review/complete outstanding tasks and final coordination items, if needed.
- B. Monthly Progress Reports and Coordination Meetings
 - i. Monthly reports currently developed for the overall project will include progress, status, and pending action items on the FM 664 Task.
 - ii. Client and Stakeholder Coordination Meetings: six 2-hour virtual meetings will be scheduled at TRWD's discretion to review status and upcoming milestones.

Task 2: Design FM 664 Crossing

There are several requirements and considerations needed for the replacement of these two pipelines across the FM 664 TxDOT ROW. The CONSULTING TEAM will review existing data on the FM 664 crossing and provide alternatives and recommendations. The two pipelines must meet the hydraulic requirements to provide capacity for future water demands. The CC Pipeline must be increased from 72-inch diameter to 90-inch diameter. The RC Pipeline is sufficient at the current 90-inch diameter.

Development of this Task will include the design criteria defined in the preparation of the 90% progress level under the current scope of work for CIDs 1 through 6 and applicable TxDOT design criteria. These effort will be completed through:

- A. Review Existing Data
 - i. Visit site, complete pedestrian survey, and review existing data such as record drawings and shop drawings

- B. Coordination with TRWD's Environmental, Land, and other groups, as needed.
- i. Effort includes working with TRWD's environmental group to identify environmental mitigation measures (if required)
 - ii. Effort includes working with TRWD's land group to identify required easement restrictions; identify changes to temporary construction easements, if any.
- C. Coordination with separately contracted specialty consultants. These specialty consultants include:
- i. Cathodic Protection - HDR under current IDIQ contract with TRWD
 - ii. Environmental Permitting - FNI contracted directly with TRWD
- D. Coordination with stakeholders
- i. Coordination with TxDOT and permitting assistance.
- E. Development of construction documents and OPCC
- i. Coordinate design with utility companies and private entities
 - ii. Prepare and submit for review progress construction documents for 60%, 90%, and 100% design
 - 60% submittal will be limited to plan and profile drawings
 - CAD Drafting of Construction Drawings will be completed by Civitas Engineering Group, Inc. (former KIT). See Attachment A1 for work description and fee.
 - Separate bid items specific to FM 664 improvements
 - Additional technical specifications necessary to support unique improvements to this portion of the work (i.e. concrete encasement)
 - Prepare and submit package for TxDOT permitting
 - iii. Unique design features identified for the FM 664 Crossing Improvements include:
 - Steel pipe will be used for the CC and RC Pipelines replacement in lieu of PCCP
 - Approximately 226 linear feet replacement on CC Pipeline
 - Approximately 250 linear feet replacement on RC Pipeline
 - Removal the existing pipelines from within the tunnel casing (tunnel liner plate) across the existing FM 664 pavement and reuse of the casing for the new pipes
 - pipelines will be installed by open-cut outside of the existing FM 664 pavement

- iv. Prepare construction cost estimates: Prepare an updated engineer's opinion of probable construction cost (OPCC) for 90%, and 100% design including consideration of engineering, administration, and construction management costs at time of each design milestone submittal. Include contingencies as appropriate. Develop cost estimate in accordance with best practices.
- F. Completion of Quality Assurance/Quality Control Reviews for all deliverables listed herein, consistently with original scope of work
- i. Conduct a review meeting with TRWD staff to facilitate comments and feedback before proceeding to the next milestone.
- G. Procurement Services
- i. Provide advertise and bid services in conjunction to CCRPL-2 services to support TRWD's procurement of construction services related to this design work.

Deliverables:

- 60% plan and profile drawings, 90%, and 100% OPCC and construction documents incorporated as part of CCRPL-2 construction package

Task 3: TM and Report Updates

The CONSULTING TEAM will develop a new TM with crossing alternatives and recommendations and update the Final Design Report (in progress from original scope of work and Amendment 3). Other TMs prepared under the original scope of work will not be updated or supplemented under this scope of work.

- A. Final Design Report: The CONSULTING TEAM will modify report to identify new and upsized segments of the project and supplement design criteria, evaluations, and conclusions utilized in the design of FM 664. Modifications will include edits to final design information including summary maps, exhibits, and tables.

Deliverables:

- Updated Transient TM
- Updated Final Design Report

ADDITIONAL SERVICES

The following services will be accessed only by first obtaining the written approval of TRWD.

Task A: Supplemental Topographic Survey

Surveying services are to be provided by Gorrondona & Associates, Inc in adherence to original scope of work. Please refer to Appendix A2 for detailed scope of extended surveying services for FM 664. This services are capped at the dollar amount included in the Work Breakdown Structure.

Task B: Subsurface Utility Engineering (SUE)

SUE services are to be provided by The Rios Group (TRG) in adherence to original scope of work. Please refer to Appendix A3 for detailed scope of extended SUE services for FM 664. This services are capped at the dollar amount included in the Work Breakdown Structure.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 9

DATE: December 12, 2023

SUBJECT: Consider Approval of Task Order with HV Engineering for Electrical Engineering Services for Protective Relays and Arc Flash Analysis

FUNDING: Fiscal Year 2024 Revenue Fund - \$214,000

RECOMMENDATION:

Management recommends approval of task order **in an amount not-to-exceed \$248,050** with HV Engineering (HVE) to perform protective relay studies and arc flash studies for four pump stations (Richland-Chambers Lake Pump Station, Cedar Creek Lake Pump Station, Cedar Creek Waxahachie Booster Pump Station, Joint Booster Pump Station No. 3) along with the Interconnect Section 2 x 12 Facility and the Midlothian Balancing Reservoir on a time and materials basis.

DISCUSSION:

Protective relays protect the electrical and mechanical systems of the District's pumping facilities by determining what is normal and abnormal in terms of voltage and current, sending a control signal to the breaker to open and de-energize the circuit when problems are detected. Protective relays and circuit breakers work together to isolate a fault.

Protective relay studies are conducted in order to avoid a total facility electrical shutdown caused by a ground fault, short circuit or a power overload. These studies provide parameters that are programmed in the protective relays, which allow the protective relay directly upstream of the fault to open the circuit while allowing the rest of the electrical system to remain operational. These studies protect District personnel and electrical equipment such as pump motors, switchgear and the pipeline.

The National Fire Protection Association's (NFPA) NFPA-70E handbook requires companies to complete an Arc Flash Hazard Analysis of their electrical equipment at least once every five years. The services provided in this scope of work will ensure the District meets those requirements for its water transmission facilities.

HVE is one of four firms to submit professional qualifications for the electrical engineering protective relay services IDIQ contract. The Request for Qualifications was advertised as per statute, and HVE was determined to be the most qualified firm to perform such services. HVE has successfully performed similar work for the District. The scope of work HVE will perform with this task order is attached.

HV Engineering is a prime, non-certified business. There are no subcontracting opportunities.

This item was reviewed by the Construction and Operations Committee on December 8, 2023.

Submitted By:

Jason Gehrig, P.E.
Infrastructure Engineering Director

Engineering Services Proposal
TRWD_11-28-2023 – Rev1
Tarrant Regional Water District - Fort Worth, TX
December 1, 2023

EXECUTIVE SUMMARY

HV Engineering, LLC (HVE) is providing an Engineering Services proposal to Tarrant Regional Water District (TRWD) for relay setting review, SKM and ETAP modeling, and arc-flash study services in accordance with the typical project approach identified in HVE’s submittal to IDIQ-19-117.

This proposal includes services for the sites listed below. The services vary slightly depending upon the site as detailed in the Scope of Supply section starting on Page 2. The proposal is based on updating the existing site study models (either in SKM or ETAP) to match the latest field data and to incorporate equipment dimensional data needed to perform arc-flash studies in accordance with IEEE 1584-2018.

Based on the scope of work and qualifications presented in this document, HVE proposes to accomplish the work at each site for the following Estimated Amounts:

Joint Booster Pump Station No. 3 (JB3)	\$106,600 (520 hours)
Midlothian Balancing Reservoir (MBR)	\$36,900 (180 hours)
Interconnect Section 2/Section 12 (S2x12)	\$30,750 (150 hours)
Cedar Creek Lake Pump Station (CC1)	\$24,600 (120 hours)
Cedar Creek Booster Pump Station (CC3)	\$24,600 (120 hours)
Richland Chambers Lake Pump Station (RC1)	\$24,600 (120 hours)
<hr/>	
Estimated Total Price:	\$248,050 (1210 hours)

TXPE Firm #F-14152

SCOPE OF SUPPLY

Joint Booster Pump Station No. 3 (JB3)

The following summarizes the proposed scope in the order of the anticipated execution.

1. TRWD will provide the latest available record copy of the following information for HVE review prior to making the first site visit.
 - a. Detailed one-line diagrams, relay logic diagrams, etc.
 - b. Switchgear, MCC, transformer, and drive supplier drawings including BOM's, schematics, etc.
 - c. Electronic copy of protective relay settings (SEL, other)
 - d. Shermco equipment and relay test reports
 - e. Original power system study reports (short-circuit, load flow, coordination, arc-flash)
 - f. Electronic copy of the system SKM study model, library, and arc-flash label templates
2. Following receipt and review of the information listed above, HVE will perform a two-day site visit to survey the existing installation, gather missing information, and gather equipment dimensional data needed to perform arc-flash calculations to IEEE 1584-2018.
3. HVE will update the existing SKM model to reflect changes to the system and to incorporate the equipment dimensional data prior to performing the following preliminary studies.
 - a. Review existing time-current curves (TCCs) to confirm adequate equipment protection and device selectivity.
 - b. Perform preliminary arc-flash calculations in accordance with IEEE 1584-2018 and compare the results to the original study performed to IEEE 1584-2002.
4. HVE will review the existing protective relay settings to confirm that:
 - a. Overcurrent protection settings are consistent with the SKM model.
 - b. Relay protection and control logic are consistent with the vendor drawings.
 - c. Arc-flash mitigation logic and settings are consistent with the original study report.
5. Issues and/or recommended changes identified in the preliminary studies and relay setting review will be summarized and provided to TRWD for discussion in a virtual (Teams) meeting.
6. HVE will update the SKM model with agreed-upon changes if applicable, prepare final TCCs, and perform the final arc-flash calculations. A draft report with associated arc-flash labels will be prepared prior to the second/final visit.
7. HVE will redline relay setting printouts and prepare setting files for any agreed-upon changes to improve coordination, reduce arc-flash energies, and/or to correct/improve control logic.
8. HVE will perform a two-day site visit to affix new arc-flash labels. If additional or new labels are required, they will be generated and affixed at this time. If operations allow, HVE will also assist in uploading any applicable relay setting changes.
9. Following the second site visit, the study report will be finalized and uploaded along with the SKM model to SharePoint for comment and/or record. HVE will incorporate any TRWD comments and reissue/reupload as applicable.

TXPE Firm #F-14152

Midlothian Balancing Reservoir (MBR) & Interconnect Section 2/Section 12 (S2x12)

The following summarizes the proposed scope in the order of the anticipated execution.

1. TRWD will provide the latest available record copy of the following information for HVE review prior to making the first site visit.
 - a. Detailed one-line diagrams
 - b. Shermco equipment and relay test reports
 - c. Electronic copy of the system SKM study models, library, and arc-flash label templates
 - d. Note – HVE already has copies of the 2018 MBR study and 2017 S2x12 study reports.
2. Following receipt and review of the information listed above, HVE will perform a site visit to survey the existing installation, gather missing information, and gather equipment dimensional data needed to perform arc-flash calculations to IEEE 1584-2018. Ideally both sites will be visited on the same day.
3. HVE will update the existing SKM model to reflect changes to the system and to incorporate the equipment dimensional data prior to performing the following preliminary studies.
 - a. Review existing TCCs to confirm adequate equipment protection and device selectivity.
 - b. Perform preliminary arc-flash calculations in accordance with IEEE 1584-2018 and compare the results to the original study performed to IEEE 1584-2002.
4. Issues and/or recommended changes identified in the preliminary studies and relay setting review will be summarized and provided to TRWD for discussion in a virtual (Teams) meeting.
5. HVE will update the SKM model with agreed-upon changes if applicable, prepare final TCCs, and perform the final arc-flash calculations. Separate draft reports with associated arc-flash labels will be prepared prior to the second/final visit.
6. HVE will perform a site visit to affix new arc-flash labels. If additional or new labels are required, they will be generated and affixed at this time. Ideally both sites will be visited on the same day.
7. Following the second site visit the study reports will be finalized and uploaded along with the SKM models to SharePoint for comment and/or record. HVE will incorporate any TRWD comments and reissue/reupload as applicable.

Cedar Creek Lake (CC1), Booster (CC3), and Richland Chambers Lake (RC1) Pump Stations

The following summarizes the proposed scope in the order of the anticipated execution.

1. TRWD will provide the latest available record copy of the following information for HVE review prior to making the first site visit.
 - a. Shermco equipment and relay test reports
 - b. Electronic copy of protective relay settings (SEL, other)
 - c. Note – HVE already has copies of the ETAP study models for these sites.
2. Following receipt and review of the information listed above, HVE will perform site visits to survey the existing installation, gather missing information, and gather equipment dimensional data needed

TXPE Firm #F-14152

to perform arc-flash calculations to IEEE 1584-2018. Ideally all three sites can be visited on the same day.

3. HVE will update the ETAP models to reflect changes to the systems and to incorporate the equipment dimensional data prior to performing the following preliminary studies.
 - a. Review existing time-current curves (TCCs) to confirm adequate equipment protection and device selectivity.
 - b. Perform preliminary arc-flash calculations in accordance with IEEE 1584-2018 and compare the results to the original study performed to IEEE 1584-2002.
4. HVE will review the existing protective relay settings to confirm that:
 - a. Overcurrent protection settings are consistent with the ETAP model.
 - b. Relay protection and control logic are consistent with the vendor drawings.
5. Issues and/or recommended changes identified in the preliminary studies and relay setting review will be summarized and provided to TRWD for discussion in a virtual (Teams) meeting.
6. HVE will update the ETAP models with agreed-upon changes if applicable, prepare final TCCs, and perform the final arc-flash calculations. Separate draft reports with associated arc-flash labels will be prepared prior to the second/final visit.
7. HVE will redline relay setting printouts and prepare setting files for any agreed-upon changes to improve coordination, reduce arc-flash energies, and/or to correct/improve control logic.
8. HVE will perform site visits to affix new arc-flash labels. If additional or new labels are required, they will be generated and affixed at this time. If operations allow, HVE will also assist in uploading any applicable relay setting changes.
9. Following the second site visit the study reports will be finalized and uploaded along with the ETAP models to SharePoint for comment and/or record. HVE will incorporate any TRWD comments and reissue/reupload as applicable.

QUALIFICATIONS AND CLARIFICATIONS

This proposal is based on the following qualifications and clarifications:

1. The cost estimates for JB3, MBR, and S2x12 are based on creating the SKM study models. If these are available, then the full amounts will not be billed.
2. The ETAP study models for CC1, CC3, and RC1 will be those currently in HVE's files and previously uploaded to SharePoint for record.
3. The cost budget figures are based on the HVE engineering rate schedule previously provided.
4. All work shall be performed by a professional engineer licensed in the state of Texas.

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COMMERCIAL

- **Fee – ESTIMATED PRICE**

Based on the scope of work and qualifications presented in this document, HVE proposes to accomplish the base scope on a time-and-materials basis for an amount not to exceed **\$248,050 (1210 hours)**.

- **Schedule**

The scope of work will be completed in approximately 6-8 months following receipt of the input information and SKM models.

- **Service**

Overtime rates and premium services are not included in this proposal. Any changes in schedule or scope may require overtime work, premium service fees, or both. HVE reserves the right to recover salaries and expenditures related to overtime work and premium services.

- **Contract Amendments**

This is an estimated price. If changes to the scope become apparent, HVE will bring these items to the attention of TRWD as soon as possible. In such cases, HVE shall submit a Contract Amendment Request before proceeding with any change.

- **Payment**

All work will be invoiced at the end of each month based on hours charged to the project. Payments are 100% due NET 30 days from invoice.

This proposal will remain in effect for 30 days unless changed in the interim by written notice.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 10

DATE: December 12, 2023

SUBJECT: Consider Approval of Contract with Tarrant County Master Gardener Association for Water Conservation Program Services

FUNDING: Fiscal Years 2024 and 2025 Revenue Fund Budget - \$56,600

RECOMMENDATION:

Management recommends approval of a contract **in a not-to-exceed annual amount of \$56,600** with Tarrant County Master Gardener Association for water conservation program services. The contract has up to three annual renewal options for a total potential cost not-to-exceed of \$226,400.

DISCUSSION:

Staff began working with the Tarrant County Master Gardener Association (TCMGA) in 2016 to help educate residents of the importance of water conservation through sustainable landscaping practices. In 2023, the “Learn and Grow” program supported 171 classes, workshops, and events, through in-person and online instruction, in 11 customer cities. More than 8,200 Tarrant County adults participated in activities such as *Tough Texas Plants* classes or *DIY Rainwater Harvesting* workshops and all received information about District water conservation resources. Through program surveys, over 90% of attendees indicate they plan to implement at least one water conservation practice they learned from an activity. Staff recognizes the positive response, broad reach and customer city support of the program and requests to move forward with another year of programming with the non-profit organization.

The proposed agreement with TCMGA is estimated to provide services for more than 8,000 adults through approximately 150 educational activities throughout Tarrant County. The program includes in-person and online classes, hands-on workshops, representation at events, special projects, and instruction materials.

The proposed agreement is based on the 2024 calendar year. Any services provided from October through December will be subject to fiscal year 2025 budget appropriations.

The Tarrant County Master Gardener Association is not a certified prime vendor. There are no other subcontracting opportunities for this project.

This item was reviewed by the Construction and Operations Committee on December 8, 2023.

Submitted By:

Linda Christie
Governmental Affairs Director

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 11

DATE: December 12, 2023

SUBJECT: Consider Board Appointments for Tax Increment Financing Districts

FUNDING: N/A

DISCUSSION:

As of December 31, 2023, Tarrant Regional Water District appointments to the Tax Increment Financing (TIF) Districts listed below will expire and require new appointments. In accordance with statute, each taxing authority makes recommendations for its Board representatives to the City. The recommended appointments beginning January 1, 2024 are:

TRWD TIF APPOINTMENTS	
TIF District	Appointee(s)
8 Lancaster	Paxton Motheral
9 Trinity River Vision	C.B. Team

Approval by this Board shall serve as a notification to the City Council of Fort Worth for District appointments to the governing body of the TIFs referenced above.

This item was reviewed by the Administration and Policy Committee on December 5, 2023.

Submitted By:

Linda Christie
Government Affairs Director

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 12

DATE: December 12, 2023

SUBJECT: Consider Approval of Resolution Regarding the Tarrant Regional Water District's Designated Investment Officers

FUNDING: N/A

RECOMMENDATION:

Management recommends Sandy Newby, Chief Financial Officer, Jennifer Mitchell, Finance Director, and Michael Miller, Treasury Manager be approved as investment officers.

DISCUSSION:

Management recommends adding Michael Miller, Treasury Manager, as an investment officer and removing Alan Thomas, Deputy General Manager. Michael Miller was hired to be the District's Treasury Manager on August 29, 2023. Mr. Miller comes with 20+ years of experience in the financial industry and has worked in multiple levels of management at his previous employers, including Vice President of Accounting and Chief Financial Officer. In his latest position, he worked with financial institutions on their liquidity needs. He will be a significant asset to the District as an investment officer, providing new financial perspectives.

This item was reviewed by the Finance and Audit Committee on December 4, 2023.

Submitted By:

Sandy Newby
Chief Financial Officer

**RESOLUTION
OF
THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
FORMALLY ESTABLISHING INVESTMENT OFFICERS AND DESIGNATING SANDY
NEWBY, JENNIFER MITCHELL, AND MICHAEL MILLER TO SERVE AS SAME**

WHEREAS, TARRANT REGIONAL WATER DISTRICT (“the District”) is a political subdivision of the State of Texas, created under authority of Article XVI, § 59 of the Texas Constitution; and

WHEREAS, the District as a political subdivision of the State of Texas has legal authority to invest local funds (which are public funds in the custody of the District that are not required by law to be deposited in the State treasury and that the District has legal authority to invest); and

WHEREAS, TEX. GOV'T CODE ANN. § 2256, Subchapter A, requires the District, as a political subdivision, to adopt rules governing the investment of the local funds of the District and to specify the scope of authority of officers and employees of the District to be the District's Investment Officers.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT that effective December 12, 2023 Sandy Newby, Jennifer Mitchell, and Michael Miller are hereby designated as the Investment Officers for the District in compliance with the requirements of Texas Government Code Ann. Sec. 2256 Subchapter A, relating to the investment of public funds, and they are hereby authorized to deposit, withdraw, invest, transfer and manage in any other manner such funds. All investments shall be in securities and funds permitted by law and authorized by the District's written Investment Policy.

Passed and approved this _____ day of _____, 2023.

Leah M. King, President

ATTEST:

James Hill, Vice President

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 13

DATE: December 12, 2023

SUBJECT: Consider Approval of Investment Policy and Strategies for the Tarrant Regional Water District

FUNDING: N/A

RECOMMENDATION:

Management recommends approval of the Investment Policy and Strategies dated December 12, 2023, and recommends adoption by the Board of Directors.

DISCUSSION:

The Public Funds Investment Act requires the District's Board to adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and must record any changes made to either annually. The changes in policy from the prior year included the effective date of the policy and an update to the reserve funds discussion regarding the differences in the District and the Dallas Reserve requirements.

This policy was reviewed by the Finance and Audit Committee on December 4, 2023.

Please find attached:

Resolution

Proposed 2024 Investment Policy

Submitted By:

Sandy Newby
Chief Financial Officer

**RESOLUTION
OF
THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
REVIEWING AND RECORDING CHANGES MADE TO THE DISTRICT'S
INVESTMENT POLICY AND INVESTMENT STRATEGIES**

WHEREAS, TARRANT REGIONAL WATER DISTRICT (“the District”) is a political subdivision of the State of Texas, created under authority of Article XVI, § 59 of the Texas Constitution; and

WHEREAS, the District as a political subdivision of the State of Texas has legal authority to invest local funds (which are public funds in the custody of the District that are not required by law to be deposited in the State treasury and that the District has legal authority to invest); and

WHEREAS, TEX. GOV'T CODE ANN. § 2256, Subchapter A, requires the District, as a political subdivision, to adopt rules governing the investment of the local funds of the District and to specify the scope of authority of officers and employees of the District that are designated to invest local funds; and

WHEREAS, the District has heretofore adopted a written Investment Policy governing the investment of local funds; and

WHEREAS, the District has heretofore adopted a written Resolution designating the Investment Officers of the District in compliance with the requirement of TEX. GOV'T CODE ANN. § 2256, Subchapter A, authorizing such persons to deposit, withdraw, invest, transfer and manage in any other manner such funds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT that notice is hereby given that the Board of Directors has on this date reviewed the District's investment policy and investment strategies. All changes made to either the District's investment policy or investment strategies following such review are as set forth herein below:

Passed and approved this 12th day of December, 2023.

Leah M. King, President

ATTEST:

James Hill, Vice President

103 INVESTMENT POLICY

It is the policy of TRWD that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, all available funds shall be invested in conformance with these legal and administrative guidelines, seeing to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to TRWD funds. The District's investment portfolio shall be designed and managed in a manner which maximizes this revenue source, is responsive to public trust, and complies with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal;
- Maintenance of sufficient **liquidity** to meet operating needs;
- **Public trust** from prudent investment activities; and
- Optimization of **interest earnings** on the portfolio.

103.1 Purpose. The purpose of this Investment Policy is to comply with Texas Water Code Chapter 49 and Texas Government Code Chapter 2256, the Public Funds Investment Act, which requires the governing body of a local governmental entity, such as TRWD, to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of TRWD's funds.

103.2 Scope. This Investment Policy shall govern the investment of all financial assets of TRWD. These funds are accounted for in TRWD's Annual Financial Report and include:

- General Fund;
- Governmental Contingency Fund;
- Capital Projects Fund – TRV;
- Governmental Debt Service Fund;
- Revenue Fund;
- Interest and Redemption Fund;
- Enterprise Contingency Fund;
- Reserve Fund;

- Enterprise Construction Funds;
- Dallas - Revenue Fund;
- Dallas - Interest and Redemption Fund;
- Dallas - Reserve Fund;
- Dallas - Bond Funds; and,
- Any new fund created by the District, unless specifically exempted from this Investment Policy by law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

103.3 Investment Objectives. TRWD shall manage and invest its cash with four primary objectives, listed in order of priority: (1) safety; (2) liquidity; (3) public trust; and (4) yield, expressed as optimization of interest earnings. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with local, state, and federal law.

TRWD shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

103.3.1 Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

Credit Risk. TRWD will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:

- Limiting investments to the safest type of investments;
- Researching the financial institutions and broker/dealers with which TRWD will do business; and,
- Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

Interest Rate Risk. TRWD will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity; and
- Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

103.3.2 Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

103.3.3 Public Trust. All participants in TRWD's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any cash management transaction that might impair public confidence in TRWD's ability to effectively manage the District's financial assets.

103.3.4 Yield (Optimization of Interest Earnings). The investment portfolio shall be designed with the objective of attaining a market rate of return sufficient to meet operating needs, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

103.4 Responsibility and Control.

103.4.1 Delegation of Authority to Investment Officer(s). In accordance with the Public Funds Investment Act and the Water Code, the Board of Directors may designate one or more officers or employees of TRWD to be Investment Officer(s) or may contract with a person to act as an Investment Officer. An Investment Officer is authorized to execute investment transactions on behalf of the District. No person may engage in an investment transaction or the management of District funds except as provided under the terms of this Investment Policy as approved by the Board of Directors. The investment authority granted to the investing officers is effective until rescinded by the Board of Directors.

103.4.2 Quality and Capability of Investment Management. All TRWD's designated investment officers and other investment personnel must receive all required training under Section 49.157 of the Water Code to ensure the quality and capability of investment management. The Board may designate approved training from an independent source for TRWD's investment officers and other investment personnel.

103.4.3 Internal Controls. TRWD's Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss; theft; or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Avoidance of collusion;
- Separation of transaction authority;
- Custodial safekeeping;
- Clear delegation of authority to subordinate staff members; and,
- Written confirmation for investments and wire transfers.

The Chief Financial Officer shall establish a process for annual independent review by an external auditor, consistent with Sections 11.2 and 11.3 of the Board Governance Policies, to assure compliance with policies and procedures.

103.4.4 Standard of Prudence. The standard of prudence to be applied by the Investment Officer(s) shall be the "prudent investor" rule. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under TRWD's control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written, approved investment policy of the District.

103.4.5 Indemnification. The Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes,

provided that these deviations are timely reported and the appropriate action is taken to control adverse developments.

103.4.6 Ethics and Conflicts of Interest. Investment Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to TRWD shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and TRWD.

An investment officer has a personal business relationship with a business organization if:

- The investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization'
- Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

103.5 Suitable and Authorized Investments.

103.5.1 Portfolio Management. TRWD currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. Investments may be liquidated prior to maturity, however, for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.

- Cash flow needs of the District require that the investment be liquidated.

103.5.2 Investments. TRWD funds governed by this Investment Policy may be invested in the instruments described below, along with any other instruments authorized by the Public Funds Investment Act. Investment of District funds in any instrument or security not authorized for investment under the Act is prohibited. TRWD will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized Investments: Authorized investments in which TRWD funds governed by this policy may be invested include:

- Obligations of the United States of America, its agencies, and instrumentalities.
- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the District.
- Money Market Mutual funds that are (1) registered and regulated by the Securities and Exchange Commission; (2) have a dollar weighted average stated maturity of 90 days or less; (3) rated AAA by at least one nationally-recognized rating service, and (4) seek to maintain a net asset value of \$1.00 per share.
- Local government investment pools, which (1) meet the requirements of Texas Government Code § 2256.016; (2) are rated no lower than AAA or an equivalent rating by at least one nationally-recognized rating service; (3) seek to maintain a \$1.00 net asset value; and, (4) are authorized by resolution or ordinance adopted by the Board of Directors.
- Municipal bonds issued by a state or local municipality, which (1) meet the requirements of Section 2256.009 of the Public Funds Investment Act; and (2) are rated no lower than AAA or equivalent rating by at least one nationally-recognized rating service.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Investments Not Authorized. Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over ten years are strictly prohibited.

103.5.3 Maximum Maturities. The longer the maturity of investments, the greater their price volatility. It is, therefore, TRWD's policy to concentrate its investment portfolio in shorter-term securities to limit principal risk caused by changes in interest rates.

TRWD attempts to match its investments with anticipated cash flow requirements. Specific maturity limitations are discussed below with respect to each Fund's strategy.

103.5.4 Diversification. TRWD recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification that shall be achieved by using the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law);
- Limiting investment in investments that have higher credit risks, such as commercial paper;
- Investing in investments with varying maturities; and,
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

103.6 Selection of Banks and Dealers

103.6.1 Depository. At least every five years, the Finance and Audit Committee, along with TRWD staff, will review TRWD's Depository agreement. As part of this review, the Finance and Audit Committee will seek updated pricing and services offered to ensure alignment with TRWD's procedures and goals.

103.6.2 Authorized Brokers/Dealers. In consultation with the Finance and Audit Committee, TRWD shall, at least annually, review, revise and adopt a list of qualified brokers/dealers and financial institutions authorized to engage in

securities transactions with the District. Those firms that request to become qualified bidders for securities transactions will be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience, and reputation. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1, and qualified depositories. TRWD will provide a copy of this Investment Policy to all broker/dealers authorized to engage in securities transactions with the District. Investment pools must sign a certification acknowledging that the organization has received and reviewed TRWD's Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by this Investment Policy.

103.6.3 Competitive Bids. It is TRWD's policy to use competitive bidding for all individual security purchases and sales except for: (a) transactions with money market mutual funds and local government investment pools and (b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.

103.6.4 Delivery vs. Payment. Securities shall be purchased using the delivery vs. payment method with the exception of investment pools and mutual funds. Funds will be released after notification that the purchased security has been received.

103.7 Safekeeping of Securities and Collateral

103.7.1 Safekeeping and Custodian Agreements. TRWD shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by TRWD shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be retained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third-party bank approved by the District.

103.7.2 Collateral Policy. Consistent with the requirements of Chapter 2257 of the Texas Government Code, the Public Funds Collateral Act, it is TRWD's policy to require full collateralization of all District funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value

of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, TRWD may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom TRWD has a current custodial agreement. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership must be supplied to the District and retained.

Collateral shall be reviewed annually by TRWD's external auditors to assure that the market value of the pledged securities is adequate.

103.7.3 Accepted Collateral. The District shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the State of Texas or its agencies and instrumentalities;
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized rating firm not less than A or its equivalent with a remaining maturity of ten years or less;
- A surety bond issued by an insurance company rated as to investment quality by a nationally-recognized rating firm not less than A; and
- A letter of credit issued to the District by the Federal Home Loan Bank.

103.7.4 Subject to Audit. All collateral may be subject to inspection and audit by TRWD's external auditors.

103.8 Performance.

103.8.1 Performance Standards. TRWD's investment portfolio will be managed in accordance with the parameters specified within this Investment Policy. The portfolio shall be designed with the objective of obtaining a rate of return through operating cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

103.8.2 Performance Benchmark. It is TRWD policy to purchase investments with maturity dates coinciding with cash flow needs. Through this

strategy, TRWD shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value.

103.9 Reporting.

103.9.1 Reporting Methods. The Investment Officer(s) shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities and maturities and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally-accepted accounting principles. This summary will be prepared in a manner that will allow TRWD to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The quarterly investment report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Listing of investments by maturity date.
- Fully-accrued interest for the reporting period.
- The percentage of the total portfolio that each type of investment represents.
- A statement of compliance of the District's investment portfolio with state law and this Investment Policy.

TRWD's external auditor will perform a formal annual review of the quarterly reports with the results reported to the Board of Directors as part of the yearly audit.

103.9.2. Monitoring Market Value. The market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed quarterly in a written report provided to the Board of Directors.

The Investment Officer(s) shall monitor the credit ratings on securities that require minimum ratings. This may be accomplished through website research, or with the assistance of investment advisors, broker dealers, banks, or safekeeping agents. If any security falls below the minimum rating required by this Investment Policy, the Investment Officer(s) shall notify the General Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

103.10 Fund Strategies

103.10.1 Objectives. Investments in all funds discussed below shall be made with the primary objectives of: (1) safety and preservation of principal; (2) liquidity; (3) diversification; and (4) optimization of interest earnings, as follows:

Safety and Preservation of Principal. TRWD maximizes safety and preservation of principal by limiting investments to the safest types of investments and researching the financial institutions and broker/dealers with which the District conducts business.

Liquidity. Liquidity needs are discussed below within each fund type.

Diversification. Within each of TRWD's funds, diversification is achieved by staggering both maturities and purchase dates to minimize the impact of market movements over time.

Optimization of Interest Earnings. Each fund's investment portfolio shall be designed to obtain a market rate of return sufficient to meet operating needs.

An explanation of each fund's specific purpose and primary strategy is listed below.

103.10.2 General Fund. The General Fund accounts for flood control, recreation, economic development, and general operations of the District. Funds available in the General Fund are used to pay the ongoing operational expenditures each fiscal year.

The primary strategy is to match the operational expenditures of the General Fund with tax revenues, investment interest, maturing investments, and other income sources, and invest any surplus fund balance to match future expenditure cash flow needs.

Maximum Maturity – 3 Years

103.10.3 Governmental Contingency Fund. This fund holds non-tax revenue for the Governmental Funds and can be used for Board-approved projects including but not limited to recreation and economic development.

All interest earnings from the Governmental Contingency Fund are reinvested in the Governmental Contingency Fund.

The primary strategy of the Governmental Contingency Fund is to purchase investments utilizing current coupon obligations to meet liquidity needs.

Maximum Maturity – 3 Years

103.10.4 Capital Projects Fund. This fund accounts for unexpended construction proceeds for Governmental Capital projects. Interest earnings from this fund are transferred to the Debt Service Fund to help pay the debt service on the governmental bonds; if no bonds are outstanding interest earnings will remain in the Capital Projects fund.

The primary strategy of this fund is to match maturing investments with anticipated project cash flow needs. Shorter-term obligations and Investment Pools are used to match any immediate liquidity needs that arise due to the estimation of the construction process and its related cash flows.

Maximum Maturity – 3 Years

103.10.5 Governmental Debt Service Fund. The Governmental Debt Service Fund accounts for the monies used to pay the debt service on outstanding governmental bonds. Interest earnings from the Capital Projects Funds are transferred to the Interest and Redemption Fund for debt service.

The primary strategy of this fund is to use investments with maturity dates on or before the debt service payment dates.

Maximum Maturity – 6 Months

103.10.6 Revenue Funds. The Revenue Funds account for the operation of TRWD's water supply and water sales functions. Income from water sales, interest earnings, and other income sources are used to pay the ongoing operational expenses each fiscal year. In addition, monies required to supplement the District's and Dallas's revenue bonds debt service are transferred to the District's and Dallas's Interest and Redemption Funds semi-annually (respectively).

The primary strategy is to keep all investments short-term in nature, allowing maturities to match the semi-annual outflows to the Interest and Redemption Fund and any operational expenses as they arise.

Maximum Maturity – 9 Months

103.10.7 Enterprise Construction Funds –Bond Issue Funds. These funds account for unexpended construction proceeds for the various Construction Funds projects. Interest earnings from these funds are transferred to the Interest and Redemption Fund (TRWD and Dallas respectively) to help pay the semi-annual debt service on the revenue bonds.

The primary strategy of these funds is to match maturing investments with anticipated construction cash flow needs. Shorter-term obligations and Investment Pools are used to match any immediate liquidity needs that arise due to the estimation of the construction process and its related cash flows.

Maximum Maturity – 3 Years

103.10.8 Interest and Redemption Funds. These funds account for the monies used to pay the semi-annual debt service on outstanding revenue bonds. Interest earnings from the Enterprise Construction Funds and the Reserve Funds are transferred to the Interest and Redemption Funds (for TRWD and Dallas respectively) prior to the semi-annual debt service dates. Any remaining funds needed are transferred from the respective Revenue Funds.

The primary strategy of these funds is to use investments with maturity dates on or before the semi-annual debt service payment date.

Maximum Maturity – 6 Months

103.10.9 Reserve Funds. These funds represent bond reserve funds associated with outstanding revenue bonded debt. The TRWD Reserve Fund is required to maintain a minimum market value equal to the maximum outstanding debt service payment in any given year. The Dallas Reserve Fund is required to maintain a minimum market value equal to the average annual outstanding debt service payment. ~~These funds were originally established with proceeds from bond issues, with the amount retained in the Reserve Fund approximating the maximum debt service payment in any given year.~~ Interest earnings from these funds are transferred to the Interest and Redemption Fund (for TRWD and Dallas respectively) to help pay the semi-annual debt service on the revenue and contract revenue bonds.

The primary strategy of the Reserve Funds is maintaining adequate market value to meet the reserve requirement.

~~to purchase investments with intermediate to longer term maturities.~~

Maximum Maturity – Not to exceed the District's last maturing revenue bond

103.10.10 Enterprise Contingency Fund. This fund is established by bond covenant and is to be used primarily for unexpected or extraordinary expenses of the water supply system for which other funds are not otherwise available. This fund can also be used to pay debt service when funds in the Interest and Redemption Fund are insufficient for that purpose. The Enterprise Contingency Fund contains moneys received as buy-in premiums from additional water customers who purchased the right to buy water at the system rate. These buy-in premiums are kept in the Enterprise Contingency Fund at the request of the District's customer advisory board. All interest earnings from the Enterprise Contingency Fund are reinvested in the Enterprise Contingency Fund.

The primary strategy of the fund is to purchase investments, utilizing current coupon obligations to meet liquidity needs.

Maximum Maturity – 3 Years

103.11 Investment Policy Adoption and Amendment. TRWD's Board of Directors shall adopt this Investment Policy by a resolution of the Board of Directors. It is TRWD's intent to comply with state laws and regulations. Accordingly, this Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 15

DATE: December 12, 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; and

Section 551.072 of the Texas Government Code to Deliberate the Purchase, Exchange, Lease or Value of Real Property

DISCUSSION:

- Pending litigation
- Real property issues

Submitted By:

Stephen Tatum
General Counsel

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 16

DATE: December 12, 2023

SUBJECT: Consider Approval of Mediated Settlement Agreement in Cause No: 141-328142-21, *TRWD v. Enervest Operating, LLC, et al.*, in the 141st District Court in Tarrant County, Texas

FUNDING: N/A

RECOMMENDATION:

Management recommends approval.

DISCUSSION:

In 2021 TRWD filed suit against an oil and gas operator and several other defendants to recover unpaid oil and gas royalties. On November 20, 2023 the parties participated in mediation resulting in a proposed settlement agreement on terms that will be discussed in executive session. The case is currently set for trial in February 2024.

This item was reviewed by the Administration and Policy Committee on December 5, 2023.

Submitted By:

Stephen Tatum
General Counsel

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 17

DATE: December 12, 2023

SUBJECT: Consider Approval of Letter of Support to Texas Commission on Environmental Quality Supporting City of Fort Worth's Position Regarding an Application for Solid Waste Recycling Facility in Tarrant County

FUNDING: NA

RECOMMENDATION:

Management recommends approval of submitting a Letter of Support to the Texas Commission on Environmental Quality (TCEQ) which offers the District's support to City of Fort Worth as they oppose the BAP Kennor Landfill, LLC Municipal Solid Waste Registration application filed with the TCEQ to construct and operate a Type V Municipal Solid Waste facility for recycling construction and demolition wastes at 3411 Silver Creek Road.

DISCUSSION:

An application for a waste transfer facility to be operated by the BAP Kennor facility has come to the attention of the District. Although the facility is not located in the watershed of one of our primary water supply reservoirs and would not have a direct impact to one of these reservoirs, it is located in the watershed of Lake Worth. Lake Worth is owned and operated by the City of Fort Worth (City) and serves as a critical component of their water supply. The City leads watershed protection efforts for Lake Worth.

The City of Fort Worth as well other local and state officials and numerous Tarrant County communities have expressed their concerns regarding the BAP Kennor Landfill, LLC (BAP) Municipal Solid Waste Registration application filed with TCEQ to construct and operate a Type V Municipal Solid Waste facility for recycling construction and demolition (C&D) wastes at 3411 Silver Creek Road.

The District shares concerns raised by the City that if permitted, this facility will negatively impact and diminish the quality of life of local residents in proximity to the proposed facility and pose risks to downstream water supplies. The BAP application has failed to address the City's environmental concern regarding water quality. The application does not describe how contaminated process and storm water will be managed onsite. The application does not adequately address actions required when precipitation comes in contact with wastes and processed secondary materials that have been stored outside and must be treated as contaminated. The application provides insufficient information as to how contaminated water will be collected and transported to an authorized disposal

facility since BAP does not have a TPDES permit for discharging treated contaminated water.

The treatment of contaminated water from this facility is of great interest as it will be located less than a mile from Lake Worth. Unauthorized and unintended stormwater discharges into Silver Creek tributary and into Lake Worth will negatively impact an important source of the water supply for the community.

Submitted By:

Darrel Andrews
Environmental Director



December 12, 2023

Office of the Chief Clerk
TCEQ, MC-105
PO Box 13087
Austin, TX 78711-3087

RE: BAP Kennor Landfill, LLC, MSW Registration Application No. 40335

Executive Director:

The Tarrant Regional Water District (District) serves over 2 million people in North Central Texas by providing water supply, flood protection, environmental sustainability and recreation opportunities. Our water supply system includes the ownership and operation of four major water supply reservoirs, including Lake Bridgeport, Eagle Mountain Lake, Cedar Creek Lake and Richland Chambers Reservoir. Our central mission is focused on enriching communities and improving the quality of life for the people we serve.

The above referenced application for the BAP Kennor facility has come to the attention of the District. Although the facility is not located in the watershed of one of our primary water supply reservoirs and would not have a direct impact to one of these reservoirs, it is located in the watershed of Lake Worth. Lake Worth is owned and operated by the City of Fort Worth (City), one of our primary customers, and serves as a critical component of their water supply.

With this letter, the District supports the City of Fort Worth as well other local and state officials and numerous Tarrant County communities as they express their concerns regarding the BAP Kennor Landfill, LLC (BAP) Municipal Solid Waste Registration application filed with the Texas Commission on Environmental Quality (TCEQ) to construct and operate a Type V Municipal Solid Waste facility for recycling construction and demolition (C&D) wastes at 3411 Silver Creek Road.

The City raised a concern that if permitted, this facility will negatively impact and diminish the quality of life of local residents in proximity to the proposed facility and pose risks to downstream water supplies. The District reiterates this concern.

The BAP application has failed to address the City's environmental concern regarding water quality. The application does not describe how contaminated process and storm water will be managed onsite. The application does not adequately address actions required when precipitation comes in contact with wastes and processed secondary materials that have been stored outside and must be treated as contaminated. The application provides insufficient information as to how contaminated water will be

December 7, 2023

collected and transported to an authorized disposal facility since BAP does not have a TPDES permit for discharging treated contaminated water.

The treatment of contaminated water from this facility is of great interest to the City as it will be located less than a mile from Lake Worth. Unauthorized and unintended stormwater discharges into Silver Creek tributary and into Lake Worth will negatively impact an important source of the water supply for the City.

Sincerely,

Dan Buhman
General Manager

TARRANT REGIONAL WATER DISTRICT

AGENDA ITEM 18

DATE: December 12, 2023

SUBJECT: Consider Approval of Authorization to Acquire Real Property Interests by Purchase for the Cedar Creek Pipeline Rehab Project

DISCUSSION:

This agenda item is pending negotiations and is subject to review and approval by the TRWD Board of Directors.

Next Scheduled Board Meeting

January 16, 2024 at 9:00 AM