



## **NORTH TEXAS MUNICIPAL WATER DISTRICT**

**501 E. Brown Street  
Wylie, Texas 75098  
(972) 442-5405**

### **Board of Directors Agenda**

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**Thursday, June 26, 2025**

**2:30 PM**

**REGULAR MEETING (IN PERSON  
AND BY VIDEOCONFERENCE)**

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Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of North Texas Municipal Water District (NTMWD) will hold a regular meeting in person and by videoconference, accessible to the public, on Thursday, June 26, 2025, at 2:30 p.m., at the following meeting location: NTMWD Administrative Offices, 501 E. Brown Street, Wylie, Texas 75098.

The Presiding Officer and a quorum of the Board of Directors will be present at the meeting location or by videoconference with two-way video and audio communication between Board members participating at the meeting location and by videoconference. The public may attend the meeting in person at the meeting location. Audio and video of Board members participating by videoconference will be broadcast live and will be visible to members of the public. The meeting will be recorded and available on the NTMWD website after the meeting.

Members of the public wishing to listen to live audio of the meeting may do so by calling in at (469) 210-7159 or toll free (844) 621-3956 and entering the following access code: 928 587 040. Please note this line will not provide for two-way communication and public comment at the meeting must be made in person at the meeting location.

**I. CALL TO ORDER**

**II. INVOCATION**

**III. PLEDGE OF ALLEGIANCE**

**IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG**

**V. ROLL CALL/ANNOUNCEMENT OF QUORUM**

**VI. OPENING REMARKS**

- A. President's Remarks concerning current events, recognitions, conduct of meeting, posted agenda items, committee assignments, and related matters

- B. Executive Director's Status Report concerning legislation and regulatory matters, strategic plan, budgets, current projects and ongoing programs of the District including the Regional Water System, Regional Wastewater System, Regional Solid Waste System, Watershed Protection, and Water Conservation

- A. **June 2025 Board Memorandum**

[25B-6](#)

## **VII. PUBLIC COMMENTS**

We welcome members, customers, and the public to participate during the public comment period of the meeting. Before the start of the meeting, speakers must complete and submit a "Public Comment Registration Form." During this portion of the meeting speakers will be recognized by name and asked to provide their comments. The time limit is three (3) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Texas Open Meetings Act prohibits the Board from discussing items not listed on the agenda, however, Board members may respond with factual or policy information.

## **VIII. DISCUSSION ITEMS**

- 1. Water Conservation Update

## **IX. EXECUTIVE SESSION**

The Presiding Officer will announce that the meeting will move into closed executive session and identify the agenda items to be discussed in executive session. At the conclusion of the executive session, the public meeting will resume.

There are no scheduled Executive Session items.

## **X. RECONVENE INTO REGULAR SESSION**

In accordance with Texas Government Code, Chapter 551, the Board of Directors of NTMWD will reconvene into regular session to consider action, if any, on matters discussed in Executive Session.

## **XI. CONSENT AGENDA ITEMS**

The Consent Agenda allows the Board of Directors to approve all routine, noncontroversial items with a single motion, without the need for discussion by the entire Board. Any item may be removed from consent and considered individually upon request of a Board member or NTMWD staff member.

- A. **May 2025 Regular Board Meeting Minutes**

[25C-27](#)

The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, May 22, 2025, as presented.

- B. Modification of Capital Projects Request [25C-28](#)**  
Recommend the Board of Directors approve the June 2025, Modification of Capital Projects Request as presented.
- C. 2024 Water Conservation Plan with June 2025 Supplements [25C-29](#)**  
Authorize supplementing of the 2024 NTMWD Water Conservation Plan in order to comply with the requirements of the Texas Commission on Environmental Quality (TCEQ) for submission of water use permit applications for return flows from Sabine Creek Wastewater Treatment Plant (WWTP).
- D. Filing of a Water Use Permit Application for Sabine Creek Return Flows [25C-30](#)**  
Adopt Resolution No. 25-31 authorizing the Executive Director to file an application and any other documents as necessary to secure authorization for the conveyance, diversion and use of return flows from the Sabine Creek Wastewater Treatment Plant.
- E. Wylie Complex Reclaim System Improvements; Project No. 101-0666-25; Engineering Services Agreement, Preliminary Engineering [25C-31](#)**  
Authorize funding in the amount of \$487,000 for an engineering services agreement with HDR Engineering, Inc. for preliminary design of the proposed Wylie Complex Reclaim System Improvements project.
- F. Wylie Water Treatment Plant (WTP) II East System Interconnection; Project No. 101-0652-24; Tabulation of Bids and Award of Contract for Valve Procurement [25C-32](#)**  
Award valve procurement contract to Municipal Valve and Equipment Company, Inc. for the Wylie WTP II East System Interconnection project in the amount of \$432,907.
- G. Request to Declare Certain NTMWD property salvage or surplus and authorization to enter into a contract to facilitate the auction sale of such assets. [25C-33](#)**  
Declare certain NTMWD property salvage or surplus and authorize the Executive Director to enter into a contract to facilitate the auction sale of such assets.
- H. Leonard Water Treatment Plant (WTP) - South 25kV Overhead Electrical Loop; Project No. 101-0669-25; Engineering Services Agreement - Final Engineering [25C-34](#)**  
Authorize funding in the amount not-to-exceed \$388,300 to Fannin County Electric Cooperative (FCEC) for final engineering services associated with providing electric power service to the Leonard Water Treatment Plant (Leonard WTP) southside for future expansions; and Leonard WTP High Service Pump Station-South.

**I. First Amendment to Preliminary Development Agreement with Bois d’Arc Lake Shores LLC [25C-35](#)**

Authorize amendment of a Preliminary Development Agreement with Bois d’Arc Lake Shores LLC, a subsidiary of Texas Land and Lakes, to facilitate dredging within Bois d’Arc Lake for recreational purposes.

**J. Interlocal Cooperation Agreement between the North Texas Municipal Water District and East Fork Special Utility District for Water Line Installation at Muddy Creek Wastewater Treatment Plant [25C-36](#)**

Authorize Resolution 25-33 for the execution of an Interlocal Cooperation Agreement between the North Texas Municipal Water District and East Fork Special Utility District for the installation of a water line at Muddy Creek Wastewater Treatment Plant.

**XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION**

**GENERAL / ADMINISTRATIVE AGENDA ITEMS**

**A. Amendment and Restatement of the Plan Document for the North Texas Municipal Water District 457(b) Deferred Compensation Plan, Resolution No. 25-29 [25-6147](#)**

Board authorization is requested to amend and restate the plan document for the North Texas Municipal Water District 457(b) deferred compensation plan to bring the plan in compliance with recent regulatory changes that take effect on January 1, 2026

**B. Revenue Refunding and Improvement Bonds, Series 2025; Resolution No. 25-30 [25-6148](#)**

Adopt Resolution No. 25-30 authorizing the issuance of Refunding Bonds for the Regional Water System Series 2014 and 2015 Revenue Bonds and Refunding Bonds for the Extendable Commercial Paper (ECP) Bonds.

**WATER AGENDA ITEMS**

**C. Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties; Project No. 101-0607-22, Work Package G; Tabulation of Bids and Award Of Contract, and Authorize Inspection Services [25-6149](#)**

Authorize award of a construction contract for the Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties, Work Package G project in the amount of \$8,954,567 to Belt Construction of Texas, LLC, and authorize internal inspection services in the amount of \$367,920.



- D. Wylie Water Treatment Plant SCADA System Upgrades; Project No. 101-0630-23; Tabulation of Bids, Award of Contract, Engineering Services Agreement, and Inspection Services** [25-6150](#)

Authorize award of a construction contract to Prime Controls, LP in the amount of \$7,416,899; authorize internal inspection services in the amount of \$577,200, and authorize an Engineering Services Agreement with Gupta and Associates, Inc. in the amount of \$287,778 for construction phase engineering services for the Wylie Water Treatment Plant (WTP) Supervisory Control and Data Acquisition (SCADA) System Upgrades project.

#### **WASTEWATER AGENDA ITEMS**

- E. McKinney Prosper Sewer Improvements; Project No. 501-0641-24; Engineering Services Agreement, Final Engineering** [25-6151](#)

Authorize funding in the amount of \$612,000 to Garver, LLC for an engineering services agreement for final design of the McKinney Prosper Sewer Improvements project.

- F. Sister Grove Regional Water Resource Recovery Facility Phase II; Project No. 301-0570-20; Tabulation Of Bids, Award Of Contract, Construction Management and Inspection Services** [25-6152](#)

Award a construction contract in the amount of \$187,012,000 to Eagle Contracting, LLC, a construction management and inspection services agreement in the amount of \$4,639,507 to Freese and Nichols, Inc., and \$239,616 for internal inspection services for Sister Grove Regional Water Resource Recovery Facility (RWRRF) Phase II.

- G. South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 8; and Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Partial GMP No. 1** [25-6153](#)

Authorize funding to Archer Western Construction, LLC in the amount of \$936,308 for Amendment No. 8 to the Construction Manager At-Risk (CMAR) Agreement for work related to partial Guaranteed Maximum Price (GMP) No. 1 for the Buffalo Creek Parallel Force Main (BCPFM).

#### **REAL ESTATE AGENDA ITEMS**

- H. Meter Vault Standardization, Set Point Control Implementation, Phase V; Project No. 101-0338-13; Resolution No. 25-32; Right of Way Acquisition Program** [25-6154](#)

Adopt Resolution No. 25-32 authorizing the acquisition of permanent and temporary easements for the Meter Vault Standardization, Set Point Control Implementation, Phase V project.

I. **Land for Additional Raw Water Supply; Project No. [25-6155](#)  
101-0667-25; Resolution No. 25-34; Land Acquisition Program**

Authorize Resolution No. 25-34 to amend the previously approved land acquisition program to provide additional funding in the amount of \$ 1,300,000 for the acquisition of additional property.

**XIII. CLOSING ITEMS**

- A. Opportunity for Board members to provide feedback or request potential future agenda items.

**XIV. ADJOURNMENT**

**REQUIRED LEGAL NOTICES**

*The Board of Directors is authorized by the Texas Open Meetings Act to convene in closed or executive session for certain purposes. These purposes include receiving legal advice from its attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); or discussing security personnel or devices (Section 551.076). If the Board of Directors determines to go into executive session on any item on this agenda, the Presiding Officer will announce that an executive session will be held and will identify the item to be discussed and provision of the Open Meetings Act that authorizes the closed or executive session.*

*Persons with disabilities who plan to attend the NTMWD meeting and who may need auxiliary aids or services are requested to contact Shannon Sauceman in the NTMWD Administrative Offices at (972) 442-5405 as soon as possible. All reasonable efforts will be taken to make the appropriate arrangements.*

*Pursuant to Section 30.05, Penal Code (criminal trespass), a person may not enter this property with a firearm. Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun. Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.*



# NORTH TEXAS MUNICIPAL WATER DISTRICT

501 E. Brown Street  
Wylie, Texas 75098  
(972) 442-5405

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6/26/2025

Board Memorandum No. 25B-6

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June 2025 Board Memorandum



## MEMO

**TO:** Board of Directors  
**FROM:** Jenna Covington, Executive Director  
**DATE:** June 20, 2025  
**SUBJECT:** June 26, 2025 Board Meeting

The Texas summer is here, and with it comes rising temperatures and increased demands. All areas of the District will remain extremely busy for the next few months. The business of the Board also picks up as we address budget issues and make important policy decisions for the District.

**Strategic Initiative Highlight:** *2.1.2 – Develop and Implement a Technology Modernization Program*

The purpose of this initiative is to implement a sustainable technology modernization program, encompassing both hardware and software used throughout the District. The program will include replacing hardware systems on a routine schedule and performing regular maintenance on both hardware and software items to keep them in proper working order through their service life. Specifically for software modernization, priority is placed on implementing secure Software as a Service solutions hosted in the cloud.

Implementing a hardware replacement program involves developing a multi-year plan to replace all key technology hardware resources according to the industry's best practice-defined lifecycle. For end-user computers and laptops, we have developed a 4-year replacement cycle, aiming to replace approximately 25% of our total inventory annually. We completed year 1 in FY24 and have already defined years 2 through 4. We will complete 1 full cycle in FY27. Additionally, we are developing replacement cycles for iPads, cellular devices (MiFi's), network equipment, cybersecurity equipment, audio/visual equipment, and server infrastructure. Each will have its own schedule broken out by system: water, wastewater, solid waste, and shared services. Every fiscal year, IT collaborates with each department, along with Finance, to plan the budget for each program. These other programs will all be in place by FY27.

Our software modernization program begins with a comprehensive inventory of all applications across every department. We'll capture data types, ownership, dependencies and interrelationships with other applications. For on-site hosted applications, we'll consider the software lifecycle and whether that application can be migrated to the cloud through the same vendor. Alternatively, we'll examine

potential future replacements with cloud-based systems and assess the value that the software adds to the organization. We've inventoried approximately 70% of the applications in the District to date. To implement this program successfully, IT is establishing a program management office (PMO), similar to the Capital Improvement Program nomination and validation process, that will perform project intake, requirements gathering, project scoring, and utilize a committee of leaders across the District to select projects to implement on a given time schedule. This process will provide strategy guidance and ensure IT best practices are utilized to align with District objectives and strategic goals.

### **New Committee Assignments**

As mentioned in last week's update, President Hollified has drawn up the committees for the upcoming year. Assigning directors to committees can be likened to a careful balancing act—mixing experience with opportunities for Directors to contribute to new areas while also maintaining a balance of representation. The new assignments will take effect on July 1. Below is a list of the assignments, and a hard copy will be available at your seat in the Board Room.

#### **FINANCE COMMITTEE**

1. Geralyn Kever, Chair
2. Franklin Byrd
3. Rick Crowley
4. Lori Barnett Dodson
5. Alan McCuiston
6. Rick Mann
7. George Purefoy

#### **LEGISLATIVE COMMITTEE**

1. Ron Kelley, Chair
2. Terry Sam Anderson
3. Jack May
4. Don Paschal
5. Randy Roland
6. Jody Sutherland
7. Stephen Terrell

#### **PERSONNEL COMMITTEE**

1. Blair Johnson, Chair
2. Phil Dyer
3. Joe Farmer
4. Marvin Fuller
5. Dick Peasley
6. Ray Stephens
7. Larry Thompson

#### **POLICY COMMITTEE**

1. Randy Roland, Chair
2. Terry Sam Anderson
3. Rick Crowley
4. Lori Barnett Dodson
5. Joe Farmer
6. Alan McCuiston
7. George Purefoy

#### **SOLID WASTE COMMITTEE**

#### **WASTEWATER COMMITTEE**

1. Dick Peasley, Chair
2. Franklin Byrd
3. Rick Crowley
4. Alan McCuistion
5. Don Paschal
6. Jody Sutherland
7. Stephen Terrell

#### **WATER COMMITTEE**

1. Jack May, Chair
2. Blair Johnson
3. Ron Kelley
4. Geralyn Kever
5. Dick Peasley
6. Ray Stephens
7. Larry Thompson

#### **RETIREMENT PLAN COMMITTEE**

1. Phil Dyer
2. Geralyn Kever

#### **JBSWC BOARD OF DIRECTORS**

1. Terry Sam Anderson
2. Jack May
3. Jenna Covington / Billy George, Alternate

1. Phil Dyer, Chair
2. Franklin Byrd
3. Marvin Fuller
4. Rick Mann
5. Don Paschal
6. Jody Sutherland
7. Stephen Terrell

#### **POLICY COMMITTEE**

1. David Hollifield - President
2. Chip Imrie - Vice President
3. Keith Stephens - Secretary
4. George Crump - Past President
5. Geralyn Kever - Finance Chair
6. Ron Kelley - Legislative Chair
7. Blair Johnson - Personnel Chair
8. Randy Roland - Real Estate Chair
9. Dick Peasley - Solid Waste Chair
10. Phil Dyer - Wastewater Chair
11. Jack May - Water Chair

#### **WILSON CREEK OVERSIGHT**

1. Keith Stephens



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6/26/2025

Consent Agenda Item No. 25C-27

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## May 2025 Regular Board Meeting Minutes

### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, May 22, 2025, as presented.

Note: See the attached document for detailed information.





**NORTH TEXAS MUNICIPAL WATER DISTRICT**  
**501 E. Brown Street • Wylie, Texas 75098**  
**(972) 442-5405 – Phone**  
**(972) 295-6440 – Fax**

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MAY 22, 2025**

The North Texas Municipal Water District (NTMWD) Board of Directors met in a regular meeting on Thursday, May 22, 2025, at 2:30 p.m. Notice of the meeting was legally posted in accordance with Government Code, Title 551, Open Meetings.

**I. CALL TO ORDER**

President George Crump called the meeting to order at approximately 2:30 p.m.

President Crump advised the following regarding the meeting:

The meeting today is being conducted in person with two-way video and audio communication between Board members participating by videoconference, establishing a quorum. The public may attend the meeting in person. Audio and video of Board members participating by videoconference will be visible. Members of the public wishing to listen to live audio from the meeting may do so by calling in.

**II. INVOCATION**

Director John Sweeden offered the invocation.

**III. PLEDGE OF ALLEGIANCE**

President Crump led the Pledge of Allegiance.

**IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG**

President Crump led the Pledge of Allegiance to the Texas Flag.

**V. ROLL CALL/ANNOUNCEMENT OF QUORUM**

The roll was called, and attendance was confirmed as follows:

<b>DIRECTOR</b>	<b>IN PERSON</b>	<b>REMOTE</b>
Terry Sam <b>ANDERSON</b>	√	
Rick <b>CROWLEY</b>	√	
George <b>CRUMP</b>	√	
Lori Barnett <b>DODSON</b>	√	
Phil <b>DYER</b>	√	
Joe <b>FARMER</b>		√
Marvin <b>FULLER</b>	√	
David <b>HOLLIFIELD</b>	√	
Chip <b>IMRIE</b>	√	
Blair <b>JOHNSON</b>	√	
Ronald <b>KELLEY</b>	√	
James <b>KERR</b>	√	
Geralyn <b>KEVER</b>	√	
Rick <b>MANN</b>	√	
Jack <b>MAY</b>	√	
Alan <b>McCUISTION</b>	√	
Don <b>PASCHAL</b>	√	
Richard <b>PEASLEY</b>		√
George <b>PUREFOY</b>	√	
Randy <b>ROLAND</b>	√	
Keith <b>STEPHENS</b>		√
Ray <b>STEPHENS</b>	√	
Jody <b>SUTHERLAND</b>	√	
John <b>SWEEDEN</b>	√	
Larry <b>THOMPSON</b>	√	

The following NTMWD legal and professional consultants attended the meeting:

- Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend

**VI. OPENING REMARKS**

- A. President's Remarks concerning current events, recognitions, conduct of meeting, posted agenda items, committee assignments, and related matters

President Crump advised since the last Board meeting these Directors have been reappointed by their cities:

Phil Dyer, Blair Johnson, Rick Mann, George Purefoy, Ray Stephens, Lori Dodson and Jody Sutherland

President Crump reviewed the tentative meeting schedule for June as follows:

- Wednesday, June 11: Executive and Finance Committees
- Wednesday, June 25: Water and Wastewater Committees
- Thursday, June 26: Board Meeting

President Crump congratulated Executive Director Jenna Covington who was recently honored by her Alma Mater, Texas Tech University, as one of the recipients of the 2025 Distinguished Engineer Award. The Distinguished Engineer Award aims to acknowledge and commend esteemed alumni whose impactful contributions have not only enhanced society but also brought distinction to the Whitacre College of Engineering.

Executive Director Covington expressed her appreciation for the award and for the recognition by the Board.

- B. Executive Director's Status Report concerning legislation and regulatory matters, budgets, current projects and ongoing programs of the District including the Regional Water System, Regional Wastewater System, Regional Solid Waste System, Watershed Protection, and Water Conservation

Executive Director Covington advised that today is President Crump's final meeting as President and expressed her appreciation to him.

Executive Director Covington stated that on today's agenda is the slate of Officers for 2025-26. She added that the Executive Committee will change in June and all other Committees will change in July.

Executive Director Covington provided an update on three important matters in the Legislative Session. Those are: Marvin Nichols Reservoir, Lake O' the Pines, and Water Infrastructure Funding. A more detailed report will be provided when the Session concludes.

Executive Director Covington provided an update on the Texas Water Development Board's Inter-Regional Conflict Process and their coordination with Regions C and D regarding the Region C Plan that includes the Marvin Nichols Reservoir.

Executive Director Covington announced a Lake Lavon Clean-up scheduled on May 31<sup>st</sup> near Rockdale Park.

Executive Director Covington provided an update on two completed projects:

- 1) the relocation of 1,900 linear feet of 54 inch and 72 inch pipeline along Highway 276 for the TxDOT roadway widening. This was a \$4.4 million project and is 100 percent reimbursable by TxDOT
- 2) the Stewart Creek West Wastewater Treatment Plant Clarifier and Blower Improvements Project in Frisco

## **VII. PUBLIC COMMENTS**

Prior to the start of the meeting, speakers must complete and submit a "Public Comment Registration Form." During the public comment portion of the meeting, speakers will be recognized by name and asked to provide their comments. The time limit is three (3) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Board may not discuss these items but may respond with factual or policy information.

- 1) Mr. Lance Lacy spoke with concerns about the proposed location for the Lower East Fork Regional Water Resource Recovery Facility and requested it be reconsidered.
- 2) Mr. Justin Jinright spoke concerning his on-going issue with the NTMWD in relation to his property.

President Crump announced that at this time, the Board will address Action Items XII. A. and B.

### **XII. A. Resolution No. 25-21 Commending Director James Kerr**

Adopt Resolution No. 25-21 commending Director James Kerr for his service as a member of the North Texas Municipal Water District Board of Directors.

Executive Director Covington read the Resolution commending Director Kerr for his service that began in 1998.

Upon a motion by Director Terry Sam Anderson and a second by Director Marvin Fuller, the Board of Directors voted unanimously to approve Resolution No. 25-21 commending Director James Kerr for his years of service on the NTMWD Board of Directors.

Director Kerr spoke regarding his time on the Board and voiced his appreciation. Directors Anderson and Fuller spoke regarding Director Kerr's service.

### **B. Resolution No. 25-22 Commending Director John Sweeden**

Adopt Resolution No. 25-22 commending Director John Sweeden for his service as a member of the North Texas Municipal Water District Board of Directors.

Executive Director Covington read the Resolution commending Director Sweeden for his 20 years of service on the Board of Directors.

Upon a motion by Director Blair Johnson and a second by Director Randy Roland, the Board of Directors voted unanimously to approve Resolution No. 25-22 commending Director John Sweeden for his years of service on the NTMWD Board of Directors.

Director Sweeden spoke regarding his time on the Board and voiced his appreciation. Directors Sutherland, Roland, Anderson and Fuller spoke regarding Director Sweeden's service.

## **VIII. DISCUSSION ITEMS**

### **1. NTMWD Strategic Plan Annual Update**

Executive Director Covington advised that this presentation is to provide highlights of the Annual Strategic Plan for 2025. She noted that no additional initiatives are recommended as staff will continue focusing on the current plan, 2022-2027. Additionally, there are no changes to the Vision, Mission, Values, or Goals.

David Kelly, Government Affairs and Special Projects Manager, provided history of the Plan that began in 2015. He advised that this year, the organization of the Initiatives has changed to be more streamlined.

Mr. Kelly reviewed the history and status of the following five Initiatives that are complete or mostly complete, or have transitioned to routine:

- Develop Strategic Communications Plan for Stewardship
- Address Customer City Surcharge Recommendation
- Complete Red River Boundary Commission Process in OK
- Open Bois d'Arc Lake to the Public
- Bois d'Arc Shoreline Management Plan

A promotional video for Bois d'Arc Lake was presented.

Mr. Kelly provided an update on the following ongoing Goals and Initiatives:

- Risk Based Condition Monitoring Program for Critical Asset Types
- Develop a Technology Modernization Program
- Improve the Project Design and Asset Handover Process
- Foster Engagement to Enhance the Employee Experience

Mr. Kelly advised that going forward, staff will continue to track progress and maintain engagement with the Plan, continue the current strategies of engagement with the Board of Directors, and begin the process of a comprehensive review and update. There will be no changes this year that require Board approval.

Executive Director Covington provided a recap of the Plan and staff's efforts to execute the Plan. In response to a Director's question, she provided more detail on management's increased communications with employees. A suggestion was made to perhaps include a way(s) to clarify cost effective purchasing of equipment.

## **IX. EXECUTIVE SESSION**

There were no scheduled Executive Session items.

## **X. RECONVENE INTO REGULAR SESSION**

There were no scheduled Executive Session items.

**XI. CONSENT AGENDA ITEMS**

President Crump inquired whether any Director would like to remove an item from the Consent Agenda for separate discussion. There were no requests for separate discussion.

Upon a motion by Director Don Paschal to approve the Consent Agenda items and a second by Director James Kerr, the Board of Directors voted unanimously to approve the Consent Agenda items.

**A. April 2025 Regular Board Meeting Minutes**

The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, April 24, 2025, as presented.

**B. Modification of Capital Projects Request**

Recommend the Board of Directors approve the May 2025 Modification of Capital Projects Request as presented.

**C. Memorandum of Understanding Between the North Texas Municipal Water District and City of Plano for a Residential Irrigation Evaluation Program**

Authorize the Executive Director to execute a Memorandum of Understanding (MOU) between the North Texas Municipal Water District (NTMWD) and the City of Plano for a Residential Irrigation Evaluation Program.

**XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION****GENERAL / ADMINISTRATIVE AGENDA ITEMS****A. Resolution No. 25-21 Commending Director James Kerr**

Adopt Resolution No. 25-21 commending Director James Kerr for his service as a member of the North Texas Municipal Water District Board of Directors.

*This item was addressed previously in the meeting.*

**B. Resolution No. 25-22 Commending Director John Sweeden**

Adopt Resolution No. 25-22 commending Director John Sweeden for his service as a member of the North Texas Municipal Water District Board of Directors.

*This item was addressed previously in the meeting.*

**C. Consider Election of Officers for the North Texas Municipal Water District Board of Directors for 2025-2026.**

Director Rick Peasley advised that the nominations team met on April 24, 2025, and provided the recommended slate of Officers for 2025-2026 as follows:

President:	Director David Hollifield
Vice President:	Director Chip Imrie
Secretary:	Director Keith Stephens

President Crump asked if there were any nominations from the floor. There were none.

Upon a motion to approve the slate of Officers for 2025-2026 as presented by Director Phil

Dyer, and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve as presented.

**D. Buffalo Creek Wastewater Interceptor System Contract Revenue Bonds, Contract Revenue Bonds, Series 2025**

Adopt Resolution No. 25-26 authorizing the issuance of Revenue Bonds for the Buffalo Creek Wastewater Interceptor System.

Director Geralyn Kever advised that the Finance Committee reviewed this item at the April 9<sup>th</sup> Finance Committee meeting. The Finance Committee voted to recommend the Board of Directors adopt Resolution No. 25-26 authorizing the approval of Series 2025 Buffalo Creek Wastewater Interceptor System Bonds for project costs in the amount of \$42.1 million plus funding for issuance costs and debt service reserves for a total use of funds of \$44.6 million.

This morning 11 bids were received. B of A Securities is the winning bidder with an interest rate of 4.82%. She said that \$42.66 million of 2025 revenue bonds will be issued.

Upon a motion by Director Geralyn Kever and a second by Director Larry Thompson, the Board of Directors voted unanimously to approve Resolution No. 25-26 as presented.

**E. Panther Creek Wastewater System Contract Revenue Bonds, Contract Revenue Bonds, Series 2025**

Adopt Resolution No. 25-27 authorizing the issuance of Revenue Bonds for the Panther Creek Wastewater Treatment Plant System.

Director Geralyn Kever advised that the Finance Committee reviewed this item at the February 12<sup>th</sup> Finance Committee meeting. The Finance Committee voted to recommend the Board of Directors adopt Resolution No. 25-27 authorizing the approval of the Series 2025 Panther Creek Wastewater Treatment Plant System Bonds for project costs in the amount of \$192.6 million plus funding for issuance costs and debt service reserves for a total use of funds of \$204.97 million.

This morning 7 bids were received. B of A Securities is the winning bidder with an interest rate of 4.71%. She advised that \$196.98 million of 2025 revenue bonds will be issued.

Upon a motion by Director Geralyn Kever and a second by Director Alan McCuiston, the Board of Directors voted unanimously to approve Resolution No. 25-27 as presented.

**WATER AGENDA ITEMS**

**F. Tawakoni Water Treatment Plant (WTP) Emergency Backup Power; Engineering Services Agreement; Project No. 101-0664-25**

Authorize funding in the amount of \$1,967,733 to STV, Inc for engineering services required for the installation of emergency generators.

Director John Sweeden stated that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval. This item is for the design and development of contract documents to provide backup power for 30 million gallons per day of water treatment capacity and high service pumping at the Tawakoni Water Treatment



Plant, as required in the Texas Commission on Environmental Quality Emergency Preparedness Plan requirements.

Upon a motion by Director John Sweeden and a second by Director Rick Crowley, the Board of Directors voting unanimously to approve as presented.

**G. Tawakoni Water Treatment Plant Advanced Treatment for PFAS; Engineering Services Agreement; Project No. 101-0665-25**

Authorize funding in the amount of \$1,860,000 to Black and Veatch Corporation for preliminary engineering services required to design an advanced treatment train for PFAS removal at the Tawakoni Water Treatment Plant (WTP).

Director John Sweeden stated that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval. This item is for pilot testing and subsequent preliminary design of advanced treatment technology improvements required for the removal of PFAS in the water treatment process. Raw water from Lake Tawakoni was identified as currently exceeding maximum contaminants levels. This project is essential to support compliance with the EPA water quality requirements.

Director Jack May requested a brief overview of PFAS requirements. Assistant General Manager Billy George advised that the EPA is revisiting previously adopted regulations and are expected to rescind some within certain limits. However, the previously adopted regulations regarding PFOS and PFOA limits will remain with an extended deadline to 2031.

Upon a motion by Director John Sweeden and a second by Director Blair Johnson, the Board of Directors voting unanimously to approve as presented.

**WASTEWATER AGENDA ITEMS**

**H. Sister Grove Regional Water Resource Recovery Facility (RWRRF) - Farm to Market (FM) 2933 Improvements; Project No. 301-0426-16; Tabulation of Bids and Award of Contract**

Authorize award a construction contract to Pavecon Public Works, LP in the amount of \$1,432,886.98 for the Sister Grove RWRRF - FM 2933 Improvements project.

President Crump stated that this item was presented as a Champion update at the Wastewater Committee on April 23<sup>rd</sup>.

Upon a motion by Director Keith Stephens and a second by Director Don Paschal, the Board of Directors voted unanimously to approve.

**I. Panther Creek Wastewater Treatment Plant (WWTP) Expansion to 15 MGD; Project No. 307-0493-18; Tabulation of Bids and Award of Contract, Engineering Services During Construction and Construction Management Services**

Award a construction contract in the amount of \$170,618,000 to Crossland Heavy Contractors, Inc., an engineering services during construction (ESDC) agreement in the amount of \$3,998,413 to HDR Engineering, Inc., and a construction management services agreement in the amount of \$7,328,702 to Garver, LLC for the Panther Creek Wastewater Treatment Plant Expansion to 15 MGD.

Director Keith Stephens advised that the Wastewater Committee discussed this item at the April 23<sup>rd</sup> meeting. This project will expand the treatment capacity of the existing facilities from the current 10 Million Gallons Per Day average daily flow to 15 Million Gallons Per Day

average daily flow with a peak two-hour flow of 45 MGD.

Director Keith Stephens moved to approve. Director Don Paschal seconded the motion.

Director George Purefoy expressed his concern over the cost of adding 5 MGD to this plant and how it will impact the residents in Frisco. Executive Director Covington responded that staff has concerns as well in regard to cost. She said that costs started escalating during COVID and unfortunately have not come down as expected. She added that staff has met with the Frisco City Council to discuss the project, and that the bid was in line with other recent bidding.

Director Rick Crowley added his sentiments regarding the cost and suggested that staff consider looking at the design process for “right-sizing” if they have not already done so.

The Board of Directors voted to approve.

**J. Stover Creek Lift Station; Project No. 501-0625-23; Engineering Services Agreement, Final Engineering**

Authorize funding in the amount of \$3,534,500 to Plummer Associates, Inc. for an engineering services agreement for final design of the Stover Creek Lift Station project.

Director Keith advised that the Wastewater Committee discussed this item at the April 23<sup>rd</sup> meeting. This project is designed to increase wastewater conveyance capacity in the Upper East Fork Interceptor System by constructing a new lift station and force main to serve projected growth in McKinney and Prosper north of U.S. Highway 380. All flows entering the Stover Creek Lift Station and Force Main will be conveyed and treated at the new Sister Grove Regional Water Resource Recovery Facility.

Upon a motion by Director Keith Stephens and a second by Director Don Paschal, the Board of Directors voted unanimously to approve.

**REAL ESTATE AGENDA ITEMS**

**K. Preliminary Development Agreement with North Texas Acquisitions, LLC**

Authorize execution of a Preliminary Development Agreement with North Texas Acquisitions, LLC, a subsidiary of Lakewood Capital Group, to construct and use shoreline improvements on NTMWD property adjacent to Bois d’Arc Lake for residential purposes and authorize the subsequent execution of a Lease and Use Agreement with the future property owners association (POA) who will own the improvements as required by the Preliminary Development Agreement.

Director Terry Sam Anderson advised that the Real Estate Committee reviewed this item yesterday and voted to recommend approval of the North Texas Acquisitions, LLC residential property developer that wishes to construct certain improvements and to use NTMWD property adjacent to Bois d’Arc Lake for its residential development called Bridgewater. The NTMWD Bois d’Arc Lake Shoreline Management Plan allows for such improvements and provides that shoreline uses associated with planned residential developments may be authorized by separate agreements.

Upon a motion by Director Terry Sam Anderson and a second by Director Jody Sutherland, the Board of Directors voted unanimously to approve as presented.

**L. Stover Creek Lift Station; Project No. 501-0625-23; Resolution No. 25-23; Right of Way Acquisition Program**

Adopt Resolution No. 25-23 authorizing funding in the amount of \$2,800,000 to acquire fee simple property.

Director Terry Sam Anderson advised that the Real Estate Committee reviewed this item yesterday and voted to recommend the Board authorize approval of Resolution 25-23 which authorizes the acquisition of property for the construction of the Stover Creek Lift Station. To meet the projected growth in the cities of McKinney and Prosper, this lift station is needed for the conveyance of wastewater through the Stover Creek Force Main to Sister Grove Regional Water Resource Recovery Facility.

Upon a motion by Director Terry Sam Anderson and a second by Director Randy Roland, the Board of Directors voted unanimously to approve as presented.

**M. Buffalo Creek Parallel Interceptor Phase II; Project No. 507-0636-24; Resolution No. 25-25; Right of Way Acquisition Program**

Adopt Resolution No. 25-25 authorizing funding in the amount of \$3,200,000 to acquire permanent and temporary easements for the Buffalo Creek Parallel Interceptor Phase II.

Director Terry Sam Anderson advised that the Real Estate Committee reviewed this item yesterday and voted to recommend the Board authorize approval of Resolution 25-25, which allows for the acquisition of easements needed for the construction of the second phase of a parallel interceptor. Completion of the parallel interceptor increases the conveyance capacity of the Buffalo Creek Interceptor System and allows for the decommissioning of the Buffalo Creek Wastewater Treatment Plant.

Upon a motion by Director Terry Sam Anderson and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve as presented.

**N. Lower East Fork Regional Water Resource Recovery Facility; Project No. 301-0598-21; Resolution No. 25-24; Land Acquisition Program**

Adopt Resolution No. 25-24 authorizing additional funding for property acquisition.

Director Terry Sam Anderson advised that the Real Estate Committee reviewed this item yesterday and voted to recommend the Board authorize approval of Resolution No. 25-24 to obtain additional funding needed to complete the land acquisition for the Lower East Fork Regional Water Resource Recovery Facility. This facility will provide a much needed increase in wastewater treatment capacity to meet the growth demands in the southeastern portion of the service area.

Upon a motion by Director Terry Sam Anderson and a second by Director Ray Stephens, the Board of Directors voted unanimously to approve as presented.

**O. Land Acquisition and Support Services to Facilitate Purchasing Land for Additional Raw Water Supply; Resolution No. 25-28; Project No. 101-0667-25**

Adopt Resolution No. 25 -28 authorizing funding in the amount of \$7,750,000 to make a written offer to acquire real estate located in Red River County, needed to increase raw water supply.

Director Terry Sam Anderson advised that the Real Estate Committee reviewed this item yesterday and voted to recommend the Board authorize approval of Resolution No. 25-28 for a potential property purchase associated with a groundwater opportunity.

Upon a motion by Director Terry Sam Anderson and a second by Director Randy Roland, the Board of Directors voted unanimously to approve as presented.

### **XIII. CLOSING ITEMS**

- A. Opportunity for Board members to provide feedback or request potential future agenda items.

In reference to Consent Item C., Director Ray Stephens spoke favorably about the Sprinkler Evaluation System. Executive Director Covington stated that currently there are three cities in a pilot program and hopes are that measurable results in water savings are evident for those who participate.

In regard to potential future agenda items, Director Terry Sam Anderson suggested a discussion regarding the increasing costs of construction projects. Executive Director Covington added that delivery methods can also be a part of the discussion.

President George Crump offered closing remarks at this his last meeting as President. He spoke highly of the staff and Board of Directors.

### **XIV. ADJOURNMENT**

There being no further business, the meeting adjourned at approximately 4:20 p.m.

APPROVED:

\_\_\_\_\_  
DAVID HOLLIFIELD, President

ATTEST:

\_\_\_\_\_  
KEITH STEPHENS, Secretary



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6/26/2025

Consent Agenda Item No. 25C-28

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## Modification of Capital Projects Request

### **RECOMMENDATION**

Recommend the Board of Directors approve the June 2025, Modification of Capital Projects Request as presented.

Note: See the attached document for detailed information.

**NORTH TEXAS MUNICIPAL WATER DISTRICT  
MODIFICATION OF CAPITAL PROJECTS REQUEST  
JUNE 2025**

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Modification of Capital Projects Request in accordance with NTMWD's Board Policies Manual for project changes greater than \$100,000 and less than \$500,000.

**I. CONSTRUCTION CHANGE ORDERS ONLY**

**WATER SYSTEM**

- a. Project No. 101-0530-19, Lake Texoma Pump Station 2019 Electrical Improvements, Phase I, Change Order No. 1

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$39,958,934.00	987
Prior Change Order(s) Total	\$0.00	0
<b>Proposed Change Order No. 1</b>		
Fencing and landscaping changes	\$18,930.00	0
Credit for unused drilled piers	(\$299,047.00)	0
Manhole and sidewalk changes	\$7,260.00	0
<b>Proposed Change Order No. 1 Increase</b>	<b>(\$272,857.00)</b>	<b>0</b>
<b>Revised Contract Amounts</b>	<b>\$39,686,077.00</b>	<b>987</b>

Original Completion Dates: Substantial – January 21, 2027; Final – March 23, 2027

Revised Completion Dates: No change.

Funding in the amount of (\$272,857.00) for Change Order No. 1 to Archer Western Construction, LLC, will be credited back to the Regional Water System Extendable Commercial Paper (ECP) Program.

**WASTEWATER SYSTEM**

- a. Project No. 501-0473-17, Plano Spring Creek Lift Station No. 2 Improvements, Change Order No. 9.

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$8,329,000.00	600
Prior Change Order(s) Total	\$1,028,906.22	595
<b>Proposed Change Order No. 9</b>		

Jack and bore cost increase due to Dallas Area Rapid Transit (DART) ROE delay	\$85,872.00	113
Wetwell divers for cleaning and exploration	\$36,034.00	0
<b>Proposed Change Order No. 9 Increase</b>	<b>\$121,906.00</b>	<b>113</b>
<b>Revised Contract Amounts</b>	<b>\$9,479,812.22</b>	<b>1,308</b>

Original Completion Dates: Substantial – June 28, 2021; Final – January 24, 2022

Revised Completion Dates: Substantial – June 6, 2023; Final – January 2, 2024

Funding in the amount of \$121,906.00 for Change Order No. 9 to Eagle Contracting, L.P., is available in the Upper East Fork Interceptor System Construction Funds

b. Project No. 501-0453-17, Indian Creek Lift Station No. 2, Change Order No. 8.

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$7,463,700.00	415
Prior Change Order(s) Total	\$582,660.62	1,577
<b>Proposed Change Order No. 8</b>		
Site layout modifications for generator relocation	\$109,000.00	0
Contract time extension associated with pump repairs, City of Plano platting approval process, and remaining work to complete site layout modifications	\$0.00	665
<b>Proposed Change Order No. 8 Increase</b>	<b>\$109,000.00</b>	<b>665</b>
<b>Revised Contract Amounts</b>	<b>\$8,155,360.62</b>	<b>2,657</b>

Original Completion Dates: Substantial – August 18, 2019; Final – October 17, 2019

Revised Completion Dates: Substantial – October 7, 2025; Final – December 6, 2025

Funding in the amount of \$109,000.00 for Change Order No. 8 to Red River Construction Co., is available in the Upper East Fork Interceptor System Construction Funds

#### SOLID WASTE SYSTEM

a. None.

## **II. AUTHORIZATION TO ISSUE CONSTRUCTION FINAL PAYMENT ONLY**

Work on the following projects is substantially complete with only minor deficiencies remaining. Final payment in the total amounts shown will be made on these projects when completion of all deficiency items is verified.

#### WATER SYSTEM

a. Project No. 101-0578-20, Wylie Water Treatment Plant (WTP) III Outfall Improvements

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$4,160,600.00	615



Prior Change Order(s) Total	\$98,327.00	0
<b>Previous Payments</b>	<b>\$3,949,184.44</b>	
<b>Proposed Final Payment to Archer Western Construction, LLC.</b>	<b>\$309,742.56</b>	
<b>Final Contract Amounts</b>	<b>\$4,258,927.00</b>	<b>615</b>

Original Completion Dates: Substantial – May 20, 2025; Final – June 19, 2025  
Revised Completion Dates: No change.

No additional funding is requested for Final Payment.

WASTEWATER SYSTEM

a. None.

SOLID WASTE SYSTEM

a. None.

**III. CONSTRUCTION CHANGE ORDER AND AUTHORIZATION TO ISSUE FINAL PAYMENT ONLY**

Work on the following projects is substantially complete with only minor deficiencies remaining. Final payment in the total amounts shown will be made on these projects when all work associated with the change order shown on the tabulation shall have been completed and accepted, and completion of all deficiency items is verified.

WATER SYSTEM

a. None

WASTEWATER SYSTEM

a. None.

SOLID WASTE SYSTEM

a. None.

**IV. AMENDMENTS TO ENGINEERING, INSPECTION AND/OR LEGAL SERVICES ONLY:**

WATER SYSTEM

a. Project No. 101-0530-19, Lake Texoma Pump Station 2019 Electrical Improvements Phase I

Description	Amount
Original ESA	\$1,686,867.00

Prior Additional Services	\$796,487.50
<b>Proposed Additional Services</b>	<b>\$15,400.00</b>
Fence, landscape, and driveway modifications	
<b>Revised ESA Amount</b>	<b>\$2,498,754.50</b>

Funding in the amount of \$15,400 for Amendment No. 7 to CDM Smith, Inc., is available in the Regional Water System Capital Improvement Fund

#### WASTEWATER SYSTEM

- a. Project No. 301-0524-19, Rowlett Creek Regional Wastewater Treatment Plant (RWWTP) Administration Building (formerly Rowlett Creek RWWTP Operations Building)

Description	Amount
Original ESA	\$330,000.00
Prior Additional Services	\$525,441.02
<b>Proposed Additional Services</b>	<b>\$148,761.70</b>
Architectural	\$44,640.00
Landscape	\$3,025.00
Civil	\$41,074.00
Mechanical, Electrical, Plumbing, Instrumentation	\$53,522.70
Specifications	\$5,000.00
Non-Labor	\$1,500.00
<b>Revised ESA Amount</b>	<b>\$1,004,202.72</b>

The cumulative amount requested exceeds 25% of the original contract value. NTMWD staff recommend approval of the additional services on this report in lieu of an individual Administrative Memorandum as the design has been completed for the previous construction location and has since been moved to a new location. These additional services are for the new improvements required for the addition of the new road, turning lanes on 14<sup>th</sup> street, water lines and coordination between the ongoing NTMWD Project No. 301-0471-17, the Rowlett Creek RWWTP Peak Flow Management Improvements, Phase II project.

Funding in the amount of \$148,761.70 for Amendment No. 7 to GSR Andrade Architects, is available utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.

#### SOLID WASTE SYSTEM

- a. None



6/26/2025

Consent Agenda Item No. 25C-29

## 2024 Water Conservation Plan with June 2025 Supplements

### SUBJECT

Authorize supplementing of the 2024 NTMWD Water Conservation Plan in order to comply with the requirements of the Texas Commission on Environmental Quality (TCEQ) for submission of water use permit applications for return flows from Sabine Creek Wastewater Treatment Plant (WWTP).

### PURPOSE

Facilitate an application to secure authorization for the District to divert and use the return flows from the Sabine Creek WWTP to meet the needs of current member cities, and current and future customers.

### RECOMMENDATION

The Executive Director and NTMWD staff recommend that the Board of Directors authorize the supplementing of the 2024 NTMWD Water Conservation Plan.

Committee: This will be a Champion Update at the June 25, 2025, Water Committee meeting

### DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.4 Reliable and Resilient Systems
----------------------	------------------------------------

<input checked="" type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input checked="" type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

## **BACKGROUND**

### **PROJECT PURPOSE**

- Additions of new water sources must be documented in the 2024 NTMWD Water Conservation Plan.
- The Sabine Creek WWTP is permitted to discharge up to 7 million gallons per day (MGD) of wastewater return flows
- The District has submitted an application to amend the Sabine Creek WWTP permit to discharge up to 20 MGD of wastewater return flows.
- Reuse of wastewater return flows is a recommended water management strategy for the District in the 2021 Region C Water Plan and the 2025 Region C Initially Prepared Plan.
- The District is filing applications with the TCEQ to seek the right to convey return flows from Sabine Creek WWTP for subsequent diversion and use.
- Texas Administrative Code (TAC) Title 30, Part 1, Rule 288.7(a) addresses water conservation plans that accompany an application for a water right and requires an evaluation of other feasible alternatives to new water development.
- The inclusion of Appendix J as a supplement to the 2024 Water Conservation Plan was required to support a pending water use permit application for Sister Grove Regional Water Resource Recovery Facility return flows.
- Appendix J of the NTMWD 2024 Water Conservation Plan is being updated in support of a water use permit application for Sabine Creek WWTP return flows to include analysis for other feasible alternatives as required by TAC Title 30, Part 1, Rule 288.7(a).
- The updated Appendix J will substantially conform to the attached draft.

### **PROJECT COMPONENTS**

- Development of an updated Appendix J for inclusion in the 2024 Water Conservation Plan.

### **SUMMARY OF SUPPLEMENTS**

- The inclusion of Appendix J as a supplement to the 2024 Water Conservation Plan was required to support a pending water use permit application for Sister Grove Regional Water Resource Recovery Facility return flows.
- An update to Appendix J is required to facilitate the water use permit application for Sabine Creek WWTP return flows.
- Appendix J states that there are no feasible alternatives to the reuse of return flows from Sabine Creek WWTP at this time. Furthermore, this project is consistent with NTMWD's conservation goals to fully develop its available reuse to meet its future water needs.

## **FUNDING**

No additional funding is requested.

# **SUPPLEMENTAL APPENDIX J**

## ***Data Requirements for Water Right Application for New or Additional State Water – Reuse of Discharges from Sabine Creek Wastewater Treatment Facility***

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### DATA REQUIREMENTS FOR WATER RIGHT APPLICATION FOR NEW OR ADDITIONAL STATE WATER – REUSE OF DISCHARGES FROM SABINE CREEK WASTEWATER TREATMENT FACILITY

Texas Administrative Code (TAC) Title 30, Part 1, Rule 288.7(a) addresses water conservation plans that accompany a water right application for new or additional state water:

#### §288.7. Plans Submitted With a Water Right Application for New or Additional State Water.

(a) A water conservation plan submitted with an application for a new or additional appropriation of water must include data and information which:

- (1) supports the applicant's proposed use of water with consideration of the water conservation goals of the water conservation plan;
- (2) evaluates conservation as an alternative to the proposed appropriation; and
- (3) evaluates any other feasible alternative to new water development including, but not limited to, waste prevention, recycling and reuse, water transfer and marketing, regionalization, and optimum water management practices and procedures.

The North Texas Municipal Water District (NTMWD or District) currently has multiple applications for the reuse of treated wastewater discharges in technical review by TCEQ. NTMWD is now filing a reuse application for the Sabine Creek Wastewater Treatment Plant (Sabine Creek WWTP). NTMWD also has other potential sources of reuse water that the District intends to develop at a later time when feasible. **Table J-1** provides basic information on the discharges from Sabine Creek WWTP for the new reuse application. The plant's current TPDES permit allows for a discharge of up to 7.0 MGD, and NTMWD is currently seeking an increased TPDES permit to expand the WWTP to 20.0 MGD. Concurrently, NTMWD is seeking authorization to reuse the discharges from the expanded Sabine Creek WWTP.

**TABLE J-1: SUMMARY OF POTENTIAL REUSE SOURCE**

Facility	Existing or New	Facility Owner	Permitted Discharge (MGD)	River Basin	Watershed
<b>Facilities with Current or Imminent Reuse Applications</b>					
Sabine Creek WWTP	Existing	NTMWD	20.0	Sabine	Lake Tawakoni

Fully developing available reuse is a primary goal of the NTMWD Water Conservation Plan (the Plan). As acknowledged by the Water Conservation Implementation Task Force, water reuse is considered a component of water conservation and as such, should not be viewed as an alternative to conservation. While conservation does not typically require a water right, water reuse does. Therefore, this appendix addresses the requirements of TAC §288.7(a) for the Sabine Creek WWTP reuse application. In considering the requirements of TAC §288.7(a)(2) and TAC §288.7(a)(3), this appendix looks at alternatives based on information from two sources:

1. The approved 2021 *Region C Water Plan* and the approved 2022 *State Water Plan*



2. The 2026 *Initially Prepared (Draft) Region C Water Plan*, currently under review by the Texas Water Development Board and the public.

## **J.1 CONSIDERATION OF WATER CONSERVATION GOALS - 288.7(a)(1)**

NTMWD provides wholesale treated water to customers in a ten-county area in North-Central Texas. The area served by NTMWD is one of the fastest growing regions in the country. The population served by NTMWD has increased from 32,000 when NTMWD was formed in 1951 to over 2.2 million as of 2024, and this growth is expected to continue. To meet the anticipated growth and increased water demands, NTMWD is actively promoting water conservation measures with its Member Cities and Customers, and NTMWD is currently implementing the largest wastewater reuse program in the state, and potentially the largest in the U.S. NTMWD's larger reuse projects include reuse from the Wilson Creek Regional WWTP (RWWTP) that discharges directly to Lavon Lake. This RWWTP is permitted to discharge up to 64 MGD. NTMWD's other large current reuse project is the East Fork Water Supply Project (the East Fork Wetland). This project diverts wastewater return flows from the East Fork Trinity River and the Trinity River Mainstem to a constructed wetland in Kaufman County. From there, the water is pumped to Lavon Lake for subsequent diversion and use. Collectively, these two projects can provide 175,000 acre-feet per year of supply. NTMWD has also applied to reuse up to 64 MGD of return flows from the proposed Sister Grove Water Resource Recovery Facility, and that application is in technical review by TCEQ. If the Sabine Creek WWTP reuse authorization is granted the reuse supplies would increase by up to 22,420 acre-feet per year (20.0 MGD). This section describes NTMWD's conservation activities and the resulting water savings.

The Plan includes a variety of conservation measures that are actively implemented and monitored by NTMWD. This suite of water conservation measures goes well beyond the minimum requirements for conservation plans for wholesale providers. In accordance with the Texas Administrative Code, Title 30, § 288.5, the minimum requirements for wholesale providers are:

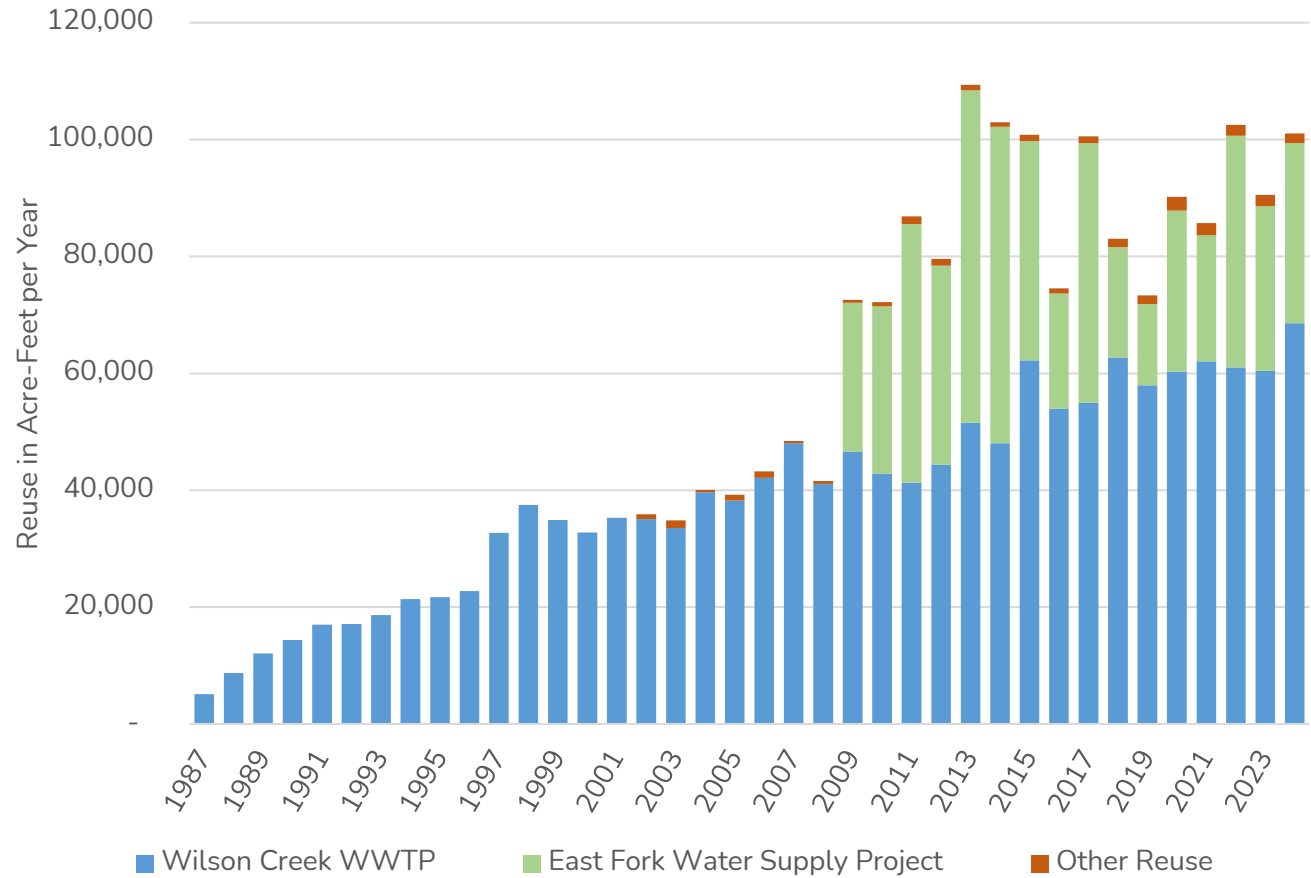
- Description of the wholesaler's service area;
- Specification of quantifiable conservation goals;
- Description of the means to measure the amount of water from a source;
- Monitoring and record managing program;
- Metering, leak detection and repair program;
- Requirement that wholesale customers must develop and implement a water conservation plan that incorporates the measures in the wholesale water provider plan;
- Reservoir systems operation plan;
- Means for implementing and enforcing the plan; and
- Documentation of coordination with associated regional water planning groups.

The Plan meets these minimum requirements and specifies other conservation activities that NTMWD and/or its Member Cities and Customers are undertaking to achieve water conservation and efficiency. These other measures include:

- Water conservation workshops for wholesale customers;
- Model Water Conservation and Drought Contingency / Water Resource Emergency Management Plans for Member Cities and Customers, including compulsory landscape and water management measures to conserve water;
- Annual reports and tracking of customer water use;
- Reuse and recycling of wastewater;
- Public education and outreach programs;
- Technical assistance to customers;
- Zero discharge from water treatment plants;
- In-house conservation efforts; and
- Landscape water management measures, including developing the Water My Yard program and the installation of weather stations to assess outdoor irrigation needs.

Each of these measures is described elsewhere in the Plan. As noted above, reuse and recycling of wastewater is a major part of the Plan. NTMWD has the largest reuse program in the state with plans for further development. This intent is captured in the goals of the Plan. NTMWD's Water Conservation Plan goals include maximizing the level of the reuse of discharges from wastewater facilities within NTMWD's service area. **Figure J-1** shows NTMWD's historical water supplies from reuse.

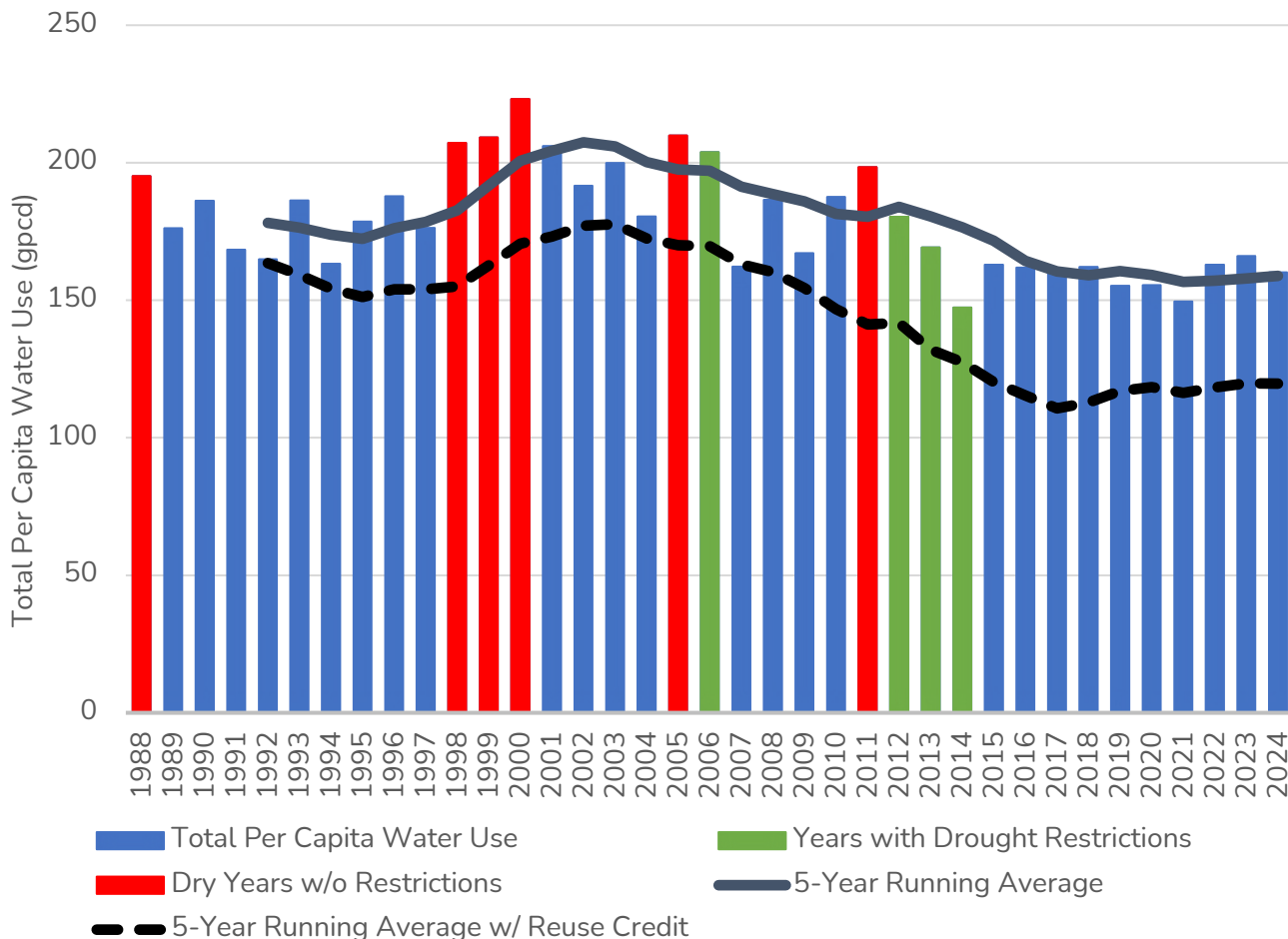
**FIGURE J-1: NTMWD REUSE**



## Conservation Water Savings Realized by NTMWD

NTMWD collects water use data annually from its Member Cities and Customers and uses this information to track per capita water use. **Figure J-2** shows the annual and five-year running average total per capita use for Member Cities and Customers from 1988 to 2024. Consistent with the Plan, total per capita use is defined as the amount of water used divided by the population served. As shown in this figure, the average per capita water use peaked during the early 2000s and has declined substantially since then. NTMWD's total per capita use in 2000 (the year of highest historical per capita use) was 223 gallons per person per day. The 2020 dry year use for NTMWD in the 2021 *Region C Water Plan* is 185.7 gallons per person per day, a reduction of 15 percent from the year 2000 level. The 2030 dry year use for NTMWD in the 2026 *Initially Prepared Region C Water Plan* is 178 gallons per person per day, a reduction of 20 percent from the year 2000 level. This shows the success of the conservation efforts of NTMWD, its Member Cities, and its Customers. When considering credit for reuse, there is an even greater decline in per capita water use since the early 2000s. This reflects NTMWD's robust reuse program.

**FIGURE J-2: TOTAL RAW WATER PER CAPITA USE**



## J.2 CONSERVATION AS AN ALTERNATIVE TO THE PROPOSED APPROPRIATION – 288.7 (a)(2) - BASED ON THE 2022 STATE WATER PLAN

NTMWD water use in 2024 totaled approximately 401,400 acre-feet. 2024 was not a dry year, and demands would be higher in a dry year. The projected dry year demands for NTMWD in 2030 in the 2021 *Region C Water Plan* are over 467,800 acre-feet per year. The 2021 *Region C Water Plan* and 2022 *State Water Plan* project that these demands will increase to nearly 770,000 acre-feet by the year 2070. Based on existing water supplies, NTMWD will need to develop an additional 369,000 acre-feet of supply to meet the 2070 demands projected in the 2021 *Region C Water Plan*. NTMWD expects to meet a portion of this demand via conservation. The 2022 *State Water Plan* indicates that additional water conservation efforts (beyond what NTMWD has already accomplished) will provide 26,000 acre-feet per year of NTMWD's total water supplies by 2030 and approximately 44,400 acre-feet per year by 2070.

NTMWD also plans to meet a significant part of its projected demands by reuse. Reuse comprises 43 percent of NTMWD's existing 2030 water supply in the 2021 *Region C Water Plan*. Increases in

available reuse due to population growth and the development of specific reuse projects are expected to provide up to 76,300 acre-feet of additional reuse supplies by 2070. Combined, conservation and reuse are estimated to provide over 299,400 acre-feet of water supplies by 2070, which represents approximately 29 percent of NTMWD's projected total water demand in 2070.

Both conservation and reuse are integral strategies in NTMWD's plans to meet projected water demands. The reuse of wastewater discharges associated with current and future water supplies developed by NTMWD will provide supplies to help meet projected water demands. However, in light of NTMWD's projected total demand of 769,200 acre-feet of water by 2070, intensified conservation and reuse alone cannot provide enough water to address all demands. Thus, conservation and reuse strategies are part of the portfolio of strategies that will be pursued by NTMWD to meet the rapidly rising demand for municipal water supplies in the NTMWD service area.

### **J.3 FEASIBLE ALTERNATIVES TO NEW WATER DEVELOPMENT – 288.7(a)(3) – BASED ON THE 2021 REGION C WATER PLAN**

The 2021 regional water planning process identified and evaluated many potential water management strategies for NTMWD. The *2021 Region C Water Plan* considered 17 different water management strategies to meet the projected water supply shortages for NTMWD through 2070. Of these considered strategies, the Region C and State Water Plan recommended ten strategies for implementation by NTMWD.

NTMWD has or is currently implementing some of these strategies, including:

- Water Conservation (implemented)
- Bois d'Arc Lake (implemented)
- Additional Lavon Watershed Reuse (in progress)
- Additional Lake Texoma Blend Phase I (blended with supplies from Bois d'Arc Lake) (in progress)

The other strategies recommended in the *2021 Region C* and *2022 State Water Plan* for implementation include:

- Additional Measures to Access Full Lavon Lake Yield
- Expanded wetland reuse
- Additional Lake Texoma water with blending with new fresh water supply Phase II
- Marvin Nichols Reservoir
- Wright Patman Reallocation
- Oklahoma water supply

Each of these strategies is scheduled for implementation based on the projected water needs and the time to implement the strategy, including considerations for planning and permitting.

Potential alternatives considered for NTMWD but not recommended for implementation in the 2021 *Region C Water Plan* include developing other new reservoirs (George Parkhouse North and George Parkhouse South), transporting water from existing reservoirs (Toledo Bend and Lake O' the Pines), development of new groundwater supplies, aquifer storage and recovery, and desalination of Lake Texoma water. Most of these alternative strategies will require water rights for new appropriations and/or interbasin transfers, and they all will require the construction of infrastructure to store and transport water supplies to the NTMWD service area.

To continue its water supply development, NTMWD is applying for a water right from the TCEQ for reuse of wastewater discharges from the Sabine Creek WWTP. The Sabine Creek WWTP discharges to the Lake Tawakoni watershed. NTMWD has an intake on Lake Tawakoni, which could be used to divert the return flows.

This discussion focuses on alternatives to the Sabine Creek WWTP reuse application in the 2021 *Region C Water Plan* and 2022 *State Water Plan*. Only projects that have not been implemented and are not currently in progress are discussed here. Descriptions of potential project alternatives are presented below. **Table J-2** presents a synopsis of the applicability of these potential strategies as feasible alternatives to reuse.

Each potential project alternative was vetted through the state water planning process and the discussions herein are consistent with the 2021 *Region C Water Plan* and the 2022 *State Water Plan*. Strategies that are recommended for implementation by NTMWD are part of a suite of strategies to meet NTMWD's water needs. As such, these strategies are not alternatives to reuse but rather complement this supply. For completeness, a full range of potential alternatives is discussed in this appendix, including strategies that are recommended for implementation after reuse.

NTMWD's evaluation of the potential alternatives considered many factors, including cost of the water, quantity, reliability, the potential impacts of developing the project on the environment, natural resources and other water users, timing to develop the strategy, and potential implementation issues. **Table J-3** and **Figure J-3** show a comparison of the unit costs for the alternative strategies.

## 2024 NTMWD WATER CONSERVATION PLAN

**TABLE J-2: 2021 REGION C WATER PLAN LIST OF POTENTIAL WATER SUPPLY ALTERNATIVES FOR NTMWD**

Strategy <sup>1</sup>	Feasible Alternative (Yes/No)	Comment
Additional Measure to Access Full Lavon Yield	No	This strategy is considered an emergency supply during times of drought and not a significant source of long-term supply. It is not an alternative to long-term supplies from reuse.
Expanded Wetland Reuse	No	The source of water for this strategy is not available until population grows and generates more return flows.
New Lake Texoma Blend (Phase II)	No	Requires additional new source of fresh water to blend to meet drinking water quality standards.
Marvin Nichols Reservoir	No	Has greater environmental impacts than reuse. Significantly higher costs than the Sabine Creek WWTP reuse. Could take between 30 and 40 years to implement. Cannot be implemented within the timeframe water is needed.
Wright Patman Reallocation	No	Has greater environmental impacts than the Sabine Creek WWTP reuse. Could take between 30 and 40 years to implement. This is not an alternative for the Sabine Creek WWTP reuse due to the online date.
Oklahoma Water	No	Current political and legal impediments.
Toledo Bend Reservoir	No	High costs and energy use. Requires agreements with other providers. Cannot be implemented within the timeframe water is needed.
New Lake Texoma (Desalinate)	No	High costs and energy use. Cannot be implemented within the timeframe water is needed.
Lake O' the Pines	No	Development of this source would require contracts with NETMWD and other suppliers. Agreements have not been reached to purchase this water. Due to uncertainty and expected time to develop, this is not a feasible alternative to the Sabine Creek WWTP reuse applications.
Carrizo-Wilcox Groundwater	No	Supply uncertainty and competing local interests for water.
Aquifer Storage and Recovery	No	Suitable geologic formation to store water has not been identified. Quantity is small. Unproven for size and location. Cannot be implemented within the timeframe water is needed.
George Parkhouse (North)	No	Has greater environmental impacts than reuse. Yield is impacted by potential upstream reservoirs. Cannot be implemented within the timeframe water is needed.
George Parkhouse (South)	No	Has greater environmental impacts than reuse of discharges. Yield is impacted by upstream reservoir. Cannot be implemented within the timeframe water is needed.

- Each of these strategies was vetted through the state water planning process. Strategies that are recommended for implementation by NTMWD are part of a suite of strategies to meet NTMWD's water needs. Some strategies that are identified as not feasible at this time may be a feasible water supply project in the future.



## 2024 NTMWD WATER CONSERVATION PLAN

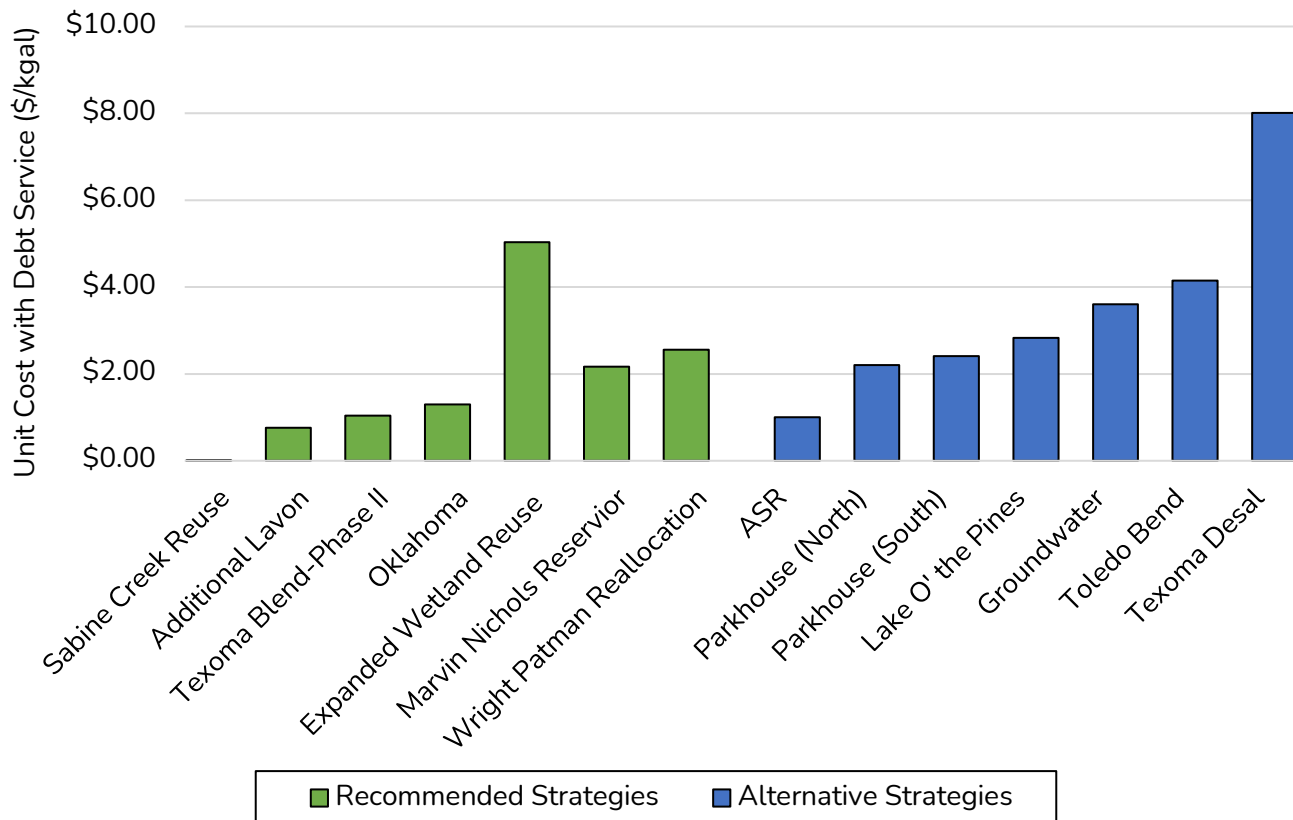
**TABLE J-3: 2021 REGION C WATER PLAN COSTS FOR POTENTIAL SUPPLY ALTERNATIVES**

Strategy	Costs Reported in the 2021 Region C Water Plan <sup>1</sup>		
	Capital Cost for NTMWD	Unit Cost for NTMWD (\$/kGal.)	
		Pre-Amortization	Post-Amortization
Proposed Projects			
Sabine Creek WWTP Reuse	\$517,000 <sup>2</sup>	\$0.01	\$0.00
Potential Alternatives			
Additional Measure to Access Full Lavon Yield	\$32,753,000	\$0.76	\$0.23
Expanded Wetland Reuse	\$625,891,000	\$5.03	\$2.30
Lake Texoma Blend - Phase II	\$346,367,000	\$1.04	\$0.32
Marvin Nichols Reservoir	\$1,702,936,000	\$2.17	\$0.43
Toledo Bend Reservoir	\$1,663,942,000	\$4.15	\$1.26
Oklahoma Water	\$259,924,000	\$1.30	\$0.43
Lake O' the Pines	\$567,896,000	\$2.83	\$0.94
Wright Patman Reallocation	\$730,827,000	\$2.56	\$0.63
George Parkhouse Reservoir (North)	\$930,193,000	\$2.20	\$0.50
George Parkhouse Reservoir (South)	\$1,176,874,000	\$2.41	\$0.46
Lake Texoma Desalinate	\$880,563,000	\$8.01	\$3.65
Carrizo-Wilcox Groundwater	\$607,023,000	\$3.60	\$1.19
Aquifer Storage and Recovery	\$6,041,000	\$1.00	\$0.48

1. Only projects considered in the 2021 *Region C Water Plan* are included in Table J-3 and Figure J-3. Costs in Table J-3 are reported in 2021 dollars. Costs are for raw water only and do not include cost for treatment and treated water system distribution.
2. The cost is from the 2026 *Initially Prepared Region C Water Plan* and reported in 2023 dollars. There are no capital costs estimated for the Sabine Creek WWTP reuse project. This facility is currently discharging to water bodies from which NTMWD has existing facilities for diversion and use. Only permitting costs are considered which is represented under the capital cost column.



**FIGURE J-3: 2021 REGION C WATER PLAN COST COMPARISON OF POTENTIAL ALTERNATIVES TO REUSE PROJECT**



The 2021 *Region C Water Plan* and the 2022 *State Water Plan* project that NTMWD will have water shortages of approximately 82,300 acre-feet per year by 2030, increasing to nearly 369,000 acre-feet per year by 2070. The near-term shortage is expected to be met through conservation and Bois d'Arc Lake. Expanded reuse through NTMWD's existing reuse projects and new reuse projects could provide up to nearly 76,300 acre-feet per year by 2070. However, to provide this level of reuse, authorizations for reuse from new or expanded WWTPs will be needed. As shown, additional reuse is a critical component of the District's water supply portfolio and conservation program.

### Supply from Other Reuse Projects

#### Expanded Wetland Reuse

NTMWD currently diverts return flows from the East Fork Trinity River and Trinity River Mainstem to a constructed wetland facility in Kaufman and Ellis counties (East Fork Wetland). The return flows are conveyed through the constructed wetland facility before being blended in Lavon Lake for diversion and use. With the population growth and an agreement with Dallas Water Utilities (DWU) for access to these return flows, the quantity of return flows available from these sources will exceed the treatment capacity of the existing East Fork Wetland. This project proposes to expand the diversion

and treatment capacity of the return flows through the development of new constructed wetlands followed by membrane treatment. The level of treatment proposed would allow NTMWD to transport the treated return flows either to Lavon Lake or directly to a water treatment plant.

This project is part of NTMWD's long-term reuse program and is a recommended strategy in the *2021 Region C Water Plan* and *2022 State Water Plan*. Due to the required infrastructure for this project, the costs are higher and the time to implement is longer than the reuse of discharges from the Sabine Creek WWTP.

### **Supply from New (Undeveloped) Reservoirs**

#### Marvin Nichols Reservoir

Marvin Nichols Reservoir is a proposed reservoir in the Sulphur River Basin in Titus and Red River Counties, about 45 miles west of Texarkana. It is a recommended strategy in the *2021 Region C Water Plan* and *2022 State Water Plan* for NTMWD, the Tarrant Regional Water District (TRWD), and the Upper Trinity Regional Water District (UTRWD). The total available supply from the Marvin Nichols Reservoir to Region C providers is 361,200 acre-feet per year.

At the recommended conservation pool elevation of 328 feet MSL, the reservoir would inundate approximately 66,100 acres. Approximately 31,600 acres are classified as bottomland hardwoods or forested wetlands. The U.S. Fish and Wildlife Service (USFWS) has classified some of this acreage as Priority 1 bottomland hardwoods, which is the highest quality classified by USFWS (USFWS, 1984). Additional studies are needed to confirm the quality and extent of these resources.

The Marvin Nichols Reservoir would provide considerable amounts of new water supply to the North Texas area at a relatively low unit cost compared to some other strategies. However, the development of this strategy would have greater environmental impacts than the Sabine Creek WWTP reuse. Environmental impacts of the reuse of discharges are negligible, as there is an existing Texas Pollutant Discharge Elimination System permit authorizing the discharge of return flows. The reuse of this treated wastewater after it is discharged will have negligible impacts on the environment.

The development of the Marvin Nichols Reservoir as proposed in the *2021 Region C Water Plan* and *2022 State Water Plan* also requires multiple participants to effectively achieve the cost benefits and full utilization of the available supply. As a result, the timing for this strategy is dependent upon the needs of other participants. In addition, development of this project could take between 30 and 40 years due to the permitting requirements and current opposition.

The Marvin Nichols Reservoir is not a feasible alternative to the reuse of discharges from the Sabine Creek WWTP because it has greater environmental impacts and cannot be implemented within the proposed timeframe to satisfy the purpose and need of this project.

### George Parkhouse Reservoir (South)

George Parkhouse Reservoir (South) is a potential reservoir located on the South Sulphur River in Hopkins and Delta Counties. It is located immediately downstream from Jim Chapman Lake and would yield 116,000 acre-feet per year. At conservation elevation 401 feet MSL, George Parkhouse Lake (South) would inundate approximately 29,000 acres and store 652,000 acre-feet. The yield of George Parkhouse Lake (South) would be reduced substantially by the development of Marvin Nichols Reservoir. The yield studies conducted as part of the Reservoir Site Protection Studies indicate the yield of this lake would be reduced by up to 60 percent (46,400 acre-feet per year) if constructed after Marvin Nichols (HDR et al, 2007). The lake, as currently configured, would abut the dam for Jim Chapman Lake, and over fifty percent of the land impacted would be bottomland hardwood forest or marsh (HDR et al, 2007).

The proposed George Parkhouse Reservoir (South) is an alternative strategy in the 2021 *Region C Water Plan*. This strategy is not a feasible alternative due to the uncertainty of the reliable supply with the development of other reservoirs in the river basin and the environmental impacts. Also, the project probably could not be implemented within the timeframe needed for additional water for NTMWD.

### George Parkhouse Reservoir (North)

George Parkhouse Reservoir (North) is a potential reservoir located on the North Sulphur River in Lamar and Delta Counties, about 15 miles east of the City of Paris. At a proposed conservation elevation of 410.0 feet MSL, the reservoir would store 331,000 acre-feet of water and inundate 14,400 acres. The firm yield would be 106,500 acre-feet per year, but its yield would be reduced substantially by the development of the Marvin Nichols Reservoir (HDR et al., 2007).

The reservoir site is located upstream of a designated Priority 1 bottomland hardwood preservation site known as Sulphur River Bottoms West. Most of the land impacted by this alternative is grassland or agricultural lands. Only about 1,200 acres are classified as wetlands. However, the acreage of affected wetlands would require field surveys and verification.

The proposed George Parkhouse Reservoir (North) is an alternative strategy in the 2021 *Region C Water Plan*. Similar to the George Parkhouse Reservoir (South) alternative, the economic viability of the project is dependent upon the ultimate yield of the project. The proposed reservoir is not a feasible alternative to the Sabine Creek WWTP reuse due to the uncertainty of the reliable supply with the development of other reservoirs in the river basin. Also, the project probably could not be implemented within the timeframe needed for additional water for NTMWD.

### **Transporting Water From Existing Reservoirs**

Transporting water from existing reservoirs to NTMWD's service area requires agreements with the owner of the existing water supplies and often long transmission pipelines. Existing reservoirs that

may have uncommitted supplies are commonly located in the eastern part of the state where there is more available surface water. However, most of these sources would require transporting the water over long distances with substantial vertical lift. NTMWD considered the following alternatives:

#### *Additional Measures to Access Full Lavon Lake Yield*

Currently, NTMWD does not have access to the full storage volume in Lavon Lake due to limitations of its diversion facilities. During most times these facilities provide the full authorized diversion from the lake. This strategy would provide for emergency measures to be taken during drought conditions when access to the full storage volume is limited. These measures may include, but are not limited to, development of raw water pump station #4 with a deep-water intake, extension and/or dredging intake channels to the pumping facilities, and floating barges equipped with pumps.

This strategy would provide access to existing supplies only during periods of drought and does not provide significant supply to help meet growing demands associated with population growth. It is a recommended strategy in the *2021 Region C Water Plan* and *2022 State Water Plan*. This strategy is considered an emergency supply rather than an alternative to the Sabine Creek WWTP reuse.

#### *Lake Texoma Alternatives*

Lake Texoma is an existing U.S. Army Corps of Engineers (USACE) reservoir on the Red River on the border between Texas and Oklahoma. NTMWD has water rights to divert up to 197,000 acre-feet per year of water from Lake Texoma. Water from Lake Texoma is relatively high in dissolved salts and does not meet secondary drinking water standards. Until 2009, NTMWD diverted up to 84,000 acre-feet of Lake Texoma water and blended the water in Lavon Lake for subsequent use. With the detection of zebra mussels in Lake Texoma, this practice has ceased. NTMWD now transports water from Lake Texoma directly to the Wylie Treatment Plant and blends the water with supplies from Lavon Lake, but the amount of water that can be blended and still provide drinking water of acceptable quality is limited. NTMWD intends to blend Texoma water with water from Bois d'Arc Lake at the Leonard Water Treatment Plant. NTMWD also plans to make additional supplies available from Lake Texoma either through blending with new fresh water sources or desalination.

Blending and desalination are very different and are considered two different alternatives to reuse projects. Each alternative is discussed below.

#### *Transport and Blend Lake Texoma Water with New Fresh Water Supplies (Phase II)*

Due to environmental concerns and additional costs associated with large desalination projects, NTMWD's preferred use of this water source is to blend the Lake Texoma water with new fresh water supplies. It is anticipated that Lake Texoma water would be blended in a constructed balancing reservoir near a treatment facility and not in an existing lake or stream. This would reduce potential impacts of added dissolved solids to local lakes or streams and reduce concerns with possible transfer of invasive species.

Texoma Blending Phase II would increase the use of water from Lake Texoma by blending with new fresh water supplies. Aside from Bois d'Arc Lake (Texoma Blending Phase I), there are no other readily available fresh water supplies in the amount needed to blend with the new water supply from Lake Texoma and existing supplies are not sufficient to provide a blended water of acceptable quality for municipal use. Therefore, the Phase II blended alternative cannot be implemented without also implementing another water supply alternative to provide fresh water to NTMWD. NTMWD does plan to make use of water supplies from this source and it is a recommended strategy in the *2021 Region C Water Plan* and *2022 State Water Plan*, but only after development of other significant fresh water sources (such as Marvin Nichols Reservoir or other fresh water source). Blending (Phase II) cannot be considered an alternative to reuse without implementation of another water supply source and cannot not be developed in time to meet the projected needs; thus, blending Lake Texoma water with existing fresh water supplies is not a feasible alternative to the Sabine Creek WWTP reuse.

#### *Transport and Desalinate Lake Texoma Water*

One option to use Lake Texoma water for municipal purposes is to desalinate the water using reverse osmosis water treatment or another similar treatment method. Desalination can result in the loss of up to one fourth of the raw supply to the treatment process. Lake Texoma with desalination is an alternative strategy in the *2021 Region C Water Plan*. For this strategy, it was assumed that 40,000 acre-feet per year of source water would result in a treated water supply of approximately 33,600. This strategy assumes a new desalination facility would be constructed at the Leonard Water Treatment Plant. Lake Texoma water would be transported directly to the Leonard Water Treatment Plant through a new pipeline and the desalination waste would be discharged to the Red River.

Desalination is a much more expensive strategy than blending, and there are considerable uncertainties in the operation and long-term costs of a large-scale desalination facility. The estimated costs for desalination of water from Lake Texoma are based on current cost information for large desalination facilities. However, they are more uncertain than other cost estimates developed for the potential alternatives because few large inland desalination facilities have been built to date. The Fort Bliss/ El Paso Water Utilities desalination facility, which is the largest inland desalination plant in the United States, produces 27.5 MGD. The technology for desalination is improving but it is still costly.

Desalination is also an energy intensive process, and as energy costs continue to increase, these costs are expected to increase. Large scale desalination of Lake Texoma water (>50 MGD) is not a feasible alternative to the Sabine Creek WWTP reuse due to the cost uncertainty, the greater energy usage associated with large-scale brine operations, and the time it would take to implement the project.

#### *Toledo Bend Reservoir*

Toledo Bend Reservoir is a 181,600-acre lake located in East Texas on the Texas-Louisiana state line. The total permitted supply from this source for Texas is 970,067 acre-feet per year (including the additional authorization of 220,067 acre-feet per year granted in August 2019). The Sabine River

Authority (SRA) of Texas operates the Texas portion of this lake. In the *2021 Region C Water Plan* the transport of water from Toledo Bend Reservoir to the North Texas area is an alternative joint strategy for NTMWD, TRWD, DWU, and UTRWD. This project, as presented in the *2021 Region C Water Plan*, could deliver a total of 650,000 acre-feet per year, with 200,000 acre-feet per year for NTMWD, in two phases.

This alternative will require multiple transmission pipelines to transport the water approximately 200 miles to North Texas. The current concept for this project includes the use and storage of existing reservoirs as part of the transmission system. This transfer of water is anticipated to have a low to medium low impact on the receiving reservoirs.

This strategy requires cooperation with other water providers and an agreement with the Sabine River Authority to purchase the water. The high capital costs for Phase 1 and energy usage associated with the long transmission pipelines result in a unit cost of over \$4.00 per 1000 gallons for raw water delivered to NTMWD. Costs for the other partners are higher. This project requires multiple agreements, which have not been reached, and an interbasin transfer to use the water in the North Texas area. Considering the costs, time to implement, and uncertainty of agreements, this strategy is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Water from Oklahoma

Another potential alternative is the use of water from Oklahoma. At the present time, the Oklahoma Legislature has established a moratorium on the export of water from the state. Assuming the moratorium may be lifted in the future, the *2021 Region C Water Plan* and *2022 State Water Plan* recommends that NTMWD develop a project to use water from Oklahoma. It is an alternate strategy for the City of Irving and UTRWD. The recommended project is for 50,000 acre-feet per year and is planned for 2070.

NTMWD has applied for Oklahoma water rights to use water from the Kiamichi River, Muddy Boggy Creek, and stored water in Lake Hugo. At this time, the state cannot act upon these permits without further direction from the Oklahoma Legislature.

The challenges with this strategy are the development issues, including the legal moratorium on out-of-state water sales and the Lacey Act. Under the Lacey Act, it is unlawful to transport invasive species across state lines. Since there is considerable uncertainty as to when these obstacles could be overcome, this strategy cannot be counted on for near-term water supplies. Thus, it is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Lake O' the Pines

Lake O' the Pines is an existing USACE reservoir in the Cypress River Basin with Texas water rights held by the Northeast Texas Municipal Water District (NETMWD). NTMWD has explored the



possibility of purchasing supplies in excess of local needs from the Cypress River Basin and it is an alternative strategy in the *2021 Region C Water Plan*. According to the *2021 Region D Water Plan*, there is no water available for export from the basin. However, there may be excess supplies from existing contracts.

Lake O' the Pines is about 120 miles from the Metroplex, and the distance and limited supply make this a relatively expensive water management strategy. Development of this source would require contracts with NETMWD and other Cypress River Basin suppliers with excess supplies. At this time, agreements have not been reached to purchase this water. Due to this uncertainty and expected time to develop, Lake O' the Pines is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Wright Patman Lake

The Wright Patman Reallocation strategy involves development of new surface water supplies from the Sulphur River Basin through a reallocation of storage at Wright Patman Lake from its current purpose, flood control, to water conservation storage. The supply quantity and cost identified above are for a specific reallocation of Wright Patman at elevation 235 feet MSL. At that conservation pool elevation, the pool raise at Wright Patman Lake would inundate an additional 14,372 acres above the permitted conservation pool elevation (ultimate rule curve). Infrastructure would be developed to transport the water to the Region C water providers.

The Wright Patman Reallocation strategy is considered for NTMWD, UTRWD, TRWD, DWU, and the City of Irving in the *2021 Region C Water Plan* and recommended for NTMWD, TRWD and UTRWD in the *2021 Region C Water Plan* and *2022 State Water Plan*.

The firm yield with reallocation of Wright Patman to elevation 235 feet MSL, above the 180,000 acre-feet per year permitted to Texarkana, would be 122,200 acre-feet per year. It is assumed that all the reallocation supplies would be available to Region C providers. These quantities assume that Marvin Nichols is senior to the Wright Patman Lake reallocation. However, the City of Texarkana has applied for a new water right from Wright Patman. If this right is granted, the amount of supply available to Region C providers would be less.

Reallocation to elevation 235 feet MSL was selected to minimize impacts to the White Oak Creek Wildlife Management Area (WOCWMA). This site is located upstream of Wright Patman Lake and is designated as mitigation for the construction of Jim Chapman Reservoir. At elevation 235 feet MSL, the increase in the conservation pool at Wright Patman Lake would increase water levels on approximately 450 acres of the WOCWMA and affect some riparian bottomland hardwoods. However, reallocation at this elevation would not affect the functioning of constructed wetland structures and would still allow the wetland structures to function as designed. Also, the USACE owns property up to the 235 feet MSL elevation, which simplifies additional land acquisition.

Reallocation of Wright Patman Lake would be sponsored by USACE, would require additional environmental studies, and would require congressional approval. Further study would be needed to ensure that there is no increase in flooding risks after reallocation.

Due to the uncertainty of authorizing reallocation of flood storage, reaching agreements with strategy partners, and higher costs, this strategy is not a feasible alternative to the Sabine Creek WWTP reuse.

### **New Groundwater Supplies**

There are limited new groundwater sources that could supply the quantity of water needed by NTMWD. The Ogallala aquifer in the Texas Panhandle has large quantities of water, but much of this supply is committed to users in the area, including agricultural users and local municipalities. Another potential source is the Carrizo-Wilcox aquifer. This aquifer is also heavily used by local entities.

#### *Carrizo-Wilcox Aquifer Groundwater*

The Carrizo-Wilcox aquifer covers a large area of east, central, and south Texas. Organizations and individuals have been studying the development of water supplies in Anderson County and surrounding counties for export. Anderson County is about 100 miles from NTMWD's service area and this strategy is an alternative strategy for NTMWD in the *2021 Region C Water Plan*. There are some uncertainties about developing such a large quantity of groundwater and exporting this water to North Texas. Based on the *2021 Regional* and *2022 State Water Plans*, the Modeled Available Groundwater (MAG) values for the Carrizo-Wilcox in Anderson County are less than 25,000 acre-feet per year. Some of this groundwater is currently used by local producers. Due to the uncertainty of available supply and competition for this water source, the Carrizo-Wilcox groundwater alternative is not a feasible alternative to the Sabine Creek WWTP reuse.

#### *Aquifer Storage and Recovery*

Aquifer Storage and Recovery (ASR) is a water management approach that stores surplus water in local aquifers during periods of excess water availability and withdraws the stored water later during periods of drought or peak demands. This strategy can provide additional supply during drought. It requires a suitable aquifer formation and excess supplies that have been treated to a level that will not degrade existing water quality in the aquifer. ASR is an alternative strategy for NTMWD in the *2021 Region C Water Plan*. The small-scale ASR strategy considered for NTMWD assumes a suitable formation can be identified near an existing water treatment facility, and the operations could provide up to 2,500 acre-feet per year during drought.

This quantity of water could help with peak demands but would not provide a significant source of new water. Further study is needed to determine if there are suitable geologic formations that are economically feasible for ASR, and the operation of the system may pose challenges for infrastructure



that may not be used regularly. ASR is not a feasible alternative to the Sabine Creek WWTP reuse due to the technical uncertainties with implementation and time to implement.

### **Conclusion**

Based upon the aforementioned information and analysis, there are no feasible alternatives to the Sabine Creek WWTP reuse in the 2021 *Region C* or 2022 *State Water Plan* at this time. Furthermore, this project type is consistent with NTMWD's conservation goals to fully develop its available reuse to meet its future water needs.

## **J.2 CONSERVATION AS AN ALTERNATIVE TO THE PROPOSED APPROPRIATION – 288.7 (a)(2) – BASED ON THE 2026 INITIALLY PREPARED REGION C WATER PLAN**

NTMWD water use in 2024 totaled approximately 401,400 acre-feet. 2024 was not a dry year, and demands would be higher in a dry year. The projected dry year demands for NTMWD in 2030 in the 2026 *Initially Prepared Region C Water Plan* are over 520,100 acre-feet per year, including 5% losses for treatment and delivery. The 2026 *Initially Prepared Region C Water Plan* projects that these demands will increase by about 63% by 2080, to approximately 847,200 acre-feet per year. Based on current water supplies, NTMWD will need to develop over 417,300 acre-feet per year of additional supply to meet the 2080 demands projected in the 2026 *Initially Prepared Region C Water Plan*. NTMWD expects to meet a portion of this demand via conservation. The 2026 *Initially Prepared Region C Water Plan* indicates that additional water conservation efforts (beyond what NTMWD has already accomplished) will provide nearly 22,900 acre-feet per year of NTMWD's total water supplies by 2030 and about 78,600 acre-feet per year by 2080.

NTMWD plans to meet a significant part of its projected demands by reuse. Reuse comprises 37 percent of NTMWD's existing 2030 water supply in the 2026 *Initially Prepared Region C Water Plan*. Increases in available reuse due to population growth and the development of specific reuse projects are expected to provide up to 89,500 acre-feet of additional reuse supplies by 2080. Combined, conservation and reuse (existing and new) are estimated to provide nearly 347,800 acre-feet of water supplies by 2080, which represents approximately 35 percent of NTMWD's projected total water demand in 2080.

Both conservation and reuse are integral strategies in NTMWD's plans to meet projected water demands. The reuse of wastewater discharges associated with current and future water supplies developed by NTMWD will provide supplies to help meet projected water demands. However, in light of NTMWD's projected total demand of nearly 847,200 acre-feet per year of water by 2080, intensified conservation and reuse alone cannot provide enough water to address all demands. Thus, conservation and reuse strategies are part of the portfolio of strategies that will be pursued by NTMWD to meet the rapidly rising demand for municipal water supplies in the NTMWD service area.

### **J.3 FEASIBLE ALTERNATIVES TO NEW WATER DEVELOPMENT – 288.7(a)(3) – BASED ON THE 2026 INITIALLY PREPARED REGION C WATER PLAN**

The 2026 regional water planning process identified and evaluated many potential water management strategies for NTMWD. The 2026 *Initially Prepared Region C Water Plan* considered 18 different water management strategies to meet the projected water supply shortages for NTMWD through 2080. Of these considered strategies, the 2026 *Initially Prepared Region C Water Plan* recommended 11 strategies for implementation by NTMWD, including Sabine Creek WWTP reuse.

NTMWD has or is currently implementing some of these strategies, including:

- Water Conservation (implemented)
- Interim Upper Sabine Basin (implemented)
- Additional Lavon Watershed Reuse (in progress)
- Additional Lake Texoma Blend Phase I (blended with supplies from Bois d’Arc Lake) (in progress)
- Sabine Creek WWTP Reuse (in progress)

The other strategies recommended in the 2026 *Initially Prepared Region C Water Plan* for implementation include:

- Additional Measures to Access Full Lavon Lake Yield
- Expanded wetland reuse
- Lake O’ the Pines
- Marvin Nichols Reservoir
- Wright Patman
- Additional Lake Texoma Blend Phase II (blended with new fresh water supply)

Each of these strategies is scheduled for implementation based on the projected water needs and the time to implement the strategy, including considerations for planning and permitting.

Potential alternatives considered for NTMWD but not recommended for implementation in the 2026 *Initially Prepared Region C Water Plan* include developing other new reservoirs (George Parkhouse North and George Parkhouse South), transporting water from existing reservoirs (Toledo Bend), development of new groundwater supplies (Carrizo-Wilcox), aquifer storage and recovery, out of state water (Oklahoma), and desalination of Lake Texoma water. Most of these strategies will require water rights for new appropriations and/or interbasin transfers, and they all will require the construction of infrastructure to store and transport water supplies to the NTMWD service area.

To continue its water supply development, NTMWD is applying for a water right from the TCEQ for reuse for wastewater discharges from the Sabine Creek WWTP. The Sabine Creek WWTP discharges to the Lake Tawakoni watershed. NTMWD has an intake on Lake Tawakoni, which could be used to divert the return flows.

This discussion focuses on alternatives to the Sabine Creek WWTP reuse application in the 2026 *Initially Prepared Region C Water Plan*. Only alternative projects that have not been implemented and are not currently in progress are discussed here. Descriptions of potential project alternatives are presented below. **Table J-4** presents a synopsis of the applicability of these potential strategies as feasible alternatives to reuse.

Each potential project alternative is being vetted through the state water planning process and the discussions herein are consistent with the 2026 *Initially Prepared Region C Water Plan*. Strategies that are recommended for implementation by NTMWD are part of a suite of strategies to meet NTMWD's water needs. As such, these strategies are not alternatives to reuse but rather complement this supply. For completeness, a full range of potential alternatives is discussed in this appendix, including strategies that are recommended for implementation after reuse.

NTMWD's evaluation of the potential alternatives considered many factors, including cost of the water, quantity, reliability, the potential impacts of developing the project on the environment, natural resources and other water users, timing to develop the strategy, and potential implementation issues. **Table J-5** and **Figure J-4** show a comparison of the unit costs for the alternative strategies.

**TABLE J-4: 2026 INITIALLY PREPARED REGION C WATER PLAN LIST OF POTENTIAL WATER SUPPLY ALTERNATIVES FOR NTMWD**

Strategy <sup>1</sup>	Feasible Alternative (Yes/No)	Comment
Additional Measure to Access Full Lavon Yield	No	This strategy is considered an emergency supply during times of drought and not a significant source of long-term supply. It is not an alternative to long-term supplies from reuse.
Expanded Wetland Reuse	No	The source of water for this strategy is not available until population grows and generates more return flows. Requires new infrastructure.
Lake O' the Pines	No	Development of this source would require contracts with NETMWD and other suppliers. Agreements have not been reached to purchase this water. Due to uncertainty and expected time to develop, this is not a feasible alternative to the Sabine Creek WWTP reuse application.
Marvin Nichols Reservoir	No	Has greater environmental impacts than reuse. Significantly higher costs than the Sabine Creek WWTP reuse. Could take between 30 and 40 years to implement. Cannot be implemented within the timeframe water is needed.
Wright Patman	No	Has greater environmental impacts than the Sabine Creek WWTP reuse. Could take between 30 and 40 years to implement. This is not an alternative for the Sabine Creek WWTP reuse due to online date.
Additional Lake Texoma Blend Phase II	No	Requires additional new sources of fresh water to blend to meet drinking water quality standards.
Lake Texoma - Desalinate at Leonard	No	High costs and energy use. Cannot be implemented within the timeframe water is needed.
Carrizo-Wilcox Groundwater	No	Supply uncertainty and competing local interests for water.
George Parkhouse Reservoir (North)	No	Has greater environmental impacts than reuse. Yield is impacted by potential upstream reservoirs. Cannot be implemented within the timeframe water is needed.
George Parkhouse Reservoir (South)	No	Has greater environmental impacts than reuse of discharges. Yield is impacted by upstream reservoir. Cannot be implemented within the timeframe water is needed.
Aquifer Storage and Recovery	No	Suitable geologic formation to store water has not been identified. Unproven for size and location. Cannot be implemented within the timeframe water is needed.
Toledo Bend Reservoir	No	High costs and energy use. Requires agreements with other providers. Cannot be implemented within the timeframe water is needed.
Oklahoma	No	Current political and legal impediments.

- Each of these strategies was vetted through the state regional water planning process. Strategies that are recommended for implementation by NTMWD are part of a suite of strategies to meet NTMWD's water needs. Some strategies that are identified as not feasible at this time may be a feasible water supply project in the future.

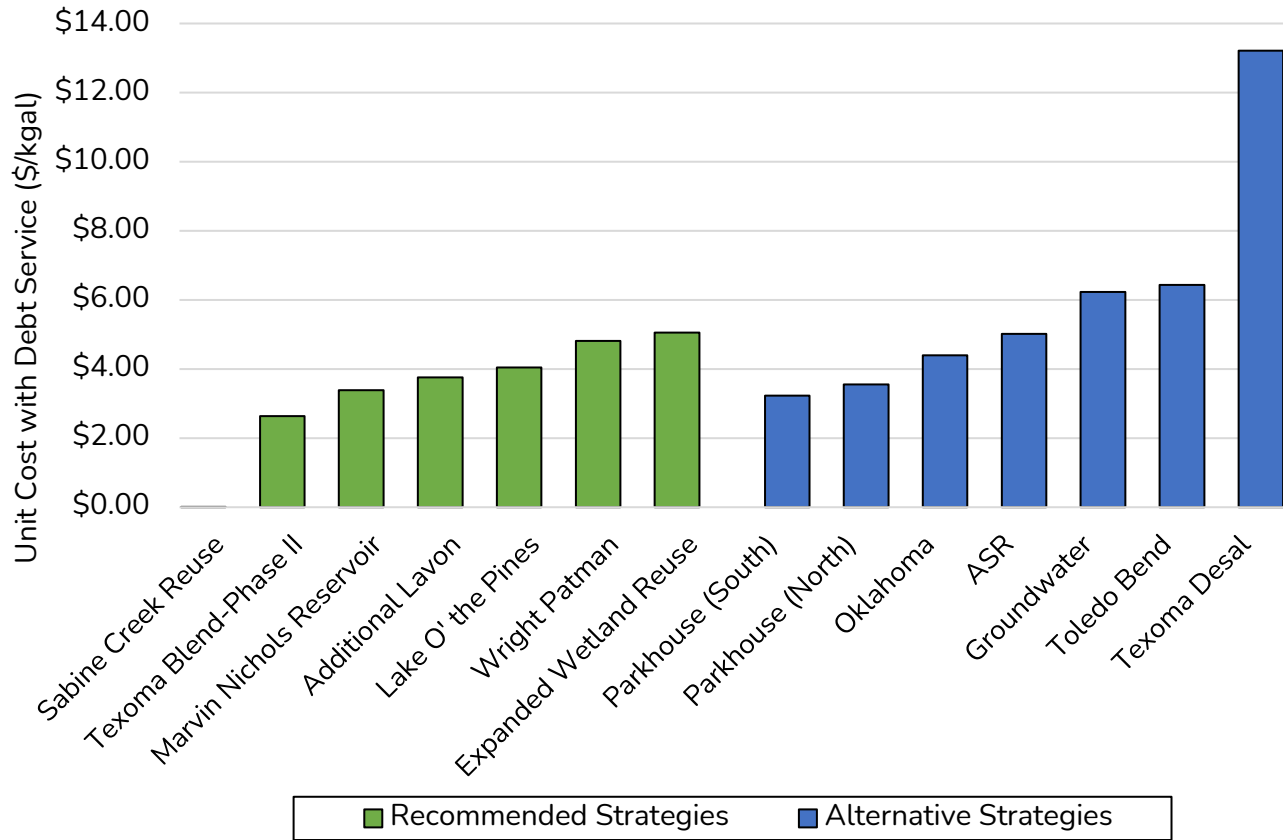
## 2024 NTMWD WATER CONSERVATION PLAN

**TABLE J-5: 2026 INITIALLY PREPARED REGION C WATER PLAN COSTS FOR POTENTIAL SUPPLY ALTERNATIVES**

Strategy	Costs Reported in 2026 Initially Prepared Region C Water Plan <sup>1</sup>		
	Capital Cost for NTMWD	Unit Cost for NTMWD (\$/kGal.)	
		Pre-Amortization	Post-Amortization
Proposed Projects			
Sabine Creek Reuse	\$517,000 <sup>2</sup>	\$0.01	\$0.00
Potential Alternatives			
Additional Measure to Access Full Lavon Yield	\$209,348,000	\$3.76	\$1.00
Expanded Wetland Reuse	\$686,489,000	\$5.05	\$0.73
Lake O' the Pines	\$1,345,792,000	\$4.05	\$1.07
Marvin Nichols Reservoir	\$2,559,708,000	\$3.39	\$0.70
Wright Patman	\$1,632,513,500	\$4.82	\$0.91
Lake Texoma Blend - Phase II	\$997,393,000	\$2.63	\$0.43
Lake Texoma Desalinate	\$1,198,976,000	\$13.22	\$5.58
Carrizo-Wilcox Groundwater	\$1,253,455,000	\$6.23	\$1.25
George Parkhouse Reservoir (North)	\$1,762,143,000	\$3.56	\$0.65
George Parkhouse Reservoir (South)	\$1,976,311,000	\$3.23	\$0.56
Aquifer Storage and Recovery	\$332,260,000	\$5.02	\$2.93
Toledo Bend Reservoir	\$2,930,008,000	\$6.43	\$1.43
Oklahoma	\$1,075,067,000	\$4.39	\$0.84

1. Only projects considered in the 2026 *Initially Prepared Region C Water Plan* are included in Table J-4 and Figure J-4. Costs in Table J-5 are reported in 2023 dollars. Costs are for raw water only and do not include cost for treatment and treated water system distribution (except for the Lake Texoma desalination project which includes a desalination plant).
2. There are no capital costs estimated for the Sabine Creek WWTP reuse project. This facility is currently discharging to water bodies from which NTMWD has existing facilities for diversion and use. Only permitting costs are considered which is represented under the capital cost column.

**FIGURE J-4: 2026 INITIALLY PREPARED REGION C WATER PLAN COST COMPARISON OF POTENTIAL ALTERNATIVES TO REUSE PROJECT**



The 2026 *Initially Prepared Region C Water Plan* projects that NTMWD will have water shortages of approximately 45,100 acre-feet per year by 2030, increasing to nearly 417,300 acre-feet per year by 2080. The near-term shortage is expected to be met through conservation, additional Lake Texoma blend phase I, and interim upper Sabine basin supplies. Expanded reuse through NTMWD's existing reuse projects and new reuse projects could provide over 10,000 acre-feet per year in 2030 and 89,500 acre-feet per year by 2080. However, to provide this level of reuse, authorizations for reuse from new or expanded WWTPs will be needed. As shown, additional reuse is a critical component of the District's water supply portfolio and conservation program.

### Supply from Other Reuse Projects

#### Expanded Wetland Reuse

NTMWD currently diverts return flows from the East Fork Trinity River and Trinity River Mainstem to a constructed wetland facility in Kaufman and Ellis counties (East Fork Wetland). The return flows are conveyed through the constructed wetland facility before being blended in Lavon Lake for diversion and use. The proposed expanded wetland reuse project would treat return flows from WWTPs owned and operated by NTMWD and DWU. With population growth and an agreement with DWU

for access to these return flows, the quantity of return flows available from these sources will exceed the treatment capacity of the existing East Fork Wetland. This project proposes expanding the diversion and treatment capacity of the return flows through the development of new constructed wetlands for nutrient removal. The level of treatment proposed would allow NTMWD to transport the treated return flows to Lake Tawakoni for blending with other sources.

This project is part of NTMWD's long-term reuse program and is a recommended strategy in the 2026 *Initially Prepared Region C Water Plan*. Due to the required infrastructure for this project, the costs are higher and the time to implement is longer than the reuse of discharges from the Sabine Creek WWTP.

### **Supply from New (Undeveloped) Reservoirs**

#### Marvin Nichols Reservoir

Marvin Nichols Reservoir is a proposed reservoir in the Sulphur River Basin in Titus and Red River Counties, about 45 miles west of Texarkana. It is a recommended strategy in the 2026 *Initially Prepared Region C Water Plan* for NTMWD, the Tarrant Regional Water District (TRWD), and the Upper Trinity Regional Water District (UTRWD). The total available supply from the Marvin Nichols Reservoir to Region C providers is 320,160 acre-feet per year.

At the recommended conservation pool elevation of 328 feet MSL, the reservoir would inundate approximately 66,100 acres. Approximately 31,600 acres are classified as bottomland hardwoods or forested wetlands. The U.S. Fish and Wildlife Service (USFWS) has classified some of this acreage as Priority 1 bottomland hardwoods, which is the highest quality classified by USFWS (USFWS, 1984). Additional studies are needed to confirm the quality and extent of these resources.

The Marvin Nichols Reservoir would provide considerable amounts of new water supply to the North Texas area at a relatively low unit cost compared to some other strategies. However, the development of this strategy would have greater environmental impacts than the Sabine Creek WWTP reuse. Environmental impacts of the reuse of discharges are negligible, as there is an existing Texas Pollutant Discharge Elimination System permit authorizing the discharge of return flows. The reuse of this treated wastewater after it is discharged will have negligible impacts on the environment.

The development of the Marvin Nichols Reservoir as proposed in the 2026 *Initially Prepared Region C Water Plan* also requires multiple participants to effectively achieve the cost benefits and full utilization of the available supply. As a result, the timing for this strategy is dependent upon the needs of other participants. In addition, development of this project could take between 30 and 40 years due to the permitting requirements and current opposition.



The Marvin Nichols Reservoir is not a feasible alternative to the reuse of discharges from the Sabine Creek WWTP because it has greater environmental impacts and cannot be implemented within the proposed timeframe to satisfy the purpose and need of this project.

#### George Parkhouse Reservoir (South)

George Parkhouse Reservoir (South) is a potential reservoir located on the South Sulphur River in Hopkins and Delta Counties. It is located immediately downstream from Jim Chapman Lake and would yield approximately 115,000 acre-feet per year. At conservation elevation 401 feet MSL, George Parkhouse Lake (South) would inundate approximately 29,000 acres and store 652,000 acre-feet. The yield of George Parkhouse Lake (South) would be reduced substantially by the development of Marvin Nichols Reservoir. The yield studies conducted as part of the Reservoir Site Protection Studies indicate the yield of this lake would be reduced by up to 60 percent (46,400 acre-feet per year) if constructed after Marvin Nichols (HDR et al, 2007). The lake, as currently configured, would abut the dam for Jim Chapman Lake, and over fifty percent of the land impacted would be bottomland hardwood forest or marsh (HDR et al, 2007).

The proposed George Parkhouse Reservoir (South) is an alternative strategy in the 2026 *Initially Prepared Region C Water Plan*. This strategy is not a feasible alternative due to the uncertainty of the reliable supply with the development of other reservoirs in the river basin and the environmental impacts. Also, the project probably could not be implemented within the timeframe needed for additional water for NTMWD.

#### George Parkhouse Reservoir (North)

George Parkhouse Reservoir (North) is a potential reservoir located on the North Sulphur River in Lamar and Delta Counties, about 15 miles southeast of the City of Paris. At a proposed conservation elevation of 410.0 feet MSL, the reservoir would store 331,000 acre-feet of water and inundate 14,400 acres. The firm yield would be approximately 94,500 acre-feet per year, but its yield would be reduced substantially by the development of the Marvin Nichols Reservoir (HDR et al., 2007).

The reservoir site is located upstream of a designated Priority 1 bottomland hardwood preservation site known as Sulphur River Bottoms West. Most of the land impacted by this alternative is grassland or agricultural lands. Only about 1,200 acres are classified as wetlands. However, the acreage of affected wetlands would require field surveys and verification.

The proposed George Parkhouse Reservoir (North) is an alternative strategy in the 2026 *Initially Prepared Region C Water Plan*. Similar to the George Parkhouse Reservoir (South) alternative, the economic viability of the project is dependent upon the ultimate yield of the project. The proposed reservoir is not a feasible alternative to the Sabine Creek WWTP reuse due to the uncertainty of the



reliable supply with the development of other reservoirs in the river basin. Also, the project probably could not be implemented within the timeframe needed for additional water for NTMWD.

### **Transporting Water From Existing Reservoirs**

Transporting water from existing reservoirs to NTMWD's service area requires agreements with the owner of the existing water supplies and often long transmission pipelines. Existing reservoirs that may have uncommitted supplies are commonly located in the eastern part of the state where there is more available surface water. However, most of these sources would require transporting the water over long distances with substantial vertical lift. NTMWD considered the following alternatives:

#### Additional Measures to Access Full Lavon Lake Yield

Currently, NTMWD does not have access to the full storage volume in Lavon Lake due to limitations of its diversion facilities. During most times these facilities provide the full authorized diversion from the lake. This strategy would provide for emergency measures to be taken during drought conditions when access to the full storage volume is limited. These measures may include, but are not limited to, development of raw water pump station #4 with a deep-water intake, extension and/or dredging intake channels to the pumping facilities, and floating barges equipped with pumps.

This strategy would provide access to existing supplies only during periods of drought and does not provide significant supply to help meet growing demands associated with population growth. It is a recommended strategy in the *2026 Initially Prepared Region C Water Plan*. This strategy is considered an emergency supply rather than an alternative to the Sabine Creek WWTP reuse.

#### Lake Texoma Alternatives

Lake Texoma is an existing U.S. Army Corps of Engineers (USACE) reservoir on the Red River on the border between Texas and Oklahoma. NTMWD has water rights to divert up to 197,000 acre-feet per year of water from Lake Texoma. Water from Lake Texoma is relatively high in dissolved salts and does not meet secondary drinking water standards. Until 2009, NTMWD diverted up to 84,000 acre-feet of Lake Texoma water and blended the water in Lavon Lake for subsequent use. With the detection of zebra mussels in Lake Texoma, this practice has ceased. NTMWD now transports water from Lake Texoma directly to the Wylie Treatment Plant and blends the water with supplies from Lavon Lake, but the amount of water that can be blended and still provide drinking water of acceptable quality is limited. NTMWD intends to blend Texoma water with water from Bois d'Arc Lake at the Leonard Water Treatment Plant. NTMWD also plans to make additional supplies available from Lake Texoma either through blending with new fresh water sources or desalination.

Blending and desalination are very different and are considered two different alternatives to reuse projects. Each alternative is discussed below.

### Transport and Blend Lake Texoma Water with New Fresh Water Supplies (Phase II)

Due to environmental concerns and additional costs associated with large desalination projects, NTMWD's preferred use of this water source is to blend the Lake Texoma water with new fresh water supplies. It is anticipated that Lake Texoma water would be blended in a constructed balancing reservoir near a treatment facility and not in an existing lake or stream. This would reduce potential impacts of added dissolved solids to local lakes or streams and reduce concerns with possible transfer of invasive species.

Texoma Blending Phase II would increase the use of water from Lake Texoma by blending with new fresh water supplies. Aside from Bois d'Arc Lake (Texoma Blending Phase I), there are no other readily available fresh water supplies in the amount needed to blend with the new water supply from Lake Texoma and existing supplies are not sufficient to provide a blended water of acceptable quality for municipal use. Therefore, the Phase II blended alternative cannot be implemented without also implementing another water supply alternative to provide fresh water to NTMWD. NTMWD does plan to make use of water supplies from this source and it is a recommended strategy in the *2026 Initially Prepared Region C Water Plan*, but only after development of other significant fresh water sources (such as Lake O' the Pines, Marvin Nichols Reservoir, or other fresh water sources). Blending (Phase II) cannot be considered an alternative to reuse without implementation of another water supply source and cannot not be developed in time to meet the projected needs; thus, blending Lake Texoma water with existing fresh water supplies is not a feasible alternative to the Sabine Creek WWTP reuse.

### Transport and Desalinate Lake Texoma Water

One option to use Lake Texoma water for municipal purposes is to desalinate the water using reverse osmosis water treatment or another similar treatment method. Desalination can result in the loss of up to one fourth of the raw supply to the treatment process. Lake Texoma with desalination is an alternative strategy in the *2026 Initially Prepared Region C Water Plan*. For this strategy, it was assumed 40,000 acre-feet per year of source water would result in a treated water supply of approximately 33,600 acre-feet per year. This strategy assumes a new desalination facility would be constructed at the Leonard Water Treatment Plant. Lake Texoma water would be transported directly to the Leonard Water Treatment Plant through a new pipeline and the desalination waste would be discharged to the Red River.

Desalination is a much more expensive strategy than blending, and there are considerable uncertainties in the operation and long-term costs of a large-scale desalination facility. The estimated costs for desalination of water from Lake Texoma are based on current cost information for large desalination facilities. However, they are more uncertain than other cost estimates developed for the potential alternatives because few large inland desalination facilities have been built to date. The Fort Bliss/ El Paso Water Utilities desalination facility, which is the largest inland desalination plant in the United States, produces 27.5 MGD. The technology for desalination is improving but it is still costly.

Desalination is also an energy intensive process, and as energy costs continue to increase, these costs are expected to increase. Large scale desalination of Lake Texoma water (>50 MGD) is not a feasible alternative to the Sabine Creek WWTP reuse due to the cost uncertainty, the greater energy usage associated with large-scale brine operations, and the time it would take to implement the project.

#### Toledo Bend Reservoir

Toledo Bend Reservoir is a 181,600-acre lake located in East Texas on the Texas-Louisiana state line. The total permitted supply from this source for Texas is 970,067 acre-feet per year (including the additional authorization of 220,067 acre-feet per year granted in August 2019). The Sabine River Authority (SRA) of Texas operates the Texas portion of this lake. In the 2026 *Initially Prepared Region C Water Plan* the transport of water from Toledo Bend Reservoir to the North Texas area is an alternative joint strategy for NTMWD, TRWD, DWU, and UTRWD. This project, as presented in the 2026 *Initially Prepared Region C Water Plan*, could deliver a total of 650,000 acre-feet per year, with 200,000 acre-feet per year for NTMWD, in two phases.

This alternative will require multiple transmission pipelines to transport the water approximately 200 miles to North Texas. The current concept for this project includes the use and storage of existing reservoirs as part of the transmission system. This transfer of water is anticipated to have a low to medium low impact on the receiving reservoirs.

This strategy requires cooperation with other water providers and an agreement with SRA to purchase the water. The high capital costs for Phase 1 and energy usage associated with the long transmission pipelines result in a unit cost of over \$6.00 per 1000 gallons for raw water delivered to NTMWD. Costs for the other partners are higher. This project requires multiple agreements, which have not been reached, and an interbasin transfer to use the water in the North Texas area. Considering the costs, time to implement, and uncertainty of agreements, this strategy is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Water from Oklahoma

Another potential alternative is the use of water from Oklahoma. At the present time, the Oklahoma Legislature has established a moratorium on the export of water from the state. Assuming the moratorium may be lifted in the future, water from Oklahoma is listed as an alternative strategy for NTMWD in the 2026 *Initially Prepared Region C Water Plan*. It is also an alternate strategy for DWU, UTRWD, and the City of Irving. The project is for 50,000 acre-feet per year and is planned for 2080.

NTMWD has applied for Oklahoma water rights to use water from the Kiamichi River, Muddy Boggy Creek, and stored water in Lake Hugo. At this time, the state cannot act upon these permits without further direction from the Oklahoma Legislature.

The challenges with this strategy are the development issues, including the legal moratorium on out-of-state water sales and the Lacey Act. Under the Lacey Act, it is unlawful to transport invasive species across state lines. Since there is considerable uncertainty as to when these obstacles could be overcome, this strategy cannot be counted on for near-term water supplies. Thus, it is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Lake O' the Pines

Lake O' the Pines is an existing USACE reservoir in the Cypress River Basin with Texas water rights held by the Northeast Texas Municipal Water District (NETMWD). NTMWD has explored the possibility of purchasing supplies in excess of local needs from the Cypress River Basin and it is a recommended strategy in the *2026 Initially Prepared Region C Water Plan*. Lake O' the Pines is about 120 miles from the Metroplex, and the distance and limited supply make this a relatively expensive water management strategy. The development of this source would require contracts with NETMWD and other Cypress River Basin suppliers with excess supplies. The *2026 Initially Prepared Region C Water Plan* shows supplies from Lake O' the Pines coming online in 2040.

At this time, agreements have not been reached to purchase this water. Due to this uncertainty and expected time to develop, Lake O' the Pines is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Wright Patman Lake

The Wright Patman Reallocation strategy involves development of new surface water supplies from the Sulphur River Basin through a reallocation of storage at Wright Patman Lake from its current purpose, flood control, to water conservation storage. The supply quantity and cost identified above are for a specific reallocation of Wright Patman at elevation 235 feet MSL. At that conservation pool elevation, the pool raise at Wright Patman Lake would inundate up to 15,100 acres above the permitted conservation pool elevation (ultimate rule curve). Infrastructure would be developed to transport the water to the Region C water providers. The Wright Patman Reallocation strategy is considered for NTMWD, UTRWD, TRWD, DWU, and the City of Irving, and recommended for NTMWD and TRWD.

The firm yield with reallocation of Wright Patman to elevation 235 feet MSL, above the 180,000 acre-feet per year permitted to Texarkana, would be 125,000 acre-feet per year. It is assumed that all the reallocation supplies would be available to Region C providers. These quantities assume that Marvin Nichols is senior to the Wright Patman Lake reallocation. However, the City of Texarkana has applied for a new water right from Wright Patman. If this right is granted, the amount of supply available to Region C providers would be less.

Reallocation to elevation 235 feet MSL was selected to minimize impacts to the White Oak Creek Wildlife Management Area (WOCWMA). This site is located upstream of Wright Patman Lake and is designated as mitigation for the construction of Jim Chapman Reservoir. At elevation 235 feet MSL, the increase in the conservation pool at Wright Patman Lake would increase water levels on approximately 450 acres of the WOCWMA and affect some riparian bottomland hardwoods. However, reallocation at this elevation would not affect the functioning of constructed wetland structures and would still allow the wetland structures to function as designed. Also, the USACE owns property up to the 235 feet MSL elevation, which simplifies additional land acquisition.

Reallocation of Wright Patman Lake would be sponsored by USACE, would require additional environmental studies, and would require congressional approval. Further study would be needed to ensure that there is no increase in flooding risks after reallocation.

Due to the uncertainty of authorizing reallocation of flood storage, reaching agreements with strategy partners, and higher costs, this strategy is not a feasible alternative to the Sabine Creek WWTP reuse.

### **New Groundwater Supplies**

There are limited new groundwater sources that could supply the quantity of water needed by NTMWD. The Ogallala aquifer in the Texas Panhandle has large quantities of water, but much of this supply is committed to users in the area, including agricultural users and local municipalities. Another potential source is the Carrizo-Wilcox aquifer. This aquifer is also heavily used by local entities.

#### Carrizo-Wilcox Groundwater

The Carrizo-Wilcox aquifer covers a large area of east, central, and south Texas. Organizations and individuals have been studying the development of water supplies in Anderson County and surrounding counties for export. Anderson County is about 100 miles from NTMWD's service area and this strategy is an alternative strategy in the 2026 *Initially Prepared Region C Water Plan*. There are some uncertainties about developing such a large quantity of groundwater and exporting this water to North Texas. Based on Modeled Available Groundwater (MAG) values adopted through the Groundwater Joint Planning Process for the 2026 Initially Prepared Regional Water Plans for the Carrizo-Wilcox in Anderson County are approximately 27,000 acre-feet per year. Some of this groundwater is currently used by local producers. Due to the uncertainty of available supply and competition for this water source, the Carrizo-Wilcox groundwater alternative is not a feasible alternative to the Sabine Creek WWTP reuse.

#### Aquifer Storage and Recovery

Aquifer Storage and Recovery (ASR) is a water management approach that stores surplus water in local aquifers during periods of excess water availability and withdraws the stored water later during periods of drought or peak demands. This strategy can provide additional supply during drought. It

requires a suitable aquifer formation and excess supplies that have been treated to a level that will not degrade existing water quality in the aquifer. ASR is an alternative strategy for NTMWD in the *2026 Initially Prepared Region C Water Plan*. The ASR strategy considered for NTMWD assumes a suitable formation can be identified near an existing water treatment facility, and the operations could provide up to 26,000 acre-feet per year during drought.

Further study is needed to determine if there are suitable geologic formations that are economically feasible for ASR, and the operation of the system may pose challenges for infrastructure that may not be used regularly. ASR is not a feasible alternative to the Sabine Creek WWTP reuse due to the technical uncertainties with implementation and time to implement.

### **Conclusion**

Based upon the aforementioned information and analysis, there are no feasible alternatives to the Sabine Creek WWTP reuse in the *2026 Initially Prepared Region C Water Plan* at this time. Furthermore, this project type is consistent with NTMWD's conservation goals to fully develop its available reuse to meet its future water needs.





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6/26/2025

Consent Agenda Item No. 25C-30

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## Regional Water System

### Filing of a Water Use Permit Application for Sabine Creek Return Flows

#### **SUBJECT**

Adopt Resolution No. 25-31 authorizing the Executive Director to file an application and any other documents as necessary to secure authorization for the conveyance, diversion and use of return flows from the Sabine Creek Wastewater Treatment Plant.

#### **PURPOSE**

This application will allow the District the ability to divert and use the return flows from the Sabine Creek WWTP to meet the needs of current member cities, and current and future customers.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 25-31, *"A Resolution Authorizing the Filing of a Water Use Permit Application"*.

Consultant: N/A

Scope: Filing of a water use permit application for the return flows of the Sabine Creek WWTP

Amount: \$70,000

Committee: This will be a Champion Update at the June 25, 2025, Water Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.4 - Reliable and Resilient Systems
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<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input checked="" type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND**

- Resolution No. 22-31 authorized the execution of an application to the Texas Commission on Environmental Quality (TCEQ) to seek the right to convey Sabine Creek WWTP return flows for subsequent diversion and use.
- At the time Resolution No. 22-31 was authorized, Sabine Creek WWTP was permitted to discharge up to 3 million gallons per day (MGD) of wastewater return flows in the Lake Tawakoni watershed.
- Sabine Creek WWTP is now permitted to discharge up to 7 million gallons per day (MGD) of wastewater return flows and discharges in the Lake Tawakoni watershed.
- The District has submitted an application to amend the Sabine Creek WWTP permit to discharge up to 20 MGD of wastewater return flows.
- The reuse of wastewater return flows is a recommended water management strategy for the District in the 2021 Region C Water Plan and the 2025 Region C Initially Prepared Plan.
- The District seeks to reuse all current and future planned Sabine Creek WWTP return flows to meet the water demands of its current member cities as well as current and future customers.
- Additional authorization is needed to execute an application for those current and future planned Sabine Creek WWTP return flow volumes not included in the prior authorization (Resolution No. 22-31).
- The District proposes to file applications with the TCEQ to seek the right to convey Sabine Creek WWTP return flows for subsequent diversion and use.
- Employ the firm of Lloyd, Gosselink, Rochelle & Townsend, P.C, to act as counsel on the filing of the application.

**FUNDING**

Funding in the amount of \$70,000 is to be made available in the Regional Water System Annual Operating Budget.



## **NORTH TEXAS MUNICIPAL WATER DISTRICT**

### **RESOLUTION NO. 25-31**

#### **A RESOLUTION AUTHORIZING THE FILING OF A WATER USE PERMIT APPLICATION**

**WHEREAS**, the North Texas Municipal Water District (the “District”) provides wholesale treated water to member cities and customers in its service area covering all or parts of Collin, Dallas, Denton, Fannin, Grayson, Hopkins, Hunt, Kaufman, Rains, Rockwall and Van Zandt Counties in North Central Texas; and

**WHEREAS**, the District is also a regional wholesale wastewater provider that owns and operates a regional wastewater system throughout portions of Collin, Dallas, Kaufman, and Rockwall Counties; and

**WHEREAS**, the District has a statutory obligation to plan and secure adequate water supplies for existing and future member cities and customers; and

**WHEREAS**, due to sustained growth by the existing and future member cities and customers of the District the development of additional water supplies is necessary; and

**WHEREAS**, the District owns and operates the Sabine Creek Wastewater Treatment Plant (the “Sabine Creek WWTP”); and

**WHEREAS**, the Sabine Creek WWTP currently has a Texas Pollutant Discharge Elimination System (“TPDES”) permit to discharge up to 7.0 million gallons per day (“MGD”) of wastewater; and

**WHEREAS**, the District submitted an application to amend the Sabine Creek WWTP TPDES permit to discharge up to 20 MGD of wastewater (the “Sabine Creek Return Flows”); and

**WHEREAS**, reuse of wastewater return flows is a recommended water management strategy for the District in the 2021 Region C Water Plan and the 2025 Region C Initially Prepared Plan; and

**WHEREAS**, the District seeks to reuse the Sabine Creek Return Flows to address the existing and future water demands of its current and future member cities and customers; and

**WHEREAS**, the District proposes to file an application with the Texas Commission on Environmental Quality (the “Commission”) to seek the right to convey Sabine Creek Return Flows for subsequent diversion and use from Lake Tawakoni (the “Application”); and

**WHEREAS**, 30 Texas Administrative Code § 295.14 requires that an application for a water right be executed by a duly authorized official of the District.

**NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING RESOLVES THAT:**

1. The Executive Director of the District is hereby authorized on behalf of the Board of Directors to execute the Application, and any other documents as are necessary to secure authorization for the conveyance, diversion, and use of Sabine Creek Return Flows from Lake Tawakoni to afford additional water supplies for the District's use in addressing the needs of its current and future member cities and customers.
2. The Executive Director of the District is hereby authorized and directed on behalf of the Board of Directors to file the Application and to appear and arrange for the appearances of persons representing the District at the hearings and other proceedings on the Application before the Commission, and otherwise direct the prosecution, settlement, and compromise of the Application on behalf of the Board of Directors, as appropriate.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON JUNE 26, 2025, IN THE ADMINISTRATIVE OFFICES OF THE DISTRICT, WYLIE, TEXAS.**

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**Keith Stephens, Secretary**

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**David Hollifield, President**

**(SEAL)**



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6/26/2025

Consent Agenda Item No. 25C-31

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## **Regional Water System**

### **Wylie Complex Reclaim System Improvements; Project No. 101-0666-25; Engineering Services Agreement, Preliminary Engineering**

#### **SUBJECT**

Authorize funding in the amount of \$487,000 for an engineering services agreement with HDR Engineering, Inc. for preliminary design of the proposed Wylie Complex Reclaim System Improvements project.

#### **PURPOSE**

The Engineer will evaluate the hydraulics of the WTP I and WTP II reclaim system , propose modifications , evaluate the capacity of WTP I and WTP II reclaim basins, and develop a matrix of options based on different operational conditions. A Preliminary Design Report will be provided incorporating the results of hydraulic evaluations, pipeline changes and additional reclaim volume options, system modifications, and recommendations.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an engineering services agreement (ESA) as follows:

Consultant:	HDR Engineering, Inc.
Scope:	Preliminary Engineering Design
Project:	101-0666-25, Wylie Complex Reclaim System Improvements
Amount:	\$487,000
Committee:	This will be a Champion Update at the June 25, 2025, Water Committee meeting

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services
----------------------	---------------------------

<input checked="" type="checkbox"/> Regulatory Compliance	<input checked="" type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND**

Historically, reclaim return flows at all water treatment plants were returned to the treatment process as raw water enters each plant, downstream of chlorine dioxide addition and mixing boxes. These reclaim return flows contain constituents that affect water chemistry as they are mixed, and the eventual overall finished water quality.

In particular, WTP I reclaim can become overloaded during normal operating conditions, particularly when WTP II is offline, resulting in impacts to WTP I's water quality and filter capacity.

Similar challenges exist at Plants III and IV. Upgrades to the reclaim return at WTP III are currently under construction, and upgrades at WTP IV are included under a current design effort. Redirecting the reclaim flows to each water treatment plant's mixing box will provide an opportunity for chemical dosing to facilitate the sedimentation process.

**PROJECT PURPOSE**

Improve finished water quality following conversion to biologically active filtration (BAF)

**PROJECT COMPONENTS**

- Evaluate the hydraulics and operations of the WTP I and WTP II reclaim system from the filters to the reclaim basins
- Propose modifications to pipelines
- Evaluate the capacity of WTP I and WTP II reclaim basins and develop a matrix of options to consider based on different operational conditions such as plant flow, frequency of backwash, and backwash parameters.
- Determine if any modifications to chlorine dioxide feed facilities at the WTP I and WTP II mixing structure are required, and any changes to other assets that are part of the WTP I and WTP II reclaim system.
- Provide a Preliminary Design Report incorporating results of hydraulic evaluations, pipeline changes, reclaim volume options, system modifications, and other recommendations.

## BASIC SERVICES

- Preliminary and General Items
- Project Set-up and Administration
- Review System Performance Limiting Factors
- Evaluate Performance Limiting Factors
- Identify and Evaluate Alternatives
- Final Recommendations

## SPECIAL SERVICES

- Subsurface Utility Exploration

## CONSULTANT SELECTION PROCESS

- A total of 3 engineering firms, Freese and Nichols, Inc., HDR Engineering, Inc., and Garver, LLC. were interviewed and HDR Engineering, Inc. was deemed as the most highly qualified firm for this project.

## ENGINEERING SERVICES FEE

<b>Description</b>	<b>Amount</b>
Basic Services	\$ 453,000
Special Services	\$ 34,000
<b>Requested Amount</b>	<b>\$ 487,000</b>

## FUNDING

Funding in the amount of \$487,000 to HDR Engineering, Inc. is to be made available utilizing the Regional Water System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.









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6/26/2025

Consent Agenda Item No. 25C-32

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## Regional Water System

### **Wylie Water Treatment Plant (WTP) II East System Interconnection; Project No. 101-0652-24; Tabulation of Bids and Award of Contract for Valve Procurement**

#### **SUBJECT**

Award valve procurement contract to Municipal Valve and Equipment Company, Inc. for the Wylie WTP II East System Interconnection project in the amount of \$432,907.

#### **PURPOSE**

Due to the long lead times associated with manufacturing valves, this action enables the District to procure these items prior to awarding the construction contract. Having timely possession of the valves helps mitigate future construction delays.

#### **RECOMMENDATION**

The Executive Director, NTMWD staff and Kennedy Jenks recommend the Board of Directors authorize the award of a contract as follows:

Supplier:	Municipal Valve and Equipment Company, Inc.
Scope:	Procurement of two 36-inch butterfly valves and one sleeve valve with 30-inch flanges
Project:	No. 101-0652-24, Wylie WTP II East System Interconnection
Amount:	\$432,907
Committee:	This will be a Champion Update at the June 25, 2025, Water Committee meeting

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.4 Reliable and Resilient Systems
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<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input checked="" type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND****PROJECT PURPOSE**

- The objective for the project is to provide additional capacity from Wylie WTP II to the East System by June 2026. This will be accomplished by constructing an interconnect pipeline between the High Service Pump Station (HSPS) 2-2/2-3 discharge and the 36-inch Wylie Rockwall Farmersville pipeline.
- To accomplish this task, tie-ins during the shutdown season need to be completed. Therefore, the isolation butterfly valves need to be procured to ensure they are available for installation by the contractor during the shutdown season.
- Similarly, a control sleeve valve required for the project has an estimated lead time of 40 weeks. Early procurement of the valve is also needed to ensure the project completion in June 2026.

**PROJECT COMPONENTS**

- Procure two 36-inch butterfly valves and one sleeve valve with 30-inch flanges.
- Valve procurement includes the engineer's review of submittals and placing an order to proceed with fabrication.
- Payment for the valves will be due upon shipment and will be assigned by contract in the project construction award.

**TABULATION OF BIDS**

Sealed bids for valve procurement were received at 2:00 p.m. on Wednesday, May 21, 2025, as tabulated below:

<b>Bidder</b>	<b>Total Bid</b>	<b>Recommendation</b>
Municipal Valve and Equipment Company, Inc.	\$432,907	Lowest responsible bid Recommended for Award

ENGINEER'S OPINION OF PROBABLE COST (OPCC)	\$351,975
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All indications are that the received bid price is fair and reasonable in the current construction marketplace.

#### LOWEST RESPONSIBLE BIDDER HISTORY

Municipal Valve and Equipment Company, Inc. started in 1991 and is a leading manufacturers' representative firm that sells and services water and wastewater treatment equipment, valves, and actuators. They have a history working with NTMWD, with the meter vault standardization projects as recent examples. Being located in Dallas, Texas, they also have a history of supplying equipment, including butterfly and sleeve valves, to the City of Dallas at facilities such as the Eastside WTP, Bachman HSPS, and Walcrest Pump Station. NTMWD's water conveyance system professional engineer, who previously worked for the City of Dallas, reported a positive experience after having worked with them for over 15 years.

Based on their standing as the lowest responsible bidder, the information provided, and reports by the supplied references, the NTMWD staff and Kennedy Jenks recommend award of the contract to Municipal Valve and Equipment Company, Inc. This procurement contract will be assigned to a construction contractor selected through the bidding process in July 2025.

#### **FUNDING**

Funding in the amount of \$432,907 to Municipal Valve and Equipment Company Inc. is to be made available utilizing the Regional Water System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.



**Wylie Water Treatment Plant II  
East System Interconnection  
Project No. 101-0652-24**







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6/26/2025

Consent Agenda Item No. 25C-33

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## **Regional Solid Waste System**

**Request to Declare Certain NTMWD property salvage or surplus and authorization to enter into a contract to facilitate the auction sale of such assets.**

### **SUBJECT**

Declare certain NTMWD property salvage or surplus and authorize the Executive Director to enter into a contract to facilitate the auction sale of such assets.

### **PURPOSE**

For the District to dispose of property through auction, the Board must declare items as salvage or surplus. Additionally, this action authorizes the District to enter into a contract with a vendor to auction these items. Each asset listed below has been replaced with a new unit or determined to be of no further beneficial use to NTMWD. Any items not sold at the auction will be disposed of as scrap.

### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors declare the assets listed below as salvage or surplus, and authorize the Executive Director to enter into a contract with René Bates Auctioneers, Inc., for the auction sale of such assets as follows:

Consultant:	René Bates Auctioneers, Inc. (BuyBoard Contract 620-20)
Scope:	Auction NTMWD Property Declared Salvage or Surplus
Project:	N/A
Amount:	7.5% of Sale Value Payable to René Bates Auctioneers, Inc.
Committee:	None

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.3 Proactive Asset & Maintenance Management
----------------------	--

- |  |   |
|--|---|
| <input type="checkbox"/> Regulatory Compliance           | <input checked="" type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity                        | <input type="checkbox"/> Redundancy/Resiliency      |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency     |
| <input checked="" type="checkbox"/> Safety               | <input type="checkbox"/> Administrative             |
| <input type="checkbox"/> Policy                          | <input type="checkbox"/> Other _____                |

**BACKGROUND**

- On a routine basis, the Fleet Department sends surplus and salvage property to be auctioned off in accordance with District policies and state law.
- The list of property slated for auction includes:
  - 7 vehicles (cars and pickups)
  - 14 trailers
  - 1 heavy equipment unit
  - 1 truck tractor
  - 10 lots of miscellaneous items
- For over ten years, the District has used Rene Bates Auctioneers due to their experience with government entities and wide reach.
- All actions taken on the disposition of these assets are in accordance with past NTMWD practices, state law, and the NTMWD Personnel Policies Manual and Board Policies Manual.

**FUNDING**

No funding is requested.

**NORTH TEXAS MUNICIPAL WATER DISTRICT  
ATTACHMENT  
PROPERTY DECLARED SALVAGE OR SURPLUS**

**Vehicles**

Dept.	Asset Number	Description	Serial Number	Mileage
401-5530	0557	2008 FORD F150	1FTRF14W88KD16143	128,468
101-5333	0647	2010 FORD F150	1FTMF1EW4AKB45048	112,167
101-5338	0788	2013 FORD F150	1FTMF1CM3DKE24402	120,617
100-5723	0846	2014 FORD F150	1FTFX1CF1EKD69442	176,177
501-5000	1037	2016 FORD F150	1FTMF1C81GKF56341	161,682
401-5523	1179	2018 FORD F250	1FT7W2BT3JEC10466	45,038
501-5000	1197	2018 FORD F150	1FTFW1E56JKD95164	135,644

**Heavy Tractor Trucks**

Dept.	Asset Number	Description	Serial Number	Mileage
401-5523	0823	2014 KENWORTH T800	1XKDD40X6EJ407191	430,535

**Heavy Equipment**

Dept.	Asset Number	Description	Serial Number	Hours
401-5511	0834	2014 CAT 950K LOADER	R4A02210	17,528

**Trailers**

Dept.	Asset Number	Description	Serial Number
308-5000	0420	2003 LUFKIN BELT PRESS TRAILER	1L01B482931151298
401-5512	0505	2003 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES40273S188573
401-5512	0506	2003 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES40293S188574
401-5512	0508	2003 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES40203S188575
401-5512	0509	2003 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES40223S188576
401-5512	0510	2003 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES40243S188577
401-5512	0511	2003 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES40263S188578
401-5512	0512	2006 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES38216S188877
401-5512	0513	2006 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES38236S188878

**NORTH TEXAS MUNICIPAL WATER DISTRICT  
ATTACHMENT  
PROPERTY DECLARED SALVAGE OR SURPLUS**

401-5512	0514	2006 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES38256S188879
401-5512	0585	2008 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES38298S188173
401-5512	0586	2008 SPEC TEC STEEL PUSHOUT TRAILER	1S9ES38208S188174
401-5512	0901	2015 J & J STEEL PUSHOUT TRAILER	1S94S3920FM006004
401-5513	1267	2019 J & J ALUMINUM TIPPER TRAILER	1S94A4822KM006025

**Miscellaneous**

<b>Dept.</b>	<b>Lot Number</b>	<b>Description</b>	<b>Serial Number</b>
301-5180	1237	2019 YAMAHA U MAX	JOL000196
301-5080	1288	2019 YAMAHA U MAX	J06000319
100-5723	LOT 1	LOT OF RED BOARDS USED IN WATER TREATMENT PROCESS	N/A
101-5330	LOT 2	LOT OF (45) FORTY-FIVE SALAMANDER HEATERS	N/A
101-5330	LOT 3	LOT OF (2) TWO BREDEL HOSE PUMPS	70173 / 70174
101-5330	LOT 4	LOT OF (2) TWO SIEMENS INDUCTION MOTORS	1877254-010-2 / 1877254-10-2
101-5330	LOT 5	LOT OF FAIRBANKS C5422 VERTICAL LIFT PUMP	1831410
101-5330	LOT 6	LOT OF (2) TWO FS CURTIS AIR COMPRESSORS E-15	EA3182143-2144
101-5333	LOT 7	LOT OF (2) TWO VFD 260 AMP POWER CELLS	N/A
101-5330	LOT 8	LOT OF (2) TWO HIGH THRUST U.S ELECTRICAL MOTORS	N/A

N/A – Not Available



6/26/2025

Consent Agenda Item No. 25C-34

## Regional Water System

### **Leonard Water Treatment Plant (WTP) - South 25kV Overhead Electrical Loop; Project No. 101-0669-25; Engineering Services Agreement - Final Engineering**

#### **SUBJECT**

Authorize funding in the amount not-to-exceed \$388,300 to Fannin County Electric Cooperative (FCEC) for final engineering services associated with providing electric power service to the Leonard Water Treatment Plant (Leonard WTP) southside for future expansions; and Leonard WTP High Service Pump Station-South.

#### **PURPOSE**

The purpose of this project is to expand the electrical service to accommodate the expansion of the Leonard WTP to its ultimate 280 MGD capacity. FCEC will design the expansion of the existing electrical substation at Leonard WTP, which transforms the 138-kilovolt transmission voltage to a 25-kilovolt distribution voltage.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors to authorize the Executive Director to execute a final engineering agreement as follows:

Electric Service:	Fannin County Electric Cooperative (FCEC)
Scope:	Final engineering services agreement
Project:	No. 101-0669-25, Leonard WTP - South 25kV Overhead Electric Loop
Amount:	\$388,300
Committee:	This will be a Champion Update at the June 25, 2025, Water Committee meeting

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.2 Successfully Deliver Capital Program 1.4 Reliable and Resilient Systems
----------------------	---

<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input checked="" type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input checked="" type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND**

The Leonard WTP has an ultimate planned capacity of 280 MGD. Projected demand growth in the District's service area requires Leonard WTP to have a treatment capacity of 210 MGD no later 2030.

FCEC will design the expansion of the existing electrical substation at Leonard WTP, which transforms the 138-kilovolt transmission voltage to a 25-kilovolt distribution voltage. Substation will be equipped with transformers and required equipment to serve the new south power loop.

**PROJECT PURPOSE**

- FCEC will provide an electrical service of 25 kilovolts (kV) to the Leonard Water Treatment Plant (WTP) south parcel for future expansions.

**PROJECT COMPONENTS**

- The scope of the agreement with FCEC includes the following preconstruction engineering services:

- Design two overhead circuits and expand the substation to provide permanent power needs to the Leonard Water Treatment Plant south parcel and the High Service Pump Station South. The permanent power system is designed to carry the ultimate load required by the plant at the buildout capacity of 280 MGD.
  - Control Enclosure - drawings of existing components will be modified where necessary to support the transformer, circuit switcher, and circuit breaker additions. A new relay panel will be required for the new transformer and circuit switcher.
  - AC/DC Power System - Modification to AC and DC panel schedules as necessary for the proposed equipment additions.
  - Relay Panels - elevations, wiring diagrams, and details for the new relay panels and relay panel modifications as necessary will be prepared.



- Transformer Drawings - provide connection diagrams for new circuits and current transformer (CT) connections.
- Distribution Feeders - Plans and details for the interconnection of two new overhead distribution feeders will be provided.
- Circuit Schedule - drawings showing circuits and circuit routing as necessary for the proposed equipment additions will be provided.
- Grounding - Grounding improvements will be limited to the connection of new equipment to the existing ground grid.

2) Development of cost estimates and timelines for the following:

- The construction of electrical facilities, including transformer connections and distribution lines to provide service to NTMWD facilities.
- Construction of the electrical facilities will be presented to the Board of Directors at a future date.

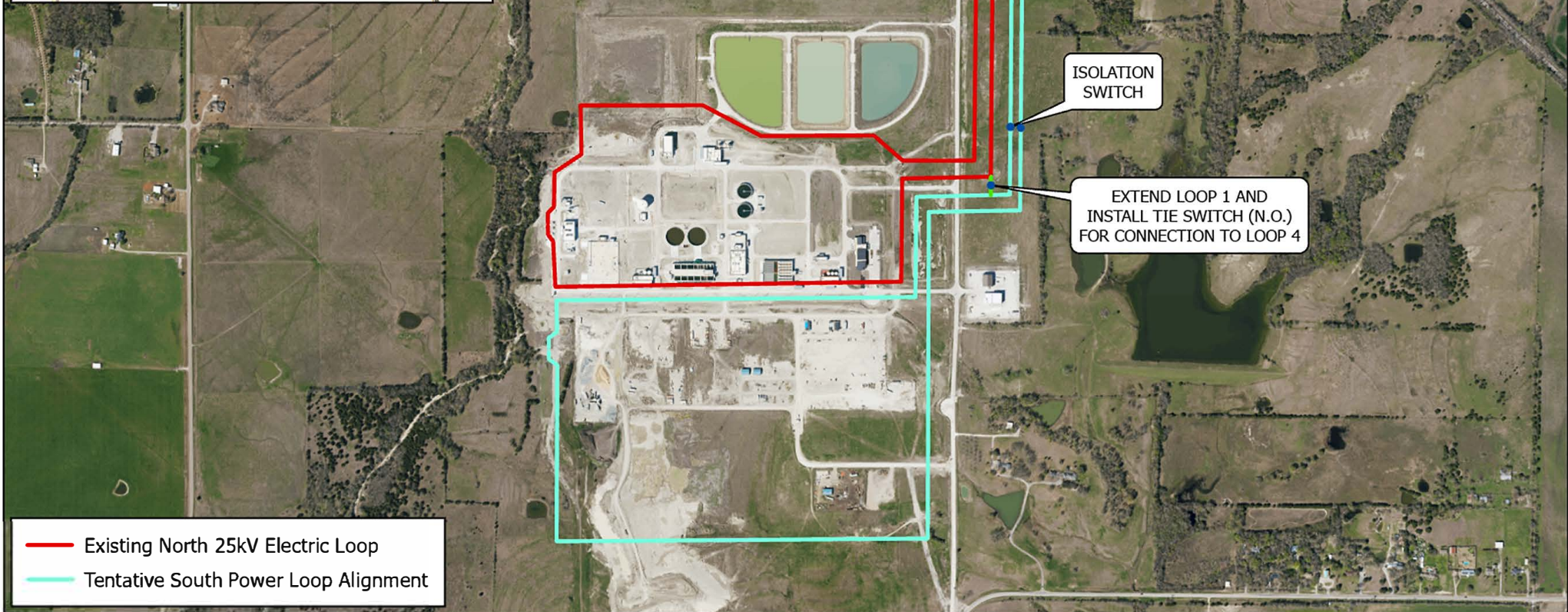
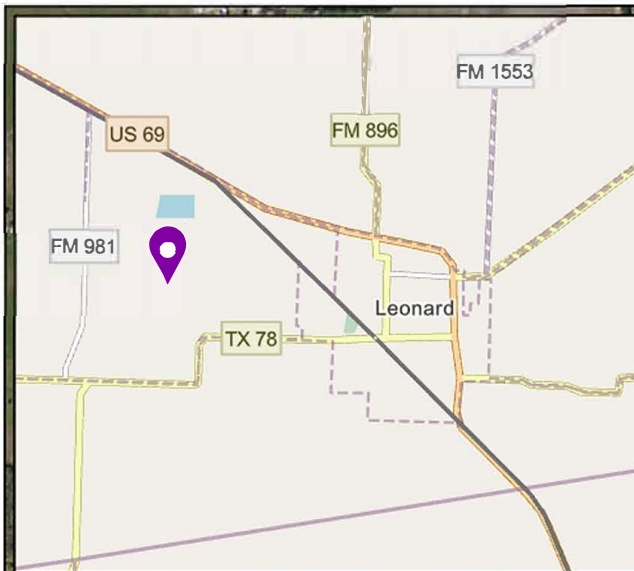
3) Upon completion, FCEC and NTMWD will conduct final accounting of all project costs and all unused funds will be returned to NTMWD. Similarly, if the actual cost is higher than the estimated cost advanced to FCEC by NTMWD, FCEC will issue an invoice to NTMWD for the unpaid actual cost following a change order action.

## ENGINEERING SERVICES FEE

DESCRIPTION	COST
Final engineering design services	\$388,300
<b>Total</b>	<b>\$388,300</b>

## FUNDING

Funding in the amount of \$388,300 to Fannin County Electric Cooperative is to be made available in the Regional Water System Capital Improvement Fund.







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6/26/2025

Consent Agenda Item No. 25C-35

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## Regional Water System

### First Amendment to Preliminary Development Agreement with Bois d’Arc Lake Shores LLC

#### **SUBJECT**

Authorize amendment of a Preliminary Development Agreement with Bois d’Arc Lake Shores LLC, a subsidiary of Texas Land and Lakes, to facilitate dredging within Bois d’Arc Lake for recreational purposes.

#### **PURPOSE**

Bois d’Arc Lake Shores LLC is a residential property developer that is authorized to construct certain improvements on NTMWD property adjacent to Bois d’Arc Lake for its residential development called Bois d’Arc Lake Shores. To increase usability of community and shared docks in the development, Bois d’Arc Lake Shores LLC wishes to perform limited dredging within Bois d’Arc Lake. The NTMWD Bois d’Arc Lake Shoreline Management Plan allows for such dredging activities around community and shared docks if authorized by separate agreements.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director or their designee to execute an Amendment to the Preliminary Development Agreement with Bois d’Arc Lake Shores LLC, as follows:

Contracting Party: Bois d’Arc Lake Shores LLC

Scope: First Amendment to Preliminary Development Agreement

Contract Term: 5-years

Amendment Fee: \$5,000

Committee: This item was discussed at the May 21, 2025, Real Estate Committee meeting

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	3.2 Engaged Members, Customers and Stakeholders
----------------------	---

- |   |  |
|---|--|
| <input type="checkbox"/> Regulatory Compliance                      | <input type="checkbox"/> Asset Condition           |
| <input type="checkbox"/> Capacity                                   | <input type="checkbox"/> Redundancy/Resiliency     |
| <input checked="" type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency    |
| <input type="checkbox"/> Safety                                     | <input checked="" type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy                                     | <input type="checkbox"/> Other _____               |

**BACKGROUND**

- Bois d'Arc Lake (the Lake is a water supply reservoir developed to meet the needs of the NTMWD's Member Cities and Customers.
- Given the importance of the Lake as a significant public water supply source for the NTMWD, the NTMWD Board of Directors adopted Resolution No. 20-53 Authorizing the Adoption, Implementation and Enforcement of the Bois d'Arc Lake Shoreline Management Plan (the "Plan") to protect and manage the Lake shoreline, protect and maintain water quality within the Lake, promote the safe use of the shoreline and waters by the general public, and allow for some recreational uses to support the economy of Fannin County.
- The Plan establishes guidelines and standards for public and private uses and improvements on NTMWD-owned property along the Bois d'Arc Lake shoreline.
- In December 2023, Administrative Memorandum 23-5974 authorized amendments to the Plan necessary to reflect current administrative systems and processes, updated agreement templates, and to provide additional guidance to future applicants seeking approval for certain shoreline uses and improvements.
- Texas Land and Lakes is a residential property development company that owns approximately 200 acres through its subsidiary, Bois d'Arc Lake Shores, LLC (the "Developer").
- The Bois d'Arc Shores residential development abuts NTMWD property at Bois d'Arc Lake, and the Developer obtained authorization through a Preliminary Development Agreement to construct certain improvements on NTMWD property for use by future residents (Administrative Memorandum No. 24-6040).
- The Developer wishes to amend the Preliminary Development Agreement to allow for limited dredging within the Lake footprint to increase usability of the community and shared docks authorized by the Preliminary Development Agreement.

- The Plan provides that such dredging activities for community and shared docks may be authorized through individual agreements(s).
- NTMWD has received an amendment request from the Developer, which includes construction plans for proposed dredging activities that generally conform to the requirements of the Plan.
- This proposed amendment will modify Exhibit A of the Preliminary Development Agreement to include and authorize dredging within defined areas and limits.
- The dredging activities authorized through this amendment will generally conform to the attached draft plans.

### **FUNDING**

No funding is requested.



**AMENDMENT NO. 1  
PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN  
THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND  
BOIS D'ARC SHORES, LLC**

**A. INTENT OF THIS AMENDMENT**

The intent of this Amendment No. 1 is that the Preliminary Development Agreement entered into by the North Texas Municipal Water District and Bois d'Arc Shores, LLC, on August 15, 2024, be modified, clarified, and recorded as a matter of permanent record.

**B. DESCRIPTION OF AMENDMENT**

The required change to the original agreement, along with the associated costs and/or time are described as follows:

1. Revise Exhibit A, Developer Documents to add *the attached dock dredging plans*

**C. EFFECT OF AMENDMENT**

The revised agreement amount is as follows:

Original First Year Application Fee.....	\$54,818.00
Total Amendment No. 1.....	<u>\$ 5,000.00</u>
Revised First Year Fee.....	\$59,818.00

**D. AGREEMENT**

By the signature of their respective duly authorized agents, the North Texas Municipal Water District and Bois d'Arc Shores, LLC, do hereby agree and append this Amendment No. 1 to the original agreement between themselves.

APPROVED BY:  
NORTH TEXAS MUNICIPAL WATER  
DISTRICT

BY: \_\_\_\_\_

NAME: Jennafer P. Covington

TITLE: Executive Director

DATE: \_\_\_\_\_

ACCEPTED BY:

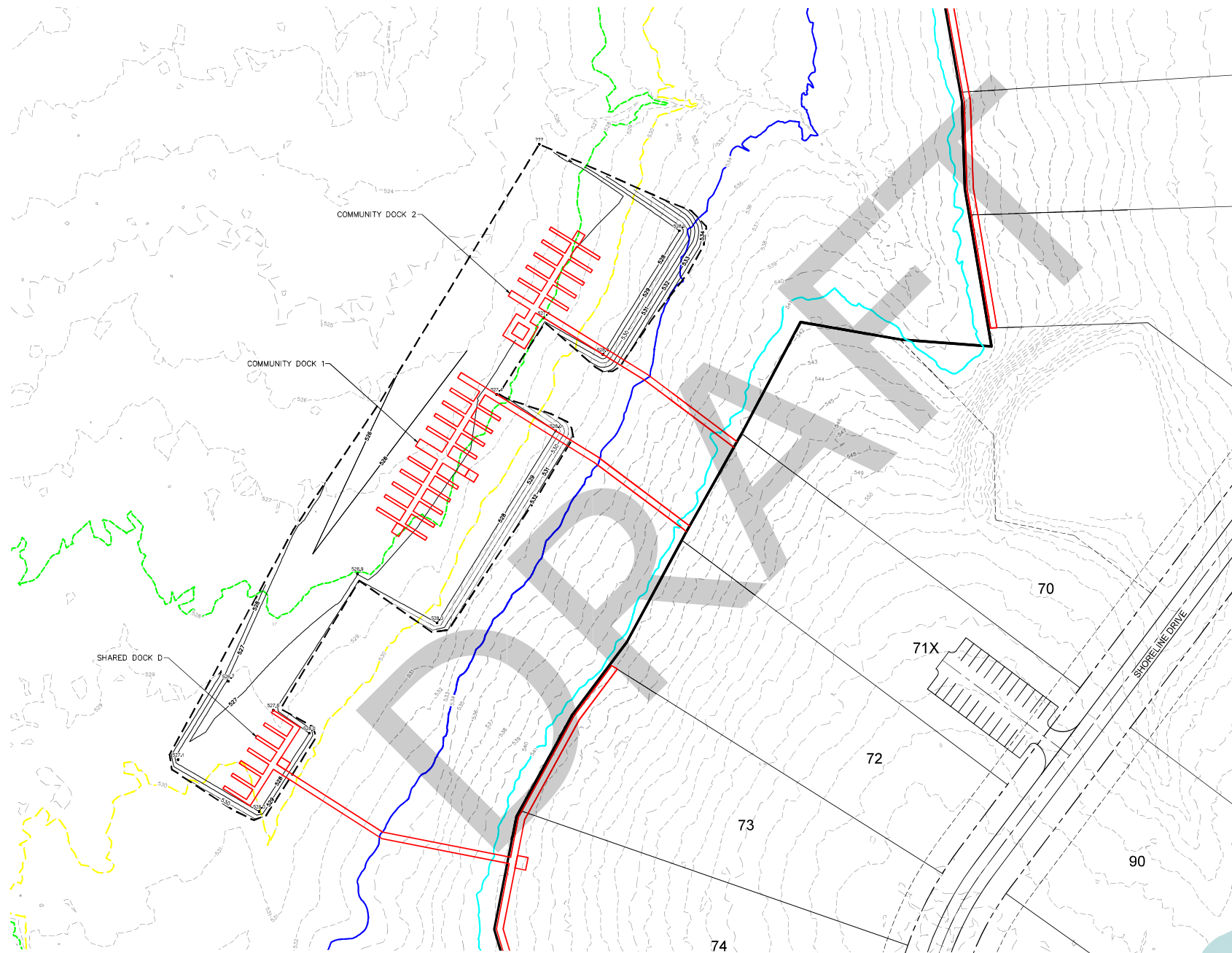
BOIS D'ARC SHORES, LLC

BY: \_\_\_\_\_

NAME: Marcus Smith

TITLE: President

DATE: \_\_\_\_\_



#### LEGEND

	PROPERTY LINE
	PROPOSED SPOT ELEVATION
	EXISTING SPOT ELEVATION
	PROPOSED CONTOUR
	EXISTING CONTOUR
	LIMITS OF DREDGING
	PROPOSED DOCKS
	-541 ELEVATION (APPROXIMATE 10-YEAR FLOODPLAIN)
	-534 ELEVATION (NORMAL WATER SURFACE ELEVATION)
	-530 ELEVATION (APPROXIMATE WATER DEPTH UNDER NORMAL POOL CONDITIONS)
	-527 ELEVATION (APPROXIMATE WATER DEPTH UNDER NORMAL POOL CONDITIONS)

DREDGING AREA = 42.25 AC  
APPROXIMATE DREDGING VOLUME = 44,250 CY

**NOTES:**

- EXISTING TOPOGRAPHIC INFORMATION SHOWN ON THIS PLAN IS BASED ON DATA PROVIDED BY SURVEYING & MAPPING, LLC AS FLOWN BY SEPTEMBER 2022.
- NO MATERIAL IS TO BE PLACED WITHIN ITMAD PROPERTY, SHAL ELEVATION.
- CONTRACTOR TO PLACE DREDGED MATERIAL IN LOCATION AS DIRECTED BY THE DEVELOPER, CONTRACTOR TO ENSURE SUCH MATERIAL ARE SITED TO ESTABLISH VEGETATION.
- ALL WORK TO BE DONE IN ACCORDANCE WITH ITMAD AND USACE REQUIREMENTS.
- MEANS & METHODS:
- CONTRACTOR TO EXCAVATE/REMOVE MATERIAL AS SHOWN BY THE PROPOSED CONTOURS AND PLACE ONTO A BARGE TO BE TRANSPORTED OUTSIDE THE NORMAL POOL SHAL ELEVATION & ITMAD PROPERTY.

#### DOCK DREDGING GRADING PLAN

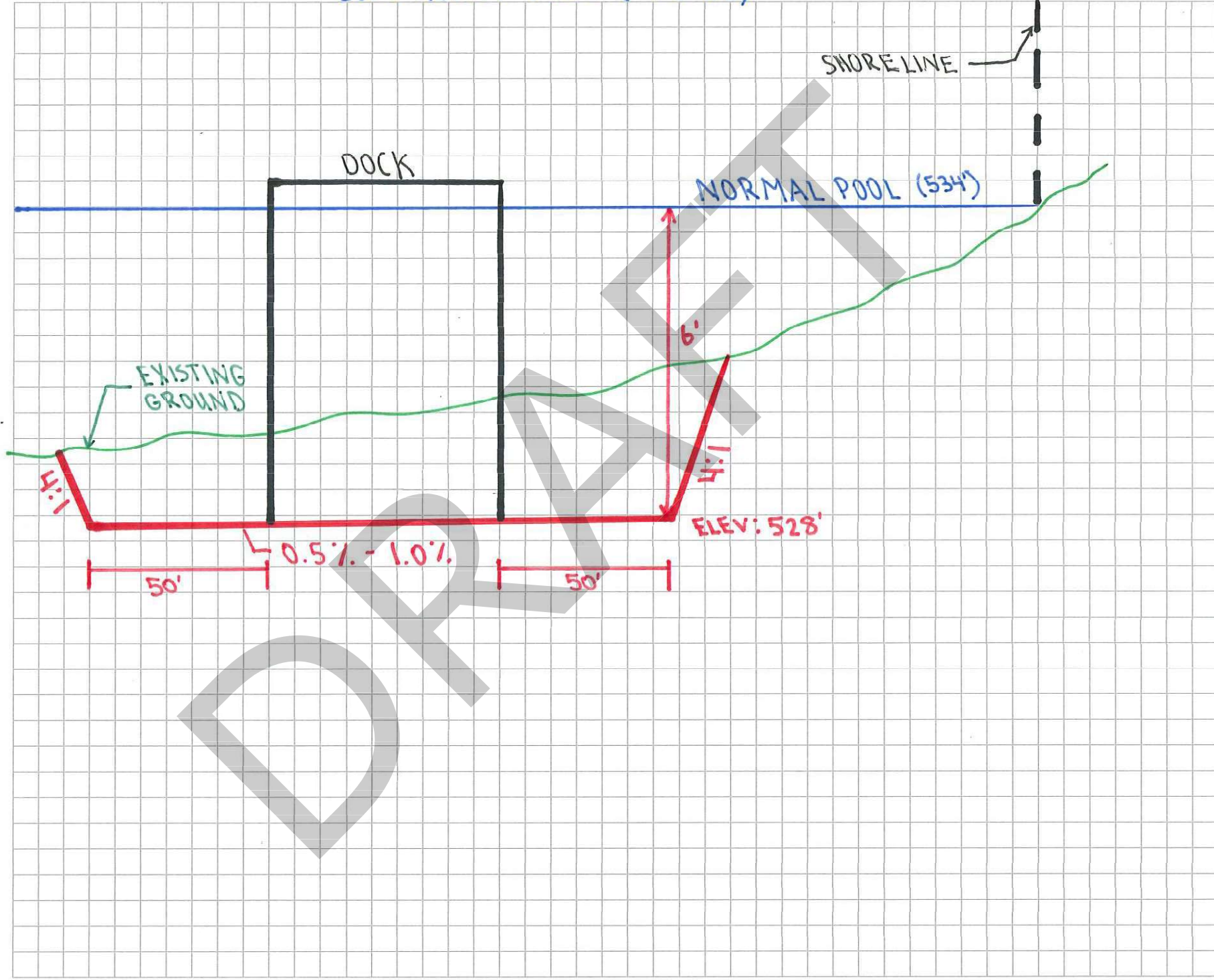
**Bois D'Arc Shores**  
Fannin County, Texas  
May 13, 2025

**Kimley»Horn**

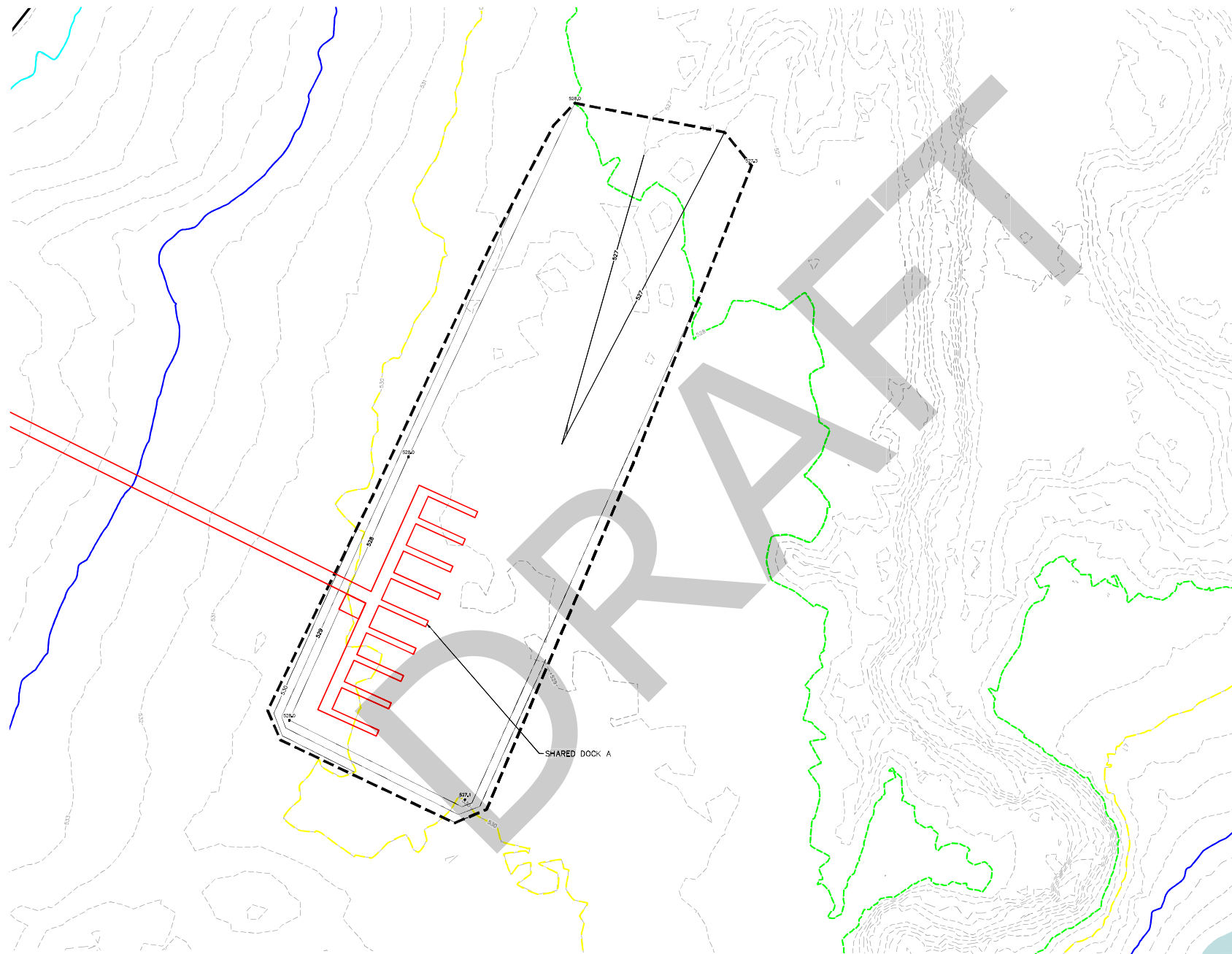
400 N. Oklahoma Dr.  
Suite 102  
Celina, Texas 75009  
469.450.2220  
State of Texas Registration No. F4028

NOTE: THIS PLANS CONCEPTUAL IN NATURE. MEANS & METHODS FOR CONSTRUCTION ARE THE RESPONSIBILITY OF THE CONTRACTOR. THE ENGINEER'S RESPONSIBILITY IS TO REVIEW THE CONTRACT DOCUMENTS AND THE PLANS FOR CONFORMANCE WITH THE STATE OF TEXAS REQUIREMENTS.

DATE: 05/13/2025  
DRAWN BY: JLM  
CHECKED BY: JLM  
APPROVED BY: JLM







**S**

0 40  
GRAPH C SCALE 4

GRAPHIC SCALE 4

### LEGEND

	PROPERTY LINE
	PROPOSED SPOT ELEVATION
	EXISTING SPOT ELEVATION
	PROPOSED CONTOUR
	EXISTING CONTOUR
	LIMITS OF DREDGING
	PROPOSED DOCKS
	-54' ELEVATION (APPROXIMATE 100-YEAR FLOODPLAIN)
	-53' ELEVATION (NORMAL WATER SURFACE ELEVATION)
	-52' ELEVATION (4-FOOT WATER DEPTH UNDER NORMAL POOL CONDITIONS)
	-50' ELEVATION (2-FOOT WATER DEPTH UNDER NORMAL POOL CONDITIONS)

DREDGING AREA = ±0.80 AC  
APPROXIMATE DREDGING VOLUME = ±1,600 CY

**NOTES:**

- DREDGING TOPOGRAPHIC INFORMATION SHOWN ON THE EXHIBIT IS BASED ON LIDAR DATA PROVIDED BY GEOTERRA SURVEYING & MAPPING, LLC AS FLOWN IN SEPTEMBER 2012.**
- NO MATERIALS TO BE PLACED WITHIN NTWMD PROPERTY, (541 ELEVATION)**
- CONTRACTOR TO PLACE DREDGING SPOILS MATERIAL AT LOCATION AS DIRECTED BY THE DEVELOPER, CONTRACTOR TO ENSURE SPOILS MATERIAL ARE SEED TO ESTABLISH VEGETATION.**
- ALL WORK TO BE DONE IN ACCORDANCE WITH NTWMD AND USACE REQUIREMENTS.**
- MEANS & METHODS:**
  - CONTRACTOR TO EXCAVATE/REMOVE MATERIAL AS DIRECTED BY THE PROPOSED CONTOUR AND PLACE ONTO A BARGE TO BE TRANSPORTED OUTSIDE OF THE NORMAL POOL, (541 ELEVATION) & NTWMD PROPERTY.**

DOCK DREDGING GRADING PLAN

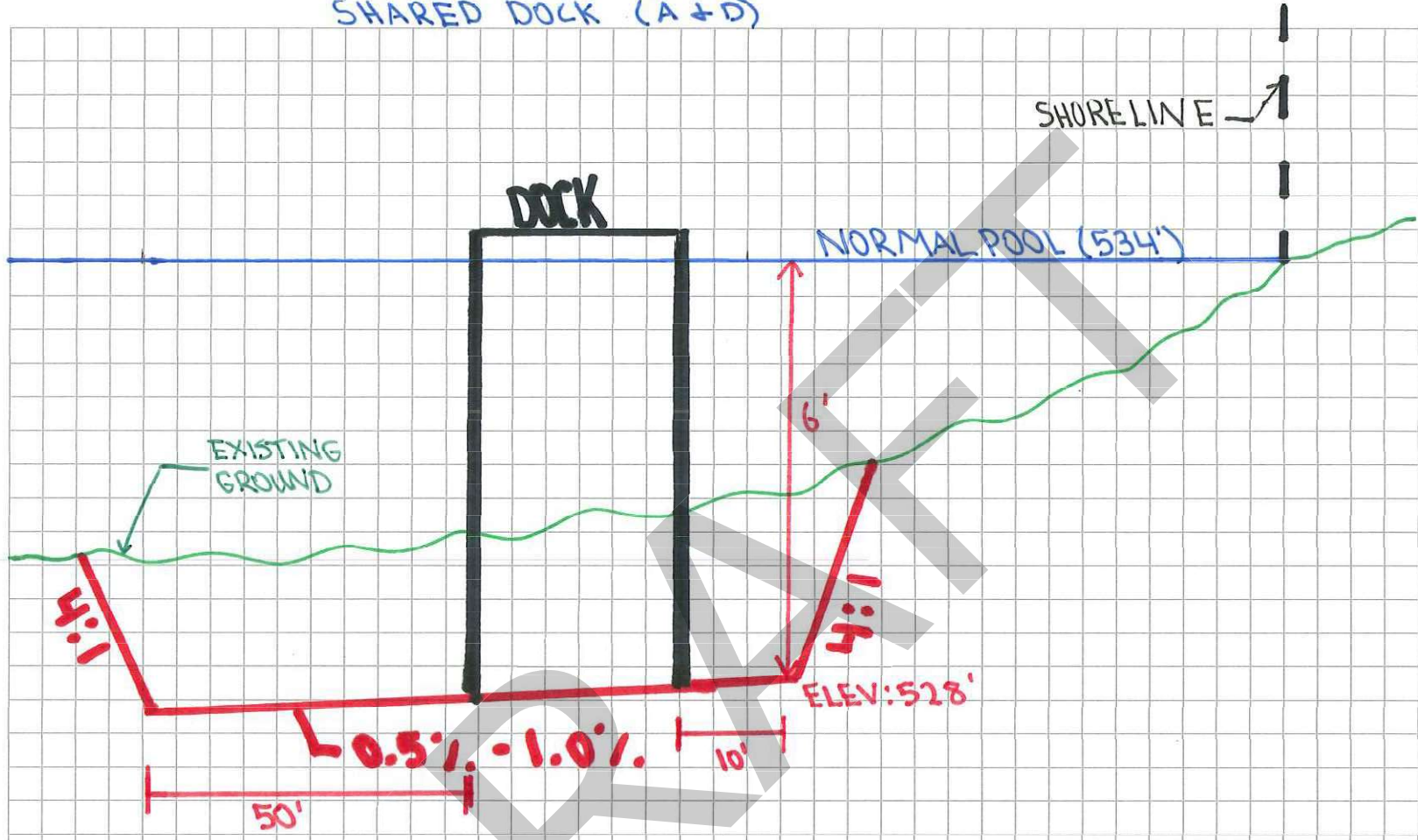
**Bois D'Arc Shores**  
Fannin County, Texas  
May 13, 2025

**Kimley»Horn**

400 N. Oklahoma Dr.  
Suite 105  
Celina, Texas 75009  
469-501-2200  
State of Texas Registration No. F-928

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED THROUGHOUT THE

SHARED DOCK (A + D)





6/26/2025

Consent Agenda Item No. 25C-36

## Region Wastewater System

### **Interlocal Cooperation Agreement between the North Texas Municipal Water District and East Fork Special Utility District for Water Line Installation at Muddy Creek Wastewater Treatment Plant**

#### **SUBJECT**

Authorize Resolution 25-33 for the execution of an Interlocal Cooperation Agreement between the North Texas Municipal Water District and East Fork Special Utility District for the installation of a water line at Muddy Creek Wastewater Treatment Plant.

#### **PURPOSE**

East Fork Special Utility District (EFSUD) plans to extend its potable water system and wishes to locate a portion of a pipeline across the Muddy Creek Wastewater Treatment Plant (WWTP) property. EFSUD would provide retail potable water services to Muddy Creek WWTP and certain retail water customers currently serviced by NTMWD.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an ILA as follows:

- 1) Authorize the Executive Director to execute an Interlocal Cooperation Agreement with the East Fork Special Utility District.
- 2) Adopt Resolution 25-33 "*A Resolution Authorizing an Interlocal Cooperation Agreement Between North Texas Municipal Water District and the East Fork Special Utility District for Water Line Installation at Muddy Creek Wastewater Treatment Plant*".

Contracting Party: East Fork Special Utility District (East Fork SUD)

Purpose: Execution of Interlocal Cooperation Agreement

Project: East Fork Special Utility District for Water Line Installation at Muddy Creek Wastewater Treatment Plant

Amount: N/A

Committee: This item was an Engineering and Planning Update on the June 11, 2025, Executive Committee meeting, and will be a Champion Update at the June 25, 2025, Wastewater Committee meeting

### **DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	3.3 Durable Strategic Partnerships
----------------------	------------------------------------

<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input checked="" type="checkbox"/> Relocation or External Requests	<input checked="" type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

### **BACKGROUND**

- NTMWD currently provides retail water service to its Muddy Creek WWTP and certain properties along Pleasant Valley Road, all within the boundaries of the East Fork Special Utility District (EFSUD) Certificate of Convenience and Necessity.
- NTMWD must adhere to District Policy No. 7 as well as incur maintenance, regulatory, and administrative costs to provide retail water service. The policy requires the District to “not serve any property that can be served by any authorized retail system.”
- EFSUD proposes to extend its potable water system with a 12” distribution main starting at its Elm Grove Storage Tank, continuing along Elm Grove Road to Pleasant Valley Road, and extending along Pleasant Valley Road to connect to its existing distribution main.
- The Muddy Creek WWTP property has sufficient unimproved acreage along Pleasant Valley Road to allow for the installation, operation, and maintenance of the EFSUD potable water line extension.

### **INTERLOCAL COOPERATION AGREEMENT**

The Interlocal Cooperation Agreement is attached. General notable terms are as follows:

- NTMWD shall dedicate an easement at the Muddy Creek WWTP to East Fork Special Utility District (EFSUD) at no cost.
- EFSUD shall install a 12” distribution main extension within the easement, to which NTMWD will connect to receive potable water for Muddy Creek WWTP.

- EFSUD shall provide a service line and meter at no cost to NTMWD.
- Muddy Creek WWTP will become a regular retail water customer of EFSUD.
- EFSUD will provide water service to two retail customers along Pleasant Valley Road currently served by NTMWD.

The East Fork Special Utility District Board of Directors is scheduled to consider approval of this agreement at its June 25, 2025, meeting.

### **FUNDING**

N/A

# **NORTH TEXAS MUNICIPAL WATER DISTRICT**

## **RESOLUTION NO. 25-33**

### **A RESOLUTION AUTHORIZING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND THE EAST FORK SPECIAL UTILITY DISTRICT FOR WATER LINE INSTALLATION AT MUDDY CREEK WASTEWATER TREATMENT PLANT**

**WHEREAS**, the North Texas Municipal Water District (NTMWD), a Texas conservation and reclamation district and political subdivision of the State of Texas and the East Fork Special Utility District (EFSUD), a political subdivision of the State of Texas created under the authority of Section 59, Article XVI, Texas Constitution, agree to enter into an interlocal cooperation agreement (ILA) for the Muddy Creek Wastewater Treatment Plant (WWTP); and,

**WHEREAS**, NTMWD agrees to dedicate an easement at no cost to EFSUD at the Muddy Creek WWTP for the installation of a 12" distribution main, from which Muddy Creek WWTP shall receive retail water service as a regular customer; and,

**WHEREAS**, EFSUD will provide a service line and meter at no cost to NTMWD; and,

**WHEREAS**, EFSUD shall provide retail water service to two retail water customers along Pleasant Valley Road currently served by NTMWD; and,

#### **NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING DETERMINES AND RESOLVES THAT:**

1. There is a public need for, and that the public welfare and convenience are to be served by, the ILA and the construction of the project.
2. The Interlocal Cooperation Agreement with East Fork Special Utility District for the water line installation at Muddy Creek Wastewater Treatment Plant is hereby approved and the Executive Director is authorized to execute said ILA.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR  
MEETING ON JUNE 26, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE,  
TEXAS.**

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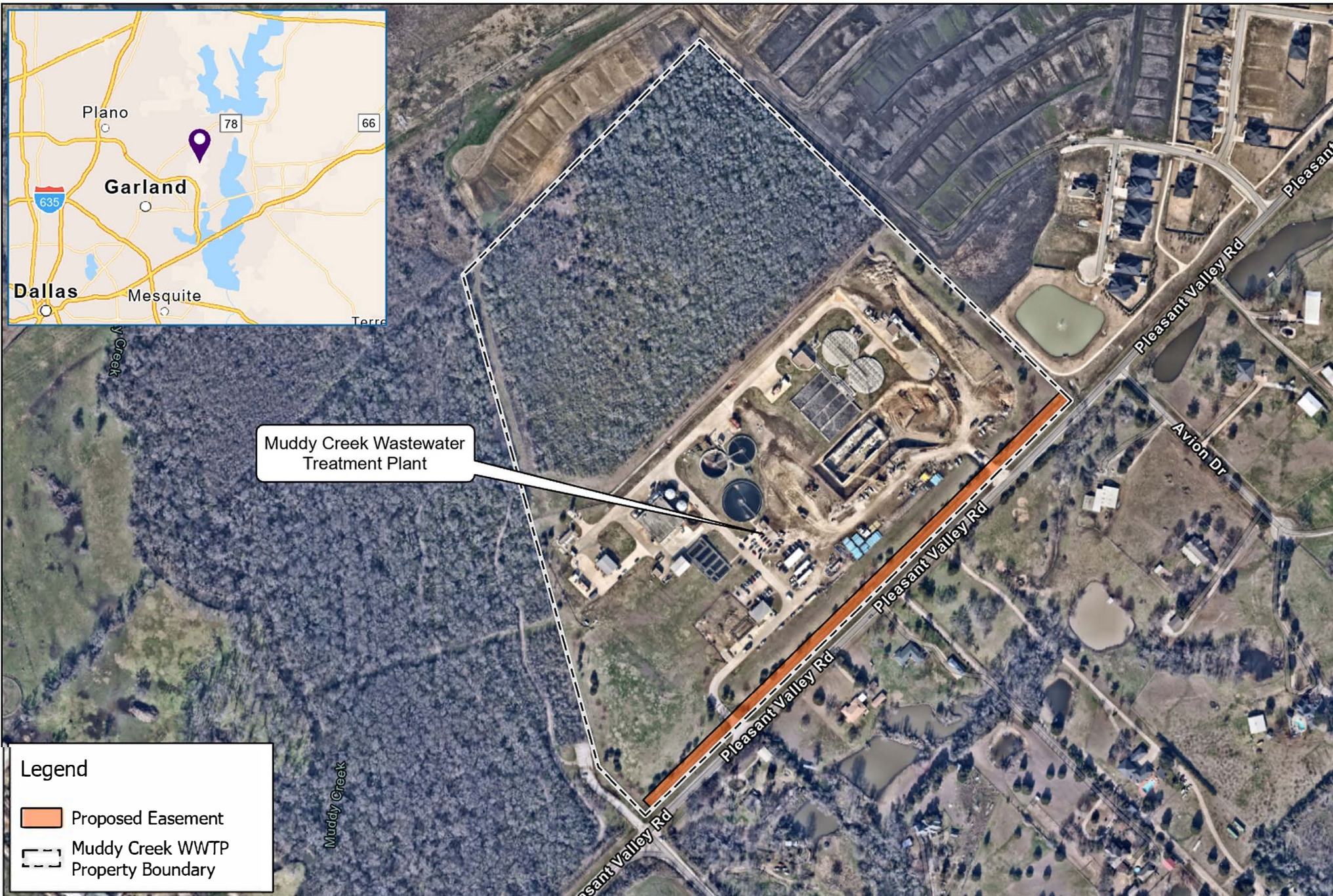
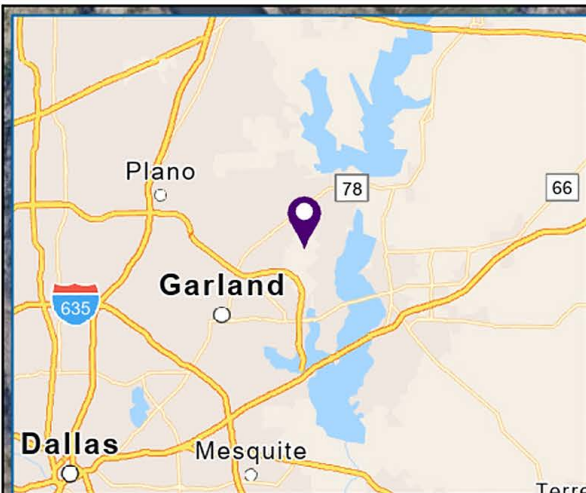
**KEITH STEPHENS, Secretary**

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**DAVID HOLLIFIELD, President**

**(SEAL)**





Legend

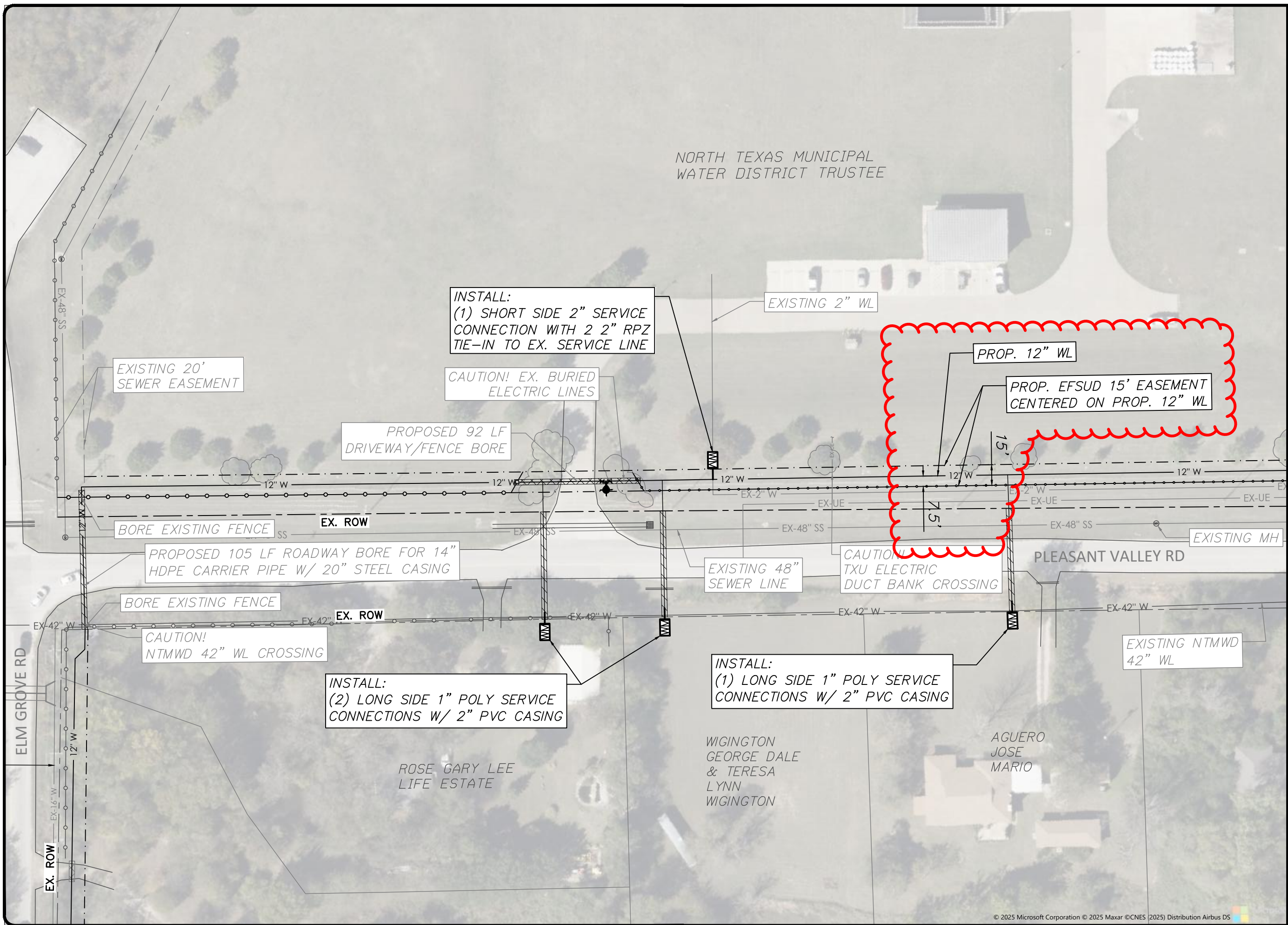
-  Proposed Easement
-  Muddy Creek WWTP Property Boundary



**Interlocal Agreement between the North Texas Municipal Water District and East Fork Special Utility District at the Muddy Creek WWTP**







118 McKinney St. • P.O. Box 606 • Farmersville, Texas 75442  
Tel: 972.784.7777  
(TXENG FIRM F-1114)

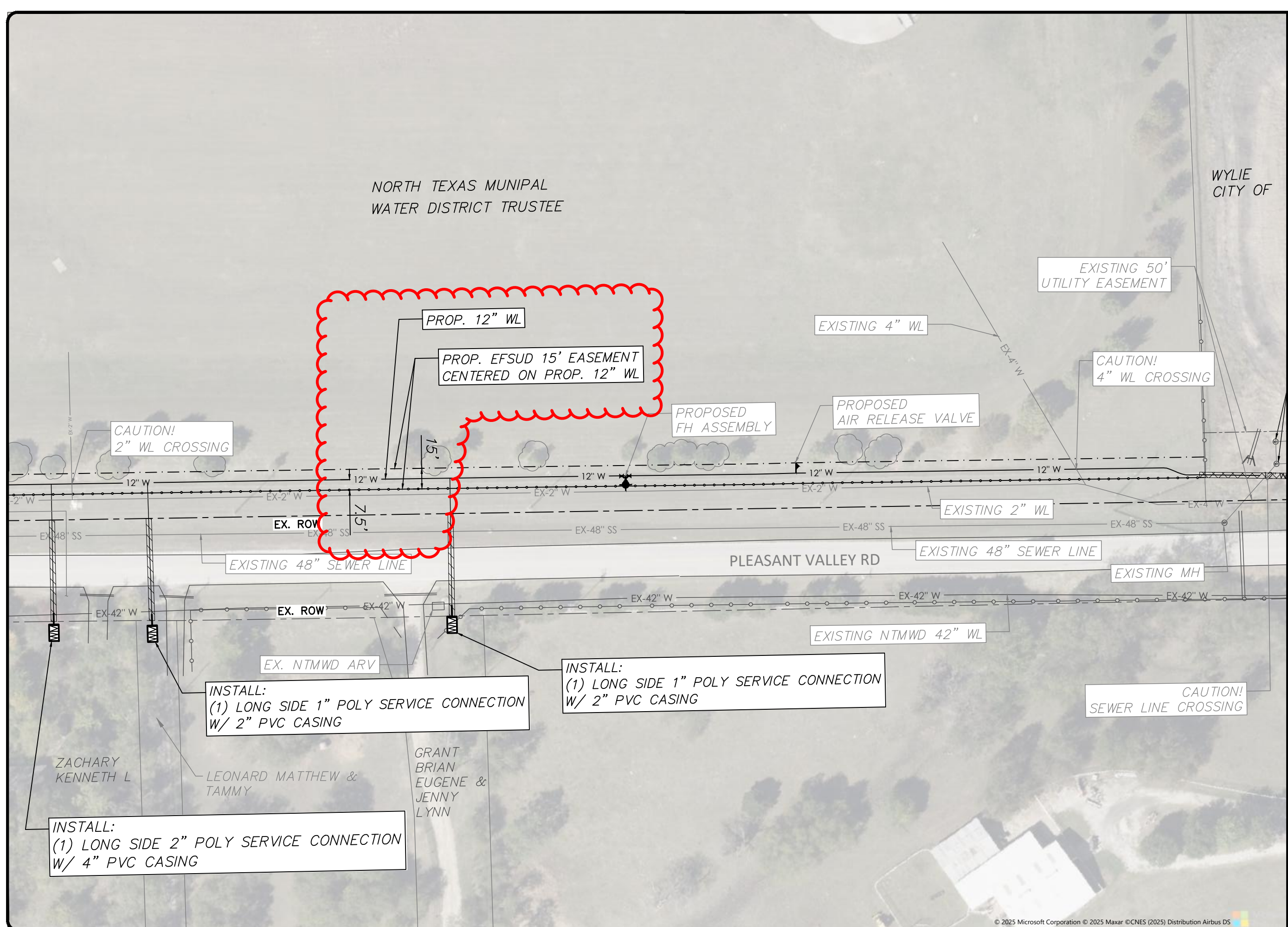
DESIGNED: E.A.C-M.  
DRAWN: E.A.C-M.  
DATE: 6/17/2025  
REVISION:

FILE: P:\012300012361\01\Civil\Research Due Diligence\12in WL Pleasant Valley RD 2024\Exhibit25-0611 NTMWD Updated Easement\25-0611 NTMWD Updated Easement

12" WL Extension from Elm Grove Rd to Pleasant Valley Rd

PROPOSED NTMWD MUDDY CREEK WWTP  
EASEMENTS  
FOR  
EAST FORK SPECIAL UTILITY DISTRICT





1118 McKinney St. • P.O. Box 606 • Farmersville, Texas 75442  
Tel: 972.784.7777  
(TXENG FIRM F-1114)

DESIGNED: E.A.C.M.	DATE: 6/17/2025
DRAWN: E.A.C.M.	REVISION:



# PROPOSED NTMWD MUDDY CREEK WWTP EASEMENTS FOR EAST FORK SPECIAL UTILITY DISTRICT

**12" WL Extension from Elm Grove Rd to Pleasant Valley Rd**

**INTERLOCAL COOPERATION AGREEMENT BETWEEN  
NORTH TEXAS MUNICIPAL WATER DISTRICT AND THE EAST FORK  
SPECIAL UTILITY DISTRICT FOR WATER LINE INSTALLATION AT MUDDY  
CREEK WASTEWATER TREATMENT PLANT**

**THIS INTERLOCAL COOPERATION AGREEMENT** (the “Agreement”) is made and entered into by and between the **NORTH TEXAS MUNICIPAL WATER DISTRICT**, a Texas conservation and reclamation district and political subdivision of the State of Texas (hereinafter referred to as “NTMWD” or ‘District”) and the **East Fork Special Utility District**, a political subdivision of the State of Texas created under the authority of Section 59, Article XVI, Texas Constitution (hereinafter referred to as “EFSUD”). Individually, NTMWD and EFSUD may be referred to as a “Party” and collectively, NTMWD and EFSUD may be referred to as “Parties.”

**WHEREAS**, the Interlocal Corporation Act (the “Act”), codified as Chapter 791 of the Texas Government Code, provides the authority to political subdivisions for contract by and between each other to purchase goods and services and facilitate governmental functions of said political subdivisions under the terms of the Act; and

**WHEREAS**, NTMWD owns, operates, and maintains the Muddy Creek Wastewater Treatment Plant (WWTP) located along Pleasant Valley Road; and

**WHEREAS**, EFSUD wishes to extend its potable water system with a 12” distribution main (“EFSUD potable water line extension”) starting at its Elm Grove Storage Tank, continuing along Elm Grove Road to Pleasant Valley Road, and extending along Pleasant Valley Road connecting to its existing distribution main; and

**WHEREAS**, the NTMWD Muddy Creek WWTP property has sufficient unimproved acreage along Pleasant Valley Road to allow for the installation, operation, and maintenances of the EFSUD potable water line extension; and

**WHEREAS**, NTMWD currently provides retail water service to its Muddy Creek WWTP as well as certain properties along Pleasant Valley Road (“current NTMWD customers”), which are within the boundaries of the EFSUD Certificate of Convenience and Necessity (CCN); and

**WHEREAS**, EFSUD is willing to provide water service to Muddy Creek WWTP and two current NTMWD retail customers; and

**WHEREAS**, NTMWD is willing to dedicate an easement in the Muddy Creek WWTP property along Pleasant Valley Road for the EFSUD 12” distribution main extension; and

**WHEREAS**, the Parties agree that the value of shifting retail water service of current NTMWD customers to EFSUD from NTMWD, in the form of eliminated maintenance, regulatory, and administrative efforts, as well as the furtherance of District Policy No. 7, is comparable to the value of easement dedicated by NTMWD through this agreement; and

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, EFSUD and NTMWD agree as follows:

## **ARTICLE ONE**

### **Dedication of Easement**

1.01 Dedication of Easement. NTMWD shall dedicate a 15-foot-wide water line easement and a 10-foot temporary construction easement to EFSUD at no cost to EFSUD at the Muddy Creek Wastewater Treatment Plant site, the location generally described in Exhibit A, attached hereto.

## **ARTICLE TWO**

### **Provision of Retail Water Service**

2.01 Agreement to Serve Muddy Creek WWTP. EFSUD hereby agrees to provide retail water service to Muddy Creek WWTP upon completion of the EFSUD potable water line extension, including furnishing an appropriately sized service line and meter and all related appurtenances at no cost to NTMWD. Upon connection, Muddy Creek WWTP shall become a regular retail water customer of EFSUD and pay published rates for metered water.

2.02 Agreement to Serve Current NTMWD Customers. EFSUD hereby agrees to provide retail water service to two current NTMWD customers upon completion of the EFSUD potable water line extension, including furnishing an appropriately sized service line and meter and all related appurtenances. Upon connection, current NTMWD customers shall become regular retail water customers of EFSUD and pay published rates for metered water.

## **ARTICLE THREE**

### **Term**

3.01 This Agreement shall be effective upon approval by the EFSUD and NTMWD Boards of Directors and subsequent execution by the EFSUD authorized representative and NTMWD's Executive Director. The effective date will be the latter of the dates this Agreement is executed by the Parties' authorized representatives.

## **ARTICLE FOUR**

### **Immunity**

4.01 Each of the Parties hereby expressly waives immunity from suit and immunity from liability to the extent necessary to enforce the terms of this Agreement including the indemnity obligations set forth herein. Except for this limited waiver, it is expressly understood and agreed that, in the execution of this agreement, neither Party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the Parties do not create any obligations, expressed or implied, other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

In the event of joint or concurrent negligence of the Parties, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas without, however, waiving any governmental immunity or defense available to any party individually under Texas law. Each Party shall be responsible for its sole negligence. The provisions of this paragraph are solely for the benefit of the Parties and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

## **ARTICLE FIVE**

### **Notice**

5.01 Any notice or communication required or permitted shall be in writing and shall be deemed to be delivered when actually received or, regardless of whether actually received or not, (i) when deposited with Federal Express, DHL, UPS, or other nationally recognized overnight courier service, (ii) when received if delivered by hand, or (iii) when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the addressee as follows and to such other address as shall hereafter be designated by written notice by the addressee actually received by the other Party at least twenty (20) days prior to the effective date of the change.

East Fork Special Utility District  
Attention: General Manager  
1355 Troy Road  
Wylie, TX 75098

North Texas Municipal Water District  
Attention: Executive Director  
501 E. Brown St.  
Wylie, Texas 75098

The Parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its addresses any other address by at least twenty (20) days' written notice to the Party hereto.

## **ARTICLE SIX**

### **Severability**

6.01 The provisions of this Agreement are severable. If any paragraph, section, subsection, sentence, clause or phrase of this Agreement is, for any reason, held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

## **ARTICLE SEVEN**

### **Successors and Assigns**

7.01 This Agreement shall be binding upon the Parties hereto and their successors and assigns. No Party will assign or transfer an interest in this Agreement without the prior written consent of the other Parties.

## **ARTICLE EIGHT**

### **Venue**

8.01 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. The Parties agree that this Agreement is performable in Collin County, Texas, and that exclusive venue shall lie in a state court in Collin County, Texas.

## **ARTICLE NINE**

### **Interpretation**

9.01 This is a negotiated document, and should any part of this Agreement be in dispute, the Parties agree that the Agreement shall not be construed more favorably for any Party.

## **ARTICLE TEN**

### **Remedies, Non-Waiver**

10.01 No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy granted by law or equity, but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of the Parties. It is further agreed that one or more instances of forbearance by any Party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

**ARTICLE ELEVEN**  
**Entire Agreement**

11.01 This Agreement embodies the entire agreement between the Parties and may only be modified in writing executed by all Parties.

11.02 Each party hereto acknowledges that they have read and understand the effect of this agreement, have been advised by counsel as to the effect of this agreement, and executes the agreement of their own free will and accord for the purposes and considerations set forth.

IN WITNESS WHEREOF, North Texas Municipal Water District and East Fork Special Utility District have caused this Agreement to be executed either on their behalf by their duly authorized representatives or personally, as of the date first set above.

*(signature pages will follow)*

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**East Fork Special Utility District**

By: \_\_\_\_\_

Name: Dana Andrews

Title: General Manager

**STATE OF TEXAS**

§

**COUNTY OF Collin**

§

§

This instrument was acknowledged before me on \_\_\_\_\_, 2025,  
by \_\_\_\_\_, of EAST FORK SPECIAL UTILITY DISTRICT,  
a governmental agency and body politic and corporate, on behalf of said agency  
and body politic and corporate.

\_\_\_\_\_  
Notary Public, in and for the State of Texas.

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**North Texas Municipal Water District**

By: \_\_\_\_\_

Name: Jennafer P. Covington

Title: Executive Director

**STATE OF TEXAS** §

§

**COUNTY OF COLLIN** §

This instrument was acknowledged before me on \_\_\_\_\_, 2025, by \_\_\_\_\_ of the NORTH TEXAS MUNICIPAL WATER DISTRICT, a governmental agency and body politic and corporate, on behalf of said agency and body politic and corporate.

\_\_\_\_\_  
Notary Public, in and for the State of Texas





---

6/26/2025

Administrative Memorandum No. 25-6147

---

**Amendment and Restatement of the Plan Document for the North Texas Municipal Water District 457(b) Deferred Compensation Plan, Resolution No. 25-29**

**SUBJECT**

Board authorization is requested to amend and restate the plan document for the North Texas Municipal Water District 457(b) deferred compensation plan to bring the plan in compliance with recent regulatory changes that take effect on January 1, 2026

**PURPOSE**

The 457(b) plan document is being amended and restated to:

- Introduce a new Roth account allowing elective post-tax catch-up contributions for employees aged 50 or older whose prior year FICA wages exceeded \$145,000, in compliance with Section 603 of the SECURE 2.0 Act of 2022 (Setting Every Community Up for Retirement Enhancement)
- Incorporate loan policy language and establish a structured process for resolving claims, enhancing plan administration and oversight; and
- Set an effective date of January 1, 2026, aligned with the IRS deadline for implementing the Roth provisions of SECURE 2.0

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend that the Board of Directors adopt Resolution No. 25-29, authorizing the amendment and restatement of the 457(b) plan for NTMWD employees to ensure compliance with recent regulatory changes, and establish January 1, 2026 as the effective date of the amended plan document

Committee: This was an item on the May 7, 2025, Personnel Committee agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	4.4.3 - Ensure Resilience of District Retirement Offerings
----------------------	--

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition           |
| <input type="checkbox"/> Capacity                         | <input type="checkbox"/> Redundancy/Resiliency     |
| <input type="checkbox"/> Relocation or External Requests  | <input type="checkbox"/> Operational Efficiency    |
| <input type="checkbox"/> Safety                           | <input checked="" type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy                           | <input type="checkbox"/> Other _____               |

**BACKGROUND**

Established on October 28, 1999, the NTMWD 457(b) deferred compensation plan offers employees the opportunity to make elective contributions to a tax-deferred savings and investment account on a pre-tax basis. The District does not provide matching contributions.

**Key Features of NTMWD 457(b) Plan:**

- Annual contribution limits are set in accordance with IRC Section 457(b). For 2025, the limit is \$23,500
- Employees aged 50 or older can make a catch-up contribution of up to \$7,500
- Employee contributions are held in constructive receipt, meaning they are not treated as wages and remain tax-deferred until withdrawn
- Contributions are invested in employee-owned, employee-directed accounts
- The plan currently has 324 enrolled employees
- Investment options and recordkeeping services are managed by Corebridge and Voya

As the plan sponsor, the District is responsible for ensuring the plan remains compliant with all applicable regulatory codes and laws by regularly updating the plan document and ensuring timely implementation of amendments. The amended and restated plan document now includes provisions for a new Roth option for employees whose prior year FICA wages exceeded a specific limit to make additional catch-up contributions on an after-tax basis. Additionally, a loan policy and an administrative process for resolving claims have been added to strengthen plan administration.

**FUNDING**

N/A

**NORTH TEXAS MUNICIPAL WATER DISTRICT**

**RESOLUTION NO. 25-29**

**A RESOLUTION AUTHORIZING THE AMENDMENT AND  
RESTATEMENT OF THE NORTH TEXAS MUNICIPAL WATER  
DISTRICT 457(B) DEFERRED COMPENSATION PLAN, EFFECTIVE  
JANUARY 1, 2026**

**WHEREAS**, the NTMWD Board of Directors has established, authorized, and implemented 457(b) Deferred Compensation Plan for the Employees of North Texas Municipal Water District; and,

**WHEREAS**, the NTMWD Board of Directors desires to amend and restate the Plan Document.

**NOW, THEREFORE, THE BOARD OF DIRECTORS IN THE REGULAR MEETING RESOLVE THAT:**

1. The 457(b) Deferred Compensation Plan for Employees of North Texas Municipal Water District be amended and restated to:
  - a. Add a Roth account allowing post-tax catch-up contributions for employees aged 50 or older whose prior year FICA wages exceeded \$145,000, in compliance with Section 603 of the SECURE 2.0 Act of 2022 (Setting Every Community Up for Retirement Enhancement)
  - b. Incorporate loan policy language and establish a structured process for resolving claims, enhancing plan administration and oversight; and
  - c. Set an effective date of January 1, 2026, consistent with the effective date established by the IRS for implementing the Roth provisions of SECURE 2.0
2. The President of the Board of Directors of NTMWD, or designee, is hereby authorized on behalf of the Board of Directors to execute the Plan Document for the 457(b) Deferred Compensation Plan for the Employees of North Texas Municipal District.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON JUNE 26, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

---

**KEITH STEPHENS, Secretary**

---

**DAVID HOLLIFIELD, President**

**(SEAL)**

## **North Texas Municipal Water District 457(b) Plan**

Amended and Restated Effective January 1, 2024

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## **NORTH TEXAS MUNICIPAL WATER DISTRICT 457(b) PLAN**

### **ARTICLE I** **ESTABLISHMENT AND RESTATEMENT OF PLAN**

#### **Section 1.01. Plan Establishment and History.**

(a) The Board of Directors of the North Texas Municipal Water District ("Board") established the North Texas Municipal Water District 457(b) Plan ("Plan"), effective October 28, 1999, in order to provide eligible employees the opportunity to make voluntary deferrals.

(b) The Plan is, and is intended to remain, an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code ("Code"), and is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective September 1, 2022, to reflect the provisions of the Pension Protection Act and other required legislation as well as regulatory guidance promulgated by the Internal Revenue Service.

#### **Section 1.02. Plan Restatement.**

(a) The Plan is now being amended and restated effective January 1, 2024, except as otherwise specifically provided herein, to restate the Plan for recent legislation including the SECURE Act of 2019, the CARES Act, SECURE 2.0 Act of 2022, and to correct certain operational errors.

(b) The Plan is also being amended to convert from a pre-approved plan to an individually designed plan.

(c) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, 2024, and to transactions under the Plan on and after January 1, 2024. The rights and benefits, if any, of individuals who are not Employees on or after January 1, 2024, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.

**ARTICLE II.**  
**CONSTRUCTION AND DEFINITIONS**

**Section 2.01. Construction and Governing Law.**

(a) This Plan shall be interpreted, enforced and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, Texas law without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute an eligible deferred compensation plan under the provisions of Code Section 457(b), (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

**Section 2.02. Definitions.**

When the initial letter of a word or phrase is capitalized herein the meaning of such word or phrase shall be as follows:

(a) "Account" means the aggregate of the following separate accounts maintained for each Participant reflecting his or her interest under the Plan as follows:

(1) "Pre-Tax Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Pre-Tax Contributions and effective January 1, 2024, Catch-Up Contributions, pursuant to Section 4.01.

(2) "Roth Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Roth Contributions and effective January 1, 2026, Catch-Up Contributions pursuant to Section 4.01.

(3) "Rollover Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions pursuant to Section 4.05. There shall be the following separate subaccounts under the Rollover Contribution Account:

(i) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from a Code Section 457(b) plan within the meaning of Section 4.05(a);

(ii) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from a Code Section 457(b) plan within the meaning of Section 4.05(a) that consists of Roth elective deferrals within the meaning of Section 4.05(b);

(iii) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from an eligible retirement plan within the meaning of Section 4.05(a) other than a Code Section 457(b) plan; and

(iv) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from an eligible retirement plan within the meaning of Section 4.05(a) other than a Code Section 457(b) plan that consists of Roth elective deferrals within the meaning of Section 4.05(b).

(4) "Transfer Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Transfer Contributions pursuant to Section 4.06. There shall be the following separate subaccounts under the Transfer Contribution Account:

(i) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Transfer Contributions from an eligible retirement plan within the meaning of Section 4.06(a) that consists of after-tax employee contributions; and

(ii) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Transfer Contributions from an eligible retirement plan within the meaning of Section 4.06(a) that consists of employer and/or employee contributions other than after-tax employee contributions.

(b) "Administrator" means NTMWD; provided, however, that to the extent that NTMWD has delegated any of its responsibilities as Administrator to any other person or persons, the term Administrator shall be deemed to refer to that person or persons.

(c) "Agent" means a service provider selected by the Administrator, in its sole and absolute discretion, to provide services under the Plan.

(d) "Applicable Form" means the appropriate form as designated and furnished by the Administrator or the Agent to make any election or provide any notice required by the Plan. In those circumstances where a written election or consent is not required by the Plan or the Code, the Administrator and/or the Agent may prescribe an electronic or telephonic form in lieu of or in addition to a written form.

(e) "Beneficiary" means any person, company, trustee or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. If the designated primary or contingent Beneficiary does not survive the Participant or there is no Beneficiary designated, the Participant's Beneficiary shall be determined as follows: (i) the Participant's surviving Spouse, or if none; (ii) the duly appointed executor or administrator of the Participant's estate. If a Beneficiary survives the Participant but dies before the entire Account has been distributed, then the unpaid balance of the Account shall be distributed to the Beneficiary's estate. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(f) "Board" means the Board of Directors of the North Texas Municipal Water District.

(g) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

(h) "Catch-Up Contributions" means an additional Elective Deferral by a Participant who has attained or will attain age 50 on or before the last day of the calendar year, pursuant to Code Section 414(v), as described in Section 4.01(j).

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) "Compensation" means a Participant's Code Section 3401(a) wages (wages for withholding purposes), received for personal services rendered to the Employer as an Employee during the Employee's taxable year. Compensation includes payments described in paragraphs (1) or (2) paid after the Employee's Severance from Employment, provided it is paid by the later of two and one-half months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment:

(1) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(2) a payment for unused vacation, sick pay or accumulated compensatory time, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment.

Any payment that is not described in the preceding sentence is not considered Compensation if paid after Severance from Employment.

(k) "Contributions" mean Pre-Tax Contributions, Roth Contributions, Rollover Contributions, and Transfer Contributions.

(l) "Coronavirus-Related Distribution" means a distribution made on or after March 27, 2020, but before December 31, 2020, to a Qualified Individual in accordance with Section 9.04.

(m) "Cost-of-Living Adjustment" means the cost-of-living adjustment prescribed by the Secretary of the Treasury under Code Section 401(a)(17), 414(v), or 457(e)(15) for any applicable year.

(n) "Effective Date" of the Plan means October 28, 1999, and of this amendment and restatement means January 1, 2024.

(o) "Elective Deferral" means Pre-Tax Contributions and Roth Contributions.

(p) "Employer" means North Texas Municipal Water District, or NTMWD

(q) "Employee" means any common law employee employed by an Employer, including appointed or elected officials, who is designated as an Employee by the Employer.

(r) "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(s) "Includible Compensation" means all compensation received by an Employee from the Employer that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for that taxable year. Includible Compensation also includes any amounts excludable from taxable income because of an election under Code Sections 401(k), 403(b), 457(b), 125, and 132(f). Includible Compensation includes any compensation described in paragraphs (1), (2), or (3), provided the compensation is paid by the later of two and one-half months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment:

(1) a payment that would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments;

(2) a payment for unused accrued bona fide sick leave, vacation or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would have been included in the definition of Includible Compensation if paid prior to the Employee's Severance from Employment; and

(3) a payment received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation is determined without regard to any community property laws. Includible Compensation shall not exceed the limits under Code Section 401 (a)(17), to the extent applicable, increased by the Cost-of-Living Adjustment.

(t) "Investment Funds" means the mutual funds, collective investment trust funds, insurance company separate accounts, annuity contracts, or other investment vehicles made

available to Participants for the investment of their Accounts. The Administrator, in its sole and absolute discretion, shall select the Investment Funds and may add or delete Investment Funds.

(u) "Normal Retirement Age" means the age elected by the Participant on the Applicable Form that is (i) on or after the earlier of age 65 or the age at which the Participant can retire and receive an unreduced benefit from the Employer's pension plan.

(v) "Participant" means any Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Employee who is eligible to receive a benefit of any type under the Plan.

(w) "Plan" means the North Texas Municipal Water District 457(b) Plan, as amended from time to time.

(x) "Plan Year" means the calendar year.

(y) "Political Subdivision" means a county, municipality, authority, school division, or other political subdivision of the State of Texas or an agency thereof.

(z) "Pre-Tax Contributions" mean the contributions made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01.

(aa) "Qualified Distribution" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year tax holding period and has attained age 59½, died, or become disabled, in accordance with Code Section 402A(d). The five year tax holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(bb) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of:

(i) the Participant, the Participant's Spouse, or a member of the Participant's household (a) being quarantined, (b) being furloughed or laid off or having work hours reduced due to such virus or disease, (c) being unable to work due to lack of child care due to such virus or disease, (d) having a reduction in pay (or self-employment income) due to such virus or disease, or (e) having a job offer rescinded or start date for a job delayed due to such virus or disease; closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or

(ii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate); or

(4) any other Participant who satisfies the definition of a Qualified Individual as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act.

For purposes of this paragraph (gg), a member of the Participant's household means someone who shares the Participant's principal residence.

(cc) "Related Employer" means the Employer and any other entity, which is under common control with the Employer under Code Section 414(b), (c) or (m). For this purpose, the Board shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

(dd) "Rollover Contributions" mean the contributions made to the Plan pursuant to Section 4.05.

(ii) "Roth Contributions" mean contributions made to the Plan by the Employer at the election of a Participant under a Salary Reduction Agreement that have been (i) designated irrevocably by the Participant as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contributions the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such an election.

(ee) "Salary Reduction Agreement" means an agreement entered into between an Employee and the Employer pursuant to Section 4.01. Such agreement shall not be effective with respect to Compensation made available prior to the effective date of such agreement and shall be binding on the parties and irrevocable with respect to Compensation earned while it is in effect.

(ff) "Section" means, when not preceded by the word Code, a section of the Plan.

(gg) "Severance from Employment" means the complete termination of the employment relationship between the Employee and the Employer.

(hh) "Spouse" means the person to whom the Participant is legally married under federal law.

(ii) "Transfer Contributions" mean the contributions made to the Plan pursuant to Section 4.06.

(jj) "Trust" means the custodial accounts with Voya Institutional Trust Company, which may incorporate one or more qualified trusts under Code Section 457(g), custodial accounts treated as qualified trusts under Code Section 401(f), and/or annuity contracts treated as qualified trusts under Code Section 401(f), established under the Plan to hold Plan assets.

(kk) "Trust Fund" means the assets of the Plan held pursuant to the terms of the Plan and the Trust.



(ll) "Trustee" means the trustee or any successor trustee designated and appointed by NTMWD and includes a custodian of a custodial account or an insurer of an annuity contract under Code Section 457(g)(3).

(mm) "Unforeseeable Financial Emergency" means a severe financial hardship of the Participant resulting from:

(1) an illness or accident of the Participant, the Participant's Spouse, the Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary of the Participant;

(2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, *e.g.*, as a result of a natural disaster);

(3) the need to pay funeral expenses of the Participant's Spouse, the Participant's Dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary of the Participant; or

(4) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

(nn) "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(oo) "Vested," means the interest of the Participant or Beneficiary in his or her Accounts, which is unconditional, legally enforceable, and nonforfeitable at all times.

### **ARTICLE III.** **ELIGIBILITY AND PARTICIPATION**

#### **Section 3.01. Participation.**

(a) An Employee who is a Participant on the day before the Effective Date of this amended and restated Plan shall continue to be a Participant on the Effective Date.

(b) An Employee may become a Participant in the Plan immediately after commencement of employment or reemployment with an Employer as an Employee.

(c) The Employer shall notify the Employee of his or her eligibility to participate in the Plan. To become a Participant under the Plan, an Employee must complete the Applicable Forms, which may include a Salary Reduction Agreement and enrollment, beneficiary designation, and investment election forms, and return them to the Administrator or Agent, as applicable. Subject to Section 4.02, an Employee who fails to complete the Applicable Forms shall be deemed to have waived all of his or her rights under the Plan, provided that such Employee may become a Participant in the Plan at any time thereafter by completing the Applicable Forms and returning them to the Administrator or Agent, as applicable.

**Section 3.02. Cessation of Contributions.**

A Participant shall cease to be eligible for Contributions under the Plan when (i) he or she is no longer an Employee, or (ii) the Plan is terminated.

**Section 3.03. Reemployment.**

If an Employee has a Severance from Employment from his or her Employer and is then reemployed by that Employer, the Participant must complete the Applicable Forms pursuant to Section 3.01(c) to be eligible again for Contributions under the Plan.

**ARTICLE IV.**  
**CONTRIBUTIONS**

**Section 4.01. Elective Deferrals.**

(a) Subject to the limitations under Article V, an Employee who has satisfied the participation requirements under Section 3.01 may enter into a written Salary Reduction Agreement agreeing to contribute each pay period Pre-Tax Contributions and/or Roth Contributions to the Plan equal to a specified dollar amount of his or her Compensation, as permitted by the Administrator. The Administrator may establish a minimum Elective Deferral amount from time to time.

(b) Elective Deferrals shall begin as soon as administratively practicable following the date specified in the Salary Reduction Agreement, or, if later or if no date is specified, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator.

(c) Elective Deferrals shall reduce the Compensation otherwise payable to a Participant and shall be paid in cash to the Trustee by the Employer, on a basis consistent with its payroll practices, as soon as administratively feasible after being withheld from the Compensation of a Participant, but no later than 15 business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

(d) If the Participant fails to designate whether Elective Deferrals are Pre-Tax Contributions or Roth Contributions, the Participant will be deemed to have designated his or her Elective Deferrals as Pre-Tax Contributions. Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

(e) A Participant may change his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by entering into a new Salary Reduction Agreement. Any such changes shall be effective as soon as administratively practicable following the date specified in the new Salary Reduction Agreement, or, if later, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator.

(f) A Participant may terminate his or her election to make Elective Deferrals at any time by filing the Applicable Form with the Administrator, which shall be effective as soon as administratively practicable after the Applicable Form is filed with the Administrator.

(g) If a Participant's Elective Deferrals to the Plan cease during a Plan Year because they exceed the limits set forth in Article V, the Participant must either ensure that his or her Employer begins Elective Deferrals pursuant to the existing Salary Reduction Agreement the following Plan Year or enter into a new Salary Reduction Agreement for the following Plan Year in order to continue making Elective Deferrals under the Plan.

(h) An election to make Elective Deferrals shall not be valid with respect to any period during which the Participant is not an Employee. No election to make, change, or discontinue Elective Deferrals shall be given retroactive effect.

(i) The Administrator may establish additional nondiscriminatory rules and procedures governing the manner and timing of elections by Participants to make, change, or discontinue Elective Deferrals.

(j) **Catch-Up Contributions.** A Participant who is eligible to contribute Elective Deferrals to the Plan and who has attained or will attain age 50 on or before the last day of the calendar year shall be eligible to elect to have a portion of his Compensation otherwise payable to him for the calendar year contributed by the Employer to her Pre-Tax Contribution Account or (beginning January 1, 2026) Roth Contribution Account on her behalf as "Catch-up Contributions" in accordance with and subject to the limitations of, Code Section 414(v). Notwithstanding the foregoing, effective for Plan Years beginning on or after January 1, 2026 (or if later, on the effective date described in guidance issued by the Internal Revenue Service which supersedes Notice 2023-62), with respect to any Participant whose Code Section 3121(a) wages for the immediately preceding calendar year exceeded \$145,000 (as adjusted for inflation as described in Section 603 of the SECURE 2.0 Act), an election to contribute "Catch-Up Contributions" shall be implemented on a Roth after-tax basis.

(k) **Normal Retirement Age Catch-Up Contribution.** For one or more of the Participant's last three taxable years ending before her attainment of Normal Retirement Age, the Participant's maximum Contributions may not exceed the lesser of: (i) twice the dollar amount under Section 5.01(a)(1); or (ii) the "underutilized limitation" under this Section 4.01(k). Nothing in this Section 4.01(k), or otherwise in the Plan, shall be more or less restrictive than applicable law.

A Participant's "underutilized limitation" is equal to the sum of: (i) the limit under Section 5.01(a) for the taxable year, and (ii) the limit under Section 5.01 for each of the prior taxable years of the Participant commencing after 1978 during which an eligible plan was in existence and the Participant was eligible to participate in an eligible plan less the amount of contributions for each such prior taxable year.

#### **Section 4.02. Sick, Vacation and Back Pay.**

A Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay under the Plan if the requirements of Code Section 457(b) are satisfied. These amounts may be deferred for any calendar month only if a Salary Reduction Agreement providing for the deferral is entered into before the time in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise

be paid for a payroll period that begins before Severance from Employment is treated as an amount that is paid or made available before an Employee has a Severance from Employment.

**Section 4.03. Rollover Contributions to the Plan.**

(a) An Employee or former Employee may transfer to the Plan as a Rollover Contribution a distribution from:

(1) a Code Section 401(a) or 403(a) qualified plan, excluding after-tax employee contributions;

(2) a Code Section 403(b) plan, excluding after-tax employee contributions;

(3) a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A); or

(4) a Code Section 408 individual retirement account or annuity, with respect to the portion of the distribution that is eligible to be rolled over and would otherwise be includible in gross income.

(b) A Rollover Contribution under this paragraph shall be made directly from such prior plan, or if such amount was distributed to the Employee or former Employee, shall be made within 60 days after the Employee or former Employer receives the rollover amount, unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance.

(c) An Employee or former Employee may also transfer to the Plan as a Rollover Contribution a distribution from a Roth elective deferral account under a Code Section 401(a) plan, a Code Section 403(b) plan, or a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A), but only to the extent that the Rollover Contribution is made directly from such prior plan and only to the extent the rollover is permitted under the rules of Code Section 402(c).

(d) A Rollover Contribution shall be subject to the Trustee's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code.

(e) A Rollover Contribution shall be allocated to a Rollover Contribution Account as of the date of the contribution; provided, however, that separate subaccounts shall be maintained to reflect Rollover Contributions from Code Section 457(b) plans and plans other than Code Section 457(b) plans, and separate subaccounts shall be maintained to reflect Rollover Contributions from elective deferral accounts and Roth elective deferral accounts, as provided in Section 2.02(a).

(f) Before a Rollover Contribution is made, the Employee or former Employee shall designate on the Applicable Form the Investment Funds in which to invest his or her Rollover Contribution.

**Section 4.04. Transfers to the Plan.**

(a) Subject to the conditions set forth in this Section, the Plan shall accept as a Transfer Contribution a transfer on behalf of group of Participants from another 457(b) plan established and maintained by the Employer if the other 457(b) plan is being merged into the Plan.

(b) The Plan shall only accept a transfer that satisfies the following conditions:

(1) The transferor plan permits the transfer;

(2) The Participant whose amounts are being transferred will have a deferred amount immediately after the transfer at least equal to the deferred amount with respect to that Participant immediately before the transfer; and

(3) The transfer shall satisfy such rules and policies established by the Administrator.

(c) A Transfer Contribution shall be allocated to the Transfer Contribution Account of the Participant as of the date of the transfer.

**Section 4.05. Leave of Absence.**

During a paid leave of absence, Contributions shall continue to be made for a Participant on the basis of Compensation paid by the Employer during the leave. No Contributions shall be made on behalf of a Participant who is on an unpaid leave of absence.

**Section 4.06. Disability.**

A Participant who has not had a Severance from Employment may make Elective Deferrals during any period of time that he or she is disabled to the extent that the Participant has Compensation.

**Section 4.07. Expenses of Plan.**

All reasonable expenses of administering the Plan shall be charged against and paid from the Participants' Accounts, subject to the terms of the applicable Investment Funds, unless paid by the Employer. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

**ARTICLE V.**  
**LIMITATIONS ON CONTRIBUTIONS**

**Section 5.01. Elective Deferral Limits.**

(a) The maximum amount of Elective Deferrals to the Plan for any calendar year shall be limited to the lesser of (i) the applicable dollar amount as provided in Code Section 457(e)(15) or (ii) the Participant's Includible Compensation as provided in Code Section 457(b)(2). The applicable dollar amount is \$23,000 for 2024, increased thereafter by the Cost-of-Living Adjustment.

(b) A Participant who attains age 50 or more by the end of the calendar year, and who is contributing up to the applicable dollar amount under paragraph (a), may make additional Elective Deferrals under Code Section 414(v) of up to \$7,500 for 2024, increased thereafter by the Cost-of-Living Adjustment.

(c) If the applicable year is one of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this paragraph (c) exceeds the amount computed under paragraphs (a) and (b), then the Elective Deferrals limit under this Article V shall be the lesser of:

(1) An amount equal to two times the applicable dollar amount set forth in paragraph (a) for such year; or

(2) The sum of:

(i) An amount equal to (i) the aggregate paragraph (a) limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (ii) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

(ii) An amount equal to (i) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to paragraph (b) or (c)), minus (ii) the aggregate contributions to Pre-2002 Coordination Plans (as defined by Treasury regulations and as provided in Section 5.03(c)) for such years.

However, in no event can the Elective Deferrals be more than the Participant's Compensation for the year.

**Section 5.02. Coordination of Limits.**

(a) If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article V. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer for which the Administrator receives from the Employer sufficient information concerning such plan, and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) In applying Section 5.02, a year shall be taken into account only if:

(1) the Participant was eligible to participate in the Plan during all or a portion of the year; and

(2) Compensation deferred, if any, under the Plan during the year was subject to the applicable dollar amount described in Section 5.01(a) or any other plan ceiling required by Code Section 457(b).

(c) For purposes of Section 5.01(c)(2)(ii) "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 5.01(c)(2)(ii) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.



(d) For 2002 and thereafter, any amounts contributed by the Participant to a tax-sheltered annuity pursuant to Code Section 403(b) or to a 401(k) plan pursuant to Code Section 402(e)(3) shall not reduce the maximum Elective Deferrals under Section 5.01.

(1) An individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in Section 5.03. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

(2) The Participant is responsible for ensuring coordination of these limits.

### **Section 5.03. Correction of Excess Deferrals.**

(a) If the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Elective Deferrals, to the extent in excess of the applicable limitation and adjusted for earnings, shall be distributed to the Participant no later than the April 15 following the calendar year in which the excess Elective Deferral was made.

(b) Excess Elective Deferrals shall be distributed from the following plans in the following order:

- (1) the other eligible deferred compensation plan or plans;
- (2) a Participant's Roth Contributions to this Plan;
- (3) a Participant's Pre-Tax Contributions to this Plan;

## **ARTICLE VI.** **ACCOUNTING**

### **Section 6.01. Participant Accounts.**

The Agent shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of each Investment Fund. The maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

### **Section 6.02. Participant Statements.**

The Agent shall provide to each Participant a quarterly statement reflecting the value of the Participant's Account as of the end of each quarter and shall provide similar information to the Administrator upon its request.

**Section 6.03. Value of Account.**

The value of the Account of a Participant as of any valuation date is the value of the Account balance as determined by the Agent. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Agent in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.

**ARTICLE VII.**  
**INVESTMENT OF CONTRIBUTIONS**

**Section 7.01. Investment Funds.**

(a) All Contributions under the Plan shall be transferred to the Trust to be held, managed, invested, and distributed in accordance with the provisions of the Plan and the Investment Funds as applicable.

(b) Participants' Accounts shall be invested in one or more of the Investment Funds available to Participants under this Plan, as selected by the Administrator and communicated to Participants. The Administrator's current selection of Investment Funds is not intended to limit future additions or deletions of Investment Funds.

(c) A Participant shall have the right to direct the investment of his or her Account among the Investment Funds by filing the Applicable Form with the Administrator. A Participant may change his or her investment election as often as determined by the Administrator. A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Fund to another Investment Fund, subject to the limitations of the Investment Fund, by filing a request on the Applicable Form with the Administrator.

**Section 7.02. Default Investments.**

If a Participant does not have a valid and complete investment direction on file with the Administrator on the Applicable Form, Contributions may be invested in a default fund selected by the Administrator in its sole discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.

**ARTICLE VIII.**  
**TRUST**

**Section 8.01. Trust Fund.**

All Contributions under the Plan shall be transferred to the Trustee to be held in Trust as part of the Trust Fund in accordance with the provisions of the Plan and the Investment Funds, as applicable. All assets held in connection with the Plan, including all Contributions, all property and rights acquired or purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held in, managed, invested and distributed in Trust as part of the Trust

Fund, in accordance with the provisions of the Plan. All benefits under the Plan shall be distributed solely from the Trust Fund, and NTMWD shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

**Section 8.02. Trust Status.**

The Trust Fund shall be held in Trust for the exclusive benefit of Participants and Beneficiaries under the Plan in accordance with Code Section 457(g). No part of the Trust Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries, and for defraying the reasonable expenses of the Plan and Trust. The Trust is exempt from tax pursuant to Code Sections 457(g)(2) and 501(a).

**ARTICLE IX.**  
**DISTRIBUTIONS**

**Section 9.01. Distribution Restrictions.**

(a) Except as otherwise provided in this Section 9.01, a Participant or Beneficiary is not entitled to a distribution of his or her Vested Accounts under the Plan until the Participant has had a Severance from Employment.

(b) Notwithstanding paragraph (a), a Participant who is an Employee may request a distribution of his or her Account on or after the January 1 of the calendar year in which the Participant attains age 70<sup>1</sup>/<sub>2</sub>, even if the Participant has not had a Severance from Employment.

(c) Notwithstanding paragraph (a), a Participant may request a distribution from his or her Rollover Contribution Account at any time.

(d) Notwithstanding paragraph (a), a Participant who is an Employee may request a distribution of his or her Account at any time if (i) his or her Account balance does not exceed the *de minimis* amounts under Code Section 457(e)(9)(A), (ii) no contributions have been made to the Participant's Account in the 24 month period preceding the date the distribution request, (iii) the Participant has not previously taken a withdrawal under this paragraph (d), and the distribution equals the Participant's entire Account balance.

(e) A Participant or Beneficiary may submit a request for a distribution to the Administrator on the Applicable Form. The Employer shall verify that the Participant has had a Severance from Employment, if applicable.

**Section 9.02. Forms of Payment.**

Subject to Section 9.06, the terms of the Investment Funds, and any restrictions established by NTMWD, a Participant may elect to receive his or her Vested Account under any form of payment approved by the Administrator, which may include a lump sum payment, or an installment to comply with a required minimum distribution.

**Section 9.03. Reemployment.**

If a Participant who is a former Eligible Employee subsequently becomes an Eligible Employee again after distribution of his or her Accounts has begun under a payment option other than annuity payments, such distributions shall immediately cease, and the Eligible Employee shall not receive any benefits under the Plan until the Employee is entitled to a distribution under Section 9.01.

**Section 9.04. Coronavirus-Related Distributions.**

(a) Notwithstanding Section 9.01 and subject to the limitation under paragraph (b) and the terms of the Investment Funds, a Participant who is a Qualified Individual may request one or more Coronavirus-Related Distributions from his or her Vested Accounts.

(b) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000.

(c) A Participant shall certify to the Administrator that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(d) Notwithstanding any other provision of the Plan, Coronavirus-Related Distributions shall be made in accordance with the CARES Act, any subsequent legislation addressing Coronavirus-Related Distributions, and any regulatory guidance issued thereunder.

**Section 9.05. Death Benefit.**

If a Participant dies before distribution of his or her entire Account, his or her Account shall be payable to his or her Beneficiary under the distribution options available under the Investment Funds, subject to Code Section 401(a)(9).

**Section 9.06. Required Minimum Distribution Rules.**

(a) The provisions of this Section 9.06 take precedence over any inconsistent provisions of the Plan. All distributions under this Plan shall be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G), the changes under the Setting Every Community Up for Retirement Enhancement Act of 2019, the SECURE 2.0 Act of 2022 and any regulatory guidance issued thereunder, and shall comply with rules under this Section 9.06.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
- (2) The life of the Participant and a designated individual Beneficiary;

(3) A period certain not extending beyond the life expectancy of the Participant;  
or

(4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and designated individual Beneficiary.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than his or her "required beginning date" as defined in this paragraph or, if applicable, as defined in subsequent legislation or regulations that amend the definition of required beginning date for purposes of Code Section 401 (a)(9). Subject to the preceding sentence, required beginning date shall mean April 1 of the calendar year following the calendar year in which the Participant attains age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to a Participant who would have attained age 70½ after December 31, 2019), (age 73 for distributions required to be made after December 31, 2022 (or, if later, April 1 of the calendar year following the calendar year that the Participant has a Severance from Employment.

(d) The Administrator or its Agent shall employ best efforts to calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions prior to the date distributions must begin.

(e) Notwithstanding anything in this Section 9.07 to the contrary, for 2020 or such longer period as provided in legislation modifying or extending the CARES Act, the minimum distribution requirements will be satisfied as provided in this paragraph (e).

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are equal to the 2020 RMDs, will not receive these distributions unless the Participant or Beneficiary chooses to receive the distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant who would have been required to receive 2020 RMDs and who would have satisfied that requirement by receiving distributions that are one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will receive these distributions unless the Participant or Beneficiary chooses not to receive the distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

(3) In addition, solely for purposes of applying the direct rollover provisions of Article VII, 2020 RMDs and Extended 2020 RMDs will be treated as eligible rollover distributions in 2020.

**Section 9.07. Unforeseeable Financial Emergency Distributions.**

(a) A Participant who has not had a Severance from Employment may receive a distribution for an Unforeseeable Financial Emergency from his or her Account.

(b) Any distribution made because of the Participant's Unforeseeable Financial Emergency shall not exceed the amount reasonably necessary to relieve the Participant's need, including any anticipated taxes or penalties associated with such distribution.

(c) The Participant's distribution request shall specify the reason for the Unforeseeable Financial Emergency and specify the amount the Participant wishes to withdraw to meet the need caused by the Unforeseeable Financial Emergency.

(d) A distribution on account of Unforeseeable Financial Emergency shall not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of Elective Deferrals under the Plan.

(e) The Administrator or its Agent shall determine based on uniform and nondiscriminatory standards whether an Unforeseeable Financial Emergency exists based on the facts and circumstances and in accordance with the claims procedures of the Plan.

(f) The Administrator may charge a reasonable fee for processing Unforeseeable Financial Emergency distributions.

**Section 9.08 Deemed Severance.**

If a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period or more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then the Participant may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.

**ARTICLE X.**  
**LOANS**

Loans are permitted under the Plan pursuant to the Voya or Corebridge (or successor recordkeeper) Financial Sponsor Election for Loans.

**ARTICLE XI.**  
**VESTING**

**Section 11.01. Vesting.**

A Participant shall be 100% Vested in his or her Accounts at all times.

**ARTICLE XII.**  
**ROLLOVERS FROM THIS PLAN**

**Section 12.01. Definitions for this Article.**

For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, or the Participant's former Spouse who is the alternate payee under a qualified domestic relations order as defined in Code Section 414(p), and a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) any annuity plan described in Code Section 403(a);
- (4) a plan described in Code Section 403(b);
- (5) a qualified plan described in Code Section 401(a);
- (6) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state;
- (7) a Roth individual retirement account described in Code Section 408A(e) provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs; and
- (8) a SIMPLE IRA described in Code Section 408(p)(1), provided that the rollover contribution is made after the two-year period described in Code Section 72(t)(6).



In the case of a distribution to a non-Spouse Beneficiary, an Eligible Retirement Plan means the plans described in subparagraphs (1) and (2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under the Plan, excluding the following:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of 10 years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in gross income; however, a portion of a distribution will not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income, although such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified retirement plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

#### **Section 12.02. Direct Transfer of Eligible Rollover Distribution.**

A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Administrator. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

#### **Section 12.03. Mandatory Withholding of Eligible Rollover Distributions.**

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement

Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from the gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60<sup>th</sup> day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

#### **Section 12.04. Explanation of Plan Distribution and Withholding Requirements.**

(a) Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Administrator shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(1) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(2) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(3) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the Distributee receives the distribution; and

(4) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

(b) Notwithstanding paragraph (a), a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Administrator clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

### **ARTICLE XIII.** **ADMINISTRATION OF THE PLAN**

#### **Section 13.01. Authority of the Administrator.**

The Administrator is responsible for performing the duties required for operation of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. In connection therewith, the Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

**Section 13.02. Responsibility of the Employer.**

The Employer is responsible for notifying Participants that they are eligible to participate in the Plan, providing the Administrator complete and accurate information as needed to administer the Plan, and such other responsibilities as may be delegated to Employer by the Administrator from time to time.

**Section 13.03. Powers of the Administrator.**

The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claims procedures, the Administrator should be the sole and final judge of such expediency. Benefits under the Plan shall be paid only if the Administrator decides in its discretion that the Participant or Beneficiary is entitled to them.

**Section 13.04. Delegation by Administrator.**

The Administrator may delegate to an individual, committee, or organization to carry out its fiduciary duties or other responsibilities under the Plan. Any such individual, committee or organization delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator duties or responsibilities may be revoked without cause or advance notice.

**Section 13.05. Employment of Consultants.**

The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

**ARTICLE XIV.**  
**REQUESTS FOR INFORMATION AND OTHER CLAIMS PROCEDURES**

**Section 14.01. Requests for Information Concerning Eligibility, Participation and Contributions.**

Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan.

**Section 14.02. Requests for Information Concerning Investment Funds.**

Requests for information concerning the Investment Funds and their terms, conditions, and interpretations thereof, claims thereunder, and any requests for review of such claims, should be in writing and directed to the Administrator of the Plan.

**Section 14.03. Processing of Claims.** Claims under the Plan shall be processed in a manner consistent with the **Voya and Corebridge (or successor recordkeeper) procedures for the resolution of Plan-related claims.**

**ARTICLE XV.**  
**AMENDMENT AND TERMINATION**

**Section 15.01. Amendment and Termination.**

While it is expected that the Plan shall continue indefinitely, the Employer reserves the right to amend, freeze, or terminate the Plan, or to discontinue any further Contributions to the Plan at any time. The Board may make any amendment to the Plan, provided that no such amendment shall reduce, suspend or terminate the accrued benefits otherwise payable to a Participant or Beneficiary hereunder as of the date of such amendment. To the extent required by the exclusive benefit rule, any amendment shall not be effective to the extent that the amendment has the effect of causing any Plan assets to be diverted to or inure to the benefit of the Employer, or to be used for any purpose other than providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Plan.

Notwithstanding the foregoing, the Board hereby delegates to the Administrator the right to modify, alter, or amend the Plan in whole or in part to make any technical modification, alteration or amendment which (i) in the opinion of NTMWD counsel is necessary to comply with federal law or (ii) does not substantially increase costs, contributions, or benefits or materially affect the eligibility, vesting or benefit accrual or allocation provisions of the Plan.

**Section 15.02. Adverse Effects.**

Any amendment or termination of the Plan cannot adversely affect the benefits accrued by Participants prior to the date of amendment or termination. The Plan may not be amended in a manner that violates any provision of the Code.

**Section 15.03. Distribution Upon Termination of the Plan.**

The Employer has the right to completely terminate this Plan at any time and in its sole discretion. In such a case, NTMWD shall arrange for suitable distribution of Plan assets, including the possibility of transfer to another 457 plan or plans. The Trustee shall not be required to pay out any asset of the Trust Fund to Participants and Beneficiaries or a successor plan upon termination of the Trust until the Trustee has received written confirmation from NTMWD (i) that all provisions of the law with respect to such termination have been complied with, and, (ii) after the Trustee has made a determination of the fair market value of the assets of the Plan, that the assets of the Plan are sufficient to discharge when due all obligations of the Plan required by law. The Trustee shall rely conclusively upon such written certification and shall be under no obligation to investigate or otherwise determine its propriety.

**ARTICLE XVI.**  
**MISCELLANEOUS**

**Section 16.01. Non-Alienation.**

(a) A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntary or involuntary alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Administrator shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Spouse such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

(d) Notwithstanding paragraph (a), the Administrator may pay from Participant's or Beneficiary's Account under the Plan the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. Except in the case of an alternate payee within the meaning of Code Section 414(p)(8), under no circumstances may a payment under this paragraph (d) take place before a Participant has a Severance from Employment or reaches age 73 whichever is earlier.

#### **Section 16.02. Military Service.**

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make Elective Deferrals upon resumption of employment with the Employer up to the maximum Elective Deferrals that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Participant during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the

period of the interruption or leave. Such Elective Deferrals by the Participant may only be made during such period and while the Participant is reemployed by the Employer.

(c) To the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service and who receives a differential wage payment within the meaning of Code Section 414(u)(12)(D) from the Employer shall be treated as an Employee of the Employer who is a Participant eligible to make Elective Deferrals during such service and the differential wage payment shall be treated as Compensation and Includible Compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

#### **Section 16.03. Limitation of Rights and Obligations.**

Neither the establishment nor maintenance of the Plan, nor any amendment thereof, nor the purchase of any insurance contract, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

as conferring upon any Participant, Beneficiary or any other person any right or claim against Employer, Administrator, or Trust, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(a) as a contract or agreement between the Employer and any Participant or other person; or

(b) as an agreement, consideration, or inducement of employment or as affecting in any manner or to any extent whatsoever the rights or obligations of the Employer, or any Employee to continue or terminate the employment relationship at any time.

#### **Section 16.04. Federal and State Taxes.**

It is intended that Pre-Tax Contributions, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, and that Roth Contributions and earnings thereunder are excludable from gross income for federal and state income tax purposes when paid to Participants or Beneficiaries to the extent that they are Qualified Distributions. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

#### **Section 16.05. Erroneous Payments.**

If the Administrator or its Agent makes any payment that according to the terms of the Plan and the benefits provided hereunder should not have been made, the Administrator or Agent may recover that incorrect payment, by whatever means necessary, whether or not it was made due to

the error of the Administrator or Agent, from the person to whom it was made or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Agent may deduct it when making any future payments directly to that Participant.

#### **Section 16.06. Payments to Minors or Incompetents.**

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

#### **Section 16.07. Missing or Lost Participants.**

In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Employer's records or the records of another plan maintained by the Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan, the Trustee shall continue to hold the benefits due to such person under the Plan.

#### **Section 16.08. Stale Distribution Checks.**

A distribution check for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it remains uncashed five years following its issuance. If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan and shall be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.

#### **Section 16.09. No Reversion.**

Under no circumstances or conditions will any Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer, but shall be held for the exclusive purpose of



providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if Contributions are made by the Employer by mistake of fact, these amounts and, if applicable, any interest earned therein, may be returned to Employer, as applicable, within one year of the date that they were made.

**Section 16.10. Claims of Other Persons.**

The provisions of the Plan will not be construed as giving any Participant or any other person, firm, or corporation, any legal or equitable right against Employer, its officers, employees, or directors, except the rights as specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.

**Section 16.11. Counterparts.**

The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this amended and restated Plan to be adopted as of the Effective Date, January 1, 2026, in a Regular Meeting of the Board, on this 26<sup>th</sup> day of June 2025, and attested to by the signature of the President and Secretary, as indicated below.

**BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT**

\_\_\_\_\_  
**KEITH STEPHENS, Secretary**

\_\_\_\_\_  
**DAVID HOLLIFIELD, President**

(SEAL)

## **North Texas Municipal Water District 457(b) Plan**

Amended and Restated Effective January 1, 2024

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## **NORTH TEXAS MUNICIPAL WATER DISTRICT 457(b) PLAN**

### **ARTICLE I** **ESTABLISHMENT AND RESTATEMENT OF PLAN**

#### **Section 1.01. Plan Establishment and History.**

(a) The Board of Directors of the North Texas Municipal Water District ("Board") established the North Texas Municipal Water District 457(b) Plan ("Plan"), effective October 28, 1999, in order to provide eligible employees the opportunity to make voluntary deferrals.

(b) The Plan is, and is intended to remain, an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code ("Code"), and is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

(c) The Plan was most recently amended and restated effective September 1, 2022, to reflect the provisions of the Pension Protection Act and other required legislation as well as regulatory guidance promulgated by the Internal Revenue Service.

#### **Section 1.02. Plan Restatement.**

(a) The Plan is now being amended and restated effective January 1, 2024, except as otherwise specifically provided herein, to restate the Plan for recent legislation including the SECURE Act of 2019, the CARES Act, SECURE 2.0 Act of 2022, and to correct certain operational errors.

(b) The Plan is also being amended to convert from a pre-approved plan to an individually designed plan.

(c) Except as otherwise specifically provided herein, the Plan as hereinafter set forth establishes the rights and obligations with respect to individuals who are Employees on and after January 1, 2024, and to transactions under the Plan on and after January 1, 2024. The rights and benefits, if any, of individuals who are not Employees on or after January 1, 2024, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date of their Severance from Employment, except as otherwise specifically provided herein or in a subsequent amendment.



**ARTICLE II.**  
**CONSTRUCTION AND DEFINITIONS**

**Section 2.01. Construction and Governing Law.**

(a) This Plan shall be interpreted, enforced and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, Texas law without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute an eligible deferred compensation plan under the provisions of Code Section 457(b), (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

**Section 2.02. Definitions.**

When the initial letter of a word or phrase is capitalized herein the meaning of such word or phrase shall be as follows:

(a) "Account" means the aggregate of the following separate accounts maintained for each Participant reflecting his or her interest under the Plan as follows:

(1) "Pre-Tax Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Pre-Tax Contributions and effective January 1, 2024, Catch-Up Contributions, pursuant to Section 4.01.

(2) "Roth Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Roth Contributions and effective January 1, 2026, Catch-Up Contributions pursuant to Section 4.01.

(3) "Rollover Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions pursuant to Section 4.05. There shall be the following separate subaccounts under the Rollover Contribution Account:

(i) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from a Code Section 457(b) plan within the meaning of Section 4.05(a);

(ii) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from a Code Section 457(b) plan within the meaning of Section 4.05(a) that consists of Roth elective deferrals within the meaning of Section 4.05(b);

(iii) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from an eligible retirement plan within the meaning of Section 4.05(a) other than a Code Section 457(b) plan; and

(iv) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Rollover Contributions from an eligible retirement plan within the meaning of Section 4.05(a) other than a Code Section 457(b) plan that consists of Roth elective deferrals within the meaning of Section 4.05(b).

(4) "Transfer Contribution Account" means the account maintained to reflect the Participant's interest under the Plan attributable to his or her Transfer Contributions pursuant to Section 4.06. There shall be the following separate subaccounts under the Transfer Contribution Account:

(i) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Transfer Contributions from an eligible retirement plan within the meaning of Section 4.06(a) that consists of after-tax employee contributions; and

(ii) A subaccount to reflect the Participant's interest under the Plan attributable to his or her Transfer Contributions from an eligible retirement plan within the meaning of Section 4.06(a) that consists of employer and/or employee contributions other than after-tax employee contributions.

(b) "Administrator" means NTMWD; provided, however, that to the extent that NTMWD has delegated any of its responsibilities as Administrator to any other person or persons, the term Administrator shall be deemed to refer to that person or persons.

(c) "Agent" means a service provider selected by the Administrator, in its sole and absolute discretion, to provide services under the Plan.

(d) "Applicable Form" means the appropriate form as designated and furnished by the Administrator or the Agent to make any election or provide any notice required by the Plan. In those circumstances where a written election or consent is not required by the Plan or the Code, the Administrator and/or the Agent may prescribe an electronic or telephonic form in lieu of or in addition to a written form.

(e) "Beneficiary" means any person, company, trustee or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. If the designated primary or contingent Beneficiary does not survive the Participant or there is no Beneficiary designated, the Participant's Beneficiary shall be determined as follows: (i) the Participant's surviving Spouse, or if none; (ii) the duly appointed executor or administrator of the Participant's estate. If a Beneficiary survives the Participant but dies before the entire Account has been distributed, then the unpaid balance of the Account shall be distributed to the Beneficiary's estate. Beneficiary also means an alternate payee within the meaning of Code Section 414(p)(8).

(f) "Board" means the Board of Directors of the North Texas Municipal Water District.

(g) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

(h) "Catch-Up Contributions" means an additional Elective Deferral by a Participant who has attained or will attain age 50 on or before the last day of the calendar year, pursuant to Code Section 414(v), as described in Section 4.01(j).

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(j) "Compensation" means a Participant's Code Section 3401(a) wages (wages for withholding purposes), received for personal services rendered to the Employer as an Employee during the Employee's taxable year. Compensation includes payments described in paragraphs (1) or (2) paid after the Employee's Severance from Employment, provided it is paid by the later of two and one-half months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment:

(1) any payment that would have been paid to the Employee prior to a Severance from Employment if the Employee continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(2) a payment for unused vacation, sick pay or accumulated compensatory time, but only if the Employee would have been able to use the leave if employment had continued and the payment would be Compensation if paid prior to the Employee's Severance from Employment.

Any payment that is not described in the preceding sentence is not considered Compensation if paid after Severance from Employment.

(k) "Contributions" mean Pre-Tax Contributions, Roth Contributions, Rollover Contributions, and Transfer Contributions.

(l) "Coronavirus-Related Distribution" means a distribution made on or after March 27, 2020, but before December 31, 2020, to a Qualified Individual in accordance with Section 9.04.

(m) "Cost-of-Living Adjustment" means the cost-of-living adjustment prescribed by the Secretary of the Treasury under Code Section 401(a)(17), 414(v), or 457(e)(15) for any applicable year.

(n) "Effective Date" of the Plan means October 28, 1999, and of this amendment and restatement means January 1, 2024.

(o) "Elective Deferral" means Pre-Tax Contributions and Roth Contributions.

(p) "Employer" means North Texas Municipal Water District, or NTMWD

(q) "Employee" means any common law employee employed by an Employer, including appointed or elected officials, who is designated as an Employee by the Employer.

(r) "HEART" means the Heroes Earnings Assistance and Relief Tax Act of 2008, as amended from time to time.

(s) "Includible Compensation" means all compensation received by an Employee from the Employer that is includible in his or her gross income for federal income tax purposes (computed without regard to Code Section 911) for that taxable year. Includible Compensation also includes any amounts excludable from taxable income because of an election under Code Sections 401(k), 403(b), 457(b), 125, and 132(f). Includible Compensation includes any compensation described in paragraphs (1), (2), or (3), provided the compensation is paid by the later of two and one-half months after the Employee's Severance from Employment or the end of the calendar year in which the Employee has a Severance from Employment:

(1) a payment that would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the Employer and that is regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments;

(2) a payment for unused accrued bona fide sick leave, vacation or other leave, but only if the Employee would have been able to use the leave if employment had continued and the payment would have been included in the definition of Includible Compensation if paid prior to the Employee's Severance from Employment; and

(3) a payment received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Includible Compensation is determined without regard to any community property laws. Includible Compensation shall not exceed the limits under Code Section 401 (a)(17), to the extent applicable, increased by the Cost-of-Living Adjustment.

(t) "Investment Funds" means the mutual funds, collective investment trust funds, insurance company separate accounts, annuity contracts, or other investment vehicles made

available to Participants for the investment of their Accounts. The Administrator, in its sole and absolute discretion, shall select the Investment Funds and may add or delete Investment Funds.

(u) "Normal Retirement Age" means the age elected by the Participant on the Applicable Form that is (i) on or after the earlier of age 65 or the age at which the Participant can retire and receive an unreduced benefit from the Employer's pension plan.

(v) "Participant" means any Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Employee who is eligible to receive a benefit of any type under the Plan.

(w) "Plan" means the North Texas Municipal Water District 457(b) Plan, as amended from time to time.

(x) "Plan Year" means the calendar year.

(y) "Political Subdivision" means a county, municipality, authority, school division, or other political subdivision of the State of Texas or an agency thereof.

(z) "Pre-Tax Contributions" mean the contributions made to the Plan by the Employer at the election of a Participant pursuant to a Salary Reduction Agreement in accordance with Section 4.01.

(aa) "Qualified Distribution" means a distribution from a Roth Contribution Account after the Participant has satisfied a five year tax holding period and has attained age 59½, died, or become disabled, in accordance with Code Section 402A(d). The five year tax holding period is the period of five consecutive taxable years that begins with the first day of the first taxable year in which the Participant makes a designated Roth Contribution under the Plan or to another retirement plan which amount was directly rolled over to the Plan, and ends when five consecutive taxable years have been completed.

(bb) "Qualified Individual" means a Participant:

(1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(2) whose Spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(3) who experiences adverse financial consequences as a result of:

(i) the Participant, the Participant's Spouse, or a member of the Participant's household (a) being quarantined, (b) being furloughed or laid off or having work hours reduced due to such virus or disease, (c) being unable to work due to lack of child care due to such virus or disease, (d) having a reduction in pay (or self-employment income) due to such virus or disease, or (e) having a job offer rescinded or start date for a job delayed due to such virus or disease; closing or reducing hours of a business owned or operated by the Participant, the Participant's Spouse, or a member of the Participant's household due to such virus or disease; or

(ii) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate); or

(4) any other Participant who satisfies the definition of a Qualified Individual as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act.

For purposes of this paragraph (gg), a member of the Participant's household means someone who shares the Participant's principal residence.

(cc) "Related Employer" means the Employer and any other entity, which is under common control with the Employer under Code Section 414(b), (c) or (m). For this purpose, the Board shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

(dd) "Rollover Contributions" mean the contributions made to the Plan pursuant to Section 4.05.

(ii) "Roth Contributions" mean contributions made to the Plan by the Employer at the election of a Participant under a Salary Reduction Agreement that have been (i) designated irrevocably by the Participant as a Roth Contribution being made in lieu of all or a portion of the Pre-Tax Contributions the Participant is otherwise eligible to make under the Plan, and (ii) treated by the Employer as includible in the Participant's gross income at the time the Participant would have received that amount in cash if the Participant had not made such an election.

(ee) "Salary Reduction Agreement" means an agreement entered into between an Employee and the Employer pursuant to Section 4.01. Such agreement shall not be effective with respect to Compensation made available prior to the effective date of such agreement and shall be binding on the parties and irrevocable with respect to Compensation earned while it is in effect.

(ff) "Section" means, when not preceded by the word Code, a section of the Plan.

(gg) "Severance from Employment" means the complete termination of the employment relationship between the Employee and the Employer.

(hh) "Spouse" means the person to whom the Participant is legally married under federal law.

(ii) "Transfer Contributions" mean the contributions made to the Plan pursuant to Section 4.06.

(jj) "Trust" means the custodial accounts with Voya Institutional Trust Company, which may incorporate one or more qualified trusts under Code Section 457(g), custodial accounts treated as qualified trusts under Code Section 401(f), and/or annuity contracts treated as qualified trusts under Code Section 401(f), established under the Plan to hold Plan assets.

(kk) "Trust Fund" means the assets of the Plan held pursuant to the terms of the Plan and the Trust.

(ll) "Trustee" means the trustee or any successor trustee designated and appointed by NTMWD and includes a custodian of a custodial account or an insurer of an annuity contract under Code Section 457(g)(3).

(mm) "Unforeseeable Financial Emergency" means a severe financial hardship of the Participant resulting from:

(1) an illness or accident of the Participant, the Participant's Spouse, the Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary of the Participant;

(2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, *e.g.*, as a result of a natural disaster);

(3) the need to pay funeral expenses of the Participant's Spouse, the Participant's Dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and ((d)(1)(b))), or a Beneficiary of the Participant; or

(4) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

(nn) "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

(oo) "Vested," means the interest of the Participant or Beneficiary in his or her Accounts, which is unconditional, legally enforceable, and nonforfeitable at all times.

### **ARTICLE III.** **ELIGIBILITY AND PARTICIPATION**

#### **Section 3.01. Participation.**

(a) An Employee who is a Participant on the day before the Effective Date of this amended and restated Plan shall continue to be a Participant on the Effective Date.

(b) An Employee may become a Participant in the Plan immediately after commencement of employment or reemployment with an Employer as an Employee.

(c) The Employer shall notify the Employee of his or her eligibility to participate in the Plan. To become a Participant under the Plan, an Employee must complete the Applicable Forms, which may include a Salary Reduction Agreement and enrollment, beneficiary designation, and investment election forms, and return them to the Administrator or Agent, as applicable. Subject to Section 4.02, an Employee who fails to complete the Applicable Forms shall be deemed to have waived all of his or her rights under the Plan, provided that such Employee may become a Participant in the Plan at any time thereafter by completing the Applicable Forms and returning them to the Administrator or Agent, as applicable.

**Section 3.02. Cessation of Contributions.**

A Participant shall cease to be eligible for Contributions under the Plan when (i) he or she is no longer an Employee, or (ii) the Plan is terminated.

**Section 3.03. Reemployment.**

If an Employee has a Severance from Employment from his or her Employer and is then reemployed by that Employer, the Participant must complete the Applicable Forms pursuant to Section 3.01(c) to be eligible again for Contributions under the Plan.

**ARTICLE IV.**  
**CONTRIBUTIONS**

**Section 4.01. Elective Deferrals.**

(a) Subject to the limitations under Article V, an Employee who has satisfied the participation requirements under Section 3.01 may enter into a written Salary Reduction Agreement agreeing to contribute each pay period Pre-Tax Contributions and/or Roth Contributions to the Plan equal to a specified dollar amount of his or her Compensation, as permitted by the Administrator. The Administrator may establish a minimum Elective Deferral amount from time to time.

(b) Elective Deferrals shall begin as soon as administratively practicable following the date specified in the Salary Reduction Agreement, or, if later or if no date is specified, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator.

(c) Elective Deferrals shall reduce the Compensation otherwise payable to a Participant and shall be paid in cash to the Trustee by the Employer, on a basis consistent with its payroll practices, as soon as administratively feasible after being withheld from the Compensation of a Participant, but no later than 15 business days following the end of the month in which such amount is withheld from the Compensation of the Participant.

(d) If the Participant fails to designate whether Elective Deferrals are Pre-Tax Contributions or Roth Contributions, the Participant will be deemed to have designated his or her Elective Deferrals as Pre-Tax Contributions. Pre-Tax Contributions shall be allocated to the Pre-Tax Contribution Account of the Participant as of the date of contribution. Roth Contributions shall be allocated to the Roth Contribution Account of the Participant as of the date of contribution.

(e) A Participant may change his or her election to make Pre-Tax Contributions and/or Roth Contributions at any time by entering into a new Salary Reduction Agreement. Any such changes shall be effective as soon as administratively practicable following the date specified in the new Salary Reduction Agreement, or, if later, as soon as administratively practicable after the Salary Reduction Agreement is filed with the Administrator.

(f) A Participant may terminate his or her election to make Elective Deferrals at any time by filing the Applicable Form with the Administrator, which shall be effective as soon as administratively practicable after the Applicable Form is filed with the Administrator.



(g) If a Participant's Elective Deferrals to the Plan cease during a Plan Year because they exceed the limits set forth in Article V, the Participant must either ensure that his or her Employer begins Elective Deferrals pursuant to the existing Salary Reduction Agreement the following Plan Year or enter into a new Salary Reduction Agreement for the following Plan Year in order to continue making Elective Deferrals under the Plan.

(h) An election to make Elective Deferrals shall not be valid with respect to any period during which the Participant is not an Employee. No election to make, change, or discontinue Elective Deferrals shall be given retroactive effect.

(i) The Administrator may establish additional nondiscriminatory rules and procedures governing the manner and timing of elections by Participants to make, change, or discontinue Elective Deferrals.

(j) **Catch-Up Contributions.** A Participant who is eligible to contribute Elective Deferrals to the Plan and who has attained or will attain age 50 on or before the last day of the calendar year shall be eligible to elect to have a portion of his Compensation otherwise payable to him for the calendar year contributed by the Employer to her Pre-Tax Contribution Account or (beginning January 1, 2026) Roth Contribution Account on her behalf as "Catch-up Contributions" in accordance with and subject to the limitations of, Code Section 414(v). Notwithstanding the foregoing, effective for Plan Years beginning on or after January 1, 2026 (or if later, on the effective date described in guidance issued by the Internal Revenue Service which supersedes Notice 2023-62), with respect to any Participant whose Code Section 3121(a) wages for the immediately preceding calendar year exceeded \$145,000 (as adjusted for inflation as described in Section 603 of the SECURE 2.0 Act), an election to contribute "Catch-Up Contributions" shall be implemented on a Roth after-tax basis.

(k) **Normal Retirement Age Catch-Up Contribution.** For one or more of the Participant's last three taxable years ending before her attainment of Normal Retirement Age, the Participant's maximum Contributions may not exceed the lesser of: (i) twice the dollar amount under Section 5.01(a)(1); or (ii) the "underutilized limitation" under this Section 4.01(k). Nothing in this Section 4.01(k), or otherwise in the Plan, shall be more or less restrictive than applicable law.

A Participant's "underutilized limitation" is equal to the sum of: (i) the limit under Section 5.01(a) for the taxable year, and (ii) the limit under Section 5.01 for each of the prior taxable years of the Participant commencing after 1978 during which an eligible plan was in existence and the Participant was eligible to participate in an eligible plan less the amount of contributions for each such prior taxable year.

#### **Section 4.02. Sick, Vacation and Back Pay.**

A Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay under the Plan if the requirements of Code Section 457(b) are satisfied. These amounts may be deferred for any calendar month only if a Salary Reduction Agreement providing for the deferral is entered into before the time in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise

be paid for a payroll period that begins before Severance from Employment is treated as an amount that is paid or made available before an Employee has a Severance from Employment.

**Section 4.03. Rollover Contributions to the Plan.**

(a) An Employee or former Employee may transfer to the Plan as a Rollover Contribution a distribution from:

(1) a Code Section 401(a) or 403(a) qualified plan, excluding after-tax employee contributions;

(2) a Code Section 403(b) plan, excluding after-tax employee contributions;

(3) a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A); or

(4) a Code Section 408 individual retirement account or annuity, with respect to the portion of the distribution that is eligible to be rolled over and would otherwise be includible in gross income.

(b) A Rollover Contribution under this paragraph shall be made directly from such prior plan, or if such amount was distributed to the Employee or former Employee, shall be made within 60 days after the Employee or former Employer receives the rollover amount, unless the 60 day deadline is waived under Code Section 402(c)(3)(B) or a later deadline is established under Internal Revenue Service guidance.

(c) An Employee or former Employee may also transfer to the Plan as a Rollover Contribution a distribution from a Roth elective deferral account under a Code Section 401(a) plan, a Code Section 403(b) plan, or a Code Section 457(b) eligible deferred compensation plan which is maintained by an eligible employer described in Code Section 457(e)(1)(A), but only to the extent that the Rollover Contribution is made directly from such prior plan and only to the extent the rollover is permitted under the rules of Code Section 402(c).

(d) A Rollover Contribution shall be subject to the Trustee's determination, in its discretion, that the Rollover Contribution satisfies all applicable requirements of the Code.

(e) A Rollover Contribution shall be allocated to a Rollover Contribution Account as of the date of the contribution; provided, however, that separate subaccounts shall be maintained to reflect Rollover Contributions from Code Section 457(b) plans and plans other than Code Section 457(b) plans, and separate subaccounts shall be maintained to reflect Rollover Contributions from elective deferral accounts and Roth elective deferral accounts, as provided in Section 2.02(a).

(f) Before a Rollover Contribution is made, the Employee or former Employee shall designate on the Applicable Form the Investment Funds in which to invest his or her Rollover Contribution.

**Section 4.04. Transfers to the Plan.**

(a) Subject to the conditions set forth in this Section, the Plan shall accept as a Transfer Contribution a transfer on behalf of group of Participants from another 457(b) plan established and maintained by the Employer if the other 457(b) plan is being merged into the Plan.

(b) The Plan shall only accept a transfer that satisfies the following conditions:

(1) The transferor plan permits the transfer;

(2) The Participant whose amounts are being transferred will have a deferred amount immediately after the transfer at least equal to the deferred amount with respect to that Participant immediately before the transfer; and

(3) The transfer shall satisfy such rules and policies established by the Administrator.

(c) A Transfer Contribution shall be allocated to the Transfer Contribution Account of the Participant as of the date of the transfer.

**Section 4.05. Leave of Absence.**

During a paid leave of absence, Contributions shall continue to be made for a Participant on the basis of Compensation paid by the Employer during the leave. No Contributions shall be made on behalf of a Participant who is on an unpaid leave of absence.

**Section 4.06. Disability.**

A Participant who has not had a Severance from Employment may make Elective Deferrals during any period of time that he or she is disabled to the extent that the Participant has Compensation.

**Section 4.07. Expenses of Plan.**

All reasonable expenses of administering the Plan shall be charged against and paid from the Participants' Accounts, subject to the terms of the applicable Investment Funds, unless paid by the Employer. The Administrator shall have the right to allocate expenses associated with maintaining the Accounts of terminated Employees to such Accounts, even if no expenses are allocated to the Accounts of active Employees, in accordance with rules promulgated by the Internal Revenue Service.

**ARTICLE V.**  
**LIMITATIONS ON CONTRIBUTIONS**

**Section 5.01. Elective Deferral Limits.**

(a) The maximum amount of Elective Deferrals to the Plan for any calendar year shall be limited to the lesser of (i) the applicable dollar amount as provided in Code Section 457(e)(15) or (ii) the Participant's Includible Compensation as provided in Code Section 457(b)(2). The applicable dollar amount is \$23,000 for 2024, increased thereafter by the Cost-of-Living Adjustment.

(b) A Participant who attains age 50 or more by the end of the calendar year, and who is contributing up to the applicable dollar amount under paragraph (a), may make additional Elective Deferrals under Code Section 414(v) of up to \$7,500 for 2024, increased thereafter by the Cost-of-Living Adjustment.

(c) If the applicable year is one of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this paragraph (c) exceeds the amount computed under paragraphs (a) and (b), then the Elective Deferrals limit under this Article V shall be the lesser of:

(1) An amount equal to two times the applicable dollar amount set forth in paragraph (a) for such year; or

(2) The sum of:

(i) An amount equal to (i) the aggregate paragraph (a) limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (ii) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

(ii) An amount equal to (i) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to paragraph (b) or (c)), minus (ii) the aggregate contributions to Pre-2002 Coordination Plans (as defined by Treasury regulations and as provided in Section 5.03(c)) for such years.

However, in no event can the Elective Deferrals be more than the Participant's Compensation for the year.

**Section 5.02. Coordination of Limits.**

(a) If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article V. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer for which the Administrator receives from the Employer sufficient information concerning such plan, and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) In applying Section 5.02, a year shall be taken into account only if:

(1) the Participant was eligible to participate in the Plan during all or a portion of the year; and

(2) Compensation deferred, if any, under the Plan during the year was subject to the applicable dollar amount described in Section 5.01(a) or any other plan ceiling required by Code Section 457(b).

(c) For purposes of Section 5.01(c)(2)(ii) "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 5.01(c)(2)(ii) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

(d) For 2002 and thereafter, any amounts contributed by the Participant to a tax-sheltered annuity pursuant to Code Section 403(b) or to a 401(k) plan pursuant to Code Section 402(e)(3) shall not reduce the maximum Elective Deferrals under Section 5.01.

(1) An individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in Section 5.03. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

(2) The Participant is responsible for ensuring coordination of these limits.

### **Section 5.03. Correction of Excess Deferrals.**

(a) If the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Elective Deferrals, to the extent in excess of the applicable limitation and adjusted for earnings, shall be distributed to the Participant no later than the April 15 following the calendar year in which the excess Elective Deferral was made.

(b) Excess Elective Deferrals shall be distributed from the following plans in the following order:

- (1) the other eligible deferred compensation plan or plans;
- (2) a Participant's Roth Contributions to this Plan;
- (3) a Participant's Pre-Tax Contributions to this Plan;

## **ARTICLE VI.** **ACCOUNTING**

### **Section 6.01. Participant Accounts.**

The Agent shall establish and maintain adequate records to reflect the Accounts of each Participant and Beneficiary. Credits and charges shall be made to such Accounts to reflect additions, distributions, and withdrawals, and to reflect gains or losses pursuant to the terms of each Investment Fund. The maintenance of individual Accounts is for accounting purposes only, and a segregation of Plan assets to each Account shall not be required.

### **Section 6.02. Participant Statements.**

The Agent shall provide to each Participant a quarterly statement reflecting the value of the Participant's Account as of the end of each quarter and shall provide similar information to the Administrator upon its request.

**Section 6.03. Value of Account.**

The value of the Account of a Participant as of any valuation date is the value of the Account balance as determined by the Agent. The valuation date shall be the last day of the Plan Year and each other date designated by the Administrator or Agent in a uniform and nondiscriminatory manner. All transactions and Account records shall be based on fair market value.

**ARTICLE VII.**  
**INVESTMENT OF CONTRIBUTIONS**

**Section 7.01. Investment Funds.**

(a) All Contributions under the Plan shall be transferred to the Trust to be held, managed, invested, and distributed in accordance with the provisions of the Plan and the Investment Funds as applicable.

(b) Participants' Accounts shall be invested in one or more of the Investment Funds available to Participants under this Plan, as selected by the Administrator and communicated to Participants. The Administrator's current selection of Investment Funds is not intended to limit future additions or deletions of Investment Funds.

(c) A Participant shall have the right to direct the investment of his or her Account among the Investment Funds by filing the Applicable Form with the Administrator. A Participant may change his or her investment election as often as determined by the Administrator. A Participant may elect to transfer all or any portion of his or her Accounts invested in any one Investment Fund to another Investment Fund, subject to the limitations of the Investment Fund, by filing a request on the Applicable Form with the Administrator.

**Section 7.02. Default Investments.**

If a Participant does not have a valid and complete investment direction on file with the Administrator on the Applicable Form, Contributions may be invested in a default fund selected by the Administrator in its sole discretion, until the Participant makes an affirmative election regarding the investment of his or her Account.

**ARTICLE VIII.**  
**TRUST**

**Section 8.01. Trust Fund.**

All Contributions under the Plan shall be transferred to the Trustee to be held in Trust as part of the Trust Fund in accordance with the provisions of the Plan and the Investment Funds, as applicable. All assets held in connection with the Plan, including all Contributions, all property and rights acquired or purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held in, managed, invested and distributed in Trust as part of the Trust

Fund, in accordance with the provisions of the Plan. All benefits under the Plan shall be distributed solely from the Trust Fund, and NTMWD shall have no liability for any such benefits other than the obligation to make Contributions as provided in the Plan.

**Section 8.02. Trust Status.**

The Trust Fund shall be held in Trust for the exclusive benefit of Participants and Beneficiaries under the Plan in accordance with Code Section 457(g). No part of the Trust Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries, and for defraying the reasonable expenses of the Plan and Trust. The Trust is exempt from tax pursuant to Code Sections 457(g)(2) and 501(a).

**ARTICLE IX.**  
**DISTRIBUTIONS**

**Section 9.01. Distribution Restrictions.**

(a) Except as otherwise provided in this Section 9.01, a Participant or Beneficiary is not entitled to a distribution of his or her Vested Accounts under the Plan until the Participant has had a Severance from Employment.

(b) Notwithstanding paragraph (a), a Participant who is an Employee may request a distribution of his or her Account on or after the January 1 of the calendar year in which the Participant attains age 70<sup>1</sup>/<sub>2</sub>, even if the Participant has not had a Severance from Employment.

(c) Notwithstanding paragraph (a), a Participant may request a distribution from his or her Rollover Contribution Account at any time.

(d) Notwithstanding paragraph (a), a Participant who is an Employee may request a distribution of his or her Account at any time if (i) his or her Account balance does not exceed the *de minimis* amounts under Code Section 457(e)(9)(A), (ii) no contributions have been made to the Participant's Account in the 24 month period preceding the date the distribution request, (iii) the Participant has not previously taken a withdrawal under this paragraph (d), and the distribution equals the Participant's entire Account balance.

(e) A Participant or Beneficiary may submit a request for a distribution to the Administrator on the Applicable Form. The Employer shall verify that the Participant has had a Severance from Employment, if applicable.

**Section 9.02. Forms of Payment.**

Subject to Section 9.06, the terms of the Investment Funds, and any restrictions established by NTMWD, a Participant may elect to receive his or her Vested Account under any form of payment approved by the Administrator, which may include a lump sum payment, or an installment to comply with a required minimum distribution.



**Section 9.03. Reemployment.**

If a Participant who is a former Eligible Employee subsequently becomes an Eligible Employee again after distribution of his or her Accounts has begun under a payment option other than annuity payments, such distributions shall immediately cease, and the Eligible Employee shall not receive any benefits under the Plan until the Employee is entitled to a distribution under Section 9.01.

**Section 9.04. Coronavirus-Related Distributions.**

(a) Notwithstanding Section 9.01 and subject to the limitation under paragraph (b) and the terms of the Investment Funds, a Participant who is a Qualified Individual may request one or more Coronavirus-Related Distributions from his or her Vested Accounts.

(b) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000.

(c) A Participant shall certify to the Administrator that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(d) Notwithstanding any other provision of the Plan, Coronavirus-Related Distributions shall be made in accordance with the CARES Act, any subsequent legislation addressing Coronavirus-Related Distributions, and any regulatory guidance issued thereunder.

**Section 9.05. Death Benefit.**

If a Participant dies before distribution of his or her entire Account, his or her Account shall be payable to his or her Beneficiary under the distribution options available under the Investment Funds, subject to Code Section 401(a)(9).

**Section 9.06. Required Minimum Distribution Rules.**

(a) The provisions of this Section 9.06 take precedence over any inconsistent provisions of the Plan. All distributions under this Plan shall be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G), the changes under the Setting Every Community Up for Retirement Enhancement Act of 2019, the SECURE 2.0 Act of 2022 and any regulatory guidance issued thereunder, and shall comply with rules under this Section 9.06.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

- (1) The life of the Participant;
- (2) The life of the Participant and a designated individual Beneficiary;

(3) A period certain not extending beyond the life expectancy of the Participant;  
or

(4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and designated individual Beneficiary.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than his or her "required beginning date" as defined in this paragraph or, if applicable, as defined in subsequent legislation or regulations that amend the definition of required beginning date for purposes of Code Section 401 (a)(9). Subject to the preceding sentence, required beginning date shall mean April 1 of the calendar year following the calendar year in which the Participant attains age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to a Participant who would have attained age 70½ after December 31, 2019), (age 73 for distributions required to be made after December 31, 2022 (or, if later, April 1 of the calendar year following the calendar year that the Participant has a Severance from Employment.

(d) The Administrator or its Agent shall employ best efforts to calculate the amounts required to be distributed to a Participant under this Section and notify such Participant of such distributions prior to the date distributions must begin.

(e) Notwithstanding anything in this Section 9.07 to the contrary, for 2020 or such longer period as provided in legislation modifying or extending the CARES Act, the minimum distribution requirements will be satisfied as provided in this paragraph (e).

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are equal to the 2020 RMDs, will not receive these distributions unless the Participant or Beneficiary chooses to receive the distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant who would have been required to receive 2020 RMDs and who would have satisfied that requirement by receiving distributions that are one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will receive these distributions unless the Participant or Beneficiary chooses not to receive the distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

(3) In addition, solely for purposes of applying the direct rollover provisions of Article VII, 2020 RMDs and Extended 2020 RMDs will be treated as eligible rollover distributions in 2020.

**Section 9.07. Unforeseeable Financial Emergency Distributions.**

(a) A Participant who has not had a Severance from Employment may receive a distribution for an Unforeseeable Financial Emergency from his or her Account.

(b) Any distribution made because of the Participant's Unforeseeable Financial Emergency shall not exceed the amount reasonably necessary to relieve the Participant's need, including any anticipated taxes or penalties associated with such distribution.

(c) The Participant's distribution request shall specify the reason for the Unforeseeable Financial Emergency and specify the amount the Participant wishes to withdraw to meet the need caused by the Unforeseeable Financial Emergency.

(d) A distribution on account of Unforeseeable Financial Emergency shall not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of Elective Deferrals under the Plan.

(e) The Administrator or its Agent shall determine based on uniform and nondiscriminatory standards whether an Unforeseeable Financial Emergency exists based on the facts and circumstances and in accordance with the claims procedures of the Plan.

(f) The Administrator may charge a reasonable fee for processing Unforeseeable Financial Emergency distributions.

**Section 9.08 Deemed Severance.**

If a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period or more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then the Participant may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.

**ARTICLE X.**  
**LOANS**

Loans are permitted under the Plan pursuant to the Voya or Corebridge (or successor recordkeeper) Financial Sponsor Election for Loans.

**ARTICLE XI.**  
**VESTING**

**Section 11.01. Vesting.**

A Participant shall be 100% Vested in his or her Accounts at all times.

**ARTICLE XII.**  
**ROLLOVERS FROM THIS PLAN**

**Section 12.01. Definitions for this Article.**

For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, or the Participant's former Spouse who is the alternate payee under a qualified domestic relations order as defined in Code Section 414(p), and a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) any annuity plan described in Code Section 403(a);
- (4) a plan described in Code Section 403(b);
- (5) a qualified plan described in Code Section 401(a);
- (6) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state;
- (7) a Roth individual retirement account described in Code Section 408A(e) provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs; and
- (8) a SIMPLE IRA described in Code Section 408(p)(1), provided that the rollover contribution is made after the two-year period described in Code Section 72(t)(6).

In the case of a distribution to a non-Spouse Beneficiary, an Eligible Retirement Plan means the plans described in subparagraphs (1) and (2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under the Plan, excluding the following:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of 10 years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in gross income; however, a portion of a distribution will not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income, although such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified retirement plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

#### **Section 12.02. Direct Transfer of Eligible Rollover Distribution.**

A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Administrator. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

#### **Section 12.03. Mandatory Withholding of Eligible Rollover Distributions.**

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement

Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e), and only to the extent such amount would otherwise be includible in the Distributee's taxable gross income.

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from the gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60<sup>th</sup> day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

#### **Section 12.04. Explanation of Plan Distribution and Withholding Requirements.**

(a) Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Administrator shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(1) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(2) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(3) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the Distributee receives the distribution; and

(4) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

(b) Notwithstanding paragraph (a), a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Administrator clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

### **ARTICLE XIII.** **ADMINISTRATION OF THE PLAN**

#### **Section 13.01. Authority of the Administrator.**

The Administrator is responsible for performing the duties required for operation of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. In connection therewith, the Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

**Section 13.02. Responsibility of the Employer.**

The Employer is responsible for notifying Participants that they are eligible to participate in the Plan, providing the Administrator complete and accurate information as needed to administer the Plan, and such other responsibilities as may be delegated to Employer by the Administrator from time to time.

**Section 13.03. Powers of the Administrator.**

The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claims procedures, the Administrator should be the sole and final judge of such expediency. Benefits under the Plan shall be paid only if the Administrator decides in its discretion that the Participant or Beneficiary is entitled to them.

**Section 13.04. Delegation by Administrator.**

The Administrator may delegate to an individual, committee, or organization to carry out its fiduciary duties or other responsibilities under the Plan. Any such individual, committee or organization delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator duties or responsibilities may be revoked without cause or advance notice.

**Section 13.05. Employment of Consultants.**

The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

**ARTICLE XIV.**  
**REQUESTS FOR INFORMATION AND OTHER CLAIMS PROCEDURES**

**Section 14.01. Requests for Information Concerning Eligibility, Participation and Contributions.**

Requests for information concerning eligibility, participation, contributions, or any other aspects of the operation of the Plan, and service of legal process, should be in writing and directed to the Administrator of the Plan.

**Section 14.02. Requests for Information Concerning Investment Funds.**

Requests for information concerning the Investment Funds and their terms, conditions, and interpretations thereof, claims thereunder, and any requests for review of such claims, should be in writing and directed to the Administrator of the Plan.

**Section 14.03. Processing of Claims.** Claims under the Plan shall be processed in a manner consistent with the Voya and Corebridge (or successor recordkeeper) procedures for the resolution of Plan-related claims.

**ARTICLE XV.**  
**AMENDMENT AND TERMINATION**

**Section 15.01. Amendment and Termination.**

While it is expected that the Plan shall continue indefinitely, the Employer reserves the right to amend, freeze, or terminate the Plan, or to discontinue any further Contributions to the Plan at any time. The Board may make any amendment to the Plan, provided that no such amendment shall reduce, suspend or terminate the accrued benefits otherwise payable to a Participant or Beneficiary hereunder as of the date of such amendment. To the extent required by the exclusive benefit rule, any amendment shall not be effective to the extent that the amendment has the effect of causing any Plan assets to be diverted to or inure to the benefit of the Employer, or to be used for any purpose other than providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Plan.

Notwithstanding the foregoing, the Board hereby delegates to the Administrator the right to modify, alter, or amend the Plan in whole or in part to make any technical modification, alteration or amendment which (i) in the opinion of NTMWD counsel is necessary to comply with federal law or (ii) does not substantially increase costs, contributions, or benefits or materially affect the eligibility, vesting or benefit accrual or allocation provisions of the Plan.

**Section 15.02. Adverse Effects.**

Any amendment or termination of the Plan cannot adversely affect the benefits accrued by Participants prior to the date of amendment or termination. The Plan may not be amended in a manner that violates any provision of the Code.

**Section 15.03. Distribution Upon Termination of the Plan.**

The Employer has the right to completely terminate this Plan at any time and in its sole discretion. In such a case, NTMWD shall arrange for suitable distribution of Plan assets, including the possibility of transfer to another 457 plan or plans. The Trustee shall not be required to pay out any asset of the Trust Fund to Participants and Beneficiaries or a successor plan upon termination of the Trust until the Trustee has received written confirmation from NTMWD (i) that all provisions of the law with respect to such termination have been complied with, and, (ii) after the Trustee has made a determination of the fair market value of the assets of the Plan, that the assets of the Plan are sufficient to discharge when due all obligations of the Plan required by law. The Trustee shall rely conclusively upon such written certification and shall be under no obligation to investigate or otherwise determine its propriety.

**ARTICLE XVI.**  
**MISCELLANEOUS**

**Section 16.01. Non-Alienation.**



(a) A Participant's Account under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntary or involuntary alienation or other legal or equitable process, nor transferable by operation of law.

(b) Notwithstanding paragraph (a), the Plan shall comply with any judgment, decree or order ("domestic relations order") which establishes the right of an alternate payee within the meaning of Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The Administrator shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time, and which shall be provided to Participants upon request. Notwithstanding any other provisions in the Plan, the Plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

(c) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or his or her Spouse such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

(d) Notwithstanding paragraph (a), the Administrator may pay from Participant's or Beneficiary's Account under the Plan the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. Except in the case of an alternate payee within the meaning of Code Section 414(p)(8), under no circumstances may a payment under this paragraph (d) take place before a Participant has a Severance from Employment or reaches age 73 whichever is earlier.

#### **Section 16.02. Military Service.**

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with USERRA, HEART, Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service may elect to make Elective Deferrals upon resumption of employment with the Employer up to the maximum Elective Deferrals that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Participant during the period of the interruption or leave. Except to the extent provided under Code Section 414(u), this right applies for the lesser of (i) five years following the resumption of employment or (ii) a period equal to three times the

period of the interruption or leave. Such Elective Deferrals by the Participant may only be made during such period and while the Participant is reemployed by the Employer.

(c) To the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service and who receives a differential wage payment within the meaning of Code Section 414(u)(12)(D) from the Employer shall be treated as an Employee of the Employer who is a Participant eligible to make Elective Deferrals during such service and the differential wage payment shall be treated as Compensation and Includible Compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

### **Section 16.03. Limitation of Rights and Obligations.**

Neither the establishment nor maintenance of the Plan, nor any amendment thereof, nor the purchase of any insurance contract, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

as conferring upon any Participant, Beneficiary or any other person any right or claim against Employer, Administrator, or Trust, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(a) as a contract or agreement between the Employer and any Participant or other person; or

(b) as an agreement, consideration, or inducement of employment or as affecting in any manner or to any extent whatsoever the rights or obligations of the Employer, or any Employee to continue or terminate the employment relationship at any time.

### **Section 16.04. Federal and State Taxes.**

It is intended that Pre-Tax Contributions, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries, and that Roth Contributions and earnings thereunder are excludable from gross income for federal and state income tax purposes when paid to Participants or Beneficiaries to the extent that they are Qualified Distributions. However, the Administrator does not guarantee that any particular federal or state income, payroll, or other tax consequence will occur as a result of participation in this Plan.

### **Section 16.05. Erroneous Payments.**

If the Administrator or its Agent makes any payment that according to the terms of the Plan and the benefits provided hereunder should not have been made, the Administrator or Agent may recover that incorrect payment, by whatever means necessary, whether or not it was made due to

the error of the Administrator or Agent, from the person to whom it was made or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator or Agent may deduct it when making any future payments directly to that Participant.

#### **Section 16.06. Payments to Minors or Incompetents.**

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is determined to be legally incapable of giving valid receipt and discharge for such benefits by a court or by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to the Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

#### **Section 16.07. Missing or Lost Participants.**

In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Employer's records or the records of another plan maintained by the Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan, the Trustee shall continue to hold the benefits due to such person under the Plan.

#### **Section 16.08. Stale Distribution Checks.**

A distribution check for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it remains uncashed five years following its issuance. If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan and shall be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.

#### **Section 16.09. No Reversion.**

Under no circumstances or conditions will any Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the Employer, but shall be held for the exclusive purpose of

providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan. However, if Contributions are made by the Employer by mistake of fact, these amounts and, if applicable, any interest earned therein, may be returned to Employer, as applicable, within one year of the date that they were made.

**Section 16.10. Claims of Other Persons.**

The provisions of the Plan will not be construed as giving any Participant or any other person, firm, or corporation, any legal or equitable right against Employer, its officers, employees, or directors, except the rights as specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.

**Section 16.11. Counterparts.**

The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this amended and restated Plan to be adopted as of the Effective Date, January 1, 2026, in a Regular Meeting of the Board, on this 26<sup>th</sup> day of June 2025, and attested to by the signature of the President and Secretary, as indicated below.

**BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT**

\_\_\_\_\_  
**KEITH STEPHENS, Secretary**

\_\_\_\_\_  
**DAVID HOLLIFIELD, President**

**(SEAL)**



6/26/2025

Administrative Memorandum No. 25-6148

## Regional Water System

### Revenue Refunding and Improvement Bonds, Series 2025; Resolution No. 25-30

#### **SUBJECT**

Adopt Resolution No. 25-30 authorizing the issuance of Refunding Bonds for the Regional Water System Series 2014 and 2015 Revenue Bonds and Refunding Bonds for the Extendable Commercial Paper (ECP) Bonds.

#### **PURPOSE**

This authorization refinances selected Series 2014 and 2015 Revenue Bonds and allows the District to issue bonds to refund the ECP Bonds

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 25-30, *"A Resolution Authorizing the Issuance, Sale and Delivery of North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2025, Pledging Revenues for the Payment of the Bonds, Approving an Official Statement, and Authorizing Other Instruments and Procedures Relating Thereto."*

Consultant: N/A

Scope: Fund Improvements to the Regional Water System

Project: Multiple. Each Capital Improvement Plan Contract financed with ECP has already been approved by the Board

Amount: Approximately \$884.6M. Actual amount to be determined at date of pricing.

Committee: This was an item on the April 9, 2025, Finance Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	2.3 Rigorous Financial Management
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- |  |  |
|--|--|
| <input type="checkbox"/> Regulatory Compliance           | <input type="checkbox"/> Asset Condition           |
| <input type="checkbox"/> Capacity                        | <input type="checkbox"/> Redundancy/Resiliency     |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency    |
| <input type="checkbox"/> Safety                          | <input checked="" type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy                          | <input type="checkbox"/> Other _____               |

**BACKGROUND**

- The Finance Committee met on April 9, 2025, to review the Water System ECP Program and Bond Refunding.
  - Refunding approximately \$272.7M of Series 2014 and 2015 Bonds
  - Refunding approximately \$610.0M of ECP Program project award appropriations
- Staff presented to the Finance Committee timelines for the sale and a summary of the financing plan.
- Staff recommended and the Finance Committee approved a 10-Member Underwriting Syndicate to market the Bonds.
  - JP Morgan Securities was selected as the lead Underwriter
- At this time, it is expected that approximately \$884.60 million of 2025 revenue refunding bonds will be issued. The actual amount of the bond sale will be determined on the date of pricing.
- The transaction will be sold via negotiated sale on June 26, 2025, and the estimated interest rate is 4.56%.
- NTMWD bond counsel, McCall, Parkhurst & Horton, LLP, has prepared the attached Bond Resolution.
- Representatives from McCall, Parkhurst & Horton, LLP, as well as Hilltop Securities, Inc., will be available at the Board meeting to review the documents and financing procedures.

**FUNDING**

N/A

RESOLUTION NO. 25-30

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY  
OF NORTH TEXAS MUNICIPAL WATER DISTRICT, WATER SYSTEM  
REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2025,  
PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS,  
APPROVING AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER  
INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS	§
COUNTIES OF COLLIN, DALLAS, KAUFMAN, AND ROCKWALL	§
NORTH TEXAS MUNICIPAL WATER DISTRICT	§

WHEREAS, North Texas Municipal Water District (the "Issuer" or the "District") is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Chapter 62, Acts of the 52nd Legislature of Texas, Regular Session, 1951, as amended (the "District Act"); and

WHEREAS, among other bonds, the Issuer has previously authorized to be outstanding the following described bonds:

North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2014 (the "*2014 Bonds*"); and

North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2015 (the "*2015 Bonds*"); and

WHEREAS, the Issuer now desires to issue refunding bonds, in one or more series, to refund all or part of the of the outstanding Series 2014 Bonds and Series 2015 Bonds (the "Refundable Bonds"), and those Refundable Bonds designated by the Authorized Officer in the Approval Certificate, each as defined herein, the "Refunded Bonds"; and

WHEREAS, among other bonds, pursuant to a Master Resolution Establishing the North Texas Municipal Water District Water System Extendable Commercial Paper Financing Program And Authorizing Water System Revenue Bonds - Extendable Commercial Paper Mode, adopted on May 27, 2021 (the "Master Resolution"), and a Resolution amending the Master Resolution adopted on March 23, 2023, the Issuer has previously authorized to be outstanding the following described junior lien bonds:

North Texas Municipal Water District Water System Revenue Bond - Extendable Commercial Paper Mode (the "*ECP Bonds*"); and

WHEREAS, the Issuer now desires to authorize refunding bonds, in one or more series, to refund all or part of the of the outstanding ECP Bonds (the "Refundable ECP



Bonds"), and those Refundable ECP Bonds designated by the Authorized Officer in the Approval Certificate, each as defined herein, the "Refunded ECP Bonds"; and

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

WHEREAS, the Issuer also desires to provide funds with which to pay for certain improvements to its Water System (as defined herein), as further described herein; and

WHEREAS, the Issuer will authorize the Bonds pursuant to the District Act, Chapter 30, Texas Water Code, as amended, and Chapters 1207 and 1371 Texas Government Code, as amended, and other applicable laws; and

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH TEXAS MUNICIPAL WATER DISTRICT, THAT:

Section 1. AMOUNT AND PURPOSE OF THE BONDS. The bond or bonds of the Issuer are hereby authorized to be issued and delivered, in or more series, in an aggregate principal amount not to exceed \$1,050,000,000, for the purpose of providing funds for (i) REFUNDING A PORTION OF THE ISSUER'S OUTSTANDING REFUNDABLE BONDS, (ii) REFUNDING A PORTION OF THE DISTRICT'S OUTSTANDING WATER SYSTEM REVENUE BONDS- EXTENDABLE COMMERCIAL PAPER MODE (THE "REFUNDED ECP"), (iii) FOR THE CONSTRUCTION AND INSPECTION OF THE WYLIE WATER TREATMENT PLANT ("WTP") CONVERSION TO BIOLOGICALLY ACTIVE FILTRATION ("BAF"), NORTH GARLAND GROUND STORAGE TANK, PLANO WESTSIDE PIPELINE, WYLIE TO ROCKWALL PIPELINE RELOCATION, THE ACQUISITION AND DESIGN OF TEXOMA RAW WATER PIPELINE, AND OTHER SYSTEM IMPROVEMENTS, (iv) FUNDING A DEPOSIT TO THE RESERVE FUND TO THE EXTENT NECESSARY, AND (v) PAYING THE COSTS INCIDENT TO THE ISSUANCE AND DELIVERY OF THE BONDS. The refunding of any extendable commercial paper issued for any of the foregoing purposes with proceeds of the bonds authorized hereby shall constitute improving the North Texas Municipal Water District Water System.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "NORTH TEXAS MUNICIPAL WATER DISTRICT, WATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BOND, SERIES 2025." Initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and

exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND.

(a) As authorized by Chapters 1207, and 1371, Texas Government Code, as amended, the President of the Board of Directors, the Executive Director, and the Assistant General Manager – Chief Financial Officer are each hereby designated as an "Authorized Officer" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by a certificate executed by such Authorized Officer (the "Approval Certificate") for a period not to extend beyond June 26, 2026, in selling and delivering the Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded Bonds" in this Resolution and carrying out the other procedures specified in this Resolution, including the use of a book-entry only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date and the date of delivery of the Bonds, any additional or different designation or title by which the Bond shall be known (including, if the Bonds are issued on a taxable basis, inclusion of an appropriate designation as such), the price at which the Bonds will be sold (but in no event less than 95% of the principal amount of the Bonds), the principal amount (not exceeding \$1,050,000,000) of the Bonds in one or more series, the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest, to be borne by each such maturity (but in no event to result in the net effective interest rate on the Bonds exceeding 6.00% per annum), the initial interest payment date, the date or dates of any optional redemption thereof, any mandatory sinking fund redemption provisions, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds and Refunded ECP Bonds; provided that the refunding of the Refunded Bonds accomplished through the issuance of the Bonds must produce a present value debt service savings of at least 3.00% of the total principal amount of the Refunded Bonds, net of expenses and any Issuer contribution. The Issuer acknowledges that the refunding of the Refunded ECP Bonds accomplished through the issuance of the Bonds is undertaken for debt restructuring purposes.

(b) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, in the denomination and aggregate principal amount set forth in the Approval Certificate (not exceeding \$1,050,000,000), numbered TR-1, payable in annual installments of principal to the initial registered owner thereof or to the registered assignee or assignees of said Bond or any

portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, and may and shall be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, all as set forth in the Approval Certificate.

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

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the date of delivery (the "Issue Date") of the Initial Bond to the Underwriters (as defined in Section 32 hereof) to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Bond, and such interest shall be payable in the manner, at the rates, and on the dates, respectively, as provided in the Approval Certificate and the FORM OF INITIAL BOND set forth in this Resolution.

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

FORM OF INITIAL BOND

NO. TR-1

\$\_\_\_\_\_\*

UNITED STATES OF AMERICA  
STATE OF TEXAS  
NORTH TEXAS MUNICIPAL WATER DISTRICT,  
WATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BOND  
SERIES 2025

NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to: \_\* or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of \_\_\_\_\_\* in annual installments of principal due and payable on \_\_ in each of the years, and in the respective principal amounts, as set forth in the following schedule:

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\* From Approval Certificate.

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

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

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

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such

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\* From Approval Certificate.

a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$\_\_\_\_\*, for the purpose of (i) refunding \$\_\_\_\_\_ in principal amount of North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2014, and \$\_\_\_\_\_ in principal amount of North Texas Municipal Water District Water System Revenue and Refunding Bonds, Series 2015, (ii) refunding a portion of the District's outstanding Water System Revenue Bonds - Extendable Commercial Paper Mode, (iii) improving the North Texas Municipal Water District Water System, (iv) funding a deposit to the Reserve Fund to the extent necessary, and (v) paying the costs incident to the issuance and delivery of this Bond.

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

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

Principal Installment due on \_\_\_\_\_, \_\_\_\_\_

Years

Amounts

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\* From Approval Certificate.

\*\* Issue Date (as defined in Section 4 hereof).

Principal Installment due on \_\_\_\_\_, \_\_\_\_\_

Years

Amounts

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

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

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

such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer which, together with other outstanding bonds of the Issuer, and the interest thereon, are secured by and payable equally and ratably on a parity from a first lien on and pledge of the "Pledged Revenues" as defined in the Bond Resolution, which include the "Net Revenues of the District's Water System", as defined in the Bond Resolution, including specifically revenues derived pursuant to existing water supply contracts between the Issuer and the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie, Texas, which cities are currently the Member Cities constituting the territory and boundaries of the Issuer, water supply contracts relating to the District's Water System with any other cities which hereafter may become Member Cities, and water supply contracts with other cities and customers in connection with the District's Water System.

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

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

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

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



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

\_\_\_\_\_  
Secretary, Board of Directors

\_\_\_\_\_  
President, Board of Directors

(DISTRICT SEAL)

FORM OF REGISTRATION CERTIFICATE OF THE  
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this

\_\_\_\_\_  
Comptroller of Public Accounts of the  
State of Texas

(COMPTROLLER'S SEAL)

Section 6. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of

\_\_\_\_\_  
\* From Approval Certificate.

each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF SUBSTITUTE BOND set forth in this Resolution. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF SUBSTITUTE BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

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

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

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may, and if so provided in the Approval Certificate, shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and

the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF SUBSTITUTE BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF SUBSTITUTE BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

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

(f) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co.,

as nominee of Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on, as the case may be, the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, as the case may be, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, or as the case may be, the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, as the case may be, pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify

DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

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

Section 7. FORM OF SUBSTITUTE BONDS. The form of all Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Bonds, and the Form of Assignment to be printed on each of the Bonds, shall be, respectively, substantially as follows, with blank or bracketed information to be completed or deleted based upon the Approval Certificate, and with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

#### FORM OF SUBSTITUTE BOND

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

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

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

NO.

PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA STATE OF TEXAS  
NORTH TEXAS MUNICIPAL WATER DISTRICT,  
WATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BOND  
SERIES 2025

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP NO.</u>
%	_____, ____	_____, ____*	

ON THE MATURITY DATE specified above NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to CEDE & CO. or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of \_\_\_\_\_\*\* DOLLARS and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date specified above, to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on each \_\_\_\_\_\*\* and \_\_\_\_\_\*\*, commencing \_\_\_\_\_\*\*, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the 15th day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. However, notwithstanding the foregoing provisions, (1) the payment of such interest may be made by any other method

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\* Issue Date (as defined in Section 4 hereof).

\*\* From Approval Certificate.

acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof and (2) upon the written request, and at the risk and expense of, the registered owner of any Bond of this Series in the amount of \$1,000,000 or more, delivered to the Paying Agent/Registrar not less than 15 days prior to any interest payment date, payment of the interest due on such Bond on such date shall be paid on such date by wire transfer to any designated account in the United States of America which has available to it the wire service facilities of the Federal Reserve Bank. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is one of an issue of Bonds dated as of \_\_\_\_\_\*, \_\_\_\_\_, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$\_\_\_\_\_\*, for the purpose of (i) refunding \$\_\_\_\_\_\*, in principal amount of North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2014, and \$\_\_\_\_\_\*, in principal amount of North Texas Municipal Water District Water System Revenue and Refunding Bonds, Series 2015, (ii) refunding a portion of the District's outstanding Water System Revenue Bonds - Extendable Commercial Paper Mode, (iii) improving the North Texas Municipal Water District Water System, (iv) funding a deposit to the Reserve Fund to the extent necessary, and (v) paying the costs incident to the issuance and delivery of this Bond.

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

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\* From Approval Certificate.

\$5,000), at the redemption price of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

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

Term Bonds maturing on \_\_\_\_\_, \_\_\_\_\_

Years

Amounts

Term Bonds maturing on \_\_\_\_\_, \_\_\_\_\_

Years

Amounts

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

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

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity at the option of the Issuer, a written notice of such redemption

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\*\* Issue Date (as defined in Section 4 hereof).



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

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof

called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer which, together with other outstanding bonds of the Issuer, and the interest thereon, are secured by and payable equally and ratably on a parity from a first lien on and pledge of the "Pledged Revenues" as defined in the Bond Resolution, which include the "Net Revenues of the District's Water System", as defined in the Bond Resolution, including specifically revenues derived pursuant to existing water supply contracts between the Issuer and the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie, Texas, which cities are

currently the Member Cities constituting the territory and boundaries of the Issuer, water supply contracts relating to the District's Water System with any other cities which hereafter may become Member Cities, and water supply contracts with other cities and customers in connection with the District's Water System.

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

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

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

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

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

\_\_\_\_\_  
XXXXXXX  
Secretary, Board of Directors

\_\_\_\_\_  
XXXXXXX  
President, Board of Directors

(DISTRICT SEAL)

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

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

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

Dated THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION, Dallas,  
Texas

By \_\_\_\_\_  
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

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

Please Insert Social Security or  
Other Identifying Number of Assignee

/\_\_\_\_\_/

---

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_ to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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

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

Section 8. ADDITIONAL DEFINITIONS. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in the future in this Resolution.

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

The terms "Bond Resolution" and "Resolution" mean this resolution authorizing the Bonds. The term "Bonds" means collectively the Initial Bond as described and defined in Sections 1 and 2 of this Resolution, and all substitute bonds exchanged therefor as well as all other substitute and replacement bonds issued pursuant to this Resolution.

The term "Contracts" shall mean collectively: (a) the original separate water supply contracts between the Issuer and each of the current Member Cities, respectively, and all amendments thereto, with each of said contracts initially having been authorized at elections held in each of the current Member Cities, respectively, on December 5, 1953, except for (i) such contract with the City of Richardson, which is dated April 7, 1965, and was amended on July 2, 1973, and modified in October, 1973, (ii) such contract with the City of Allen, Texas, which is dated as of October 1, 1998 (the "Allen Contract"), and (iii) such contract with the City of Frisco, Texas, which is dated as of October 1, 2001 (the "Frisco Contract"), as all of said contracts (except the Allen Contract and the Frisco Contract), as amended, have been further amended, modified, combined, consolidated, and wholly replaced by a single "North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract" dated as of August 1, 1988, and, together with the Allen Contract and the Frisco Contract have been amended by a First Amendment to North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract, effective February 7, 2021, executed between the Issuer and each of such Member Cities, (b) any water supply contracts relating to the System with any other cities which hereafter may become Member Cities, and (c) all water supply contracts between the Issuer and other cities and customers in connection the District's Water System.

The terms "District" and "Issuer" shall mean North Texas Municipal Water District.

The terms "District's System" and "System" shall mean all of the Issuer's existing water storage, treatment, transportation, distribution, and supply facilities, and other properties, which heretofore have been acquired or constructed with the proceeds from

the sale of all bonds or other obligations ever issued by the Issuer which have been payable from or secured by a lien on or pledge of any part of the "Net Revenues of the System," or with revenues from said System, together with all future improvements, enlargements, extensions, and additions to any of the foregoing, and all future new facilities, which are acquired or constructed with the proceeds from the sale of the Parity Bonds and any Additional Bonds or money from the Contingency Fund (hereinafter described) or any water supply facilities which are deliberately and specifically, at the option of the Board, made a part of the System by resolution of the Board, and all repairs to and replacements of the System. Said terms do not include any Issuer facilities which provide waste treatment or disposal or other wastewater services of any kind. Said terms do not include any facilities acquired or constructed by the Issuer with any proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being revenue obligations of the Issuer which are not issued as Additional Bonds, and which are payable from any source, contract or revenues whatsoever other than the Pledged Revenues; and Special Facilities Bonds may be issued for any lawful purposes and made payable from any source, contract, or revenues whatsoever other than the Pledged Revenues.

The term "Gross Revenues of the System" shall mean all of the revenues, income, rentals, rates, fees, and charges of every nature derived by the Board or the Issuer from the operation and/or ownership of the System, including specifically all payments and amounts received by the Board or the Issuer from the Contracts, and all investments, interest, and income from any Fund created pursuant to this Resolution.

The term "Member Cities" shall mean collectively the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie, Texas, together with all cities which hereafter may become Member Cities as provided in the District Act.

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

The term "Operation and Maintenance Expense of the System" shall mean all costs of operation and maintenance of the System including, but not limited to, repairs and replacements, operating personnel, the cost of utilities, supervision, engineering, accounting, auditing, legal services, insurance premiums, and any other supplies, services, administrative costs, and equipment necessary for proper operation and maintenance of the System, payments to any public or private entity made for the purchase of water, storage right, or other interests in water, or for the use or operation of any property or facilities, payments to the United States of America with respect to the operation, maintenance, and use of Lavon Dam and Reservoir and/or any other reservoirs or facilities in connection with the Issuer's sources of water for the System, and payments made by the Issuer in satisfaction of judgments or other liabilities resulting from claims not covered by Issuer's insurance. Depreciation shall not be considered an item of Operation and Maintenance Expense.

The term "Parity Bonds" shall mean, collectively, (i) the Bonds, (ii) the North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2014 (the "Series 2014 Bonds"), dated as of June 15, 2014, authorized by a resolution of the Board on June 26, 2014 (the "Series 2014 Bond Resolution"), (iii) the North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2015 (the "Series 2015 Bonds"), dated as of April 15, 2015, authorized by a resolution of the Board on April 23, 2015 (the "Series 2015 Bond Resolution"), (iv) the North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2016 (the "Series 2016 Bonds"), dated as of October 15, 2016, authorized by a resolution of the Board on October 27, 2016 (the "Series 2016 Bond Resolution"), (v) the North Texas Municipal Water District Water System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), authorized by a resolution of the Board on June 22, 2017 (the "Series 2017 Bond Resolution"), (vi) the North Texas Municipal Water District Water System Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), authorized by a resolution of the Board on June 22, 2017 (the "Series 2018 Bond Resolution"), (vii) the North Texas Municipal Water District Water System Revenue Bonds, Series 2018A (the "Series 2018A Bonds"), authorized by a resolution of the Board on March 22, 2018 (the "Series 2018 Bond Resolution"), (viii) the North Texas Municipal Water District Water System Revenue Bonds, Series 2019 (the "Series 2019 Bonds"), authorized by a resolution of the Board on March 28, 2019 (the "Series 2019 Bond Resolution"), (ix) the North Texas Municipal Water District Water System Revenue Refunding Bonds, Series 2019 (the "Series 2019 Refunding Bonds"), authorized by a resolution of the Board on March 28, 2019 (the "Series 2019 Refunding Resolution"), (x) the North Texas Municipal Water District Water System Revenue Bonds, Series 2019A (the "Series 2019A Bonds"), authorized by a resolution of the Board on March 28, 2019 (the "Series 2019A Bond Resolution"), (xi) the North Texas Municipal Water District Water System Revenue Refunding Bonds, Series 2020 (the "Series 2020 Bonds"), authorized by a resolution of the Board on March 26, 2020 (the "Series 2020 Bond Resolution"), (xii) the North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2021 (the "Series 2021 Bonds"), authorized by a resolution of the Board on June 24, 2021 (the "Series 2021 Bond Resolution"), (xiii) the North Texas Municipal Water District Water System Revenue Refunding Bonds, Series 2021A (the "Series 2021A Bonds"), authorized by a resolution of the Board on August 26, 2021 (the "Series 2021A Bond Resolution"), and (xiv) the North Texas Municipal Water District Water System Revenue Bonds, Series 2023 (the "Series 2023 Bonds"), authorized by a resolution of the Board on October 26, 2023 (the "Series 2023 Bond Resolution").

The term "Pledged Revenues" shall mean: (a) the Net Revenues of the System and (b) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Parity Bonds or the Additional Bonds.

The term "year" or "fiscal year" shall mean the Issuer's fiscal year, which currently begins on October 1 of each calendar year, but which subsequently may be any other 12 month period hereafter established by the Issuer as a fiscal year for the purposes of any resolution authorizing the Bonds or any Additional Bonds.

Section 9. PLEDGE. (a) The Bonds authorized by this Resolution are hereby designated as, and shall be, "Additional Bonds" as permitted by Sections 22 and 23, respectively, of the Series 2014 Bond Resolution, the Series 2015 Bond Resolution, the Series 2016 Bond Resolution, the Series 2017 Bond Resolution, the Series 2018 Bond Resolution, the Series 2018A Bond Resolution, the Series 2019 Bond Resolution, the Series 2019A Bond Resolution, the Series 2019 Refunding Bond Resolution, the Series 2020 Bond Resolution, the Series 2021 Bond Resolution, the Series 2021A Bond Resolution, and the Series 2023 Bond Resolution, and it is hereby determined, declared, and resolved that all of the Parity Bonds, including the Bonds authorized by this Resolution, are and shall be secured and payable equally and ratably on a parity, and that Sections 8 through 20 and 22 through 26 of this Resolution substantially restate and are supplemental to and cumulative of the applicable and pertinent provisions of the resolutions authorizing the issuance of the previously issued Parity Bonds, respectively, with Sections 8 through 20 and 22 through 26 of this Resolution being equally applicable to all of the Parity Bonds.

(b) The Parity Bonds and any Additional Bonds, and the interest thereon, are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Redemption Fund, the Reserve Fund and the Contingency Fund as provided in this Resolution.

Section 10. REVENUE FUND. There has been created and established and there shall be maintained on the books of the Issuer, and accounted for separate and apart from all other funds of the Issuer, a special fund to be entitled the "North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds Revenue Fund" (hereinafter called the "Revenue Fund"). All Gross Revenues of the System (excepting the investment interest and income from the Interest and Redemption Fund, the Reserve Fund, and the Contingency Fund) shall be credited to the Revenue Fund immediately upon receipt. All Operation and Maintenance Expenses of the System shall be paid from such Gross Revenues credited to the Revenue Fund, as a first charge against same.

Section 11. INTEREST AND REDEMPTION FUND. For the sole purpose of paying the principal of and interest on all outstanding Parity Bonds and any Additional Bonds, as the same come due, there has been created and established and there shall be maintained at The Bank of New York Mellon Trust Company, National Association, or at the option of the Issuer at any time hereafter, established and maintained at any national bank having a capital and surplus in excess of \$25,000,000, a separate fund to be entitled the "North Texas Municipal Water District Water System Revenue Refunding and



Improvement Bonds, Series 2025 Interest and Redemption Fund" (hereinafter called the "Interest and Redemption Fund").

Section 12. RESERVE FUND. There has been created and established, and there shall be maintained at The Bank of New York Mellon Trust Company, National Association, or at the option of the Issuer at any time hereafter, established and maintained at any national bank having a capital and surplus in excess of \$25,000,000, a separate fund to be entitled the "North Texas Municipal Water District Regional Water System Revenue Refunding and Improvement Bonds Reserve Fund" (hereinafter called the "Reserve Fund"). The Reserve Fund shall be used solely for the purpose of finally retiring the last of the outstanding Parity Bonds and Additional Bonds, or for paying principal of and interest on any outstanding Parity Bonds and Additional Bonds, when and to the extent the amount in the Interest and Redemption Fund is insufficient for such purpose.

Section 13. CONTINGENCY FUND. There has been created and established, and there shall be maintained at The Bank of New York Mellon Trust Company, National Association, or at the option of the Issuer at any time hereafter, established and maintained at any national bank having a capital and surplus in excess of \$25,000,000, a separate fund to be entitled the "North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds Contingency Fund" (hereinafter called the "Contingency Fund"). The Contingency Fund shall be used solely for the purpose of paying the costs of improvements, enlargements, extensions, or additions to the System, and unexpected or extraordinary repairs or replacements of the System for which System funds are not otherwise available, or for paying unexpected or extraordinary Operation and Maintenance Expenses of the System for which System funds are not otherwise available, or for paying principal of and interest on any Parity Bonds or Additional Bonds, when and to the extent the amount in the Interest and Redemption Fund is insufficient for such purpose

Section 14. DEPOSITS OF PLEDGED REVENUES; INVESTMENTS. (a) The Pledged Revenues shall be deposited into the Interest and Redemption Fund, the Reserve Fund, and the Contingency Fund when and as required by this Resolution.

(b) Money in any Fund established or maintained pursuant to the this Resolution may, at the option of the Issuer, be placed in secured time deposits or secured certificates of deposit, or be invested in direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Small Business Administration; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued in terms of current market value as of the 20th day of August of each year. Interest and income derived from such deposits and investments shall be

credited to the Fund from which the deposit or investment was made. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Bonds or Additional Bonds.

Section 15. FUNDS SECURED. Money in all Funds described in this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the Issuer.

Section 16. DEBT SERVICE REQUIREMENTS. (a) Promptly after the delivery of the Initial Bond the Issuer shall cause to be deposited to the credit of the Interest and Redemption Fund, from the proceeds received from the sale and delivery of the Initial Bond, all accrued interest, if any, to be used to pay part of the interest coming due on the Bonds.

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

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

(2) such amounts, deposited in approximately equal monthly installments on or before the 25th day of each month hereafter as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the principal scheduled to mature and come due, and/or mandatorily required to be redeemed prior to maturity, on all of the Parity Bonds on the next succeeding principal payment date.

Section 17. RESERVE REQUIREMENTS. The Issuer is required to accumulate and maintain in the Reserve Fund an aggregate amount of money and/or investments equal in market value to the average annual principal and interest requirements on all outstanding Parity Bonds (the "Reserve Required Amount"). Immediately after the delivery of the Initial Bond, the District shall deposit to the credit of the Reserve Fund, from the proceeds from the sale and delivery of the Initial Bond, an amount of money, if any, which will cause the Reserve Fund to contain, together with the other money and/or investments then on hand therein, an amount of money and/or investments equal in market value to the Reserve Required Amount. No deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount; but if and whenever the market value of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Issuer shall require the Member Cities to increase their payments under their respective Contracts as soon as practicable, and in any event within one year, in an amount sufficient to restore the

amount of such decrease; and in the event the Reserve Fund is used pay the principal of or interest on the Bonds because of insufficient amounts being available in the Interest and Redemption Fund, then the Issuer shall require the Member Cities to increase their payments under the their respective Contracts as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount, and the Issuer shall deposit, in the Reserve Fund, in approximately equal periodic payments, not less than annual, such amounts as are required to cause the Reserve Fund to contain the Reserve Required Amount within five years from any date of the use of the Reserve Fund to pay such principal or interest. So long as the Reserve Fund contains the Reserve Required Amount, all amounts in excess thereof shall be deposited to the credit of the Interest and Redemption Fund on or before September 1 of each year.

Section 18. CONTINGENCY REQUIREMENTS. There is now on hand in the Contingency Fund an amount of money and/or investments at least equal in market value to \$500,000. No additional deposits are required to be made to the credit of the Contingency Fund unless and until such amount therein is reduced or depleted. If and when such amount in the Contingency Fund is reduced or depleted then, subject and subordinate to making the required deposits to the credit of the Interest and Redemption Fund and the Reserve Fund, such reduction or depletion shall be restored from amounts which shall be provided for such purpose in the Issuer's Annual Budget for the next ensuing fiscal year or years; provided that the Issuer is not required to budget more than \$200,000 for such purpose during any one fiscal year. So long as the Contingency Fund contains money and investments not less than the amount of \$500,000 in market value, any surplus in the Contingency Fund over said amount may be withdrawn and used for any lawful purpose.

Section 19. DEFICIENCIES; EXCESS PLEDGED REVENUES. (a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Redemption Fund, the Contingency Fund, and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources lawfully available for such purpose.

(b) Subject to making the required deposits to the credit of the Interest and Redemption Fund, the Contingency Fund, and the Reserve Fund, when and as required by this Resolution, or any Resolution authorizing the issuance of Additional Bonds, the excess Pledged Revenues may be used for any lawful purpose; provided that at the time each Annual Budget is prepared all such excess revenues which are not pledged to the payment of junior or subordinate lien bonds or other obligations of the Issuer, and which have not been committed by formal resolution or order of the Board for a specific purpose, and which exceed twenty-five percent of the Operation and Maintenance Expenses of the Issuer for the fiscal year then ending, shall be applied to the payment of Operation and Maintenance Expenses of the Issuer for the next ensuing fiscal year, and the Annual Budget shall be prepared accordingly.

Section 20. PAYMENT OF PARITY BONDS AND ADDITIONAL BONDS. Semiannually on or before the first day of each March and September while any of the Parity Bonds or Additional Bonds are outstanding and unpaid, the Issuer shall make available to the paying agents therefor, out of the Interest and Redemption Fund, the Contingency Fund, or the Reserve Fund, if necessary, money sufficient to pay such interest on and such principal of the Parity Bonds and Additional Bonds as will accrue or mature on such March 1 or September 1, as the case may be. The paying agents shall destroy all paid Parity Bonds and Additional Bonds, and furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 21. FINAL DEPOSITS; GOVERNMENTAL OBLIGATIONS. (a) Any Bond shall be deemed to be paid, retired, and no longer outstanding, when payment of the principal of, redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided by irrevocably depositing with a paying agent therefor, (1) money sufficient to make such payment or (2) Government Obligations, as hereinafter defined in this Section, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of such paying agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of such paying agent. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of any Bond Resolution or a lien on and pledge of the Pledged Revenues, and shall be entitled to payment solely from such money or Government Obligations.

(b) Any moneys so deposited with a paying agent may at the direction of the Issuer also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the paying agent pursuant to this Section which is not required for the payment of the Bonds, the redemption premium, if any, and interest thereon, with respect to which such moneys has been so deposited, shall be turned over to the Issuer.

(c) The Issuer covenants that no deposit will be made or accepted under clause (ii) of this Section and no use made of any such deposit which would cause the Parity Bonds or any Additional Bonds to be treated as arbitrage bonds within the meaning of the Internal Revenue Code of 1986, as amended.

(d) The term "Government Obligations" as used in this Section shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves

proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" of its equivalent.

(e) Notwithstanding any provisions of this Resolution, all money or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of the Bonds, the redemption premium, if any, and interest thereon, shall be applied to and used for the payment of the Bonds, the redemption premium, if any, and interest thereon.

(f) Notwithstanding the foregoing, the Issuer covenants that with respect to the Bonds it will provide a paying agent/registrar to perform the services thereof provided for by this Resolution the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such paying agent and registrar services.

Section 22. ADDITIONAL BONDS. (a) The Issuer shall have the right and power at any time and from time to time, and in one or more Series or issues, to authorize, issue, and deliver additional parity revenue bonds (herein called "Additional Bonds"), in accordance with law, in any amounts, for any lawful purpose relating to the System, including the refunding of any Parity Bonds or Additional Bonds. Such Additional Bonds, if and when authorized, issued, and delivered in accordance with this Resolution, shall be secured by and made payable equally and ratably on a parity with the Parity Bonds, and all other outstanding Additional Bonds, from a first lien on and pledge of the Pledged Revenues.

(b) The Interest and Redemption Fund and the Reserve Fund, established by this Resolution shall secure and be used to pay all Additional Bonds as well as the Parity Bonds. However, each Resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other Resolution or Resolutions authorizing Additional Bonds to be deposited to the credit of the Interest and Redemption Fund, the Issuer shall deposit to the credit of the Interest and Redemption Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same come due; and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased, if and to the extent necessary, to an amount not less than the average annual principal and interest requirements of all Parity Bonds and Additional Bonds which will be outstanding after the issuance and delivery of the then proposed Additional Bonds; and that the required additional amount shall be so accumulated by the deposit in the Reserve Fund of all or any part of said required additional amount in cash immediately after the delivery of the then proposed Additional Bonds, or, at the option of the Issuer, by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) within five years from the date of such installment or series of Additional Bonds, and in approximately equal installments, not less than annual.

(c) All calculations of average annual principal and interest requirements made pursuant to this Section shall be made as of and from the date of the Additional Bonds then proposed to be issued.

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

Section 23. FURTHER REQUIREMENTS FOR ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, no installment, Series, or issue of Additional Bonds shall be issued or delivered unless the President and the Secretary of the Board sign a written certificate to the effect that the Issuer is not in default as to any covenant, condition, or obligation in connection with all outstanding Parity Bonds and Additional Bonds, and the Resolutions authorizing same, and that the Interest and Redemption Fund and the Reserve Fund each contains the amount then required to be therein, and either (a) an independent registered professional engineer of the State of Texas or a firm of such engineers executes a certificate or report to the effect that in his or its opinion the Pledged Revenues in each complete fiscal year thereafter will be at least equal to 1.25 times the average annual principal and interest requirements of all Parity Bonds and Additional Bonds to be outstanding after the delivery of the then proposed Additional Bonds, or (b) in the alternative to (a), above, the President and Secretary of the Board sign a written certificate to the effect that, based upon an opinion of legal counsel to the Issuer, there are Contracts then in effect pursuant to which the Member Cities and others which are parties to such Contracts are obligated to make minimum payments to the Issuer at such times (including during periods when water is not available to such Member Cities and others) and in such amounts as shall be necessary to provide to the Issuer Net Revenues of the System sufficient to pay when due all principal of and interest on all Parity Bonds and Additional Bonds to be outstanding after the issuance of the proposed Additional Bonds, and to make the deposits into the Reserve Fund as required under this Resolution.

Section 24. GENERAL COVENANTS. The Issuer further covenants and agrees that:

(a) PERFORMANCE. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and each resolution authorizing the issuance of Additional Bonds, and in each and every Parity Bond and Additional Bond; that it will promptly pay or cause to be paid the principal of and interest on every Bond and Additional Bond, on the dates and in the places and manner prescribed in such resolutions and Parity Bonds or Additional Bonds; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Interest and Redemption Fund and the Reserve Fund; and any holder of the Parity Bonds or Additional Bonds may require the Issuer, its Board, and its officials and employees, to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of Additional

Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board, and its officials and employees.

(b) **ISSUER'S LEGAL AUTHORITY.** It is a duly created and existing conservation and reclamation district of the State of Texas pursuant to Article 16, Section 59 of the Texas Constitution, and Chapter 62, Acts of the 52nd Legislature of the State of Texas, Regular Session, 1951, as amended (originally compiled as Vernon's Ann. Tex. Civ. St. Article 8280-141), and is duly authorized under the laws of the State of Texas to create and issue the Parity Bonds; that all action on its part for the creation and issuance of the Parity Bonds has been duly and effectively taken, and that the Parity Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

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

(d) **LIENS.** It will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or the System, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Issuer.

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

(f) **FURTHER ENCUMBRANCE.** While the Parity Bonds or any Additional Bonds are outstanding and unpaid, it shall not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution

authorizing the issuance of Additional Bonds; but the right of the Issuer and the Board to issue revenue bonds payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(g) **SALE OF PROPERTY.** While the Parity Bonds or any Additional Bonds are outstanding and unpaid, it will maintain its current legal corporate status as a conservation and reclamation district, and the Issuer shall not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of the entire System, or any significant or substantial part thereof; provided that whenever it deems it necessary to dispose of any machinery, fixtures, and equipment, it may sell or otherwise dispose of such machinery, fixtures, and equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined by the Board that no such replacement or substitute is necessary.

(h) **INSURANCE.** (1) It will cause to be insured such parts of the System as would usually be insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by corporations operating like properties, including fire and extended coverage insurance. Public liability and property damage insurance shall also be carried unless the general counsel for Issuer, or the Attorney General of Texas, gives a written opinion to the effect that the Issuer, the Board, and its officers and employees, are not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Issuer shall not be required to carry insurance on the works being constructed, but the contractor shall be required to carry appropriate insurance. All such policies shall be open to the inspection of the owners of the Parity Bonds and Additional Bonds and their representatives at all reasonable times.

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

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

(b) if none of the outstanding Parity Bonds or Additional Bonds is subject to redemption, then for the purchase on the open market and retirement



of said Parity Bonds and Additional Bonds, in the same proportion as prescribed in the foregoing clause (a), to the extent practicable; provided that the purchase price for any such Parity Bond or Additional Bonds shall not exceed the redemption price of such Parity Bond or Additional Bond on the first date upon which it becomes subject to redemption; or

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

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

(i) **RATE COVENANT.** It will fix, establish, maintain, and collect such rentals, rates, charges, and fees for the use and availability of the System as are necessary to produce Gross Revenues of the System sufficient, together with any other Pledged Revenues, (a) to pay all Operation and Maintenance Expenses of the System and (b) to make all payments and deposits required to be made into the Interest and Redemption Fund, and to maintain the Reserve Fund and the Contingency Fund, when and as required by the resolutions authorizing all Parity Bonds and Additional Bonds.

(j) **RECORDS.** Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the System, the Pledged Revenues, and all Funds described in this Resolution; and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any owner of a Parity Bond or Additional Bond.

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

(l) **GOVERNMENTAL AGENCIES.** It will comply with all of the terms and conditions of any and all agreements applicable to the System and the Parity Bonds or Additional Bonds entered into between the Issuer and any governmental agency, and the

Issuer will take all action necessary to enforce said terms and conditions; and the Issuer will obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the System.

(m) **CONTRACTS.** It will comply with the terms and conditions of the Contracts, and any amendments thereto, and will cause the Member Cities and other cities and customers to comply with all of their obligations thereunder by all lawful means; provided that the Contracts will not be rescinded, modified, or amended in any way which would materially affect adversely the operation of the System or the rights of the owners of the Parity Bonds and Additional Bonds; provided further that, without violating this Section 24(m), the Contracts may be modified or amended to change the allocation of the Annual Requirement (as defined in the Contracts) among the Member Cities by changing the basis for determination of each Member City's minimum amount of each Annual Requirement.

(n) **ANNUAL BUDGET.** On or before the first day of the second calendar month prior to the beginning of each fiscal year, it will prepare the preliminary Annual Budget of Operation and Maintenance Expenses of the System for the ensuing fiscal year, and any amounts required to be deposited to the credit of the Contingency Fund during the ensuing fiscal year, and such budget shall include a showing as to the proposed expenditures for such ensuing fiscal year. If the owners of ten per centum (10%) in aggregate principal amount of the Parity Bonds and Additional Bonds then outstanding shall so request on or before the 15th day of the aforesaid month, the Board shall hold a public hearing on or before the 15th day of the following month, at which any such owner may appear in person or by agent or attorney and present any objections he may have to the final adoption of such budget. Notice of the time and place of such hearing shall be published twice, once in each of two successive weeks, in daily newspapers (and if no daily newspaper is published in any one of such cities, in a weekly newspaper published in such cities) of general circulation published in Dallas, Texas, the date of the first publication to be at least fourteen days before the date fixed for the hearing, and copies of such notice shall be mailed at least ten days before the hearing to each owner of a Parity Bond or Additional Bond who shall have filed his or her name and address with the Secretary of the Board for such purpose. The Issuer further covenants that on or before the first day of each fiscal year it will finally adopt the Annual Budget of Operation and Maintenance Expenses of the System for such fiscal year (hereinafter sometimes call the "Annual Budget") and that except as otherwise provided herein the total expenditures in any division thereof will not exceed the total expenditures in the corresponding division in the preliminary budget. If for any reason the Board shall not have adopted the Annual Budget before the first day of any fiscal year, the budget for the preceding fiscal year shall be deemed to be in force until the adoption of the Annual Budget. The Operation and Maintenance Expenses of the System incurred in any fiscal year will not exceed the reasonable and necessary amount thereof, and the Board will not expend any amount or incur any obligation for maintenance, repair, and operation in excess of the amounts provided therefor in the Annual Budget; provided, however, that if at any time the Board shall determine that the amount of the appropriation for any item in the Annual Budget is

in excess of the amount which will be required for such item, the Board may by resolution reduce such appropriation and make an appropriation for any item or items not covered by the Annual Budget or increase the appropriation for any other item or items by an amount not exceeding the amount of such reduction; and provided, further, that the Board may at any time by resolution adopt an Amended or Supplemental Annual Budget for the remainder of the then current fiscal year in case of an emergency caused by some extraordinary occurrence which shall be recited in such resolution.

Section 25. AMENDMENT OF RESOLUTION. (a) The owners of Parity Bonds and Additional Bonds aggregating 51% in principal amount of the aggregate principal amount of then outstanding Parity Bonds and Additional Bonds shall have the right from time to time to approve any amendment to any resolution authorizing the issuance of any Parity Bonds or Additional Bonds, which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in said resolutions or in the Parity Bonds or Additional Bonds so as to:

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

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

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of all Parity Bonds and Additional Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Issuer may adopt the amendatory resolution in substantially the same form.

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

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

(f) For the purpose of this Section, the ownership of and other matters relating to the Parity Bonds shall be determined from the registration books kept by the registrar therefor.

Section 26. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(a) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to

the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

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

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

Section 27. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE, AND INSURANCE. The President of the Board of Directors of the Issuer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to said Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on said Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on said Initial Bond. The approving legal opinion of the Issuer's Co-Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on said Initial Bond or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to this Resolution is

hereby adopted and made a part hereof for all purposes. If insurance is obtained by the Underwriter (as defined in Section 32 hereof) on any of the Bonds, the Initial Bond and all the Bonds so insured shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 28. COVENANTS REGARDING TAX EXEMPTION. The provisions of this Section 28 shall apply to the Bonds only if the Bonds are issued as tax-exempt obligations as designated in the Approval Certificate. (a) Covenants. The Issuer covenants to refrain from any action which would adversely affect, or to take such action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

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

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

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the

Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

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

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

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

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

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

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

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

(c) Compliance with Code. For purposes of the foregoing covenants, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding Bonds, transferred proceeds (if any) and proceeds of the refunded Bonds expended prior to the date of issuance of the refunding Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that

regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the President of the Board of Directors, the Executive Director, and the Assistant General Manager – Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

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

Section 29. **ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT.** If the Bonds are issued on a tax-exempt basis, the Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 30. **DISPOSITION OF PROJECT.** If the Bonds are issued on a tax-exempt basis, the Issuer covenants that the property constituting the Project refinanced by the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.



## Section 31. CONTINUING DISCLOSURE UNDERTAKING.

### (a) Annual Reports.

Pursuant to the Contracts by and among the Issuer and the Member Cities, the Issuer and the Member Cities have agreed for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to file, or provide to the Issuer for filing, continuing disclosure of financial information and operating data with respect to the Issuer and any Significant Obligated Person and notices of certain events in accordance with the Rule as promulgated by the SEC.

The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under tables numbered 1 through 5 and all quantitative financial information and operating data with respect to each Significant Obligated Person of the general type included in Appendix C to the Official Statement. The Issuer will provide, or cause each Significant Obligated Person to provide, this information within six months after the end of each fiscal year ending in and after 2025.

The Issuer will additionally provide or cause to be provided annually to the MSRB, audited financial statements of the Issuer and each Significant Obligated Person, when and if available. Any financial statements so to be provided shall be prepared in accordance with generally accepted accounting principles or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation. If the audit of such financial statements of the Issuer or a Significant Obligated Person is not complete within 12 months after the respective fiscal year end, then the Issuer shall provide or cause to be provided by each Significant Obligated Person, unaudited financial statements within such 12-month period and audited financial statements when and if the audit report on such statements become available.

If the Issuer or any Significant Obligated Person changes its fiscal year, the Issuer will notify or cause the Significant Obligated Person to notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer or any such Significant Obligated Person otherwise would be required to provide financial information and operating data pursuant to this Section.

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

(b) Event Notices.

The Issuer shall notify the MSRB, in a timely manner, of any of the following events with respect to the Bonds, not in excess of ten Business Days after occurrence of the event:

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

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

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

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

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and "Financial Obligation" for purposes of paragraph 15 and 16, shall have the meaning ascribed to it below.

The Issuer or a Significant Obligated Person shall notify, in an electronic format as prescribed by the MSRB, the MSRB, in a timely manner, of any failure by the Issuer or any such Significant Obligated Person, as the case may be, to provide financial information or operating data in accordance with Section 31 of this Resolution by the time required by such Section. If a Significant Obligated Person provides the Issuer with its financial information and operating data and/or notice of any events described in (b) above within the time frame for filing, the Issuer will cause such information to be filed with the MSRB.

(c) Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform or cause a Significant Obligated Person to observe and perform the covenants specified in this Section for so long as, but only for so long as, such Significant Obligated Person remains a "Significant Obligated Person" with respect to the Bonds, except that the Issuer in any event will give notice of any deposit made in accordance with Section 21 hereof that causes Bonds no longer to be Outstanding.

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

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

No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identify, nature, status, or type of operations of the Issuer or any Significant Obligated Person, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in

accordance with Subsection (a) hereof an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(d) Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

*"Financial Obligation"* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "Financial Obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*"MSRB"* means the Municipal Securities Rulemaking Board. *"Rule"* means SEC Rule 15c2-12, as amended from time to time.

*"SEC"* means the United States Securities and Exchange Commission and any successor to its duties.

*"Significant Obligated Person"* means, at any point in time, any Member City or other party contracting with the Issuer, in either case whose payments to the Issuer for the use of or service from the System in the calendar year preceding any such determination exceeded 10% of the Gross Revenues of the System.

Section 32. SALE OF BONDS; PURCHASE AGREEMENT. Pursuant to the authorizations in Section 3 hereof, as approved by the Authorized Officer, the Bonds may be sold either pursuant to the taking of bids therefor as provided in the Official Notice of Sale or pursuant to a purchase agreement (the "Purchase Agreement") with a purchaser or purchasers (collectively, the "Underwriters") to be approved by the Authorized Officer, and any supplements thereto which may be necessary to accomplish the issuance of Bonds. Such Purchase Agreement is hereby authorized to be dated, executed and delivered on behalf of the Issuer by an Authorized Officer, with such changes therein as shall be approved by the Authorized Officer, the execution thereof by the Authorized Officer to constitute evidence of such approval. The delegation of authority to the Authorized Officer to approve the final terms of the Bonds as set forth in this Resolution is, and the decisions made by the Authorized Officer pursuant to such delegated authority will be, in the best interests of the Issuer, and the Authorized Officer is authorized to make a finding to such effect in the Approval Certificate.

Section 33. APPROVAL OF OFFICIAL STATEMENT. A Preliminary Official Statement relating to the Bonds, will be approved and authorized to be distributed to prospective investors and other interested parties in connection with the underwriting and sale of the Bonds, with such changes therein as shall be approved by an Authorized Officer, including such changes as are necessary for distribution as a final Official Statement. The use and distribution by the Underwriters of the Official Statement relating to the Bonds, is hereby approved. For the purpose of review by the Underwriters prior to purchasing the Bonds, an Authorized Officer may deem said Preliminary Official Statement to have been "final as of its date" within the meaning of Securities and Exchange Commission Rule 15c2-12.

Section 34. DTC REGISTRATION. The Bonds initially issued in exchange and substitution for the Initial Bond shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and the Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the federal Securities Exchange Act of 1934, as amended, and the Issuer accepts, but in no way verifies, such representations. The Initial Bond authorized by this Resolution shall be delivered to and registered in the name of the Purchaser. However, it is a condition of delivery and sale that the Purchaser, immediately after such delivery, shall cause the Paying Agent/Registrar, as provided for in this Resolution, to cancel said Initial Bond and deliver in exchange therefor a substitute Bond for each maturity of the Initial Bond, as provided for in this Resolution, with each such substitute Bond to be registered in the name of CEDE & CO., the nominee of DTC, and it shall be the duty of the Paying Agent/Registrar to take such action. It is expected that DTC will hold the Bonds on behalf of the Purchaser and/or the DTC Participants, as defined and described in the Official Statement referred to and approved in Section 32 hereof (the "DTC Participants"). So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC in all respects the same as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book entry system which will identify beneficial ownership of the Bonds by DTC Participants in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and the DTC Participants pursuant to rules and regulations established by them, and that the substitute Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The Issuer is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or the DTC Participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the Purchaser and the DTC Participants to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The Issuer does not represent, nor does it in any way covenant that the initial book-entry system established

with DTC will be maintained in the future. The Issuer reserves the right and option at any time in the future, in its sole discretion, to terminate the DTC (CEDE & CO.) book-entry only registration requirement described above, and to permit the Bonds to be registered in the name of any owner. If the Issuer exercises its right and option to terminate such requirement, it shall give written notice of such termination to the Paying Agent/Registrar and to DTC, and thereafter the Paying Agent/Registrar shall, upon presentation and proper request, register any Bond in any name as provided for in this Resolution. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered substitute Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Resolution, substitute Bonds will be duly delivered as provided in this Resolution, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds.

Section 35. REFUNDING OF REFUNDED BONDS; ESCROW OR DEPOSIT AGREEMENT. (a) The Refunded Bonds are hereby directed to be called for redemption prior to maturity and shall be redeemed on the dates specified in the Approval Certificate. As soon as practicable after sale of the Bonds, a Notice of Redemption shall be delivered to the paying agent/registrar for the Refunded Bonds to notify, in accordance with the requirements of the Series 2014 Bond Resolution and the Series 2015 Bond Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

(b) Concurrently with the delivery of the Bonds, the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Bonds, together with, to the extent necessary, available funds of the Issuer, with the paying agent/registrar for the Refunded Bonds, sufficient to provide for the refunding and redemption, on the date or dates fixed for redemption, of all of the Refunded Bonds, in accordance with Subchapter C of Chapter 1207, Texas Government Code, as amended. The President of the Board of Directors of the Issuer and the Vice President/Secretary of the Board of Directors of the Issuer are hereby authorized, for and on behalf of the Issuer, to execute an Escrow or Deposit Agreement in substantially the form set forth in Exhibit B hereto to accomplish such purpose. In addition, the Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary for the Escrow Fund described in the Escrow Agreement or the Payment Account described in such Deposit Agreement. It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to restructure the principal and interest requirements of the Issuer and to achieve a present value savings in debt service.

Section 36. REFUNDING OF REFUNDED ECP BONDS. Concurrently with the delivery of the Initial Bond the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Initial Bond and other available sources, if any, the transfer of which is hereby authorized, with U.S. Bank National Association, as bank (the "Bank"), sufficient to provide for the refunding of all of the Refunded ECP Bonds, as defined and described in the preamble to this Resolution, in accordance with Chapter 1207, Texas Government Code, as amended. The President and the Secretary of the

Board of Directors of the Issuer are hereby authorized, for and on behalf of the Issuer, to execute a Deposit Agreement in substantially the form set forth in Exhibit C, if required, or a sufficiency certificate or similar certificate, to accomplish such purpose. In addition, an Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary for the Payment Account in the Deposit Agreement. It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to restructure the principal and interest requirements of the Issuer.

Section 37. REDEMPTION OF REFUNDED ECP BONDS. (a) The Refunded ECP Bonds shall be paid upon the earlier of their stated maturity dates or the earliest redemption dates for which notice of redemption can be given pursuant to the Master Resolution, in each case at a price of par plus accrued interest to the date of payment. As soon as practicable after sale of the Bonds, appropriate notices of redemption shall be delivered to the paying agent/registrars for the Refunded Bonds to notify, in accordance with the requirements of the Master Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

(b) In addition, the paying agent/registrars for the Refunded ECP Bonds is hereby directed to provide the appropriate notices of redemption and defeasance as specified by the Master Resolution and is hereby directed to make appropriate arrangements so that the Refunded ECP Bonds may be redeemed on their respective redemption dates. The Refunded ECP Bonds shall be presented for redemption at the paying agent/registrars therefore, and shall not bear interest after the date fixed for redemption.

Section 38. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment, from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 39. FURTHER PROCEDURES. The President and the Secretary of the Board of Directors, the Executive Director, Assistant General Manager – Chief Financial Officer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, and all details in connection therewith. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 40. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.



Section 41. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Issuer under Section 9 of this Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Issuer under Section 9 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 42. PUBLIC NOTICE. It is hereby officially found and determined that public notice of the time, place and purpose of said meeting was given, all as required by the Government Code, Chapter 551.

Section 43. EFFECTIVENESS. This Resolution shall be effective from the date and after the date of adoption by the Issuer; provided, however, if the Bonds authorized by this Resolution are not issued prior to June 26, 2026, this Resolution shall be void ab initio and shall be of no force and effect.

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## EXHIBIT A

### WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

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

For Obligations issued for newly acquired property or constructed property:

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

For Obligations issued for refunding purposes:

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

For all Obligations:

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

proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax- exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

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

**EXHIBIT B**

**FORM OF ESCROW AGREEMENT**

**ESCROW AGREEMENT**

North Texas Municipal Water District Water System  
Revenue Refunding and Improvement Bonds,  
Series 2014

North Texas Municipal Water District Water System  
Revenue Refunding and Improvement Bonds,  
Series 2015

THIS ESCROW AGREEMENT, dated as of \_\_\_\_\_, \_\_\_\_ (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between North Texas Municipal Water District (the "Issuer") and The Bank of New York Mellon Trust Company, National Association, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") described in the Verification Report of Frost, PLLC CPAs, in conjunction with Public Finance Partners LLC (the "Report") relating to the Refunded Obligations, attached hereto as Exhibit "B" and made a part hereof ; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207") authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment (paying agent) for any of the Refunded Obligations, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent may agree, provided that such deposits may be invested only in direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, the Escrow Agent is the paying agent for the Refunded Obligations and this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment (paying agents) for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2025 (the "Refunding Obligations") have been issued, sold and delivered for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, if applicable, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at a corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is herein also referred to as the "Paying Agent," and any other paying agent for the Refunded Obligations, acting through the Escrow Agent, is also a party

to this Agreement, as a paying agent for the Refunded Obligations to acknowledge their acceptance of the terms and provisions of this Agreement in such capacity.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means the direct noncallable, not pre-payable United States Treasury obligations and obligations the due timely payment of which is unconditionally guaranteed by the United States of America described in the Report or cash or other direct obligations of the United States of America substituted therefor pursuant to Article IV of this Agreement.

Section 1.02. Other Definitions. The terms "Agreement", "Chapter 1207", "Issuer", "Escrow Agent", "Refunded Obligations", "Refunding Obligations," "Report" and "Paying Agent", when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

## ARTICLE II

### DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01. Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

## ARTICLE III

### CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "North Texas Municipal Water District Water System Revenue Refunding and Improvement Bond, Series 2025 Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity dates and interest thereon to such maturity dates in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents (based solely upon the Report) that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations mature, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, notice of any such insufficiency shall be given to the Issuer and the Escrow Agent as promptly as practicable as hereinafter provided, but neither the Escrow Agent nor the Issuer shall in any manner be responsible for any insufficiency of funds in the Escrow Fund.



Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

## ARTICLE IV

### LIMITATION ON INVESTMENTS

Section 4.01. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Certificates of Indebtedness, Notes or Bonds - State and Local Government Series with an interest rate equal to zero percent (0%) (the "Zero SLGs") to the extent such Zero SLGs are available from the Department of Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on any Escrowed Securities. Unless otherwise instructed by the Issuer in accordance with Section 4.03 hereof, the Escrow Agent shall acquire any Zero SLGs on the dates the Escrowed Securities listed in the Report mature, as shown in the Report, or on the first date Zero SLGs become available thereafter. The Escrow Agent shall purchase Zero SLGs that only mature on the dates shown in the Report.

Section 4.03. Substitutions and Reinvestments. At the discretion of the Issuer, the Escrow Agent, upon written direction, shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other moneys or securities held in the Escrow Fund provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct obligations of the United States of America), together with the interest thereon and other available moneys, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or direct noncallable and not pre-payable obligations of the United States Treasury (the "Substitute Obligations"), but only if such Substitute Obligations

- (a) are in an amount, and/or mature in an amount, which is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,
- (b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and
- (c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time

thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an "arbitrage bond" within the meaning of the Code.

## ARTICLE V

### APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

## ARTICLE VI

### RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

## ARTICLE VII

### CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder. As a place of payment (paying agent) for the Refunded Obligations, the Paying Agent hereby

agrees that it has or will give all notices of redemption for the Refunded Obligations as required by the resolutions authorizing the Refunded Obligations.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such

event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, counsel at any time.

The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, written investment direction, statement, instrument, opinion, notice or other paper or document believed by it to be genuine and to have been signed or presented by the property party. The Escrow Agent need not investigate any fact or matter stated in the document.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder with directly or by or through its agents or attorneys and may in all cases pay reasonable compensation to any agent or attorney retained or employed by it in connection therewith.

The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

To the extent permitted by law, the Issuer agrees to indemnify, defend and hold the Escrow Agent and its officers, directors, agents, and employees harmless from and against any and all loss, damage, claim, liability and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder except that the Escrow Agent shall not be indemnified for any loss, damage, claim, liability, or expense resulting from its own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent for any reason.

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the sum of \$500.00, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) The Paying Agent is the place of payment (paying agent) for the Refunded Obligations. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall pay to the Paying Agent the sum of \$750.00, the sufficiency of which is hereby acknowledged by the Paying Agent, for redemption fees for the Refunded Obligations; and the Paying Agent

warrants that such sum is sufficient for such purpose. The Issuer covenants to timely pay for all future paying agency services of the Paying Agent for the Refunded Obligations in accordance with the paying agent fee schedule now in effect through the final payment of the Refunded Obligations, the sufficiency of which is hereby acknowledged by the Paying Agent. Additionally, the Paying Agent has agreed to look only to the Issuer for the payment of such fees and reimbursement of such expenses, and for the benefit of the registered owners of the Refunded Obligations, to perform the services as Paying Agent without regard to the future payment of such fees and expenses. The Paying Agent shall in no event assert any claim or lien against the Escrow Fund for any fees for their services, whether regular or extraordinary, as Paying Agent, or in any other capacity, or for reimbursement for any of its expenses.

(c) Upon receipt of the aforesaid specific sums stated in subsections (a) and (b) of this Section 7.03 for Escrow Agent and paying agency fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$5,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent. If within 60 days following the resignation of the Escrow Agent, no successor Escrow Agent shall have been appointed, the Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent.

Any corporation or association into which the Escrow Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Escrow Agent in its individual capacity may be sold or otherwise transferred, shall be the Escrow Agent under this Escrow Agreement without further act.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004, Fitch, Inc., One State Street Plaza, New York, New York 10004, and MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504, Attn: Insured Portfolio Management.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.09. Miscellaneous. (A) Pursuant to sections 2252.152 and 2271.002, Texas Government Code, as amended, the Escrow Agent and any parent company, wholly owned subsidiary, majority-owned subsidiary, and affiliate:

- 1) Do not boycott Israel and agree not to boycott Israel during the term of this Agreement. "Boycott Israel" has the meaning provided in section 808.001 of the Texas Government Code.
- 2) Unless affirmatively declared by the United States government to be excluded from the federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization, are not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or section 2270.0201 of the Texas Government Code.



For purposes of the foregoing, "affiliate" means any entity that controls, is controlled by, or is under common control with the applicable entity within the meaning of SEC Rule 405, 17. C.F.R. 230.405 and exists to make a profit. The verifications contained in this section 6.12(A) shall survive termination of the Agreement until the statute of limitations has run.

(B) Pursuant to Section 2276.002, Texas Government Code, as amended, and Section 2274.002, Texas Government Code, as amended, the Escrow Agent and the District acknowledge and agree that this Agreement has an aggregate value of less than \$100,000, and in no event will the District pay the Escrow Agent \$100,000 or more for its services hereunder.

(C) The Escrow Agent represents and warrants, for purposes of Section 2252.908 of the Texas Government Code, that the Escrow Agent is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Section 8.10. Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

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

NORTH TEXAS MUNICIPAL WATER DISTRICT

(Issuer Seal)

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## **INDEX TO ESCROW AGREEMENT EXHIBITS**

Exhibit "A"    Addresses of the Issuer and the Escrow Agent

Exhibit "B"    Verification Report of Public Finance Partners, LLC

## **EXHIBIT A**

### **ADDRESSES OF THE ISSUER AND THE ESCROW AGENT**

#### **ISSUER**

North Texas Municipal Water District  
505 East Brown  
Wylie, Texas 75098

Attention: Executive Director

#### **ESCROW AGENT**

The Bank of New York Mellon Trust Company, National Association  
601 Travis Street, Floor 16  
Houston, Texas 77002

Attention: Corporate Trust Department

## **EXHIBIT B**

### **VERIFICATION REPORT OF FROST PLLC, CPA'S IN CONJUNCTION WITH PUBLIC FINANCE PARTNERS LLC**

## DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, made by and between North Texas Municipal Water District (the "Issuer"), a political subdivision of the State of Texas acting by and through the President and Secretary of the Board of Directors of the Issuer (the "Board"), and \_\_\_\_\_ (the "Bank"), a banking association organized and existing under the laws of the United States of America,

### WITNESSETH:

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

WHEREAS, in accordance with the provisions of Chapters 1207 and 1371, Texas Government Code (collectively, the "Act"), the Issuer is authorized to sell refunding bonds in an amount sufficient to provide for the full and complete payment of obligations, deposit the proceeds of such refunding bonds with the place of payment for the obligations being refunded and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the Issuer on \_\_\_\_\_, \_\_\_\_\_, pursuant to a resolution (the "Bond Resolution") passed and adopted by the Board, authorized the issuance of bonds known as "North Texas Municipal Water District Water System Revenue Refunding and Improvement (ECP) Bonds" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Obligations; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 11. This Agreement is between the Issuer and the Bank only, and in connection herewith the Bank is authorized by the Issuer to rely upon the representations of the Issuer with



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

- (a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and
- (b) File a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves.

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

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

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

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

SECTION 13. Following the final payment and redemption of the Refunded Obligations, the Bank shall forward by letter to the Issuer, to the attention of the President, or other designated official of the Issuer, a final accounting statement with respect to the payment and discharge of the Refunded Obligations, together with all canceled Refunded Obligations.

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

North Texas Municipal Water District  
P.O. Box 2408  
Wylie, Texas 75098

Attention: Finance Department

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: Corporate Trust Services

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

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

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

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

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

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

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

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

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

[EXECUTION PAGE FOLLOWS]

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

NORTH TEXAS MUNICIPAL WATER DISTRICT

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

(Issuer Seal)

\_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A**

### Schedule of Refunded Obligations



6/26/2025

Administrative Memorandum No. 25-6149

## Regional Water System

### **Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties; Project No. 101-0607-22, Work Package G; Tabulation of Bids and Award Of Contract, and Authorize Inspection Services**

#### **SUBJECT**

Authorize award of a construction contract for the Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties, Work Package G project in the amount of \$8,954,567 to Belt Construction of Texas, LLC, and authorize internal inspection services in the amount of \$367,920.

#### **PURPOSE**

The Texas Department of Transportation (TxDOT) is preparing to widen Farm to Market Road 552 (FM 552) from approximately State Highway 205 (SH 205) to State Highway 66 (SH 66). This TxDOT project will encroach on existing NTMWD water lines and easements, requiring the relocation or protection of water lines, valves, and other facilities to avoid conflict with the roadway expansion. This contract is for the construction of the required relocations and protections of NTMWD pipelines along FM 552.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the award of a contract as follows:

Contractor: Belt Construction of Texas, LLC

Scope: Construction Contract and Internal Inspection Services

Project: No. 101-0607-22, Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties, Work Package G

Amount: Construction Contract: \$8,954,567.00 Internal Inspection Services: \$367,920

Committee: This will be an item on the June 25, 2025, Water Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services; 1.4 Reliable and Resilient Systems
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<input checked="" type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input checked="" type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND**

- TxDOT is planning various road improvements in Dallas, Rockwall, and Kaufman Counties that will encroach on existing NTMWD water line easements, creating conflicts with NTMWD water pipelines, valves, and vault structures, and these conflicts require varying degrees of relocation or protection.
- Administrative Memorandum No. 5807 authorized the design for these multiple relocations associated with TxDOT expansions to be completed under a single design effort with Teague Nall and Perkins, Inc. (TNP).
- To facilitate the timing and material availability among the multiple sites, the construction activities are separated into eight construction work packages. Package G (607G) is the last of the eight packages on NTMWD Project No. 101-0607-22

**PROJECT PURPOSE**

- Work Package 607G refers to work along FM 552 from SH 205 to SH 66 where TxDOT's expansion of FM 552 impacts five existing NTMWD pipelines and one delivery point site.
- This project maintains the protection of existing infrastructure through the relocation of pipelines and a delivery point site in conflict, and protection of pipelines by extending the protective casings for existing NTMWD water lines at road crossings where TxDOT is expanding their right-of-way limits.

**PROJECT COMPONENTS**

- Construction of segment replacements for three water lines along FM 552, encompassing approximately 3,500 linear feet (LF) of pipelines.
- Replacement of an existing meter vault
- Installation of 180 LF of split steel casing around two existing water lines where TxDOT's right-of-way limits are expanding

## TABULATION OF BIDS

Sealed bids for construction were received at 2:00 p.m. on Wednesday, May 21, 2025, as tabulated below:

<b>Bidder</b>	<b>Total Bid</b>	<b>Recommendation</b>
Belt Construction of Texas, LLC	\$8,954,567.00	Lowest responsible bid Recommended for Award
Canary Construction, Inc.	\$9,085,725.00	
S.J. Louis Construction of Texas Ltd.	\$9,265,339.36	
Mountain Cascade of Texas, LLC	\$10,800,618.00	
ENGINEER'S OPINION OF PROBABLE COST	\$9,394,000.00	

## LOWEST RESPONSIBLE BIDDER HISTORY

Belt Construction of Texas, LLC has successfully completed or is currently under construction on several similar projects for the NTMWD:

- Project No. 101-0390-15, Wylie Water Treatment Plant Conversion to Biologically Active Filtration, Phase II (currently in construction)
- Project No. 501-0491-18, 121 Force Main Improvements (currently in construction)
- Project No. 101-0607-22, Work Package B, Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties (completed April 2025)
- Project No. 301-0508A-18, Wilson Creek Regional Wastewater Treatment Plant Drain Improvements (completed October 2023)
- Project No. 501-0439-16, Beck Branch Parallel Interceptor (completed May 2021)
- Project No. 401-0438-16, 121 Regional Disposal Facility Gravity Sewer, Leachate Pump Station and Force Main (completed March 2018)
- Project No. 101-0262-11, Replacement Section of the North Plano Pipeline (completed May 2015)

Based on their standing as the lowest responsible bidder, the information provided, and reports by the supplied references, the NTMWD staff and Teague Nall and Perkins, Inc. recommend award of the contract to Belt Construction of Texas, LLC.

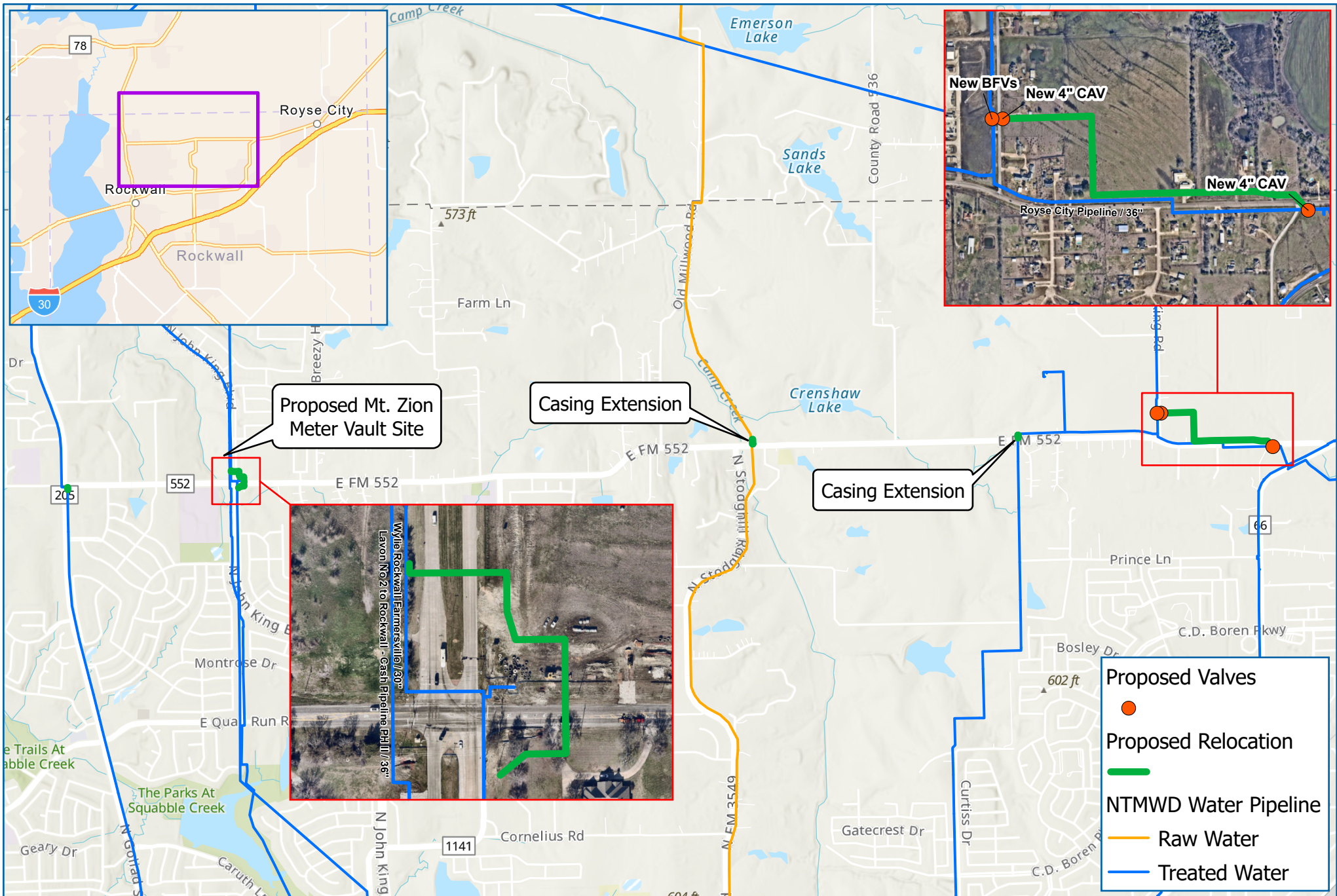
## INTERNAL INSPECTION SERVICES

NTMWD will utilize its own inspection staff to cover all inspection tasks. The cost to NTMWD related to this internal inspection coverage is approximately \$367,920.



**FUNDING**

Funding in the amount of \$8,954,567 to Belt Construction of Texas, LLC and \$367,920 for NTMWD Internal Inspection Services is to be made available in the Regional Water System Capital Improvement Fund. The District anticipates partial reimbursement by TxDOT for this project.





6/26/2025

Administrative Memorandum No. 25-6150

## Regional Water System

### **Wylie Water Treatment Plant SCADA System Upgrades; Project No. 101-0630-23; Tabulation of Bids, Award of Contract, Engineering Services Agreement, and Inspection Services**

#### **SUBJECT**

Authorize award of a construction contract to Prime Controls, LP in the amount of \$7,416,899; authorize internal inspection services in the amount of \$577,200, and authorize an Engineering Services Agreement with Gupta and Associates, Inc. in the amount of \$287,778 for construction phase engineering services for the Wylie Water Treatment Plant (WTP) Supervisory Control and Data Acquisition (SCADA) System Upgrades project.

#### **PURPOSE**

The programmable logic controller (PLC) equipment used to monitor and control the Wylie WTP ozone process has been deemed obsolete by NTMWD staff and the equipment manufacturer. The District has been moving towards high-performance graphics for improved human-machine interface (HMI) monitoring and control of the SCADA system. This project replaces the obsolete equipment and upgrades the interface programming, as documented in the 2021 Water System SCADA Roadmap Report.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the award of a contract as follows:

Contractor:	Prime Controls, LP
Consultant:	Gupta and Associates, Inc.
Scope:	Construction Contract, Internal Inspection Services, and Engineering Services During Construction
Project:	No. 101-0630-23; Wylie Water Treatment Plant SCADA System Upgrades
Amount:	Construction Contract: \$7,416,899 Internal Inspection Services: \$577,200 Engineering Services during Construction: \$287,778

Committee: This will be an item on the June 25, 2025, Water Committee meeting agenda

### **DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.4 Reliable and Resilient Systems
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<input type="checkbox"/> Regulatory Compliance	<input checked="" type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input checked="" type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

### **BACKGROUND**

- Wylie WTP's I-IV uses ozone to disinfect water as well as improve taste and odor in the water treatment process. Two ozone production facilities are located at the Wylie WTP Complex, the North Ozone Operations Building (NOPS) and the South Ozone Operations Building (SOPS). Generated ozone flows from NOPS to contactors located at Water Treatment Plants III and IV, and from SOPS to contactors located at Water Treatment Plants I and II.
- A Human Machine Interface (HMI) system is used to operate the Ozone SCADA System. Client Workstations are primarily used at NOPS and SOPS for production, and Client Workstations are located at each plant.
- A Programmable Logic Controller (PLC) system is used to control the Ozone process. The Ozone PLC system is a vendor package from the ozone equipment manufacturer. The District has additional PLCs for monitoring and process control.

### **PROJECT PURPOSE**

- Per the 2021 Water System SCADA Roadmap Report, it is recommended to upgrade the aging and obsolete PLC and Network Switch infrastructure of the Wylie WTP Ozone System.
- The 2021 Water System SCADA Roadmap Report recommends the human machine interface (HMI) graphics that are used by Operations to monitor and control the Ozone System be upgraded to the high-performance graphics detailed by the NTMWD HMI Configuration Standards and utilized on Wylie campus for other systems already.

### **PROJECT COMPONENTS**

- High-performance HMI graphics for Wylie WTP Ozone System.
- Upgraded PLC and Network Switch Hardware for Wylie WTP Ozone System.

## TABULATION OF BIDS

Sealed bids for construction were received at 2:00 p.m. on Thursday, May 29<sup>th</sup>, 2025, as tabulated below:

<b>Bidder</b>	<b>Total Bid</b>	<b>Recommendation</b>
Prime Controls, LP	\$ 7,416,899.00	Lowest responsible bid Recommended for Award
RLC Controls, Inc.	\$ 10,093,101.25	
ENGINEER'S OPINION OF PROBABLE COST	\$7,010,000.00	

Due to the technical nature and security sensitivity of facilities that are directly integrated with the NTMWD Global SCADA System, specific knowledge of the system is required in order to develop a competitive bid for this type of work. Apart from Prime Controls, LP and RLC Controls, Inc., most prospective bidders have opted not to pursue these projects for NTMWD. For this reason, it is not unusual to see only two bidders for this type of work.

## LOWEST RESPONSIBLE BIDDER HISTORY

Prime Controls, LP has successfully completed or is currently in construction on several similar projects for the NTMWD:

- Project No. 101-0556-20, North Water Transmission System SCADA Network Split, currently in construction
- Project No. 101-0515-18, Wylie WTP's Human-Machine-Interface (HMI) and Data Server Upgrades, currently under construction
- Project No. 101-0534-19, Wylie WTP's III and IV Filter Performance Improvements, completed February 2021
- Project No. 101-0329-13, Water Transmission System SCADA Upgrade, completed October 2019

Based on their standing as the lowest responsible bidder, the information provided, and reports by the supplied references, the NTMWD staff and Gupta & Associates, Inc. recommend award of the contract to Prime Controls, LP.

## ENGINEERING SERVICES AGREEMENT

Engineering services during construction for the Wylie Water Treatment Plant (WTP) Supervisory Control and Data Acquisition (SCADA) System Upgrades project are based on a planned 33-month construction duration in the amount of \$287,778.00. These services include:

- Monthly project management and coordination

- Review of shop drawing submittals, request for information, proposed change orders, and operation and maintenance (O&M) manuals
- Review the contractor's monthly progress payment requests
- Site visits and construction meetings
- Workshop meetings
- Startup assistance and substantial and final completion inspection
- Development of record drawings and updated equipment list
- Participate in factory witness testing
- Participate in functional demonstration witness testing

#### INTERNAL INSPECTION SERVICES

NTMWD will utilize its own inspection staff to cover all inspection tasks. The costs to the NTMWD related to this internal inspection coverage are approximately \$577,200.

#### **FUNDING**

Funding in the amount of \$7,416,899 to Prime Controls, LP, \$287,778 to Gupta and Associates, Inc., and \$577,200 to NTMWD Internal Inspection Services is to be made available utilizing the Regional Water System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.









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6/26/2025

Administrative Memorandum No. 25-6151

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## Upper East Fork Interceptor System

### McKinney Prosper Sewer Improvements; Project No. 501-0641-24; Engineering Services Agreement, Final Engineering

#### **SUBJECT**

Authorize funding in the amount of \$612,000 to Garver, LLC for an engineering services agreement for final design of the McKinney Prosper Sewer Improvements project.

#### **PURPOSE**

Improve the performance, capacity, and reliability of the McKinney Prosper Sewer system by adding a parallel pipeline to help convey future flows from the City of McKinney to the planned Stover Creek Lift Station.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an engineering services agreement (ESA) as follows:

Consultant:	Garver, LLC
Scope:	Final Engineering Design
Project:	No. 501-0641-24, McKinney Prosper Sewer Improvements
Amount:	\$612,000
Committee:	This will be an item on the June 25, 2025, Wastewater Committee meeting agenda



**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 Successfully Deliver Capital Program 1.4 Reliable and Resilient Systems
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<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input checked="" type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND****PROJECT PURPOSE**

- The Upper East Fork Interceptor System (UEFIS) Regional Capacity Assessment and Assurance study identified the need for increased capacity of the McKinney Prosper Sewer, serving the cities of McKinney and Prosper. The City of McKinney has plans to redirect flow from their Stonebridge Lift Station to NTMWD's McKinney Prosper Sewer.
- This project will provide the capacity needed for accommodating the system flow projections from the Stonebridge areas of north of US Highway 380 (US 380).
- A future extension will provide additional capacity as the City of Prosper's flow increases. This will be a separate project.
- The preliminary design report recommends a parallel 42-/48-inch interceptor to meet both the City of McKinney and the City of Prosper's future flow projections and convey flow to the planned Stover Creek Lift Station.
- The planning level estimated construction cost is \$8,052,000.

**PROJECT COMPONENTS (Phase I)**

- Approximately 5,000 linear feet (LF) of parallel 42/48-inch gravity interceptor generally located from Easley Drive to the future Stover Creek junction structure near the intersection of US 380 and Ridge Road
- Interconnections between the two pipelines at the existing McKinney Prosper Sewer manholes
- Connection of the parallel pipe to the future junction structure being constructed under the Stover Creek Lift Station project, NTMWD Project No. 501-0625-23.

**BASIC SERVICES**

- Project management, coordination, and design review workshops
- Final engineering design services
- Bid phase services

**SPECIAL SERVICES**

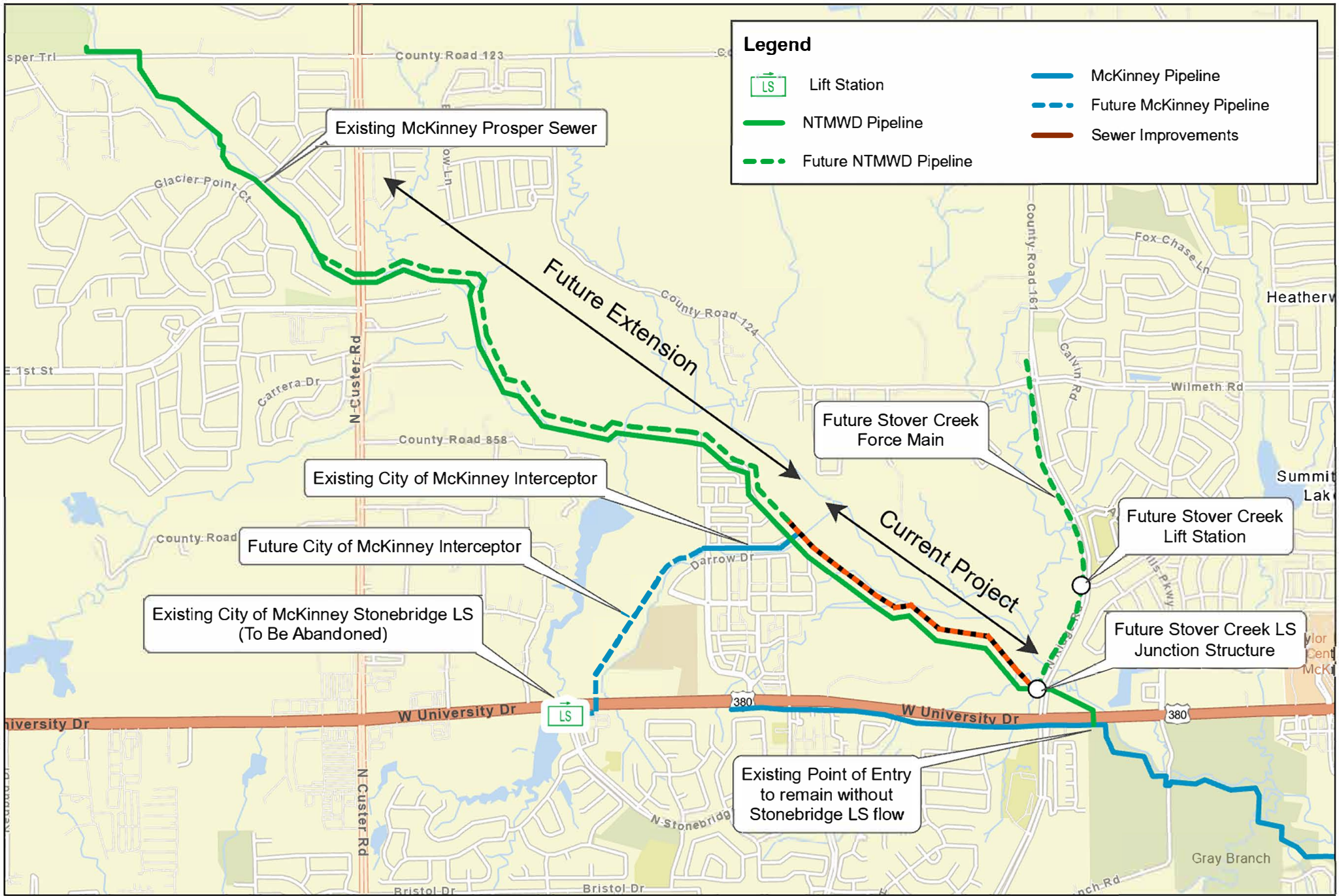
- Topographic survey
- Easement document preparation
- Geotechnical engineering
- Subsurface utility engineering

**ENGINEERING SERVICES FEE**

<b>Description</b>	<b>Amount</b>
Basic Services	\$502,900
Special Services	\$109,100
<b>Requested Amount</b>	<b>\$612,000</b>

**FUNDING**

Funding in the amount of \$612,000 to Garver, LLC is to be made available utilizing the Upper East Fork Interceptor System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.





6/26/2025

Administrative Memorandum No. 25-6152

## Regional Wastewater System

### **Sister Grove Regional Water Resource Recovery Facility Phase II; Project No. 301-0570-20; Tabulation Of Bids, Award Of Contract, Construction Management and Inspection Services**

#### **SUBJECT**

Award a construction contract in the amount of \$187,012,000 to Eagle Contracting, LLC, a construction management and inspection services agreement in the amount of \$4,639,507 to Freese and Nichols, Inc., and \$239,616 for internal inspection services for Sister Grove Regional Water Resource Recovery Facility (RWRRF) Phase II.

#### **PURPOSE**

This project will expand the treatment capacity of the facility from 16 million gallons per day (MGD) annual average daily flow (AADF) to 32 MGD AADF with a peak two-hour flow of 128 MGD.

#### **RECOMMENDATION**

The Executive Director, NTMWD staff and CDM Smith, Inc., recommend the Board of Directors authorize the award of a contract as follows:

Consultant:	Eagle Contracting, LLC
Construction Manager:	Freese and Nichols, Inc.
Scope:	Construction Contract Construction Management and Inspection Services Internal Inspection Services
Project:	No. 301-0570-20, Sister Grove Regional Water Resource Recovery Facility Phase II
Amount:	\$187,012,000 for Construction Contract \$4,639,507 for Construction Management Services \$239,616 for Internal Inspection Services
Committee:	This will be an item on the June 25, 2025, Wastewater Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1: High Quality Services 1.4: Reliable and Resilient Systems
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<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND****PROJECT PURPOSE**

- Expand the treatment capacity of Sister Grove Regional Water Resource Recovery Facility (RWRRF) from the current 16 MGD annual average daily flow to 32 MGD annual average daily flow with a peak two-hour flow of 128 MGD.

**PROJECT COMPONENTS**

- Installation of additional process equipment within the headworks facility constructed in Phase I.
- Primary treatment facilities including splitter box expansion, two primary clarifiers, odor control, scum pump station, and primary sludge pumping equipment.
- Secondary treatment facilities including addition of two aeration basins, two secondary clarifiers, scum pump station, return and waste sludge equipment, and expansion to the ferric storage and feed facility.
- Tertiary treatment facilities consisting of additional cloth media filter basins and associated equipment.
- Disinfection facility consisting of added Ultraviolet (UV) equipment and a second UV electrical building.
- Electrical, instrumentation, and control improvements and an additional standby generator.
- Yard piping
- Site work consisting of site roads, sidewalk, grading, fencing and lighting

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**TABULATION OF BIDS**

Sealed bids for construction of Sister Grove Regional Water Resource Recovery Facility Phase II were received at 2:00 p.m. on Tuesday, May 20, 2025, as tabulated below:

<b>Bidder</b>	<b>Total Bid</b>	<b>Recommendation</b>
Eagle Contracting, LLC	\$187,012,000	Lowest responsible bid Recommended for Award
ARCO/ Murray National Holdings, Inc.	\$197,725,175	
ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST (OPCC)	\$175,106,579	

The bids received were higher than the engineer's estimate due to elevated costs for key components such as manufactured iron products and electrical equipment. These increases reflect broader market conditions in North Texas, where high demand and limited contractor availability have impacted pricing and competition.

**LOWEST RESPONSIBLE BIDDER HISTORY**

Eagle Contracting, LLC has completed several projects with NTMWD including:

- Project No. 301-0432-16, the Floyd Branch RWWTP Process Optimization Improvements; completed in September 2023.
- Project No. 310-0450-17, the Muddy Creek Wastewater Treatment Plant (WWTP) Aeration Basin, Odor Control, and Backup Improvements; completed in October 2020.

Other projects that are in progress with NTMWD by Eagle Contracting, LLC include:

- Project No. 310-0592A-21, the Muddy Creek Expansion to 12.5 MGD; currently in construction
- Project No. 308-0576-20, the Sabine Creek WWTP Expansion; currently in construction and nearing completion in 2025
- Project No. 101-0548-19, the Bonham Water Treatment Plant Improvements; currently in construction and nearing completion in 2025

Based on their standing as lowest responsible bidder, the information provided, and reports by the supplied references, the NTMWD staff and CDM Smith, Inc. recommend award of the construction contract to Eagle Contracting, LLC.

**CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

NTMWD will utilize an external construction manager and outsourced inspection staff to cover all civil, electrical and instrumentation and control inspection. Freese and Nichols, Inc., is providing construction management services for Sister Grove RWRRF Phase I.

Due to the current project workload, the NTMWD staff recommend that Freese and Nichols, Inc. be retained to provide full-service construction management and inspection services for the full construction period of 36 months.

The total hours are based on the assumed maximum needed for all forms of inspection and management. The proposed hourly rate aligns with current levels for similar contracted services.

**INTERNAL INSPECTION SERVICES**

NTMWD utilizes internal inspection supervisors to provide quality control assurance and representation on the project. The internal inspection services cost is \$239,616 for the full construction period of 36 months.

**CONSTRUCTION MANAGEMENT AND INSPECTION FEE**

<b>Description</b>	<b>Amount</b>
Construction Management and Inspection	\$4,639,507
Internal Inspection Services	\$239,616

**FUNDING**

FUND(S): Contingent upon TWDB review and approval, funding in the amount of \$187,012,000 to Eagle Contracting, LLC, will be made available by utilizing existing Regional Wastewater System Clean Water State Revolving Construction funds in the amount of \$117,573,742.17. Remaining Funding in the amount of \$69,438,257.83 is to be made available utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.

Funding in the amount of \$4,639,507 to Freese and Nichols, Inc., and \$239,616 for NTMWD internal inspection services are to be made available utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.









6/26/2025

Administrative Memorandum No. 25-6153

## **Regional Wastewater System Buffalo Creek Interceptor System**

**South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 8; and Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Partial GMP No. 1**

### **SUBJECT**

Authorize funding to Archer Western Construction, LLC in the amount of \$936,308 for Amendment No. 8 to the Construction Manager At-Risk (CMAR) Agreement for work related to partial Guaranteed Maximum Price (GMP) No. 1 for the Buffalo Creek Parallel Force Main (BCPFM).

### **PURPOSE**

The CMAR has submitted a partial Guaranteed Maximum Price (GMP) No. 1 for an early plug valve procurement work package for the Buffalo Creek Parallel Force Main project. Future amendments will be presented to the Board as the remaining work packages are developed, procured, and evaluated.

### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute Amendment No. 8 to the Construction Manager At-Risk as follows:

CMAR:	Archer Western Construction, LLC (Archer Western)
Scope:	Construction, Buffalo Creek Parallel Force Main Partial GMP No. 1
Project:	No. 507-0640-24, Buffalo Creek Parallel Force Main
Amount:	\$936,308 for Construction
Committee:	This item will be an item on the June 25, 2025, Wastewater Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services 1.4 Reliable and Resilient Systems
----------------------	---

<input checked="" type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND****PROJECT PURPOSE**

- Flow monitoring studies show the South Mesquite Creek Regional Wastewater Treatment Plant (RWWTP) has influent flows higher than its rated wet weather capacity of 82.5 MGD (million gallons per day). The South Mesquite Creek RWWTP Peak Flow Management preliminary design report determined that onsite storage facilities need to be provided to store peak flows in excess of the wet weather capacity with a phased approach that will provide early peak flow relief for the facility.
- The Capacity Assessment Study of the southern service area shows that the South Mesquite Creek RWWTP needs to expand from 33 MGD to 41 MGD average daily flow by 2026 to meet the growth projections through 2033.
- Provide condition assessment and criticality assessment to determine which critical items need to be repaired or replaced in the expansion project, and which items to be included as part of the master plan.
- A 2023 Feasibility Analysis for Conveyance Alternatives Report recommended a new Buffalo Creek Lift Station No. 2 and Buffalo Creek Parallel Force Main to convey flows from the Buffalo Creek Interceptor System to the new headworks at the South Mesquite Creek RWWTP.
- Divert Buffalo Creek Parallel Force Main and Buffalo Creek Force Main flows to a new Headworks at South Mesquite to improve peak flow management at South Mesquite Creek RWWTP and increase wastewater conveyance capacity in the Buffalo Creek Interceptor System to accommodate growth in Forney, Heath, and Rockwall.

**PROJECT COMPONENTS**

- Early peak flow relief includes upgrades to existing influent pump station no. 1, force main, and re-purposing an existing basin for peak flow storage basin no. 3.
- Peak flow management includes new parallel 42-inch force mains, new headworks facility no. 2, new peak flow storage basin no. 1 and supporting facilities.
- Expansion of the RWWTP to 41 MGD includes a primary clarifier, aeration basins, blower building, secondary sludge pump station, tertiary filters, disinfection, effluent metering, plant water pump station, solids handling, and supporting facilities.

- Approximately 10,400-feet of 42-inch force main will parallel the existing 36-inch force main from Buffalo Creek Lift Station No. 2 (BCLS2) to the South Mesquite Creek Regional Wastewater Treatment Plant. The 60% CMAR estimated construction cost for the force main is \$19,334,700 including estimated CMAR fees.

#### BCPFM PARTIAL GUARANTEED MAXIMUM PRICE (GMP) NO. 1

- Bid Package 11 - Early Plug Valve Procurement
  - 5 - 42-inch
  - 2 - 36-inch
  - 1 - 24-inch
- Allowance for 10% tariffs

The total 60% CMAR estimate for the solicitation set included herein totaled \$1.7 million

To determine the Partial GMP No. 1 associated with this Amendment No. 8, the following table details the costs of the bid work package, general conditions, CMAR contingency, and the CMAR fee.

<b>Major Scope of Work Description - BCPFM Partial GMP No. 1</b>	<b>Lump Sum Amount</b>
Bid Package 11 - BCPFM Valve Procurement	\$726,393
Allowances for 10% Tariffs	\$72,640
<b>Total Construction Cost</b>	<b>\$799,033</b>
<b>General Conditions (@8.5% of the Estimated Construction Costs)</b>	<b>\$67,918</b>
<b>Total Cost of Work</b>	<b>\$866,951</b>
<b>CMAR Fees (@6.5% of the Cost of Work)</b>	<b>\$56,352</b>
<b>CMAR Contingency (@1.5% of the Cost of Work)</b>	<b>\$13,005</b>
<b>BCPFM Partial Guaranteed Maximum Price No. 1 (Sum of Total Cost of Work and CMAR Fees)</b>	<b>\$936,308</b>

The following tables are included as attachments:

Attachment A - Total Contract Price Summary  
Attachment B - Contract Amendment Summary  
Attachment C - Project Cost and Schedule

#### **FUNDING**

Funding for Project No. 507-0640-24 in the amount of \$936,308.00 to Archer Western Construction, LLC, is to be made available from the Buffalo Creek Interceptor System Construction Funds.

**South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 8; and Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Partial GMP No. 1**

**ATTACHMENT A**

<b>TOTAL CONTRACT PRICE SUMMARY</b>	
The total contract price includes a summary of all construction costs, which is the sum of all construction work, pre-negotiated pre-construction and procurement services fee, general conditions, contingency, and CMAR construction services fee.	
<b>Total Contract Price – South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion and Buffalo Creek Parallel Force Main</b>	
Pre-Construction Services Fee	\$900,000.00
Procurement Services Fee	\$350,000.00
Partial GMP No. 1	\$11,944,463.24
Partial GMP No. 2	\$8,556,427.36
Change Order No. 1	\$48,117.51
Partial GMP No. 3	\$16,788,604.77
Partial GMP No. 4	\$110,349,109.09
Change Order No. 2	(\$1,553,954.45)
Buffalo Creek Parallel Force Main Pre-Construction & Procurement Services Fee	\$225,000.00
Partial GMP No. 5	\$21,145,610.27
Partial GMP No. 6	\$49,650,787.00
Buffalo Creek Parallel Force Main GMP No. 1	\$799,033.00
General Conditions (@8.5% of construction costs)	\$67,918.00
CMAR Construction Services Fee (@ 6.5% of Total Cost of Work)	\$56,352.00
Contingency (@1.5% of Total Cost of Work)	\$13,005.00
<b>Total Contract Price – South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion and Buffalo Creek Parallel Force Main</b>	<b>\$219,340,472.79</b>

**South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow  
Management and Expansion, Project No. 301-0525-18; Amendment No. 8; and  
Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Partial GMP No. 1**

**ATTACHMENT B**

<b>CONTRACT AMENDMENT SUMMARY SOUTH MESQUITE CREEK REGIONAL WASTEWATER TREATMENT PLANT AND BUFFALO CREEK PARALLEL FORCE MAIN</b>		
<b>Description</b>	<b>Status</b>	<b>Amount</b>
Original Agreement - Partial Pre-Construction and Procurement Services Fee	Board Approved	\$1,250,000.00
Amendment No. 1 – Partial GMP No. 1	Board Approved	\$11,944,463.24
Amendment No. 2 – Partial GMP No. 2	Board Approved	\$8,556,427.36
Change Order No. 1	Board Approved	\$48,117.51
Amendment No. 3 – Partial GMP No. 3	Board Approved	\$16,788,604.77
Amendment No. 4 – Partial GMP No. 4	Board Approved	\$110,349,109.09
Amendment No. 5 – (Change Order No. 2)	Board Approved	(\$1,553,954.45)
Amendment No. 6 – BCPFM CMAR Services and Partial GMP No. 5	Board Approved	\$21,370,610.27
Amendment No. 7 – Partial GMP No. 6	Board Approved	\$49,650,787.00
<b>Amendment No. 8 – BCPFM Partial GMP No. 1</b>	<b>Current Request</b>	<b>\$936,308.00</b>
<b>Total Contract Price</b>		<b>\$219,340,472.79</b>

**South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 8; and Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Partial GMP No. 1**

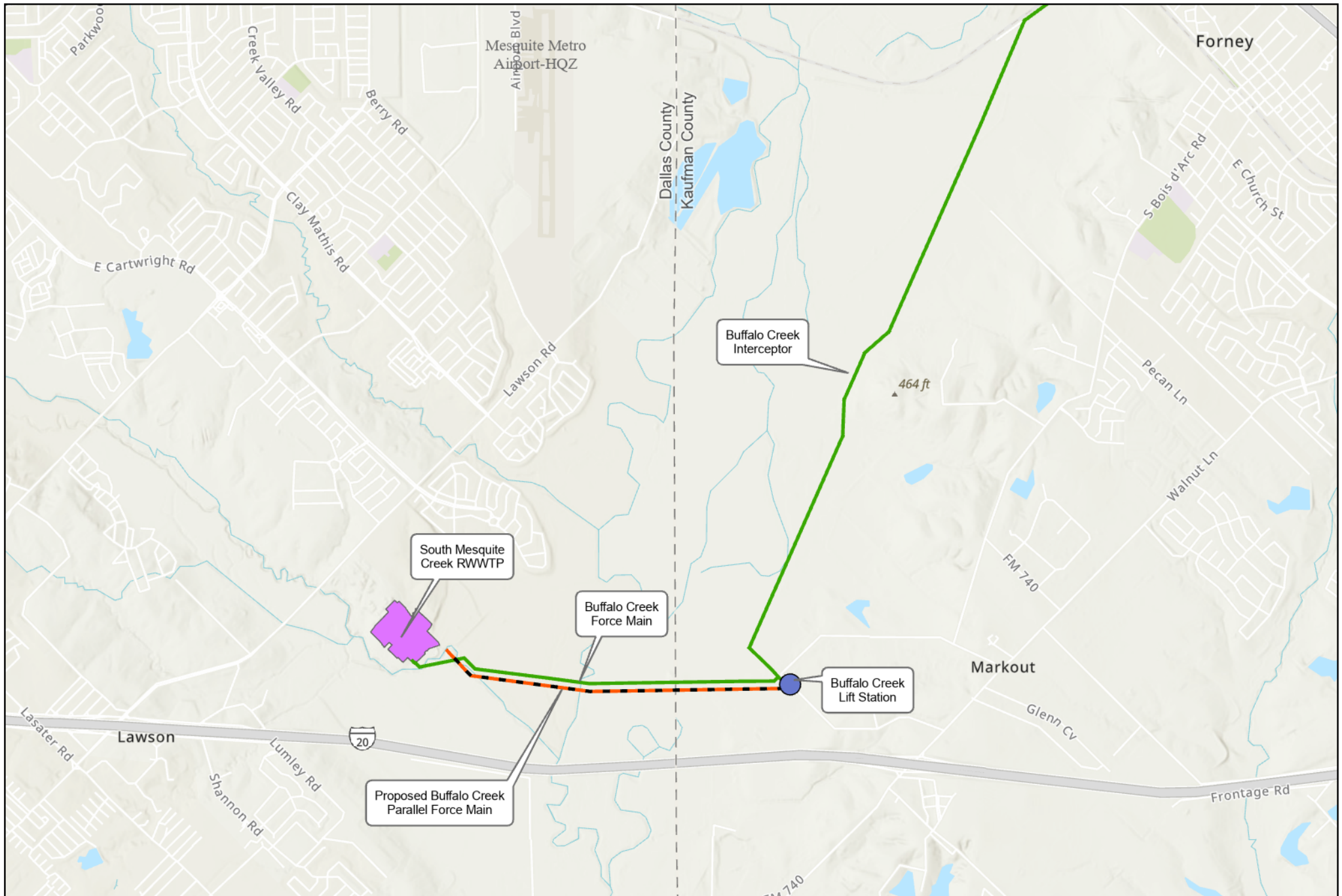
**ATTACHMENT C**

**Project Cost and Schedule  
South Mesquite Creek Regional Wastewater Treatment Plant  
Peak Flow Management and Expansion  
Project No. 301-0525-18**

<b>GMP No.</b>	<b>Description</b>	<b>Award Date</b>	
	Original Agreement - Pre-construction and Procurement Services Fee	Oct-21	\$1,250,000
1	Early Peak Flow Material and Site Preparation	Jun-22	\$11,944,463
2	Early Peak Flow Relief Construction	Dec-22	\$8,556,427
	Change Order No. 1	Mar-23	\$48,118
3	Early Electrical Equipment	Feb-24	\$16,788,605
4	Headworks No. 2, Peak Flow Storage Basin No. 1, and Electrical Building No. 4	Jun-24	\$110,349,109
	Change Order No. 2	Aug-24	(\$1,553,954)
5	Electrical Building No. 3	Oct-24	\$21,145,610
6	42-inch Force Mains and UV, Filters, and Solids Improvements for Expansion to 41 MGD	Jan-25	\$49,650,787
7	Primary Clarifier, Aeration Basins, and Blowers for Expansion to 41 MGD	Fall 2025	\$81,376,767
8	Site Civil, Paving, and Hydrants	Winter 2027	\$8,672,131
<b>Total Contract Price</b>			<b>\$308,228,063</b>

**Buffalo Creek Parallel Force Main  
Project No. 507-0640-24**

<b>GMP No.</b>	<b>Description</b>	<b>Award Date</b>	<b>Amount</b>
	Pre-construction and Procurement Services Fee (Current Request)	Oct-24	\$225,000
1	<b>Buffalo Creek Parallel Force Main Valve Procurement</b>	<b>Current Request</b>	<b>\$936,308</b>
2	Buffalo Creek Parallel Force Main	Fall 2025	\$19,334,700
<b>Total Contract Price</b>			<b>\$20,496,008</b>







6/26/2025

Administrative Memorandum No. 25-6154

## Regional Water System

### **Meter Vault Standardization, Set Point Control Implementation, Phase V; Project No. 101-0338-13; Resolution No. 25-32; Right of Way Acquisition Program**

#### **SUBJECT**

Adopt Resolution No. 25-32 authorizing the acquisition of permanent and temporary easements for the Meter Vault Standardization, Set Point Control Implementation, Phase V project.

#### **PURPOSE**

The project upgrades delivery point infrastructure throughout the NTMWD water system through multiple design and construction phases. Phase V addresses the final 26 locations in six packages. This request for Package 2 requires easement acquisition for one site.

#### **RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors:

- 1) Authorize the Executive Director to execute a right-of-way acquisition program for Meter Vault Standardization, Phase V, Set-Point Control, Project No. 101-0338-13; and,
- 2) Adopt Resolution No. 25 -32, "*A Resolution Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the Meter Vault Standardization, Phase V, Set-Point Control, Project No. 101-0338-13*" and Delegating Authority to Initiate Condemnation Proceedings to the NTMWD Executive Director."

Consultant: N/A

Scope: Right-of-way acquisition and support services necessary to facilitate the purchase of easements for the project

Project: No. 101-0338-13, Meter Vault Standardization, Phase V, Set-Point Control



Amount: N/A - Funding available from prior phases

Committee: This was discussed at the May 21, 2025, Real Estate Committee meeting

### **DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.2 Successfully Deliver Capital Program
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<input checked="" type="checkbox"/> Regulatory Compliance	<input checked="" type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

### **BACKGROUND**

#### PROJECT PURPOSE

- Ongoing project authorized in September 2013 to upgrade existing metering stations with set point control capabilities.
- This project:
  - a. optimizes operational efficiency by constructing appropriate valves and controls to maintain predetermined rates of delivery at each delivery point
  - b. facilitates a more constant rate of delivery throughout the transmission system, thereby moderating daily flow changes at water treatment plants
  - c. allows daily delivery volumes for each delivery site to be set in the event maximum delivery rates are required due to stricter conservation levels.
- Phase V of the Meter Vault Standardization project is comprised of six packages.
- Package 1 is in progress and does not require easement acquisitions.
- Package 2 only requires easement acquisition for Sachse No. 2.
- The four remaining packages are in design, and acquisitions will be forthcoming.
- Permanent and temporary easements are required for this site as part of Package 2.
- The accompanying Map shows the general location at which these easements will be acquired.

#### SUPPORT SERVICES

- Employ the firm of Saunders, Walsh & Beard, Attorneys & Counselors, to act as counsel on the acquisition of the properties.
- Employ an appraiser to provide appropriate reports.
- Employ a title company to provide professional services related to certain property ownership issues.

- Employ survey services to perform a title survey for purchase and acquisition, and verify property lines and potential easement locations when necessary.
- Based on ongoing projects and the need to assure substantial completion of this project by the (month year), contracted land agents or acquisition company(s) will be employed to assist in easement acquisition.

### **FUNDING**

No additional funding is requested.

# **NORTH TEXAS MUNICIPAL WATER DISTRICT**

## **RESOLUTION NO. 25-32**

### **A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE RIGHT-OF-WAY FOR THE METER VAULT STANDARDIZATION, PHASE V, SET POINT CONTROL, PROJECT NO. 101-0338-13, AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR**

**WHEREAS**, the NTMWD Board of Directors has authorized funding for the Engineering Services Agreement for Meter Vault Standardization, Phase V, Set Point Control, Project No. 101-0338-13 (Project); and,

**WHEREAS**, it is necessary to proceed with the acquisition of easements required to facilitate the construction associated with the Project; and,

**WHEREAS**, it may be necessary to acquire the easements required for the Project through the use of eminent domain in the event negotiations are unsuccessful; and,

**WHEREAS**, it may be necessary to hire appraisers and attorneys to negotiate easements required for the Project; and,

**WHEREAS**, adequate funds are available from prior phases for the acquisition of properties needed for the Project.

### **NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING DETERMINES AND RESOLVES THAT:**

1. There is a public need for and that the public welfare and convenience are to be served by the improvements associated with the Meter Vault Standardization, Phase V, Set Point Control, Project No. 101-0338-13 (Project) to serve the water needs of the District's member and customer cities.
2. It is in the best interest and is necessary to acquire those permanent and temporary easements necessary for the construction of the pipeline and appurtenances for the Project in the general location as generally shown in the map attached hereto, and incorporated by reference herein, to provide the area required for prosecution of the work, and operation, maintenance, repair, and other such purposes as may be required to provide for the continual and uninterrupted operation of the pipeline facilities.
3. The power to initiate eminent domain proceedings is hereby delegated to the Executive Director and she is hereby authorized to take all steps necessary to acquire the easements for the Project, including the hiring of negotiators, appraisers, surveyors, Title Company, and attorneys.
4. The Executive Director is authorized to employ the firm of Saunders, Walsh & Beard, Attorneys and Counselors, to represent the NTMWD in these land transactions, including filing of Petitions for Condemnation on properties when the Executive Director determines the property cannot be secured through negotiations and after issuance of a final offer letter in accordance therewith.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON JUNE 26, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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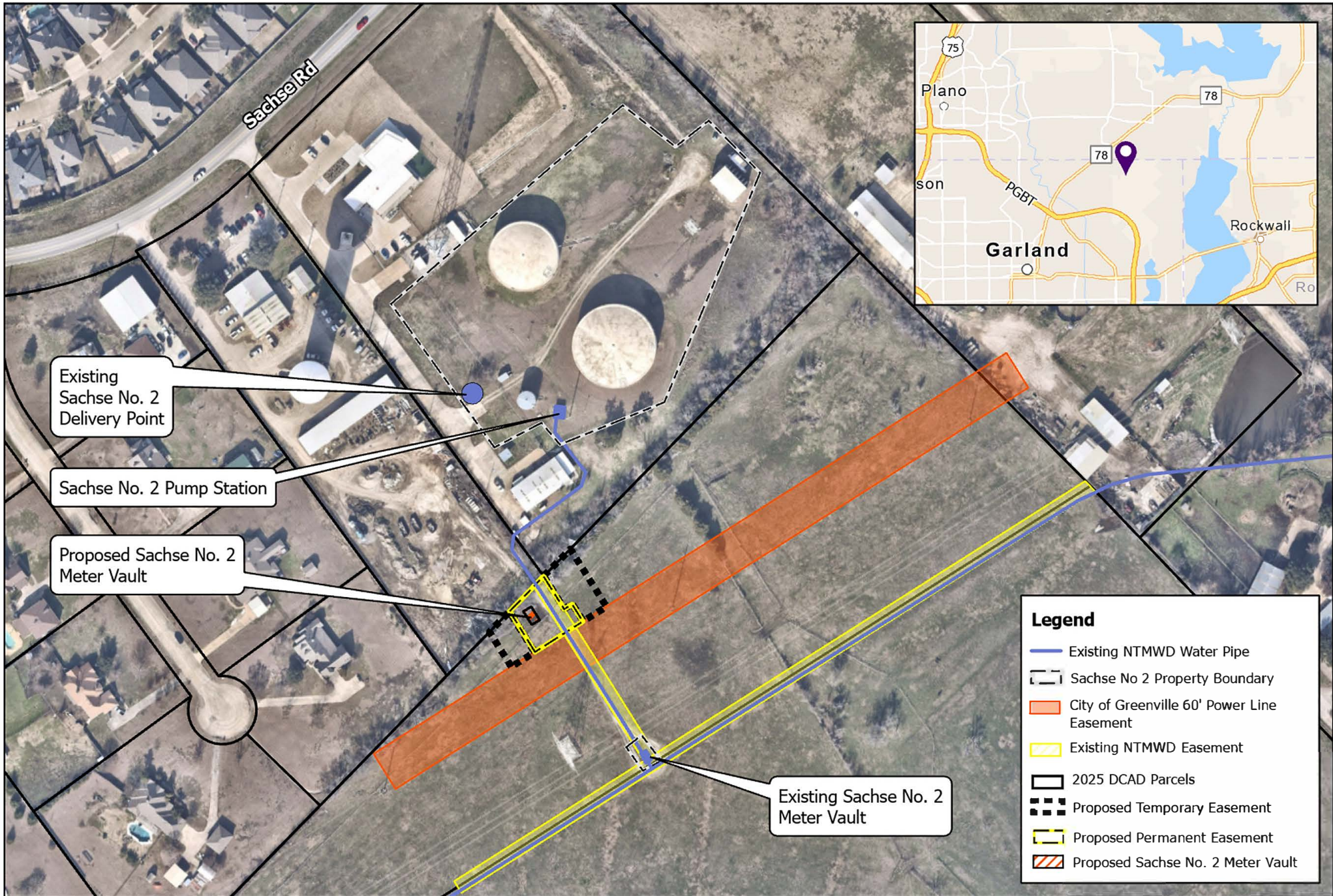
**KEITH STEPHENS, Secretary**

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**DAVID HOLLIFIELD, President**

**(SEAL)**









6/26/2025

Administrative Memorandum No. 25-6155

## Regional Water System

### Land for Additional Raw Water Supply; Project No. 101-0667-25; Resolution No. 25-34; Land Acquisition Program

#### SUBJECT

Authorize Resolution No. 25-34 to amend the previously approved land acquisition program to provide additional funding in the amount of \$1,300,000 for the acquisition of additional property.

#### PURPOSE

There is an opportunity to acquire more land adjacent to the tract previously approved in the original acquisition program, which could further increase availability of raw water supplies.

#### RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors:

- 1) Authorize the Executive Director to amend a previously executed land acquisition program for Land for Additional Raw Water Supply, Project No. 101-0667-25, by adding additional land to be acquired and by providing additional funding in the amount of \$1,300,000, resulting in the total authorization of \$9,050,000; and,
- 2) Adopt Resolution No. 25-34, "*A Resolution Authorizing Additional Funding and the Acquisition of Additional Property to Secure Additional Raw Water Supply, Project No. 101-0667-25.*"

Consultant: Saunders, Walsh & Beard and Lloyd Gosselink Rochelle and Townsend

Scope: Property acquisition and the necessary support services to facilitate the purchasing of land for the project

Project: 101-0667-25, Land for Additional Raw Water Supply

Amount: \$1,300,000 additional funding

Committee: This was an item on the May 21, 2025, Real Estate Committee meeting agenda and a Champion Update at the June 25, 2025, Water Committee meeting

### **DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.4 Reliable and Resilient Systems
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<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

### **BACKGROUND**

#### PROJECT PURPOSE

- Administrative Memorandum No. 25-6146 and Resolution 25-28 authorized a Land Acquisition Program for Land for Additional Raw Water Supply, Project No. 101-0667-25, with a budget of \$7,750,000.
- The acquisition will secure additional raw water reserves to meet current and future demand of service area.
- A contract has not been executed between NTMWD and Sellers.
- Additional land in proximity to the original tracts has become available and would provide additional raw water reserves.
- The land would be added to the existing contract.
- Additional funding in the amount of \$1,300,000 is being requested to fund additional property, legal fees and other support services resulting in a total budget of \$9,050,000.

#### SUPPORT SERVICES (ON AN AS-NEEDED BASIS)

- Employ the firm of Saunder, Walsh & Beard, Attorneys and Counselors, to act as counsel on the acquisition of the properties.
- Employ the firm of Lloyd Gosselink to act as counsel on water rights and other regulatory issues.
- Employ a title company to provide professional services.
- Employ survey services to perform title surveys for purchase and acquisition, to verify property lines, and potential easement locations when necessary.
- Employ other such professionals necessary to effectuate the purchase and acquisition of the property.

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6/26/2025

Administrative Memorandum No. 25-6155

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**FUNDING**

Funding in the amount of \$1,300,000 is to be made available in the Regional Water System Capital Improvement Fund



# **NORTH TEXAS MUNICIPAL WATER DISTRICT**

## **RESOLUTION NO. 25-34**

### **A RESOLUTION AUTHORIZING ADDITIONAL FUNDING AND THE ACQUISITION OF ADDITIONAL PROPERTY TO SECURE ADDITIONAL RAW WATER SUPPLY, PROJECT NO. 101-0677-25**

**WHEREAS**, NTMWD discovered an opportunity to acquire tracts of land that would secure additional raw water reserves to meet current and future demand of the service area; and,

**WHEREAS**, Administrative Memorandum No. 25-6146 and Resolution 25-28 authorized a Land Acquisition program for Land for Additional Raw Water Supply, Project No. 101-0667-25 (Project) with a budget of \$7,750,000, to capitalize on that opportunity; and,

**WHEREAS**, a contract has not been executed between NTMWD and Sellers; and,

**WHEREAS**, additional tracts of land with raw water reserves located in proximity to the original tracts can be acquired within the same contact; and,

**WHEREAS**, additional funding is required to provide funds necessary for property acquisition and support services; and,

**WHEREAS**, additional funding in the amount of \$1,300,000 is to be made available in the Regional Water System Capital Improvement Fund.

### **NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING RESOLVES THAT:**

1. There is a public need for, and that the public welfare and convenience are to be served by the purchase of the identified properties in Red River County, Texas.
2. A budget increase of \$1,300,000 is authorized for property acquisition, legal services, and support services resulting in total authorized funding of \$9,050,000 on this project.
3. The Resolution shall take effect and be in full force and effective from and after the date of its adoption, and it so resolved; and all resolutions of the Board of Directors of the District in conflict herewith are hereby amended or modified to the extent of such a conflict.

**THIS RESOLUTION WAS ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A  
REGULAR MEETING ON JUNE 26, 2025, IN THE ADMINISTRATIVE OFFICES OF THE  
NTMWD, WYLIE, TEXAS.**

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**KEITH STEPHENS, Secretary**

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**DAVID HOLLIFIELD, President**

**(SEAL)**