

**NORTH TEXAS MUNICIPAL WATER DISTRICT**

JULY 1972

DISTRICT POLICY NO. 8  
AMENDED JANUARY 25, 1990  
AMENDED JUNE 23, 1994  
AMENDED NOVEMBER 2007  
\_\_\_\_\_ 2026

**ADDITIONAL DELIVERY POINTS FOR MEMBER CITIES AND EXISTING CUSTOMERS**

SECTION I. POLICY STATEMENT AND DEFINITIONS

A. It is NTMWD’s policy to consider Member City and Existing Customer requests for Additional Delivery Points where feasible, as determined in the discretion of the Board of Directors. Any funds received by NTMWD from a Member City or Existing Customer pursuant to this policy shall be dedicated to the NTMWD Regional Water System capital program.

B. Definitions. The following definitions shall apply to this policy:

Additional Delivery Point(s): An additional delivery point for wholesale treated water service not yet in existence where wholesale treated water passes from the Regional Water System to the Member City or Existing Customer’s retail system.

Annual Minimum: The minimum amount of potable water for which a Member City or Existing Customer must compensate NTMWD on an annual basis pursuant to its Water Supply Contract.

Conveyance Lines: Treated water conveyance pipelines with associated facilities and appurtenances of twelve (12”) or larger which convey large volumes of water required for Member City or Existing Customer delivery points at ground storage reservoirs. Retail distribution feeder mains, which are connected directly to various sections of distribution systems and/or to elevated storage tanks to assure a more uniform pressure within a Member City or Existing Customer’s retail distribution systems are not considered to be Conveyance Lines.

Existing Customer: A Customer currently receiving service from the Regional Water System at the time of its request for an Additional Delivery Point.

Project: NTMWD Regional Water System capital improvements and related planning, engineering, and right of way acquisition associated with an Additional Delivery Point requested under this policy.

Project Costs: All engineering, legal, planning, surveying, right of way, land acquisition, permitting, construction, financing, capacity replacement (if applicable), and related costs incurred by NTMWD associated with a Project, and subject to the provisions of the Member City or Existing Customer's Water Supply Contract governing delivery points. Project Costs may include, as applicable under this policy, NTMWD's estimated replacement costs of capacity reduced in an existing Conveyance Line as provided in Section V. below. Project Costs are determined by NTMWD in its sole discretion.

Water Supply Contract: For Member Cities, that certain *North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract*, as amended (Member City Contract); and for existing Customers, their current Potable Water Supply Contract, and all amendments.

Water Year: The period of August 1 of each calendar year through July 31 of the next following calendar year during which a Member City or Existing Customer's water delivery from the Regional Water System is measured.

## SECTION II. GENERAL CONDITIONS

- A. This policy should not be interpreted as requiring NTMWD to issue bonds for any Project.
- B. This policy does not apply to Member City or Existing Customer requests for additional capacity at existing delivery points or to Additional Delivery Points initiated by NTMWD to benefit NTMWD Regional Water System planning and operations.

## SECTION III. ADDITIONAL DELIVERY POINT REVIEW AND CONTRACT PROCESS

- A. The Member City or Existing Customer shall prepare a preliminary plan showing a proposed location for the Additional Delivery Point with estimates of usage and total future annual requirements as requested by NTMWD. This information shall also include the estimated population projections for the service area and the basis for such projections.
- B. NTMWD shall prepare a cost estimate of the Project Costs. NTMWD estimates of Project Costs shall be valid for one year.
- C. The Member City or Existing Customer agrees to reimburse NTMWD the Project Costs in a lump sum or through an annual payment plan of equal annual payments extending for a term of no greater than ten (10) years. The annual payment plan shall include interest based on the current U.S. 10-Year Treasury Rate as of and commencing on the effective date of the written agreement between NTMWD and the Member City or Existing Customer for

the payment of the Project Costs. The 10-Year Treasury Rate shall be the 10 Year Treasury Par Yield Curve Rate as published by the United States Department of the Treasury.

- D. NTMWD shall prepare the written agreement with the Member City or Existing Customer regarding the Project.
- E. The Member City or Existing Customer executes a written agreement with NTMWD setting forth the terms and conditions for payment of the Project Costs to NTMWD.
- F. If it is projected that the addition of the Additional Delivery Point will result in the Member City or Existing Customer exceeding its current contractual Annual Minimum, the Member City or Existing Customer will execute an amendment to its service agreement with NTMWD reflecting the new annual minimum. The new Annual Minimum will not take effect until the subsequent Water Year.

SECTION IV. DELIVERY POINTS ON EXISTING CONVEYANCE LINES HYDRAULICALLY CLOSER TO NTMWD'S TREATMENT PLANTS THAN ORIGINAL DELIVERY POINT

- A. A Member City or Existing Customer is eligible for an Additional Delivery Point on existing Conveyance Lines when the Additional Delivery Point is located on an existing Conveyance Line and would not reduce NTMWD's water conveyance capacity to other Member Cities and Existing Customers, if adequate capacity is available, and subject to the provisions of the Member City or Existing Customer's Water Supply Contract governing delivery points.

SECTION V. DELIVERY POINTS ON EXISTING CONVEYANCE LINES HYDRAULICALLY FURTHER FROM NTMWD'S TREATMENT PLANTS THAN ORIGINAL DELIVERY POINT

- A. A Member City or Existing Customer may obtain an Additional Delivery Point on an existing NTMWD conveyance line hydraulically further from the original delivery point of the Member City or Existing Customer, when adequate capacity is available if the Member City or Existing Customer agrees to pay the replacement cost of the capacity to be used in the existing Conveyance Line between the original delivery point and the Additional Delivery Point as a part of the Project Costs. To determine the replacement cost, NTMWD shall estimate the costs to construct a new conveyance line with sufficient capacity to restore the capacity reduction caused by the Additional Delivery Point. The purpose of the replacement cost calculation to be included in the Project Costs as provided in this paragraph is to compensate the Regional Water System for the reduction of available capacity in the existing Conveyance Line. NTMWD's calculation of the replacement costs shall ensure that the Member City or Existing Customer does not double-pay for capacity.

This policy passed and approved by the Board of Directors of the North Texas Municipal Water District in a regular meeting on the \_\_\_\_\_ day of \_\_\_\_\_ 2026.

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KEITH STEPHENS, Secretary

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DAVID HOLLIFIELD, President