



## **NORTH TEXAS MUNICIPAL WATER DISTRICT**

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

### **Board of Directors Agenda**

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**Thursday, October 23, 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, October 23, 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. October 2025 Board Memorandum**

[25B-10](#)

**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. Year in Review
2. Review of Fiscal Year 2025 Regional Water System Variable Costs

**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. September 2025 Regular Board Meeting Minutes**

[25C-52](#)

The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, September 25, 2025 as presented.

- B. Modification of Capital Projects Request** [25C-53](#)  
Recommend the Board of Directors approve the October 2025, Modification of Capital Projects Request as presented.
- C. McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline; Project No. 101-0505-18; Change Order No. 2** [25C-54](#)  
Authorize a change order for adjustment in quantities resulting in a credit amount of (\$607,991.50) to the McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline project.
- D. Sister Grove Regional Water Resource Recovery Facility; 301-0426-16; Resolution No. 25-49; Conveyance of Property** [25C-55](#)  
Adopt Resolution No. 25-49 authorizing the Executive Director to execute documents necessary to convey property to Rayburn County Electric Cooperative, Inc. abutting its New Hope Substation facility.
- E. Interlocal Cooperation Agreement between the North Texas Municipal Water District and Rockwall County, Texas for Acquisition of NTMWD Property along Crenshaw Lane at the Sabine Creek Wastewater Treatment Plant; Resolution No. 25-50** [25C-56](#)  
Adopt Resolution No. 25-50 authorizing the execution of an Interlocal Cooperation Agreement between the North Texas Municipal Water District and Rockwall County for the acquisition of a portion of NTMWD property along Crenshaw Lane at the Sabine Creek Wastewater Treatment Plant.

## **XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION**

### **GENERAL / ADMINISTRATIVE AGENDA ITEMS**

- A. Regional Water System Revenue Bonds, Series 2025A; Resolution No. 25-47** [25-6193](#)  
Adopt Resolution No. 25-47 Authorizing the issuance of revenue bonds for the Regional Water System to the Texas Water Development Board (TWDB) and providing funding for the North System Raw Water Pipelines, which consists of the Texoma Raw Water Pipeline No. 2 and Texoma to Leonard Raw Water Pipeline projects.
- B. Regional Water System Revenue Bonds, Series 2025B; Resolution No. 25-48** [25-6194](#)  
Adopt Resolution No. 25-48 Authorizing the issuance of revenue bonds for the Regional Water System to the Texas Water Development Board (TWDB) and providing funding for Bois d'Arc Lake (BDL) and Leonard Water Treatment Plant (LWTP) phase III High Service Pump Station - South (HSPS-S) project.

**WATER AGENDA ITEMS**

- C. Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline; Construction Manager-at-Risk Award Construction Management Services Agreement; Project No. 101-0633-23 and No. 101-0642-24** [25-6195](#)
- Authorize funding in the amount of \$4,163,774 to Garney Companies, Inc. for the CMAR services during preconstruction and procurement process to the Construction Manager-at-Risk (CMAR) for the Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline projects.
- D. Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline; Owner Advisor Services Agreement; Project No. 101-0633-23 and No. 101-0642-24** [25-6196](#)
- Authorize funding in the amount of \$946,448 to Plummer Associates, Inc., for the owner advisor services agreement for the Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline project.
- E. Authorization of Execution of Interlocal Agreement Between North Texas Municipal Water District and Greater Texoma Utility Authority for the South Transmission Pipeline Project; Resolution No. 25-55** [25-6197](#)
- Authorize execution of Interlocal Agreement (ILA) between North Texas Municipal Water District (NTMWD) and Greater Texoma Utility Authority (GTUA) for the South Transmission Pipeline Project (Project).
- F. Authorization of Execution of the Water Transmission Facilities Contract with College Mound Special Utility District, Gastonia-Scurry Special Utility District, North Kaufman Water Supply Corporation, and Becker-Jiba Special Utility District (collectively as "Parties), current Customers of NTMWD.** [25-6198](#)
- Authorize execution of new Water Transmission Facilities Contract with the four Parties who are current Customers of NTMWD.
- G. Wylie Water Treatment Plant Raw Water Pump Station No. 4; Project No. 101-0647-24; Additional Engineering Services Agreement** [25-6199](#)
- Authorize funding in the amount of \$4,873,800 to Arcadis U.S., Inc. for additional engineering services for preliminary design of the Wylie Water Treatment Plant (WTP) Raw Water Pump Station No. 4.

**WASTEWATER AGENDA ITEMS**

- H. Buffalo Creek Parallel Interceptor Phase II; Project No. 507-0636-24; Engineering Services Agreement - Final Engineering [25-6200](#)**

Authorize funding in the amount of \$2,157,011 to HDR Engineering, Inc. for an engineering services agreement for the final design of the Buffalo Creek Parallel Interceptor Phase II project.

- I. Wilson Creek Regional Wastewater Treatment Plant Primary Clarifiers, UV and Centrifuge Improvements, Project No. 301-0606-22; Engineering Services Agreement, Outsourced Inspection Agreement, and Internal Inspection Services [25-6201](#)**

Authorize award of an engineering services agreement in the amount of \$484,113 to Brown and Caldwell, Inc. for construction phase engineering services, an outsourced inspection contract to Mbroh Engineering, Inc., in the amount of \$646,800, and authorize internal inspection services in the amount of \$404,400.

**REAL ESTATE AGENDA ITEMS**

- J. McKinney Prosper Sewer Improvements; Project No. 501-0641-24; Resolution No. 25-51; Right of Way Acquisition Program [25-6202](#)**

Adopt Resolution No. 25-51 authorizing funding in the amount of \$2,900,000 to acquire permanent, temporary, and access easements

- K. Stover Creek Force Main; Project No. 501-0624-23; Resolution No. 25- 52; Right of Way Acquisition Program [25-6203](#)**

Adopt Resolution No. 25-52 authorizing an amendment to an existing right of way acquisition program to provide additional funding in the amount of \$24,700,000.

- L. Tickey Creek Force Main; Project No. 501-0637-24; Resolution No. 25-53; Right of Way Acquisition Program [25-6204](#)**

Adopt Resolution No. 25-53 authorizing funding in the amount of \$14,700,000 to acquire permanent, temporary, and access easements.

- M. Trinity River Lock and Dam No. 7 Stabilization; Project No. 101-0550-19; Resolution No. 25-54; Right of Way Acquisition Program [25-6205](#)**

Adopt Resolution No. 25-54 authorizing funding in the amount of \$850,000 to acquire permanent, temporary, and access easements

N. **Preliminary Development Agreement with Cypress Point on the Lake LLC** [25-6206](#)

Authorize execution of a Preliminary Development Agreement with Cypress Point on the Lake LLC, 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 homeowners association who will own the improvements as required by the Preliminary Development Agreement.

**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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10/23/2025

Board Memorandum No. 25B-10

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# MEMO

**TO:** Board of Directors  
**FROM:** Jenna Covington, Executive Director  
**DATE:** October 17, 2025  
**SUBJECT:** October 23, 2025, Regular Board Meeting

October marks the beginning of the new fiscal year, and this year looks incredibly busy for both the staff and the Board of Directors. With several significant projects set to be completed in the coming months and others starting, FY 2025-2026 will see major progress in our Capital Improvement Program.

At the Board meeting, we will take time to look back at the last fiscal year and acknowledge major accomplishments and progress. Thanks to the continued support of the Board, we are able to deliver projects and operations to fulfill the vision and mission of the District.

**Strategic Initiative Highlight:** *4.1.4 - Evaluate and Redesign the District's Performance Evaluation Program*

In March, the District launched a new employee performance evaluation system, and we have now completed our first full cycle with the new system. The primary goal of the new system is to promote excellence by fostering continuous growth, accountability, and strategic alignment of individual performance to organizational goals. It actively engages employees through structured self-evaluations, ongoing feedback between employees and managers, and transparent recognition of each person's contributions.

*Key Achievements:*

- Aligned stakeholders with best practices for performance management
- Implemented required self-reviews for 100 percent of employees
- Leveraged technology to give managers real-time insight into completion and performance statistics

*Next Steps:*

- Implement three-month and six-month performance feedback for newly hired and promoted employees
- Introduce informal employee check-ins to facilitate interactive, documented feedback on performance, tasks, and projects

- Establish a goal-setting process to support meaningful performance feedback conversations between employees and managers
- Enhance performance analytics throughout the year, extending beyond the traditional annual performance review period

Together, these efforts mark a significant step forward in cultivating a culture of continuous improvement and shared accountability across the District. By aligning performance management with organizational goals and empowering employees through meaningful feedback, we are building a more engaged, high-performing workforce prepared to continue delivering on the mission, vision, and values of the District.

### **November Meetings**

As a reminder, the District adjusts the meeting calendar to accommodate Thanksgiving and Christmas holidays. Next month, we will have Executive committee on November 5, Solid Waste and Water committees on November 19, and the Board meeting on November 20. If you are unable to attend your committee meetings or the Board meeting, please let Brian or Stephanie know.



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10/23/2025

Consent Agenda Item No. 25C-52

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**September 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, September 25, 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  
 SEPTEMBER 25, 2025**

The North Texas Municipal Water District (NTMWD) Board of Directors met in a regular meeting on Thursday, September 25, 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 David Hollifield called the meeting to order at approximately 2:30 p.m.

President Hollifield 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 George Purefoy offered the invocation.

**III. PLEDGE OF ALLEGIANCE**

President Hollifield led the Pledge of Allegiance.

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

President Hollifield 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:

<i><b>DIRECTOR</b></i>	<i><b>IN PERSON</b></i>	<i><b>REMOTE</b></i>
Terry Sam <b>ANDERSON</b>	Absent	
Franklin <b>BYRD</b>	√	

Rick <b>CROWLEY</b>	√	
George <b>CRUMP</b>	√	
Lori Barnett <b>DODSON</b>		√
Phil <b>DYER</b>	√	
Joe <b>FARMER</b>	Absent	
Marvin <b>FULLER</b>		√
David <b>HOLLIFIELD</b>	√	
Chip <b>IMRIE</b>	√	
Blair <b>JOHNSON</b>	√	
Ronald <b>KELLEY</b>	Absent	
Geralyn <b>KEVER</b>	√	
Alan <b>McCUISTION</b>	√	
Rick <b>MANN</b>	√	
Jack <b>MAY</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>		√
Stephen <b>TERRELL</b>	√	
Larry <b>THOMPSON</b>	√	

The following NTMWD legal and professional consultants attended the meeting:

- Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend
- Nick Bulaich, Hilltop Securities

## VI. OPENING REMARKS

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

President Hollifield said that the Executive Committee meeting that was scheduled for October 8<sup>th</sup> will be cancelled due to the Long Range Water Supply Work Session meeting scheduled on October 9<sup>th</sup>.

President Hollifield reviewed the tentative meeting schedule for October as follows:

- Thursday, October 9: LRWS Work Session
- Wednesday, October 22: Real Estate and Water Committees
- Thursday, October 23: Board Meeting

President Hollifield advised that Director Phil Dyer will recuse himself from discussion and voting on Item XII.I.

- 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 Jenna Covington asked Assistant General Manager Billy George announce recognition of four of the District's Wastewater Treatment Plants. Mr. George advised that the National Association of Clean Water Agency Peak Performance Awards were presented to the Wilson Creek, Stewart Creek, Squabble Creek and Buffalo Creek wastewater treatment plants for 100 percent compliance of their respective discharge permits. Staff from each plant were introduced.

Executive Director Covington said that the Sister Grove Regional Water Resource Recovery Facility (RWRRF) began discharging treated water on September 16<sup>th</sup>. She added that testing will continue on other components of the treatment process. The District will host an event celebrating the completion of the facility in early 2026.

Executive Director Covington said that the Long Range Water Supply Work Session has been scheduled for October 9<sup>th</sup> and expressed her appreciation to everyone who responded to recent communication on the date.

Executive Director Covington stated that items included on today's agenda include final payment for three completed Wylie Water Treatment Plant conversion to BAF (Biologically Active Filtration.) There is also a credit included on this closeout. She noted this is the last major construction package for the Wylie complex and it will be the largest ozonation plant operating in BAF mode in the nation.

Executive Director Covington said that the adoption of the FY2026 budget is included on today's agenda. She said that the capital improvements include several projects for accessing water from existing sources, in particular from Lake Texoma. She added that at each Director's place today are copies of documents related to the budget. The Members and Customers will receive the documents, and they will be publicized through a press release, the District website and newsletter.

Executive Director Covington said the John Bunker Sands annual fundraiser is this Saturday evening. Directors may contact staff for additional information.

## VII. PUBLIC COMMENTS

Members, customers, and the public were invited to participate during the public comment period of the meeting. Before the start of the meeting, speakers completed and submitted a "Public Comment Registration Form." During this portion of the meeting, speakers were recognized by name and asked to provide their comments. The time limit was three (3) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. Texas Open Meetings Act prohibited the Board Members from discussing items not listed in the agenda, however, they could respond with factual or policy information.

There were no requests for public comment.

## VIII. DISCUSSION ITEMS

### A. Local Government Training

- Open Meetings Act
- Public Meetings Act
- Conflicts of Interest
- Ethics

Attorney Lauren Kalisek with Lloyd Gosselink provided the annual Local Government Training to Directors.

## 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 Hollifield 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 Ray Stephens, the Board of Directors voted unanimously to approve the Consent Agenda items.

### A. **August 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, August 28, 2025, as presented.

### B. **Modification of Capital Projects Request**

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

### C. **Joint Funding Agreement Between North Texas Municipal Water District and United States Geological Survey for Continuation of Zebra Mussel Monitoring Program, Surface Water Data Collection and Water Quality Monitoring**

Authorize execution of a Joint Funding Agreement with the United States Geological Survey (USGS) for continuation of zebra mussel monitoring, surface water data collection and for water quality monitoring.

### D. **Lease and Use Agreement for Wetlands Fencing**

Authorize execution of a Lease and Use Agreement with Wetlands Management LP and Wetland Farm LLC to facilitate completion of perimeter fencing at the East Fork Wetlands.

- E. **Wylie Water Treatment Plant Conversion to Biologically Active Filtration, Project No. 101-0390-15, Wylie Water Treatment Plant Ammonia System Improvements, Project No. 101-0496-18, and Wylie Water Treatment Plant II Structural and Mechanical Improvements - Phases I and II. Project Nos. 101-0517-18 and 101-0517A-18;**

**Construction Management At Risk Agreement Amendment No. 9 and Authorization for Final Payment**

Authorize Amendment No. 9 to the Construction Manager At Risk (CMAR) Agreement with MWH Constructors, Inc., for the final contract amount, additional contract time, and authorize final payment for three Wylie Water Treatment Plant (WTP) Biologically Active Filtration (BAF) related projects under the CMAR contract.

**XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION**

**GENERAL / ADMINISTRATIVE AGENDA ITEMS**

**A. Amendments to the Finance Policies Manual; Resolution No. 25-43**

Adopt Resolution No. 25-43, approving the review of the NTMWD Investment Policy and Strategy Statement, and amendments to the Finance Policies Manual with the following sections:

1. Fiscal Management Policy (Amended)
2. Fund Balance Policy (Amended)
3. Debt Management (Amended)
10. Retirement Plan Funding Policy (New)

Director GERALYN KEVER stated that this item was reviewed by the Finance Committee on June 11th and the Policy Committee on September 10th. The Finance and Policy Committees voted to recommend the Board of Directors authorize the amendments to the Finance Policies manual and adopt Resolution No. 25- 43 approving NTMWD's Investment Policy and Investment Strategy.

Upon a motion by Director GERALYN KEVER and a second by Director ALAN MCCUISTION, the Board of Directors voted unanimously to approve Resolution No. 25-43 as presented.

**B. Amendments to the Personnel Policies Manual**

Authorize amendments to the Personnel Policies Manual within the following sections:

- I. Employment Practices
- II. Employee Conduct and Safety
- III. Complaint Resolution
- IV. Compensation and Reimbursement
- V. Time Off Benefits
- VI. Health and Related Benefits

Director BLAIR JOHNSON advised that this item was reviewed by the Personnel Committee on May 7th and by the Policy Committee on September 10th. The Personnel and Policy Committees voted to recommend the Board of Directors authorize the amendments to the Personnel Policies Manual.

Upon a motion by Director BLAIR JOHNSON and a second by Director RICHARD PEASLEY, the Board of Directors voted unanimously to approve as presented.

**C. Revenue Refunding and Improvement Bonds, Series 2025; Resolution No. 25-44**

Adopt Resolution No. 24-44 authorizing the issuance of Revenue Refunding and Improvement Bonds for the Regional Wastewater System's Extendable Commercial Paper (ECP) Notes.

President Hollifield asked Nick Bulaich with Hilltop Securities to provide an update on this item as well as the next agenda item. Mr. Bulaich stated that bids on both agenda items were taken this morning with the final rates being very favorable to the District. Final rates were one-half percent lower than previously expected.

Director Geralyn Keever stated that this item was discussed at the September 10th Finance Committee meeting. The Finance Committee voted to recommend the Board adopt Resolution No. 25-44, authorizing the issuance, sale, and delivery of NTMWD Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025.

This morning 9 bids were received. Wells Fargo Bank won the bid with an interest rate of 4.4%. \$276.965 million of revenue bonds will be issued.

Upon a motion by Director Geralyn Keever and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve Resolution No. 25-44 as presented.

**D. Revenue Refunding and Improvement Bonds, Series 2025; Resolution No. 25-45**

Adopt Resolution No. 25-45 authorizing the issuance of Refunding Bonds for the Upper East Fork Interceptor System for the Extendable Commercial Paper (ECP) Notes and Improvement Bonds.

Director Geralyn Keever advised that this item was discussed at the September 10th Finance Committee meeting. The Finance Committee voted to recommend the Board adopt Resolution No. 25-45, authorizing the issuance, sale, and Delivery of NTMWD Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025.

This morning 10 bids were received. Wells Fargo Bank won the bid with an interest rate of 4.4%. \$146.9 million of revenue bonds will be issued.

Upon a motion by Geralyn Keever and a second by Director Rick Mann, the Board of Directors voted unanimously to approve Resolution No. 25-45 as presented.

**E. A Resolution approving appropriations for the 2025-26 All Systems Annual Budget, amending the 2024-25 Annual Budget and providing rates and charges for System Services of the North Texas Municipal Water District; Resolution No. 25-46**

Adopt Resolution No. 25-46 authorizing the appropriation of funds for the Amended 2024-25 Budget of \$829,789,945 and the 2025-26 Budget of \$902,390,685.

Director Geralyn Keever stated that this item was reviewed by the Finance Committee on June 11th, at the Board's Budget Work Session on July 17th, at the Board Meeting on August 28th, and by the Finance Committee on September 10th. The Finance Committee voted to recommend the Board of Directors adopt Resolution No. 25-46 approving appropriations for the 2025-26 All Systems Annual Budget in the amount of \$902,390,685, amending the 2024-25 Annual All Systems Budget in the amount of \$829,789,945 and providing rates and charges for the system services of the NTMWD.

Upon a motion by Director GERALYN KEVER and a second by Director ALAN MCCUITION, the Board of Directors voted unanimously to approve Resolution No. 25-46.

### WATER AGENDA ITEMS

- F. Supplemental Agreement to Raw Water Transport Contract with City of Dallas**  
Authorize execution of a supplemental agreement to water transport contract with the City of Dallas ("Dallas").

Director Jack May advised that the Water Committee discussed this item yesterday and voted to recommend the Board authorize approval.

In order to access raw water in Lake Fork made available to the District by the Sabine River Authority, water must be transported from Lake Fork to Lake Tawakoni. The City of Dallas has existing facilities for the transport of raw water to Lake Tawakoni and this supplemental agreement will allow for the ongoing transport by Dallas of water to Lake Tawakoni on behalf of the District.

Upon a motion by Director Jack May and a second by Director Blair Johnson, the Board of Directors voted unanimously to approve.

- G. Authorization of Execution of the Potable Water Supply Contract with North Collin Special Utility District, a current Customer of NTMWD.**  
Authorize execution of new Potable Water Supply Contract with North Collin Special Utility District (Customer), a current Customer of NTMWD

Director Jack May advised that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval. This existing Customer requests an additional Point of Delivery and time to construct facilities to receive water from the District.

Director Jack May moved to approve this item. Second by Director Rick Crowley.

Director Paschal inquired whether the Members and Customers affected by North Collin SUD agreements are aware of the agreement. Director of Planning R.J. Muraski responded that staff is aware there are dual CCNs between North Collin and the cities of McKinney and Melissa and there has to be agreement between those entities if there are new developments.

The Board of Directors voted unanimously to approve as presented.

- H. Payment per Interlocal Cooperation Agreement Between the City of Frisco and the North Texas Municipal Water District for Frisco Delivery Point No. 4; Project No. 101-0631-23**

Authorize funding and payment to the City of Frisco for construction activities per the previously approved Interlocal Agreement (ILA) for Frisco Delivery Point No. 4. Bids were received by the City of Frisco on August 21, 2025, setting the construction funding amount of \$11,566,127.63 as contemplated in the ILA. This request includes a request to authorize internal inspection services in the amount of \$678,480.

Director Jack May advised that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This item authorizes payment pursuant to the existing ILA between the District and City of Frisco for construction of District infrastructure associated with the project. This request also includes funding for inspection services to be performed by District staff.

Upon a motion by Director Jack May and a second by Director Richard Peasley, the Board of Directors voted to approve as presented.

**I. Meter Vault Standardization, Set Point Control Implementation, Phase V - Work Package E3; Project No. 101-0338-13; Tabulation of Bids, Award of Contract, Engineering Services Agreement, and Authorize Inspection Services**

Authorize award of a construction contract in the amount of \$13,066,900, to The GenCon Group (dbA Dake Construction), authorize an Engineering Services Agreement with Kimley Horn and Associates, Inc., in the amount of \$408,310 for construction phase engineering services, and authorize outsourced inspection services in the amount of \$1,807,598, and authorize internal inspection services in the amount of \$223,200 for the Meter Vault Standardization, Set Point Control Phase V - Work Package E3.

Director Jack May said that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

The purpose of this project is to upgrade the water delivery infrastructure and add set point control capability at four existing locations.

Upon a motion by Director Jack May and a second by Director Larry Thompson, the Board of Directors voted to approve as presented. Director Phil Dyer recused himself from discussion and voting on this item.

**J. Shiloh System Ground Storage Tank; 101- 0472- 17; Tabulation of Bids, Award of Contract, and Authorize Inspection Services**

Award a construction contract in the amount of \$12,908,000 to CLW Water Group, LLC and authorize internal inspection services in the amount of \$332,460 for the Shiloh System Ground Storage Tank project.

Director Jack May said that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

The addition of an above-ground storage tank will support maintaining the minimum required pressure in the water conveyance system at all times and improve the operational performance of the system.

Upon a motion by Director Jack May and a second by Director Blair Johnson, the Board of Directors voted unanimously to approve as presented.

**K. Transmission System Valve Improvements; Engineering Services Agreement; Project No. 101- 0673- 25**

Authorize funding in the amount of \$1,009,535 to Black & Veatch Corporation for an engineering services agreement (ESA) for preliminary engineering design services for the

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Transmission System Valve Improvements project.

Director Jack May advised that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

The purpose of the project is to evaluate the isolation valves within the Water Transmission System, supporting safe pipeline and system shutdowns, and establish a repair or replacement plan for immediate needs, as well as a roadmap for a long-term valve maintenance program.

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

**L. Wylie Water Treatment Plant Back Up Power Improvements; Project No. 101-0564-20; Construction Manager At Risk Services Agreement Pre-Construction and Procurement Services**

Authorize funding in the amount of \$3,072,055 to Archer Western Construction, LLC, for Pre-construction and procurement services and a Construction Manager At-Risk (CMAR) agreement for the Wylie Water Treatment Plant (WTP) Back Up Power Improvements project.

Director Jack May said that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This item will fund CMAR preconstruction and procurement services and advance the back-up power generation project for the Wylie Water Treatment Plant.

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

**M. Wylie Water Treatment Plant Conversion to Biologically Active Filtration, Project No. 101-0390-15; Tabulation of Bids, Award of Contract, and Authorize Internal Inspection Services**

Authorize the award of a construction contract in the amount of \$24,075,000 to Schofield Civil Construction, LLC for the third of three planned phases of the Wylie Water Treatment Plant (WTP) Conversion to Biologically Active Filtration (BAF) project. Authorize internal inspection services in the amount of \$116,880. Administrative Memorandum No. 24-6069 awarded the first phase in October 2024, and Administrative Memorandum No. 25-6111 awarded the second phase in February 2025.

Director Jack May said that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

The primary purposes of this project improve Wylie Water Treatment Plant 1; which include the addition of a chlorine contact basin for disinfection, filtered water flow control equipment, and chemical addition modifications; in support of the Biologically Active Filtration conversion of Plant 1.

Upon a motion by Director Jack May and a second by Director Richard Peasley, the Board of Directors voted unanimously to approve as presented.

**N. Wylie Water Treatment Plant (WTP) Complex Valve Improvements; Engineering**

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**Services Agreement; Project No. 101-0672-25**

Authorize funding in the amount of \$875,809 to Pape Dawson Consulting Engineers, LLC for an engineering services agreement for preliminary and final design services of the proposed Wylie WTP Complex Valve Improvements project.

Director Jack May said that the Water Committee reviewed this item yesterday and vote to recommend the Board authorize approval.

The Engineer will perform design services for previously identified critical valves on the Wylie Water Treatment Plant complex. These critical valve replacements are needed to isolate facilities to support future construction projects and/or facilitate critical maintenance activities. The second phase of the project will identify long-term needs for isolation throughout the entire Plant and develop a proactive maintenance plan for all major plant valves.

Upon a motion by Director Jack May and a second by Director Larry Thompson, the Board of Directors voted unanimously to approve as presented.

**O. Wylie Water Treatment Plants (WTPs) I, II, III, and IV Filter Media Improvements; Project No. 101-0615-22; Construction Manager At-Risk Services Agreement; Pre-Construction and Procurement Services**

Authorize funding in the amount of \$391,200 to Sundt Construction, Inc. for pre-construction and procurement services and a Construction Manager At-Risk (CMAR) agreement for the Wylie WTPs I, II, III, and IV Filter Media Improvements project.

Director Jack May said that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This item will authorize CMAR preconstruction and procurement services for the Wylie Water Treatment Plant Filter Media Improvements project.

Upon a motion by Director Jack May and a second by Director Geralyn Keever, the Board of Directors voted unanimously to approve as presented.

**WASTEWATER AGENDA ITEMS**

**P. Panther Creek Wastewater Treatment Plant (WWTP) Expansion to 15 MGD; Project No. 307 0493 18; Change Order No. 1**

Authorize a credit to the construction contract in the amount of \$692,157 to Crossland Heavy Contractors, Inc. for the Panther Creek Wastewater Treatment Plant Expansion to 15 MGD project.

Director Phil Dyer advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This change order authorizes a cost reduction related to lower equipment bid prices received by the contractor and a modification to pipe coating material.

Upon a motion by Director Phil Dyer and a second by Director Don Paschal, the Board of Directors voted unanimously to approve as presented.

**Q. Rowlett Creek Regional Wastewater Treatment Plant Administration Building, Project No. 301 0524 19; Tabulation Of Bids And Award Of Contract**

Authorize award of a construction contract in the amount of \$10,632,000 to Key Construction Texas, LLC for the Rowlett Creek Regional Wastewater Treatment Plant (RWWTP) Administration Building.

Director Phil Dyer advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This action awards a construction contract for a 6,000 square foot operations building to be constructed on land adjacent to the Rowlett Creek Regional Wastewater Treatment Plant.

Upon a motion by Director Phil Dyer and a second by Director Rick Mann, the Board of Directors voted unanimously to approve as presented.

**R. Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase II; Project No. 301 0471 17; Engineering Services Agreement, and Construction Management and Inspection Services**

Authorize funding in the amount of \$3,467,000 to Hazen and Sawyer, Inc., for an engineering services agreement for construction phase engineering services, and authorize a construction management and inspection services agreement with Freese and Nichols, Inc., in the amount of \$3,595,524.

Director Phil Dyer advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This project will expand the Rowlett Creek Regional Wastewater Treatment Plant peak two-hour flow treatment capacity from 77.5 million gallons per day to 95 million gallons per day by constructing various facility improvements at the plant.

Upon a motion by Director Phil Dyer and a second by Director Stephen Terrell, the Board of Directors voted unanimously to approve as presented.

**S. Sister Grove Regional Water Resource Recovery Facility Influent Junction Structure; Project No. 301 0674 25; Engineering Services Agreement**

Authorize funding in the amount of \$1,470,000 to Ardurra Group, Inc. for an engineering services agreement for preliminary and final design of the Sister Grove Regional Water Resource Recovery Facility (RWRRF) Influent Junction Structure.

Director Phil Dyer advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

This engineering service agreement will develop a design for a new junction structure necessary to manage flows from multiple force mains into the Sister Grove Regional Water Resource Recovery Facility.

Upon a motion by Director Phil Dyer and a second by Director Don Paschal, the Board of Directors voted unanimously to approve as presented.

**T. South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301 0525 18; Amendment No. 9, Partial GMP No. 7,**

**Engineering Services During Construction, and Additional Construction Management, Inspection and Material Testing Services**

Authorize funding in the amount of \$99,857,013 to Archer Western Construction, LLC for Amendment No. 9 to the Construction Manager At Risk (CMAR) Agreement, to Carollo Engineers, Inc. in the amount of \$2,035,500 for Engineering Services During Construction, and to AECOM Technical Services, Inc. in the amount of \$2,612,589 for additional construction management, inspection services, and material testing services for the South

Mesquite Creek Regional Wastewater Treatment Plant (RWWTP) Peak Flow Management and Expansion project.

Director Phil Dyer advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

The CMAR has submitted partial GMP No. 7 for the construction of the remaining work needed for the South Mesquite expansion to 41 million gallons per day. A future amendment will be presented for the construction related to the Buffalo Creek Parallel Force Main project.

Upon a motion by Director Phil Dyer and a second by Director Alan McCuistion, the Board of Directors voted unanimously to approve as presented.

**U. Wilson Creek Regional Wastewater Treatment Plant (RWWTP) Primary Clarifiers, UV and Centrifuge Improvements, Project No. 301 0606 22; Tabulation of Bids, Award of Contract**

Authorize award of a construction contract in the amount of \$11,995,000 to Urban Infraconstruction, LLC for the Wilson Creek Regional Wastewater Treatment Plant Primary Clarifiers, UV and Centrifuge Improvements project.

Director Phil Dyer advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize approval.

The Wilson Creek Master Plan outlined condition and reliability improvement projects, which are prioritized over the next five years. This higher priority project includes replacement of three UV light disinfection trains and additional centrifuge solids processing capacity.

Upon a motion by Director Phil Dyer and a second by Director Don Paschal, 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.

Director Blair Johnson inquired if the District would document the BAF expansion and conversion, noting that it is a tremendous project that could be shared with others considering such a conversion. Executive Director Covington responded that the District is happy to share this project with others and have had others tour the facility, including some international visitors.

Executive Director Covington offered appreciative remarks to the Board and the staff for their dedication and work. Teamwork is required for the amount of capital projects and contracts issued for next year.

**XIV. ADJOURNMENT**

There being no further business, the meeting adjourned at approximately 3:54 p.m.

APPROVED:

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

ATTEST:

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



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10/23/2025

Consent Agenda Item No. 25C-53

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**Modification of Capital Projects Request**

**RECOMMENDATION**

Recommend the Board of Directors approve the October 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**

**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. 101-0390-15, Wylie Water Treatment Plant (WTP) Conversion to Biologically Active Filtration – Phase I, WTPs II and III, Change Order No. 7

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$22,375,000.00	750
Prior Change Order(s) Total	\$245,630.15	0
<b>Proposed Change Order No. 7</b>		
PCO 8 - Additional ammonia and caustic meters	\$24,956.90	0
PCO 9 - Final work related to PISO-191 valve repairs	\$63,317.00	0
PCO 10 - Clearwell 3-1 drain pump tie in	\$16,822.60	0
PCO 11 - Duct bank temporary support	\$14,290.00	0
<b>Proposed Change Order No. 7 Increase</b>	<b>\$119,386.50</b>	<b>0</b>
<b>Revised Contract Amounts</b>	<b>\$22,740,016.65</b>	<b>750</b>

Original Completion Dates: Substantial – September 26, 2026; Final – November 25, 2026,  
Revised Completion Dates: No change.

Funding in the amount of \$119,386.50 for Change Order No. 7 to RAVA Construction, LLC., is available in the Regional Water System Construction Funds

- b. Project No. 101-0600-21, Leonard Water Treatment Plant Phase II, Change Order No. 1.

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$290,955,000.00	1,517
Prior Change Order(s) Total	\$0.00	0
<b>Proposed Change Order No. 1</b>		
PCO 1 – Concrete batch plant area and fencing	\$153,317.23	0
<b>Proposed Change Order No. 1 Increase</b>	<b>\$153,317.23</b>	<b>0</b>
<b>Revised Contract Amounts</b>	<b>\$291,108,317.23</b>	<b>1,517</b>

Original Completion Dates: Substantial – December 31, 2027; Final – June 30, 2028  
Revised Completion Dates: No change.

Funding in the amount of \$153,317.23 for Change Order No. 1 to Thalle Construction Company, Inc., is available in the Regional Water System Construction Funds

- c. Project No. 101-0584-21, Wylie Water Treatment Plant (WTP) II Plant Water Improvements, Change Order No. 2.

Description	Amount	Days
Original Contract Amount	\$3,562,100.00	570
Prior Change Order(s) Total	\$20,970.00	0
<b>Proposed Change Order No. 2</b>		
PCO 2-1 Sedimentation Basin 1 connection change	\$108,316.00	0
PCO 2-2 Blow Off Valve relocation- time delay	\$0.00	45
<b>Proposed Change Order No. 2 Increase</b>	<b>\$108,316.00</b>	<b>45</b>
<b>Revised Contract Amounts</b>	<b>\$3,691,386.00</b>	<b>615</b>

Original Completion Dates: Substantial – January 29,2026; Final – February 28, 2026  
Revised Completion Dates: Substantial – March 15,2026; Final – April 14, 2026

Funding in the amount of \$108,316.00 for Change Order No. 2 to Schofield Civil Construction, LLC., is available in the Regional Water System Construction Funds

WASTEWATER SYSTEM

- a. Project No. 501-0495-18, Wilson Creek Transfer Force Mains, Change Order No. 6.

Description	Amount	Days
Original Contract Amount	\$40,893,145.00	620
Prior Change Order(s) Total	\$7,795,688.39	587
<b>Proposed Change Order No. 6</b>		
Site work related to connection at North McKinney Transfer Lift Station	\$74,423.64	0
Modifications of Combination Air Valves (CAV) assemblies	\$0.00	30
<b>Proposed Change Order No. 6 Increase</b>	<b>\$74,423.64</b>	<b>30</b>
<b>Revised Contract Amounts</b>	<b>\$48,763,257.03</b>	<b>1,237</b>

Original Completion Dates: Substantial – April 14, 2025; Final – June 13, 2025  
Revised Completion Dates: Substantial – December 22, 2026; Final – February 20, 2027

Funding in the amount of \$74,423.64 for Change Order No. 6 to McKee Utility Contractors, LLC, is available in the Upper East Fork Interceptor System Construction Funds

- b. Project No. 301-0497-18, South Mesquite Creek Regional Wastewater Treatment Plant (RWWTP) Solids Handling Improvements, Change Order No. 15.

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$26,318,000.00	668
Prior Change Order(s) Total	\$443,244.02	156
<b>Proposed Change Order No. 15</b>		
Additional air pipe supports	\$31,513.00	0
Thickened waste activated sludge (TWAS) pipe replacement	\$160,671.00	75
<b>Proposed Change Order No. 15 Increase</b>	<b>\$192,184.00</b>	<b>75</b>
<b>Revised Contract Amounts</b>	<b>\$26,953,428.02</b>	<b>899</b>

Original Completion Dates: Substantial – June 19, 2022; Final – August 18, 2022  
Revised Completion Dates: Substantial – February 5, 2023; Final – April 6, 2023

Funding in the amount of \$192,184.00 for Change Order No. 15 to BAR Constructors, Inc., 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.

- c. Project No. 307-0493-18, Panther Creek Wastewater Treatment Plant Expansion to 15 MGD, Change Order No. 2

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$170,618,000.00	1,095
Prior Change Order(s) Total	(\$692,157.00)	0
<b>Proposed Change Order No. 2</b>		
Modifications to concrete coatings (credit)	(\$291,900.00)	0
Plant influent meter vault slab modifications	\$7,326.00	0
Support of high voltage duct bank during construction of Parshall Flume	\$218,157.00	25
<b>Proposed Change Order No. 2 Decrease</b>	<b>(\$66,417.00)</b>	<b>25</b>
<b>Revised Contract Amounts</b>	<b>\$169,859,426.00</b>	<b>1,120</b>

Original Completion Dates: Substantial – April 23, 2028; Final – June 22, 2028.  
Revised Completion Dates: Substantial – May 18, 2028; Final – July 17, 2028.

Funding in the amount of (\$66,417.00) for Change Order No. 2 to Crossland Heavy Contractors, Inc., will be credited back to the Panther Creek Wastewater Treatment Plant 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. None

WASTEWATER SYSTEM

- a. Project No. 501-0594-24, Rowlett Creek Trunk Sewer Extension Rehabilitation and Improvements

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$281,900.00	200
Prior Change Order(s) Total	\$39,924.00	7
<b>Previous Payments</b>	\$263,755.91	
<b>Proposed Final Payment to Canary Construction, Inc.</b>	<b>\$58,068.09</b>	
<b>Final Contract Amounts</b>	<b>\$321,824.00</b>	<b>207</b>

Original Completion Dates: Substantial – October 2, 2025; Final – November 1, 2025

Revised Completion Dates: Substantial – October 9, 2025; Final – November 8, 2025

No additional funding is requested for Final Payment.

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. Project No. 501-0658-25, Lower Rowlett Creek Lift Station Structural Repairs

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$3,115,167.00	150
Prior Change Order(s) Total	\$0.00	0
<b>Proposed Change Order No. 1</b>		
Bid Item 1-3: Eastern wet well concrete repair (Credit)	(\$15,000.00)	0
Bid Item 1-4: Western wet well concrete repair (Credit)	(\$128,920.00)	0
Bid Item 1-5: Eastern wet well supplemental reinforcing (Credit)	(\$57,000.00)	0
Bid Item 1-6: Crack filling (Credit)	(\$74,880.00)	0
Additional days due to abnormal weather and water infiltration in wet wells	\$0.00	33
<b>Proposed Change Order No. 1 (Decrease)</b>	<b>(\$275,800.00)</b>	<b>33</b>
<b>Final Contract Amounts</b>	<b>\$2,839,367.00</b>	<b>183</b>

Original Completion Dates: Substantial – July 25, 2025; Final – August 24, 2025

Revised Completion Dates: Substantial – August 27, 2025; Final – September 26, 2025

Funding in the amount of (\$275,800.00) for Change Order No. 1 to Urban Infraconstruction, LLC, will be credited back to the Upper East Fork Interceptor System Extendable Commercial Paper (ECP) Program

b. Project No. 101-0544-19, Upper East Fork Interceptor System Relocation of 60-inch Wastewater Pipeline

<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$10,695,000.00	420
Prior Change Order(s) Total	\$2,095,977.29	749
<b>Proposed Change Order No. 9</b>		
Bid Item 2: Demobilization and remobilization (Credit)	(\$20,000.00)	0
Bid Item 15: Line grouting - abandon existing sanitary sewer (Credit)	(\$45,435.00)	0
Bid Item 20: Sod (Credit)	(\$23,004.00)	0
Bid Item 24: Construct brick wall (Credit)	(\$13,020.00)	0
Bid Item 31: Planting of trees (Credit)	(\$4,500.00)	0
Waste management services (Credit)	(\$23,591.82)	0
Power pole relocation (Credit)	(\$87,507.12)	0
Additional Bid Item 22 – Remove 60-inch sewer (Credit)	(\$16,400.00)	0
AT&T conduit replacement (Credit)	(\$12,000.00)	0
<b>Proposed Change Order No. 9 (Decrease)</b>	<b>(\$245,457.94)</b>	<b>0</b>
<b>Final Contract Amounts</b>	<b>\$12,545,519.35</b>	<b>1,169</b>

Original Completion Dates: Substantial – March 16, 2023; Final – May 15, 2023  
 Revised Completion Dates: Substantial – February 20, 2025; Final – June 2, 2025

Funding in the amount of (\$245,457.94) for Change Order No. 9 to McKee Utility Contractors, LLC, will be credited back to the Upper East Fork Interceptor System Construction Funds

**SOLID WASTE SYSTEM**

- a. None.

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

**WATER SYSTEM**

- a. Project No. 101-0338-13, Meter Vault Standardization, Set Point Control Implementation, Phase IV

<b>Description</b>	<b>Amount</b>
Original ESA	\$1,240,450.00
Prior Additional Services	\$818,325.00
<b>Proposed Additional Services</b>	<b>\$101,500.00</b>
Design and construction phase services for Water Transmission System Northwest Communication Improvements	
<b>Revised ESA Amount</b>	<b>\$2,160,275.00</b>

Funding in the amount of \$101,500.00 for Amendment No. 5 to Kimley-Horn and Associates, Inc., is available in the Regional Water System Construction Funds

- b. Project No. 101-0445-16, Multiple Systems Maintenance Facilities Central Region, Phase II (Amendment No. 8)

<b>Description</b>	<b>Amount</b>
Original ESA	\$1,070,826.00
Prior Additional Services	\$540,461.95
<b>Proposed Additional Services</b>	<b>\$10,300.00</b>
Design phase services for new directive from space guidance document	
<b>Revised ESA Amount</b>	<b>\$1,621,587.95</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.

This facility supports both water and wastewater departments. Funding for Amendment No. 8 to Stantec Architecture, Inc., is available in the following proportions: \$8,240 is to be made available from the Regional Water System Capital Improvement Fund, \$1,545 is to be made available from the Regional Wastewater System Construction Funds, and \$515 is to be made available from the Upper East Fork Interceptor System Construction Funds

- c. Project No. 101-0649-24, Wylie Water Treatment Plant (WTP) Raw Water Pump Station No. 3 Improvements

<b>Description</b>	<b>Amount</b>
Original ESA	\$871,877.00
Prior Additional Services	\$0.00
<b>Proposed Additional Services</b>	<b>\$292,523.00</b>
Design and construction phase services for additional electrical, HVAC, and civil improvements to Raw Water Pump Station No. 3	
<b>Revised ESA Amount</b>	<b>\$1,164,400.00</b>

Funding in the amount of \$292,523.00 for Amendment No. 1 to AECOM Technical Services, Inc., is available in the Regional Water System Capital Improvement Fund

WASTEWATER SYSTEM

- a. None

SOLID WASTE SYSTEM

- a. None



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10/23/2025

Consent Agenda Item No. 25C-54

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**Regional Water System**

**McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline; Project No. 101-0505-18; Change Order No. 2**

**SUBJECT**

Authorize a change order for adjustment in quantities resulting in a credit amount of (\$607,991.50) to the McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline project.

**PURPOSE**

Authorize a change order for three items which include a credit for grouting exterior of tunnel carrier pipe, additional concrete pipeline encasement for two future City of McKinney road crossings and relocation of five street lights along Bloomdale Road.

**RECOMMENDATION**

The Executive Director, NTMWD staff and HDR, Inc. recommend the Board of Directors authorize a construction change order as follows:

- Contractor: Oscar Renda Contracting, Inc.
- Scope: Construction Contract Change Order No. 2
- Project: No. 101-0505-18 McKinney Delivery Point No. 3 to McKinney Delivery Point No.4 Pipeline
- Amount: (\$607,991.50) credit
- Committee: This will be a Champion Update at the October 22, 2025, Water Committee meeting

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.4 - Reliable and Resilient System Capacity
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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**

- In order to adequately meet future demand, improve system pressures, and improve the transfer of treated water from the Leonard Water Treatment Plant (WTP) into the western area of the existing NTMWD north transmission system, the addition of a 72-inch water transmission pipeline from the site of the McKinney Delivery Point No. 4 to the site of McKinney’s Delivery Point No. 3 is required.
- The new pipeline will serve to close a major loop in the north transmission system and enhance the movement and reliability of water to the remote parts of the system currently experiencing increased demands due to growth.

**PROJECT COMPONENTS**

- Construction of 40,000 linear feet (LF) of 72-inch diameter water transmission steel pipeline, including all fittings, valves, and appurtenances.
- Installation of approximately 6,800 LF of 72-inch diameter tunnel pipe by trenchless methods under roadways and waterways.

**PROPOSED CHANGE ORDER**

- The exterior mortar coating on the tunnel carrier pipe was designed to be a sacrificial layer when sliding the pipe into the tunnel. The contractor has elected to carry each section of pipe into the tunnel, eliminating the need for the exterior grout.
- Change order also includes an adjustment to quantities of concrete encasement for piping under two future City of McKinney roadways (Baneberry Lane and Bluewood Drive) and relocation of five street lights along Bloomdale Road.

**CHANGE ORDER NO. 2**

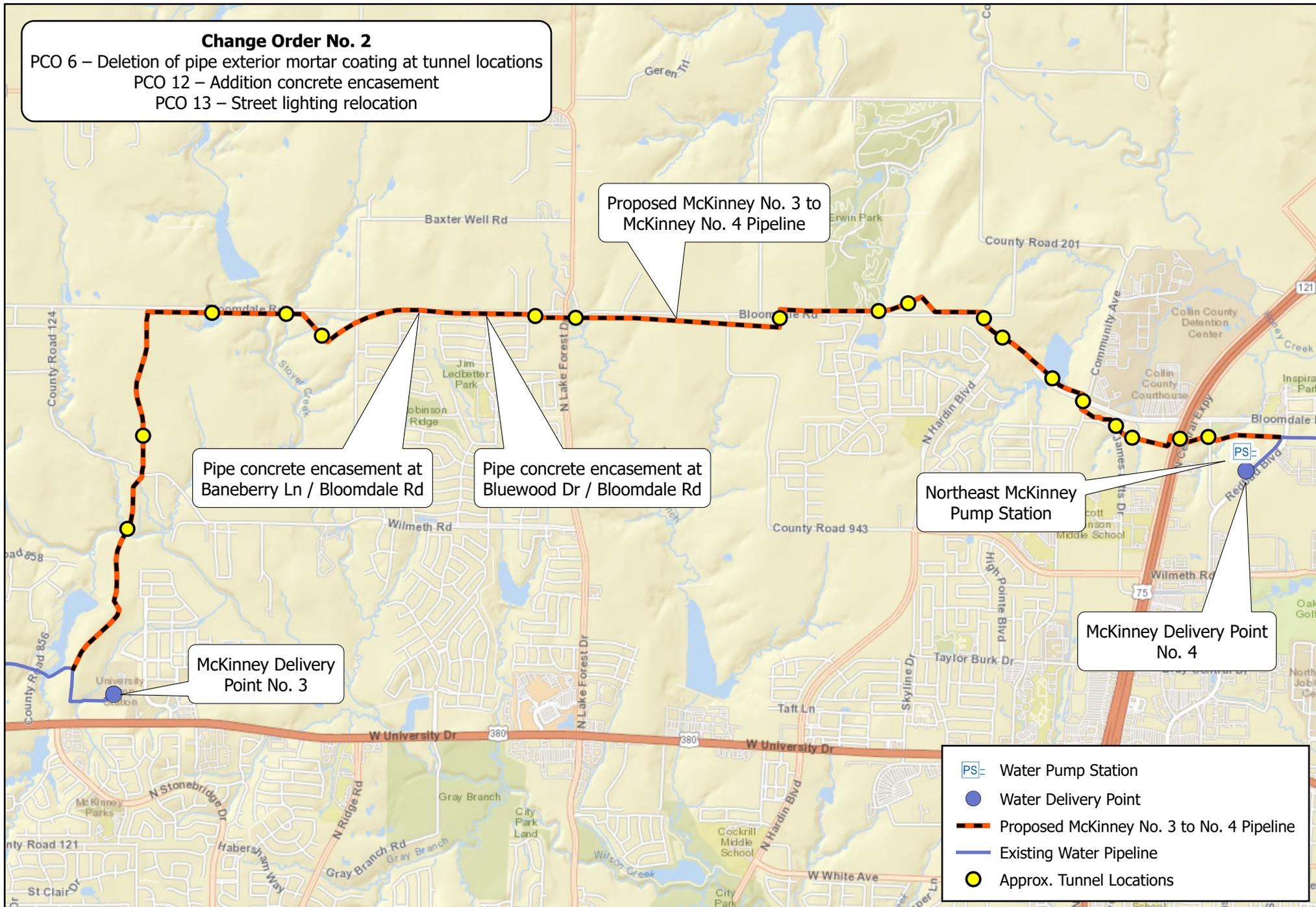
<b>Description</b>	<b>Amount</b>	<b>Days</b>
Original Contract Amount	\$102,886,839.00	880
Prior Change Order(s) Total	\$0.00	90
<b>Proposed Change Order No. 2</b>		
PCO 6 - Deletion of pipe exterior mortar coating	(\$703,372.75)	0
PCO 12 - Addition concrete encasement	\$80,000.00	0
PCO 13 - Street lighting relocation	\$15,381.25	0
<b>Proposed Change Order No. 2 Amounts (decrease)</b>	<b>(\$607,991.50)</b>	<b>0</b>
<b>Revised Contract Amounts</b>	<b>\$102,278,847.50</b>	<b>970</b>

**FUNDING**

Funding in the amount of (\$607,991.50) for Change Order No. 2 to Oscar Renda Contracting, Inc., will be credited back to the Regional Water System Construction Funds.

**Change Order No. 2**

- PCO 6 – Deletion of pipe exterior mortar coating at tunnel locations
- PCO 12 – Addition concrete encasement
- PCO 13 – Street lighting relocation



**McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline**  
**Project No. 101-0505-18**





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10/23/2025

Consent Agenda Item No. 25C-55

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**Regional Wastewater System**

**Sister Grove Regional Water Resource Recovery Facility; 301-0426-16; Resolution No. 25-49; Conveyance of Property**

**SUBJECT**

Adopt Resolution No. 25-49 authorizing the Executive Director to execute documents necessary to convey property to Rayburn County Electric Cooperative, Inc. abutting its New Hope Substation facility.

**PURPOSE**

Rayburn County Electric Cooperative, Inc. (Rayburn) owns the New Hope Substation (NHS), which powers NTMWD facilities at Sister Grove Regional Water Resource Recovery Facility (Sister Grove). Grayson Collin Electric Cooperative (GCEC) owns the facilities that transmit power from NHS to Sister Grove. Rayburn desires to buy land abutting NHS to be used as a regional equipment yard for GCEC. NTMWD would benefit from proximity when GCEC must maintain and repair facilities at Sister Grove.

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 25-49, *“A Resolution for Conveyance of Fee Simple Property to Rayburn County Electric Cooperative, Inc. at Sister Grove Regional Water Resource Recovery Facility, Project 301-0426-16.”*

Contracting Party: Rayburn County Electric Cooperative, Inc.

Scope: Conveyance of Fee Simple Property

Project: No. 301-0426-16: Sister Grove Regional Water Resource Recovery Facility

Amount: \$42,000

Committee: This will be a Champion Update at the October 22, 2025, Real Estate 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 type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety                                     | <input type="checkbox"/> Administrative         |
| <input type="checkbox"/> Policy                                     | <input type="checkbox"/> Other _____            |

**BACKGROUND**

**PROJECT PURPOSE**

- The purpose of this consent agenda item is to authorize the Executive Director to execute documents for the conveyance of fee simple property to Rayburn Country Electric Cooperative, Inc. (Rayburn).
- NTMWD previously conveyed a 6-acre tract of land at Sister Grove to Rayburn to construct the New Hope Substation (NHS) to power Sister Grove facilities
  - Declaration of 6 acres surplus to the District’s needs: March 2018, Administrative Memorandum No. 5179, Resolution 18-32.
- Rayburn required an additional 3.28 acres for stormwater conveyance & detention, and erosion control around the eastern and northern substation boundaries
  - Authorized July 2022, Consent Agenda Item No. 22-07-06, Resolution No. 22-33.
- Grayson Collin Electrical Cooperative (GCEC) transmits power from Rayburn’s NHS to NTMWD facilities.
- GCEC entered into a Laydown Yard (LY) Lease Agreement with NTMWD from December 2022 through July 2024 for the storage of equipment necessary to construct its facilities at Sister Grove.
- Rayburn desires to purchase the LY area to provide GCEC with a regional equipment yard.
- The LY site abuts the northern boundary of the NHS property and is encumbered by:
  - Electrical easements for overhead power:
    - Rayburn, 100’ width - authorized: May 2022, Consent Agenda Item No. 22-05-07, Resolution No. 22-22
    - GCEC, variable width - authorized: October 2023, Consent Agenda Item No. TMP-23-26, Resolution No. 23-37
  - GCEC 15’ width electric easement along Sister Grove property line at CR 336 - authorized: October 2023, Consent Agenda Item No. TMP-23-26, Resolution No. 23-37
  - 300’ width buffer zone to be dedicated by plat
- These encumbrances reduce the utility of the laydown yard area to others.

- The 5.33-acre LY was appraised & these encumbrances were accounted for in the valuation.
- Rayburn agrees to pay market value for the land as determined by the appraisal.
- Rayburn shall pay all accrued expenses associated with the transaction.
- NTMWD pipeline and site operations and maintenance will not be impeded by the conveyance.
- This land is surplus to the needs of the District.

### **FUNDING**

Funding in the amount of \$42,000 is to be made available from the Regional Wastewater System Capital Improvement Fund.

# NORTH TEXAS MUNICIPAL WATER DISTRICT

## RESOLUTION NO. 25-49

### A RESOLUTION FOR CONVEYANCE OF FEE SIMPLE PROPERTY TO RAYBURN COUNTY ELECTRIC COOPERATIVE, INC. AT SISTER GROVE REGIONAL WATER RESOURCE RECOVERY FACILITY, PROJECT NO. 301-0426-16

**WHEREAS**, in March 2018, the NTMWD Board of Directors declared a 6-acre tract of land at Sister Grove Regional Water Resource Recovery Facility (Sister Grove) site to be surplus to the needs of NTMWD, Administrative Memorandum No. 5179, Resolution 18-32,

**WHEREAS**, Rayburn County Electric Cooperative, Inc. (Rayburn), acquired the 6-acre tract by public bid, for the purpose of constructing the New Hope Substation, which serves Sister Grove; and,

**WHEREAS**, in July 2022, the NTMWD Board of Directors authorized the sale of an additional 3.28 acres to Rayburn at Sister Grove for stormwater conveyance & detention and erosion control around the eastern and northern substation boundaries, Consent Agenda Item No. 22-07-06, Resolution 22-33; and,

**WHEREAS**, Grayson Collin Electrical Cooperative (GCEC) transmits power from Rayburn's NHS to NTMWD facilities; and,

**WHEREAS**, NTMWD entered into a Laydown Yard Lease Agreement with GCEC from December 2022 through July 2024 for the storage of equipment necessary for GCEC to construct its facilities at Sister Grove; and,

**WHEREAS**, Rayburn desires to purchase approximately 5.33 acres (Property) to be used by GCEC as a regional equipment yard; and,

**WHEREAS**, the Property is not required for operation of the District's Sister Grove Water Recovery Facility; and,

**WHEREAS**, the Property abuts Rayburn's 9.28-acre tract; and,

**WHEREAS**, the Property has limited utility due to being encumbered by multiple overhead power lines, an underground electrical line, and an eminent 300-foot buffer zone; and,

**WHEREAS**, the Board determines and declares that the Property is not needed for Sister Grove Regional Water Resource Recovery Facility operations, and that the Property is surplus to the needs of NTMWD and there is no further need for the Property; and,

**WHEREAS**, the Board determines the Property should be sold for no less than the market value as determined by the appraisal previously obtained on the Property; and,

**WHEREAS**, Rayburn Electric Cooperative, Inc. is willing to pay market value as determined by the appraisal previously obtained on the Property and pay expenses incurred by NTMWD associated with this transaction.

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

1. There is a public need for, and the public welfare and convenience are to be served by the conveyance of NTMWD property in the form of a fee simple conveyance to Rayburn Country Electric Cooperative, Inc.
2. The 5.326 acres has limited utility and abuts land already owned by Rayburn Country Electric Cooperative, Inc.
3. It is the recommendation of the Executive Director and NTMWD staff that the Board authorize conveyance of approximately 5.326 acres in fee simple located adjacent to the New Hope Substation facility to Rayburn Country Electric Cooperative, Inc.
4. The Executive Director is authorized to execute the deed and any and all transaction documents necessary to convey the 5.326 acres to Rayburn Country Electric Cooperative, Inc.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON OCTOBER 23, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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

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

**(SEAL)**



**Sister Grove Regional Water Resource Recovery Facility**  
**Conveyance of Property**  
**Project No. 301-0426-16**





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10/23/2025

Consent Agenda Item No. 25C-56

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## **Region Wastewater System**

### **Interlocal Cooperation Agreement between the North Texas Municipal Water District and Rockwall County, Texas for Acquisition of NTMWD Property along Crenshaw Lane at the Sabine Creek Wastewater Treatment Plant; Resolution No. 25-50**

#### **SUBJECT**

Adopt Resolution No. 25-50 authorizing the execution of an Interlocal Cooperation Agreement between the North Texas Municipal Water District and Rockwall County for the acquisition of a portion of NTMWD property along Crenshaw Lane at the Sabine Creek Wastewater Treatment Plant.

#### **PURPOSE**

Rockwall County (County) plans to expand a portion of Crenshaw Lane which fronts NTMWD's Sabine Creek Wastewater Treatment Plant. The County's requires 0.11 acres of land to be purchased from the NTMWD for their proposed Crenshaw Road Improvements Project.

#### **RECOMMENDATION**

The Executive Director, NTMWD staff, and Saunders, Walsh and Beard 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 Rockwall County, Texas.
  
- 2) Adopt Resolution 25-50 "*A Resolution Authorizing an Interlocal Cooperation Agreement Between North Texas Municipal Water District and Rockwall County, Texas for Acquisition of a Portion of NTMWD Property along Crenshaw Lane at the Sabine Creek Wastewater Treatment Plant*".

Contracting Party: Rockwall County, Texas

Scope: Execution of Interlocal Cooperation Agreement

Project: N/A

Amount: N/A

Committee: This will be a Champion Update at the October 22, 2025, Real Estate 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 type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety                                     | <input type="checkbox"/> Administrative         |
| <input type="checkbox"/> Policy                                     | <input type="checkbox"/> Other _____            |

**BACKGROUND**

- NTMWD currently owns, operates and maintains the Sabine Creek Wastewater Treatment Plant (WWTP) at 1513 Crenshaw Lane, Royse City, Texas.
- Rockwall County is acquiring land rights for the purpose of constructing, operating and maintaining its Crenshaw Lane Improvements project.
- Rockwall County proposes purchasing 0.11 acres of land from the NTMWD at the Sabine Creek WWTP for the appraised value of the property. The property purchased will be utilized by the County as right-of-way for its Crenshaw Lane Improvements project.
- Rockwall County has also agreed to construct certain improvements to NTMWD’s remaining frontage property at the Sabine Creek WWTP, including replacement of barbed wire fencing, installation of a 24-foot double swing chain-link gate at each of the two plant entrances, relocation of the mailbox and package delivery box at the main plant entrance, and construction of heavy-duty concrete pavement at each plant entrance.
- The Sabine Creek WWTP property has sufficient unimproved frontage acreage along Crenshaw Lane to allow for the construction of the County’s Road project.

**INTERLOCAL COOPERATION AGREEMENT**

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

- NTMWD agrees to convey approximately 0.11 acres of its frontage property along Crenshaw Lane to Rockwall County for its Crenshaw Lane Improvements work.

- Rockwall County agrees to construct certain fencing and paving improvements on NTMWD's remaining frontage property.
- NTMWD and Rockwall County agree that the appraised value is comparable to the value of property dedicated by NTMWD through this agreement.
- NTMWD shall convey property at the appraised value of \$12,221 by General Warranty Deed to Rockwall County at the Sabine Creek WWTP site.

**FUNDING**

N/A

# NORTH TEXAS MUNICIPAL WATER DISTRICT

## RESOLUTION NO. 25-50

### A RESOLUTION AUTHORIZING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND ROCKWALL COUNTY, TEXAS FOR ACQUISITION OF A PORTION OF NTMWD PROPERTY ALONG CRENSHAW LANE AT THE SABINE 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 Rockwall County, Texas a Political Subdivision of the State of Texas, agree to enter into an interlocal cooperation agreement (ILA); and,

**WHEREAS**, NTMWD owns, operates and maintains the Sabine Creek Wastewater Treatment Plant (WWTP) located at 1513 Crenshaw Lane, Royse City, Texas 75189; and,

**WHEREAS**, Rockwall County is acquiring land rights for the purpose of constructing, operating and maintaining a roadway improvement project ("Crenshaw Lane Improvements"); and

**WHEREAS**, NTMWD agrees to convey approximately 0.11 acres of its frontage property along Crenshaw Lane to Rockwall County for its Crenshaw Lane Improvements work; and

**WHEREAS**, NTMWD and Rockwall County agree the appraised value is comparable to the value of the property dedicated by NTMWD through this agreement; and

**WHEREAS**, it is necessary to execute an Interlocal Cooperation Agreement with the City to outline the obligations of each party.

### **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 Rockwall County, Texas for the conveyance of 0.11 acres of NTMWD's property at the Sabine Creek WWTP 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 OCTOBER 23, 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)**

**INTERLOCAL COOPERATION AGREEMENT BETWEEN  
NORTH TEXAS MUNICIPAL WATER DISTRICT AND ROCKWALL COUNTY,  
TEXAS FOR ACQUISITION OF A PORTION OF NTMWD PROPERTY ALONG  
CRENSHAW ROAD AT THE SABINE 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 **ROCKWALL COUNTY, TEXAS**, a Political Subdivision of the State of Texas (hereinafter referred to as “Rockwall County”). Individually, NTMWD and Rockwall County may be referred to as a “Party” and collectively, NTMWD and Rockwall County may be referred to as “Parties.”

**WHEREAS**, the Interlocal Cooperation 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 Sabine Creek Wastewater Treatment Plant (WWTP) located at 1513 Crenshaw Lane, Royse City Texas 75189, in Rockwall County; and

**WHEREAS**, Rockwall County is acquiring land rights for the purpose of constructing, operating, and maintaining a roadway improvement project (“**Crenshaw Lane Improvements**”); and

**WHEREAS**, NTMWD agrees to convey approximately 0.11 acres of its frontage property, as shown in EXHIBIT A, along Crenshaw Lane to Rockwall County for its Crenshaw Lane Improvements work; and

**WHEREAS**, Rockwall County agrees to construct certain fencing and paving improvements (“**NTMWD Property Improvements**”) on NTMWD’s remaining frontage property as shown in EXHIBIT B; and

**WHEREAS**, the Parties agree that the value of appraised value is comparable to the value of property dedicated by NTMWD through this agreement; and

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

**ARTICLE ONE**  
**Conveyance of Property**

1.01 Conveyance of Property. NTMWD shall convey property at the appraised value of \$12,221 by General Warranty Deed to Rockwall County at the Sabine Creek Wastewater Treatment Plant site, the location generally described in Exhibit A, attached hereto.

**ARTICLE TWO**  
**Construction**

2.01 Rockwall County's Scope of Work: as part of the Crenshaw Lane Improvements Rockwall County shall construct the following NTMWD Property Improvements:

- a. Replace existing barbed wire fence along right-of-way with 5-strand barbed wire fence as shown in Exhibit B.
- b. Install 5-strand barbed wire fence from right-of-way 16-feet into NTMWD's Property at each entrance as shown in Exhibit B.
- c. Install a 24-foot double swing chain-link gate at each entrance shown in Exhibit B.
- d. Construct an 8-inch thick 4500 psi heavy duty concrete pavement with 8-inch lime stabilized subgrade in accordance with NTMWD's specification 32 13 00 - ridged pavement – as described in Exhibit C, and pavement should connect to existing concrete pavement on Owner's property at main entrance as shown in Exhibit B.
- e. Relocate the mailbox and package delivery box to a similar position adjacent to the new right-of-way.

**ARTICLE THREE**  
**Term**

3.01 This Agreement shall be effective upon approval by the Rockwall County and NTMWD Boards of Directors and subsequent execution by the Rockwall County authorized representative and NTMWD's Executive Director. Effective upon approval by the Rockwall County Commissioners Court and NTMWD Board of Directors, and subsequent execution by the Rockwall County Judge and NTMWD's Executive Director.

**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. 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.

Rockwall County, Texas  
Attention: Frank New, County Judge  
101 East Rusk Street, Suite 202  
Rockwall, Texas 75087

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 Rockwall County, Texas, and that exclusive venue shall lie in a state court in Rockwall 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 Rockwall County 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.

**ROCKWALL COUNTY, TEXAS,  
a Texas municipal corporation**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

**STATE OF TEXAS**                    §  
   §  
**COUNTY OF ROCKWALL**       §

This instrument was acknowledged before me on \_\_\_\_\_, 2025,  
by \_\_\_\_\_, of **ROCKWALL COUNTY, TEXAS, a Texas  
municipal corporation**, 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.

My Commission Expires: \_\_\_\_\_

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

**North Texas Municipal Water District**

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

Name: Jennafer P. Covington

Title: Executive Director

**ACKNOWLEDGMENT**

**STATE OF TEXAS** §

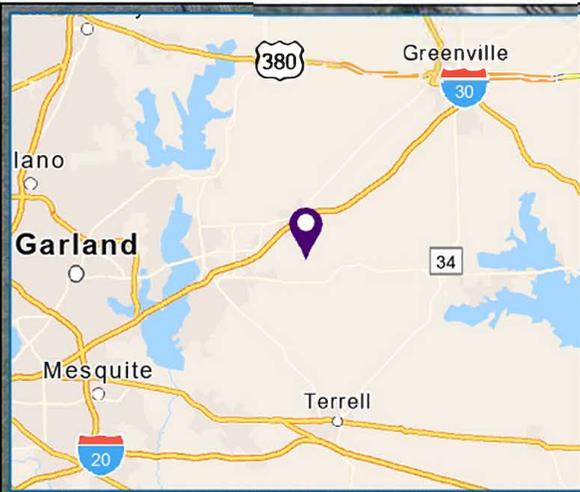
§

**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.

My Commission Expires: \_\_\_\_\_



-  Prescriptive ROW - 0.04 Acres
-  Proposed Land Conveyance - 0.07 Acres
-  Sabine Creek WWTP



### Sabine Creek Wastewater Treatment Plant ILA with Rockwall County for Acquisition of Property for Crenshaw Lane Improvements



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10/23/2025

Administrative Memorandum No. 25-6193

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**Regional Water System**

**Regional Water System Revenue Bonds, Series 2025A; Resolution No. 25-47**

**SUBJECT**

Adopt Resolution No. 25-47 Authorizing the issuance of revenue bonds for the Regional Water System to the Texas Water Development Board (TWDB) and providing funding for the North System Raw Water Pipelines, which consists of the Texoma Raw Water Pipeline No. 2 and Texoma to Leonard Raw Water Pipeline projects.

**PURPOSE**

The revenue bond proceeds will be used to fund the North System Raw Water Pipelines projects, which include the Texoma Raw Water Pipeline (RWP) No. 2 and the Texoma to Leonard Raw Water Pipeline (RWP) projects. This is the third and final action required by the Board prior to receiving the funds.

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 25-47, *“Resolution Authorizing the Issuance, Sale, and Delivery of North Texas Municipal Water District Water System Revenue Bonds, Series 2025A; and Approving and Authorizing Instruments and Procedures Relating Thereto.”*

- Consultant: N/A
- Scope: Fund North System Raw Water Pipeline projects in the Regional Water System
- Project: Texoma RWP No. 2 and Texoma to Leonard RWP
- Amount: \$641.695 million of 2025 revenue bonds will be issued
- Committee: This item was reviewed by the Finance Committee on September 10, 2025

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective: 2.3 Rigorous Financial Management

- |  |  |
|--|--|
| <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**

- On January 30, 2025, NTMWD submitted an abridged application to the TWDB for financial assistance from TWDB’s SWIFT Program to fund \$698.150M in costs for the North System Raw Water Pipelines projects, which include the Texoma Raw Water Pipeline No. 2 and Texoma to Leonard Raw Water Pipeline.
- On April 10, 2025, the TWDB formally invited NTMWD to submit an application.
- On April 24, 2025, NTMWD authorized filing the application for financial assistance. (CAI 25C-21 & Res. 25-17)
- On May 7, 2025, NTMWD submitted a final application to TWDB for financial assistance from TWDB’s SWIFT program to fund \$645.039M in costs for the North System Raw Water Pipelines projects.
- On May 20, 2025, the TWDB notified NTMWD that the financial application submitted is considered administratively complete.
- On July 24, 2025, the TWDB authorized the commitment for financial assistance in the amount of \$641.695M (TWDB Resolution No. 25-105).
- On August 28, 2025, NTMWD authorized the option to be reimbursed for cash-financed expenditures incurred 60 days prior to, and all future expenditures, in an amount not to exceed \$239.060M. (AM 25-6164 & Res. 25-41)
- On August 28, 2025, NTMWD authorized a Financing Agreement with the TWDB. (AM 25-6163 & Res. 25-40)
- TWDB will loan \$641.695M to NTMWD from the SWIFT program, with proceeds anticipated to be delivered on or around November 20, 2025.

- Financial assistance under the SWIFT program provides up to a 14% interest rate subsidy for 30-year bonds.
- Total debt service savings for the SWIFT program-funded project are estimated to be \$43.022M
- The TWDB SWIFT interest rate is 3.81%. The interest rate was determined at pricing of TWDB's bonds on September 24, 2025.
- Should NTMWD fail to issue its bonds and close the finance transaction with the TWDB by the expiration dates, NTMWD will lose the TWDB commitment for financial assistance and incur a Post-Pricing Termination Payment penalty of \$35,538,033.00 as set forth in the Financing Agreement.
- Representatives from both McCall, Parkhurst and 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. 25-47

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM REVENUE BONDS, SERIES 2025A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, North Texas Municipal Water District (the "Issuer") is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution, pursuant to Chapter 62, Acts of 1951, 52nd Legislature of Texas, Regular Session, as amended (the "Act"); and

WHEREAS, the Board of Directors of the Issuer is authorized to issue the bonds hereinafter authorized pursuant to the Act, Chapter 791, Texas Government Code, as amended, and other applicable laws.

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 of \$641,695,000, FOR THE PURPOSE OF PROVIDING FUNDS (i) FOR CONSTRUCTION AND OTHER COSTS RELATING TO THE TEXOMA RAW WATER PIPELINE NO. 2 AND TEXOMA TO LEONARD RAW WATER PIPELINE, AND OTHER SYSTEM IMPROVEMENTS, (ii) TO FUND A RESERVE FUND FOR THE BONDS, AND (iii) TO PAY COSTS OF ISSUANCE 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 BOND, SERIES 2025A", and 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) The Initial Bond is hereby authorized to be issued, sold, and delivered

hereunder as a single fully registered Bond, without interest coupons, dated October 1, 2025, in the denomination and aggregate principal amount of \$641,695,000 numbered TR-1, payable in annual installments of principal to the initial registered owner thereof, to wit: Texas Water Development Board (ATWDB@) 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, as stated in the FORM OF INITIAL BOND set forth in this Resolution.

(b) The Initial Bond (i) may 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 Alssue Date@) of the Initial Bond to the TWDB 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 said interest shall be payable, all in the manner provided and at the rates and on the dates as provided in 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:

	FORM OF INITIAL BOND	
NO. TR-1		\$641,695,000
	UNITED STATES OF AMERICA STATE OF TEXAS NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM REVENUE BONDS, SERIES 2025A	

NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to TEXAS WATER DEVELOPMENT BOARD (ATWDB@ or APurchaser@) 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 SIX HUNDRED FORTY-ONE MILLION, SIX HUNDRED NINETY-FIVE THOUSAND, and No/100 DOLLARS in annual installments of principal due and payable on SEPTEMBER 1 in each of the years, and in the respective principal amounts, as set forth in the following schedule:

	<u>Principal</u>		<u>Principal</u>
<u>Year</u>	<u>Amount (\$)</u>	<u>Year</u>	<u>Amount (\$)</u>

2026	16,405,000	2041	19,925,000
2027	12,580,000	2042	20,720,000
2028	12,950,000	2043	21,575,000
2029	13,335,000	2044	22,475,000
2030	13,740,000	2045	23,425,000
2031	14,165,000	2046	24,440,000
2032	14,605,000	2047	25,525,000
2033	15,070,000	2048	26,655,000
2034	15,555,000	2049	27,840,000
2035	16,070,000	2050	29,075,000
2036	16,610,000	2051	30,365,000
2037	17,195,000	2052	31,750,000
2038	17,815,000	2053	33,195,000
2039	18,475,000	2054	34,705,000
2040	19,175,000	2055	36,280,000

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 to the Purchaser, 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>
2026	1.990	2041	3.660
2027	1.940	2042	3.750
2028	1.940	2043	3.850
2029	1.980	2044	3.870
2030	2.080	2045	3.890
2031	2.210	2046	4.060
2032	2.360	2047	4.080
2033	2.460	2048	4.090
2034	2.570	2049	4.100
2035	2.680	2050	4.110
2036	2.940	2051	4.120
2037	3.140	2052	4.120
2038	3.300	2053	4.120
2039	3.440	2054	4.120
2040	3.540	2055	4.120

with said interest being payable on each March 1 and September 1, commencing March 1, 2026, 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 , 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 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; provided that, if the TWDB is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. 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 confirmed by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due.

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

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas for the purpose of providing funds for (i) IMPROVING THE NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM; (ii) MAKING A DEPOSIT TO THE RESERVE FUND (DEFINED IN THE BOND RESOLUTION); AND (iii) PAYING THE COSTS OF ISSUANCE OF THIS BOND.

ON MARCH 1, 2036, 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.

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 aggre-

gate 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. 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 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.

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, sold, 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 bonds, are secured by and payable 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 registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the "Pledged Revenues".

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 October 1, 2025.

\_\_\_\_\_  
XXXXX  
Secretary, Board of Directors,  
North Texas Municipal Water District

\_\_\_\_\_  
XXXXX  
President, Board of Directors,  
North Texas Municipal Water District

(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. ADDITIONAL CHARACTERISTICS OF THE BONDS. Registration and Transfer. (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 (the "Paying Agent/Registrar") books or records of the registration and transfer 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 transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations 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 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. 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. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such Bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing (i) the assignment of the Bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in conversion and exchange therefor in the manner herein provided. The Initial Bond, to the extent of the unpaid principal balance thereof, may be assigned and transferred by the initial registered owner thereof once only, and to one or more assignees designated in writing by the initial registered owner thereof. All Bonds issued and delivered in conversion of and exchange for the Initial Bond shall be in any denomination or denominations of any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated principal maturity date), shall be in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, and shall have the characteristics, and may be assigned, transferred, and converted as hereinafter provided. If the Initial Bond or any portion thereof is assigned and transferred or converted the Initial Bond must be surrendered to the Paying Agent/Registrar for cancellation, and each Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If only a portion of the Initial Bond is assigned and transferred, there shall be delivered to and registered in the name of the initial

registered owner substitute Bonds in exchange for the unassigned balance of the Initial Bond in the same manner as if the initial registered owner were the assignee thereof. If any Bond or portion thereof other than the Initial Bond is assigned and transferred or converted each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is exchanged. A form of assignment shall be printed or endorsed on each Bond, excepting the Initial Bond, which shall be executed by the registered owner or its duly authorized attorney or representative to evidence an assignment thereof. Upon surrender of any Bonds or any portion or portions thereof for transfer of registration, an authorized representative of the Paying Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered substitute Bond or Bonds, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Bond or Bonds), or to the previous registered owner in case only a portion of a Bond is being assigned and transferred, all in conversion of and exchange for said assigned Bond or Bonds or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 6(d), below, for the conversion and exchange of Bonds by any registered owner of a Bond. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Bond or Bonds, 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 any Bond or any portion thereof (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.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) 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, and to act as its agent to convert and exchange or replace 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, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution.

(d) Conversion and Exchange or Replacement; Authentication. Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid principal balance or principal amount thereof, may, upon surrender of such Bond at the principal

corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be converted into and exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid principal balance or principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If the Initial Bond is assigned and transferred or converted each substitute Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If any Bond or portion thereof (other than the Initial Bond) is assigned and transferred or converted, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange or replace Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided that any Bond authenticated in conversion of and exchange for or replacement of another Bond on or prior to the first scheduled Record Date for the Initial Bond shall bear interest from the date of the Initial Bond, but each substitute Bond so authenticated after such first scheduled Record Date shall bear interest from the interest payment date next preceding the date on which such substitute Bond was so authenticated, unless such Bond is authenticated after any Record Date but on or before the next following interest payment date, in which case it shall bear interest from such next following interest payment date; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged is due but has not been paid, then such Bond shall bear interest from the date to which such interest has been paid in full. THE INITIAL BOND issued and delivered pursuant to this Resolution is 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 or replacement of any Bond or Bonds issued under this Resolution there shall be printed a certificate, in the form substantially as follows:

#### "PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion

of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION  
Paying Agent/Registrar

Dated

\_\_\_\_\_  
Authorized Representative"

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above 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 Bonds surrendered for conversion and exchange or replacement. 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 or replacement 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 with lithographed or steel engraved borders of customary weight and strength. Pursuant to Section 1201.067, Texas Government Code, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was issued pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts. 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 any 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 or replacement of Bonds or any portion thereof (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.

(e) In General. All Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (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 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 and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner

required or indicated, in the FORM OF SUBSTITUTE BOND set forth in this Resolution.

(f) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Bonds, and with respect to the conversion and exchange of Bonds solely to the extent above provided in this Resolution.

(g) 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.

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 such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

#### FORM OF SUBSTITUTE BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (together with any successor security depository appointed pursuant to the Indenture referred to herein, "DTC") to the Trustee named herein 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, 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. R-\_\_\_\_ PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
NORTH TEXAS MUNICIPAL WATER DISTRICT  
WATER SYSTEM REVENUE BONDS,  
SERIES 2025A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP NO.</u>
%		_____, 2025	

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 \_\_\_\_\_ and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date specified above, to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on each March 1 and September 1, commencing March 1, 2026, 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 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, 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 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; provided that, if the TWDB is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. However, notwithstanding the foregoing provisions, the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof. 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 confirmed 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 initially dated as of October 1, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$641,695,000 for the purpose of (i) IMPROVING THE NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM; (ii) MAKING A DEPOSIT TO THE RESERVE FUND (DEFINED IN THE BOND RESOLUTION); AND (iii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

ON MARCH 1, 2036, or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the maturity, or maturities, and the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the Bonds or portions thereof

to be redeemed (provided that the Bonds to be redeemed only in integral multiples of \$5,000), at the redemption price of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

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

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

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment

hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof 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. 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 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 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.

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, sold, 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 bonds, are secured by and payable 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 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 and series of which it is a part.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the "Pledged Revenues".

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 each 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 attested and countersigned with the manual or 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.

\_\_\_\_\_  
xxxxxx  
Secretary, Board of Directors  
North Texas Municipal Water District

\_\_\_\_\_  
xxxxx  
President, Board of Directors  
North Texas Municipal Water District

(DISTRICT SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION  
Paying Agent/Registrar

Dated:

\_\_\_\_\_  
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, which have not been amended or modified since the respective dates thereof), 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, executed between the Issuer and each of such Member Cities, as 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 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, (i) the Bonds, (ii) the outstanding 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") (iii) the

outstanding 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"), (iv) the outstanding 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"), (v) the outstanding 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"), (vi) the outstanding 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 2018A Bond Resolution"), (vii) the outstanding 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 Bond Resolution"), (viii) the outstanding 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"), (ix) the outstanding 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"), (x) the outstanding 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"), (xi) the outstanding 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"), (xii) the outstanding 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"), (xiii) the outstanding 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"), (xiv) the North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2025 (the "Series 2025 Bonds") authorized by a resolution of the Board on July 9, 2025 (the "Series 2025 Bond Resolution") and (xv) the North Texas Municipal Water District Water System Revenue Bonds, Series 2025B (the "Series 2025B Bonds"), authorized by a resolution of the Board on October 23, 2025 (the "Series 2025B 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 "TWDB" shall mean the Texas Water Development Board.

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 2015 Bond Resolution, Series 2016 Bond Resolution, the Series 2017 Bond Resolution, the Series 2018 Bond Resolution, the Series 2018A Bond Resolution, the Series 2019 Refunding Bond Resolution, the Series 2019A Bond Resolution, the Series 2019 Bond Resolution, the Series 2020 Bond Resolution, the Series 2021 Bond Resolution, the Series 2021A Bond Resolution, the Series 2023 Bond Resolution, the Series 2025 Bond Resolution, and the Series 2025B Bond Resolution.

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 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 26 of this Resolution being equally applicable to all of the Parity Bonds, including the 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 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 Bonds 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 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 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 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 Parity Bond or Additional Bond shall be deemed to be paid, retired, and no longer outstanding, when payment of the principal of, redemption premium, if any, on such Parity Bond or Additional 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 Parity Bonds and Additional 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 Parity Bond or Additional 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 Parity Bonds and Additional 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) For the purpose of this Section, the term "Government Obligations" shall mean 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 United States Treasury obligations such as its State and Local Government Series, and which may be in book-entry form.

(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 Parity Bonds and Additional Bonds, the redemption premium, if any, and interest thereon, shall be applied to and used for the payment of Parity Bonds and Additional Bonds, the redemption premium, if any, and interest thereon.

(f) Notwithstanding the foregoing, the Issuer covenants that with respect to the Parity 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 Parity Bonds and Additional 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 Parity Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(b) if none of the outstanding 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 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.** (a) 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.

(b) 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.

(c) 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.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such 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.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1201.067, 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 Section 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 27. COVENANTS REGARDING TAX-EXEMPTION. (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 30 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 the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) 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.

For purposes of the foregoing (a)(1) and (a)(2), 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 Bonds.

(b) Compliance with Code. 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 which 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 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are 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 its President, Executive Director General Manager, and 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, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. The Issuer covenants to comply with the covenants contained in this section after defeasance of the Bonds.

(c) 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.

(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 Bonds issued pursuant to the Contract.

Section 28. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT; DISPOSITION OF THE PROJECT. (a) The Issuer covenants to account for the expenditure of Bond proceeds and investment earnings to be used for the construction or acquisition of the property constituting the projects financed or refinanced with proceeds of the sale of the Bonds 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) such construction or acquisition is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the Bonds 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 on the Bonds.

(b) The Issuer covenants that the property constituting the projects financed or refinanced with proceeds of 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 on the Bonds.

Section 29. 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 and any Authorized Officer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to the 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 the 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 the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Initial Bond or on any Bond 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 on any of the Bonds, the Initial Bond and all the Bonds for which insurance has been obtained shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 30. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Initial Bond, other than proceeds deposited in accordance with Section 16 hereof or deposited pursuant to the Escrow Agreement authorized by Section 31 hereof, shall be used along with other available proceeds for improving the District's Water System; provided that after such

use, if any of such interest earnings remain on hand, such interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 27 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 31. SALE OF BONDS; TWDB REQUIRED PROVISIONS; USE OF PROCEEDS.

(a) Sale to TWDB. The Bonds are hereby sold to TWDB, acting through the TWDB's designated trustee, for the price of par. The Bonds have been purchased by the TWDB pursuant to its Resolution No. 25-105, approved on July 24, 2025 ("TWDB Resolution"). The Bonds initially delivered shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Bonds to the TWDB is approved. The Issuer has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the Issuer.

(b) Notice from TWDB of Sale of Bonds. It is the intent of the parties to the sale of the Bonds that if TWDB ever determines to sell all or a part of the Bonds, it shall notify the Issuer at least 60 days prior to the sale of the Bonds of the decision to so sell the Bonds.

(c) Proceeds. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the Issuer, or on behalf of the Issuer by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF INITIAL BOND and the FORM OF SUBSTITUTE BOND.

(e) Investment of Bond Proceeds. Proceeds from the sale of the Bonds shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

(f) Escrow Agreement. The President, any Vice President, the Secretary, and/or the Executive Director are each authorized to execute and deliver an escrow agreement in substantially the form attached as Exhibit B. The TWDB agrees that proceeds of the Bonds required to be deposited under the Escrow Agreement shall be disposed of and released in accordance with TWDB Rules Relating to Financial Programs or as otherwise authorized and directed by the TWDB.

(g) Project Fund.

(i) Project Fund Created. There is hereby created, established and maintained on the books of the Issuer, a separate fund to be entitled the "North Texas Municipal Water District Water System Revenue Bonds, Series 2025A

Project Fund" (hereinafter called the "Project Fund"). Monies in the Project Fund shall be maintained at an official depository bank of the Issuer.

(ii) Use of Funds. Except as otherwise may be provided in Sections 17, 31(c), and 31(f) hereof, the proceeds of the Bonds shall be deposited in the Project Fund and used by the Issuer for payment of the costs of construction, improvements, and extensions of the System, and the payment of costs associated therewith, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Amounts in the Project Fund shall be timely and expeditiously used to pay such costs, in compliance with applicable federal and State law.

(iii) Surplus Proceeds. Any surplus financial assistance proceeds, including the investment earnings derived from the investment of monies on deposit in the Project Fund, from the Bonds remaining on deposit in the Project Fund after completing the improvements and extensions to the System and upon the completion of the final accounting as described in Subsection (j) of this Section 31 hereof, shall be transferred to the Interest and Redemption Fund to redeem, in inverse order of maturity, the Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible costs of improving or extending the System by funding projects that are part of the State Water Plan.

(h) Compliance with the TWDB's Rules and Regulations. The Issuer covenants to comply with the rules and regulations of the TWDB.

(i) Audits. The Issuer shall submit annually a copy of the Issuer's audit required by Section 24(k) hereof.

(j) Final Accounting. The Issuer shall render a final accounting to the TWDB in a manner approved by the Executive Administrator.

(k) Optional Redemption and Defeasance. Should the Issuer exercise its right under the Resolution to optionally redeem the Bonds, it shall designate such redemption to be in inverse order of maturity. Should the Issuer exercise its right under this Resolution to effect the defeasance of the Bonds, the Issuer agrees that it will provide the TWDB with written notice of any such defeasance.

(l) Segregation of Funds. The Issuer covenants that proceeds of the Bonds (except for amounts deposited into the Reserve Fund) shall remain separate and distinct from other sources of funds from the date of closing of the Bonds through final disbursement of the proceeds thereof.

(m) Environmental Indemnity. Proceeds from the Bonds shall not be used by the Issuer when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the Issuer agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or

damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the Issuer, its contractors, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(n) Environmental Determination. In connection with the project financed with the Bonds, the Issuer agrees to comply with all conditions as specified in the final environmental findings of the Executive Administrator of TWDB when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

(o) Insurance. The Issuer agrees that it will maintain insurance on the System in an amount determined by the TWDB to be sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The Issuer may satisfy this covenant with self-insurance.

(p) Water Conservation Program. The Issuer has implemented or will implement an approved water conservation program in compliance with Texas Water Code ' 16.4021 and 31 Texas Administrative Code ' 363.1309(b)(1).

(q) No Purchase of TWDB Bonds. The Issuer agrees that it, nor any related party to the Issuer, will not acquire, as an investment or otherwise, bonds issued by TWDB including bonds, the proceeds of which were used by TWDB to purchase the Bonds.

(r) Compliance with Federal Contracting Law. The Issuer acknowledges that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises.

(s) Compliance with State Contracting Law. The Issuer shall report to the TWDB the amount of proceeds of the Bonds, if any, used to compensate historically underutilized businesses that worked on the project in accordance with 31 Texas Administrative Code ' 363.1312.

(t) TWDB Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of this Resolution that restricts or limits the full exercise of such remedies by the TWDB shall be of no force or effect.

(u) Limitation on Conveyances of Bonds. Prior to any action by the Issuer to convey the Bonds of the Issuer held by the TWDB to another entity, the conveyance and assumption of the Bonds must be approved by the TWDB.

(v) Accounting. The Issuer shall maintain current, accurate and complete records and accounts in accordance with generally accepted accounting principles necessary to demonstrate compliance with financial assistance related legal and contractual provisions.

(w) Notice of Change in Legal Status. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner.

(x) Iron and Steel Products. The Issuer will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G and Texas Water Code Section 17.183.

(y) Rating. In the event that collateral or credit pledged by the Issuer to secure the Bonds is rated by a nationally-recognized statistical rating agency, the Issuer, or other obligated person, will not discontinue the rating issued by a nationally recognized statistical rating agency until the Bonds are retired or no longer held by TWDB.

Section 32. DTC REGISTRATION. The Bonds initially 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 such Initial Bond, 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 Private Placement Memorandum referred to and approved in Section 31 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 33. FURTHER PROCEDURES. The President, Vice President, and/or the Secretary of the Board of Directors of the Issuer, the Executive Director and General Manager and the Assistant General Manager - Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Escrow Agreement, the Bonds, the sale and delivery of the Initial Bond and the Bonds, 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 34. CONTINUING DISCLOSURE UNDERTAKING.

##### (a) Annual Reports.

The Issuer shall provide or cause to be provided annually to the MSRB, (1) within six months after the end of each fiscal year ending in or after 2025, financial information and operating data of the general type included in the final Official Statement relating to the Issuer's Series 2025A Bonds, (i) with respect to the Issuer, in tables numbered 1 through 5, and (ii) with respect to each Significant Obligated Person, in Appendix C of the Official Statement relating to the Series 2025 Bonds, and (2) when and if available, audited financial statements of the Issuer and each Significant Obligated Person. 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 or any such Significant Obligated Person 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 such 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 date 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. 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; and

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.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Section 34(a) of this Resolution by the time required by such Section.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board of Directors and official or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer or a Significant Obligated Person 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 or a Significant Obligated Person and as used in clauses 15 and 16 above, the term Financial Obligation@ means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include Municipal Securities

as to which a final official statement has been provided to the MSRB consistent with the Rule; the term AMunicipal Securities@ means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

(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 persons 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:

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

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

Section 37. SECURITY INTEREST. Chapter 1208, 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 38. EFFECTIVENESS. This Resolution shall be effective from and after the date of adoption thereof by the Issuer.

## 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 General Manager and Assistant General Manager – Chief Financial Officer (the "Responsible Persons") will:

- (i) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Redemption Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (ii) 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 date of delivery of the Obligations ("Issue Date");
- (iii) 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 5 years of the Issue Date;
- (iv) restrict the yield of the investments (other than those in the Reserve Fund) to the yield on the Obligations after 5 years of the Issue Date;
- (v) 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;
- (vi) 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;
- (vii) 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;

- (viii) 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;
- (ix) maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse itself with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation, or construction of the facilities;
- (x) assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- (xi) 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:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management, or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

- (vii) 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 six (6) 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 six (6) 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. If an error is discovered, the Responsible Person will promptly correct any such error within a reasonable amount of time of such discovery and take, or cause to be taken, such appropriate actions, including payment to the United States, if applicable, that is required to maintain the tax-exempt status of the Bonds.

EXHIBIT "B"  
FORM OF ESCROW AGREEMENT



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10/23/2025

Administrative Memorandum No. 25-6194

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**Regional Water System**

**Regional Water System Revenue Bonds, Series 2025B; Resolution No. 25-48**

**SUBJECT**

Adopt Resolution No. 25-48 Authorizing the issuance of revenue bonds for the Regional Water System to the Texas Water Development Board (TWDB) and providing funding for Bois d’Arc Lake (BDL) and Leonard Water Treatment Plant (LWTP) phase III High Service Pump Station - South (HSPS-S) project.

**PURPOSE**

The revenue bond proceeds will be used to fund the BDL/LWTP Phase III HSPS-S project in the Regional Water System. This is the third and final action required by the Board prior to receiving the funds.

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 25-48, *“Resolution Authorizing the Issuance, Sale, and Delivery of North Texas Municipal Water District Water System Revenue Bonds, Series 2025B; and Approving and Authorizing Instruments and Procedures Relating Thereto.”*

Consultant: N/A

Scope: Fund BDL/LWTP Phase III HSPS-S project in the Regional Water System

Project: BDL/LWTP Phase III - HSPS-S

Amount: \$239.060 million of 2025 revenue bonds will be issued

Committee: This item was reviewed by the Finance Committee on September 10, 2025

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective: 2.3 Rigorous Financial Management

- |  |  |
|--|--|
| <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**

- On January 30, 2025, NTMWD submitted an abridged application to the TWDB for financial assistance from TWDB’s SWIFT Program to fund \$261.345M in costs for the BDL Phase III HSPS-S project, which includes Bois d’Arc Lake and Leonard Water Treatment Plant Expansion and Improvements.
- On April 10, 2025, the TWDB formally invited NTMWD to submit an application.
- On April 24, 2025, NTMWD authorized filing the application for financial assistance. (CAI 25C-20 and Res. 25-16)
- On May 7, 2025, NTMWD submitted a final application to TWDB for financial assistance from TWDB’s SWIFT program to fund \$240.380M in costs for the BDL/LWTP Phase III HSPS-S project.
- On May 16, 2025, the TWDB notified NTMWD that the financial application submitted is considered to be administratively complete.
- On July 24, 2025, the TWDB authorized the commitment for financial assistance in the amount of \$239.060M (TWDB Resolution No. 25-092).
- On August 28, 2025, NTMWD authorized the option to be reimbursed for cash-financed expenditures incurred 60 days prior to, and all future expenditures, in an amount not to exceed \$239.060M. (AM 25-6162 and Res. 25-39)
- On August 28, 2025, NTMWD authorized a Financing Agreement with the TWDB. (AM 25-6161 and Res. 25-38)

- TWDB will loan \$239.060M to NTMWD from the SWIFT program, with proceeds anticipated to be delivered on or around November 20, 2025.
- Financial assistance under the SWIFT program provides up to a 14% interest rate subsidy for 30-year bonds.
- Total debt service savings for the SWIFT program-funded project are estimated to be \$30.987M.
- The TWDB SWIFT interest rate is 3.81%. The interest rate was determined at pricing of TWDB's bonds on September 24, 2025.
- Should NTMWD fail to issue its bonds and close the finance transaction with the TWDB by the expiration dates, NTMWD will lose the TWDB commitment for financial assistance and incur a Post-Pricing Termination Payment penalty of \$13,239,502 as set forth in the Financing Agreement.
- Representatives from both McCall, Parkhurst and 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. 25-48

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM REVENUE BONDS, SERIES 2025B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, North Texas Municipal Water District (the "Issuer") is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution, pursuant to Chapter 62, Acts of 1951, 52nd Legislature of Texas, Regular Session, as amended (the "Act"); and

WHEREAS, the Board of Directors of the Issuer is authorized to issue the bonds hereinafter authorized pursuant to the Act, Chapter 791, Texas Government Code, as amended, and other applicable laws.

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 of \$239,060,000, FOR THE PURPOSE OF PROVIDING FUNDS (i) FOR CONSTRUCTION AND OTHER COSTS RELATING TO THE BOIS D'ARC LAKE INCLUDING DESIGN AND CONSTRUCTION OF IMPROVEMENTS AND EXPANSION OF THE LEONARD WATER TREATMENT PLANT (WTP), EXPANSION OF THE LEONARD WTP HIGH SERVICE PUMP STATION (HSPS), AND OTHER SYSTEM IMPROVEMENTS, (ii) TO FUND A RESERVE FUND FOR THE BONDS, AND (iii) TO PAY COSTS OF ISSUANCE 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 BOND, SERIES 2025B", and 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) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, dated October 1, 2025, in the denomination and aggregate principal amount of \$239,060,000, numbered TR-1, payable in annual installments of principal to the initial registered owner thereof, to wit: Texas Water Development Board (ATWDB@) 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, as stated in the FORM OF INITIAL BOND set forth in this Resolution.

(b) The Initial Bond (i) may 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 Alssue Date@) of the Initial Bond to the TWDB 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 said interest shall be payable, all in the manner provided and at the rates and on the dates as provided in 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:

NO. TR-1	FORM OF INITIAL BOND	\$239,060,000
	UNITED STATES OF AMERICA	
	STATE OF TEXAS	
	NORTH TEXAS MUNICIPAL WATER DISTRICT	
	WATER SYSTEM REVENUE BONDS,	
	SERIES 2025B	

NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to TEXAS WATER DEVELOPMENT BOARD (ATWDB@ or APurchaser@) 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 TWO HUNDRED THIRTY-NINE MILLION, SIXTY THOUSAND and No/100 DOLLARS in annual installments of principal due and payable on SEPTEMBER 1 in each of the years, and in the respective principal amounts, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
2026	6,110,000	2041	7,425,000
2027	4,685,000	2042	7,720,000
2028	4,825,000	2043	8,040,000
2029	4,970,000	2044	8,375,000
2030	5,120,000	2045	8,725,000
2031	5,275,000	2046	9,105,000
2032	5,440,000	2047	9,510,000
2033	5,615,000	2048	9,930,000
2034	5,795,000	2049	10,370,000
2035	5,985,000	2050	10,830,000
2036	6,190,000	2051	11,315,000
2037	6,405,000	2052	11,830,000
2038	6,635,000	2053	12,365,000
2039	6,880,000	2054	12,930,000
2040	7,145,000	2055	13,515,000

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 to the Purchaser, 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>
2026	1.990	2041	3.660
2027	1.940	2042	3.750
2028	1.940	2043	3.850
2029	1.980	2044	3.870
2030	2.080	2045	3.890
2031	2.210	2046	4.060
2032	2.360	2047	4.080
2033	2.460	2048	4.090
2034	2.570	2049	4.100
2035	2.680	2050	4.110
2036	2.940	2051	4.120
2037	3.140	2052	4.120
2038	3.300	2053	4.120
2039	3.440	2054	4.120
2040	3.540	2055	4.120

with said interest being payable on each March 1 and September 1, commencing March

1, 2026, 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 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; provided that, if the TWDB is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. 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 confirmed by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due.

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

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas for the purpose of providing funds for (i) IMPROVING THE NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM; (ii) MAKING A DEPOSIT TO THE RESERVE FUND (DEFINED IN THE BOND RESOLUTION); AND (iii) PAYING THE COSTS OF ISSUANCE OF THIS BOND.

ON MARCH 1, 2036, 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.

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. 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 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.

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, sold, 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 bonds, are secured by and payable 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 registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the "Pledged Revenues".

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 October 1, 2025.

\_\_\_\_\_  
XXXXX  
Secretary, Board of Directors,  
North Texas Municipal Water District

\_\_\_\_\_  
XXXXX  
President, Board of Directors,  
North Texas Municipal Water District

(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. ADDITIONAL CHARACTERISTICS OF THE BONDS. Registration and Transfer. (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 (the "Paying Agent/Registrar") books or records of the registration and transfer 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 transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations 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 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. 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. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such Bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing (i) the assignment of the Bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in conversion and exchange therefor in the manner herein provided. The Initial Bond, to the extent of the unpaid principal balance thereof, may be assigned and transferred by the initial registered owner thereof once only, and to one or more assignees designated in writing by the initial registered owner thereof. All Bonds issued and delivered in conversion of and exchange for the Initial Bond shall be in any denomination or denominations of any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated principal maturity date), shall be in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, and shall have the characteristics, and may be assigned, transferred, and converted as hereinafter provided. If the Initial Bond or any portion thereof is assigned and transferred or converted the Initial Bond must be surrendered to the Paying Agent/Registrar for cancellation, and each Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If only a portion of the Initial Bond is assigned and transferred, there shall be delivered to and registered in the name of the initial registered owner substitute Bonds in exchange for the unassigned balance of the Initial Bond in the same manner as if the initial registered owner were the assignee thereof. If any Bond or portion thereof other than the Initial Bond is assigned and transferred or converted each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is exchanged. A form of

assignment shall be printed or endorsed on each Bond, excepting the Initial Bond, which shall be executed by the registered owner or its duly authorized attorney or representative to evidence an assignment thereof. Upon surrender of any Bonds or any portion or portions thereof for transfer of registration, an authorized representative of the Paying Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered substitute Bond or Bonds, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Bond or Bonds), or to the previous registered owner in case only a portion of a Bond is being assigned and transferred, all in conversion of and exchange for said assigned Bond or Bonds or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 6(d), below, for the conversion and exchange of Bonds by any registered owner of a Bond. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Bond or Bonds, 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 any Bond or any portion thereof (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.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) 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, and to act as its agent to convert and exchange or replace 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, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution.

(d) Conversion and Exchange or Replacement; Authentication. Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid principal balance or principal amount thereof, may, upon surrender of such Bond at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be converted into and exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, in the denomination of \$5,000, or any integral

multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid principal balance or principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If the Initial Bond is assigned and transferred or converted each substitute Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If any Bond or portion thereof (other than the Initial Bond) is assigned and transferred or converted, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange or replace Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided that any Bond authenticated in conversion of and exchange for or replacement of another Bond on or prior to the first scheduled Record Date for the Initial Bond shall bear interest from the date of the Initial Bond, but each substitute Bond so authenticated after such first scheduled Record Date shall bear interest from the interest payment date next preceding the date on which such substitute Bond was so authenticated, unless such Bond is authenticated after any Record Date but on or before the next following interest payment date, in which case it shall bear interest from such next following interest payment date; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged is due but has not been paid, then such Bond shall bear interest from the date to which such interest has been paid in full. THE INITIAL BOND issued and delivered pursuant to this Resolution is 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 or replacement of any Bond or Bonds issued under this Resolution there shall be printed a certificate, in the form substantially as follows:

"PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION  
Paying Agent/Registrar

Dated

\_\_\_\_\_  
Authorized Representative"

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above 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 Bonds surrendered for conversion and exchange or replacement. 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 or replacement 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 with lithographed or steel engraved borders of customary weight and strength. Pursuant to Section 1201.067, Texas Government Code, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was issued pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts. 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 any 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 or replacement of Bonds or any portion thereof (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.

(e) In General. All Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (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 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 and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF SUBSTITUTE BOND set forth in this Resolution.

(f) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Bonds, and with respect to the conversion and exchange of Bonds solely to the extent above provided in this Resolution.

(g) 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.

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 such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

#### FORM OF SUBSTITUTE BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (together with any successor security depository appointed pursuant to the Indenture referred to herein, "DTC") to the Trustee named herein 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, 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. R-\_\_\_

PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
NORTH TEXAS MUNICIPAL WATER DISTRICT  
WATER SYSTEM REVENUE BONDS,  
SERIES 2025B

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP NO.</u>
%		_____, 2025	

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 \_\_\_\_\_ and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date specified above, to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on each March 1 and September 1, commencing March 1, 2026, 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 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, 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 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; provided that, if the TWDB is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. However, notwithstanding the foregoing provisions,

the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof. 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 confirmed 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 initially dated as of October 1, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$239,060,000 for the purpose of (i) IMPROVING THE NORTH TEXAS MUNICIPAL WATER DISTRICT WATER SYSTEM; (ii) MAKING A DEPOSIT TO THE RESERVE FUND (DEFINED IN THE BOND RESOLUTION); AND (iii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

ON MARCH 1, 2036, or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall select and designate the maturity, or maturities, and the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method of random selection the Bonds or portions thereof to be redeemed (provided that the Bonds to be redeemed only in integral multiples of \$5,000), at the redemption price of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

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

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity at the option of the Issuer, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner appearing on the Registration Books at the close of business on the day next preceding the date of mailing of such notice; provided, however, that any notice so mailed shall be conclusively presumed to have been duly given and

the failure to receive such notice, or any defect therein shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond at the option of the Issuer. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof 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. 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 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 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.

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, sold, 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 bonds, are secured by and payable 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 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 and series of which it is a part.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the registered owners of 51% in principal amount of all outstanding bonds

secured by and payable from a first lien on and pledge of the "Pledged Revenues".

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 each 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 attested and countersigned with the manual or 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.

\_\_\_\_\_  
XXXXXX  
Secretary, Board of Directors  
North Texas Municipal Water District

\_\_\_\_\_  
XXXXX  
President, Board of Directors  
North Texas Municipal Water District

(DISTRICT SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue 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.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION  
Paying Agent/Registrar

Dated:

\_\_\_\_\_  
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, which have not been amended or modified since the respective dates thereof), 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, executed between the Issuer and each of such Member Cities, as 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 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, ((i) the Bonds, (ii) the outstanding 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") (iii) the outstanding 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"), (iv) the outstanding 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"), (v) the outstanding 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"), (vi) the outstanding 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 2018A Bond Resolution"), (vii) the outstanding 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 Bond Resolution"), (viii) the outstanding 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"), (ix) the outstanding 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"), (x) the outstanding 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"), (xi) the outstanding 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"), (xii) the outstanding 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"), (xiii) the outstanding 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"), (xiv) the North Texas Municipal Water District Water System Revenue Refunding and Improvement Bonds, Series 2025 (the "Series 2025 Bonds") authorized by a resolution of the Board on July 9, 2025 (the "Series 2025 Bond Resolution") and (xv) the North Texas Municipal Water District Water System Revenue Bonds, Series 2025A (the "Series 2025A Bonds"), authorized by a resolution of the Board on October 23, 2025 (the "Series 2025A 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 "TWDB" shall mean the Texas Water Development Board.

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 2015 Bond Resolution, Series 2016 Bond Resolution, the Series 2017 Bond Resolution, the Series 2018 Bond Resolution, the Series 2018A Bond Resolution, the Series 2019 Refunding Bond Resolution, the Series 2019A Bond Resolution, the Series 2019 Bond Resolution, the Series 2020 Bond Resolution, the Series 2021 Bond Resolution, the Series 2021A Bond Resolution, the Series 2023 Bond Resolution, the Series 2025 Bond Resolution and the Series 2025A Bond Resolution.

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 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 26 of this Resolution being equally applicable to all of the Parity Bonds, including the 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 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 Bonds 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 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 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 Parity Bond or Additional Bond shall be deemed to be paid, retired, and no longer outstanding, when payment of the principal of, redemption premium, if any, on such Parity Bond or Additional 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 Parity Bonds and Additional 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 Parity Bond or Additional 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 Parity Bonds and Additional 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) For the purpose of this Section, the term "Government Obligations" shall mean 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 United States Treasury obligations such as its State and Local Government Series, and which may be in book-entry form.

(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 Parity Bonds and Additional Bonds, the redemption premium, if any, and interest thereon, shall be applied to and used for the payment of Parity Bonds and Additional Bonds, the redemption premium, if any, and interest thereon.

(f) Notwithstanding the foregoing, the Issuer covenants that with respect to the Parity 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 Parity Bonds and Additional 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 Parity Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(b) if none of the outstanding 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.** (a) 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.

(b) 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.

(c) 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.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such

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.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1201.067, 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 Section 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 27. COVENANTS REGARDING TAX-EXEMPTION. (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 30 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 the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) 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.

For purposes of the foregoing (a)(1) and (a)(2), 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 Bonds.

(b) Compliance with Code. 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 which 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 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are 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 its President, Executive Director General Manager, and 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, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. The Issuer covenants to comply with the covenants contained in this section after defeasance of the Bonds.

(c) 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.

(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 Bonds issued pursuant to the Contract.

Section 28. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT; DISPOSITION OF THE PROJECT. (a) The Issuer covenants to account for the expenditure of Bond proceeds and investment earnings to be used for the construction or acquisition of the property constituting the projects financed or refinanced with proceeds of the sale of the Bonds 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) such construction or acquisition is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the Bonds 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 on the Bonds.

(b) The Issuer covenants that the property constituting the projects financed or refinanced with proceeds of 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 on the Bonds.

Section 29. 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 and any Authorized Officer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to the 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 the 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 the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Initial Bond or on any Bond 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 on any of the Bonds, the Initial Bond and all the Bonds for which insurance has been obtained shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 30. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Initial Bond, other than proceeds deposited in accordance with Section 16 hereof or deposited pursuant to the Escrow Agreement authorized by Section 31 hereof, shall be used along with other available proceeds for improving the District's Water System; provided that after such use, if any of such interest earnings remain on hand, such interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 27 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 31. SALE OF BONDS; TWDB REQUIRED PROVISIONS; USE OF PROCEEDS.

(a) Sale to TWDB. The Bonds are hereby sold to TWDB, acting through the TWDB's designated trustee, for the price of par. The Bonds have been purchased by the TWDB pursuant to its Resolution No. 25-091, approved on July 24, 2025 ("TWDB Resolution"). The Bonds initially delivered shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Bonds to the TWDB is approved. The Issuer has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the Issuer.

(b) Notice from TWDB of Sale of Bonds. It is the intent of the parties to the sale of the Bonds that if TWDB ever determines to sell all or a part of the Bonds, it shall notify the Issuer at least 60 days prior to the sale of the Bonds of the decision to so sell the Bonds.

(c) Proceeds. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the Issuer, or on behalf of the Issuer by its financial advisor.

(d) Payment by Wire Transfer. Payment of amounts due and owing on the Bonds to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the FORM OF INITIAL BOND and the FORM OF SUBSTITUTE BOND.

(e) Investment of Bond Proceeds. Proceeds from the sale of the Bonds shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

(f) Escrow Agreement. The President, any Vice President, the Secretary, and/or the Executive Director are each authorized to execute and deliver an escrow agreement in substantially the form attached as Exhibit B. The TWDB agrees that proceeds of the Bonds required to be deposited under the Escrow Agreement shall be disposed of and released in accordance with TWDB Rules Relating to Financial Programs or as otherwise authorized and directed by the TWDB.

(g) Project Fund.

(i) Project Fund Created. There is hereby created, established and maintained on the books of the Issuer, a separate fund to be entitled the "North Texas Municipal Water District Water System Revenue Bonds, Series 2025B Project Fund" (hereinafter called the "Project Fund"). Monies in the Project Fund shall be maintained at an official depository bank of the Issuer.

(ii) Use of Funds. Except as otherwise may be provided in Sections 17, 31(c), and 31(f) hereof, the proceeds of the Bonds shall be deposited in the Project Fund and used by the Issuer for payment of the costs of construction, improvements, and extensions of the System, and the payment of costs associated

therewith, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Amounts in the Project Fund shall be timely and expeditiously used to pay such costs, in compliance with applicable federal and State law.

(iii) Surplus Proceeds. Any surplus financial assistance proceeds, including the investment earnings derived from the investment of monies on deposit in the Project Fund, from the Bonds remaining on deposit in the Project Fund after completing the improvements and extensions to the System and upon the completion of the final accounting as described in Subsection (j) of this Section 31 hereof, shall be transferred to the Interest and Redemption Fund to redeem, in inverse order of maturity, the Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of such surplus proceeds to pay eligible costs of improving or extending the System by funding projects that are part of the State Water Plan.

(h) Compliance with the TWDB's Rules and Regulations. The Issuer covenants to comply with the rules and regulations of the TWDB.

(i) Audits. The Issuer shall submit annually a copy of the Issuer's audit required by Section 24 (k) hereof.

(j) Final Accounting. The Issuer shall render a final accounting to the TWDB in a manner approved by the Executive Administrator.

(k) Optional Redemption and Defeasance. Should the Issuer exercise its right under the Resolution to optionally redeem the Bonds, it shall designate such redemption to be in inverse order of maturity. Should the Issuer exercise its right under this Resolution to effect the defeasance of the Bonds, the Issuer agrees that it will provide the TWDB with written notice of any such defeasance.

(l) Segregation of Funds. The Issuer covenants that proceeds of the Bonds (except for amounts deposited into the Reserve Fund) shall remain separate and distinct from other sources of funds from the date of closing of the Bonds through final disbursement of the proceeds thereof.

(m) Environmental Indemnity. Proceeds from the Bonds shall not be used by the Issuer when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the Issuer agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the Issuer, its contractors, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(n) Environmental Determination. In connection with the project financed with the Bonds, the Issuer agrees to comply with all conditions as specified in the final environmental findings of the Executive Administrator of TWDB when issued, including

the standard emergency discovery conditions for threatened and endangered species and cultural resources.

(o) Insurance. The Issuer agrees that it will maintain insurance on the System in an amount determined by the TWDB to be sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The Issuer may satisfy this covenant with self-insurance.

(p) Water Conservation Program. The Issuer has implemented or will implement an approved water conservation program in compliance with Texas Water Code ' 16.4021 and 31 Texas Administrative Code ' 363.1309(b)(1).

(q) No Purchase of TWDB Bonds. The Issuer agrees that it, nor any related party to the Issuer, will not acquire, as an investment or otherwise, bonds issued by TWDB including bonds, the proceeds of which were used by TWDB to purchase the Bonds.

(r) Compliance with Federal Contracting Law. The Issuer acknowledges that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises.

(s) Compliance with State Contracting Law. The Issuer shall report to the TWDB the amount of proceeds of the Bonds, if any, used to compensate historically underutilized businesses that worked on the project in accordance with 31 Texas Administrative Code ' 363.1312.

(t) TWDB Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of this Resolution that restricts or limits the full exercise of such remedies by the TWDB shall be of no force or effect.

(u) Limitation on Conveyances of Bonds. Prior to any action by the Issuer to convey the Bonds of the Issuer held by the TWDB to another entity, the conveyance and assumption of the Bonds must be approved by the TWDB.

(v) Accounting. The Issuer shall maintain current, accurate and complete records and accounts in accordance with generally accepted accounting principles necessary to demonstrate compliance with financial assistance related legal and contractual provisions.

(w) Notice of Change in Legal Status. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner.

(x) Rating. In the event that collateral or credit pledged by the Issuer to secure the Bonds is rated by a nationally-recognized statistical rating agency, the Issuer, or other obligated person, will not discontinue the rating issued by a nationally recognized statistical rating agency until the Bonds are retired or no longer held by TWDB.

Section 32. DTC REGISTRATION. The Bonds initially 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 such Initial Bond, 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 Private Placement Memorandum referred to and approved in Section 31 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 33. FURTHER PROCEDURES. The President, Vice President, and/or the Secretary of the Board of Directors of the Issuer, the Executive Director and General Manager and the Assistant General Manager - Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at

any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Escrow Agreement, the Bonds, the sale and delivery of the Initial Bond and the Bonds, 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 34. CONTINUING DISCLOSURE UNDERTAKING.

##### (a) Annual Reports.

The Issuer shall provide or cause to be provided annually to the MSRB, (1) within six months after the end of each fiscal year ending in or after 2025, financial information and operating data of the general type included in the final Official Statement relating to the Issuer's Series 2025A Bonds, (i) with respect to the Issuer, in tables numbered 1 through 5, and (ii) with respect to each Significant Obligated Persons, in Appendix C of the Official Statement relating to the Series 2025A Bonds, and (2) when and if available, audited financial statements of the Issuer and each Significant Obligated Person. 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 or any such Significant Obligated Person 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 such 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 date 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. 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; and
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.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Section 34(a) of this Resolution by the time required by such Section.

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

(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 persons 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:

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

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

Section 37. SECURITY INTEREST. Chapter 1208, 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 38. EFFECTIVENESS. This Resolution shall be effective from and after the date of adoption thereof by the Issuer.

## 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 General Manager and Assistant General Manager – Chief Financial Officer (the "Responsible Persons") will:

- (i) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Redemption Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (ii) 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 date of delivery of the Obligations ("Issue Date");
- (iii) 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 5 years of the Issue Date;
- (iv) restrict the yield of the investments (other than those in the Reserve Fund) to the yield on the Obligations after 5 years of the Issue Date;
- (v) 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;
- (vi) 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;
- (vii) 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;

- (viii) 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;
- (ix) maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse itself with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation, or construction of the facilities;
- (x) assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- (xi) 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:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management, or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

- (vii) 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 six (6) 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 six (6) 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. If an error is discovered, the Responsible Person will promptly correct any such error within a reasonable amount of time of such discovery and take, or cause to be taken, such appropriate actions, including payment to the United States, if applicable, that is required to maintain the tax-exempt status of the Bonds.

EXHIBIT "B"  
FORM OF ESCROW AGREEMENT



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10/23/2025

Administrative Memorandum No. 25-6195

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**Regional Water System**

**Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline; Construction Manager-at-Risk Award Construction Management Services Agreement; Project No. 101-0633-23 and No. 101-0642-24**

**SUBJECT**

Authorize funding in the amount of \$4,163,774 to Garney Companies, Inc. for the CMAR services during preconstruction and procurement process to the Construction Manager-at-Risk (CMAR) for the Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline projects.

**PURPOSE**

The use of Construction Manager at-Risk (CMAR) project delivery method will provide the best value to NTMWD and in this case the opportunity to combine these two similar capital projects to leverage the advantages of early procurement of certain long lead time materials and equipment. This allows the procurement process to progress concurrently with the detailed design, helping to compress the project schedule.

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize a CMAR agreement as follows:

- CMAR: Garney Companies, Inc.
- Scope: CMAR Services
- Project: No. 101-0633-23 Texoma Raw Water Pipeline No. 2, and No. 101-0642-24 Texoma Raw Water Pipeline to Leonard WTP Pipeline
- Amount: Project No. 101-0633-23 (PN 633) - \$3,131,830.50 Project No. 101-0642-24 (PN 642) - \$1,031,943.50 Total - \$4,163,774
- Committee: This will be an item on the October 22, 2025, Water Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services 1.4 Reliable and Resilient System Capacity
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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**

The use of the Construction Manager At-Risk (CMAR) project delivery method has been selected and authorized for the Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard WTP Pipeline as a single construction contract. This method was chosen due to its ability to manage the size and complexity of the project effectively. By involving the CMAR early in the design phase, NTMWD can achieve cost and time savings through value engineering, accurate cost estimates, and efficient scheduling. This collaborative approach also reduces risks of budget overruns and delays by promoting proactive problem-solving. Additionally, the CMAR method ensures improved consistency and quality of work through oversight and coordination between the design and construction teams.

**PROJECT PURPOSE**

The Texoma Raw Water Pipeline No. 2 increases the capacity of raw water transfer from Lake Texoma to the NTMWD treatment facilities and to the Greater Texoma Utility Authority (GTUA) customer City of Sherman. To meet projected future demand, a new parallel 84-inch transmission line from Lake Texoma to the Howe Balancing Reservoir is needed by 2029. With the existing 72-inch line, the proposed 84-inch parallel line, and a separate Texoma Pump Station Improvements project, the District will have the ability to deliver up to 220 million gallons per day (MGD) of raw water from Lake Texoma, 120 MGD would be conveyed to the Wylie WTP complex and approximately 70 MGD of additional flow would be diverted to the Leonard WTP, and approximately 30 MGD delivered the City of Sherman.

To increase the utilization of raw water rights, water from Lake Texoma will be blended with raw water from Bois d’Arc Lake at the Leonard Water Treatment Plant Facility. This additional supply will fully utilize the planned future treatment plant capacity of 280 MGD. Texoma to Leonard Raw Water Pipeline will also be an 84-inch gravity line connecting to the existing Texoma Raw Water Pipeline south of Howe Reservoir to convey water to Leonard Terminal Storage Reservoirs.

- In December 2023, the Board approved Administrative Memorandum No. 23-5970 authorizing preliminary engineering design for the Texoma Raw Water Pipeline No. 2 project. Preliminary engineering analysis has identified a proposed 27-mile route within the existing pipeline corridor and within a rerouted section. In January 2025, Administrative Memorandum No. 25-6098 authorized final engineering to Black & Veatch Corporation.
- In January 2024, the Board approved Administrative Memorandum No. 24-5978 authorizing preliminary engineering design for the Texoma Raw Water Pipeline to Leonard WTP Pipeline project to transport approximately 70 MGD of Texoma raw water through an 11-mile 84-inch pipeline to the Leonard WTP Balancing Reservoir. In January 2025, Administrative Memorandum No. 25-6095 awarded final engineering to Freese and Nichols, Inc.
- In November 2024, the Board approved Consent Agenda Item No. 24C-44, authorizing the use of the CMAR project delivery method for these two pipelines as a single construction contract.
- A two-step process was utilized for the selection of the CMAR: Received Statements of Qualifications (SOQ) in April 2025 and received Proposals in June 2025 from one firm.
- During the selection process prospective CMAR teams are required to submit a fee schedule and fixed costs based on an estimated cost of construction. That fee schedule establishes future costs associated with fixed and time sensitive costs that are typically part of general conditions. Those costs are paid monthly and on time and material basis during the construction phase. The estimated amounts shown are for evaluation of proposals and the final total will depend on the final value of constructed work and the duration of the contract.
- Garney Companies, Inc. was selected as the best value proposer.
- The current Opinion of Probable Construction Cost from the CMAR is \$588M.

## CMAR SERVICES TO BE FUNDED THROUGH THIS AUTHORIZATION

- Pre-Construction services including:
  - Project management
  - Cost Model
  - Quality management
  - Risk management registry
- Pre-Construction additional services, including:
  - Value engineering studies
  - Start-up and commissioning program
  - Regulatory agency coordination
- Procurement Basic Services
  - Assemble work packages
  - Advertise for bid
  - Pre-bid conferences and addenda
  - Opening and evaluating bids
  - Guaranteed Maximum Price (GMP) development
- Procurement Funding Source Specific Requirements and Additional Services

- Texas Water Development Board (TWDB) requirements or other funding source
- Pre-qualification of bidders
- Additional work packages
- Regulatory agency coordination

**ESTIMATED FUTURE CMAR FEES**

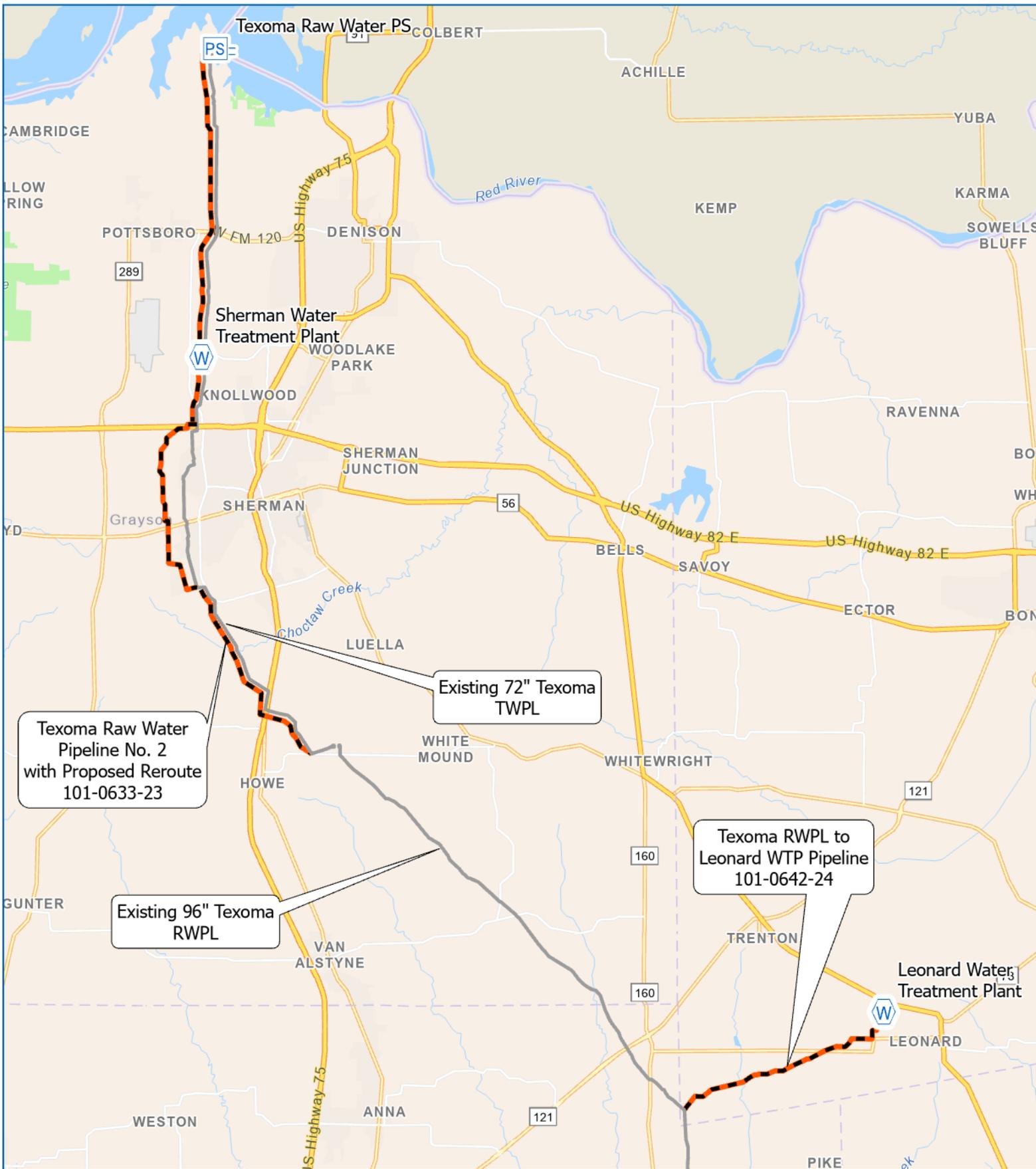
- Construction Support Costs
  - Fixed Construction Support Costs (Mobilization, Demobilization, Personnel, etc.) = \$3,701,738.83
  - Fixed Construction Support Costs (Bonds and Insurance) = \$14,895,578.40
  - Time Sensitive Construction Support Costs (Offices, Site Security, Office Staff, Supplies, Vehicles, etc.) = \$21,987,370.46
- CMAR Services Fee
  - 5.0% of Cost of Work - Pipe Supply Only
  - 7.5% of Cost of Work - Excluding Pipe Supply
- CMAR Contingency
  - To be determined for each work authorization based on a detailed risk register

**CMAR SERVICES AND FEES (CURRENT REQUEST)**

<b>Description</b>	<b>Amount PN 633</b>	<b>Amount PN 642</b>
Preconstruction Basic Services	\$1,723,827.00	\$574,609.00
Preconstruction Additional Services	\$299,053.50	\$99,684.50
Procurement Basic Services	\$686,981.25	\$228,993.75
Procurement Funding Source Specific Requirements and Procurement Additional Services	\$421,968.75	\$128,656.25
<b>Requested Amount Per Project</b>	<b>\$3,131,830.50</b>	<b>\$1,031,943.50</b>
<b>Total Requested Amount</b>		<b>\$4,163,774.00</b>

**FUNDING**

Funding in the amount of \$4,163,774 to Garney Companies Inc. is to be made available from the Regional Water System Capital Improvement Fund.



**Texoma RWPL No. 2 and Texoma  
to Leonard RWPL Location Map  
Project Nos. 101-0633-23  
and 101-0642-24**





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10/23/2025

Administrative Memorandum No. 25-6196

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**Regional Water System**

**Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline; Owner Advisor Services Agreement; Project No. 101-0633-23 and No. 101-0642-24**

**SUBJECT**

Authorize funding in the amount of \$946,448 to Plummer Associates, Inc., for the owner advisor services agreement for the Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard Water Treatment Plant (WTP) Pipeline project.

**PURPOSE**

Retain an Owner Advisor firm with expertise to provide technical, procurement, and management services for large diameter pipeline projects. An Owner Advisor will provide value to NTMWD by serving as the owner's representative and advisor, and augment NTMWD staff to more efficiently manage the delivery of the two pipeline projects through a single CMAR contract.

**RECOMMENDATION**

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

Consultant: Plummer Associates, Inc.

Scope: Owner Advisor Services

Project: No. 101-0633-23 Texoma Raw Water Pipeline No. 2, and No. 101-0642-24 Texoma Raw Water Pipeline to Leonard WTP Pipeline

Amount: \$946,448

Committee: This will be an item on the October 22, 2025, Water Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services 1.4 Reliable and Resilient System Capacity
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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**

The use of the Construction Manager At-Risk (CMAR) project delivery method has been selected and authorized for the Texoma Raw Water Pipeline No. 2 and Texoma Raw Water Pipeline to Leonard WTP Pipeline as a single construction contract. An Owner’s Advisor (OA) was selected for this CMAR project due to its large scale and the limited size of NTMWD’s staff. The OA will provide the additional expertise needed to effectively manage the CMAR process, including design review, cost evaluation, and coordination between the Owner, Engineer, and Construction Manager. NTMWD will rely on the OA to facilitate communication, track progress, and ensure the CMAR team’s work aligns with project goals. This collaboration helps maintain quality, costs, and keeps the project on schedule while allowing NTMWD to make informed decisions throughout each phase.

**PROJECT PURPOSE**

The Texoma Raw Water Pipeline No. 2 increases the capacity of raw water transfer from Lake Texoma to the NTMWD treatment facilities. To meet projected future demand, a new parallel 84-inch transmission line from Lake Texoma to the Howe Balancing Reservoir is needed by 2029. With the existing 72-inch line, the proposed 84-inch parallel line, and a separate Texoma Pump Station Improvements project, the District will have the ability to deliver up to 220 million gallons per day (MGD) of raw water from Lake Texoma of which 120 MGD would be conveyed to the Wylie WTP complex, 70 MGD diverted to the Leonard WTP, and approximately 30 MGD delivered the City of Sherman.

To increase the utilization of raw water rights, water from Lake Texoma will be blended with raw water from Bois d’Arc Lake at the Leonard Water Treatment Plant Facility. This additional supply will fully utilize the planned future treatment plant capacity of 280 MGD. Texoma to Leonard Raw Water Pipeline will also be an 84-inch gravity line connecting to the existing Texoma Raw Water Pipeline south of Howe Reservoir to convey water to Leonard Terminal Storage Reservoirs.

**OA SERVICES TO BE FUNDED THROUGH THIS AUTHORIZATION**

- Pre-Construction basic services including:
  - Facilitate project meetings with CMAR and Engineers
  - Provide a monthly executive report on the status of the program

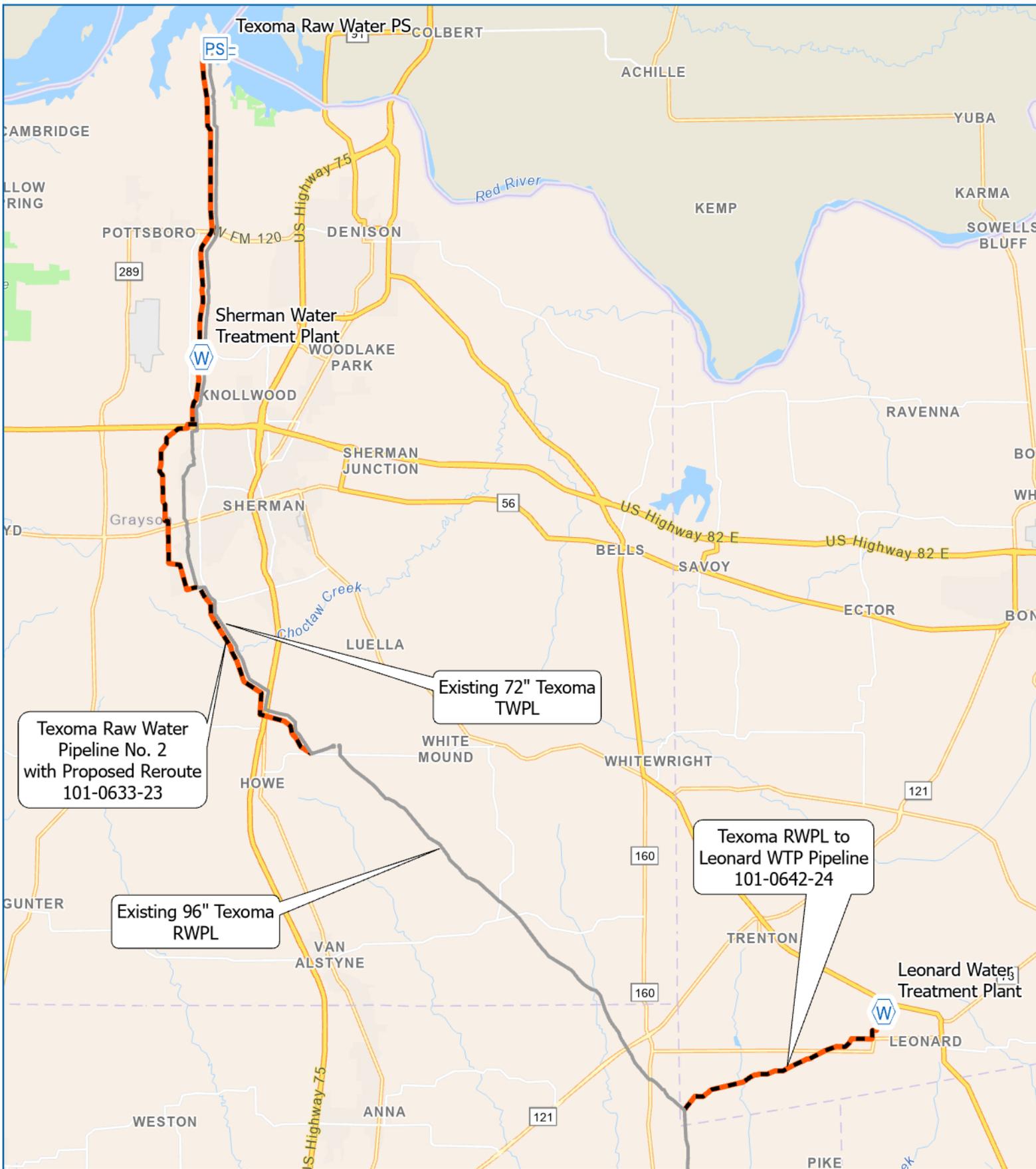
- Monitor, review, and report to Owner on the CMAR Services, and on Engineer’s progress with its design services; make recommendations to Owner regarding management of such services
- Plan, schedule, conduct, and document Project meetings
- Review of the following submittals:
  - Design deliverables
  - CMAR’s construction management plan
- Maintain a Stakeholder Registry and Management Plan
- Future awards to the OA firm will be presented to the Board for additional services related to construction activities by the CMAR.

OA SERVICES AND FEES (CURRENT REQUEST)

<b>Description</b>	<b>Amount</b>
Preconstruction Basic Services	\$946,448
Texoma Raw Water Pipeline No. 2 (PN633)	\$709,836
Texoma Raw Water Pipeline to Leonard WTP Pipeline (PN642)	\$236,612
<b>Requested Amount</b>	<b>\$946,448</b>

**FUNDING**

Funding in the amount of \$946,448 to Plummer Associates Inc is to be made available from the Regional Water System Capital Improvement Fund.



**Texoma RWPL No. 2 and Texoma to Leonard RWPL Location Map**  
**Project Nos. 101-0633-23**  
**and 101-0642-24**





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10/23/2025

Administrative Memorandum No. 25-6197

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## **Regional Water System**

### **Authorization of Execution of Interlocal Agreement Between North Texas Municipal Water District and Greater Texoma Utility Authority for the South Transmission Pipeline Project; Resolution No. 25-55**

#### **SUBJECT**

Authorize execution of Interlocal Agreement (ILA) between North Texas Municipal Water District (NTMWD) and Greater Texoma Utility Authority (GTUA) for the South Transmission Pipeline Project (Project).

#### **PURPOSE**

This agreement outlines the responsibility for NTMWD to provide engineering design, procure necessary real estate, easements, and right-of-way, provide construction management and inspection services, and perform maintenance and operation of the Project. GTUA funds the entirety of the Project, including construction. Participating Customers are Gastonia Scurry Special Utility District, College Mound Special Utility District, Becker-Jiba Special Utility District, and North Kaufman Water Supply Corporation.

#### **RECOMMENDATION**

The Executive Director, NTMWD staff and Lloyd, Gosselink, Rochelle & Townsend, P. C., recommend the Board of Directors adopt Resolution No. 24-52, "A Resolution Authorizing an Interlocal Cooperation Agreement Between North Texas Municipal Water District and Greater Texoma Utility Authority for the South Transmission Pipeline Project."

Contracting Party: Greater Texoma Utility Authority (GTUA)

Purpose: Transmission Pipeline Project

Project: South Transmission Pipeline Project

Amount: NA

Committee: This will be an item on the October 22, 2025, Water Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services 3.2 Engaged Members, Customers and Stakeholders
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<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**

**PURPOSE**

- Participating Customers requested additional capacity in the South Transmission Pipeline.
- Project consists of designing and constructing approximately 37,000 linear feet of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line.
- GTUA funds the entirety of the Project, including construction. NTMWD provides engineering design, procures necessary real estate, easements, and right-of-way, provides construction management and inspection services, and performs maintenance and operation for the Participating Customers.
- ILA, between NTMWD and GTUA, benefits NTMWD’s Regional Water System (RWS) and Participating Customers.

**COMPONENTS OF THE AGREEMENT WITH NTMWD AND GTUA**

- NTMWD agrees to provide services related to the Project’s design, real estate acquisition, construction management, and maintenance and operation. GTUA agrees to fund all aspects of the Project and enter into such contracts as are necessary for the same.
- More specifically, GTUA and NTMWD agree that:
  - NTMWD provides reasonable assistance to GTUA toward the goal of satisfying all of GTUA’s requirements for funding through the Texas Water Development Board;
  - NTMWD selects and contracts with an engineering services firm (or firms) for tasks that may include, but are not limited to, real estate, easement and right-of-way acquisition, project design and the preparation of plans, specifications and bidding documents, as well as contract administration services. GTUA pays all costs associated with same within 30 days of NTMWD presenting a request for payment to GTUA;
  - Project final plans and specifications for the Project are subject to approval of NTMWD, GTUA, and Participating Customers;

- NTMWD provides services for the acquisition of all real estate required for the construction and operation of the Project. All real estate rights acquired are in the name of NTMWD. GTUA pays for all real estate acquired in connection with the Project;
- NTMWD provides construction management and inspection services during the construction phase of the Project. GTUA shall pay for all construction management and inspection services incurred by NTMWD in connection with the Project within 30 days of NTMWD presenting a request for payment to GTUA;
- Operation and maintenance of the pipeline will be in accordance with the Operations and Maintenance Agreement between the NTMWD and the Participating Customers;
- NTMWD assists in the solicitation of bidders/proposers for the construction contract for the Project. All such solicitations are in the name of GTUA and are contracting with the construction company awarded the contract. NTMWD and Participating Customers must approve all construction contracts. GTUA is responsible for the prompt payment of all costs of construction;
- GTUA deposits all proceeds from the sale of its Bonds, as well as any grant funds received for the purpose of providing all or part of the Project, into a segregated, special Construction Fund for the Project to be created and established by the Bond Resolution (s). GTUA draws on and uses the Construction Fund to pay all costs of the Project;
- During the life of the Bonds, GTUA maintains sole ownership of the pipeline until the Bonds are paid in full. Within 60 days of the Bonds being paid in full, GTUA transfers the ownership to NTMWD at no cost.

GTUA approved this Agreement at their October 20, 2025, Board Meeting.

## **FUNDING**

Provided by GTUA and Participating Customers

# NORTH TEXAS MUNICIPAL WATER DISTRICT

## RESOLUTION NO. 25-55

### A RESOLUTION AUTHORIZING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND THE GREATER TEXOMA UTILITY AUTHORITY FOR THE SOUTH TRANSMISSION PIPELINE PROJECT

**WHEREAS**, the North Texas Municipal Water District (NTMWD), a Texas conservation and reclamation district and political subdivision of the State of Texas, and the Greater Texoma Utility Authority (GTUA), a Texas conservation and reclamation district and political subdivision of the State of Texas operating under the laws of the State of Texas, agree to enter into an interlocal cooperation agreement (ILA); and

**WHEREAS**, South Transmission Pipeline Project consists of designing and constructing approximately 37,000 linear feet of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line; and

**WHEREAS**, GTUA shall fund the entirety of the Project; and

**WHEREAS**, the Participating Customers are Gastonia-Scurry Special Utility District, College Mound Special Utility District, Becker-Jiba Special Utility District, and North Kaufman Water Supply Corporation; and

**WHEREAS**, NTMWD shall provide engineering design, procure necessary real estate, easements, and right-of-way, provide construction management and inspection services, and provide maintenance of operation of the Project; and

**WHEREAS**, the bonds shall be issued in the name of GTUA and shall remain in GTUA's name until such time as the bonds have been fully repaid in accordance with their terms; and

**WHEREAS**, upon full repayment of the bonds by the Participating Customers, GTUA will transfer the South Transmission Pipeline, including all real estate and improvements, to NTMWD; and

**WHEREAS**, it is necessary to execute an Interlocal Cooperation Agreement with GTUA to outline the obligations of each party.

### **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 completion of the Project.
2. The Interlocal Cooperation Agreement with GTUA for funding the Project, including the construction contract, 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 OCTOBER 23, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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

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

**(SEAL)**

**INTERLOCAL AGREEMENT BETWEEN NORTH TEXAS MUNICIPAL  
WATER DISTRICT AND GREATER TEXOMA UTILITY AUTHORITY FOR  
THE SOUTH TRANSMISSION PIPELINE PROJECT**

THIS INTERLOCAL AGREEMENT for the South Transmission Pipeline (“Project”) is made this \_\_\_\_ day of \_\_\_\_\_, 2025 (the Effective Date), by and between the North Texas Municipal Water District (“NTMWD” or “the District”), a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution and the Greater Texoma Utility Authority (“GTUA” or “the Authority”), a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution. The District and the Authority may be collectively referred to herein as the “Parties”:

**WHEREAS**, each Party is a political subdivision of the State of Texas created under the authority of Article XVI, Section 59, of the Texas Constitution, and operate pursuant each Party’s respective enabling act; and

**WHEREAS**, GTUA was created to provide its member cities with assistance in the financing and construction of water and wastewater facilities; and

**WHEREAS**, the Project (defined below) involves financial participation by the Participating Customers (defined below) of the District, each of which will enter into separate agreements with the Authority relating to the Project to establish the allocation and distribution of proportionate costs associated with a thirty-year bond issuance with the Authority (the “Bonds”), as well as maintenance and operation costs with the District; and

**WHEREAS**, the Project consists of designing and constructing approximately 37,000 linear feet of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line; and

**WHEREAS**, the Participating Customers are Gastonia Scurry Special Utility District, College Mound Special Utility District, Becker-Jiba Special Utility District, and North Kaufman Water Supply Corporation; and

**WHEREAS**, each Participating Customer is responsible for designing, constructing and maintaining its own delivery point and connection for the Project as set forth in each Participating Customer’s potable water supply contract with the District; and

**WHEREAS**, the Bonds shall be issued in the name of the Authority and shall remain in the Authority’s name until such time as the Bonds have been fully repaid in accordance with their terms. Upon full repayment of the Bonds by the Participating Customers, the Authority will transfer the South Transmission Pipeline, including all real estate and improvements, to the District; and

**WHEREAS**, the Authority shall fund the entirety of the Project; and

**WHEREAS**, the District shall provide the engineering design, procure necessary real estate, easements, and right-of-way, provide construction management and inspection services, and provide maintenance and operation of the Project; and

**WHEREAS**, it is understood that the Authority intends to enter into separate agreements with the Participating Customers to recover the funds expended on the Project from those entities; and

**WHEREAS**, the Parties hereto find it necessary and advisable to enter into this Agreement with respect to the Project to set forth the duties and responsibilities of the respective Parties for the implementation and funding of the Project.

## **AGREEMENT**

**NOW, THEREFORE**, in consideration of the Agreement herein made, and subject to the conditions herein set forth, the Parties agree as follows:

1. Project Obligations. The District generally agrees to provide services related to the Project's design, real estate acquisition, construction management, and maintenance and operation. The Authority agrees to fund all aspects of the Project and enter into such contracts as are necessary for same. More specifically, the Authority and the District agree that:
  - a. The District shall provide reasonable assistance to the Authority toward the goal of satisfying all the Authority's requirements for funding through the Texas Water Development Board;
  - b. The District shall be responsible for selecting and contracting with an engineering services firm (or firms) for tasks that may include, but are not limited to, real estate, easement and right of way acquisition, project design and the preparation of plans, specifications and bidding documents, as well as contract administration services. The Authority shall reimburse District for all costs associated with same within 30 days of District presenting a request for payment to the Authority, unless otherwise set forth in this Agreement;
  - c. Final plans and specifications for the Project shall be subject to the approval of the District, Authority, and Participating Customers, which approval shall not be unreasonably withheld;
  - d. The District shall provide services for acquisition of all real estate required for construction and operation of the Project. All real estate rights acquired shall be in the name of the District, if possible. If necessary or expedient to acquire real estate rights in the name of the Authority, the Authority grants the District the right to act on its behalf in all such instances. The Authority shall pay for all real estate acquired in connection with the Project within ten (10) business days of District presenting a request for payment to the Authority;

District shall provide construction management and inspection services during the construction phase of the Project. District may utilize internal staff for these tasks, or may contract with third-party construction management and/or inspection services firms to perform those tasks. In either case, Authority shall pay for all construction management and inspection services incurred by District in connection with the Project within 30 days of District presenting a

request for payment to the Authority;

- e. Operation and maintenance of the pipeline shall continue to be performed in accordance with the Operations and Maintenance Agreement between the District and the Participating Customers;
- f. District shall assist in the solicitation of bidders/proposers for the construction contract for the Project. All such solicitations shall be made in the name of the Authority, who shall be the party contracting with the construction company awarded the contract. District and Participating Customers shall have right to approve all construction contracts, with such approval not to be unreasonably withheld. Authority shall be responsible for the prompt payment of all costs of construction;
- g. The Authority shall deposit all proceeds from the sale of its Bonds, as well as any grant funds received for the purpose of providing all or part of the Project, into a segregated, special Construction Fund for the Project to be created and established by the Bond Resolution(s). The Authority shall draw on and use said Construction Fund to pay all the cost of the Project, including but not limited to, design, real estate acquisition, constructing, managing construction, inspection, improving, extending, enlarging and repairing the Project, as well as any other task or duties contemplated by this Agreement;
- h. In the event that a Participating Customer defaults on their obligations outlined in their funding agreement, the District will assist the Authority to the fullest extent possible to collect the obligations from the Participating Customer;
- i. The District and Authority acknowledge any payments will be contingent upon the release of funds from the Texas Water Development Board, including any requirements for the release of funds for planning, design, and construction; and
- j. During the life of the Bonds, the Authority will maintain sole ownership of the Project until the Bonds are paid in full. Within 60 days of the Bonds being paid in full, the Authority will transfer the ownership of the Project, including all real estate and improvements, to the District at no cost. Authority and District agree to promptly execute all such documents necessary to accomplish this purpose.

## 2. Agreement to Defend.

- a. IN THE EVENT ANY PERSON OR ENTITY, NOT A PARTY TO THIS CONTRACT, SHALL FILE ANY LAWSUIT AGAINST THE AUTHORITY THAT ARISES OUT OF, RELATES IN WHOLE OR IN PART, OR RELATES IN ANY WAY TO THE CONSTRUCTION OF THE PROJECT, THE DISTRICT AGREES TO DEFEND, BUT NOT TO INDEMNIFY, THE AUTHORITY FROM ANY AND ALL SUCH LAWSUITS, INCLUDING THE PAYMENT OF ALL REASONABLE AND NECESSARY ATTORNEYS' FEES NOT COVERED BY THE BOND PROCEEDS OR THE PARTICIPATING CUSTOMERS, EVEN WHEN CAUSED IN WHOLE OR IN PART BY THE ACTS, OMISSIONS, NEGLIGENCE, GROSS NEGLIGENCE OR OTHER LEGAL DEFAULTS OF THE AUTHORITY. IT IS WITHIN THE LAWFUL AND REASONABLE CONTEMPLATION OF THE PARTIES THAT ANY

AMOUNTS DUE UNDER THIS SUBSECTION (a) WILL BE SATISFIED OUT OF CURRENT REVENUES OR SOME CURRENTLY AVAILABLE FUND WITHIN THE IMMEDIATE CONTROL OF THE DISTRICT.

1. No Third-Party Beneficiaries. This Agreement shall inure only to the benefit of the Parties hereto and third persons not privy hereto shall not, in any form or manner, be considered a third-party beneficiary of this Agreement.
2. Relationship of the Parties. The Parties agree that neither Party is an agent, servant, or employee of the other Party and that each Party is responsible for its individual acts and deeds. The Parties agree that the Project is not an association, joint venture, joint enterprise, or joint partnership. None of the Parties shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any of the other Parties.
3. Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. If it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the recitals, would not have entered into this Agreement.
4. Authority to Execute. The individuals executing this Agreement on behalf of the respective Parties below represent to each other that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date of this Agreement.
5. Amendments. This Agreement may be amended only by the mutual written agreement of all Parties hereto.
6. Severability. In the event 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 the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
7. Governing Law and Venue. The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas. Exclusive venue for any action concerning this Agreement shall be in a State District Court of Collin County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said courts.
8. Entire Agreement. This Agreement represents the entire agreement among the Parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or

written agreement between the Parties that in any manner relates to the subject matter of this Agreement.

9. Waiver. Any waiver at any time by any Party of its rights with respect to default under this Agreement shall not be deemed a waiver of such rights with respect to any subsequent default or matter.
10. Remedies. Nothing in this Agreement shall be construed as, in any manner, to abridge, limit or deprive any Party hereunto of any means which it could otherwise have of enforcing any right or remedy either in law or in equity for breach of any of the provisions hereof.
11. Counterparts. This Agreement may be executed in any number of counterparts, each of whom shall be deemed an original and constitute one and the same instrument.
12. Succession and Assignment. This Agreement is binding upon and shall inure to the benefit of the Parties, their heirs, successors and assigns. This Agreement may not be assigned by any Party hereto without the prior written notice to, and prior written approval by, the other Parties, which consent may be withheld without cause.
13. Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
14. Addresses for Notice: Except as may be provided otherwise herein, any notice, demand or request required or permitted to be delivered hereunder shall be deemed received when delivered in person by hand-delivery, delivered by overnight mail with proof of receipt, delivered by certified mail return receipt requested, or by electronic mail, addressed to the Party at the address set forth below:

**The District:**

Attn: Executive Director and General Manager  
North Texas Municipal Water District  
P.O. Box 2408  
Wylie, TX 75098  
Phone: (972) 442-5405  
[jcovington@ntmwd.com](mailto:jcovington@ntmwd.com)

With copy to:

Mark Walsh  
Saunders, Walsh & Beard  
6850 TPC Drive, Suite 210  
McKinney, TX 75070  
Phone: (214) 919-3555  
[mark@saunderswalsh.com](mailto:mark@saunderswalsh.com)

**The Authority:**

Attn: General Manager  
Greater Texoma Utility Authority  
5100 Airport Road

Denison, TX 75020  
Phone: (903) 786-4433

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the Effective Date.



**GREATER TEXOMA UTILITY AUTHORITY**  
**A Texas political subdivision**

By: \_\_\_\_\_  
Brad Morgan Date \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Scott Balckberby, Secretary Board of Directors

STATE OF TEXAS           §  
  §  
COUNTY OF \_\_\_\_\_ §



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10/23/2025

Administrative Memorandum No. 25-6198

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## **Regional Water System**

**Authorization of Execution of the Water Transmission Facilities Contract with College Mound Special Utility District, Gastonia-Scurry Special Utility District, North Kaufman Water Supply Corporation, and Becker-Jiba Special Utility District (collectively as “Parties), current Customers of NTMWD.**

### **SUBJECT**

Authorize execution of new Water Transmission Facilities Contract with the four Parties who are current Customers of NTMWD.

### **PURPOSE**

This contract outlines the responsibility of the Parties and NTMWD for the Operation and Maintenance of a new pipeline once in operation. This effort provides additional capacity for the Parties and supports the NTMWD Regional Water System (RWS).

### **RECOMMENDATION**

The Executive Director and NTMWD staff and Lloyd, Gosselink, Rochelle & Townsend, P. C., recommend the Board of Directors authorize execution of a new Water Transmission Facilities Contract with current Customers.

Contracting Parties: College Mound Special Utility District, Gastonia-Scurry Special Utility District, North Kaufman Water Supply Corporation, and Becker-Jiba Special Utility District

Purpose: Water Transmission Facilities Contract

Committee: This will be an item on the October 22, 2025, Water Committee Agenda.

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.1 High Quality Services 3.2 Engaged Members, Customers and Stakeholders
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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**

**PURPOSE**

- This is an agreement outlining the responsibility of the parties and NTMWD for a new pipeline to include operations and maintenance once in operation.
- This new Pipeline provides additional capacity for the Parties and supports the NTMWD Regional Water System (RWS).
- Parties requested additional capacity in the South Transmission System, and this action benefits the Parties and NTMWD’s RWS.

**COMPONENTS OF THE CONTRACT WITH PARTIES**

- Parties individually entered into the Potable Water Supply Contracts with NTMWD.
- Parties requested NTMWD acquire, construct, operate, and maintain certain transmission facilities to serve the Project.
  - Project Facilities approximately 37,000 linear feet (LF) of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line and any associated facilities.
  - NTMWD selects and contracts with engineering services firm (or firms) for tasks that may include, but are not limited to, real estate, easement and right-of-way acquisition, project design and preparation of plans, specifications and bidding documents, as well as contract administration services.
  - Design and construction of delivery point facilities are the responsibility of the Parties
- Greater Texoma Utility Authority (GTUA) funds the entirety of the Project and recovers the funds expended on the Project from the Parties through separate agreements.
  - Allocation and distribution of proportionate (evenly for Parties) costs associated with the 30-year Bond issuance.
  - GTUA provides funding for all costs associated with the Project.
  - Construction contracts will be in GTUA’s name. NTMWD and the Parties will approve all construction contracts.
- When Project Facilities commence operation, the Parties will pay all operation and maintenance costs--25% each.
- During the life of the Bonds, GTUA maintains sole ownership of the pipeline until the Bonds are paid in full.

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10/23/2025

Administrative Memorandum No. 25-6198

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- GTUA transfers the ownership of the pipeline to NTMWD at no cost to NTMWD.
- Term extends until GTUA transfers ownership of the pipeline to NTMWD and becomes part of the Regional Water System.

Parties approved this Contract prior to the NTMWD October 23, 2025, Board Meeting.

### **FUNDING**

Provided by College Mound Special Utility District, Gastonia-Scurry Special Utility District, North Kaufman Water Supply Corporation, and Becker-Jiba Special Utility District



**WHEREAS**, each Participating Customer is responsible for designing, constructing and maintaining its own delivery point and connection as set forth in each Participating Customer’s Water Supply Contract; and

**WHEREAS**, the Greater Texoma Utility Authority (“GTUA”) shall fund the entirety of the Project and recover the funds expended on the Project from the Participating Customers through separate agreements with such Participating Customers; and

**WHEREAS**, upon Project Facilities commencing operation, NTMWD shall maintain and operate the Project Facilities and the Participating Customers shall pay for all the operation and maintenance costs associated with such Project Facilities until such time GTUA transfers ownership of the Project Facilities to NTMWD and such facilities become part of the NTMWD regional water system (the “System”); and

**WHEREAS**, the Parties hereto find it necessary and advisable to enter into this Agreement with respect to the Project to set forth the duties and responsibilities of the respective Parties for the implementation, funding, and operation of the Project.

## **AGREEMENT**

**NOW, THEREFORE**, in consideration of the Agreement herein made, and subject to the conditions herein set forth, the Parties agree as follows:

1. Definitions. The terms and expressions used in this Agreement, unless the context shows clearly otherwise, shall have meanings as follows:
  - (a) “Participating Customers” means the Becker-Jiba Special Utility District, the College Mound Special Utility District, the Gastonia-Scurry Special Utility District, and the North Kaufman Water Supply Corporation.
  - (b) “Bonds” means any bonds or other obligations to be issued by GTUA on behalf of the Participating Customers for the acquisition, construction, or completion of the Project, whether in one or more series or issues, or any bonds or other obligations issued to refund same or to refund any such refunding bonds.
  - (c) “Project” means the design and construction of an approximately 37,000 LF of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line.
  - (d) “Project Facilities” means an approximately 37,000 LF of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line and any associated facilities. Project Facilities do not include the delivery points of the Participating Customers.
  - (e) “Regional Contract” means the “North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract,” dated August 1, 1988, as amended, together with all similar contracts between NTMWD and contracting parties.

- (f) “System” means, collectively, the existing system and the future improvements and water of NTMWD included as part of the System under the Regional Contract for projects, water storage, treatment, transmission and supply, including all dams, reservoirs, and other properties or interests therein wherever located. Said terms do not include any of NTMWD’s facilities that provide wastewater treatment or disposal services, or solid waste disposal services, of any kind. Said terms do not include any facilities acquired or constructed by NTMWD with the proceeds from the issuance of “Special Facilities Bonds,” which are payable from any source, contract, or revenues whatsoever, other than revenues from the System.
2. Project Obligations. NTMWD agrees to provide services related to the Project’s design, real estate acquisition, construction management, and maintenance and operation.
- (a) NTMWD shall be responsible for selecting and contracting with an engineering services firm (or firms) for tasks that may include, but are not limited to, real estate, easement and right of way acquisition, project design and the preparation of plans, specifications and bidding documents, as well as contract administration services.
- (b) The Participating Customers will enter into separate funding agreements with GTUA relating to the Project to establish the allocation and distribution of proportionate costs associated with a thirty-year Bond issuance by GTUA for the Project. GTUA shall reimburse NTMWD for all costs associated with the Project.
- (c) Final plans and specifications for the Project shall be subject to the approval of NTMWD, GTUA, and Participating Customers, which approval shall not be unreasonably withheld.
- (d) NTMWD shall provide services for acquisition of all real estate required for construction and operation of the Project. All real estate rights acquired shall be in the name of NTMWD, if possible. If necessary or expedient to acquire real estate rights in the name of a Participating Customer, each Participating Customer shall grant NTMWD the right to act on its behalf in all such instances.
- (e) NTMWD shall provide construction management and inspection services during the construction phase of the Project. NTMWD may utilize internal staff for these tasks or may contract with third-party construction management and/or inspection services firms to perform those tasks. In either case, GTUA shall pay for all construction management and inspection services incurred by NTMWD in connection with the Project.
- (f) NTMWD shall assist in the solicitation of bidders/proposers for the construction contract for the Project. All such solicitations shall be made in the name of GTUA, who shall be the party contracting with the construction company awarded the contract. NTMWD and Participating Customers shall have right to approve all construction contracts, with such approval not to be unreasonably withheld. GTUA

shall be responsible for the prompt payment of all costs of construction.

- (g) During the life of the Bonds, GTUA will maintain sole ownership of the Project Facilities until the Bonds are paid in full. Within sixty (60) days of the Bonds being paid in full, GTUA will transfer the ownership of the Project, including all real estate and improvements, to NTMWD, at no cost to NTMWD.
  - (h) Upon Project Facilities commencing operation, the Participating Customers shall be responsible for paying all operation and maintenance costs of the Project Facilities. Participating Customers shall share equally in payment of the operation and maintenance costs of the Project Facilities, with each Participating Customer paying twenty-five percent (25%) of the operation and maintenance costs of the Project Facilities, resulting in one hundred percent (100%) of the cost covered by each of the four (4) Participating Customers. Participating Customers agree to make payments of the operation and maintenance costs of the Project Facilities in accordance with the schedule of payments furnished by NTMWD.
2. Term of the Agreement. The term of the Agreement shall extend until such time GTUA transfers ownership of the Project Facilities to NTMWD and such facilities become part of the System.
  3. No Third-Party Beneficiaries. This Agreement shall inure only to the benefit of the Parties hereto and third persons not privy hereto shall not, in any form or manner, be considered a third-party beneficiary of this Agreement.
  4. Relationship of the Parties. The Parties agree that neither Party is an agent, servant, or employee of the other Party and that each Party is responsible for its individual acts and deeds. The Parties agree that the Project is not an association, joint venture, joint enterprise, or joint partnership. None of the Parties shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any of the other Parties.
  5. Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. If it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the recitals, would not have entered into this Agreement.
  6. Authority to Execute. The individuals executing this Agreement on behalf of the respective Parties below represent to each other that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that each individual affixing his or her signature hereto is authorized to do

so, and such authorization is valid and effective on the date of this Agreement.

7. Amendments. This Agreement may be amended only by the mutual written agreement of all Parties hereto.
8. Severability. In the event 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 the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
9. Governing Law and Venue. The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas. Exclusive venue for any action concerning this Agreement shall be in a State District Court of Collin County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said courts.
10. Entire Agreement. This Agreement represents the entire agreement among the Parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement.
11. Waiver. Any waiver at any time by any Party of its rights with respect to default under this Agreement shall not be deemed a waiver of such rights with respect to any subsequent default or matter.
12. Remedies. Nothing in this Agreement shall be construed as, in any manner, to abridge, limit or deprive any Party hereunto of any means which it could otherwise have of enforcing any right or remedy either in law or in equity for breach of any of the provisions hereof.
13. Force Majeure. If, by reason for Force Majeure, any Party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, with the exception as hereinafter provided, then such Party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the Party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, cyberattacks, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics (including pandemics), landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or other causes not reasonably within the control of the

Party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied within all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the Party having the difficulty. It is specifically excepted and provided, however, that in no event shall any Force Majeure relieve the Participating Customers of its obligation to make payments to NTMWD as required under this Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of whom shall be deemed an original and constitute one and the same instrument.
15. Succession and Assignment. This Agreement is binding upon and shall inure to the benefit of the Parties, their heirs, successors and assigns. This Agreement may not be assigned by any Party hereto without the prior written notice to, and prior written approval by, the other Parties, which consent may be withheld without cause.
16. Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
17. Addresses for Notice: Except as may be provided otherwise herein, any notice, demand or request required or permitted to be delivered hereunder shall be deemed received when delivered in person by hand-delivery, delivered by overnight mail with proof of receipt, delivered by certified mail return receipt requested, or by electronic mail, addressed to the Party at the address set forth below:

**NTMWD:**

Attn: Executive Director and General Manager  
North Texas Municipal Water District  
P.O. Box 2408  
Wylie, TX 75098  
Phone: (972) 442-5405  
[jcovington@ntmwd.com](mailto:jcovington@ntmwd.com)

**College Mound:**

Attn: General Manager  
College Mound Special Utility District  
12731 FM 429  
Terrell, TX 75161  
Phone: (972) 563-1355  
[sthompson@collegemoundwater.com](mailto:sthompson@collegemoundwater.com)

**Gastonia-Scurry:**

Attn: Office Manager

Gastonia-Scurry Special Utility District  
8560 Page Ln  
Scurry, TX 75158  
Phone: (972) 452-3388  
Josey@gssud.com

**North Kaufman:**  
Attn: General Manager  
North Kaufman Special Water Supply Corporation  
3891 N. Hwy. 34  
Kaufman, TX 75142  
Phone: (972) 962-7614  
Greg.northkaufmanwsc@outlook.com

**Becker-Jiba:**  
Attn: Operations Manager  
Becker-Jiba Special Utility District  
15269 FM 2860  
Kaufman, TX 75142  
Phone: (903) 498-3592  
opsmgr@beckerjibawater.com

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the Effective Date.

*(Signatures on following pages.)*













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10/23/2025

Administrative Memorandum No. 25-6199

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**Regional Water System**

**Wylie Water Treatment Plant Raw Water Pump Station No. 4; Project No. 101-0647-24;  
Additional Engineering Services Agreement**

**SUBJECT**

Authorize funding in the amount of \$4,873,800 to Arcadis U.S., Inc. for additional engineering services for preliminary design of the Wylie Water Treatment Plant (WTP) Raw Water Pump Station No. 4.

**PURPOSE**

The purpose of this project is the preliminary design of a new 350 million gallons per day (MGD) raw water pump station on a site along the Lavon Lake shoreline, as recommended in the feasibility study report. The pump station shall access supply water down to an elevation of 451 feet (ft) mean sea level (MSL), which is below the dead pool elevation of 453 ft MSL, ensuring full access to the conservation storage at Lavon Lake.

**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:           Arcadis U.S., Inc.

Scope:                Additional Engineering Services - Preliminary Engineering Design

Project:               No. 101-0647-24; Wylie Water Treatment Plant Raw Water Pump Station No. 4

Amount:               \$4,873,800

Committee:           This will be an item on the October 22, 2025, Water Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.2: 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 checked="" type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

**BACKGROUND**

**PROJECT PURPOSE**

Lavon Lake is the original source of water supply for the Wylie Water Treatment Plant (WTP) complex. Currently, three raw water pump stations draw from the Lavon Lake and serve the Wylie WTP complex. The current pump stations do not optimize NTMWD’s full water rights in Lavon Lake. Previous studies, the NTMWD Water Supply Resiliency Plan Phase II in 2021 and the Long Range Water Supply Plan in 2023, had reviewed the potential for a fourth Raw Water Pump Station (RWPS) at Lake Lavon. As a result, a feasibility study and conceptual design was initiated in early 2024 under Administrative Memorandum No. 24-6014.

Based on recommendations from the study, a new raw water pump station with a rated firm capacity of 350 MGD and retaining existing Raw Water Pump Station No. 2 would provide the operational flexibility and meet the goal of long-term reliability and drought resiliency. Raw Water Pump Station No. 1 will be decommissioned as part of a separate project upon completion of RWPS No. 4.

**PROJECT COMPONENTS**

- Provide preliminary design of a 350 MGD intake and pump station with the ability to intake at a depth of 451 ft MSL elevation from Lavon Lake below the dead pool elevation of 453 ft MSL.
- Provide preliminary design of 17,000 linear feet of 96-inch and 60-inch transmission mains to convey flow north and south mixing area in the Wylie WTP complex.
- Connection to existing transmission mains for operational flexibility.
- The Engineer’s current opinion of probable construction cost (OPCC) is \$453,000,000.

**BASIC SERVICES**

- Project management
- Pump station preliminary design
- Transmission main preliminary design
- Preliminary (30%) design drawings and OPCC
- Permitting and regulatory support and coordination related to:

- Section 404 and 408 pre-application meeting with the United States Army Corp of Engineers (USACE)
- Swift funding application

**SPECIAL SERVICES**

- Geotechnical (preliminary and final)
- Marine geophysical
- Land surveying
- Geophysical
- Subsurface utility engineering (SUE)
- Assistance with procurement of Construction Manager at Risk (CMAR)

**CONSULTANT SELECTION PROCESS**

- Arcadis US, Inc. is the current consultant engineer for the project. After evaluation and justification, NTMWD’s team recommends continuing to work with Arcadis, US Inc., as they are the most highly qualified firm for this project.

**ENGINEERING SERVICES FEE**

<b>Description</b>	<b>Amount</b>
Basic Services	\$3,604,600
Reallocate unused services from Feasibility and conceptual study as authorized by Administrative Memorandum No. 24-6014	(\$1,300,000)
<b>Revised Basic Services</b>	<b>\$2,304,600</b>
<b>Special Services</b>	<b>\$2,569,200</b>
<b>Requested Amount (Basic and Special Services)</b>	<b>\$4,873,800</b>

Arcadis U.S., Inc. has provided a total fee in the amount of \$6,173,800 for these services. NTMWD staff recommend reallocating \$1,300,000 of unused fee under Feasibility and Conceptual Study as authorized by Administrative Memorandum No. 24-6014 towards basic services to reduce the total fee to \$4,873,800.

**FUNDING**

Funding in the amount of \$4,873,800 to Arcadis U.S. Inc is to be made available from the Regional Water System Construction Funds.





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10/23/2025

Administrative Memorandum No. 25-6200

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**Buffalo Creek Interceptor System**

**Buffalo Creek Parallel Interceptor Phase II; Project No. 507-0636-24; Engineering Services Agreement - Final Engineering**

**SUBJECT**

Authorize funding in the amount of \$2,157,011 to HDR Engineering, Inc. for an engineering services agreement for the final design of the Buffalo Creek Parallel Interceptor Phase II project.

**PURPOSE**

This project will allow for increased wastewater conveyance capacity in the Buffalo Creek Interceptor System by constructing the second phase of a parallel interceptor system along Buffalo Creek from Farm-to-Market Road (F.M.) 740 to the Buffalo Creek Lift Station to accommodate growth in the cities of Forney, Heath, and Rockwall.

**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: Final Engineering Design  
Project: No. 507-0636-24, Buffalo Creek Parallel Interceptor Phase II  
Amount: \$2,157,011  
Committee: This was an item on the September 24, 2025, Wastewater Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective:	1.2: 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**

The 2021 Buffalo Creek Interceptor System Capacity Assessment and Assurance report recommends a new parallel interceptor to meet flow projections due to population growth in the cities of Forney, Heath, and Rockwall. Phase I (NTMWD Project No. 507-0484-17) extended from the Buffalo Creek Wastewater Treatment Plant to just north of F.M. 740, and the pipeline was placed in service in 2023.

**PROJECT PURPOSE**

- Final design of a parallel interceptor from north of F.M. 740 to Buffalo Creek Lift Station to increase conveyance capacity, reduce existing surcharges, and provide redundancy and resiliency within the wastewater system as recommended by the capacity assurance report.
- Completion of this project is needed to decommission the Buffalo Creek Wastewater Treatment Plant.
- The planning level estimated construction cost for the project is \$68,380,000.

**PROJECT COMPONENTS**

- Approximately 32,000 linear feet of 60-inch parallel interceptor, including tunneling, traffic control, and odor control.
- One permanent billing flow meter parallel to the existing Heath 740 Meter Station.
- Manhole rehabilitation of approximately 83 manholes on the existing Buffalo Creek Interceptor.
- Access improvements across existing drainages to facilitate maintenance along the interceptor system.

**BASIC SERVICES**

- Final Design Services
- Bid Phase Services

**SPECIAL SERVICES**

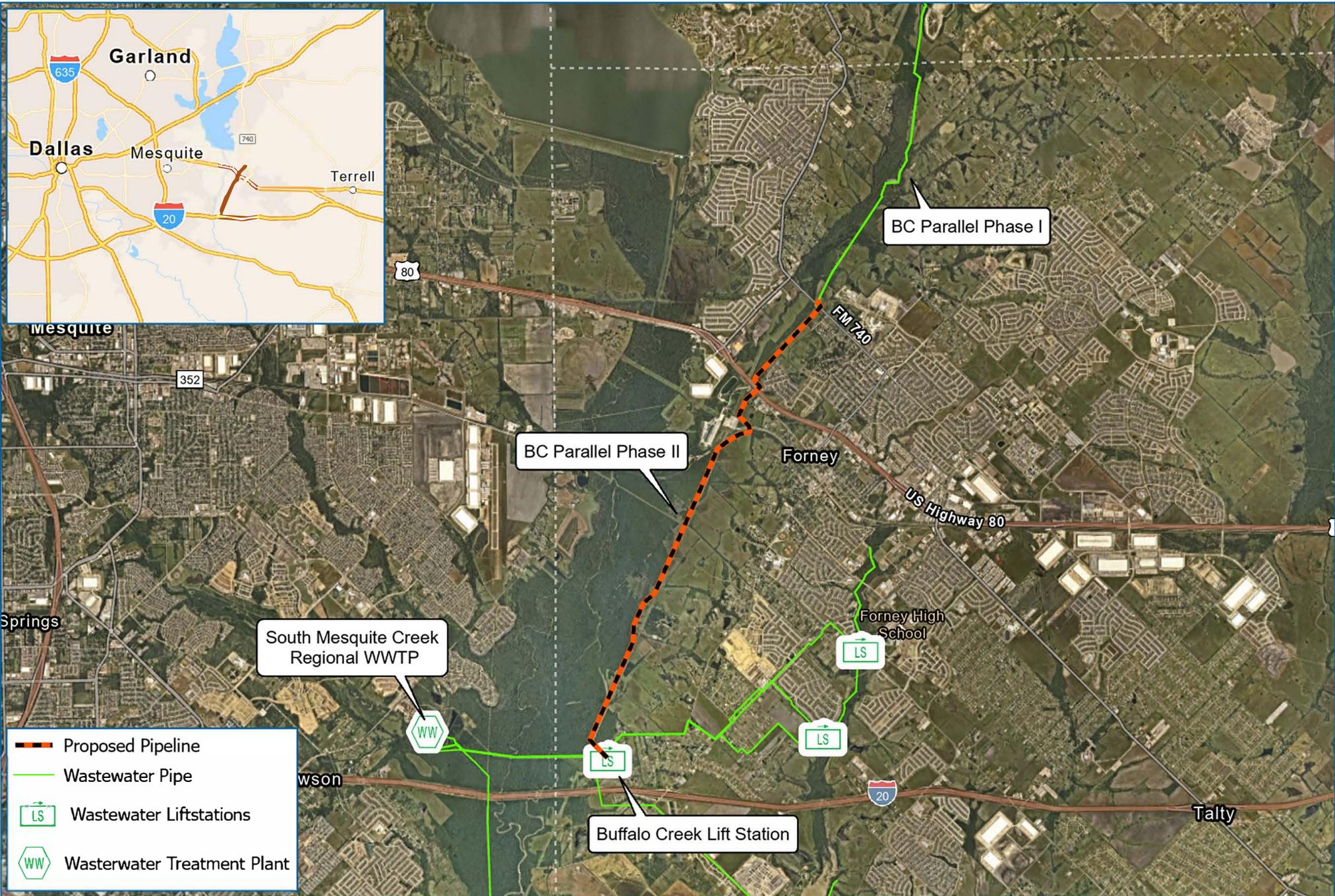
- Geotechnical Engineering
- Survey
- Cultural & Archaeological Services
- Permitting

ENGINEERING SERVICES FEE

<b>Description</b>	<b>Amount</b>
Basic Services	\$1,825,160
Special Services	\$331,851
<b>Requested Amount</b>	<b>\$2,157,011</b>

**FUNDING**

Funding to HDR Engineering Inc. in the amount of \$2,157,011 is to be made available from the Buffalo Creek Interceptor System Construction Funds.



**Buffalo Creek Parallel Interceptor, Phase II**  
**Project No. 507-0636-24**





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10/23/2025

Administrative Memorandum No. 25-6201

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**Regional Wastewater System**

**Wilson Creek Regional Wastewater Treatment Plant Primary Clarifiers, UV and Centrifuge Improvements, Project No. 301-0606-22; Engineering Services Agreement, Outsourced Inspection Agreement, and Internal Inspection Services**

**SUBJECT**

Authorize award of an engineering services agreement in the amount of \$484,113 to Brown and Caldwell, Inc. for construction phase engineering services, an outsourced inspection contract to Mbroh Engineering, Inc., in the amount of \$646,800, and authorize internal inspection services in the amount of \$404,400.

**PURPOSE**

The Wilson Creek Master Plan outlined condition and reliability improvement projects, which are prioritized over the next five years and split into two construction projects. The higher priority project includes replacement of three UV light disinfection trains and additional centrifuge solids processing capacity.

**RECOMMENDATION**

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

Consultant:	Brown and Caldwell, Inc
Outsourced Inspection:	Mbroh Engineering, Inc.
Scope:	Engineering Services During Construction, Outsourced and Internal Inspection Services
Project:	No. 301-0606-22; Wilson Creek Regional Wastewater Treatment Plant (RWWTP) Primary Clarifiers, UV and Centrifuge Improvements.

Amount: Engineering Services During Construction \$484,113 Outsourced  
Inspection Services: \$646,800 Internal Inspection Services:  
\$404,400

Committee: This was an item on the September 24, 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 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**

**PROJECT PURPOSE**

- The Wilson Creek Master Plan identified condition and reliability improvements, which are prioritized for construction over the next five years. Items included are improvements to the Plant 1 primary clarifiers, the Plant 1 primary sludge pump station, an additional dewatering centrifuge, three Plant 1 aeration basin structural deficiencies, UV improvements and process air and blower development.
- The preliminary design evaluated the recommended improvements and determined additional dewatering centrifuge and UV improvements as high-priority improvements to be constructed first.
- The Wilson Creek RWWTP Primary Clarifier, UV, and Centrifuge Improvements project will be split into two projects, and the high-priority improvements will be completed first.
- Engineering services during construction and inspection services to support the construction are currently being negotiated and will be recommended to the board for consideration in October 2025.

**PROJECT COMPONENTS**

- Disinfection facility and canopy improvements for UV 601, 602, and 603.
- Addition of one new centrifuge feed pump, sludge grinder, polymer system, and mixing system for bulk polymer storage tanks.
- Replacement of drains from the primary sludge pump station nos. 1 and 2 to the plant drain manholes.
- Electrical and supervisory control and data acquisition (SCADA) improvements for scoped facilities.

## ENGINEERING SERVICES AGREEMENT

Engineering services during construction for the Wilson Creek RWWTP Primary Clarifiers, UV and Centrifuge Improvements project are based on a 24-month construction duration in the amount of \$484,113. These services include:

- Monthly project management and coordination
- Review of shop drawing submittals, requests for information, proposed change orders and operation and maintenance manuals
- Review of contractor's monthly progress payment requests
- Site visits and construction meetings
- Startup assistance and substantial and final completion inspections
- Development of record drawings and updated equipment lists
- Updates to the plant operation and maintenance manual

## OUTSOURCED INSPECTION SERVICES

- Act as the on-site Owner's Representative, performing daily construction observations, quality assurance (QA) inspections, and ensuring contractor adherence to plans and specifications.
- Attend and facilitate project meetings, maintain communications with all stakeholders, and coordinate activities, including testing, connections, and facility interruptions.
- Document and review project records, such as daily reports, requests for information (RFIs), change orders, submittals, and as-built drawings, ensuring accuracy and compliance.
- Participate in substantial and final completion inspections, prepare and verify punch lists, and assist with equipment training, startup, and project closeout.
- Review contractor schedules, pay estimates, and project changes, providing feedback and ensuring proper documentation and testing coordination.
- The outsourced inspection services will focus on inspection of electrical and instrumentation components of the project.

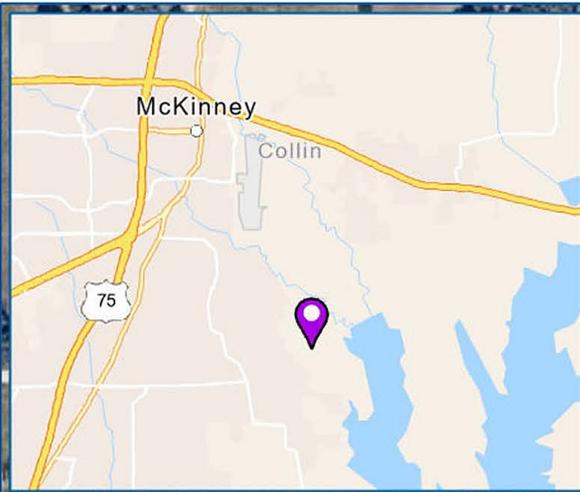
The initial term of these services is 24 months at a cost of \$646,800. At that point, the services and ongoing needs of the District will be reassessed for possible extension.

## INTERNAL INSPECTION SERVICES

NTMWD will provide one civil inspector and one senior inspector to supervise external inspection services. The cost to NTMWD related to this internal inspection coverage is estimated at \$404,400.

## **FUNDING**

Funding in the amount of \$484,113 to Brown and Caldwell, Inc. for engineering services during construction, \$646,800 to Mbroh Engineering, Inc. for outsourced inspection services and funding in the amount of \$404,400 for NTMWD internal inspection services will be provided utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; issuance of ECP notes will occur as cash needs arise.



Primary Sludge  
Pump Station Drains

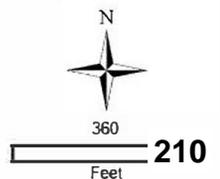
UV Improvements

Dewatering Improvements

-  Wastewater Building
-  Proposed Improvements



# Wilson Creek Regional Wastewater Treatment Plant Primary Clarifiers, UV and Centrifuge Improvements Project No. 301-0606-22





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10/23/2025

Administrative Memorandum No. 25-6202

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**Regional Wastewater System**

**McKinney Prosper Sewer Improvements; Project No. 501-0641-24; Resolution No. 25-51; Right of Way Acquisition Program**

**SUBJECT**

Adopt Resolution No. 25-51 authorizing funding in the amount of \$2,900,000 to acquire permanent, temporary, and access easements

**PURPOSE**

The construction of a parallel interceptor to the McKinney Prosper Sewer will increase capacity for serving McKinney and Prosper north of US Highway 380.

**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 the McKinney Prosper Sewer Improvements, Project No. 501-0641-24, with a budget of \$2,900,000; and,
- 2) Adopt Resolution No. 25-51, *“A Resolution Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the McKinney Prosper Sewer Improvements, Project No. 501-0641-24, 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 purchasing of easements for the project

Project: No. 501-0641-24, McKinney Prosper Sewer Improvements

Amount: \$2,900,000

Committee: This will be an item on the October 22, 2025, Real Estate Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective: 1.2 - Successfully Deliver Capital Program

- |  |   |
|--|---|
| <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**

- The Upper East Fork Interceptor System (UEFIS) Regional Capacity Assessment and Assurance study identified the need to increase the capacity of the McKinney Prosper Sewer, which serves the cities of McKinney and Prosper.
- City of McKinney has immediate plans to redirect flow from its Stonebridge Lift Station to NTMWD’s McKinney Prosper Sewer.
- A parallel 42-/48-inch interceptor will provide the capacity needed to accommodate the system flow projections from the Stonebridge areas, north of US Highway 380.
- The parallel interceptor will convey flows to the planned Stover Creek Lift Station and ultimately to the Sister Grove Regional Water Resource Recovery Facility, through the planned Stover Creek Force Main.
- The interceptor is approximately 5,000 linear feet, generally located from Easley Drive to the future Stover Creek junction structure near the intersection of US Highway 380 and Ridge Road.
- The design allows for a future extension to add capacity to meet City of Prosper’s flow projections.
- Permanent, Temporary, and Access easements are required.
- The general route along which these easements to be acquired is shown on the accompanying map.

**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 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 current workload, contracted land agents or acquisition company(s) may be employed to assist in easement acquisition.

### **FUNDING**

Funding in the amount of \$2,900,000 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.

# NORTH TEXAS MUNICIPAL WATER DISTRICT

## RESOLUTION NO. 25-51

### **A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE RIGHT-OF-WAY FOR THE MCKINNEY PROSPER SEWER IMPROVEMENTS, PROJECT NO. 501-0641-24, AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR**

**WHEREAS**, the NTMWD Board of Directors previously authorized the engineering design of the McKinney Prosper Sewer Improvements Project No. 501-0641-24 (Project); and,

**WHEREAS**, it is necessary to proceed with the acquisition of permanent and temporary easements required for the construction, operation, and maintenance of Project improvements; and,

**WHEREAS**, it may be necessary to acquire easements required for the Project through the use of eminent domain in the event negotiations are unsuccessful; and,

**WHEREAS**, it will be necessary to hire contracted land agents or acquisition companies, appraisers and attorneys, in order to negotiate easements required for the Project; and,

**WHEREAS**, adequate funds are provided from the Upper East Fork Interceptor System Extendable Commercial Paper (ECP) Program 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 construction of the pipeline and appurtenances associated with the McKinney Prosper Sewer Improvements, Project No. 501-0641-24, to serve the wastewater needs of the Districts member and customer cities.
2. It is in the best interest and is necessary to acquire permanent easements, temporary construction easements, and access easements necessary for the construction of the pipeline and appurtenances for the Project across the general route as generally described in Exhibit "A" 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 an uninterrupted operation of the pipeline facilities.
3. The power to initiate eminent domain proceedings is hereby delegated to the Executive Director and is hereby authorized to take all steps necessary to acquire the property and 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.

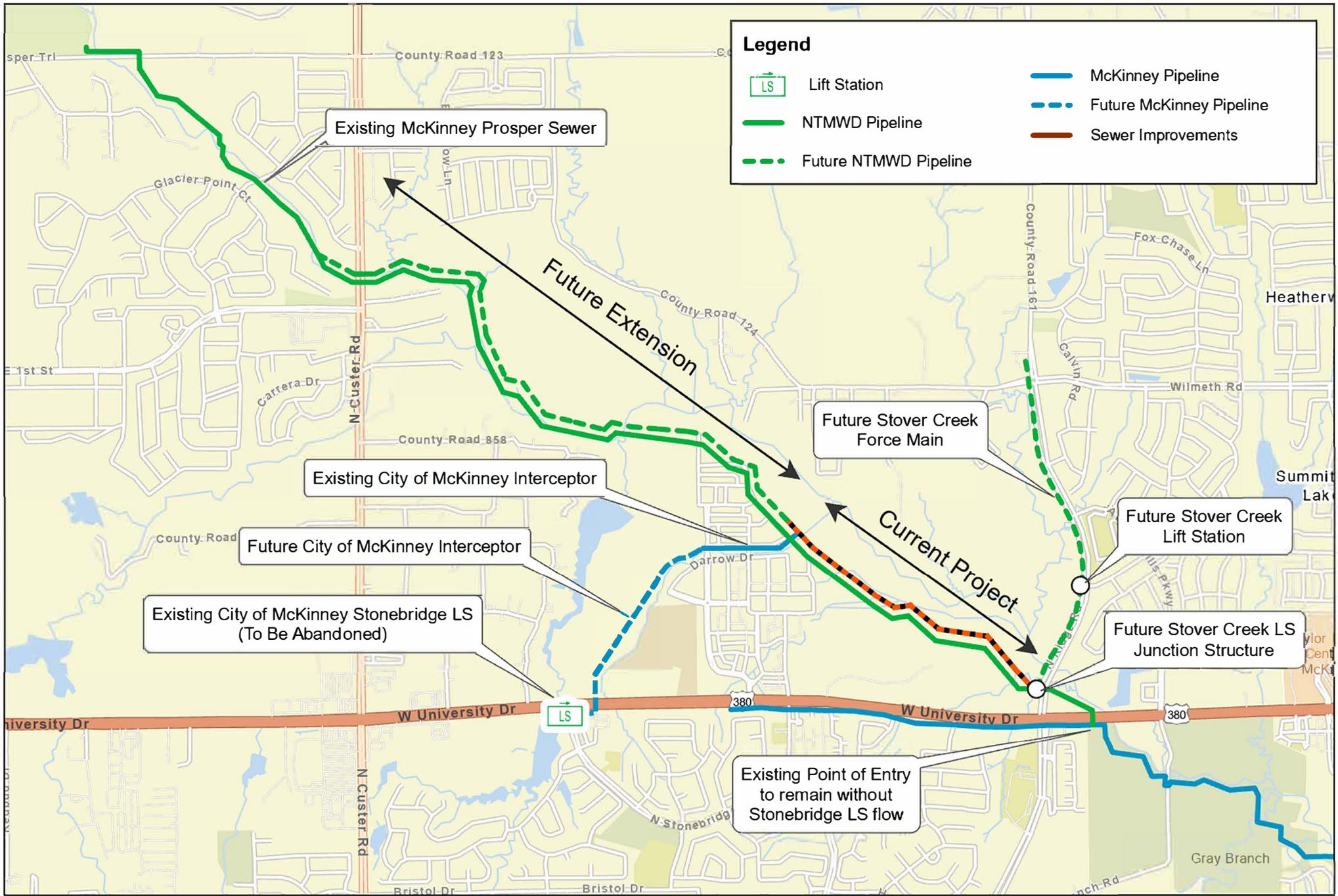
5. A budget of \$2,900,000 is authorized for this right-of-way acquisition program.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON OCTOBER 23, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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

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

**(SEAL)**



**McKinney Prosper Sewer Improvements  
Project No. 501-0641-24**





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10/23/2025

Administrative Memorandum No. 25-6203

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**Upper East Fork Interceptor System**

**Stover Creek Force Main; Project No. 501-0624-23; Resolution No. 25-52; Right of Way Acquisition Program**

**SUBJECT**

Adopt Resolution No. 25-52 authorizing an amendment to an existing right of way acquisition program to provide additional funding in the amount of \$24,700,000.

**PURPOSE**

Right of way acquisition for this project is being performed in phases. Phase 1 was partially funded in April 2024. The additional funding being requested is for the remainder of Phase 1 as well as Phases 2, 3, and 4.

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors:

- 1) Authorize the Executive Director to amend a previously executed right-of-way acquisition program for the Stover Creek Force Main, Project No. 501-0624-23, by providing additional funding of \$24,700,000, resulting in a total budget of \$32,700,000; and,
- 2) Adopt Resolution No. 24-52, *“A Resolution Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the Stover Creek Force Main, Project No. 501-0624-23, and Delegating Authority to Initiate Condemnation Proceedings to the NTMWD Executive Director.”*

Consultant: N/A

Scope: Right-of-Way acquisition and the necessary support services to facilitate the purchasing of easements for the project.

Project: 501-0624-23, Stover Creek Force Main

Amount: \$24,700,000 additional funding

Committee: This will be an item on the October 22, 2025, Real Estate Committee Agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective: 1.2 - Successfully Deliver Capital Program

- |  |   |
|--|---|
| <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**

- Ad Memo 24-6017, April 2024, authorized funding in the amount of \$2,331,606 for the right-of-way (ROW) support services to Lockwood, Andrews, and Newman, Inc. (LAN) as part of the Engineering Services Agreement.
- LAN is the consulting engineering firm for this project and is providing ROW acquisition services.
- Ad Memo 24-6028 and Resolution No. 24-16, May 2024, authorized a ROW acquisition program with funding in the amount of \$8,000,000 for Phase 1 of the project.
- The Phase 1 budget amount allows for early easement acquisitions for the first force main bid package as well as cooperative property owners along the entire alignment.
- This funding request is budgeted for easement acquisition and legal services for all phases and bid packages.
- The general route along which these easements will be acquired is shown on the accompanying map.

**SUPPORT SERVICES**

- Employ the firm of Saunders, Walsh & Beard, Attorneys & Counselors, to act as counsel on the acquisition of the properties.

**FUNDING**

Funding in the amount of \$24,700,000 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.

# **NORTH TEXAS MUNICIPAL WATER DISTRICT**

## **RESOLUTION NO. 25-52**

### **A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE RIGHT-OF-WAY FOR THE STOVER CREEK FORCE MAIN, PROJECT NO. 501-0624-23, AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR**

**WHEREAS**, the NTMWD Board of Directors previously authorized the engineering design of the Stover Creek Force Main, Project No. 501-0624-33 (Project); and,

**WHEREAS**, the NTMWD Board of Directors previously authorized right-of-way support services to Lockwood, Andrews, and Newman, Inc. (LAN) as part of the Engineering Services Agreement (ESA), Administrative Memorandum No. 24-6017, April 2024; and,

**WHEREAS**, the NTMWD Board of Directors previously authorized the right-of-way acquisition program for the Stover Creek Force Main, Project No. 501-0624-33 (Project) with funding in the amount of \$8,000,000; and,

**WHEREAS**, the planned second phase budget was planned for 2025 for the second, third, and fourth force main bid packages; and,

**WHEREAS**, it is necessary to proceed with the acquisition of permanent and temporary easements required for the construction, operation, and maintenance of the Project improvements; 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**, additional funding in the amount of \$24,700,000 is to be made available from 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.

### **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 construction of the pipeline and appurtenances associated with the Stover Creek Force Main, Project No. 501-0624-23 (Project) to serve the wastewater needs of the District's member and customer cities.
2. It is in the best interest and is necessary to acquire those permanent easements, temporary construction easements, and permanent and temporary access easements necessary for the construction of the force main and appurtenances for the Project across the general route as generally described in Exhibit "A" 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.

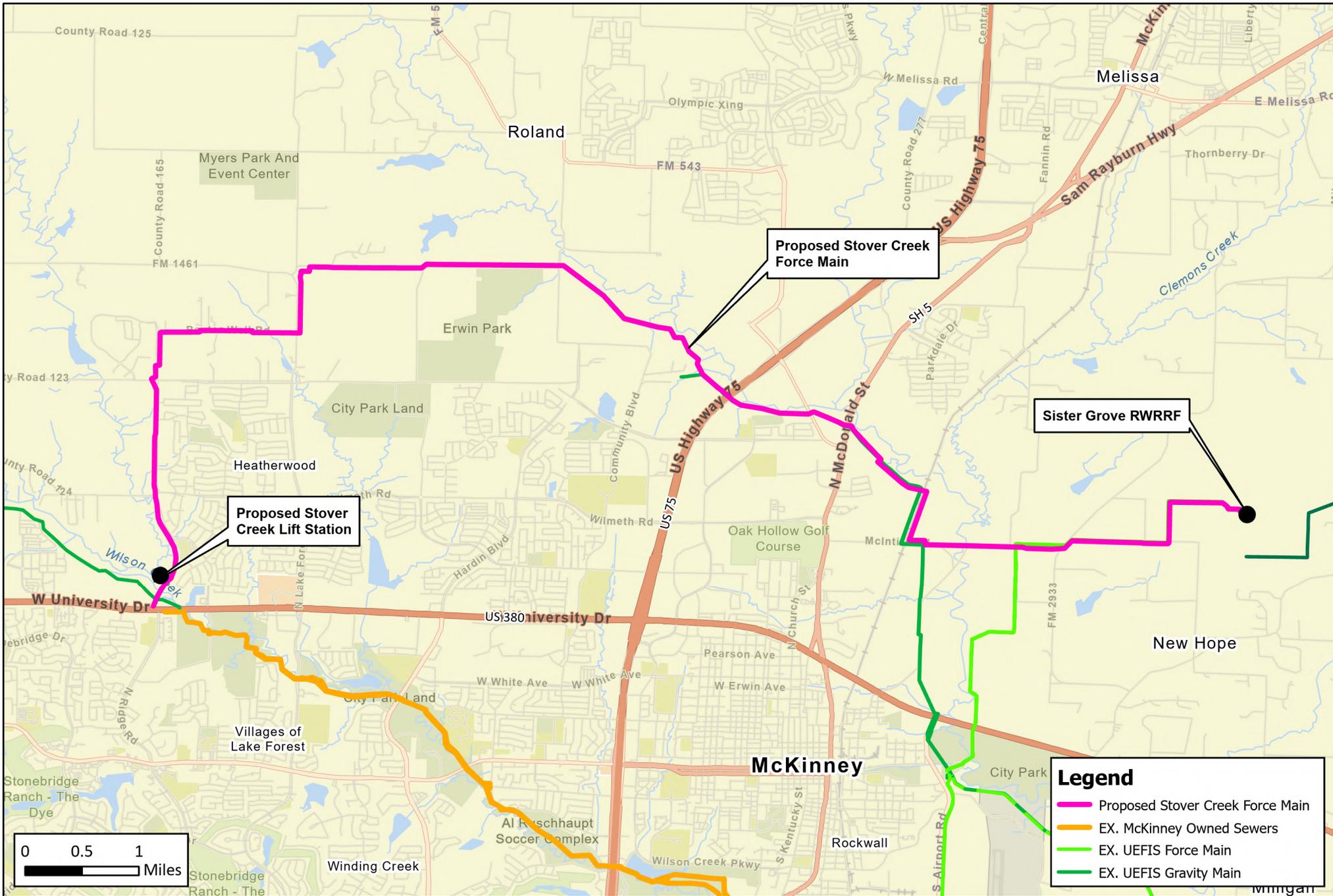
3. The power to initiate eminent domain proceedings is hereby delegated to the Executive Director and is hereby authorized to take all steps necessary to acquire the easements for the Project; including the hiring of negotiators, appraisers, Title Company, and attorneys.
4. The Executive Director is 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.
5. A request for an additional \$24,700,000 is authorized for this right-of-way acquisition program resulting in a total budget of \$32,700,000.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON OCTOBER 23, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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

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

**(SEAL)**



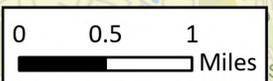
**Proposed Stover Creek Lift Station**

**Proposed Stover Creek Force Main**

**Sister Grove RWRFF**

**Legend**

- Proposed Stover Creek Force Main
- EX. McKinney Owned Sewers
- EX. UEFIS Force Main
- EX. UEFIS Gravity Main



**Stover Creek Force Main  
Project No. 501-0624-23**





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10/23/2025

Administrative Memorandum No. 25-6204

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**Upper East Fork Interceptor System**

**Tickey Creek Force Main; Project No. 501-0637-24; Resolution No. 25-53; Right of Way Acquisition Program**

**SUBJECT**

Adopt Resolution No. 25-53 authorizing funding in the amount of \$14,700,000 to acquire permanent, temporary, and access easements.

**PURPOSE**

The Tickey Creek Force Main, and corresponding Lift Station, will increase wastewater conveyance capacity of the Upper East Fork Interceptor System (UEFIS) to serve projected growth in Princeton. All flows entering the Tickey Creek Lift Station and Force Main are to be conveyed and treated at the Sister Grove Regional Water Resource Recovery Facility.

**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 Tickey Creek Force Main Project No. 501-0637-24, with a budget of \$14,700,000; and,
- 2) Adopt Resolution No. 25-53, *"A Resolution Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the Tickey Creek Force Main Project No. 501-0637-24, 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 purchasing of easements for the project

Project: No. 501-0637-24, Tickey Creek Force Main

Amount: \$14,700,000

Committee: This will be an item on the October 22, 2025, Real Estate Committee meeting agenda

**DRIVER(S) FOR THIS PROJECT**

Strategic Objective: 1.2 - Successfully Deliver Capital Program

- |  |   |
|--|---|
| <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**

- The UEFIS Regional Capacity Assessment and Assurance study (Study) recommended increased wastewater conveyance capacity to meet accelerated growth and increased growth projections in Princeton.
- The Study recommends redirecting all flows to Sister Grove Regional Water Resource Recovery Facility (Sister Grove) for treatment through a combination of new lift stations and force mains.
- The result is the Tickey Creek Force Main and Lift Station projects.
- A Land Acquisition program for Tickey Creek Lift Station will be forthcoming.
- The Tickey Creek Force main shall be an approximate 42,000 linear feet pipeline and a future parallel pipeline from the forthcoming Tickey Creek Lift Station to Sister Grove.
- Permanent, Temporary, and Access easements are required for this project.
- Easements will be acquired along the general route depicted on the accompanying map.

**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 current workload, contracted land agents or acquisition company(s) may be employed to assist in easement acquisition.

**FUNDING**

Funding in the amount of \$14,700,000 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.

# NORTH TEXAS MUNICIPAL WATER DISTRICT

## RESOLUTION NO. 25-53

### A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE RIGHT-OF-WAY FOR THE TICKEY CREEK FORCE MAIN PROJECT NO. 501- 0637-24 AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR

**WHEREAS**, the NTMWD Board of Directors has authorized the engineering design of the Tickey Creek Force Main, Project No. 501-0637-24 (Project); and,

**WHEREAS**, it is necessary to proceed with the acquisition of permanent and temporary easements required for the construction, operation, and maintenance of the Project improvements; 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 will be necessary to hire contracted land agents or acquisition company, appraisers and attorneys, in order to negotiate easements required for the Project; and,

**WHEREAS**, adequate funds are provided from the Upper East Fork Interceptor System Extendable Commercial Paper (ECP) Program 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 construction of the pipeline and appurtenances associated with the Tickey Creek Force Main, Project No. 501-0637-24 to serve the wastewater needs of the Districts member and customer cities.
2. It is in the best interest and is necessary to acquire those permanent easements, temporary construction easements, and access easements necessary for the construction, of the pipeline and appurtenances for the Project across the general route as generally described depicted on 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 is hereby authorized to take all steps necessary to acquire the property and easements for the Project, including the hiring of negotiators, appraisers, 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.

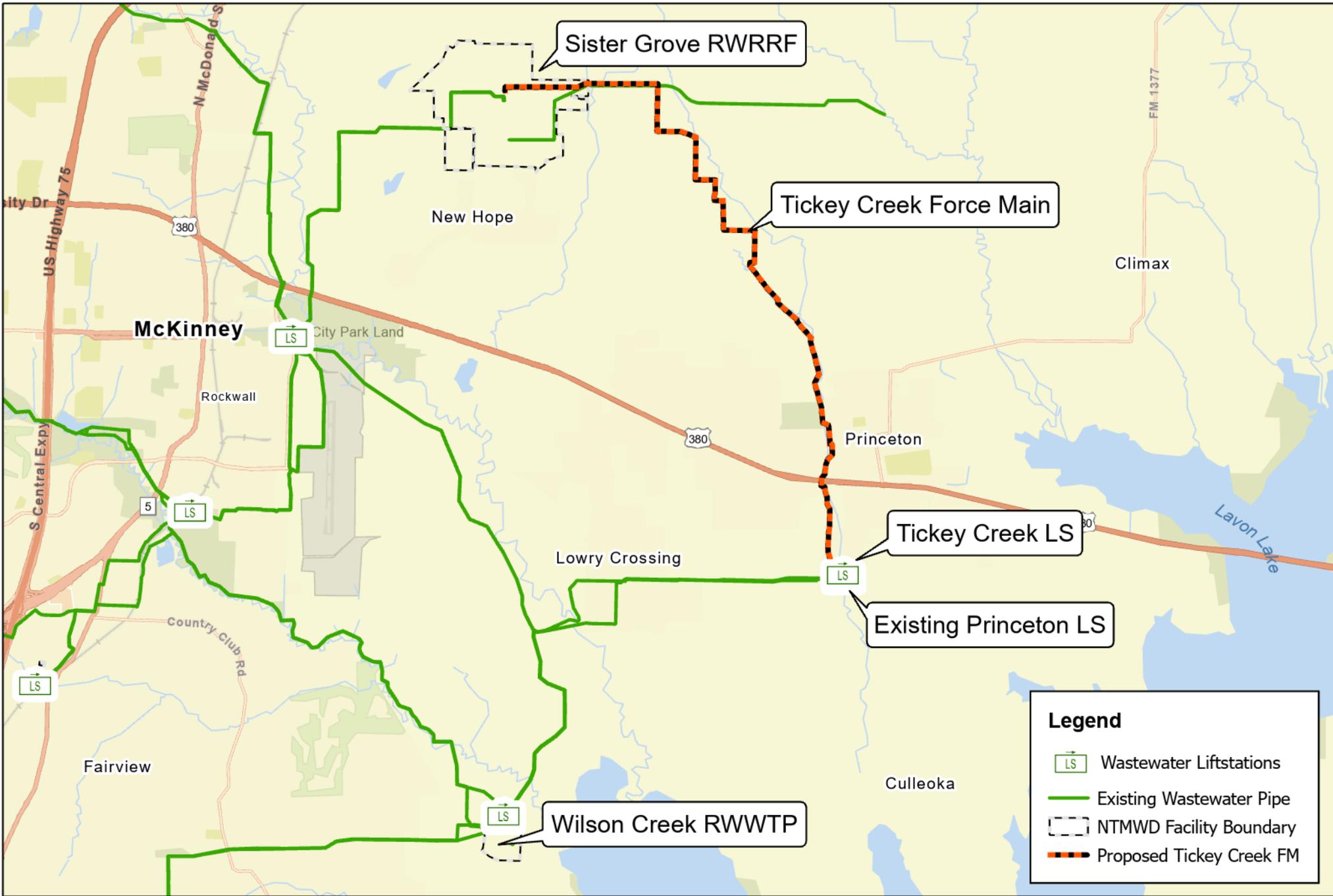
5. A budget of \$14,700,000 is authorized for this right-of-way acquisition program.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON OCTOBER 23, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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

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

**(SEAL)**



**Tickey Creek Force Main  
Project No. 501-0637-24**





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10/23/2025

Administrative Memorandum No. 25-6205

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## **Regional Water System**

### **Trinity River Lock and Dam No. 7 Stabilization; Project No. 101-0550-19; Resolution No. 25-54; Right of Way Acquisition Program**

#### **SUBJECT**

Adopt Resolution No. 25-54 authorizing funding in the amount of \$850,000 to acquire permanent, temporary, and access easements

#### **PURPOSE**

Easements are needed to improve the Trinity River riverbank in the vicinity of Lock and Dam No. 7. Ensuring riverbank integrity is vital for maintaining minimum river levels at the intake of the Trinity River Main Stem Pump Station for its proper operation.

#### **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 the Trinity River Lock and Dam No. 7 Stabilization Project No. 101-0550-19, with a budget of \$850,000; and,
- 2) Adopt Resolution No. 25-54, *“A Resolution Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the Trinity River Lock and Dam No. 7 Stabilization Project No. 101-0550-19, 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 purchasing of easements for the project

Project: 101-0550-19, Trinity River Lock and Dam No. 7 Stabilization

Amount: \$850,000

Committee: This will be an item on October 22, 2025, Real Estate Committee meeting agenda

**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 type="checkbox"/> Safety                          | <input type="checkbox"/> Administrative             |
| <input type="checkbox"/> Policy                          | <input type="checkbox"/> Other _____                |

**BACKGROUND**

**PROJECT PURPOSE**

- This project will provide erosion protection of the riverbank near the west abutment of Lock No. 7 to preserve the intake pool for the Trinity River Main Stem Pump Station.
- Additional measures will occur both upstream and downstream of Lock No. 7.
- Access is needed to reach the riverbank locations.
- Permanent, Temporary, and Access easements are required and will generally be located along the route shown on the accompanying map.

**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 March 2027, contracted land agents or acquisition company(s) may be employed to assist in easement acquisition.

**FUNDING**

Funding in the amount of \$850,000 is to be made available from the Regional Water System Capital Improvement Fund.

# NORTH TEXAS MUNICIPAL WATER DISTRICT

## RESOLUTION NO. 25-54

### **A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE RIGHT-OF-WAY FOR THE TRINITY RIVER LOCK AND DAM NO. 7 STABILIZATION PROJECT NO. 101-0550-19, AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR**

**WHEREAS**, the NTMWD Board of Directors has authorized the engineering design of the Trinity River Lock and Dam No. 7 Stabilization Project No. 101-0550-19 (Project); and,

**WHEREAS**, it is necessary to proceed with the acquisition of permanent and temporary easements required for the construction, operation, and maintenance of the Project improvements; 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 contracted land agents or acquisition companies, appraisers and attorneys, in order to negotiate easements required for the Project; and,

**WHEREAS**, adequate funds are provided from the Regional Water System Capital Improvement Fund 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 construction associated with the Trinity River Lock and Dam No. 7 Stabilization Project No. 101-0550-19, to serve the water needs of the Districts member and customer cities.
2. It is in the best interest and is necessary to acquire those permanent, temporary, and access easements necessary for the construction for the Project at the general location as generally described in Exhibit "A" 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 continual operations.
3. The Executive Director is authorized to employ contracted land agents or acquisition companies to assist in the easement acquisition process.
4. The power to initiate eminent domain proceedings is hereby delegated to the Executive Director and is hereby authorized to take all steps necessary to acquire the property and easements for the Project, including the hiring of negotiators, appraisers, surveyors, Title Company, and attorneys.
5. 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.

6. A budget of \$850,000 is authorized for this right-of-way acquisition program.

**THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON OCTOBER 23, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.**

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

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

**(SEAL)**



**Trinity River Lock and Dam No. 7 Stabilization  
Project No. 101-0550-19**





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10/23/2025

Administrative Memorandum No. 25-6206

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**Regional Water System**

**Preliminary Development Agreement with Cypress Point on the Lake LLC**

**SUBJECT**

Authorize execution of a Preliminary Development Agreement with Cypress Point on the Lake LLC, 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 homeowners association who will own the improvements as required by the Preliminary Development Agreement.

**PURPOSE**

Cypress Point on the Lake LLC, is a 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 Cypress Point. Upon completion of the improvements, ownership will transfer to a future homeowners association who will be responsible for all future maintenance activities.

**RECOMMENDATION**

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute a Preliminary Development Agreement with Cypress Point on the Lake LLC, as follows:

Contracting Party: Cypress Point on the Lake LLC

Scope: Preliminary Development Agreement

Contract Term: 5-years

Amount: None

Committee: This will be an item on the October 22nd, 2025, Real Estate Committee meeting agenda

**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 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 to reflect current administrative systems and processes, update agreement templates, and provide additional guidance to future applicants seeking approval for certain shoreline uses and improvements.
- Cypress Point on the Lake LLC is a residential property development company that owns 169.879 acres referred to as the Cypress Point subdivision on Bois d’Arc Lake.
- This residential development, called Cypress Point, is subject to rules and regulations established by the Cypress Point Homeowners Association (HOA).
- Cypress Point is a residential development that abuts NTMWD property at Bois d’Arc Lake and the Developer wishes to construct certain improvements on NTMWD property for use by future residents.
- The Plan provides that such improvements for planned residential developments shall generally conform to the requirements of the Plan and may be authorized through individual agreement(s).
- NTMWD has received an application package from the Developer, which includes proposed improvements that generally conform to the requirements of the Plan.
- NTMWD and its legal counsel have applied the approved agreement templates in the Plan to create a Preliminary Development Agreement to facilitate the construction of these community improvements and the use of NTMWD property by the Developer and future residents.

- The Preliminary Development Agreement requires the Developer and HOA to enter into a Lease and Use Agreement with NTMWD once construction of the improvements is complete to NTMWD's satisfaction.
- The subsequent Lease and Use Agreement must conform to the draft included as an attachment to this Preliminary Development Agreement, and this action authorizes the Executive Director to enter into that subsequent agreement with the Developer and HOA.
- 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.

### **KEY COMPONENTS OF THE PRELIMINARY DEVELOPMENT AGREEMENT**

- Agreement term of 5 years
- Authorizes the following construction activities and improvements, which shall generally conform to the NTMWD Bois d'Arc Lake Shoreline Management Plan:
  - One (1) 20 slip floating pole dock with solar-powered lighting
  - Access paths to the dock
  - Shoreline erosion control structures adjacent to the dock
  - Vegetation modification within defined areas and limits
  - Lake dredging
  - Community walking paths, pedestrian bridge, gazebo, and fishing pier
- Annual fees to be paid to NTMWD during the initial term of the agreement as follows:
  - Year 1 = \$15,825
  - Years 2-5 = \$3,250
- List of fines that may be levied against the Developer and/or HOA for certain violations as well as additional remedies for non-compliance
- Requirements for construction of improvements and use of NTMWD property to protect water quality and ensure compliance with the Plan
- Requires and authorizes execution of a subsequent Shoreline Lease and Use Agreement with the Developer and the HOA upon completion of construction
- Includes defined areas in which the HOA will allow residents to seek separate, future approvals from NTMWD for docks associated with individual private lots
- The agreement will substantially conform to the attached draft

### **FUNDING**

No funding is requested.

**PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE NORTH TEXAS  
MUNICIPAL WATER DISTRICT AND CYPRESS POINT ON THE LAKE LLC.**

This Preliminary Development Agreement (“Agreement”) is entered into this \_\_\_\_ day of October 2025 (the “Effective Date”) by and between North Texas Municipal Water District (“NTMWD”), a wholesale water and wastewater provider that owns and operates Bois d’Arc Lake (the “Lake”) in Fannin County, Texas, and Cypress Point on the Lake, LLC. (“Developer”) seeking to develop 169.879 acres of property for Cypress Point subdivision adjacent to the Lake (the “Property”) (collectively “Party” or “Parties”).

**RECITALS**

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Chapter 62, Acts of the 52<sup>nd</sup> Legislature, 1951 (Article 8280-141, Vernon’s Texas Civil Statutes) and other applicable laws;

WHEREAS, Developer owns the Property and plans to construct facilities and enter into agreements affecting the Property before the Property is ultimately transferred to Cypress Point HOA. (the “Association”);

WHEREAS, Developer intends to develop the Property as a master-planned community for residential and recreational use (the “Development”);

WHEREAS, Developer plans to transfer the common areas of the Development identified in **Exhibit A** to the Association after the Developer has completed the construction of the improvements and facilities on the Property;

WHEREAS, the Association’s covenants, conditions, and restrictions for the Development are attached hereto as **Exhibit A** (“CC&Rs”);

WHEREAS, control of the Association will transfer to individual lot owners after the Control Transfer Date as stated in the CC&Rs; and all construction of the improvements and the Project (defined below) has been completed;

WHEREAS, the Development is adjacent to the Lake that is owned and operated by NTMWD;

WHEREAS, NTMWD owns the property below the 541 feet mean sea level (“MSL”) of the Lake and owns a Permanent Flowage and Flood Easement (the “Easement”) located between the 541 MSL and 545 MSL elevations across the Property (the “Shoreline”);

WHEREAS, as part of the Development, Developer seeks to make certain improvements to the Shoreline such as community docks and pathways as described in **Exhibit A** (the “Project”);

WHEREAS, before the Project proceeds, Developer must obtain authorization for the Project from NTMWD, as the owner and the Easement holder of the Shoreline; and

WHEREAS, the Parties seek to enter into an agreement to authorize the Project and effect the transfer of the Project to the Association.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the Parties agree as follows:

### AGREEMENT

1. **PURPOSE.** The purpose of the Agreement is to establish a preliminary development agreement for Developer to begin construction of the Project contingent upon the Association and Developer subsequently entering into a Shoreline Lease and Use Agreement with NTMWD, as further provided herein, and enforcing the CC&Rs.
2. **EFFECTIVE DATE.** This Agreement is effective as of the date first written above.
3. **PROJECT ACTIVITIES.** All Project activities identified in **Exhibit A** may not begin until the following conditions occur: (1) the Developer and its contractors meet with NTMWD to obtain approval to commence work on the Project activities in **Exhibit A**; and (2) NTMWD approves of the Project activities and issues Developer written authorization to work on the Project activities. Any deviations from the Project activities identified in **Exhibit A** require prior written approval by NTMWD after Developer submits a request to NTMWD for a deviation in writing. NTMWD has forty-five (45) days to review any deviation request and respond to the request from Developer. Anything not expressly authorized in writing by NTMWD as a Project activity or an approved deviation from a Project activity is expressly prohibited.
4. **PROJECT ABANDONMENT.** Abandonment of the Project occurs in either of the following situations: (1) failure to maintain the Project within the terms of the Agreement; or (2) failure to comply with Sections 6 and 7 of the Agreement (“Abandonment”). In the event of Abandonment of the Project, Developer shall be required to remove any improvements associated with the Project and restore the Shoreline to the satisfaction of NTMWD within thirty (30) days of receiving written notice from NTMWD requiring removal and restoration. In the event Developer shall fail to remove said improvements associated with the Project and restore the Shoreline, NTMWD shall have the option to take over the improvements without compensation to Developer, or to remove the improvements and perform the restoration at the expense of Developer, and Developer shall have no claim against NTMWD or its officers or agents for such action and no refund by NTMWD of any fee theretofore paid shall be made. Developer shall reimburse NTMWD for any and all costs associated with NTMWD’s removal of improvements and restoration within thirty (30) days of NTMWD’s request for reimbursement.
5. **DEADLINE FOR COMPLETION.** The deadline for completion of the Project is one year from the latest date of NTMWD’s notices to proceed to Developer as provided in Sections 3 and 4. If the Project is not complete by the one-year deadline, NTMWD has the

authority to remove any improvements from the Property and terminate this Agreement effective immediately.

6. **EXTENSION OF DEADLINE FOR COMPLETION.** At NTMWD's sole discretion, the deadline for completion may be extended. For such an extension to be considered, Developer must submit a written extension request to NTMWD at least thirty (30) days before the expiration of the deadline for completion. NTMWD has thirty (30) days to grant or deny Developer's extension request.
7. **DREDGING, EXCAVATION, AND REGRADING ACTIVITIES.** Developer is responsible for notifying NTMWD and obtaining written authorization from NTMWD before every individual dredging, excavation, or regrading project commences on the Shoreline. Any activities are limited to those approved activities included in **Exhibit A**. Notification includes as follows: (1) written acknowledgement that Developer has complied with all applicable local, state, and federal laws and regulations; (2) the estimated start date and end date for the dredging, excavation, or regrading activity; (3) a point of contact and contact information for every dredging, excavation, or regrading activity; and (4) a description of the specifications and construction methods to be employed during the dredging, excavation, or regrading activity. NTMWD has the authority to reject any proposed construction methods proposed by Developer for the Project.
8. **ASSOCIATION TO SIGN SHORELINE LEASE AND USE AGREEMENT.** Developer agrees to include the Shoreline Lease and Use Agreement for the Association's signature during the transfer of assets, including but not limited to the transfer of all real property, personal property, fixtures and any other improvements on the Shoreline, from Developer to the Association (the "Transfer"). The Shoreline Lease and Use Agreement is attached as **Exhibit B**, which may be revised by NTMWD in its sole discretion. Any revised version of the Shoreline Lease and Use Agreement included in **Exhibit B** shall be substantially similar to the version included in **Exhibit B**. Developer agrees to include a provision in the agreement(s) regarding the Transfer from Developer to the Association that requires the Association and the Developer to execute the Shoreline Lease and Use Agreement simultaneously at the time of execution of the agreement(s) regarding the Transfer. Developer is solely responsible for paying any fees required under the Bois d'Arc Lake Shoreline Management Plan ("SMP"), including but not limited to application fees for the Shoreline Lease and Use Agreement.
9. **FINANCIAL ASSURANCES.** Developer, at its own expense, shall procure and maintain for the duration of the design and construction phase of the Project, a performance bond in an amount of not less than \$\_\_\_\_\_ for construction of the Project (the "Performance Bond"). The amount covered must be sufficient to cover the entire cost of the Project, and cover the cost needed to remove any Project activities on the Shoreline and restore the Shoreline to its original condition in the event of Abandonment of the Project. Developer must maintain the Performance Bond until all construction of the improvements and the Project has been completed. The Performance Bond shall be on forms reasonably acceptable to NTMWD. The Performance Bond shall be executed by a surety company authorized to do business in the State of Texas and listed in the current Federal Department

of Treasury Circular 570. Developer shall provide evidence of the Performance Bond within ten (10) days following the Effective Date.

10. **OPERATION, MAINTENANCE, REPAIR, & REPLACEMENT.** The operation, maintenance, repair, or replacement of the Project authorized by this Agreement shall be performed at no cost or expense to NTMWD and subject to the express written approval of NTMWD. Anything not expressly authorized in writing by NTMWD as a Project activity or an approved deviation from a Project activity is expressly prohibited. Upon the completion of any of such operation, maintenance, repair, or replacement, Developer shall immediately restore the Shoreline to the satisfaction of NTMWD. The use and occupation of the Shoreline for the purposes herein granted shall be subject to NTMWD's property ownership rights, the policies as set forth in the SMP, and to all applicable federal, state, and local laws and regulations. If the Project is removed for storage or extensive maintenance, NTMWD may require portions of the Project be removed from the Shoreline. Further, Developer agrees to operate and maintain the Project and/or use in a manner so as to provide safety, minimize any adverse impact on fish and wildlife habitat, and natural, environmental, or cultural resource values, and in a manner so as to minimize the degradation of water quality.
11. **IMPROVEMENT STANDARDS.** Unless otherwise authorized in Sections 3 and 4 of this Agreement, docks and other permitted improvements must conform to the standards found in the SMP and **Exhibit A**. These standards address electrical service and lighting, signage, improvement size and length, improvement location and spacing, orientation of the improvement to the Shoreline, improvement maintenance, and other features and amenities as described in the SMP. Any deviation from the SMP requirements will be considered a breach of this Agreement.
12. **FLOATS AND FLOTATION MATERIALS.** Floats and the flotation material for all docks shall be fabricated of materials manufactured for marine use and in accordance with the approved plans in **Exhibit A**. The float and its flotation material shall be one hundred (100) percent warranted for a minimum of eight (8) years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All floats shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. All floats and the flotation material used in them shall be fire resistant. The use of new or recycled plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.
13. **ANCHORING.** The gangways to boat docks, fishing piers, or any other overwater structure shall be securely attached to the shore in accordance with the approved plans by means of moorings that do not create tripping hazards along the shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.
14. **AGREEMENT DISPLAY TAG.** The Agreement Display Tag shall be posted at the Project and/or on the land areas covered by the Agreement so that it can be visually checked with ease in accordance with instructions provided by NTMWD.

15. **CONSTRUCTION DISPLAY SIGN.** During the period in which Developer is building roads, docks, and amenities, including site preparation, Developer is required to post a construction display sign from NTMWD. This is required in addition to the required construction notification, and other notifications, permits, and authorizations required by local, state, and federal laws, including but not limited to, obtaining and posting notice of any required construction stormwater general permit.
16. **PROHIBITED ITEMS.** Treated landscape timbers or the storage, transfer, or use of hydrocarbons or other petrochemical products, paint, pesticides, herbicides, or any other toxic or hazardous materials are not allowed on the Shoreline or the Lake.
17. **ELECTRICAL SAFETY AND COMPLIANCE.** Developer shall comply with all applicable federal, state, county, municipal laws, ordinances, and regulations wherein the permitted facilities/activities are located, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Failure to abide by these applicable laws and regulations may be cause for revocation of this Agreement.
18. **POLLUTION PREVENTION.** Within the limits of their respective legal powers, the Parties hereto shall protect the Shoreline against pollution of its air, ground, and water. Developer shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency (“EPA”), the United States Army Corps of Engineers (“USACE”), the Texas Commission on Environmental Quality (“TCEQ”), or any federal, state, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Shoreline is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said EPA, USACE, TCEQ, or any federal, state, or local governmental agency are hereby made a condition of this Agreement. Developer shall not discharge waste or effluent from the Shoreline in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.
19. **PESTICIDES AND HERBICIDES.** The use of any pesticides or herbicides within the Shoreline and the Lake shall be in conformance with all applicable federal, state, and local laws and regulations. Developer must obtain approval in writing from NTMWD before any pesticides or herbicides are applied to the Shoreline and the Lake.
20. **ENVIRONMENTAL IMPACT.** Developer will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from Developer’s activities, Developer shall be required to restore the damaged resources.
21. **TIMBER CLEARING.** Unless expressly authorized under Sections 3 and 4 of this Agreement, no timber above the 534 MSL contour shall be cleared. Standing timber below the 534 MSL contour may be cleared only if approved through this Agreement after Developer submits a timber clearing proposal to NTMWD. Developer shall provide documentation of coordination with the USACE in accordance with the procedures

described in the SMP. Such USACE coordination shall only occur after NTMWD has reviewed the timber clearing proposal and provided direction to engage in such coordination. Any timber clearing authorized under this Agreement must be in compliance with any required USACE approvals, authorizations, or permits. Timber clearing shall be approved by NTMWD in writing and shall be in accordance with the Clean Water Act Section 404 Permit for Bois d'Arc Lake as provided in the SMP. Timber clearing not approved by NTMWD in writing is prohibited and any prohibited timber clearing shall be considered a breach of this Agreement.

22. **AGREEMENT FEES.** Developer shall pay, in advance, to NTMWD, compensation in accordance with **Exhibit C**. Fees are subject to change upon renewal of the Agreement.
23. **DEVELOPER COMPLIANCE WITH LOCAL, STATE, AND FEDERAL LAWS AND REGULATIONS.** It is Developer's sole responsibility for ensuring its performance of this Agreement complies with all local, state, and federal regulations. NTMWD shall not be responsible for ensuring Developer's compliance with these laws and regulations.
24. **WAIVER OF ANY TAKINGS CLAIM.** Developer **WAIVES ANY CLAIM IT MAY NOW OR IN THE FUTURE HAVE AGAINST NTMWD FOR A STATE OR FEDERAL "TAKINGS" or "INVERSE CONDEMNATION"** of either the Project or the portion of the Shoreline on which the Project is located resulting from Lake levels being inconstant or from flooding, high water, drought, or similar occurrence, even if any of these occurrences is caused or alleged to be caused, in whole or in part, by NTMWD, whether through NTMWD's negligence or otherwise.
25. **INDEMNIFICATION.** NTMWD shall have no liability whatsoever, either to Developer, Developer's successors, assigns, guest invitees or any other third party, for property damage to Developer's Project or the contents thereof, caused by inundation or flooding of the property or the effects of drought, **EVEN IF CAUSED BY NTMWD'S NEGLIGENCE.** NTMWD shall not be liable to Developer or Developer's contractors, subcontractors, guests, visitors, invitees or to any other person whomsoever, for any injury to person or damage to property on or about the Property due to **ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, INUNDATION OR FLOODING OF THE PROPERTY OR THE EFFECTS OF DROUGHT,** and Developer agrees to indemnify NTMWD and hold it harmless from any loss, expenses, or claims including attorney's fees, arising out of any such damage or injury, **INCLUDING INJURY TO PERSON OR DAMAGE TO PROPERTY THE SOLE OR CONTRIBUTING CAUSE OF WHICH IS THE NEGLIGENCE OF NTMWD.** If any action or proceeding is brought against NTMWD by reason of any such claim, Developer, upon notice from NTMWD, will defend such action or proceeding with counsel acceptable to NTMWD.
26. **RELEASE & ASSUMPTION OF RISK.** Developer acknowledges that Bois d'Arc Lake is not a "constant level" or "controlled level" lake and is **SUBJECT TO DROUGHT OR FLOODING WITHOUT WARNING.** Developer acknowledges and agrees that the Property is being improved upon "**AS-IS, WHERE-IS,**" with all defects, whether known

or unknown. Developer recognizes the risk inherent in constructing improvements in close proximity to, and over, the Lake because of the risks associated with flooding, high water, and drought conditions. These risks include, but are not limited to, lake level fluctuations resulting in improvements, such as docks, being completely unusable during flood or drought conditions, which can extend over months or years, as it relates to multi-year drought conditions. As a condition of, and in consideration for, NTMWD's entering into this Agreement, as between NTMWD and Developer, Developer **AGREES TO ASSUME ALL RISK** of destruction of or damage to any improvements and the property of Developer or third parties located on the Property and to assume all risk of bodily injury or death to any person on the Property associated with the Project resulting from any cause. As part of the assumption of risk, Developer, for itself and its heirs and assigns, **EXPRESSLY RELEASES NTMWD FROM ALL LOSS, COSTS, AND LIABILITY FOR (1) DAMAGE OR DESTRUCTION TO ANY OF ITS PROPERTY LOCATED ON OR AT THE PROPERTY RESULTING FROM ANY CAUSE AND (2) BODILY INJURY OR DEATH TO DEVELOPER OR ANY CONTRACTOR OR SUBCONTRACTOR OR OTHER PERSON AT THE PROPERTY.**

27. **NO GOODS OR SERVICES PROVIDED TO NTMWD.** The Parties agree that pursuant to this Agreement Developer is not providing any "good or services" to NTMWD and this Agreement is not a contract subject to Chapter 271, Subchapter I of the Texas Local Government Code because no "goods or services," as such terms have been interpreted by courts in the State of Texas, are provided by Developer to NTMWD pursuant to this Agreement.
28. **DAMAGE TO SHORELINE.** Developer shall be liable for any and all damage that may be caused to the Shoreline by the activities of Developer, or individual property owners of the Development, under this Agreement and shall exercise due diligence in the protection of all property located on the Property against fire or damage from any and all other causes. Any property of NTMWD damaged or destroyed by Developer, or individual property owners of the Development, incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by Developer or the individual property owner of the Development to a condition satisfactory to NTMWD, or at the election of NTMWD, reimbursement made therefore by Developer in an amount necessary to restore or replace the property to a condition satisfactory to NTMWD.
29. **NTMWD's ACCESS TO SHORELINE.** The right is reserved to NTMWD, its officers, agents, and employees to enter upon the Shoreline at any time and for any purpose necessary or convenient in connection with NTMWD work, to make inspections, to remove any material, except property of Developer approved for use on the Shoreline, and/or to make any other use of the lands as may be necessary in connection with NTMWD purposes, and Developer shall have no claim for damages on account thereof against NTMWD or any officer, agent, or employee thereof. NTMWD's authorized representative shall be allowed to cross the Property, as necessary, to inspect the Project. NTMWD will notify Developer of any deficiencies noted and will establish a schedule for their correction. No deviation or changes from approved plans for the Project will be allowed without prior written approval of NTMWD. Any deviations from the Project must be approved in

writing by NTMWD after Developer submits a request to NTMWD for a deviation in writing. NTMWD has forty-five (45) days to review and respond to the request from Developer. Notwithstanding the foregoing, if NTMWD determines during an inspection that a noncompliance issue concerns a significant imminent threat to the environment or public health, safety, and general welfare, NTMWD may take whatever action necessary within the authority of NTMWD to eliminate such threat, including but not limited to, requiring Developer to immediately address the noncompliance issue.

30. **LAKE AND SHORELINE ACCESS.** All watercraft must be launched from a NTMWD-approved ramp or a dock. This excludes non-motorized watercraft such as kayaks, canoes, and stand up paddle boards. Unless otherwise approved, neither Developer nor individual lot owner may build a boat ramp or use any of their property to launch a watercraft except as set forth herein.
31. **PROPERTY LINE AND SIDE YARD DELINEATION.** For this Agreement, Developer will delineate the boundary line between NTMWD-owned property and Developer's property in a visibly clear, but unobtrusive manner approved by NTMWD and in accordance with the SMP. Developer will also identify the intersection of the projected side yard line and the 534 MSL as depicted in the exhibit to this Agreement.
32. **SHORELINE MAINTENANCE.** NTMWD is under no obligation to Developer to maintain the Shoreline. Developer is responsible for maintaining the Shoreline in a clean and sanitary manner, including removing trash and other natural debris. Unless expressly authorized by this Agreement, Developer is responsible for acting in accordance with the SMP. Any materials and refuse from maintenance and repair activities are to be removed from the Shoreline and the Lake immediately upon completion of such activities.
33. **CULTURAL RESOURCES.** Developer shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity on NTMWD-owned property. In the event such items are discovered on NTMWD-owned property, Developer shall immediately notify NTMWD and protect the site and material from further disturbance until NTMWD authorizes any further activity.
34. **COMMERCIAL ACTIVITIES PROHIBITED.** No attempt shall be made by Developer to forbid the full and free use by the public of all waters adjacent to the Shoreline. No charge may be made for use by others of the Shoreline or the Lake nor shall commercial activities, including any form of advertising, be conducted thereon.
35. **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction. This Agreement does not authorize

any injury to private property or invasion of private rights or any infringement of local, state or federal laws or regulations, nor does it obviate the necessity of obtaining local, state, or federal assent required by law for the operation, use, maintenance, or repair of the Improvement and/or use.

36. **RULES AND REGULATIONS.** The Property shall be expressly subject to all rules and regulations promulgated by NTMWD for the construction, use, maintenance, and enjoyment of the Property, including without limitation, all regulations and requirements of NTMWD, now or hereafter enacted. By signing this Agreement, Developer specifically acknowledges that it has read the applicable requirements of the Bois d'Arc Lake Rules and Regulations, the SMP, and the Fannin County Zoning Regulations and agrees that Developer's use of the Property shall at all times be in compliance with such plans and regulations.
37. **TERMINATION OF AGREEMENT.** Before NTMWD may terminate the Agreement, NTMWD must send a notification to Developer informing Developer of NTMWD's grounds for termination of the Agreement and giving Developer sixty (60) days to address and cure such grounds for termination. If the time period to cure has passed without Developer taking the required curative action, NTMWD may mail a notice to terminate to Developer by certified letter. The termination of the Agreement is effective as of the date of the termination letter. Unless terminated earlier, this Agreement shall terminate upon the Association's execution of the Shoreline Lease and Use Agreement.
38. **REMEDIES.** It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies, including termination as provided in Section 39, existing at law or in equity may be availed of by any Party hereto and shall be cumulative.
39. **NOTICE.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to an officer of such Party, or by electronic mail, addressed to the Party to be notified at the email address provided below. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the contact information of the Parties shall, until changed as hereinafter provided, be as follows:

If to Developer, to:

Dan Cooper  
Cypress Point on the Lake LLC  
6042 Pitchfork Ranch Drive  
Frisco, Texas 75036  
214-714-5638  
dan@cooperlandcompany.com

If to NTMWD, to:

Jennafer P. Covington  
Executive Director/General Manager  
North Texas Municipal Water District  
P.O. Box 2408  
Wylie, Texas 75098  
972-442-5405  
jcovington@ntmwd.com

The Parties hereto shall have the right from time to time and at any time to change their respective contact information and each shall have the right to specify as its contact information any other contact information by at least fifteen (15) days' written notice to the other Party hereto.

40. **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 provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
41. **NO JOINT VENTURE.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. NTMWD, its past, present, and future officers, elected officials, employees and agents of NTMWD, do not assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.
42. **REPRESENTATIONS AND WARRANTIES.** Each Party represents and warrants to the other Party that (i) the Party has full requisite power and authority to perform its obligations under this Agreement; (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action of the board of directors or other applicable governing body of the Party; (iii) this Agreement is a valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other law affecting creditors' rights generally, and by general equitable principles; and (iv) the execution, delivery, and performance of this Agreement by the Party does not, and will not: (A) violate the statute, charter, or other instrument pursuant to which the Party was created; (B) violate the Constitution of the State of Texas, or any other law, rule or regulation by which the Party is bound; (C) violate any judgment, writ, order, injunction, award, or decree of any court, arbitrator, administrative agency or other governmental authority which is binding upon the Party; or (D) result in a material breach, violation, or default under any indenture, mortgage, ordinance, bond resolution, contract, deed of trust, debenture, agreement, or other instrument to which the Party is a party.

43. **ENTIRE AGREEMENT – NO ORAL MODIFICATIONS.** This Agreement embodies the entire Agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without a written supplemental agreement executed by both Parties.
44. **ASSIGNMENT.** Developer shall not assign this Agreement or any of its rights hereunder without first obtaining the express prior written agreement of NTMWD.
45. **NO THIRD PARTY BENEFICIARIES.** Developer and NTMWD enter into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than Developer and NTMWD.
46. **VENUE.** It is specifically agreed among the Parties to this Agreement that Fannin County, Texas, is the place of performance of this Agreement; and, in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Fannin County, Texas.
47. **ADOPTION OF PREAMBLE AND EXHIBITS.** All of the statements in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.
48. **VIOLATIONS AND PENALTIES.** Developer will be held accountable to the conditions outlined herein. If a violation is identified, NTMWD will follow the steps outlined below:
- First Notice:* NTMWD will generally issue a written warning notifying Developer of the violation, outlining actions to correct the violation, and providing a resolution timeframe. Depending on the noncompliance issue (e.g. is the issue an imminent health or safety concern), the time provided for resolution and the degree to which NTMWD may step in and proactively correct an issue may vary. Some violations may immediately generate a fine. NTMWD may, at its discretion, waive fines to be imposed at the first notice. NTMWD will follow up within the specified timeframe to document resolution of the issue. Increased frequency of monitoring and inspection may be warranted for a period of time following resolution.
- Second Notice:* A second notice may involve the same activity or conditions as the first notice, or it may be a new issue. Second notices for the same situation that triggered the first notice will also be linked to increased fines and shorter resolution timeframes. Developer will be required to reimburse NTMWD for costs associated with monitoring, inspection, and follow-up for second notice actions.
- Third Notice:* Three notices for the same or different instances of noncompliance with this Agreement within one year will trigger a notice to revoke or terminate this Agreement. Developer will have 30 days to remove improvements at its expense and restore the

Shoreline to its condition prior to the construction of the improvements (if applicable). Developer may appeal a notice of termination to NTMWD within 15 days of receiving the notice. NTMWD will respond to Developer within 30 days.

Resolution timeframes and fines are dependent on the harm that may occur to people, property, and resources if the violation were to continue. Violations that are hazardous, or potentially hazardous, generally have shorter resolution timeframes and higher penalties than administrative violations. **Exhibit C** outlines resolution timeframes, remedies, and penalties for various violations.

49. **EFFECTIVE DATE AND TERM.** This Agreement becomes effective as of the Effective Date, set forth above, and unless terminated early as provided herein, will be valid for five (5) years following the Effective Date or until NTMWD enters into a Shoreline Lease and Use with the Association and Developer as provided in Section 9 of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto acting under authority of their respective governing bodies have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original.

*[The remainder of this page is intentionally left blank. Signatures are on the following pages.]*

**Cypress Point on the Lake LLC**

By: \_\_\_\_\_  
Dan Cooper Date \_\_\_\_\_

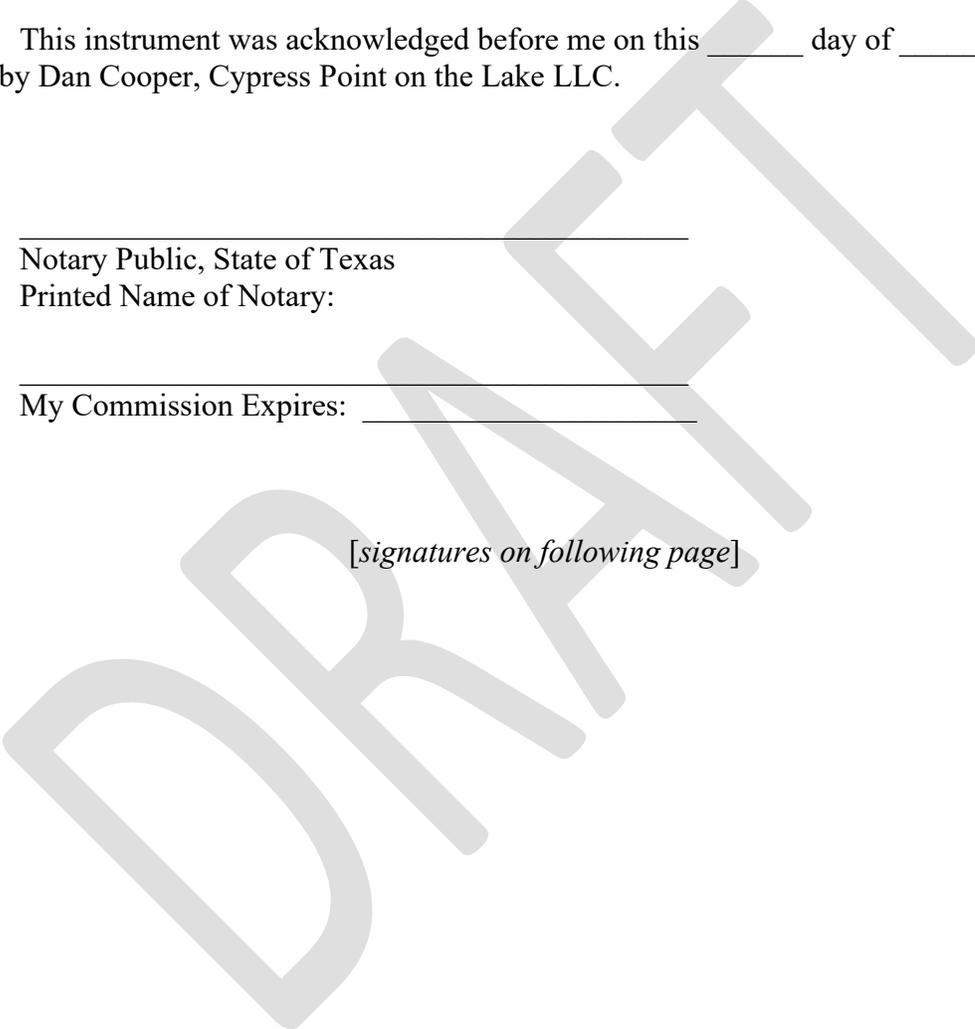
STATE OF TEXAS            §  
  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by Dan Cooper, Cypress Point on the Lake LLC.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name of Notary:

\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

*[signatures on following page]*





**Cypress Point on the Lake LLC**

By: \_\_\_\_\_  
Kyle Frederick Date \_\_\_\_\_

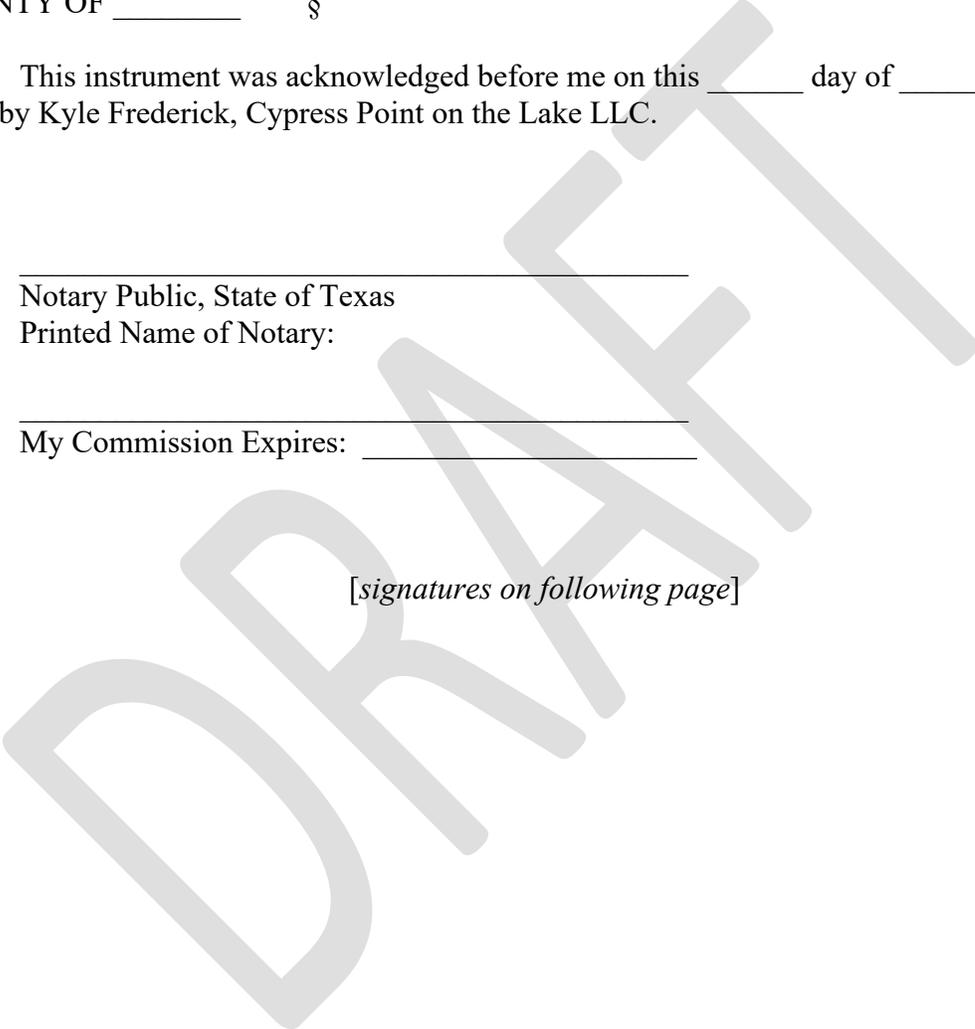
STATE OF TEXAS            §  
  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by Kyle Frederick, Cypress Point on the Lake LLC.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name of Notary:

\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

*[signatures on following page]*



**NORTH TEXAS MUNICIPAL WATER DISTRICT**

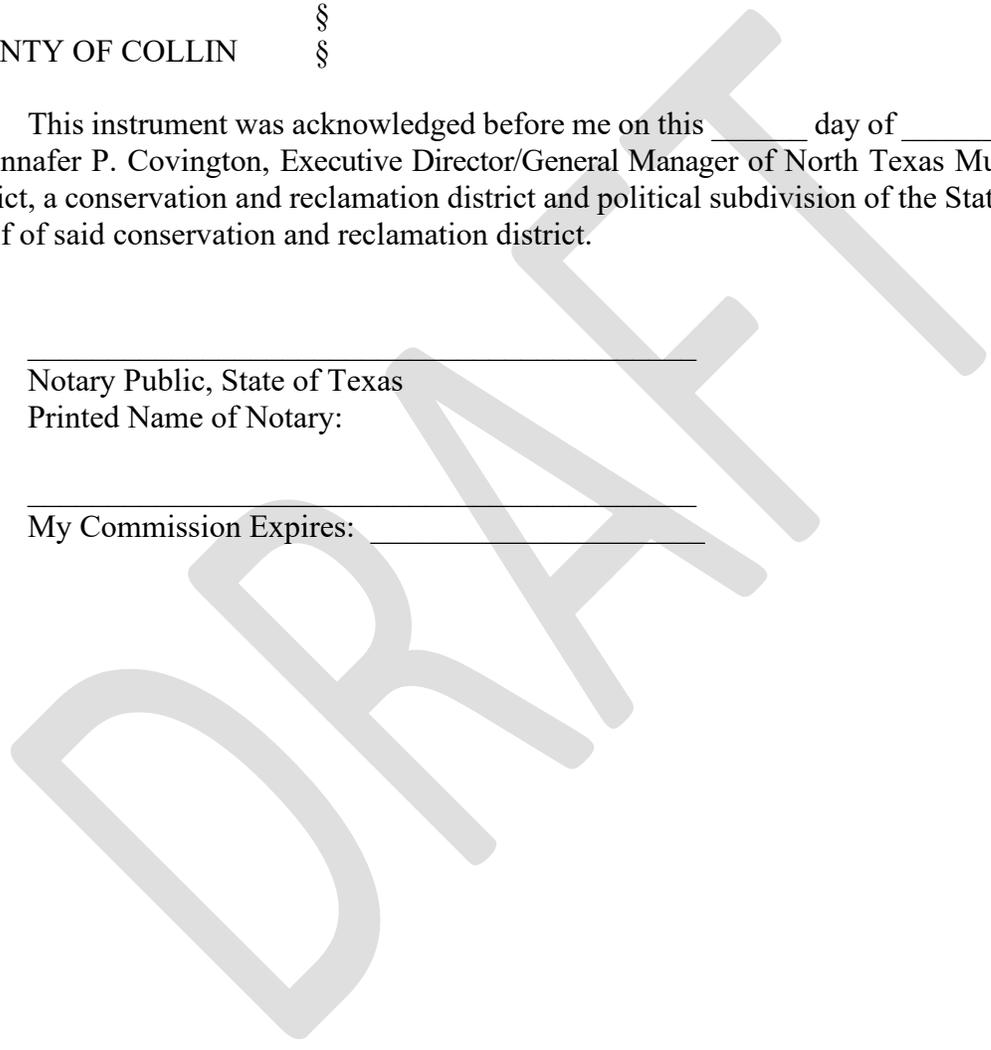
By: \_\_\_\_\_  
Jennafer P. Covington, Executive Director/General Manager      Date \_\_\_\_\_

STATE OF TEXAS            §  
   §  
COUNTY OF COLLIN       §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by Jennafer P. Covington, Executive Director/General Manager of North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name of Notary:

\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_





## EXHIBIT B

### SHORELINE LEASE AND USE AGREEMENT BETWEEN NORTH TEXAS MUNICIPAL WATER DISTRICT and CYPRESS POINT ON THE LAKE LLC

This Shoreline Lease and Use Agreement (the “Agreement”) is between North Texas Municipal Water District (“NTMWD” or “District”), a wholesale water and wastewater provider that owns and operates Bois d’Arc Lake (the “Lake”) in Fannin County, Texas, and Cypress Point on the Lake LLC (“Developer”) and the Cypress Point HOA (the “Association”), which serves Cypress Point on the Lake (Developer and Association may collectively be referred to as “Lessee”). NTMWD and Lessee may also be referred to individually as a “Party” or collectively as the “Parties.”

#### Recitals

WHEREAS, NTMWD and Lessee are authorized to enter into this Agreement pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon’s Texas Civil Statutes) and other applicable laws;

WHEREAS, NTMWD operates Bois d’Arc Lake (the “Lake”) as a public drinking water supply reservoir and allows opportunities for public recreation on the Lake;

WHEREAS, Developer owns land adjacent to NTMWD-owned property at the Lake (the “Property”) that is subject to the Cypress Point covenants, conditions, and restrictions that are included herein as Exhibit X;

WHEREAS, Lessee seeks to lease and use the adjacent NTMWD-owned property (the “Leased Property”) and maintain improvements on the Leased Property, including structures and facilities on or over the water surface of the Lake (the “Improvements”) constructed by Developer pursuant to that certain Preliminary Development Agreement between the North Texas Municipal Water District and Cypress Point on the Lake LLC effective October \_\_\_, 2025 (the “Development Agreement”);

WHEREAS, the Association is the legal entity presiding over all shared Improvements within the Cypress Point on the Lake communities and no other agreements will be allowed for shared Improvements on the Leased Property that were not part of the Development Agreement;

WHEREAS, Lessee acknowledges there is a Permanent Flowage and Flood Easement (the “Easement”) associated with Property, on land located between the 541 feet mean sea level (“MSL”) and 545 MSL contour elevations;

WHEREAS, Lessee is aware the conditions of the Easement are permanently in effect and are separate from the requirements and conditions of this Agreement and the Shoreline Management Plan (“SMP”);

WHEREAS, this Agreement may authorize certain uses of the Easement, in addition to uses of the Leased Property, which shall not be inconsistent with conditions of the Easement, but

may impose further restrictions on the Easement, for which Lessee agrees to comply with, in accordance with the terms of this Agreement;

WHEREAS, Developer completed construction of the Improvements on \_\_\_\_\_, 2026 (the “Project”); and

WHEREAS, pursuant to the Development Agreement, Lessee is required to enter into this Agreement, has reviewed this Agreement, and accepts its terms and conditions, including the general and special conditions described herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to grant Lessee the right to lease and use the Leased Property, and Lessee agrees to pay for such lease and use, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

**Lessee Information**

Name: Cypress Point on the Lake LLC

Telephone, Area Code, and Number: 214-714-5638

Email: Dan@cooperlandandcompany.com

Address: 6042 Pitchfork Ranch Drive

City, State Zip Code: Frisco, TX 75036

**Legal Description of Boundary Line with Leased Property (Survey attached)**

**XXXXXX, an addition to Fannin County, Texas according to the map and plat thereof recorded at XXXXXXXX Official Map and Plat Records of Fannin County, Texas**

**Improvements Description (Specific structures and facilities) including a Site Plan**

**Use Description (Specific use and activities authorized)**

The following specific uses and activities are hereby authorized so long as such uses and activities are in compliance with the General Conditions of this Agreement and the SMP. Any uses or activities not authorized, such as a Special Event Authorization, must be separately authorized by NTMWD.

## GENERAL CONDITIONS

1. **REFERENCES.** Except as otherwise specifically provided, any reference herein to NTMWD shall include its duly authorized representatives. Any reference to “Lessee” shall include their duly authorized representatives.
2. **AGREEMENT FEES.** Lessee shall pay, in advance, to NTMWD, compensation in accordance with Exhibit X. Fees are subject to change upon renewal of the Agreement.
3. **AGREEMENT SCOPE.** This Agreement is entered into solely with Lessee for the purpose described in this Agreement. The exercise of the privileges herein granted shall be:
  - a. without cost or expense to NTMWD;
  - b. subject to the right of NTMWD to improve, use, or maintain the Leased Property;
  - c. subject to other outgrants of NTMWD on the Leased Property except as otherwise provided herein;
  - d. this Agreement, or any interest therein, may not be transferred or assigned without the prior express written approval of NTMWD.
4. **TERM.** This Agreement shall be for a term of five (5) years with Lessee having the sole option to extend the Agreement for subsequent five-year terms subject to NTMWD revising the terms and conditions of the Agreement at the time of each renewal with such revisions being consistent with revisions made to other shoreline lease and use agreements, including but not limited to a current or updated fee/fine schedule. At least ninety (90) days prior to expiration of the Agreement, and any renewal thereof, Lessee may provide a Notice to Surrender its rights under the Agreement and elect to not renew the Agreement.
5. **RELEASE.** Upon the completion of Improvements as set forth herein and the transfer of Improvements to the Association, Developer may assign its rights and obligations under this Agreement to the Association and be released from Developer’s obligations and surrender any and all rights Developer may have under this Agreement to the Association with the prior express written approval of NTMWD.
6. **NOTICE.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called “Notice”) herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to an officer of such Party, or by electronic mail, addressed to the Party to be notified at the email address provided below. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the contact information of the Parties shall, until changed as hereinafter provided, be as follows:

If to Developer  
or Association:

Dan Cooper  
Cypress Point on the Lake LLC  
6042 Pitchfork Ranch Drive  
Frisco, Texas 75036  
214-714-5638  
dan@cooperlandcompany.com

If to NTMWD, to:

Jennafer P. Covington  
Executive Director/General Manager  
North Texas Municipal Water District  
P.O. Box 2408  
Wylie, Texas 75098  
972-442-5405  
jcovington@ntmwd.com

The Parties hereto shall have the right from time to time and at any time to change their respective contact information and each shall have the right to specify as its contact information any other contact information by at least fifteen (15) days' written notice to the other Party hereto.

7. **OPERATION, MAINTENANCE REPAIR, & REPLACEMENT.** The operation, maintenance, repair, or replacement of Improvements authorized by this Agreement shall be performed at no cost or expense to NTMWD and subject to the express written approval of NTMWD. Anything not expressly authorized in writing by NTMWD as an Improvement activity or an approved deviation from an Improvement activity is expressly prohibited. Upon the completion of any of such operation, maintenance, repair or replacement, Lessee shall immediately restore the Leased Property to the satisfaction of NTMWD. The use and occupation of the Leased Property for the purposes herein granted shall be subject to NTMWD's property ownership rights, the policies as set forth in the SMP, and to all applicable federal, state, and local laws and regulations. If Improvements are removed for storage or extensive maintenance, NTMWD may require portions of the Improvements be removed from the Leased Property. Further, Lessee agrees to operate and maintain any Improvements and/or use in a manner so as to provide safety, minimize any adverse impact on fish and wildlife habitat, natural, environmental, or cultural resource values and in a manner so as to minimize the degradation of water quality.
8. **COMMUNITY FACILITY USE AND ACCESS.** NTMWD is not responsible for managing or maintaining access to, or use of, any Lessee community facilities located on the Leased Property. Lessee has sole responsibility of operation and maintenance of all Lessee community facilities located on the Leased Property. Lessee further has sole responsibility for interacting with individual property owners of the Association regarding access to, and use of, the Leased Property (including community facilities), and shall be solely responsible for ensuring property owners do not violate any terms of this Agreement. Any violation of this Agreement by an individual property owner shall be deemed a

violation of this Agreement by Lessee and Lessee will be responsible for paying fines imposed by NTMWD due to violations by individual property owners, unless and excepting any improvements made by individual property owners after obtaining an individual Shoreline Lease and Use Agreement from NTMWD. Association shall continue to enforce covenants and restrictions, but individual lessees shall be solely responsible for paying any fines imposed by NTMWD pursuant to the individual's Shoreline Lease and Use Agreement.

9. **LESSEE INSPECTION.** Lessee acknowledges it shall inspect the Improvements at reasonable intervals and immediately repair any defects found by such inspection or when required by NTMWD to repair any such defects.
10. **LESSEE'S REPRESENTATIONS.** Lessee represents that it will not be in violation of any regulations or restrictions imposed by Fannin County, Texas, or by any deed restrictions that may be attached to the Property, and that any required variance has been secured. Lessee further agrees to fully enforce the covenants, conditions, and restrictions of Association, as included in Exhibit X and as amended from time to time, against individual property owners of the Association. NTMWD assumes no responsibility for, and Lessee will hold NTMWD harmless from, disputes of title, rights, or liability for damages to persons or property arising from the construction, operation, maintenance, repair, or existence of any Improvements on the Leased Property. If at any time, the condition or presence of the Improvements interferes with the operation of the Lake or the safety of persons or property using the surface thereof, Lessee agrees to immediately make any and all changes or corrections necessary to make the Improvements comply with this Agreement or remove the Improvements from the Leased Property at Lessee's expense.
11. **RELEASE & ASSUMPTION OF RISK.** Lessee acknowledges that Bois d'Arc Lake is not a "constant level" or "controlled level" lake and is **SUBJECT TO DROUGHT OR FLOODING WITHOUT WARNING.** Lessee acknowledges and agrees that the Leased Property is accepted "**AS-IS, WHERE-IS,**" with all defects, whether known or unknown. Lessee recognizes the risk inherent in owning, operating, and maintaining Improvements in close proximity to, and over, the Lake because of the risks associated with flooding, high water, and drought conditions. These risks include, but are not limited to, lake level fluctuations resulting in Improvements, such as docks, being completely unusable during flood or drought conditions, which can extend over months or years, as it relates to multi-year drought conditions. As a condition of, and in consideration for, NTMWD's entering into this Agreement, as between NTMWD and Lessee, Lessee **AGREES TO ASSUME ALL RISK** of destruction of or damage to any Improvements and the property of Lessee or third parties located on the Property, Leased Property or Easement and to assume all risk of bodily injury or death to any person on the Property, Leased Property or Easement associated with the Improvements resulting from any cause. As part of the assumption of risk, Lessee, for itself and its heirs and assigns, **EXPRESSLY RELEASES NTMWD FROM ALL LOSS, COSTS, AND LIABILITY FOR (1) DAMAGE OR DESTRUCTION TO ANY OF ITS PROPERTY LOCATED ON OR AT THE PROPERTY, LEASED PROPERTY OR EASEMENT RESULTING FROM ANY**

**CAUSE AND (2) BODILY INJURY OR DEATH TO LESSEE OR ANY FAMILY MEMBER OR OTHER PERSON AT THE PROPERTY, LEASED PROPERTY OR EASEMENT.**

12. **INDEMNIFICATION.** NTMWD shall have no liability whatsoever, either to Lessee, Lessee's successors, assigns, guest invitees or any other third party, for property damage to Lessee's Improvements or the contents thereof, **EVEN IF CAUSED BY NTMWD'S NEGLIGENCE.** NTMWD shall not be liable to Lessee or Lessee's guests, visitors, invitees or to any other person whomsoever, for any injury to person or damage to property on or about the Property, Leased Property or Easement due to **ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, INUNDATION OR FLOODING OF THE PROPERTY, LEASED PROPERTY OR EASEMENT OR THE EFFECTS OF DROUGHT,** and Lessee agrees to indemnify NTMWD and hold it harmless from any loss, expenses, or claims including attorney's fees, arising out of any such damage or injury, **INCLUDING INJURY TO PERSON OR DAMAGE TO PROPERTY THE SOLE OR CONTRIBUTING CAUSE OF WHICH IS THE NEGLIGENCE OF NTMWD.** If any action or proceeding is brought against NTMWD by reason of any such claim, Lessee, upon notice from NTMWD, will defend such action or proceeding with counsel acceptable to NTMWD.
13. **WAIVER OF ANY TAKINGS CLAIM.** Lessee **WAIVES ANY CLAIM IT MAY NOW OR IN THE FUTURE HAVE AGAINST NTMWD FOR A STATE OR FEDERAL "TAKINGS" or "INVERSE CONDEMNATION"** of either the Property or the Improvements or the portion of the Leased Property or Easement on which the Improvements are located resulting from Lake levels being inconstant or from flooding, high water, drought, or similar occurrence, even if any of these occurrences are caused or alleged to be caused, in whole or in part, by NTMWD, whether through NTMWD's negligence or otherwise.
14. **NO GOODS OR SERVICES PROVIDED TO NTMWD.** The Parties agree that pursuant to this Agreement Lessee is not providing any "good or services" to NTMWD and this Agreement is not a contract subject to Chapter 271, Subchapter I of the Texas Local Government Code because no "goods or services," as such terms have been interpreted by courts in the State of Texas, are provided by Lessee to NTMWD pursuant to this Agreement.
15. **DAMAGE TO LEASED PROPERTY.** Lessee shall be liable for any and all damage that may be caused to the Leased Property by the activities of Lessee, or individual property owners of Lessee, under this Agreement and shall exercise due diligence in the protection of all property located on the Leased Property against fire or damage from any and all other causes. Any property of NTMWD damaged or destroyed by Lessee, or individual property owners of Lessee, incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by Lessee to a condition satisfactory to NTMWD, or at the election of NTMWD, reimbursement made therefore by Lessee in an amount necessary to restore or replace the property to a condition satisfactory to NTMWD.

and Flood Easements. Non-compliance with any other NTMWD agreement, contract, lease, or easement shall be considered non-compliance with this Agreement.

20. **EROSION CONTROL STRUCTURES.** Lessee shall maintain, in a manner satisfactory to NTMWD, all soil and water conservation structures that may be in existence upon the Leased Property at the beginning of this Agreement, and Lessee shall take appropriate measures to prevent or control soil erosion within the right-of-way herein granted. Lessee agrees to allow any adjacent landowner that holds a lease with NTMWD to connect to shoreline erosion control structures constructed by Lessee in order to facilitate contiguous shoreline erosion control between adjacent leased properties, including maintenance thereof. Any soil erosion occurring outside the Leased Property resulting from the use of the Leased Property shall be corrected by Lessee as directed by NTMWD.
21. **BOAT DOCK FACILITY USE.** Boat dock facilities shall be limited to the mooring of Lessee's, or Lessee's individual property owner's, vessels or watercrafts and the storage of equipment essential to the operation of such vessels or watercrafts. Equipment must be stored in enclosed storage box facilities, such as lockers or equipment closets. Equipment may not be left unsecured or unattended. Chemical and petrochemical products shall not be stored on a boat dock facility at any time and shall not be considered "equipment."
22. **COMMERCIAL ACTIVITIES PROHIBITED.** No attempt shall be made by Lessee to forbid the full and free use by the public of all waters adjacent to the Improvements. No charge may be made for use by others, excepting the assessments to cover non-commercial costs such as property lease payments, insurance, upkeep and maintenance to lot owners, of the Improvement nor shall commercial activities, including any form of advertising, be conducted thereon.
23. **HABITATION PROHIBITED.** No habitation is authorized on the Leased Property or the Easement. No Improvements, camping equipment, temporary structures, recreation vehicles, nor any moored vessel shall be used as a place of habitation or as a full or part-time residence or in any manner that gives the appearance of human habitation, including habitation of any pets, on the Leased Property or the Easement. Household furnishings are not permitted on boat docks or other structures.
24. **TRANSFER OF INTEREST.** Improvements authorized under this Agreement will not be rented (whether short-term or long-term, directly or indirectly, or through an internet-based company like Airbnb, Inc.), sub-let or provided to others by any means of engaging in commercial activities by Lessee or his/her agent for monetary gain. This does not preclude Lessee from selling total ownership of the Improvements or sub-letting boat slips to lot owners to share in the cost of lease and maintenance of the shared dock. If ownership of the Improvements is sold or transferred, Lessee or new owner will notify NTMWD of the action prior to finalization. The new owner must apply for a new Shoreline Lease and Use Agreement within thirty (30) days or remove the Improvements and restore the Leased Property within sixty (60) days from the date of ownership transfer. The new owner is responsible for paying any recording or processing fees.

25. **RECORD OF AGREEMENT FILED IN OFFICIAL PUBLIC RECORDS.** NTMWD will file a record of this Agreement, referred to as the "Record of Agreement," with the Fannin County Clerk in the Fannin County Official Public Records.
26. **FLOATS AND FLOTATION MATERIALS.** Floats and the flotation material for all docks shall be fabricated of materials manufactured for marine use and in accordance with the approved plans in Exhibit X. The float and its flotation material shall be one hundred (100) percent warranted for a minimum of eight (8) years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All floats shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. All floats and the flotation material used in them shall be fire resistant. The use of new or recycled plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.
27. **ANCHORING.** The gangways to boat docks, fishing piers, or any other overwater structure shall be securely attached to the shore in accordance with the approved plans by means of moorings that do not create tripping hazards along the shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.
28. **DREDGING.** Unless authorized in writing by a special condition, this Agreement does not authorize lake dredging. Lake dredging requires an individualized analysis by the United States Army Corps of Engineers ("USACE") to determine whether it must be approved by USACE. Lake dredging may be allowed for community docks, if the following conditions are met: 1) prior to dredging, the applicant must coordinate with NTMWD to obtain express written approval for the dredging activity; 2) if approval from NTMWD is obtained, the applicant must then obtain appropriate state or federal authorizations and/or permits, including a USACE Clean Water Act Section 404 permit, if required; 3) once any required state or federal authorizations and/or permits are obtained, the applicant must complete the NTMWD agreement process by providing NTMWD with copies of any such required authorizations and/or permits; and 4) Lessee must provide NTMWD with notification of the dredging activity that includes the estimated start date and end date for the dredging activity and a description of the specifications and construction methods to be employed during the dredging activity.
29. **IMPROVEMENT STANDARDS.** Docks and other permitted improvements must conform to the standards found in the SMP and Exhibit X. These standards address electrical service and lighting, signage, improvement size and length, improvement location and spacing, orientation of the improvement to the shoreline, improvement maintenance, and other features and amenities as described in the SMP. Any deviation from the SMP requirements will be considered a violation of this Agreement.
30. **PERSONAL PROPERTY.** Loose personal property that has the ability to float must be stored in a secure locker or removed from the Leased Property when not in use.

31. **AGREEMENT DISPLAY TAG.** The Agreement Display Tag shall be posted on the Improvements and/or on the land areas covered by the Agreement so that it can be visually checked with ease in accordance with instructions provided by NTMWD.
32. **VEGETATION.** No vegetation other than that prescribed in this Agreement will be damaged, destroyed, or removed. In no event will vegetation be disturbed to the extent the right-of-way will be subject to erosion or natural beauty destroyed. All disturbed areas shall be seeded, replanted, or given some type of equivalent protection against subsequent erosion. No change in landform such as grading, excavation or filling is authorized by this Agreement. No vegetation planting of any kind may be done, other than that specifically prescribed. Only native species are allowed. An approved native plant list is provided in the SMP.
33. **VEGETATION MODIFICATION.** When vegetation modification is approved to control or remove invasive plants and is authorized by chemical means, the modification will be in accordance with appropriate federal, state, and local laws, rules, and regulations.
34. **LAKE AND SHORELINE ACCESS PRIOR TO LAKE OPENING.** NTMWD will notify Lessee in writing when the Lake is officially open for use. Until NTMWD notifies Lessee, Lessee is not permitted to use the Lake for any purpose, including but not limited to, launching watercraft from the shoreline for recreational use.
35. **LAKE AND SHORELINE ACCESS AFTER LAKE OPENING.** After the Lake is open, all watercraft must be launched from a NTMWD-approved ramp or a dock. This excludes non-motorized watercraft such as kayaks, canoes, and stand up paddle boards. Unless otherwise approved, neither Lessee nor individual lot owner may build a boat ramp or use any of their property to launch a watercraft except as set forth herein.
36. **PROPERTY LINE AND SIDE YARD LINE DELINEATION.** For this Agreement, Lessee will delineate the boundary line between the NTMWD-owned property and Lessee's property in a visibly clear, but unobtrusive manner approved by NTMWD and in accordance with the SMP. Lessee will also identify the intersection of the projected side yard line and the 534 MSL as depicted in the exhibits to this Agreement.
37. **PROHIBITED ITEMS.** Treated landscape timbers or the storage, transfer or use of hydrocarbons or other petrochemical products, paint, pesticides, herbicides, or any other toxic or hazardous materials are not allowed on the Leased Property.
38. **ELECTRICAL SAFETY AND COMPLIANCE.** Lessee shall comply with all applicable federal, state, county, municipal laws, ordinances, and regulations wherein the permitted facilities/activities are located, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Failure to abide by these applicable laws and regulations may be cause for revocation of this Agreement.
39. **POLLUTION PREVENTION.** Within the limits of their respective legal powers, the Parties hereto shall protect the Leased Property against pollution of its air, ground, and

water. Lessee shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency (“EPA”), USACE, Texas Commission on Environmental Quality (“TCEQ”), or any federal, state, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Leased Property is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said EPA, USACE, TCEQ, or any federal, state, or local governmental agency are hereby made a condition of this Agreement. Lessee shall not discharge waste or effluent from the Leased Property in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

40. **PESTICIDES AND HERBICIDES.** The use of any pesticides or herbicides within the Leased Property shall be in conformance with all applicable federal, state, and local laws and regulations. Lessee must obtain approval in writing from NTMWD before any pesticides or herbicides are applied to the Leased Property.
41. **ENVIRONMENTAL IMPACT.** Lessee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from Lessee’s activities, Lessee shall be liable to restore the damaged resources.
42. **TIMBER CLEARING.** No timber within the Leased Property above the 534 MSL contour shall be cleared. Standing timber below the 534 MSL contour may be cleared only if approved through this Shoreline Lease and Use Agreement. Lessee shall provide documentation of coordination with USACE in accordance with the procedures described in the SMP. Such USACE coordination shall only occur after NTMWD has reviewed the timber clearing proposal and provided direction to engage in such coordination. Any timber clearing authorized under this Agreement must be in compliance with any required USACE approvals, authorizations, or permits. Timber clearing shall be approved by NTMWD in writing and shall be in accordance with the Clean Water Act Section 404 Permit for Bois d’Arc Lake as provided in the SMP. Timber clearing not approved by NTMWD in writing is prohibited.
43. **CULTURAL RESOURCES.** Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity on NTMWD-owned property. In the event such items are discovered on the NTMWD-owned property, Lessee shall immediately notify NTMWD and protect the site and material from further disturbance until NTMWD authorizes any further activity.
44. **TERMINATION OF AGREEMENT.** Because the cost of the Improvements was made with the expectation that Lessee would have the benefit of the Leased Property for the full term of this Agreement, Lessee may only be terminated if the matters noticed in Exhibit X under the Violations and Penalty Provisions of this Agreement have not been cured in accordance with such provisions.

45. **IMPROVEMENT REMOVAL.** On or before the expiration or termination of this Agreement or if Lessee ceases to use, operate, or maintain an Improvement and/or use, Lessee shall, without expense to NTMWD, remove said Improvements and restore the waterway and lands to the satisfaction of NTMWD within thirty (30) days. In the event Lessee shall fail to remove said Improvements and restore the Leased Property, NTMWD shall have the option to take over said Improvements without compensation, or to remove said Improvements and perform the restoration at the expense of Lessee, and Lessee shall have no claim for damages against NTMWD or its officers or agents for such action and no refund by NTMWD of any fee theretofore paid shall be made. Lessee agrees that if subsequent operations by NTMWD require an alteration in the location of an Improvement and/or use and if in the opinion of NTMWD an Improvement and/or use shall cause unreasonable obstruction to NTMWD use of the land or water area where the Improvement or use is located, Lessee shall be required, upon written notice from NTMWD, to remove, alter, or relocate the Improvement without expense to NTMWD.
46. **OTHER PERMITS REQUIRED.** This Agreement is effective only insofar as the rights of NTMWD in the Leased Property and Easement are concerned, and Lessee shall obtain such permission as may be required on account of any other existing rights. It is understood that the granting of this Agreement does not eliminate the necessity of obtaining any other permit or license that may be required by federal, state, or local statute in connection with use of the Leased Property, including, but not limited to, any permits or authorization from USACE to ensure compliance with the Clean Water Act.
47. **SANITATION.** Lessee shall take all necessary action and provide all necessary Improvements to maintain the Leased Property in a clean and sanitary manner, removing promptly and regularly trash and garbage from the said area. Any materials and refuse from construction, maintenance and repair activities are to be removed from the Leased Property immediately upon completion of such activities.
48. **LICENSED PROFESSIONAL ENGINEER REQUIRED.** NTMWD may require that remedial measures other than minor repairs and maintenance, and plans for same, be reviewed, designed, and sealed by a Texas Licensed Professional Engineer and approved by NTMWD.
49. **FINAL PLAT MAPS.** In the event final plat maps were not provided by Developer to NTMWD prior to the Effective Date, Lessee shall be required to provide NTMWD with all final plat maps and specifications within thirty (30) days of such maps and specifications being finalized.
50. **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 provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

51. **NO JOINT VENTURE.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. NTMWD, its past, present, and future officers, elected officials, employees and agents of NTMWD, do not assume any responsibilities or liabilities to any third party in connection with the improvements to, or use of, the Leased Property.
52. **REPRESENTATIONS AND WARRANTIES.** Each Party represents and warrants to the other Party that (i) the Party has full requisite power and authority to perform its obligations under this Agreement; (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action of the board of directors or other applicable governing body of the Party; (iii) this Agreement is a valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other law affecting creditors' rights generally, and by general equitable principles; and (iv) the execution, delivery, and performance of this Agreement by the Party does not, and will not: (A) violate the statute, charter, or other instrument pursuant to which the Party was created; (B) violate the Constitution of the State of Texas, or any other law, rule or regulation by which the Party is bound; (C) violate any judgment, writ, order, injunction, award, or decree of any court, arbitrator, administrative agency or other governmental authority which is binding upon the Party; or (D) result in a material breach, violation, or default under any indenture, mortgage, ordinance, bond resolution, contract, deed of trust, debenture, agreement, or other instrument to which the Party is a party.
53. **ENTIRE AGREEMENT – NO ORAL MODIFICATIONS.** This Agreement embodies the entire Agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without a written agreement executed by both Parties.
54. **NO THIRD PARTY BENEFICIARIES.** Lessee and NTMWD enter into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than Lessee and NTMWD.
55. **VENUE.** It is specifically agreed among the Parties to this Agreement that Fannin County, Texas, is the place of performance of this Agreement; and, in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Fannin County, Texas.
56. **ADOPTION OF PREAMBLE AND EXHIBITS.** All of the statements in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.

**SPECIAL CONDITIONS *(To be completed for each project)***

**VIOLATIONS AND PENALTIES**

1. Lessees will be held accountable to the conditions outlined herein. If a violation is identified, NTMWD will follow the steps outlined below:

*First Notice:* NTMWD will generally issue a written warning notifying Lessee of the violation, outlining actions to correct the violation, and providing a resolution timeframe. Depending on the non-compliance issue (e.g. is the issue an imminent health or safety concern), the time provided for resolution and the degree to which NTMWD may step in and proactively correct an issue may vary. Some violations may immediately generate a fine. NTMWD may, at its discretion, waive fines to be imposed at the first notice. NTMWD will follow up within the specified timeframe to document resolution of the issue. Increased frequency of monitoring and inspection may be warranted for a period of time following resolution.

*Second Notice:* A second notice may involve the same activity or conditions as the first notice, or it may be a new issue. Second notices for the same situation that triggered the first notice will also be linked to increased fines and shorter resolution timeframes. Lessees will be required to reimburse NTMWD for costs associated with monitoring, inspection, and follow-up for second notice actions.

*Third Notice:* Three notices for the same or different instances of non-compliance with this Agreement within one year will trigger a notice to revoke or terminate this Agreement. Lessee will have thirty (30) days to remove Improvements at his or her expense and restore the Leased Property to its condition prior to the construction of the Improvements (if applicable). Lessee may appeal a notice of termination to NTMWD within fifteen (15) days of receiving the notice. NTMWD will respond to Lessee within thirty (30) days.

2. Resolution timeframes and fines are dependent on the harm that may occur to people, property, and resources if the violation were to continue. Violations that are hazardous, or potentially hazardous, generally have shorter resolution timeframes and higher penalties than administrative violations. **Exhibit X** outlines resolution timeframes, remedies, and penalties for various violations.

#### **EFFECTIVE DATE AND TERM**

This Agreement becomes effective on the date this Agreement is signed by both Parties (the “Effective Date”) and will be valid for five years after the date of the latest signature. This Agreement will expire on \_\_\_\_\_.

#### **AUTHORIZATION**

This Agreement authorizes the lease and use of NTMWD-owned property described herein. If Lessee implements a project that differs from the Project described herein, Lessee will be subject to penalties and fines, described in this Agreement, and potentially termination.

#### **EXECUTION**

The Parties hereto acting under authority of their respective governing bodies have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original.

*[The remainder of this page is intentionally left blank. Signatures are on the following pages.]*

DRAFT

**LESSEE:** Cypress Point on the Lake LLC

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

STATE OF TEXAS       §  
                                  §  
COUNTY OF FANNIN   §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025  
by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name of Notary:

\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**LESSEE: ASSOCIATION**

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

STATE OF TEXAS       §  
                                  §  
COUNTY OF FANNIN   §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025,  
by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name of Notary:

\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**NORTH TEXAS MUNICIPAL WATER DISTRICT**

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

STATE OF TEXAS            §  
  §  
COUNTY OF COLLIN       §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025\_,  
by XXXXX of North Texas Municipal Water District, a conservation and reclamation district and  
political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name of Notary:

\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

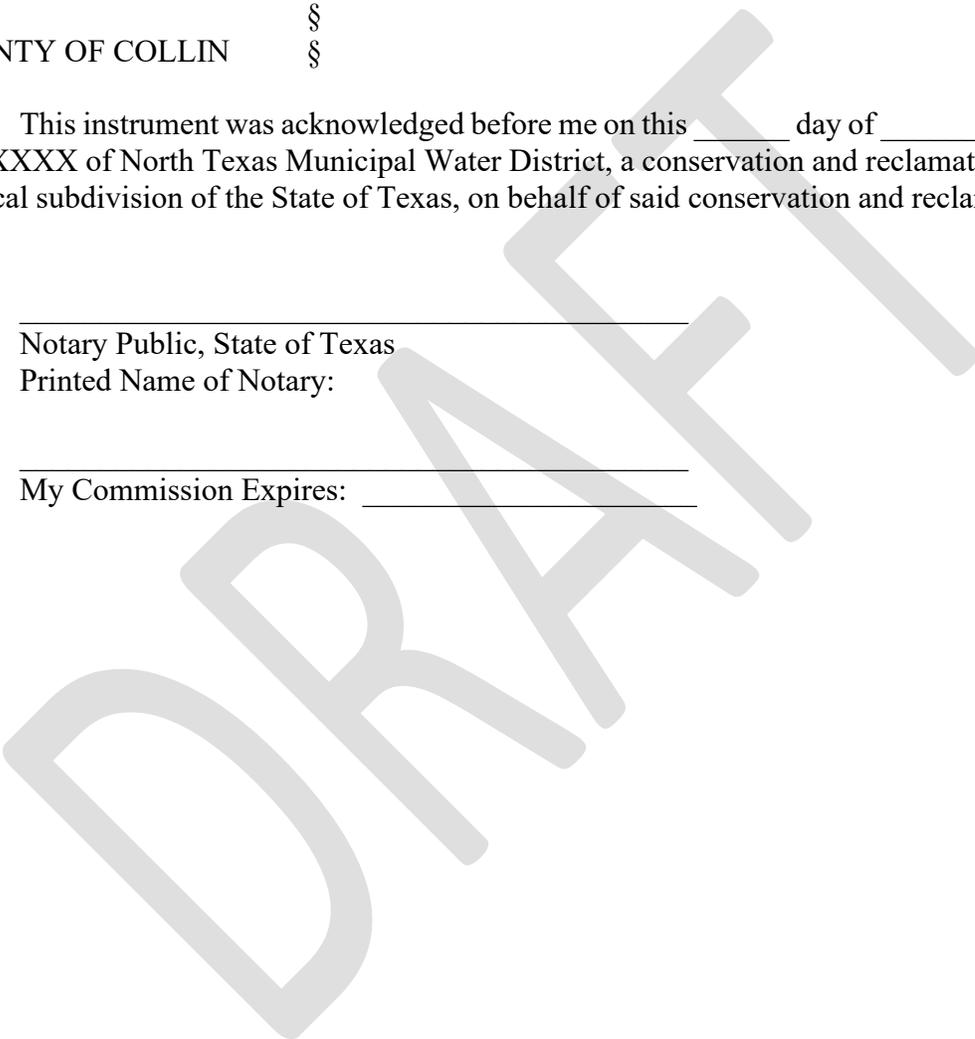


EXHIBIT C

Agreement Fees and Remedies and Penalties for Violations

DRAFT

## Agreement Fee Schedule

Agreement Type	Activity/Facility	Application Fee (\$)	Annual Fee	Incentives/Additional Information
Preliminary Development Agreement	Community and Shared Dock/Overwater Structures	Application/ First Year: \$15,825	For years 2 through 5 of a 5-year agreement: \$3,250	All shoreline use activities/facilities will be combined on one permit. Only the higher fee identified will be assessed.  If erosion control or stormwater runoff treatment BMPs are provided supplementary to any required erosion control; an incentive reduction of 50 percent of the annual fee may be applied.
Preliminary Development Agreement	Modification fee	25-100 percent of the original application fee	N/A	

DRAFT

# Remedies and Penalties for Violations

Violation <sup>1</sup>	Violation Category <sup>2</sup>	Remedy <sup>2</sup>	Resolution Timeframe (days) <i>First Notice<sup>2</sup></i>	Resolution Timeframe (days) <i>Second Notice<sup>2</sup></i>	Fine (\$) <i>First Notice<sup>2</sup></i>	Fine (\$) <i>Second and Third Notices<sup>2</sup></i>
Unauthorized burning	Major	Immediately stop unauthorized burning and remove debris from NTMWD-owned property	1	N/A	\$200	N/A
Storage or placement of fuel, oil, treated landscape timbers, pesticides, or other hazardous materials on docks or NTMWD-owned property	Major	Remove hazardous materials from NTMWD-owned property and store in secure location on private property	5	1	N/A	\$200
Unauthorized use of pesticides/fertilizers on leased property	Major	Stop unauthorized use of pesticides and report changes in water quality (e.g., algal blooms and/or dead fish) to NTMWD	1	N/A	\$200	N/A

Violation <sup>1</sup>	Violation Category <sup>2</sup>	Remedy <sup>2</sup>	Resolution Timeframe (days) First Notice <sup>2</sup>	Resolution Timeframe (days) Second Notice <sup>2</sup>	Fine (\$) First Notice <sup>2</sup>	Fine (\$) Second and Third Notices <sup>2</sup>
Deviation from approved dock construction plans (e.g., construction materials, anchoring methods, etc.)	Major	Reconstruct dock to conform to approved construction plans	30	5	N/A	\$200
Unauthorized access path construction	Major	Stop construction and restore area to pre-violation conditions	15	5	200	\$200
Emerging erosion issues (signs may include shoreline recession, increased water turbidity and discoloration in the surrounding area, bare soil, exposed plant roots, and unstable banks)	Major	Stop erosion producing activity and install erosion control devices and/or plant native vegetation	30	5	200	\$200
Unauthorized use of a mobility assistance vehicle	Major	Stop unauthorized use, restore area to pre-violation conditions (if applicable)	15	3	N/A	\$200
Failure to delineate the NTMWD boundary line	Moderate	Delineate and mark the NTMWD boundary line using methods approved in the Shoreline Management Plan	15	10	N/A	\$200

<b>Violation<sup>1</sup></b>	<b>Violation Category<sup>2</sup></b>	<b>Remedy<sup>2</sup></b>	<b>Resolution Timeframe (days) First Notice<sup>2</sup></b>	<b>Resolution Timeframe (days) Second Notice<sup>2</sup></b>	<b>Fine (\$) First Notice<sup>2</sup></b>	<b>Fine (\$) Second and Third Notices<sup>2</sup></b>
Failure to restore the leased area after completion of a permitted activity or after the lessee damages the area	Moderate	Restore area to pre-lease conditions (e.g., restore vegetation, install erosion control measures such as water bars and vegetated swales)	30	15	N/A	\$85/day
Failure of POA or developer to apply for shoreline use agreement for existing uses within 30 days or to restore the use area within 60 days from the date of ownership transfer	Moderate	Apply for a new shoreline lease and use agreement or restore the use area	30	15	N/A	\$85/day
Failure to display agreement tags on authorized facilities	Minor	Display agreement tags according to agreement conditions and Shoreline Management Plan requirements	30	15	N/A	\$150/week
Failure to have a copy of the agreement with the mobility assistance vehicle during use on NTMWD-owned property	Minor	Carry agreement according to authorization conditions	1	1	N/A	\$150

<b>Violation<sup>1</sup></b>	<b>Violation Category<sup>2</sup></b>	<b>Remedy<sup>2</sup></b>	<b>Resolution Timeframe (days) First Notice<sup>2</sup></b>	<b>Resolution Timeframe (days) Second Notice<sup>2</sup></b>	<b>Fine (\$) First Notice<sup>2</sup></b>	<b>Fine (\$) Second and Third Notices<sup>2</sup></b>
Failure to pay agreement fees	Minor	Pay outstanding agreement fee	30	15	N/A	\$150/week
Failure to renew an agreement	Minor	Apply for a new agreement and pay associated application fees	30	15	N/A	\$150/week
Failure to complete construction within allowed time limit	Minor	Apply for new agreement and pay associated application fees	30	15	N/A	\$150/week
Noncompliance with applicable laws, ordinances, and regulations	NA	NTMWD reports violations to the appropriate authority for enforcement	Depends on law/regulation	Depends on law/regulation	Depends on law/regulation	Depends on law/regulation

<sup>1</sup>Penalties may be assessed individually for discrete facilities and occurrences

<sup>2</sup>NTMWD = North Texas Municipal Water District; N/A = not applicable; SMP = Shoreline Management Plan