NORTH TEXAS MUNICIPAL WATER DISTRICT

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

Board of Directors
Agenda

Thursday, May 28, 2026 **2:30 PM** **REGULAR MEETING (IN PERSON ONLY)**

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 accessible to the public, on Thursday, May 28, 2026, at 2:30 p.m., at the following meeting location: JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS 75159.

The Presiding Officer and a quorum of the Board of Directors will be present at the meeting location. The public may attend the meeting in person at the meeting location. Members of the public that wish to make a public comment must attend the meeting in person.

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. May 2026 Board Memorandum **26B-5**

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

A. Informational discussion on the East Fork Water Reuse Project and the John Bunker Sands Wetland Center

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. April 2026 Regular Board Meeting Minutes — 26C-20

The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, April 23, 2026 as presented.

B. Modification of Capital Projects Request — 26C-21

Recommend the Board of Directors approve the May 2026 Modification of Capital Projects Request as presented.

C. Designation of Authorized Representatives in the Texas Local Government Investment Pool (TexPool); Resolution No. 26-17 26C-22

Adopt Resolution No. 26-17 amending the list of authorized representatives for Investments in TexPool.

D. Interlocal Cooperation Agreement between the North Texas Municipal Water District and the City of Farmersville regarding modifications to NTMWD's 48-inch Leonard Treated Water Pipeline to Farmersville Delivery Point Waterline; Project No. 101-0632-23; Resolution No. 26-21 26C-23

Adopt Resolution No. 26-21 authorizing the execution of an Interlocal Cooperation Agreement (ILA) between the North Texas Municipal Water District and the City of Farmersville (City) to authorize the City's contractor to install 100 linear feet (LF) of 68-inch steel casing across Farmersville Parkway in exchange for a stub-out and valves on NTMWD's proposed waterline for the City's future connection point.

E. 121 Regional Disposal Facility; Conveyance of Property; Resolution No. 26-20 26C-24

Adopt Resolution No. 26-20 declaring 0.40 acres of District property surplus to the needs of the District and authorizing the Executive Director to sell the 0.40-acre parcel to an adjoining landowner and to execute documents necessary to convey the property.

F. Wylie Fleet Maintenance Service Center, Project No. 401-0613-22; Request To Use Competitive Sealed Proposal Procurement Method; Resolution No. 26-22 26C-25

Adopt Resolution No. 26-22 authorizing the use of Competitive Sealed Proposal (CSP) procurement method for the construction of the Wylie Fleet Maintenance Service Center project.

G. Gateway Drive Transfer Station; Project No. 401-0644-24; Authorization to Use Competitive Sealed Proposal Procurement Method; Resolution No. 26-23 26C-26

Adopt Resolution No. 26-23 authorizing the use of Competitive Sealed Proposal (CSP) procurement method for the construction of the Gateway Drive Transfer Station.

XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

GENERAL / ADMINISTRATIVE AGENDA ITEMS

A. Election of Officers for the North Texas Municipal Water District Board of Directors for 2026-2027 26-6258

Consider the Election of Officers for the North Texas Municipal Water District Board of Directors for 2026-2027.

B. Revenue Refunding and Improvement Bonds, Series 2026; Resolution No. 26-18 26-6259

Adopt Resolution No. 26-18 authorizing the issuance of Refunding Bonds for the Regional Wastewater System Series 2012, 2015, and 2016 Revenue Bonds and Refunding Bonds for the Extendable Commercial Paper (ECP) Bonds.

WATER AGENDA ITEMS

C. Authorization of the Execution of the Potable Water Supply Contract with the City of Fate, a current Customer of NTMWD. 26-6260

Authorize execution of new Potable Water Supply Contract with City of Fate, a current Customer of NTMWD.

D. Authorization of the Execution of the Potable Water Supply Contract with the City of Melissa, a current Customer of NTMWD. 26-6261

Authorize execution of new Potable Water Supply Contract with City of Melissa , a current Customer of NTMWD.

E. Amendment to Policy 8 Additional Delivery Points for Member Cities and Existing Customers; Resolution No. 26-19 26-6262

Adopt Resolution No. 26-19 authorizing an Amendment to Policy 8 Additional Delivery Points for Member Cities and Existing Customers (Policy 8).

F. 48-Inch Pipeline Relocation along US-380; Project No. 101-0691-26; Engineering Services Agreement 26-6263

Authorize funding in the amount of $1,297,670 to Freese and Nichols, Inc. (FNI) for engineering services to design the Water Line Relocations associated with the Texas Department of Transportation (TxDOT) road improvements along US Highway 380 in Collin County.

G. Long Range Water Supply Plan Update; Project No. 101-0689-26; Engineering Services Agreement 26-6264

Authorize an engineering services agreement with Freese and Nichols, Inc. in the amount of $3,440,000 for the development of the Long Range Water Supply Plan (LRWSP) Update.

H. Water System Capital Improvement Plan Update; Project No. 101-0690-26; Engineering Services Agreement 26-6265

Authorize an engineering services agreement with HDR Engineering, Inc. in the amount of $3,950,000 for the development of the Capital Improvement Plan (CIP), Update for the Water Treatment Plants (WTPs), and the treated water transmission system.

I. Wylie Complex Filter Improvements; Project No. 101-0615-22; Amendment No. 3 to Construction Manager At-Risk; Work Authorization No. 2; and Authorize Inspection Services 26-6266

Authorize funding in the amount of $2,971,162 to Sundt Construction, Inc. for Amendment No. 3 to the Construction Manager At-Risk (CMAR) Agreement and authorize internal inspection services in the amount of $215,400 for the Wylie Complex Filter Improvements project for work related to Work Authorization No. 2.

J. Wylie Water Treatment Plant Complex Valve Improvements; Project No. 101-0672-25; Tabulation of Bids and Award of Contract 26-6267

Authorize funding in the amount of $556,042 to VAG, USA, LLC for a contract to procure valves for the Wylie WTP Complex Valve Improvements project.

K. Cost Share Agreement Between North Texas Municipal Water District and Greater Texoma Utility Authority for City of Sherman Project No. SHM23287, Lake Texoma Pump Station Improvements, and NTMWD Project No. 101-0633-23, Texoma Raw Water Pipeline No. 2; Resolution No. 26-24 26-6268

Adopt Resolution No. 26-24 authorizing the execution of a Cost Share Agreement between North Texas Municipal Water District (NTMWD) and Greater Texoma Utility Authority (GTUA) for the Lake Texoma Pump Station Improvements and Texoma Raw Water Pipeline No. 2 Projects (Projects).

WASTEWATER AGENDA ITEMS

L. South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 10 to Construction Manager At-Risk; Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Final GMP; Engineering Services During Construction; and Construction Management, Inspection, and Material Testing Services 26-6269

Authorize funding in the amount of $19,546,807 to Archer Western Construction, LLC for Amendment No. 10 to the Construction Manager At-Risk (CMAR) Agreement; to Carollo Engineers, Inc. in the amount of $498,200 for Engineering Services During Construction; and to AECOM Technical Services, Inc. in the amount of $961,193 for construction

management, inspection, and material testing services for work related to the Buffalo Creek Parallel Force Main (BCPFM) Final Guaranteed Maximum Price (GMP).

SOLID WASTE AGENDA ITEMS

M. Gateway Drive Transfer Station; Project No. 401-0644-24; Engineering Services Agreement - Final Design **26-6270**

Authorize an engineering services agreement (ESA) in the amount of $741,411 to Weaver Consultants Group, LLC, for final engineering design services for the Gateway Drive Transfer Station project.

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

5/28/2026

Board Memorandum No. 26B-5

NORTH TEXAS MUNICIPAL WATER DISTRICT

MEMO

TO: NTMWD Board of Directors

FROM: Jenna Covington, Executive Director

DATE: May 22, 2026

SUBJECT: May 28, 2026, Board Meeting

This Board Meeting will be President Hollifield's final meeting as chair. I would like to take a moment to express my sincere gratitude for President Hollifield's leadership and guidance over the past year. As many directors know, the role of Board President can be both challenging and time-consuming. Despite this, President Hollifield has consistently approached his responsibilities with a positive attitude and a sense of humor. Additionally, the District was able to tackle several big rocks during his tenure, including the initial startup of the Sister Grove WRRF, the acquisition of the Gateway Transfer Station Property and the addition of Melissa as the sixth Solid Water Member City.

1.1 High Quality Service – Pursue Treatment Optimization Recognition

The District has demonstrated a strong commitment to water treatment optimization through active participation in both the Texas Commission on Environmental Quality (TCEQ) Texas Optimization Program (TOP) and the American Water Works Association (AWWA) Partnership for Safe Water initiatives. These voluntary programs promote operational excellence beyond minimum regulatory requirements and focus on improving public health protection, treatment reliability, and overall water quality performance.

Through participation in the Texas Optimization Program, District staff have worked collaboratively with TCEQ to evaluate treatment processes, optimize filter performance, improve operational monitoring, and implement data-driven process control strategies. These efforts emphasize continuous improvement and proactive treatment optimization rather than simple regulatory compliance.

As a result of these ongoing efforts, the District has successfully achieved TOP recognition for multiple treatment facilities, including the Wylie Complex Plant 4, Bonham Water Treatment Plant and Leonard Water Treatment Plant. These recognitions reflect the District's ability to consistently maintain turbidity performance standards that exceed state and federal regulatory requirements and demonstrate the effectiveness of the District's operational practices and staff expertise.

In addition to TOP participation, Plant 4 has achieved recognition through the AWWA Partnership for Safe Water program, which is a nationally recognized optimization and self-assessment initiative focused on achieving superior treatment performance and continuous operational improvement. Participation in the Partnership for Safe Water program requires utilities to conduct rigorous self-evaluations, benchmark treatment performance, and implement long-term optimization strategies designed to enhance water quality and operational resiliency.

Building upon the success of Plant 4, the Leonard Water Treatment Plant has also submitted for participation and recognition in the Partnership for Safe Water program. This effort reflects the District's continued commitment to advancing treatment optimization practices across all treatment facilities and pursuing industry-leading standards for drinking water quality and operational excellence.

Officer Nominations and Committee Appointments

This time of year gets a little confusing with the changeover of Board Officers and Committees. At the May Board Meeting, the Board will act on the new slate of Officers – President, Vice President, and Secretary. The new President takes over on June 1. The Committees, with the exception of the Executive Committee, stay the same through June. The new President will assign the membership of the Committees to begin on July 1.

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-20

April 2026 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, April 23, 2026 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

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS APRIL 23, 2026

The North Texas Municipal Water District (NTMWD) Board of Directors met in a regular meeting on Thursday, April 23, 2026, 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 Blair Johnson 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:

DIRECTOR	*IN PERSON*	*REMOTE*
Terry Sam **ANDERSON**	√	
Franklin **BYRD**	√	
Rick **CROWLEY**	√	
George **CRUMP**	√	
Lori Barnett **DODSON**		√
Phil **DYER**	√	
Marvin **FULLER**	√	
David **HOLLIFIELD**	√	
Chip **IMRIE**	√	
Blair **JOHNSON**	√	
Ronald **KELLEY**	√	
Geralyn **KEVER**	Absent	
Alan **McCUISTION**	√	
Rick **MANN**		√
Steve **MATTHEWS**	√	
Jack **MAY**	√	
Don **PASCHAL**	√	
Richard **PEASLEY**	√	
George **PUREFOY**	√	
Randy **ROLAND**	√	
Keith **STEPHENS**	√	
Ray **STEPHENS**	√	
Jody **SUTHERLAND**	√	
Stephen **TERRELL**	√	
Larry **THOMPSON**	√	

The following NTMWD legal and professional consultants attended the meeting:

- Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend

DRAFT

VI. OPENING REMARKS

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

President Hollifield announced that Directors George Crump, Steve Matthews, Rick Crowley, Don Paschal, and Richard Peasley have been reappointed to the Board of Directors.

President Hollifield announced the creation of a Legislative Outreach Team. District staff has coordinated with Director Kelley, Chair of the Legislative Committee, to identify five Board Members who have strong relationships and experience engaging with the Legislature. The members of the Legislative Outreach Team include Directors Kelley, Imrie, Kever, Purefoy, and Matthews.

President Hollifield advised that Director Phil Dyer would recuse himself from discussion and voting on agenda item XII.B.

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

- Wednesday, May 13: Policy and Finance Committees
- Wednesday, May 27: Wastewater and Water Committees
- Thursday, May 28: Board Meeting at the John Bunker Sands Wetland Center (meeting is an in-person meeting only)

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 introduced a new staff member, Marc Cottingame, who is the new Planning Director. She provided his background information.

Executive Director Covington stated that the District's Employee Engagement Survey closed last week with a response rate of 88 percent. The results of the survey are being processed.

Executive Director Covington stated that the annual Member City meetings are underway. Five have been done so far and plans are to complete the remainder by mid-May. Customer meetings are being scheduled as well.

Executive Director Covington stated that the Texas Water Development Board met last week to review and approve a prioritized list of 2026 abridged applications for funding through SWIFT (State Water Implementation Fund for Texas). This year there were 23 applications totaling $4.2 billion. For the first time, the demands exceeded the available capacity of the program. She added that all three of the District's applications were approved. Executive Director Covington advised that due to some permitting delays the District is not planning to move forward with the Wylie Raw Water Pump Station No. 4. She stated that on today's Consent Agenda there are two items requesting authorization for two

applications. Those include the Leonard Water Treatment Plant Pipeline No. 2 and the Leonard Water Treatment Plant Phase III Expansion.

Executive Director Covington advised that due to a conversation with President Hollifield, there is a survey at Directors' places regarding remote and in-person meeting participation. She requested those be completed today and left at Directors' seats. The survey will be provided to those not in attendance as well.

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. Bois d'Arc Lake Environmental Mitigation Update

Galen Roberts, Director of Water Resources, stated that this update was requested at last month's Board meeting. He provided a brief background of the project, stating that 17,000 acres were required to be mitigated due to the environmental impact of building Bois d'Arc Lake. The mitigation was a requirement for the Section 404 Permit from the US Army Corps of Engineers. He added that the District purchased the 15,000-acre Riverby Ranch as well as other acreage to satisfy the requirements.

Mr. Roberts introduced Matt Stahman, Director of Regulatory, and Brandon Hall, Ecologist, with Resource Environmental Solutions, who are experts in the field environmental mitigation.

Matt Stahman advised that there are three mitigation sites: the 15,000-acre Riverby Ranch, the 2,000-acre Upper Bois d'Arc Creek, and an additional 300-acre site against the lake that is native grassland. He advised there are seven types of habitats included in the 17,000 acres. Those include: Emergent Wetland, Forested Wetland, Scrub Shrub Wetland, Native Grassland, Riparian Woodland, Upland Forest, and Wetlands Reserve Enhancement. Additionally, there are 69 miles of streams enhanced or restored.

Brandon Hall provided the status and photos of each habitat area, along with photos of various wildlife, insects and waterfowl that are now inhabiting the areas since the mitigation began eight years ago. Timelines for completion of the mitigation efforts in the various habitats were reviewed. Mr. Hall added that originally six million trees were planted. He stated that area school districts have conducted elementary school field trips for students.

Director Richard Peasley spoke of the cost factor of the significant mitigation requirements for building a water reservoir such as Bois d'Arc Lake. Mr. Stahman responded that the regulations have since changed and may change again for future water reservoirs. Director Peasley inquired whether the same mitigation measures would be required if a pipeline was

built. Mr. Stahman responded that Waters of the US require some mitigation measures, however the impact would be significantly less for a pipeline than it was for the lake.

Director Terry Sam Anderson, who has been on the Board for several years, provided some background on the purchase of the Riverby Ranch which occurred prior to the lake being built.

B. NTMWD Strategic Plan Annual Update

Executive Director Covington stated that in light of the 2022-2027 Strategic Plan nearing completion, this presentation is a review of the District's ongoing efforts to accomplish the initiatives. She reviewed the Vision, Mission, Strategic Goals, and Core Values, and provided a brief history of the Plan's adoption and updates. She advised that in the Plan there are initiatives that the District uses to accomplish the Goals. She advised that there are no changes to the Plan being recommended, noting that 11 initiatives are complete or have been transitioned to "routine".

David Kelly, Governmental Affairs and Special Projects Manager, provided an overview of those 11 completed initiatives and objectives completed this year. Details and photos, where applicable, were provided.

Mr. Kelly provided details on four initiatives that are still ongoing. Those include:

1.2 Complete Phases I & II of the Sister Grove Regional Water Resource Recovery Facility
2.3 Transform and Modernize Financial Management Systems
3.3 Work with Peer Organizations on Water Supply and Environmental Initiatives
4.4 Develop and Implement a Water and Wastewater Operator Competency Program

Executive Director Covington stated that the implementation of the current Plan will continue through September of 2027. The focus is on completion of existing initiatives. She noted that the 11 initiatives completed this year are added to the 24 previously completed or transitioned initiatives. She stated that many initiatives are in advanced phases and are on track for completion. Regular engagement with the Plan remains robust at the Executive Team and Manager levels. She added that Board updates will continue in the future.

Executive Director Covington reviewed that the current version of the Strategic Plan was adopted in 2022, which was a re-write by staff. She said that the intent now is to hire a consultant in the first quarter of the 2027 fiscal year and undertake a comprehensive review of the strategic direction of the District with diverse stakeholder and Board engagement. The FY2028-2033 Strategic Plan will target adoption by the Board in October 2027 to align with the annual budget cycle.

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

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.

President Hollifield inquired whether any Director would like to remove an item from the Consent Agenda for separate discussion.

Director Marvin Fuller requested that Item H. be pulled for separate consideration so that he may recuse himself from voting.

Upon a motion by Director Randy Roland to approve Consent Agenda items A. through G. and a second by Director George Crump, the Board of Directors voted unanimously to approve.

A. March 2026 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, March 26, 2026, as presented.

B. Modification of Capital Projects Request

Recommend the Board of Directors approve the April 2026 Modification of Capital Projects Request as presented.

C. Texas Water Development Board Financing for Bois d'Arc Lake / Leonard Water Treatment Plant - Phase III – Leonard Treated Water Pipeline (TWPL) No. 2; Resolution No. 26-11

Adopt Resolution No. 26-11 authorizing the filing of an application for financial assistance from the Texas Water Development Board (TWDB) for financing the Bois d'Arc Lake (BDL) / Leonard Water Treatment Plant (LWTP) - Phase III Improvements and Expansion.

D. Texas Water Development Board Financing for Bois d'Arc Lake / Leonard Water Treatment Plant Expansion - Phase III (Design / Planning / Procurement); Resolution No. 26-12

Adopt Resolution No. 26-12 authorizing the filing of an application for financial assistance from the Texas Water Development Board (TWDB) for financing the Bois d'Arc Lake (BDL) / Leonard Water Treatment Plant (LWTP) - Phase III Improvements and Expansion.

E. Lease Agreement between the North Texas Municipal Water District and the City of Frisco; Project No. 101-0338-13; Resolution No. 26-16

Adopt Resolution No. 26-16 authorizing a Lease Agreement with the City of Frisco for installation of a repeater antenna and associated equipment. A future Change Order will be required for the implementation and installation of the equipment under Project No. 101-0338-13, Meter Vault Standardization, Set Point Control Implementation Phase IV.

F. Princeton Lift Station Expansion - Temporary Roof Replacement; Project No. 501-0617-22; Tabulation of Proposals and Award of Contract; and Inspection Services

Authorize award of a construction contract in the amount of $198,976 to Essential Constructs, LLC, and authorize internal inspection services in the amount of $15,000.

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

Item H. was pulled from the Consent Agenda for separate consideration.

H. Conveyance of Property at the Tawakoni Water Treatment Plant in the form of a Permanent Easement to Farmers Electric Cooperative; Resolution No. 26-14
Adopt Resolution No. 26-14 authorizing the Executive Director to execute a permanent easement with Farmers Electric Cooperative, Inc.

Upon a motion by Director Terry Sam Anderson and a second by Director Steve Matthews, the Board of Directors voted to approve Resolution No. 26-14 as presented.

Director Marvin Fuller abstained from discussion and voting on this item.

XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

GENERAL / ADMINISTRATIVE AGENDA ITEMS

A. Regional Solid Waste System Contract Revenue Bonds, Series 2026; Resolution No. 26-09
Adopt Resolution No. 26-09 authorizing the issuance of Revenue Bonds for the Regional Solid Waste System.

Director Rick Crowley advised that the Finance Committee reviewed this item on February 11th . The Finance Committee recommended the Board adopt Resolution No. 26-09 authorizing issuance of Series 2026 revenue bonds for the Regional Solid Waste System's capital improvement project costs and bond sale issuance costs.

This morning, 10 bids were received. The Baker Group is the winning bidder with an interest rate of 3.73%.

$9.725 million of 2026 revenue bonds will be issued.

Upon a motion by Director Rick Crowley and a second by Director Alan McCuistion, the Board of Directors voted unanimously to approve Resolution No. 26-09 as presented.

WATER AGENDA ITEMS

B. Meter Vault Standardization Set Point Control Implementation, Phase V; Project Number 101-0338-13; Additional Engineering Services
Authorize funding in the amount of $1,332,231 to Kimley-Horn and Associates, Inc., for additional engineering services for final design of improvements to existing meter vaults at 23 Member City and Customer delivery sites throughout the transmission system.

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

Phase 5 of this ongoing effort upgrades 23 water delivery points, including the implementation of current meter vault standards and set-point control capabilities. Additional engineering services are needed to complete 11 sites.

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 abstained from discussion and voting on this item.

C. Tawakoni Water Treatment Plant Advanced Treatment for PFAS; Project No. 101-0665-25; Engineering Services Agreement - Final Design

Authorize funding in the amount of $3,093,000 to Black and Veatch Corporation for final design and bidding engineering services required to design and construct an advanced treatment train for PFAS removal at the Tawakoni Water Treatment Plant (WTP).

Director Jack May advised that the Water Committee reviewed this item yesterday and voted to recommend that the Board authorize approval. Authorization is needed to complete the final design documents for advanced treatment technology improvements to remove PFAS and meet new potable water quality requirements. Raw water from Lake Tawakoni is known to have some PFAS concentrations exceeding maximum contaminants levels. Compliance with the new requirements must be achieved by April 2029.

Executive Director Covington added that the District participated in multi-jurisdictional litigation across the nation and funds from a settlement agreement will be used to fund this item.

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

D. Texoma Pump Station Mechanical Improvements; Project No. 101-0663-25; Engineering Services Agreement - Final Design 26-6252

Authorize funding in the amount of $1,915,215 for an engineering services agreement with CDM Smith, Inc. for the final design services for the Texoma Pump Station Mechanical Improvements.

Director Jack May advised that the Water Committee reviewed this item yesterday and voted to recommend that the Board authorize approval. This project will be the last of a series of improvements required to increase pumping capacity and improve reliability of the electrical and mechanical systems at the Lake Texoma raw water pump station.

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

E. Wylie Complex Filter Improvements; Project No. 101-0615-22; Amendment No. 2 to Construction Manager At-Risk; and Work Authorization No. 1

Authorize funding in the amount of $7,645,844 to Sundt Construction, Inc., for Amendment No. 2 to the Construction Manager At-Risk (CMAR) Agreement for the Wylie Complex Filter Improvements project for work related to Work Authorization No. 1 Project name to be known from this point on as: Wylie Complex Filter Improvements.

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

The CMAR has submitted a Cost of Work Proposal for Work Authorization No. 1 to execute early procurement of materials to improve 18 filters at the Wylie Water Treatment Plants 2 and 3. Starting the procurement now will allow the materials to be on-site by the expected construction window which starts in Fall 2026 to Spring 2027.

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

SOLID WASTE AGENDA ITEMS

F. 121 RDF Sectors 6C and 6D Mass Excavation; Project Number 401-0675-25; Tabulation of Bids, Award of Contract and Engineering Services Agreement

Authorize award of a construction contract to Mario Sinacola and Sons Excavating, Inc. (Sinacola) in the amount of $6,892,412 and an engineering services agreement (ESA) in the amount of $299,500 to Biggs and Mathews Environmental, Inc. (BME) for engineering services during the construction phase.

Director Richard Peasley stated that this was an item on the March 11th Solid Waste Committee meeting. The Committee recommends the Board authorize award of construction in the amount of $6,892,412 and engineering services agreement in the amount of $299,500 during the construction phase. This project will enable the future development of Sectors 6C & 6D by adding 4.4 million cubic yards of capacity volume at the 121 RDF and ultimately increases the constructed airspace utilization of the site by approximately 4 additional years.

Upon a motion by Director Richard Peasley and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve. Director Rick Mann was absent from the vote.

REAL ESTATE AGENDA ITEMS

G. Mediated Settlement Agreement with North Texas Municipal Water District and The State of Texas; Resolution No. 26-10

Adopt Resolution No. 26-10 authorizing the Execution of the Mediated Settlement Agreement with The State of Texas associated with TxDOT construction of Spur 399 across McKinney Landfill.

Director Randy Roland advised that the Real Estate Committee discussed this item yesterday and recommends the Board of Directors Adopt Resolution No. 26-10 authorizing the Execution of the Mediated Settlement Agreement with the State of Texas associated with TxDOT construction of Spur 399 across the McKinney Landfill. This agreement is to settle all claims of compensation to NTMWD.

Director Jody Sutherland inquired as to the dollar amount of the settlement. Executive Director Covington advised the amount of the settlement is $1,850,000.

Upon a motion by Director Randy Roland and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve Resolution No. 26-10 as presented. Director Rick Mann was absent from the vote.

H. Wylie Water Treatment Plant Complex Valve Improvements; Project No. 101-0672-25; Resolution No. 26-15; Right of Way Acquisition Program

Adopt Resolution 26-15 authorizing funding in the amount of $35,000 to acquire a temporary easement.

Director Randy Roland advised that the Real Estate Committee discussed this item yesterday and recommends the Board of Directors Adopt Resolution No. 26-15 authorizing funding in the amount of $35,000 to acquire a temporary easement needed for valve repairs as part of the Wylie Water Treatment Plant Complex Valve Improvements project.

Upon a motion by Director Randy Roland and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve Resolution No. 26-15 as presented. Director Rick Mann was absent from the vote.

I. Preliminary Development Agreement with Bois d'Arc Lake Partners, LLC

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

Director Randy Roland advised that the Real Estate Committee discussed this item yesterday. The Committee recommends the Board authorize the Executive Director to execute a Preliminary Development Agreement with Bois d'Arc Lake Partners, LLC and the Lease and Use agreement required by the preliminary development agreement with the future property owner's association.

Upon a motion by Director Randy Roland and a second by Director Steve Matthews, the Board of Directors voted unanimously to approve. Director Rick Mann was absent from the vote.

XIII. CLOSING ITEMS

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

There were no comments and no requests for potential future agenda items.

President Hollifield reminded everyone of the President's meeting next month. Also, that next month's Board meeting will be held at the John Bunker Sands Wetland.

XIV. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 3:53 p.m.

APPROVED:

_____
DAVID HOLLIFIELD, President

ATTEST:

_____
KEITH STEPHENS, Secretary

DRAFT

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-21

Modification of Capital Projects Request

RECOMMENDATION

Recommend the Board of Directors approve the May 2026 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. 101-0445-16, Multiple Systems Maintenance Facilities Central Region, Phase II, Change Order No. 11

Description	Amount	Days
Original Contract Amount	$18,547,777.00	570
Prior Change Order(s) Total	$426,230.66	276
Proposed Change Order No. 11		
PCO 29 - Roll-up door	$4,992.46	0
PCO 30 - Washdown building	$3,520.86	15
PCO 31 - Tool crib	$17,069.77	0
PCO 32 – Information technology (IT) equipment	$146,234.79	0
Proposed Change Order No. 11 Increase	**$171,817.88**	**15**
Revised Contract Amounts	**$19,145,825.54**	**861**

Original Completion Dates: Substantial – July 20, 2023; Final – September 18, 2023
Revised Completion Dates: Substantial – May 6, 2024; Final – July 5, 2024

This facility supports both water and wastewater departments. Funding in the amount of $171,817.88 for Change Order No. 11 to Tegrity Contractors, Inc., is available in the following proportions:

$137,454.31 is to be made available from the Regional Water System Construction Funds, $25,772.68 is to be made available from the Regional Wastewater System Construction Funds, and $8,590.89 to be made available from the Upper East Fork Interceptor System Construction Funds.

b. Project No. 101-0505-18, McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline, Change Order No. 5.

Description	Amount	Days
Original Contract Amount	$102,886,839.00	880
Prior Change Order(s) Total	$707,656.00	90

Proposed Change Order No. 5		
PCO 8.1 – Ridgeline creek crossing modification	($230,000.00)	0
PCO 15 – Abandoned well fill	$19,406.00	0
Proposed Change Order No. 5 Decrease	**($210,594.00)**	**0**
Revised Contract Amounts	**$103,383,901.00**	**970**

Original Completion Dates: Substantial – October 13, 2026; Final – December 12, 2026
Revised Completion Dates: Substantial – January 11, 2027; Final – March 12, 2027

Funding in the amount of ($210,594) for Change Order No. 5 to Oscar Renda Contracting, Inc. will be credited back to the Regional Water System Capital Improvement Fund.

WASTEWATER SYSTEM

a. None

SOLID WASTE SYSTEM

a. None.

II. AUTHORIZATION TO ISSUE CONSTRUCTION FINAL PAYMENT ONLY

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

WATER SYSTEM

a. Project No.101-0584-21, Wylie Water Treatment Plant (WTP) II Plant Water Improvements

Description	**Amount**	**Days**
Original Contract Amount	$3,562,100.00	570
Prior Change Order(s) Total	$147,003.00	45
Previous Payments	**$3,437,229.19**	
Proposed Final Payment to Schofield Civil Construction, LLC	**$271,873.81**	
Final Contract Amounts	**$3,709,103.00**	**615**

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

No additional funding is requested for Final Payment.

WASTEWATER SYSTEM

a. None.

SOLID WASTE SYSTEM

a. None.

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

Work on the following projects is substantially complete with only minor deficiencies remaining. Final payment of 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. Project No. 101-0548-19, Bonham Water Treatment Plant Improvements

Description	Amount	Days
Original Contract Amount	$5,327,000.00	465
Prior Change Order(s)Total	($52,573.98)	1,041
Proposed Change Order No. 8		
Reconciliation of contract recommended for closing (credit)	($81,157.16)	120
Proposed Change Order No. 8 Decrease	**($81,157.16)**	**120**
Previous Payments	**$4,960,452.09**	
Proposed Final Payment	**$232,816.77**	
Final Contract Amounts	**$5,193,268.86**	**1,626**

Original Completion Dates: Substantial – November 24, 2022; Final – January 23, 2023
Revised Completion Dates: Substantial – January 28, 2026; Final – March 29, 2026

Funding in the amount of ($81,157.16) for Change Order No. 8 to Eagle Contracting, L.P., will be credited back to the Regional Water System Construction Funds

WASTEWATER SYSTEM

a. None.

SOLID WASTE SYSTEM

a. None.

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

WATER SYSTEM

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

Description	Amount
Original ESA	$714,274.00

Prior Additional Services	$284,400.00
Proposed Additional Services	**$149,714.00**
Additional services for expanded permitting area and associated effort to revise existing permitting submissions.	$133,660.00
Additional easement acquisition support	$16,054.00
Revised ESA Amount	**$1,148,388.00**

The cumulative amount requested exceeds 25% of the original contract value. NTMWD staff recommends approval of the additional services on this report in lieu of an individual Administrative Memorandum.

Funding in the amount of $149,714.00 for Amendment No. 3 to Freese and Nichols, Inc., is available in the Regional Water System Capital Improvement Fund

b. Project No. 101-0666-25, Wylie Complex Reclaim System Improvements

Description	**Amount**
Original ESA	$487,000.00
Prior Additional Services	$0.00
Proposed Additional Services	**$300,000.00**
Additional services for Conceptual Engineering services of North Plants III and IV Reclaim Systems	$300,000.00
Revised ESA Amount	**$787,000.00**

The amount requested exceeds 25% of the original contract value. NTMWD staff recommends approval of the additional services on this report in lieu of an individual Administrative Memorandum.

Funding in the amount of $300,000.00 for Amendment No. 1 to HDR Engineering, Inc., is available in the Regional Water System Construction Funds

<u>WASTEWATER SYSTEM</u>

a. Project No. 301-0471-17, Rowlett Creek Regional Wastewater Treatment Plant (RWWTP) Peak Flow Management Improvements, Phase II, Engineering Services During Construction

Description	**Amount**
Original ESA	$3,467,000.00
Prior Additional Services	$0.00

Proposed Additional Services	**$437,000.00**
Necessary electrical/instrumentation updates to the contract documents for the remaining work packages.	$437,000.00
Revised ESA Amount	**$3,904,000.00**

Funding in the amount of $437,000 for Amendment No. 1 to Hazen and Sawyer, Inc., is available utilizing the Regional Wastewater System Extendable Commercial Paper Program, issuance of ECP notes will occur as cash needs arise

SOLID WASTE SYSTEM

a. Project No. 401-0613-22, Wylie Fleet Maintenance Service Center

Description	**Amount**
Original ESA	$458,125.00
Prior Additional Services	$107,062.00
Proposed Additional Services	**$9,500.00**
Office revisions	$9,500.00
Revised ESA Amount	**$574,687.00**

The cumulative amount requested exceeds 25% of the original contract value. NTMWD staff recommends approval of the additional services on this report in lieu of an individual Administrative Memorandum.

Funding in the amount of $9,500 for Amendment No. 2 to Stantec Consulting Services, Inc., is available in the Regional Solid Waste System Capital Improvement Fund

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-22

Regional Water System

Designation of Authorized Representatives in the Texas Local Government Investment Pool (TexPool); Resolution No. 26-17

SUBJECT

Adopt Resolution No. 26-17 amending the list of authorized representatives for Investments in TexPool.

PURPOSE

TexPool requires the Board of Directors approve all additions to the list of the District's authorized representatives.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 26-17, "*A Resolution Amending Authorized Representatives for Investments in TexPool*." The resolution is required to be submitted with a Participation Agreement for participation in each local government investment pool.

Consultant: N/A

Scope: Designate authorized NTMWD representatives in TexPool

Project: N/A

Amount: N/A

Committee: N/A

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	2.3 Rigorous Financial Management

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☒ Administrative
☐ Policy	☐ Other _____

BACKGROUND

- Section 4.8 of the District's Investment Policy authorizes the investment of District Funds in "Local government investment pools" which comply with the Public Funds Investment Act. TexPool is AAAm rated, which meets the requirements set forth in the District's investment Policy. Its primary investment objectives are to protect principal, maintain liquidity, provide safety of funds, and maximize returns. Participants include cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas.
- TexPool originated in 1989 and is the oldest and largest investment pool in the state. The pool currently provides investment services for 2,999 participants. As of April 30, 2026, the fund balance was $39.1 billion and the average yield for the month of April was 3.6586%. Federated Investors, Inc., administers the pool.
- The attached resolution amends the list of authorized representatives to take such action as necessary to invest funds with the pool.
- TexPool only allows authorized representatives to communicate with TexPool regarding the District's accounts or enter transactions online. District employees can only move funds between District accounts.
- The District has 3 employees designated to enter transactions and 3 employees designated to review and approve transactions.
- The District's internal controls require 2 approvals for all transactions.
- This action was last taken in March 2023.

FUNDING

No funding is requested.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-17

A RESOLUTION AUTHORIZING DESIGNATION OF AUTHORIZED REPRESENTATIVES IN THE TEXAS LOCAL GOVERNMENT INVESTMENT POOL (TexPool)

1. The following are Authorized Representatives of the Participant and shall be issued P.I.N. numbers:

   a. Name: Jeanne Chipperfield Title: Assistant GM – Chief Financial Officer

      Signature:_____ Phone: 469-626-4317

   b. Name: Drew Farris Title: Finance Manager

      Signature:_____ Phone: 469-626-4355

   c. Name: Holly Matthews Title: Controller

      Signature:_____ Phone: 469-626-4375

   d. Name: Daniel Sellars Title: Treasury Supervisor

      Signature:_____ Phone: 469-626-4369

   e. Name: Tai Tang Title: Investment Coordinator

      Signature:_____ Phone: 469-626-4384

   f. Name: Paxton Payne Title: Financial Analyst - Debt

      Signature:_____ Phone: 469-626-4373

   Drew Farris (e-mail - dfarris@ntmwd.com / Fax 972-295-6440) is the Authorized Representative provided above that will have primary responsibility for performing transactions and receiving confirmation and monthly statements under the Participation Agreement.

2. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool receives a copy of such an amendment or revocation.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026, AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS.

KEITH STEPHENS, Secretary
(SEAL)

DAVID HOLLIFIELD, President

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-23

Regional Water System

Interlocal Cooperation Agreement between the North Texas Municipal Water District and the City of Farmersville regarding modifications to NTMWD's 48-inch Leonard Treated Water Pipeline to Farmersville Delivery Point Waterline; Project No. 101-0632-23; Resolution No. 26-21

SUBJECT

Adopt Resolution No. 26-21 authorizing the execution of an Interlocal Cooperation Agreement (ILA) between the North Texas Municipal Water District and the City of Farmersville (City) to authorize the City's contractor to install 100 linear feet (LF) of 68-inch steel casing across Farmersville Parkway in exchange for a stub-out and valves on NTMWD's proposed waterline for the City's future connection point.

PURPOSE

The City of Farmersville is currently expanding Farmersville Parkway. Installation of the casing at this time by the City's contractor will result in cost savings to NTMWD and avoid future tunneling of the roadway. In consideration, NTMWD will install a stub-out and valves on the proposed waterline to facilitate a more efficient and cost-effective future connection for the City.

RECOMMENDATION

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

1) Authorize the Executive Director to execute an Interlocal Cooperation Agreement with the City of Farmersville, Texas.

2) Adopt Resolution No. 26-21 "*A Resolution Authorizing the Executive Director to Execute an Interlocal Cooperation Agreement Between The North Texas Municipal Water District and The City Of Farmersville Regarding Modifications to NTMWD'S 48-inch Leonard Treated Water Pipeline to Farmersville Delivery Point Waterline".*

Contracting Party: City of Farmersville

Purpose: Execution of Interlocal Cooperation Agreement

Project: No. 101-0632-23, Leonard Treated Water Pipeline to Farmersville Delivery Point

Amount: N/A

Committee: This will be a Champion Update at the May 27, 2026, Water Committee meeting

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	3.3 Durable Strategic Partnerships

☐ Regulatory Compliance	☐ Asset Condition
☒ Capacity	☐ Redundancy/Resiliency
☒ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

In June 2025, the Farmersville City Council authorized a project to improve and expand Farmersville Parkway. In November 2025, Farmersville staff contacted NTMWD regarding the roadway expansion, NTMWD's future waterline, and Farmersville's future delivery point.

This coordination supports both local and regional infrastructure improvements and demonstrates continued collaboration between NTMWD and local municipalities.

INTERLOCAL COOPERATION AGREEMENT

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

- The City of Farmersville's contractor will install approximately 100 linear feet of 68-inch (minimum inside diameter) steel casing for NTMWD's future waterline between stations 611+34 and 612+31. The casing will be installed within City-owned Farmersville Parkway right-of-way per approved construction plans and specifications dated December 15, 2025.
- NTMWD shall install a stub-out and valves on NTMWD's future waterline at station 349+04 for the future connection of a waterline to deliver potable water to the City's Project. The stub-out and valves will be installed within NTMWD's 60-foot waterline easement per approved construction plans and specifications dated April 14, 2026.

The Farmersville City Council approved this agreement and authorized execution on May 4, 2026.

FUNDING

No funding is requested.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-21

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND THE CITY OF FARMERSVILLE REGARDING MODIFICATIONS TO NTMWD'S 48-INCH LEONARD TREATED WATER PIPELINE TO FARMERSVILLE DELIVERY POINT WATERLINE

WHEREAS, NTMWD is currently designing a 48-inch waterline from its 84-inch Leonard Treated Water Pipeline to the City of Farmersville delivery point; and

WHEREAS, the City of Farmersville (the "City") plans to construct a new potable water delivery point near the intersection of Collin County Road 617 and State Highway 78; and

WHEREAS, the City is currently causing the construction of the Farmersville Parkway Road Expansion Project; and

WHEREAS, NTMWD has requested that the City include the installation of a proposed pipeline casing for NTMWD's Waterline in the Farmersville Parkway Road Expansion Project right of way in exchange for NTMWD'S construction of a stub out and valves for the future delivery point; and

WHEREAS, the City shall be responsible for all costs and expenses associated with the materials and labor for the casing installation; and

WHEREAS, NTMWD shall be responsible for all costs and expenses associated with the materials and labor for the stub out and valve installation.

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

1. The Executive Director is authorized to execute an Interlocal Cooperation Agreement with the City of Farmersville for the above-named project.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026, AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS

_____ _____

KEITH STEPHENS, Secretary **DAVID HOLLIFIELD, President**

(Seal)

INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF FARMERSVILLE AND THE NORTH TEXAS MUNICIPAL WATER DISTRICT REGARDING MODIFICATIONS TO NTMWD'S 48-INCH LEONARD TREATED WATER PIPELINE TO FARMERSVILLE DELIVERY POINT WATERLINE

THIS Interlocal Cooperation Agreement ("Agreement") is made between the **NORTH TEXAS MUNICIPAL WATER DISTRICT**, a Texas conservation and reclamation district **("NTMWD** and the **CITY OF FARMERSVILLE,** TEXAS, a home-rule municipality operating under the laws of the State of Texas **("City").** City and NTMWD are collectively hereinafter referred to as the "Parties" and each, individually, a "Party."

RECITALS

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governmental entities to contract with one another to perform governmental functions and services under the terms thereof, and the City and the NTMWD have determined that mutual benefits and advantages can be obtained by formalizing their agreement as to the separate and distinct issues of importance to them regarding the matters addressed in this Agreement; and

WHEREAS, NTMWD is currently designing a 48-inch waterline from its 84-inch Leonard Treated Water Pipeline to the City of Farmersville delivery point, ("**NTMWD's Waterline**"), as depicted on Exhibit A, which is incorporated herein by reference; and

WHEREAS, the City plans to construct a new potable water delivery point near the intersection of CR 617 and SH 78 ("**City's Project**"); and

WHEREAS, the City is currently causing the construction of the Farmersville Parkway Road Expansion Project; and

WHEREAS, NTMWD has requested that City include the installation of the below described pipeline casing for NTMWD's Waterline in the Farmersville Parkway Road Expansion Project right of way in exchange for NTMWD'S construction of the below described NTMWD stub out and valves; and

WHEREAS, under this Agreement, the City shall cause its contractor to install 100 linear feet of 68-inch (minimum inside diameter) steel casing for NTMWD's Waterline between stations 611+34 and 612+31, as depicted with estimates of probable costs reflected on Exhibit B. The City shall be responsible for all costs and expenses associated with the materials and labor for the casing installation; and

WHEREAS, under this Agreement, NTMWD shall include a stub out and valves on NTMWD's Waterline at station 349+04, as depicted with estimates of probable costs reflected on Exhibit C, for a future pipeline connection to provide potable water to the City's Project. NTMWD shall be responsible for all costs and expenses associated with the materials and labor for the stub out and valve installation.

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

ARTICLE ONE
Construction

1.01 The City's Scope of Work. As part of the City's Project, the City shall:

a. Cause the City's contractor to install approximately 100 linear feet of 68-inch (minimum inside diameter) steel casing for NTMWD's Waterline between stations 611+34 and 612+31. The casing will be installed within City owned Farmersville Parkway right-of-way. per approved construction plans and specifications dated December 15, 2025 (the "Casing Plans").

b. NTMWD represents that NTMWD's consulting engineer has reviewed and approved the Casing Plans and believes that the Casing Plans are suitable for their intended use based on the current, actual knowledge of NTMWD's consulting engineer, including knowledge of existing site conditions.

1.02 Site Access Provided. The City, and its contractors and agents, shall have a temporary right to access NTMWD's easement area, as depicted on Exhibit B, for the limited purpose of fulfilling the City's construction obligations outlined in this Agreement. Any other work needing to be performed in NTMWD's easement area, or otherwise affecting NTMWD's Waterline or other infrastructure made by the basis of this Agreement, shall require NTMWD's advanced written approval which shall not be unreasonably withheld, delayed, or qualified.

1.03 Inspection Activities. The City and/or its contractor shall notify, in writing, NTMWD's inspection staff 48 hours in advance of any need for NTMWD to inspect the work set forth in this Agreement. Such notice shall include both the scope of inspection(s) and date the work will be ready to inspect.

1.04 The NTMWD's Scope of Work. As part of the NTMWD's Waterline project, the NTMWD shall:

a. Install a stub out and valves on NTMWD's Waterline at station 349+04, as depicted on Exhibit C, for the future connection of a waterline to deliver potable water to the City's Project. The stub out and valves will be installed within NTMWD's 60-foot waterline easement per approved construction plans and specifications dated April 14, 2026.

1.05 Standards. All work will be done according to all applicable codes and

regulations, including municipal, county, state, and federal.

a. The City, through its contractor, shall give all notices required by and shall comply with all laws and regulations applicable to the performance of the scope of work outlined in Sections 1.01 and 1.02 herein. NTMWD shall not be responsible for monitoring the City's compliance with any laws or regulations. If the City, or any of the City's contractors or agents, performs any work that is contrary to laws or regulations, NTMWD shall not be held responsible.

b. The NTMWD, through its contractor, shall give all notices required by and shall comply with all laws and regulations applicable to the performance of the scope of work outlined in Sections 1.04 herein. The City shall not be responsible for monitoring NTMWD's compliance with any laws or regulations. If NTMWD, or any of NTMWD's contractors or agents, performs any work that is contrary to laws or regulations, the City shall not be held responsible.

ARTICLE TWO
Costs

2.01 Costs Borne by the City. The City shall be solely responsible for all costs and expenses associated with the City's scope of work outlined in Section 1.01 herein. Further, the purpose of this Agreement is that NTMWD shall bear no costs or expenses associated with the City's scope of work. The estimated cost for the labor, equipment, and materials for the City's scope of work is one hundred seventy-one thousand four hundred US Dollars ($171,400).

2.02 Costs Borne by the NTMWD. NTMWD shall be solely responsible for all costs and expenses associated with NTMWD's scope of work outlined in Section 1.04 herein. Further, the purpose of this Agreement is that the City shall bear no costs or expenses associated with NTMWD's scope of work. The estimated cost for the labor, equipment, and materials for the NTMWD's scope of work is three hundred fifty-eight thousand eight hundred US Dollars ($358,800).

2.03 Reimbursement of Costs and Fees. Neither party may seek reimbursement of costs associated with their respective scopes of work under this Agreement.

ARTICLE THREE
MUTUAL RELEASE AND HOLD HARMLESS

TO THE EXTENT ALLOWED BY LAW, AND WITHOUT WAIVING GOVERNMENTAL OR SOVEREIGN IMMUNITY, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO, OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY

RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

THIS INDEMNIFICATION CLAUSE IS VALID ONLY TO THE EXTENT PERMITTED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS, PARTICULARLY SECTION 7 OF ARTICLE XI OF THE TEXAS CONSTITUTION, AND WITH THE MUTUAL UNDERSTANDING THAT THE PARTIES ARE POLITICAL SUBDIVISIONS OF THE STATE OF TEXAS AND THAT THIS EXECUTORY INDEMNITY OBLIGATION CANNOT BE PAID FROM CURRENT REVENUES AND THAT NO TAX NOR INTEREST AND SINKING FUND HAS BEEN SET, ADOPTED OR ESTABLISHED FOR THE PAYMENT OF THIS EXECUTORY INDEMNITY OBLIGATION.

ARTICLE FOUR
Defective or Non-conforming Work

4.01 NTMWD May Stop Work. If the City's work contemplated in this Agreement is defective, or the City fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the work in such a way that the completed work will conform to the plans and specifications, NTMWD may order the City to stop the work, or any portion thereof, until the cause for such stop-work order has been eliminated. However, this right of NTMWD to stop the work shall not give rise to any duty on the part of NTMWD to exercise this right for the benefit of the City, the City's contractors, or any other individual or entity, or any surety for, or employee or agent of any of them.

4.02 Correction or Removal of Defective Work. Promptly after receipt of written notice of defective work, the City shall review and inspect said work for compliance with the approved standards and plans per this agreement. If NTMWD and City agree said work is defective, the City shall have its contractor correct all defective work, whether or not fabricated, installed, or completed, and shall remove it and replace it with work that is not defective. The City shall require its contractor to pay all costs arising out of or relating to such correction or removal of the defective work in accordance with the contract documents between the City and contractor. NTMWD shall not be responsible for the costs associated with the correction or removal of the defective work.

4.03 Correction Period. If the work associated with the City's scope of work described herein is found within one year after final completion to be defective, the City shall promptly, without cost to NTMWD and in accordance with NTMWD's written instructions: (a) cause the correction of such defective work in accordance with the contract documents between the City and its contractor and the bonds required thereby; or (b) in accordance with the Contract documents between the City and its contractor and the bonds required thereby, if the defective work has been rejected by NTMWD, cause removal and replacement with work that is not defective, and cause satisfactory correction or repair or removal and replacement of any damage to other work resulting therefrom.

4.04 NTMWD's Option. If the City does not promptly cause its contractor to comply with the reasonable terms of NTMWD's written instructions received by the City in accordance with the notice provision herein, or in an emergency where delay would cause serious risk of loss or damage, NTMWD may have the defective work corrected or repaired or may have the rejected

work removed and replaced. All costs arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid solely by the City.

ARTICLE FIVE
Term

5.01 This Agreement shall be effective upon approval by the City Council and NTMWD's Board of Directors and execution by the City's and NTMWD's authorized representatives. The effective date will be the latter of the dates this Agreement is executed by the Parties' authorized representatives. This Agreement shall continue in effect until all the work required under this Agreement has been performed.

ARTICLE SIX
Insurance

6.01 Insurance Rating Requirements. All insurance required to be provided shall be obtained from insurance companies that are duly licensed or authorized in Texas to issue policies for the limits and coverages so required herein. Insurance companies providing the insurance shall have an A.M. Best Company Rating of A-VIII or better. City shall comply with all laws and regulations regarding payment and performance bonds and insurance.

6.02 Certificates of Insurance. The City shall deliver to NTMWD certificates of insurance (and other evidence of insurance requested by NTMWD) which the City's contractor is required to purchase and maintain. Failure of NTMWD to demand such certificates or other evidence of full compliance with these insurance requirements or failure of NTMWD to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of obligation to maintain such insurance. NTMWD does not represent that insurance coverage and limits established in this Agreement necessarily will be adequate to protect the City.

6.03 The City's Contractor's Insurance. The City shall have its contractor purchase and maintain such insurance as is appropriate for the work being performed and as will provide protection from claims set forth below which may arise out of or result from the City's contractor's performance of the work, whether it is to be performed by the City's contractor, any subcontractor or supplier, or by anyone directly or indirectly employed by any of them to perform any of the work, or by anyone for whose acts any of them may be liable:

a. claims under workers' compensation, disability benefits, and other similar employee benefit acts;

b. claims for damages because of bodily injury, occupational sickness or disease, or death of the City's or the City's contractor's employees;

c. claims for damages because of bodily injury, sickness or disease, or death of any person other than the City's or the City's contractor's employees;

d. claims for damages insured by reasonably available personal injury liability coverage which are sustained:

1. by any person as a result of an offense directly or indirectly related to the employment of such person by the City or the City's contractor, or

2. by any other person for any other reason;

e. claims for damages, other than to the work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and

f. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

g. The City's contractors will provide insurance satisfying the City's insurance requirements.

6.04 Insurance Policies. The policies of insurance required by this Article shall:

a. be written on an occurrence basis, as applicable;

b. include at least the specific coverages and be written for not less than the limits of liability required by laws or regulations;

c. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least 30 days prior written notice has been given to NTMWD;

d. remain in effect at least until the work is complete; and

6.05 City's Contractor's Insurance Coverage.

a. Worker's Compensation and Employer's Liability Insurance required for City's contractor herein is to provide coverage for not less than the following amounts or greater where required by laws and regulations.

Workers' Compensation, etc.,	
1) State:	Statutory
2) Applicable Federal (e.g., Longshore)	Statutory
Employers' Liability	
1) Bodily Injury by Accident	$500,000
2) Bodily Injury by Disease - Each Employee	$500,000

3) Bodily Injury by Disease - Policy Limit	$500,000

b. The Liability Insurance required for City's contractor herein is to provide coverage for not less than the following amounts or greater where required by laws and regulations. The City's contractor can satisfy the requirements by a combination of the underlying coverage and umbrella/excess coverage; the underlying coverage amounts will be included in the overall umbrella/excess coverage amount:

Insurance for Claims of Damages	
1) General Aggregate (Except Products - Completed Operations)	$ 2,000,000 / Occurrence $ 4,000,000 / Aggregate
2) Products - Completed Operations Aggregate	
3) Personal and Advertising Injury (One Person/Organization)	$1,000,000
4) Each Occurrence (Bodily Injury and Property Damage)	$1,000,000
5) Limit Per Person – Medical Expense	$10,000
6) Personal Injury Liability coverage will include claims arising out of Employment Practices Liability, limited to coverage provided under standard contract.	$1,000,000
7) Property Damage Liability insurance will provide explosion, collapse and underground coverage where applicable	$1,000,000

c. The City's contractor's liability insurance shall also include completed operations and product liability coverage, and eliminate the exclusion with respect to property under the care, custody and control of the City or the City's contractor.

d. The City's contractor's automobile liability insurance required herein is to provide coverage for not less than the following amounts or greater where required by laws and regulations.

Bodily Injury:	
1) Each Person	$1,000,000

2) Each Accident	$1,000,000
Property Damage:	
1) Each Accident	$1,000,000
Or	
2) Combined Single Limit (Bodily Injury and Property Damage)	$1,000,000

e. The City's contractor's contractual liability insurance required herein is to provide coverage for not less than the following amounts or greater where required by laws and regulations.

The City's Contractual Liability Insurance	
1) General Aggregate	$ 2,000,000
2) Each Occurrence (Bodily Injury and Property Damage)	$ 4,000,000

6.06 Property Insurance. The City shall require Contractor to purchase and maintain a Builder's Risk "all-risk" policy that shall at least include insurance for physical loss or damage to the work, temporary buildings, falsework, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage (other than that caused by flood), and such other perils or causes of loss. The Builder's Risk policy shall list NTMWD and the City as a loss payee; include expenses incurred in the repair or replacement of any insured property (including but not limited to reasonable fees and charges of engineers and architects) and cover materials and equipment stored at the Site or at another location and in transit for incorporation in the work from such storage locations that was agreed to in writing by NTMWD prior to being incorporated in the work. All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with this section will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 30 days prior written notice has been given to NTMWD.

6.07 NTMWD's Insurance for Project. NTMWD shall not be responsible for purchasing and maintaining any insurance to the City's Project in the interest of the City, the City's contractor or others involved with the work.

ARTICLE SEVEN
Immunity

7.01 NTMWD and City are both political subdivisions of the state of Texas and enjoy governmental immunity. By entering into this Agreement, neither NTMWD nor City consents to suit, the waiver of their respective governmental immunity or the waiver of limitation as to

damages under the Texas Tort Claims Act. Notwithstanding the foregoing, neither NTMWD nor City waives any rights or defenses arising out of the other party's breach of this Agreement as permitted by law or otherwise.

ARTICLE EIGHT
Notices

8.01 All notices required under the provisions of this Agreement must be in writing, hand-delivered or sent by registered or certified mail to the addresses below:

City of Farmersville:
Attn: City Manager
City of Farmersville
205 S. Main Street
Farmersville, Texas 75442

Copy To:
Attn: Amy Stanphill
Messer Fort, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034

NTMWD:
Jennafer P. Covington Executive Director
P.O. Box 2408
Wylie, TX 75098

Copy To:
Lewis Isaacks
Saunders, Walsh & Beard
6850 TPC Drive, Suite 210
McKinney, Texas 75070

The name and address for notification may be changed by notice to the other Parties.

ARTICLE NINE
Severability

9.01 The provisions of this Agreement are severable. If any paragraph, section, subdivision, 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 this Agreement shall be enforced as if the invalid provision had never been included.

ARTICLE TEN
Successors and Assigns

10.01 This Agreement shall be binding upon the Parties hereto, their successors and assigns. Neither Party will assign or transfer an interest in this Agreement without the written consent of the other Party.

ARTICLE ELEVEN
Venue

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

ARTICLE TWELVE
Recitals

12.01 The recitals are hereby incorporated in and made a part of this Agreement as if fully set forth herein. By signing this Agreement, the City and NTMWD understand and agree to all of these recitals.

ARTICLE THIRTEEN
Interpretation

13.01 This Agreement has been negotiated by and between the Parties, and any presumption that an ambiguity contained in this Agreement shall be construed against the Party that caused this Agreement to be drafted shall not apply to the interpretation of this Agreement.

ARTICLE FOURTEEN
Remedies, Non-Waiver

14.01 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 either Party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

ARTICLE FIFTEEN
Entire Agreement

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

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, all as of the day and year pursuant to Section 5.01 above.

EXECUTED this 4 day of May, 2026.

City of Farmersville, Texas

By: Craig Overstreet

Name: Craig Overstreet

Title: Mayor

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on May 4, 2026, by Craig Overstreet, Mayor of the City of Farmersville, Texas.

Notary Public, in and for the
State of Texas

TABATHA J. MONK
My Notary ID # 125985077
Expires January 31, 2027

EXECUTED this 4 day of May, 2026.

North Texas Municipal Water District

By: _____

Name: Jennafer P. Covington

Title: Executive Director

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on _____,2026, 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

EXHIBIT A

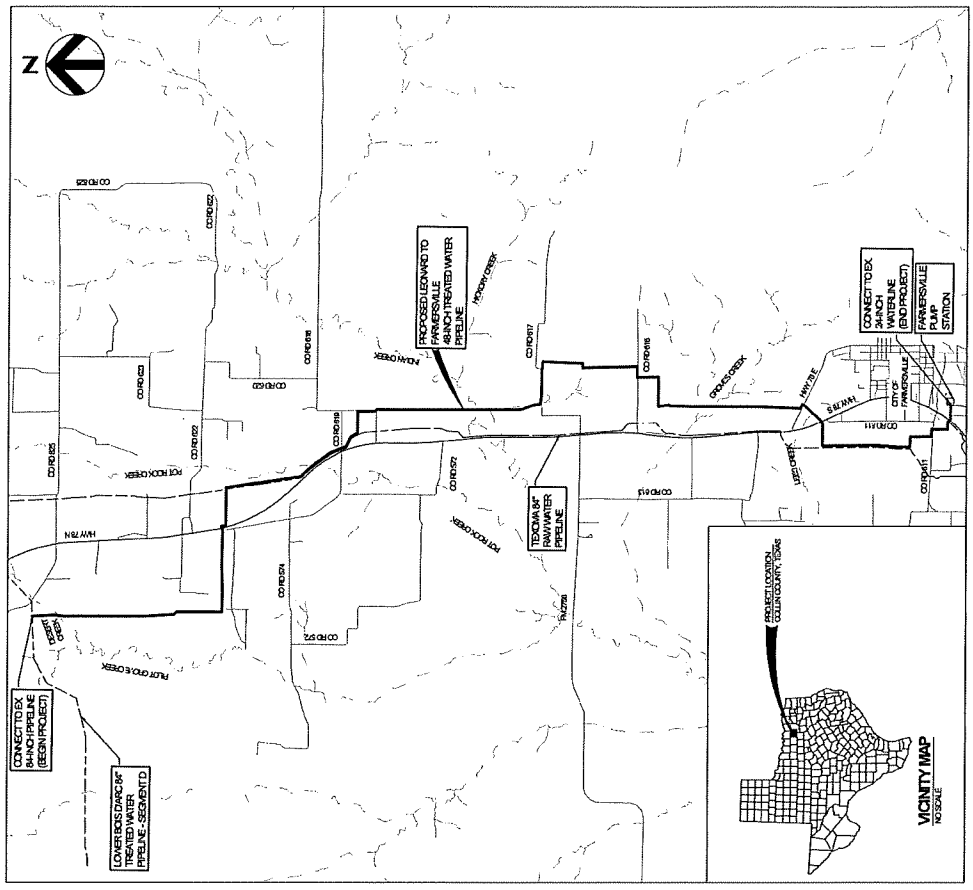
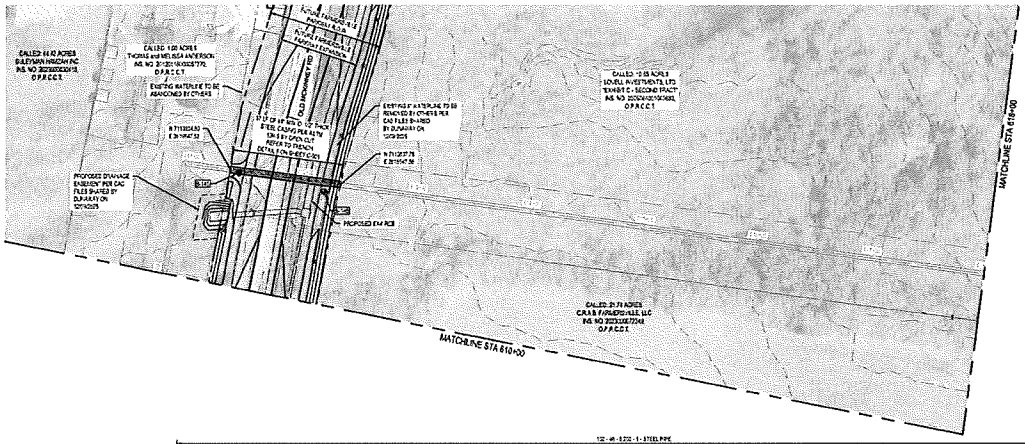

N
CONNECT TO EX 84-INCH PIPELINE (BEGIN PROJECT)
LOWER BOIS D'ARC 84" TREATED WATER PIPELINE - SEGMENT D
TEXOMA 84" RAW WATER PIPELINE
PROPOSED LEONARD TO FARMERSVILLE 48-INCH TREATED WATER PIPELINE
CONNECT TO EX 54-INCH WATERLINE (END PROJECT)
FARMERSVILLE PUMP STATION
PROJECT LOCATION COLLIN COUNTY, TEXAS
VICINITY MAP
NO SCALE

EXHIBIT B



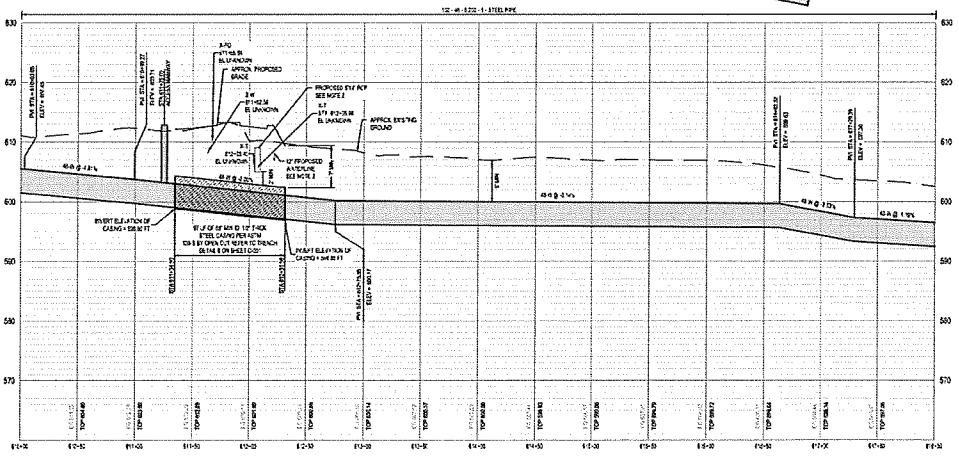
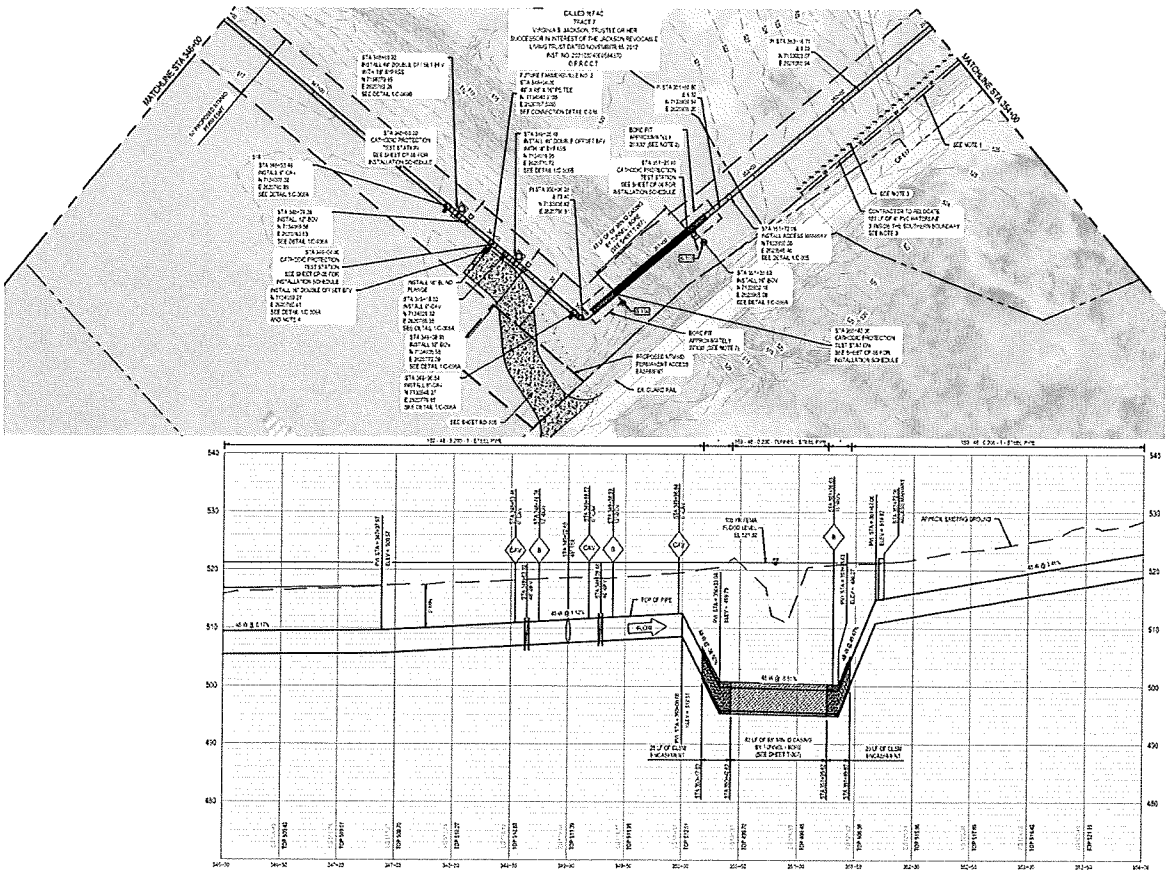
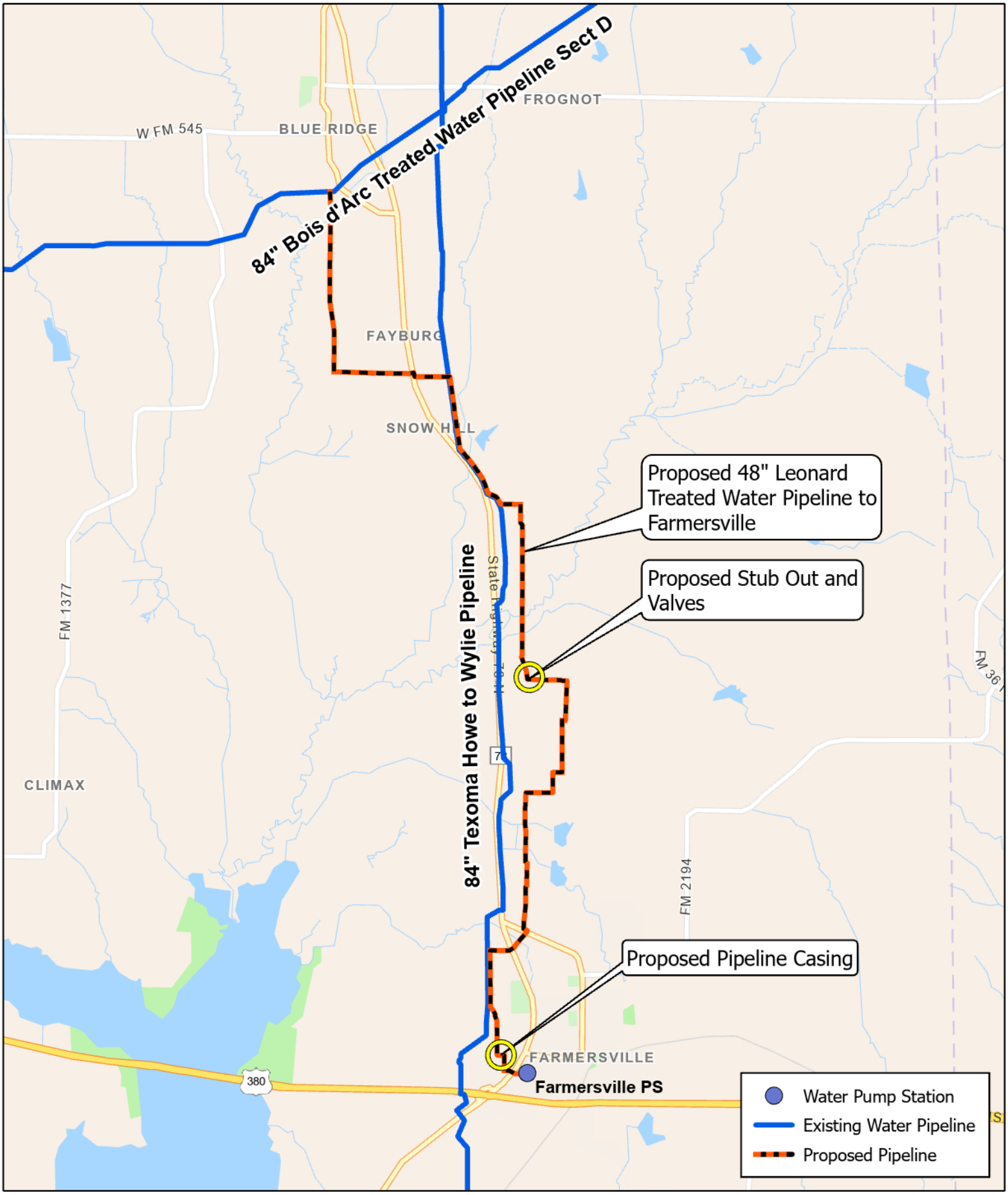


EXHIBIT C


MATCHLINE STA 340+00
MATCHLINE STA 350+00
N
LEGEND
100-YEAR FLOODPLAIN
NOTE
1 THE PROPOSED NTMWD EASEMENT INCLUDES A 20-FOOT OFFSET FROM THE EXISTING COLLIN COUNTY ROAD EASEMENT TO ACCOUNT FOR POTENTIAL FUTURE COLLIN COUNTY EASEMENT NEEDS
2 CONTRACTOR TO FINALIZE BORE PIT SIZE AND CONFIGURATION
3 CONTRACTOR TO PHASE THE EXISTING 8" WATERLINE AND RELOCATE IF 3 INSIDE THE SOUTHERN RAWHIDE EASEMENT. CONTRACTOR TO COORDINATE WITH WATER PARTNERS LLE WSC FOR THE SHUTDOWN REQUIREMENTS AND THE FINAL LOCATION
4 CONTRACTOR TO INSTALL 90° DOUBLE OFFSET BUTTERFLY VALVE WITH 90% COMPACTED GRANULAR EMBEDMENT AROUND IF NO SLOW REQUIRED
* 60 AND 200 # STEEL PIPE
SUBSURFACE UTILITY ENGINEERING (SUE) AVAILABLE DATA
UTILITY TYPE | OWNER | SUE LEVEL
8" WATER | NORTH TEXAS MUNICIPAL WSC | D
TELE | ATT | B
540
530
520
510
500
490
480
TOP OF PIPE
FLOW
APPROX. EXISTING GROUND
20' OF CLOSE EXCAVATION
20' OF CLOSE EXCAVATION



NORTH TEXAS MUNICIPAL WATER DISTRICT

Leonard Treated Water Pipeline to Farmersville
Project No. 101-0632-23

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-24

Regional Solid Waste System

121 Regional Disposal Facility; Conveyance of Property; Resolution No. 26-20

SUBJECT

Adopt Resolution No. 26-20 declaring 0.40 acres of District property surplus to the needs of the District and authorizing the Executive Director to sell the 0.40-acre parcel to an adjoining landowner and to execute documents necessary to convey the property.

PURPOSE

NTMWD owns non-operational property at the 121 Regional Disposal Facility (RDF) separated from the RDF by State Highway 121. A residential developer is acquiring land to the north of this tract. Development is only viable with an additional point of ingress and egress, which must be through the NTMWD property.

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 an Abutting Property Owner at 121 Regional Disposal Facility*."

Acquiring Party:	Abutting Owner
Scope:	Conveyance of Fee Simple Property
Project:	N/A
Amount:	$191,466
Committee:	This was a Champion Update at the April 22, 2026, Real Estate Committee meeting

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	3.3: Durable Strategic Partnerships

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☒ Relocation or External Requests	☒ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PROJECT PURPOSE

- The purpose of this consent agenda item is to authorize the conveyance of a strip of fee simple surplus property to an abutting property owner and to authorize the Executive Director to execute documents necessary for the conveyance.
- NTMWD owns an approximately 20-acre tract of land (western tract) on the west side of State Highway 121, in Melissa, Texas.
- The western tract was part of the original 1993 property acquisition of approximately 1,257.605 acres.
- State Highway 121 separates the western tract from the 121 Regional Disposal Facility.
- A residential developer (developer) is under contract to acquire approximately 148.8 acres abutting the northern edge of the western tract.
- Developer wishes to acquire 0.40 acres from NTMWD to build a roadway to connect the neighborhood to the State Highway 121 service road.
- The roadway shall be dedicated to the City of Melissa and aligns with the City of Melissa's existing Comprehensive Transportation Plan.
- The residential development is not viable without an ingress/egress point at the State Highway 121 service road.
- Developer agrees to pay market value for the land as determined by an appraisal.
- Developer is scheduled to close on the abutting property in June 2026.
- 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 from the sale of property in the amount of $191,466 will be credited back to the Regional Solid Waste System Capital Improvement Fund.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-20

A RESOLUTION FOR CONVEYANCE OF FEE SIMPLE PROPERTY TO AN ABUTTING PROPERTY OWNER AT 121 REGIONAL DISPOSAL FACILITY

WHEREAS, in June 1993 the NTMWD acquired approximately 1,257.605 acres of land in Collin County, Texas, for the 121 Regional Disposal Facility (RDF) project; and,

WHEREAS, an approximately 20-acre tract (western tract) was part of the 1993 acquisition and abuts the west side of State Highway 121 (Highway 121); and,

WHEREAS, Highway 121 separates the western tract from the RDF; and,

WHEREAS, a residential developer is under contract to acquire approximately 148.8 acres of land abutting the northern edge of the western tract and shall become the abutting property owner; and,

WHEREAS, the developer desires to acquire 0.40 acres (Property) out of the western tract to construct a roadway to connect the neighborhood with the Highway 121 service road; and,

WHEREAS, the roadway shall be dedicated to City of Melissa and its design aligns with City of Melissa's Comprehensive Plan – Transportation Plan; and,

WHEREAS, the residential development is not viable without the Property; and,

WHEREAS, the Board determines and declares that the Property is not needed for Regional Disposal 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, the abutting property owner is willing to pay market value based upon an appraisal obtained by the District.

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 the abutting property owner.

2. The approximately 0.40 acres are surplus to the needs of NTMWD.

3. It is the recommendation of the Executive Director and NTMWD staff that the Board authorize conveyance of approximately 0.40 acres in fee-simple located adjacent to State Highway 121 service road to the abutting property owner at market value based upon an appraisal obtained by the District.

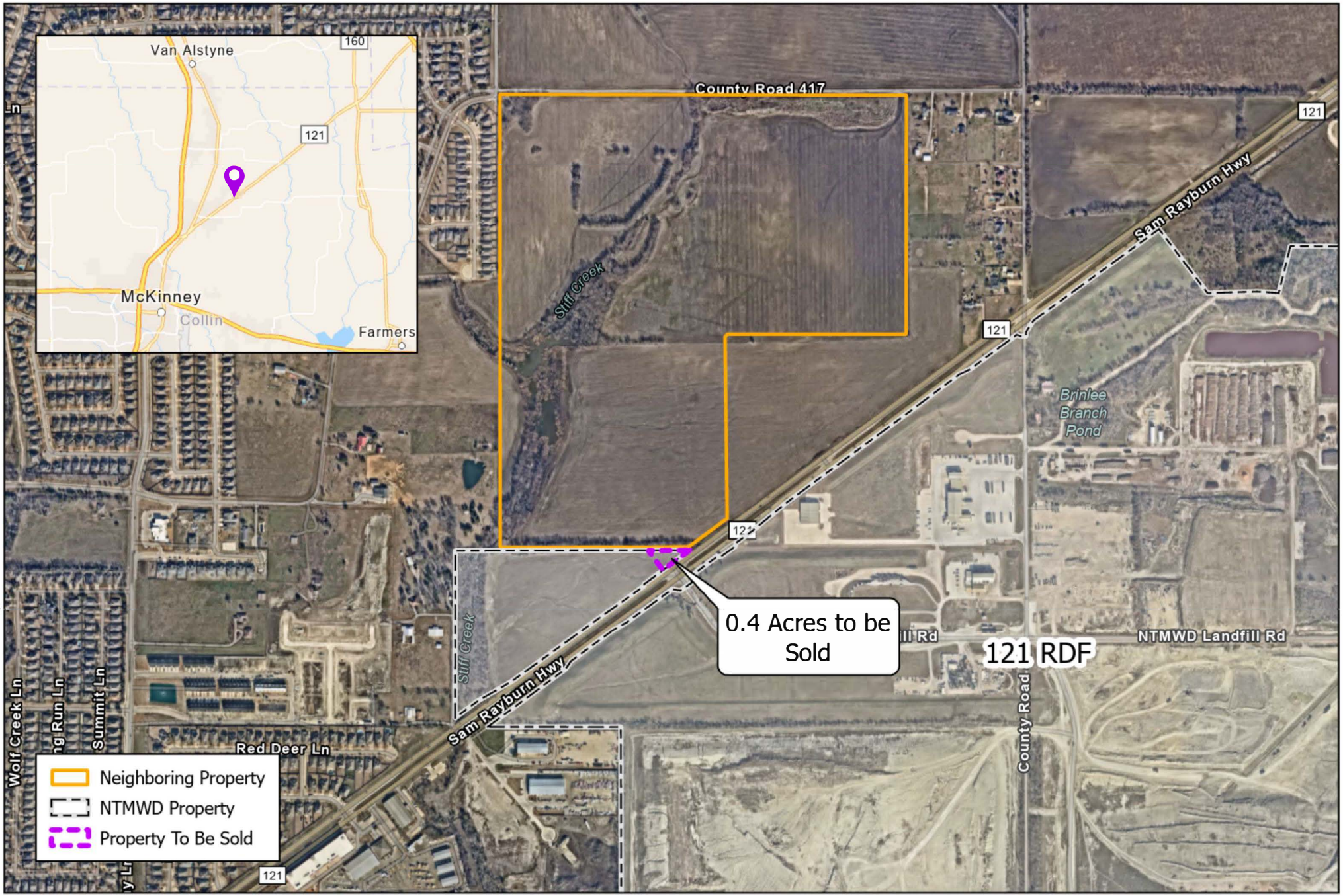
4. The Executive Director is authorized to execute the deed and any and all transaction documents necessary to convey the 0.40 acres to the abutting property owner.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026, AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS.

_____ _____

KEITH STEPHENS, Secretary **DAVID HOLLIFIELD, President**

(SEAL)



NORTH TEXAS MUNICIPAL WATER DISTRICT

121 Regional Disposal Facility
Conveyance of Property

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-25

Regional Solid Waste System

Wylie Fleet Maintenance Service Center, Project No. 401-0613-22; Request To Use Competitive Sealed Proposal Procurement Method; Resolution No. 26-22

SUBJECT

Adopt Resolution No. 26-22 authorizing the use of Competitive Sealed Proposal (CSP) procurement method for the construction of the Wylie Fleet Maintenance Service Center project.

PURPOSE

The authorization to use the CSP procurement method for construction allows NTMWD staff and its consultant, Stantec Consulting Services, Inc. (Stantec), the flexibility to establish weighted selection criteria that includes price as well as other non-monetary evaluation criteria. This method is recommended for this project due to the specific criteria required for this project and the opportunity it provides to select a contractor based upon the best overall value provided for NTMWD.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 26-22, *"A Resolution Authorizing Use of the Competitive Sealed Proposal Procurement Method under Texas Government Code Chapter 2269 for the Wylie Fleet Maintenance Service Center, Project No. 401-0613-22."*

Committee: This was a Departmental Update at the May 13, 2026, Policy Committee meeting

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.3 Proactive maintenance management; 1.3.2 Optimize fleet maintenance operations 1.4 Reliable and resilient system capacity 2.2 Efficient business practices 2.2.3 Identify and execute efficiencies in systems, processes and staffing throughout the District.

☐ Regulatory Compliance	☒ Asset Condition
☒ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☒ Operational Efficiency
☐ Safety	☐ Administrative
☒ Policy	☐ Other _____

BACKGROUND

PROJECT PURPOSE

- Due to the growth of the NTMWD transport system, the existing Wylie Service Center will be unable to support the District's fleet in the future. Improving the existing Facility Services Center to act as the new Wylie Service Center, demolishing the existing Wylie Service Center, and relocating the fuel tank at the Wylie campus will improve the vehicle maintenance capabilities at the Wylie campus and District-wide services provided at this location.

The improved facility would provide an area for offices, storage, and vehicle maintenance due to the lack of space to adequately service NTMWD over-the- road vehicles. .

COMPETITIVE SEALED PROPOSAL METHOD

- In 2011, the Texas Legislature enacted legislation that allows public entities such as NTMWD to elect to operate under Chapter 2269 of the Texas Government Code, which authorizes the use of alternate procurement methods for construction projects, including CSP. The advantages of CSP include better value through evaluated contractor selection, discouragement of participation by marginal contractors, the ability to take the best value offer, and the opportunity to negotiate with the best value candidate.
- The CSP procurement method allows NTMWD staff and its consultant, Stantec, to establish weighted selection criteria for contractor selection that includes price, experience, equipment, past performance, safety record, and/or financial stability. Other factors that may be considered include change order history, schedule, tendency for litigation and approach to the project. NTMWD staff will have the ability to score contractors on their demonstrated ability to construct projects similar in scope to the Wylie Fleet Maintenance Service Center.
- In examining the ability to use this alternative delivery method, legal counsel has advised of the statutory need for the NTMWD Board of Directors to specifically elect to utilize the alternate delivery methods set forth in Chapter 2269 instead of the usual procurement requirements for this particular project. The Executive Director and NTMWD staff recommend that the Board specifically authorize the use of the CSP procurement method for the construction of the Wylie Fleet Maintenance Facility Service Center, Project No. 401-0613-22 and to supersede for this project the operation of any other applicable law, rule, or regulation governing competitive bidding by the NTMWD.

FUNDING

No funding is requested.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-22

A RESOLUTION AUTHORIZING USE OF COMPETITIVE SEALED PROPOSAL PROCUREMENT METHOD UNDER TEXAS GOVERNMENT CODE CHAPTER 2269 FOR WYLIE FLEET MAINTENANCE SERVICE CENTER, PROJECT NO. 401-0613-22

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH TEXAS MUNICIPAL WATER DISTRICT:

SECTION 1

That the North Texas Municipal Water District (NTMWD) authorizes the use of the Competitive Sealed Proposal Procurement Method under Chapter 2269 of the Texas Government Code to provide the best value to NTMWD for the Wylie Fleet Maintenance Service Center, Project No. 401-0613-22. The NTMWD, through this resolution, specifically elects to be governed by Chapter 2269 of the Texas Government Code solely for the procurement of the project referenced above, superseding any other applicable law, rule or regulation governing competitive bidding by the NTMWD for this project.

SECTION 2

That this resolution shall take effect and be in full force and effect from and after the date of its adoption, and it is so resolved that all resolutions of the Board of Directors of the NTMWD in conflict herewith are hereby amended or repealed to the extent of such conflict.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026, AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS.

_____ _____

KEITH STEPHENS, Secretary **DAVID HOLLIFIELD, President**

(SEAL)



NORTH TEXAS MUNICIPAL WATER DISTRICT

Wylie Fleet Maintenance Service Center
Project No. 401-0613-22

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Consent Agenda Item No. 26C-26

Regional Solid Waste System

Gateway Drive Transfer Station; Project No. 401-0644-24; Authorization to Use Competitive Sealed Proposal Procurement Method; Resolution No. 26-23

SUBJECT

Adopt Resolution No. 26-23 authorizing the use of Competitive Sealed Proposal (CSP) procurement method for the construction of the Gateway Drive Transfer Station.

PURPOSE

The use of the CSP procurement method for construction allows NTMWD staff and its consultant, Weaver Consultants Group, LLC., the flexibility to establish weighted selection criteria that includes price and other non-monetary evaluation criteria. This method is recommended for this project due to the specific nature of constructing a new transfer station and associated components in compliance with city and state permitting requirements. NTMWD staff can review and rate other criteria in addition to the price proposed and can recommend a contractor who provides the best overall value to complete the project for NTMWD.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 26-23, *"A Resolution Authorizing Use of the Competitive Sealed Proposal Procurement Method under Texas Government Code Chapter 2269 for the Gateway Drive Transfer Station, Project No. 401-0644 -24."*

Committee: This was a Department Update at the May 13, 2026, Policy Committee meeting

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.2 Successfully Deliver Capital Program

☒ Regulatory Compliance (Pre-emptive)	☐ Asset Condition
☒ Capacity	☒ Redundancy/Resiliency
☐ Relocation or External Requests	☒ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PROJECT PURPOSE

- Construct Gateway Drive Transfer Station (TS) to accommodate the growth the City of Frisco is experiencing that is expected to increase the percentage of Frisco's solid waste delivered to the Custer Road TS beyond the current 93 percent it receives and reduce the strain on that facility.
- The Custer Road Transfer Station receives waste from Allen, Frisco, McKinney, and Plano. The site also hosts the yard waste processing facility for the compost program that serves all five Regional Solid Waste System (RSWS) Member Cities.
- The Custer Road TS is limited by its Texas Commission on Environmental Quality (TCEQ) municipal solid waste permit to accept a maximum of 1,900 tons of waste per day, including yard waste, and the transfer station is more frequently approaching the maximum daily limit on account of the growth of the RSWS Member Cities.
- The Purchase and Sale Agreement with the Frisco Community Development Corporation (Frisco CDC) for the transfer station property provides terms for the purchase of the property, including:
    - NTMWD submitting the TCEQ permit application, the latter of May 31, 2026, or 6 months after receiving all development approvals from the City of Frisco (condition met);
    - NTMWD commence construction not later than the earlier of December 31, 2030, or 18 months after NTMWD's receipt of a final and non-appealable permit issued by the TCEQ;
    - Property repurchase at 100 percent of the original purchase price if NTMWD fails to commence construction within 90 days of receipt of a construction Commencement Failure Notice by Frisco CDC;
    - NTMWD to obtain a permanent certificate of occupancy for the transfer station not later than 30 months from the construction commencement date;
    - Temporary Use Restriction restricting the property to be used solely for the transfer station operations for 25 years following the sale closing; and,
    - Permanent Use Restriction for certain defined prohibited uses stated in the Purchase and Sale Agreement.
- The Development Agreement with the Frisco CDC provides tasks the City of Frisco will perform in association with the construction of the infrastructure for the transfer station, including:
    - Construction of Gateway Drive, Executive Drive, and a portion of Monroe Drive connecting Gateway Drive to Executive Drive;
    - Establishment and construction of water and sanitary sewer facilities necessary to serve the property (NTMWD responsibility for electricity and internet fiber);
    - Construction of off-site stormwater detention facilities serving the property; and,
    - Completion of these construction activities by May 31, 2026.
- Administrative Memorandum No. 24-6044 authorized funding and acquisition of the 14.8-acre tract property from the City of Frisco in the amount of $10,393,377.12.

- Administrative Memorandum No. 24-6063 authorized the adoption of Resolution No. 24-41 to authorize the filing of a permit application for the future Gateway Drive Transfer Station solid waste permit with the TCEQ and the City of Frisco, and funding in the amount of $488,068 to Weaver Consultants Group, LLC., for an engineering services agreement for permitting the future Gateway Drive Transfer Station.

COMPETITIVE SEALED PROPOSAL METHOD

- In 2011, the Texas Legislature enacted legislation that allows public entities such as NTMWD to elect to operate under Chapter 2269 of the Texas Government Code, which authorizes the use of alternate procurement methods for construction projects, including CSP. The advantages of CSP include better value through evaluated contractor selection, discouragement of participation by marginal contractors, the ability to take the best value offer, and the opportunity to negotiate with the best value candidate.
- The CSP procurement method allows NTMWD staff and its consultant, Weaver Consultants Group, to establish weighted selection criteria for contractor selection that includes price, experience, equipment, past performance, safety record, and/or financial stability. Other factors that may be considered include change order history, schedule, tendency for litigation and approach to the project. NTMWD staff will have the ability to score contractors on their demonstrated ability to construct projects similar in scope to the Gateway Drive Transfer Station.

In examining the ability to use this alternative delivery method, legal counsel has advised that the NTMWD Board of Directors should specifically elect to utilize the alternate delivery methods set forth in Chapter 2269 instead of the usual procurement requirements for this particular project. The Executive Director and NTMWD staff recommend that the Board specifically authorize the use of the CSP procurement method for the construction of the Gateway Drive Transfer Station, Project No. 401 -0644-24 and to supersede, for this project, the operation of any other applicable law, rule, or regulation governing competitive bidding by the NTMWD.

FUNDING

No funding is requested.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-23

A RESOLUTION AUTHORIZING USE OF COMPETITIVE SEALED PROPOSAL PROCUREMENT METHOD UNDER TEXAS GOVERNMENT CODE CHAPTER 2269 FOR GATEWAY DRIVE TRANSFER STATION, PROJECT NO. 401-0644-24

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH TEXAS MUNICIPAL WATER DISTRICT:

SECTION 1

That the North Texas Municipal Water District (NTMWD) authorizes the use of the Competitive Sealed Proposal Procurement Method under Chapter 2269 of the Texas Government Code to provide the best value to NTMWD for the Gateway Drive Transfer Station, Project No. 401-0644-24. The NTMWD, through this resolution, specifically elects to be governed by Chapter 2269 of the Texas Government Code solely for the procurement of the project referenced above, superseding any other applicable law, rule or regulation governing competitive bidding by the NTMWD for this project.

SECTION 2

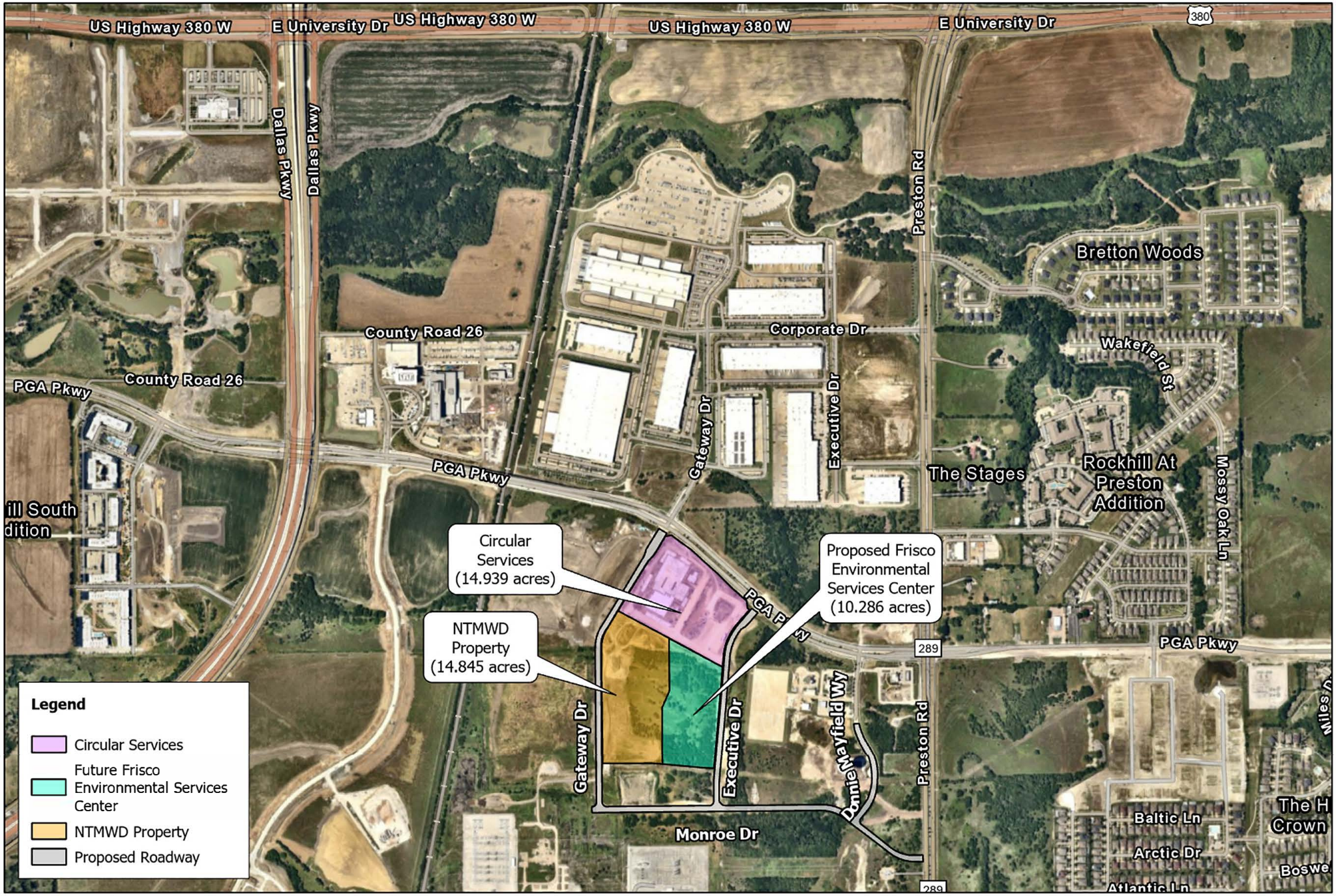
That this resolution shall take effect and be in full force and effect from and after the date of its adoption, and it is so resolved that all resolutions of the Board of Directors of the NTMWD in conflict herewith are hereby amended or repealed to the extent of such conflict.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS.

_____ _____

KEITH STEPHENS, Secretary **DAVID HOLLIFIELD, President**

(SEAL)



NORTH TEXAS MUNICIPAL WATER DISTRICT

Gateway Drive Transfer Station
Project No. 401-0644-24

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6258

Election of Officers for the North Texas Municipal Water District Board of Directors for 2026-2027

SUBJECT

Consider the Election of Officers for the North Texas Municipal Water District Board of Directors for 2026-2027.

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6259

Regional Wastewater System

Revenue Refunding and Improvement Bonds, Series 2026; Resolution No. 26-18

SUBJECT

Adopt Resolution No. 26-18 authorizing the issuance of Refunding Bonds for the Regional Wastewater System Series 2012, 2015, and 2016 Revenue Bonds and Refunding Bonds for the Extendable Commercial Paper (ECP) Bonds.

PURPOSE

This authorization refinances Series 2012, 2015 and 2016 Revenue Bonds and allows the District to issue bonds to refund the ECP Bonds.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 26-18, "*A Resolution Authorizing the Issuance, Sale and Delivery of North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2026, Pledging Revenues for the Payment of the Bonds, Approving an Official Statement, and Authorizing Other Instruments and Procedures Relating Thereto.*"

Consultant:	N/A
Scope:	Fund Improvements to the Regional Wastewater System
Project:	Multiple Projects
Amount:	Approximately $147.1. Actual amount to be determined at date of pricing.
Committee:	This was an item on the May 13, 2026, Finance Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	2.3 Rigorous Financial Management

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☒ Administrative
☐ Policy	☐ Other _____

BACKGROUND

- The Finance Committee met on May 13, 2026, to review the Regional Wastewater System ECP Program and Bond Refunding.
    - Refunding approximately $41.2M of Series 2012, 2013, 2015 and 2016 Bonds
    - Refunding approximately $105.9M of ECP Program contract award authorizations
- Staff presented timelines for the sale and a summary of the financing plan to the Finance Committee.
- At this time, it is expected that approximately $147.1 million of 2026 revenue refunding bonds will be issued. The actual amount of the bond sale will be determined on the date of pricing.
- The transaction will be sold via competitive sale on May 28, 2026. The estimated interest rate is 4.5%.
- NTMWD bond counsel, McCall, Parkhurst & Horton, LLP, has prepared the attached Bond Resolution.
- Representatives from McCall, Parkhurst & Horton, LLP, as well as Hilltop Securities, Inc., will be available at the Board meeting to review the documents and financing procedures.

FUNDING

No funding is requested.

RESOLUTION NO. 26-18

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026, PLEDGING REVENUES FOR THE PAYMENT OF THE BONDS, APPROVING AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS §
COUNTIES OF COLLIN, DALLAS, KAUFMAN, AND ROCKWALL §
NORTH TEXAS MUNICIPAL WATER DISTRICT §

WHEREAS, North Texas Municipal Water District (the "Issuer") 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 "District Act");

WHEREAS, the Issuer presently has bonds of the following series outstanding:

North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2012 (the "Series 2012 Bonds");

North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2015 (the "Series 2015 Bonds");

North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2016 (the "Series 2016 Bonds"); and

WHEREAS, the Issuer desires to issue refunding bonds to refund all or part of the outstanding Series 2012 Bonds, Series 2015 Bonds, and Series 2016 Bonds (the "Refundable Bonds") and those Refundable Bonds designated by an Authorized Officer in the Approval Certificate, each as defined herein, (the "Refunded Bonds"); and

WHEREAS, among other bonds, pursuant to a Master Resolution Establishing the North Texas Municipal Water District Regional Wastewater System Extendable Commercial Paper Financing Program And Authorizing Regional Wastewater System Revenue Bonds - Extendable Commercial Paper Mode, adopted on May 27, 2021 (the "Master Resolution"), and a Resolution amending the Master Resolution adopted on March 23, 2023, the Issuer has previously authorized to be outstanding the following described junior lien bonds:

North Texas Municipal Water District Regional Wastewater System Revenue Bonds - Extendable Commercial Paper Mode (the "*ECP Bonds*");

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

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

WHEREAS, the Issuer also desires to provide funds with which to pay for certain improvements to its Wastewater System (as defined herein), as further described herein; and

WHEREAS, the Board of Directors of the Issuer is authorized to issue the bonds hereinafter authorized pursuant to Chapter 30, Texas Water Code, as amended, Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), and Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), and other applicable laws.

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

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF 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 one or more series, in an aggregate principal amount not to exceed $150,000,000, for the purpose of providing funds for (I) REFUNDING A PORTION OF THE DISTRICT'S OUTSTANDING REFUNDABLE BONDS FOR DEBT SERVICE SAVINGS, (II) REFUNDING A PORTION OF THE DISTRICT'S OUTSTANDING REGIONAL WASTEWATER SYSTEM REVENUE BONDS – EXTENDABLE COMMERCIAL PAPER MODE, (III) FOR ENGINEERING AND CONSTRUCTION FOR EXPANSION OF THE SOUTH MESQUITE REGIONAL WASTEWATER TREATMENT PLANT, CONSTRUCTION AND INSPECTION OF ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT AND SISTER GROVE REGIONAL WATER RESOURCE RECOVERY FACILITY, AND OTHER SYSTEM IMPROVEMENTS, (IV) FUNDING A DEPOSIT TO THE RESERVE FUND TO THE EXTENT NECESSARY, AND (V) PAYING THE COSTS INCIDENT TO THE ISSUANCE AND DELIVERY OF THE BONDS. The refunding of any extendable commercial paper issued for any of the foregoing purposes with proceeds of the bonds authorized hereby shall constitute improving the North Texas Municipal Water District Regional Wastewater System.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "NORTH TEXAS MUNICIPAL WATER DISTRICT, REGIONAL WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026." Initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and exchanged for a like aggregate amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of $5,000 or any integral multiple of $5,000, all in the manner hereinafter provided. The term "Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND.

(a) As authorized by Chapters 1207 and 1371, Texas Government Code, as amended, the President of the Board of Directors, the Executive Director, and the Assistant General Manager - Chief Financial Officer of the Issuer are each hereby designated as an "Authorized Officer" of the Issuer, and each is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer, which actions shall be evidenced by a certificate executed by such Authorized Officer (the "Approval Certificate") for a period not to extend beyond May 28, 2027, in selling and delivering the Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded Bonds" in this Resolution and carrying out the other procedures specified in this Resolution, including the use of a book-entry only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date and the date of delivery of the Bonds, any additional or different designation or title by which the Bond shall be known (including, if the Bonds are issued on a taxable basis, inclusion of an appropriate designation as such), the price at which the Bonds will be sold (but in no event less than 95% of the principal amount of the Bonds), the principal amount (not exceeding $150,000,000) of the Bonds in one or more series, the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest, to be borne by each such maturity (but in no event to result in the net effective interest rate on the Bonds exceeding 6.00% per annum), the initial interest payment date, the date or dates of any optional redemption thereof, any mandatory sinking fund redemption provisions, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds and Refunded ECP Bonds, provided that the refunding of the Refunded Bonds accomplished through the issuance of the Bonds must produce a present value debt service savings of at least 3.00% of the total principal amount of the Refunded Bonds, net of expenses and any Issuer contribution. The Issuer acknowledges that that the refunding of the Refunded ECP Bonds accomplished through the issuance of the Bonds is undertaken for debt restructuring purposes.

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

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

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the date of delivery (the "Issue Date") of the Initial Bond to the Underwriters (as defined in Section 33 hereof) to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Bond, and such interest shall be payable in the manner, at the rates, and on the dates, respectively, as provided in the Approval Certificate and the FORM OF INITIAL BOND set forth in this Resolution.

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

FORM OF INITIAL BOND

NO. TR-1 $_____*

UNITED STATES OF AMERICA
STATE OF TEXAS
NORTH TEXAS MUNICIPAL WATER DISTRICT
REGIONAL WASTEWATER SYSTEM
REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026

NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to: _____* or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of _____ _____* in annual installments of principal due and payable on _____ in each of the years, and in the respective principal amounts, as set forth in the following schedule:

Year*	Principal Amount*	Year*	Principal Amount*

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

Year*	Rate*	Year*	Rate*

* From Approval Certificate.

with said interest being payable semiannually on each _____ and _____, commencing _____*, while this Bond or any portion hereof is outstanding and unpaid.

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

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

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____*, for the purpose of obtaining funds for (i) REFUNDING $_____* IN PRINCIPAL AMOUNT OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE BONDS, SERIES 2012, REFUNDING $_____* IN PRINCIPAL AMOUNT OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2015, AND REFUNDING $_____* IN PRINCIPAL AMOUNT OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2016, (ii) REFUNDING A PORTION OF THE DISTRICT'S OUTSTANDING REGIONAL WASTEWATER SYSTEM REVENUE BONDS – EXTENDABLE COMMERCIAL PAPER MODE; (III) IMPROVING THE NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM, (IV) FUNDING A DEPOSIT TO THE RESERVE FUND TO THE EXTENT NECESSARY, AND (V) PAYING THE COSTS OF ISSUANCE OF THIS BOND.

* From Approval Certificate.

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

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

Principal Installment due on June 1, ____

Years	Amounts

Principal Installment due on June 1, ____

Years	Amounts

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

AT LEAST 30 days prior to the date fixed for any such prepayment or redemption a written notice of such prepayment or redemption shall be mailed by the Paying Agent/Registrar to the registered owner hereof. By the date fixed for any such prepayment or redemption due provision

* From Approval Certificate.

** If Applicable, from Approval Certificate.

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

THIS BOND, to the extent of the unpaid principal balance hereof, or any unpaid portion hereof in any integral multiple of $5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Bond, or any portion or portions hereof in any integral multiple of $5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Bond Resolution, this Bond, to the extent of the unpaid principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of $5,000 (subject to the requirement hereinafter stated that each substitute bond issued in exchange for any portion of this Bond shall have a single stated principal maturity date), upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. If this Bond or any portion hereof is assigned and transferred or converted each bond issued in exchange for any portion hereof shall have a single stated principal maturity date corresponding to the due date of the installment of principal of this Bond or portion hereof for which the substitute bond is being exchanged, and shall bear interest at the rate applicable to and

borne by such installment of principal or portion thereof. Such bonds, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date.

AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer which, together with other outstanding bonds of the Issuer, and the interest thereon, are secured by and payable equally and ratably on a parity from a first lien on and pledge of the "Pledged Revenues" as defined in the Bond Resolution, including the Gross Revenues of the Issuer's Trinity East Fork Regional Wastewater System, and including specifically certain payments to be received by the Issuer from the Cities of Mesquite, Plano, Richardson, Allen, McKinney, Forney, Frisco, Princeton, Rockwall, Heath, Seagoville, Melissa, and the Town of Prosper, Texas, and any future Additional Member Cities, under the "Trinity East Fork Regional Wastewater System Contract", dated October 1, 1975, among the Cities of Mesquite and Plano and the Issuer, the "City of Richardson-Trinity East Fork Regional Wastewater System Contract", dated January 9, 1978, and amended as of December 1, 1985, between the City of Richardson and the Issuer, the "City of Allen-Trinity East Fork Regional Wastewater System Contract", dated August 24, 1978, between the City of Allen and the Issuer, the "City of McKinney-Trinity East Fork Regional Wastewater System Contract", dated August 23, 1979, between the City of McKinney and the Issuer, the "City of Forney - Trinity East Fork Regional Wastewater System Contract", dated February 22, 1990, between the City of Forney and the Issuer, the "City of Frisco - Trinity East Fork Regional Wastewater System Contract", dated as of November 19, 1996, between the City of Frisco and the Issuer, the "City of Princeton - Trinity East Fork Regional Wastewater System Contract", dated as of November 26, 1996, between the City of Princeton and the Issuer, the "City of Rockwall - Trinity East Fork Regional Wastewater System Contract", dated March 29, 2001, between the City of Rockwall and the Issuer, "City of Heath - Trinity East Fork Regional Wastewater System Contract", dated March 29, 2001, between the City of Heath and the Issuer, the "Town of Prosper Trinity East Fork Regional Wastewater System Contract", dated as of February

24, 2004, between the Town of Prosper and the Issuer, and the "City of Seagoville - Trinity East Fork Regional Wastewater System Contract", dated as of February 24, 2005, between the City of Seagoville and the Issuer, and the "City of Melissa - Trinity East Fork Regional Wastewater System Contract", dated as of April 1, 2019, between the City of Melissa and the Issuer, and all similar contracts with any Additional Member Cities as permitted in said contracts.

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

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

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

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

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

xxxxx	xxxxx
Secretary, Board of Directors,	President, Board of Directors,
North Texas Municipal Water District	North Texas Municipal Water 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.

* From Approval Certificate.

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

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

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

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

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

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

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

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on, as the case may be, the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, as the case may be, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, or as the case may be, the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, as the case may be, pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

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

securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

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

Section 7. FORM OF SUBSTITUTE BONDS. The form of all Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Bonds, and the Form of Assignment to be printed on each of the Bonds, shall be, respectively, substantially as follows, with blank or bracketed information to be completed or deleted based upon the Approval Certificate, and with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SUBSTITUTE BOND

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

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

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

NO. R-__ PRINCIPAL AMOUNT
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
NORTH TEXAS MUNICIPAL WATER DISTRICT
REGIONAL WASTEWATER SYSTEM
REVENUE REFUNDING AND IMPROVEMENT BONDS,
SERIES 2026

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP NO.
_____%	JUNE 1, _____	_____, ____ *	

ON THE MATURITY DATE specified above NORTH TEXAS MUNICIPAL WATER DISTRICT (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to CEDE & CO. or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of _____ DOLLARS and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date specified above, to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable semiannually on each June 1 and December 1, commencing _____**, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

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

* Date of Delivery to the Underwriters (as defined in Section 33 of this Resolution).

** From Approval Certificate.

Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is one of an issue of Bonds dated as of _____*, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____* for the purpose of obtaining funds for (i) REFUNDING $_____* IN PRINCIPAL AMOUNT OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE BONDS, SERIES 2012, REFUNDING $_____* IN PRINCIPAL AMOUNT OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2015, AND REFUNDING $_____* IN PRINCIPAL AMOUNT OF NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2016, (ii) REFUNDING A PORTION OF THE DISTRICT'S OUTSTANDING REGIONAL WASTEWATER SYSTEM REVENUE BONDS – EXTENDABLE COMMERCIAL PAPER MODE; (III) IMPROVING THE NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM, (IV) FUNDING A DEPOSIT TO THE RESERVE FUND TO THE EXTENT NECESSARY, AND (V) PAYING THE COSTS OF ISSUANCE OF THIS BOND.

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

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

Term Bonds maturing on June 1, ____

Years	Amounts

* From Approval Certificate.

** If Applicable, from Approval Certificate.

Term Bonds maturing on June 1, _____

Years	Amounts

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

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

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

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF $5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer which, together with other outstanding bonds of the Issuer, and the interest thereon, are secured by and payable equally and ratably on a parity from a first lien on and pledge of the "Pledged Revenues" as defined in the Bond Resolution, including the Gross Revenues of the Issuer's Trinity East Fork Regional Wastewater System, and including specifically certain payments to be received by the Issuer from the Cities of Mesquite, Plano, Richardson, Allen, McKinney, Forney, Frisco, Princeton, Rockwall, Heath, Seagoville, Melissa, and the Town of Prosper, Texas, and any future Additional Member Cities, under the "Trinity East Fork Regional Wastewater System Contract", dated October 1, 1975, among the Cities of Mesquite and Plano and the Issuer, the "City of Richardson-Trinity East Fork Regional Wastewater System Contract", dated January 9, 1978, and amended as of December 1, 1985, between the City of Richardson and the Issuer, the "City of Allen-Trinity East Fork Regional Wastewater System Contract", dated August 24, 1978, between the City of Allen and the Issuer, the "City of McKinney-Trinity East Fork Regional Wastewater System Contract", dated August 23, 1979, between the City of McKinney and the Issuer, the "City of Forney - Trinity East Fork Regional Wastewater System Contract", dated February 22, 1990, between the City of Forney and the Issuer, the "City of Frisco - Trinity East Fork Regional Wastewater System Contract", dated as of November 19, 1996, between the City of Frisco and the Issuer, the "City of Princeton - Trinity East Fork Regional Wastewater System Contract", dated as of November 26, 1996, between the City of Princeton and the Issuer, the "City of Rockwall - Trinity East Fork Regional Wastewater System Contract", dated March 29, 2001, between the City of Rockwall and the Issuer, "City of Heath - Trinity East Fork Regional Wastewater System Contract", dated March 29, 2001, between the City of Heath and the Issuer, the "Town of Prosper Trinity East Fork Regional Wastewater System Contract", dated as of February 24, 2004, between the Town of Prosper and the Issuer, and the "City of Seagoville - Trinity East Fork Regional Wastewater System Contract", dated as of February 24, 2005, between the City of Seagoville and the Issuer, and the "City of Melissa - Trinity East Fork Regional Wastewater System Contract", dated as of April 1, 2019, between the City of Melissa and the Issuer, and all similar contracts with any Additional Member Cities as permitted in said contracts.

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

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

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

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the 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, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

xxxxxxxxx	xxxxxxxx
Secretary, Board of Directors, North Texas Municipal Water District	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

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

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

Dated

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION, Houston, Texas

By _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

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

Please Insert Social Security or

Other Identifying Number of Assignee
/_____/

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

Date: _____

_____
Signature Guaranteed: _____

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

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

Section 8. ADDITIONAL DEFINITIONS. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in the future in this Resolution.

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

The terms "Bond Resolution" and "Resolution" mean this resolution authorizing the Bonds.

The term "Bonds" means collectively the Initial Bond as described and defined in Section 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 the Trinity East Fork Regional Wastewater Contract dated as of October 1, 1975, among the District and the City of Mesquite, in Dallas County, Texas, and the City of Plano, in Collin County, Texas, the City of Richardson-Trinity East Fork Regional Wastewater System Contract, dated as of January 9, 1978, and amended as of December 1, 1985, between the District and the City of Richardson, in Dallas and Collin Counties, Texas, the City of Allen-Trinity East Fork Regional Wastewater System Contract, dated as of August 24, 1978, between the District and the City of Allen, in Collin County, Texas, the City of McKinney - Trinity East Fork Regional Wastewater System Contract, dated as of August 29, 1979, between the District and the City of McKinney, in Collin County, Texas, the City of Forney - Trinity East Fork Regional Wastewater System Contract, dated as of February 22, 1990, between the District and the City of Forney, in Kaufman County, Texas, the City of Frisco - Trinity East Fork Regional Wastewater System Contract, dated as of November 19, 1996, between the District and

the City of Frisco, in Collin and Denton Counties, Texas, the City of Princeton - Trinity East Fork Regional Wastewater System Contract, dated as of November 26, 1996, between the District and the City of Princeton, in Collin County, Texas, the City of Rockwall - Trinity East Fork Regional Wastewater System Contract, dated as of March 29, 2001, between the District and the City of Rockwall, in Rockwall County, Texas, the City of Heath - Trinity East Fork Regional Wastewater System Contract, dated as of March 29, 2001, between the District and the City of Heath, in Rockwall County, Texas, the Town of Prosper - Trinity East Fork Regional Wastewater System Contract, dated as of February 24, 2004, between the District and the Town of Prosper, in Collin and Denton Counties, Texas, the City of Seagoville - Trinity East Fork Regional Wastewater System Contract, dated as of February 24, 2005, between the District and the City of Seagoville, Dallas and Kaufman Counties, Texas, and the City of Melissa - Trinity East Fork Regional Wastewater System Contract, dated as of April 1, 2019, between the District and the City of Melissa, in Collin County, Texas, together with all similar contracts which may be executed in the future between the District and Additional Member Cities, as defined and permitted in the aforesaid contracts.

The terms "Issuer" or "District" shall mean North Texas Municipal Water District.

The term "District's System", "Issuer's System", and "System" shall mean all of the Issuer's facilities acquired, constructed, used, or operated by the Issuer for receiving, transporting, treating, and disposing of Wastewater of and for Member Cities, pursuant to the Contract, including the contracts with Additional Member Cities (but excluding any facilities acquired or constructed with "Special Facilities Bonds" as hereinafter described, and excluding any facilities required to transport Wastewater to any Point of Entry of the System), together with any improvements, enlargements, or additions to said System facilities and any extensions, repairs, or replacements of said System facilities acquired, constructed, used, operated, or otherwise incorporated into or made a part of said System facilities in the future by the Issuer. Said terms shall include only those facilities which are acquired, constructed, used, or operated by the Issuer to provide service to Member Cities pursuant to the Contract, including the contracts with Additional Member Cities, and which, as determined by the Issuer, can economically and efficiently provide service to Member Cities. Said terms do not include any Issuer facilities which provide Wastewater services of any kind to cities, political subdivisions, or persons which are not Member Cities, nor do they in any way include or affect the Issuer's water supply system. Said terms do not include any facilities acquired or constructed by the Issuer with the proceeds from the issuance of "Special Facilities Bonds", which are hereby defined as being revenue obligations of the Issuer which are not secured by or payable from Annual Payments under the Contract, including the contracts with Additional Member Cities, but which are payable solely from other sources; but Special Facilities Bonds may be made payable from payments from any person, including any Member City, under a separate contract whereunder the facilities to be acquired or constructed are declared not to be part of the System and are not made payable from the Annual Payments as defined in the Contract, including the contracts with Additional Member Cities.

The term "Gross Revenues of the System" means all of the revenues, income, rentals, rates, fees, and charges of every nature derived by the Board or the District from the operation and/or ownership of the System, including specifically all payments constituting the "Annual Requirement" (as defined in the Contracts) (consisting of the "Operation and Maintenance Component" and the "Bond Service Component" (as such terms are defined in the Contracts)), and all other payments and amounts received by the Board or the District from the Member Cities pursuant to the Contracts, including any contracts with Additional Member Cities.

The term "Member Cities" shall mean collectively the City of Mesquite, in Dallas County, Texas, the City of Plano, in Collin County, Texas, the City of Richardson, in Dallas and Collin Counties, Texas, the City of Allen, in Collin County, Texas, the City of McKinney, in Collin County, Texas, the City of Forney, in Kaufman County, Texas, the City of Frisco, in Collin and Denton Counties, Texas, the City of Princeton, in Collin County, Texas, the City of Rockwall, in Rockwall County, Texas, the City of Heath, in Rockwall County, Texas, the Town of Prosper, in Collin and Denton Counties, Texas, the City of Seagoville, in Dallas and Kaufman Counties, Texas, and the City of Melissa, in Collin County, Texas, together with all Additional Member Cities, as defined in the Contracts.

The terms "Net Revenues of the System" shall mean all of the Gross Revenues of the System less Operation and Maintenance Expenses of the System.

The term "1976 Bond Resolution" shall mean the resolution adopted by the Board on May 27, 1976, authorizing the issuance of the "North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 1976," the initial issuance of bonds by the Issuer to provide the System.

The term "Operation and Maintenance Expense of the System" means all costs of operation and maintenance of the System including, but not limited to, repairs and replacements, 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 made for the use or operation of any property, payments of fines, and payments made by the District in satisfaction of judgments or other liabilities resulting from claims not covered by District's insurance or not paid by one particular Member City arising in connection with the operation and maintenance of the System. Depreciation shall not be considered an item of Operation and Maintenance Expense.

The term "Parity Bonds" shall mean collectively the Bonds and the unpaid and unrefunded bonds out of the following described Series which will be outstanding after the issuance and delivery of the Initial Bond: North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2012, authorized by resolution of the Board on March 22, 2012, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2013, authorized by resolution of the Board on March 28, 2013, North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2015, authorized by resolution of the Board on August 27, 2015, North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2016, authorized by resolution of the Board on August 25, 2016, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2017, authorized by resolution of the Board on March 23, 2017, North Texas Municipal Water District Regional Wastewater System Revenue Refunding Bonds, Series 2017, authorized by resolution of the Board on November 29, 2017, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2018, authorized by resolution of the Board on February 22, 2018, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2019, authorized by resolution of the Board on April 25, 2019, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2020, authorized by resolution of the Board on May 28, 2020, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2020A, authorized by resolution of the Board on June 25, 2020, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2021, authorized by resolution of the Board on January

21, 2021, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2021A, authorized by resolution of the Board on February 25, 2021, North Texas Municipal Water District Regional Wastewater System Revenue Bonds, Series 2025, authorized by resolution of the Board on April 24, 2025, and the North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025, authorized by resolution of the Board on September 25, 2025.

The term "Pledged Revenues" shall mean (a) the Gross 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 District, be pledged to the payment of the Parity Bonds or Additional Bonds.

The term "year" or "fiscal year" shall mean the Issuer's fiscal year, which currently begins on October 1 of each calendar year, but which subsequently may be any other 12 month period hereafter established by the Issuer as a fiscal year for the purposes of any resolution authorizing the Bonds or any Additional Bonds.

Section 9. PLEDGE. (a) The Bonds authorized by this Resolution are hereby designated as, and shall be, "Additional Bonds" as permitted by Sections 21 and 22, respectively, of the 1976 Bond Resolution and by Sections 22 and 23, respectively, of the resolutions authorizing the Parity Bonds, and it is hereby determined, declared, and resolved that all of the Parity Bonds, including the Bonds authorized by this Resolution, are and shall be secured and payable equally and ratably on a parity, and that Sections 8 through 25 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 25 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 and the Reserve Fund as provided in this Resolution.

Section 10. REVENUE FUND. There has been created and established pursuant to the 1976 Bond Resolution, and there shall be maintained at an official depository of the Issuer (which must be a member of the Federal Deposit Insurance Corporation) a separate fund to be entitled the "North Texas Municipal Water District Regional Wastewater System Revenue Bonds Revenue Fund" (hereafter called the "Revenue Fund"). All Gross Revenues of the System shall be credited to the Revenue Fund immediately upon receipt.

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 pursuant to the 1976 Bond Resolution and shall be maintained at The Bank of New York Mellon Trust Company, National Association, a separate fund to be entitled the "North Texas Municipal Water District Regional Wastewater System Revenue Bonds Interest and Redemption Fund" (hereinafter called the "Interest and Redemption Fund").

Section 12. RESERVE FUND. There has been created and established pursuant to the Series 1976 Bond Resolution, and there shall be maintained at The Bank of New York Mellon Trust Company, National Association, a separate fund to be entitled the "North Texas Municipal Water District Regional Wastewater 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. DEPOSITS OF PLEDGED REVENUES. The Pledged Revenues shall be deposited into the Interest and Redemption Fund and the Reserve Fund when and as required by this Resolution.

Section 14. INVESTMENTS. Money in the Revenue Fund, the Interest and Redemption Fund, and the Reserve Fund established pursuant to the 1976 Bond 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 Land Bank, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, United States Postal Service, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, Federal Housing Association, or Participation Certificates in the Federal Assets Financing Trust; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued in terms of current market value as of the 15th day of January 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. No investment of any Fund shall be made in any way which would violate any provision of this Resolution, particularly with respect to any surplus in the Reserve Fund or "arbitrage 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, in principal amounts at all times not less than the amounts of money credited to such Funds, respectively.

Section 16. DEBT SERVICE REQUIREMENTS. (a) Immediately after the delivery of the Initial Bond the Issuer shall deposit 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 the Parity Bonds and any Additional 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 the Parity Bonds and any Additional Bonds on the next succeeding principal payment date or mandatory redemption date.

Section 17. RESERVE REQUIREMENTS. Out of proceeds of the Bonds, there shall be deposited to the credit of the Reserve Fund an amount of money, if any, sufficient to cause the Reserve Fund to contain money and/or investments in market value equal to the average annual principal and interest requirements on all Parity Bonds which will be outstanding immediately after issuance of the Bonds (the "Required Amount"). So long as the money and investments in the Reserve Fund are at least equal to the Required Amount, no deposits shall be made to the credit of the Reserve Fund; but when and if the Reserve Fund at any time contains less than said Required Amount in market value, then, subject and subordinate to making the required deposits to the credit of the Interest and Redemption Fund, the Issuer shall transfer from Pledged Revenues and deposit to the credit of the Reserve Fund, on or before the 25th day of each month, a sum equal to 1/60th of the average annual principal and interest requirements of all then outstanding Parity Bonds, until the Reserve Fund is restored to said Required Amount. So long as the Reserve Fund contains said Required Amount, all amounts in excess of such Required Amount shall, on or before the 10th day prior to each interest payment date, be deposited to the credit of the Interest and Redemption Fund; and otherwise any earnings from the deposit and investment of the Reserve Fund shall be retained in the Reserve Fund.

Section 18. DEFICIENCIES. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Redemption 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 available for such purpose.

Section 19. EXCESS PLEDGED REVENUES. Subject to making the required deposits to the credit of the Interest and Redemption 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 first shall be used to pay the Operation and Maintenance Expenses of the System, and then, subject to paying such Operation and Maintenance Expenses of the System, may be used for any other lawful purpose.

Section 20. PAYMENT OF BONDS. On or before the last day of each May and of each November hereafter 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 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 the June 1 or December 1 immediately following.

Section 21. FINAL DEPOSITS. At such times as the aggregate amount of money and investments in the Interest and Redemption Fund and the Reserve Fund are at least equal in market value to (1) the aggregate principal amount of all unpaid (unmatured and matured) outstanding

Parity Bonds and Additional Bonds, plus (2) the aggregate amount of all unpaid interest, including all unpaid (unmatured and matured) outstanding interest coupons, appertaining to such Parity Bonds and Additional Bonds, no further deposits need be made into the Interest and Redemption Fund or the Reserve Fund. In determining the amount of such Parity Bonds and Additional Bonds, and unpaid interest appertaining thereto, outstanding at any time, there shall be subtracted and excluded the amount of any such Parity Bonds and Additional Bonds, and unpaid interest appertaining thereto, which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents therefor sufficient for such redemption.

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 any amounts, for any lawful purpose of 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) in monthly installments, made on or before the 25th day of each month following the adoption of the Resolution authorizing the issuance of the then proposed Additional Bonds, of not less than 1/60th of said required additional amount (or 1/60th of the balance of said required additional amount not deposited in cash as permitted above).

(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 June 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on June 1 and December 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.

Section 24. GENERAL COVENANTS. The Issuer further covenants and agrees that: 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.

(a) ISSUER'S LEGAL AUTHORITY. The Issuer 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 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.

(b) 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.

(c) 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 Board.

(d) 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.

(e) FURTHER ENCUMBRANCE. While the Parity Bonds or any Additional Bonds are outstanding and unpaid, the Issuer 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.

(f) SALE OF PROPERTY. While the Parity Bonds or any Additional Bonds are outstanding and unpaid, the Issuer 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 the Issuer 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 Issuer that no such replacement or substitute is necessary.

(g) 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 Bondholders 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 make all payments and deposits required to be made into the Interest and Redemption Fund, and to maintain the Reserve Fund, as required by the resolutions authorizing all Parity Bonds and Additional Bonds, and (b) to pay all Operation and Maintenance Expenses of the System.

(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 bondholder.

(k) AUDITS. Each year while any of the Parity Bonds or Additional Bonds are outstanding, an audit will be made of its books and accounts relating to the System and the Pledged Revenues by an independent certified public accountant or an independent firm of certified public accountants. As soon as practicable after the close of each year, and when said audit has been completed and made available to the 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 WITH MEMBER CITIES. It will comply with the terms and conditions of the Contract, including any contracts with Additional Member Cities, and will cause the Member Cities to comply with all of their obligations thereunder by all lawful means; and the Issuer agrees to prepare an annual budget as required by the Contract.

Section 25. AMENDMENT OF RESOLUTION. (a) The holders or 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 this Resolution or any resolution authorizing the issuance of 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, or in the City of Austin, Texas, 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 each Series of Parity Bonds and Additional Bonds for inspection by all holders 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 notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the holders or 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 holders or 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 holder or 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 holder or 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, Texas, and the Issuer, but such revocation shall not be effective if the holders 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 fact of the holding of Parity Bonds or Additional Bonds in bearer, coupon form by any holder thereof and the amount and numbers of such Parity Bonds and Additional Bonds, and the date of their holding same, may be provided by the affidavit of the person claiming to be such holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Parity Bonds or Additional Bonds described in such certificate. The ownership of all registered Parity Bonds and Additional Bonds shall be ascertained by the registration books pertaining thereto kept by the registrar. The Issuer may conclusively assume that such holding or ownership continues until written notice to the contrary is served upon the Issuer.

Section 26. DEFEASANCE OF BONDS. (a) Each of the Bonds, including the Initial Bond and each of the other Bonds (as hereinbefore defined), and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, 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 for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer.

(c) The term "Government Obligations" as used in this Section shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

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

Section 27. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. Replacement Bonds. In the event any outstanding Bonds or Bond authorized by this Resolution is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(a) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

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

printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(d) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, this Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 28. 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 90 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

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

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

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

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

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

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

(c) Compliance with Code. For purposes of the foregoing covenants, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding Bonds, transferred proceeds (if any) and proceeds of the refunded Bonds expended prior to the date of issuance of the refunding Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance

with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the President of the Board of Directors, the Executive Director, and the Assistant General Manager - Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

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

Section 29. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 30. 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 said Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on said Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on said Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on said Initial Bond or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes. If insurance is obtained by the Underwriter (as

defined in Section 31 hereof) on any of the Bonds, the Initial Bond and all the Bonds so insured shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 31. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the Project refinanced by the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 32. 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 2026, financial information and operating data of the general type included in the final Official Statement authorized by Section 32 of this Resolution, (i) with respect to the Issuer, in tables numbered 1 through 5, and (ii) with respect to each Significant Obligated Persons, in Appendix C, 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. If the Bonds are issued as tax-exempt obligations, adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to the rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer or a Significant Obligated Person;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or a Significant Obligated Person or the sale of all or substantially all of the assets of the Issuer or a Significant Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; 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 Refunded Bonds shall be paid upon the earlier of their stated maturity dates or the earliest redemption dates for which notice of redemption can be given pursuant to the Master Resolution, in each case at a price of par plus accrued interest to the date of payment. As soon as practicable after sale of the Bonds, appropriate notices of redemption shall be delivered to the paying agent/registrar for the Refunded Bonds to notify, in accordance with the requirements of the Master Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

In addition, the paying agent/registrar for the Refunded Bonds is hereby directed to provide the appropriate notices of redemption and defeasance as specified by the Master Resolution and is hereby directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on their respective redemption dates. The Refunded Bonds shall be presented for redemption at the paying agent/registrar therefore, and shall not bear interest after the date fixed for redemption.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer shall notify or cause the appropriate Significant Obligated Person to notify, in an electronic format as prescribed by the MSRB, the MSRB, in a timely manner, of any failure by the Issuer or any such Significant Obligated Person to provide financial information or operating data in accordance with Section 32 of this Resolution by the time required by such Section; and "Financial Obligation" shall have the meaning ascribed to it below.

(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:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that

"Financial Obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

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

"*SEC*" means the United States Securities and Exchange Commission and any successor to its duties.

"*Significant Obligated Person*" means, at any point in time, any Member City or other party contracting with the Issuer, in either case whose payments to the Issuer for the use of or service from the System in the calendar year preceding any such determination exceeded 10% of the Gross Revenues of the System.

Section 33. SALE OF BONDS. Pursuant to the authorizations in Section 3 hereof, as approved by the Authorized Officer, the Bonds may be sold either pursuant to the taking of bids therefor as provided in the Official Notice of Sale or pursuant to a purchase agreement (the "Purchase Agreement") with a purchaser or purchasers (collectively, the "Underwriters") to be approved by the Authorized Officer, and any supplements thereto which may be necessary to accomplish the issuance of Bonds. Such Purchase Agreement is hereby authorized to be dated, executed and delivered on behalf of the Issuer by an Authorized Officer, with such changes therein as shall be approved by the Authorized Officer, the execution thereof by the Authorized Officer to constitute evidence of such approval. The delegation of authority to the Authorized Officer to approve the final terms of the Bonds as set forth in this Resolution is, and the decisions made by the Authorized Officer pursuant to such delegated authority will be, in the best interests of the Issuer, and the Authorized Officer is authorized to make a finding to such effect in the Approval Certificate.

Section 34. APPROVAL OF OFFICIAL STATEMENT. A Preliminary Official Statement relating to the Bonds, will be approved and authorized to be distributed to prospective investors and other interested parties in connection with an underwriting and sale of the Bonds, with such changes therein as shall be approved by an Authorized Officer, including such changes as are necessary for distribution as a final Official Statement. The use and distribution by the Underwriters of the Official Statement relating to the Bonds, is hereby approved. For the purpose of review by the Underwriters prior to purchasing the Bonds, an Authorized Officer may deem said Preliminary Official Statement to have been "final as of its date" within the meaning of Securities and Exchange Commission Rule 15c2-12.

Section 35. REFUNDING OF REFUNDED BONDS; ESCROW OR DEPOSIT AGREEMENT. (a) The Refunded Bonds are hereby directed to be called for redemption prior to maturity and shall be redeemed on the dates specified in the Approval Certificate. As soon as practicable after sale of the Bonds, a Notice of Redemption shall be delivered to the paying agent/registrar for the Refunded Bonds to notify, in accordance with the requirements of the Series 2012 Bond Resolution, the Series 2015 Bond Resolution, and the Series 2016 Bond Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

(b) Concurrently with the delivery of the Bonds, the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Bonds, together with, to the extent necessary,

available funds of the Issuer, with the paying agent/registrar for the Refunded Bonds, sufficient to provide for the refunding and redemption, on the date or dates fixed for redemption, of all of the Refunded Bonds, in accordance with Subchapter C of Chapter 1207, Texas Government Code, as amended. The President of the Board of Directors of the Issuer and the Vice President/Secretary of the Board of Directors of the Issuer are hereby authorized, for and on behalf of the Issuer, to execute an Escrow or Deposit Agreement in substantially the form set forth in Exhibit B hereto to accomplish such purpose. In addition, the Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary for the Escrow Fund described in the Escrow Agreement or the Payment Account described in such Deposit Agreement. It is hereby found and determined that the refunding of the Refunded ECP Bonds is advisable and necessary in order to restructure the principal and interest requirements of the Issuer and to achieve a present value savings in debt service.

Section 36. REFUNDING OF REFUNDED ECP BONDS. Concurrently with the delivery of the Initial Bond the Issuer shall cause to be deposited an amount from the proceeds from the sale of the Initial Bond and other available sources, if any, the transfer of which is hereby authorized, with U.S. Bank National Association, as bank (the "Bank"), sufficient to provide for the refunding of all of the Refunded ECP Bonds, as defined and described in the preamble to this Resolution, in accordance with Chapter 1207, Texas Government Code, as amended. The President and the Secretary of the Board of Directors of the Issuer are hereby authorized, for and on behalf of the Issuer, to execute a Deposit Agreement in substantially the form set forth in Exhibit C, if required, or a sufficiency certificate or similar certificate, to accomplish such purpose. In addition, an Authorized Officer is authorized to transfer and deposit such cash from available funds (including surplus funds in the Interest and Redemption Fund and/or the Reserve Fund), as may be necessary for the Payment Account in the Deposit Agreement. It is hereby found and determined that the refunding of the Refunded Bonds is advisable and necessary in order to restructure the principal and interest requirements of the Issuer.

Section 37. REDEMPTION OF REFUNDED ECP BONDS. (a) The Refunded ECP Bonds shall be paid upon the earlier of their stated maturity dates or the earliest redemption dates for which notice of redemption can be given pursuant to the Master Resolution, in each case at a price of par plus accrued interest to the date of payment. As soon as practicable after sale of the Bonds, appropriate notices of redemption shall be delivered to the paying agent/registrar for the Refunded Bonds to notify, in accordance with the requirements of the Master Resolution, the owners of the Refunded Bonds of the call for redemption thereof.

(b) In addition, the paying agent/registrar for the Refunded ECP Bonds is hereby directed to provide the appropriate notices of redemption and defeasance as specified by the Master Resolution and is hereby directed to make appropriate arrangements so that the Refunded ECP Bonds may be redeemed on their respective redemption dates. The Refunded ECP Bonds shall be presented for redemption at the paying agent/registrar therefore, and shall not bear interest after the date fixed for redemption.

Section 38. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment, from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 39. FURTHER PROCEDURES. The President and the Secretary of the Board of Directors and any Authorized Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, and all details in connection therewith. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 40. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Initial Bond, shall be used along with other available proceeds for improving the District's 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 28 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 41. 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 42. 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 43. PUBLIC NOTICE. It is hereby officially found and determined that public notice of the time, place and purpose of said meeting was given, all as required by the Government Code, Chapter 551.

Section 44. EFFECTIVENESS. This Resolution shall be effective from and after the date of adoption thereof by the Issuer; provided, however, if the Bonds authorized by this Resolution are not issued prior to May 28, 2027, this Resolution shall be void ab initio and shall be of no force and effect.

EXHIBIT A

WRITTEN PROCEDURES RELATING TO CONTINUING
COMPLIANCE WITH FEDERAL TAX COVENANTS

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

For Obligations issued for newly acquired property or constructed property:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5%of the proceeds of the Obligations will be entered into within 6 months of the Issue Date;

- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the date of delivery of the Obligations ("Issue Date");

- restrict the yield of the investments (other than those in the Reserve Fund) to the yield on the Obligations after 3 years of the Issue Date;

- monitor all amounts deposited into a sinking fund or funds, e.g., the Interest and Redemption Fund and the Reserve Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;

- assure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;

  assure that the maximum amount of the Reserve Fund invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the original principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date; For Obligations issued for refunding purposes:

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

For all Obligations:

- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse itself or the City with the proceeds of the Obligations any

amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;

- assure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;

- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations the Responsible Persons will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;

- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, the employees of the Issuer or the City, the agents of the Issuer or the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

- determine whether, at any time the Obligations are outstanding, any person, other than the Issuer or the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;

- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the resolution authorizing the Obligations.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3)

years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

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

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EXHIBIT B

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

North Texas Municipal Water District
Regional Wastewater System Revenue Bonds, Series 2012

North Texas Municipal Water District
Regional Wastewater System Revenue
Refunding and Improvement Bonds, Series 2015

North Texas Municipal Water District
Regional Wastewater System Revenue
Refunding and Improvement Bonds, Series 2016

THIS ESCROW AGREEMENT, dated as of _____, ____ (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between North Texas Municipal Water District (the "Issuer") and The Bank of New York Mellon Trust Company, National Association, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") described in the Verification Report of Frost CPA LLC, in conjunction with Public Finance Partners LLC (the "Report") relating to the Refunded Obligations, attached hereto as Exhibit "B" and made a part hereof; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207") authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment (paying agent) for any of the Refunded Obligations, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent may agree, provided that such deposits may be invested only in direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, the Escrow Agent is the paying agent for the Refunded Obligations and this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment (paying agents) for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, North Texas Municipal Water District Regional Wastewater Revenue Refunding and Improvement Bonds, Series 2026 (the "Refunding Obligations") have been issued, sold and delivered for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, if applicable, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at a corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is herein also referred to as the "Paying Agent," and any other paying agent for the Refunded Obligations, acting through the Escrow Agent, is also a party to this Agreement, as a paying agent for the Refunded Obligations to acknowledge their acceptance of the terms and provisions of this Agreement in such capacity.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means the direct noncallable, not pre-payable United States Treasury obligations and obligations the due timely payment of which is unconditionally guaranteed by the United States of America described in the Report or cash or other direct obligations of the United States of America substituted therefor pursuant to Article IV of this Agreement.

Section 1.02. Other Definitions. The terms "Agreement", "Chapter 1207", "Issuer", "Escrow Agent", "Refunded Obligations", "Refunding Obligations," "Report" and "Paying Agent", when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01. Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bond, Series 2026 Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity dates and interest thereon to such maturity dates in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents (based solely upon the Report) that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations mature, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, notice of any such insufficiency shall be given to the Issuer and the Escrow Agent as promptly as practicable as hereinafter provided, but neither the Escrow Agent nor the Issuer shall in any manner be responsible for any insufficiency of funds in the Escrow Fund.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Certificates of Indebtedness, Notes or Bonds - State and Local Government Series with an interest rate equal to zero percent (0%) (the "Zero SLGs") to the extent such Zero SLGs are available from the Department of Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on any Escrowed Securities. Unless otherwise instructed by the Issuer in accordance with Section 4.03 hereof, the Escrow Agent shall acquire any Zero SLGs on the dates the Escrowed Securities listed in the Report mature, as shown in the Report, or on the first date Zero SLGs become available thereafter. The Escrow Agent shall purchase Zero SLGs that only mature on the dates shown in the Report.

Section 4.03. Substitutions and Reinvestments. At the discretion of the Issuer, the Escrow Agent, upon written direction, shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other moneys or securities held in the Escrow Fund provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct obligations of the United States of America), together with the interest thereon and other available moneys, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or direct noncallable and not pre-payable obligations of the United States Treasury (the "Substitute Obligations"), but only if such Substitute Obligations:

(a) are in an amount, and/or mature in an amount, which is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,

(b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and

(c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time

thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as provided in Sections 3.02, 4.02, 4.03 and 4.04 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII

CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder. As a place of payment (paying agent) for the Refunded Obligations, the Paying Agent hereby

agrees that it has or will give all notices of redemption for the Refunded Obligations as required by the resolutions authorizing the Refunded Obligations.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such

event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, counsel at any time.

The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, written investment direction, statement, instrument, opinion, notice or other paper or document believed by it to be genuine and to have been signed or presented by the proper party. The Escrow Agent need not investigate any fact or matter stated in the document.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder with directly or by or through its agents or attorneys and may in all cases pay reasonable compensation to any agent or attorney retained or employed by it in connection therewith.

The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

To the extent permitted by law, the Issuer agrees to indemnify, defend and hold the Escrow Agent and its officers, directors, agents, and employees harmless from and against any and all loss, damage, claim, liability and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder except that the Escrow Agent shall not be indemnified for any loss, damage, claim, liability, or expense resulting from its own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent for any reason.

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the sum of $500.00, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) The Paying Agent is the place of payment (paying agent) for the Refunded Obligations. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall pay to the Paying Agent the sum of $750.00, the sufficiency of which is hereby acknowledged by the Paying Agent, for redemption fees for the Refunded Obligations; and the Paying Agent

warrants that such sum is sufficient for such purpose. The Issuer covenants to timely pay for all future paying agency services of the Paying Agent for the Refunded Obligations in accordance with the paying agent fee schedule now in effect through the final payment of the Refunded Obligations, the sufficiency of which is hereby acknowledged by the Paying Agent. Additionally, the Paying Agent has agreed to look only to the Issuer for the payment of such fees and reimbursement of such expenses, and for the benefit of the registered owners of the Refunded Obligations, to perform the services as Paying Agent without regard to the future payment of such fees and expenses. The Paying Agent shall in no event assert any claim or lien against the Escrow Fund for any fees for their services, whether regular or extraordinary, as Paying Agent, or in any other capacity, or for reimbursement for any of its expenses.

(c) Upon receipt of the aforesaid specific sums stated in subsections (a) and (b) of this Section 7.03 for Escrow Agent and paying agency fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least $5,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent. If within 60 days following the resignation of the Escrow Agent, no successor Escrow Agent shall have been appointed, the Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent.

Any corporation or association into which the Escrow Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Escrow Agent in its individual capacity may be sold or otherwise transferred, shall be the Escrow Agent under this Escrow Agreement without further act.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004, Fitch, Inc., One State Street Plaza, New York, New York 10004, and MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504, Attn: Insured Portfolio Management.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.09. Miscellaneous. (A) Pursuant to sections 2252.152 and 2271.002, Texas Government Code, as amended, the Escrow Agent and any parent company, wholly owned subsidiary, majority-owned subsidiary, and affiliate:

1) Do not boycott Israel and agree not to boycott Israel during the term of this Agreement. "Boycott Israel" has the meaning provided in section 808.001 of the Texas Government Code.

2) Unless affirmatively declared by the United States government to be excluded from the federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization, are not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or section 2270.0201 of the Texas Government Code.

3) For purposes of the foregoing, "affiliate" means any entity that controls, is controlled by, or is under common control with the applicable entity within the meaning of SEC Rule 405, 17. C.F.R. 230.405 and exists to make a profit. The verifications contained in this section 8.09(A) shall survive termination of the Agreement until the statute of limitations has run.

(B) Pursuant to Section 2276.002, Texas Government Code, as amended, and Section 2274.002, Texas Government Code, as amended, the Escrow Agent and the District acknowledge and agree that this Agreement has an aggregate value of less than $100,000, and in no event will the District pay the Escrow Agent $100,000 or more for its services hereunder.

(C) The Escrow Agent represents and warrants, for purposes of Section 2252.908 of the Texas Government Code, that the Escrow Agent is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Section 8.10. Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

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

NORTH TEXAS MUNICIPAL WATER DISTRICT

(Issuer Seal)

_____
President

ATTEST:

_____
Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Title: _____

INDEX TO ESCROW AGREEMENT EXHIBITS

Exhibit "A" Addresses of the Issuer and the Escrow Agent

Exhibit "B" Verification Report of Public Finance Partners, LLC

EXHIBIT A

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

ISSUER

North Texas Municipal Water District
505 East Brown
Wylie, Texas 75098

Attention: Executive Director

ESCROW AGENT

The Bank of New York Mellon Trust Company, National Association
601 Travis Street, Floor 16
Houston, Texas 77002

Attention: Corporate Trust Department

EXHIBIT B

VERIFICATION REPORT OF FROST PLLC, CPAS IN CONJUNCTION WITH PUBLIC FINANCE PARTNERS LLC

EXHIBIT C

DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (the "Agreement"), dated as of _____, ____, made by and between North Texas Municipal Water District (the "Issuer"), a political subdivision of the State of Texas acting by and through the President and Secretary of the Board of Directors of the Issuer (the "Board"), and _____ (the "Bank"), a banking association organized and existing under the laws of the United States of America,

WITNESSETH:

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

WHEREAS, in accordance with the provisions of Chapters 1207 and 1371, Texas Government Code (collectively, the "Act"), the Issuer is authorized to sell refunding bonds in an amount sufficient to provide for the full and complete payment of obligations, deposit the proceeds of such refunding bonds with the place of payment for the obligations being refunded and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the Issuer on _____, ____, pursuant to a resolution (the "Bond Resolution") passed and adopted by the Board, authorized the issuance of bonds known as "North Texas Municipal Water District Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2026" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Obligations; and

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

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

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

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

Refunded Obligations on the Redemption Date.

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

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

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

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

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

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

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

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

any moneys deposited in the Payment Account.

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 13. Following the final payment and redemption of the Refunded Obligations, the Bank shall forward by letter to the Issuer, to the attention of the President, or other designated official of the Issuer, a final accounting statement with respect to the payment and discharge of the Refunded Obligations, together with all canceled Refunded Obligations.

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

North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

Attention: Finance Department

_____
_____
_____
_____

Attention: Corporate Trust Services

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

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

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

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

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

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

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

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

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

[EXECUTION PAGE FOLLOWS]

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

NORTH TEXAS MUNICIPAL WATER DISTRICT

_____
President

ATTEST:

_____
Secretary

(Issuer Seal)

_____

_____
Title: _____

EXHIBIT A

Schedule of Refunded Obligations

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6260

Regional Water System

Authorization of the Execution of the Potable Water Supply Contract with the City of Fate, a current Customer of NTMWD.

SUBJECT

Authorize execution of new Potable Water Supply Contract with City of Fate, a current Customer of NTMWD.

PURPOSE

The previous contract does not expire until April 2043, but Lucas and NTMWD wish to completely restate the terms of the previous contract and enter into a new Potable Water Supply Contract.

RECOMMENDATION

The Executive Director, NTMWD staff and Lloyd Gosselink Rochelle & Townsend, P.C., recommend the Board of Directors authorize execution of a potable water supply contract with the Customer.

Contracting Party:	City of Fate, Texas
Purpose:	Potable Water Supply Contract
Project:	N/A
Amount:	N/A
Committee:	This will be an item on the May 27, 2026, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

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

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☒ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PURPOSE

- NTMWD and the City of Fate previously entered into the Potable Water Supply Contract April 27, 2023, and amended September 28, 2023.
- Fate desires to adopt the updated customer contract template in order to take advantage of the favorable terms negotiated with Members and Customers formally adopted by NTMWD.

COMPONENTS OF THE CUSTOMER CONTRACT

- Point of Delivery No. 1 is abandoned and no longer in use.
- Point of Delivery No. 2 is operating.
- Fate has completed construction and receiving water at the new Point of Delivery No. 3 located near the intersection of Ben Payne Road and State Highway (S.H.) 66, Fate, Texas, on the thirty-inch (30”) Rockwall-Royse City Pipeline.
- Contract term of 20 years.
- Customer rate shall be equal to the rate set by the NTMWD Board of Directors for Member Cities (“Member City Rate”) plus $0.05.
- Commencing FY 2029, the customer rate shall be made up of two tiers and a cap that includes the Legacy Premium Component, Growth Premium Component, and Effective Premium Cap, as follows:
    - Legacy Premium Component: For that portion of Customer’s annual minimum equal to its Fiscal Year (FY) 2028 annual minimum plus 5% (“Legacy Volume”) the Customer Rate applied shall be the Member City Rate plus 5-cents (“Legacy Charge”);
    - Growth Premium Component: For that portion of the Customer’s annual minimum greater than the Legacy Volume (“Growth Volume”), the Customer Rate applied shall be the Member City Rate plus 10% (“Growth Charge”); and

  - Effective Premium Cap: For the purposes of this calculation, “Effective Rate” means the amount to be paid by Customer per 1,000 gallons resulting from the calculation of the Legacy Premium Component and the Growth Premium Component.
    If the Customer’s calculated Effective Rate exceeds the Member City Rate plus 2.8%; the Customer Rate shall be adjusted to result in payment by the Customer that equals the Member City Rate plus 2.8% (“Effective Premium Rate”). After a Customer reaches the Effective Premium Rate, the Customer Rate cannot fall below the Effective Premium Rate.
  - This phase-in will only be available to Customers executing the new Customer contract template prior to July 31, 2028.
- The new Customer rate methodology and Customer contract are of benefit to Customers and the region in that it:
  - Provides certainty on the Customer rate for years to come;
  - Incentivizes conservation; and
  - Allows a reasonable phase-in for Customers through recognition of the Legacy Premium Component and Effective Premium Cap.
- An Annual Minimum of 1,178,007,000 gallons per year.
- An Annual Maximum of 1,635,200,000 gallons per year.
- Cost of potable water is set at the Customer Rate.
- Any water delivered in excess of the annual minimum will also be purchased at the water rate established by the Board of Directors.
- If Customer exceeds the maximum rate of delivery of 2.2 times the daily average, then Customer shall pay three times the Customer entity water rate for such quantity. There is a provision for emergency conditions extending up to 48 hours during which NTMWD may, at its sole discretion, waive the additional cost.
- NTMWD, in its sole discretion and at any time, may deliver water to Customer at a delivery rate greater than 2.2 times the daily average for the purpose of (i) minimizing or managing energy costs (4CP); or (ii) managing hydraulic constraints in NTMWD’s system. If NTMWD exercises either of these options, Fate shall only pay the contract water rate for water received.
- If NTMWD does not have infrastructure installed with the capability of limiting the delivery rate of water to 2.2 times the daily average, or such infrastructure is currently inoperable, Customer shall pay the contract water rate for water received from NTMWD.
- A provision that allows NTMWD to charge three times the water rate for such quantity of water used by the Customer that is above the authorized amount or authorized rate of delivery as allowed by NTMWD’s Water Conservation and Drought Contingency Plan, as such plan may be amended from time to time.

The City of Fate approved this contract at its May 4, 2026, meeting and their board signed the Contract on May 5, 2026. A copy of the contract is attached.

FUNDING

No funding is requested.

EXHIBIT A

NORTH TEXAS MUNICIPAL WATER DISTRICT
CITY OF FATE
POTABLE WATER SUPPLY CONTRACT

THE STATE OF TEXAS §
§
THE COUNTY OF COLLIN §

THIS CONTRACT (the "Contract") made and entered into as of this the _____ day of _____, 2026, by and between the North Texas Municipal Water District, hereinafter called "NTMWD", a conservation and reclamation district created under Article 16, Section 59, of the Texas Constitution, and the City of Fate, hereinafter called "Customer." NTMWD and Customer are each referred herein as "party" and jointly referred to as "parties" in this Contract.

W I T N E S S E T H :

WHEREAS, NTMWD and Customer are authorized to enter into this Contract pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon's Texas Civil Statutes), Chapter 791 of the Texas Government Code (the "Interlocal Cooperation Act") and other applicable laws;

WHEREAS, Customer and NTMWD previously entered into a Potable Water Supply Contract dated April 27, 2023, amended on September 28, 2023 (the "Previous Contract");

WHEREAS, the Previous Contract does not expire until April 27, 2043, but Customer and NTMWD desire to amend and completely restate the terms of the Previous Contract, and supersede and replace the Previous Contract in its entirety, as provided herein, and the Previous Contract shall have no further force and effect;

WHEREAS, Point of Delivery No. 1 was described in the Previous Contract as located on State Highway 66 at Station 238+83 on the NTMWD twelve-inch (12") Rockwall-Royse City Pipeline;

WHEREAS, Point of Delivery No. 1 was abandoned in March 2026;

WHEREAS, Customer has completed construction and is operating Point of Delivery No. 3, to which NTMWD will continue to provide service;

WHEREAS, Customer desires to obtain an adequate and dependable water supply from NTMWD;

WHEREAS, NTMWD was created, among other things, to serve the water needs of its Member Cities, as defined below;

WHEREAS, Customer acknowledges and understands that this Contract establishes a maximum amount of potable water that NTMWD is required to deliver to Customer;

WHEREAS, Customer agrees to construct and operate adequate water distribution, storage and pump station facilities so that the maximum delivery rate of water will not exceed, at any time, 2.2 times the Highest Historical Average at the Point(s) of Delivery, as such terms are defined herein;

WHEREAS, Customer acknowledges and understands that NTMWD determines the rates to be paid by Member Cities and Customer and that rates for Customer will not be the same as and are higher than the rates for Member Cities;

WHEREAS, Customer is not compelled to purchase water from NTMWD and is voluntarily entering into this Contract;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to furnish water, and Customer agrees to pay for water, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Section 1. DEFINITION OF TERMS. The following terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

(a) "Annual Minimum" or "Annual Minimum Volume" means the minimum amount of potable water Customer must compensate NTMWD for during the Annual Payment Period, and each year thereafter, regardless of whether Customer actually takes such quantity of water. The Annual Minimum shall be adjusted annually after the first Annual Payment Period as provided in Section 8;

(b) "Annual Maximum" means the maximum amount of potable water that NTMWD agrees to sell and deliver to Customer during any Water Year under this Contract;

(c) "Annual Payment" means the amount of money to be paid to NTMWD by Customer during each Annual Payment Period;

(d) "Annual Payment Period" means NTMWD's fiscal year, which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD;

(e) "Contract Date" means the effective date of this Contract as executed by both parties, which is the day and year first above written;

(f) "Customer" means City of Fate as defined in the preamble to this Contract;

(g) "Customer Entity or Customer Entities" means any customer other than the Member Cities with which NTMWD contracts with to furnish water;

(h) "Customer Rate" is defined as the rate to be paid by Customer on a per 1,000 gallon basis, calculated annually by NTMWD, as provided herein, and applied to Customer's Annual Minimum. Initially, the Customer Rate shall be equal to the rate set by the NTMWD Board of Directors for Member Cities ("Member City Rate") plus $0.05. Commencing at the beginning of FY 2029, the Customer Rate shall be made up of two tiers and a cap that include the Legacy Premium Component, Growth Premium Component, and Effective Premium Cap, as set forth below:

(i) "Legacy Premium Component": For that portion of Customer's Annual Minimum equal to its FY 2028 Annual Minimum plus 5% ("Legacy Volume"), the Customer Rate applied shall be the Member City Rate plus $0.05 ("Legacy Charge");

(ii) "Growth Premium Component": For that portion of the Customer's Annual Minimum greater than the Legacy Volume ("Growth Volume"), the Customer Rate applied shall be the Member City Rate plus 10% ("Growth Charge"); and

(iii) "Effective Premium Cap": For the purposes of this calculation, "Effective Rate" means the amount to be paid by Customer per 1,000 gallons resulting from calculation of the Legacy Premium Component and the Growth Premium Component. If the Customer's calculated Effective Rate exceeds more than 2.8% of the Member City Rate, the Customer Rate shall be adjusted to result in payment by Customer that equals the Member City Rate plus 2.8% (Effective Premium Rate"). After a Customer reaches the Effective Premium Rate, the Customer Rate cannot fall below the Effective Premium Rate.

Customer Rate calculation examples are included in **Exhibit A**.

(i) "Emergency Condition" means a condition that necessitates an expeditious delivery of water to prevent or combat imminent peril to the public health, safety, or welfare;

(j) "FY" means NTMWD's fiscal year which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD.

(k) "Highest Historical Average" means the higher of (1) 3,227,416 gallons per day, that being 1/365 of the Annual Minimum as provided in Section 8 of this Contract at the Point(s) of Delivery, or (2) 1/365 of the highest annual amount of potable water delivered to the Customer at the Point(s) of Delivery in a Water Year during the term of this Contract. As defined below in Section 5, Point of Delivery No. 2 is allocated 50% of the Highest Historical Average and Point of Delivery No. 3 is allocated 50% of the Highest Historical Average;

(l) "Member City or Member Cities" means the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, Wylie, and any other city that may hereafter legally be annexed into the service area of NTMWD in accordance with Tex. Rev. Civ. Stat. Art. 8280-141;

(m) "NTMWD" means the North Texas Municipal Water District as defined in the preamble to this Contract;

(n) "Point(s) of Delivery" means the meter vault(s) at which water service is delivered by NTMWD to Customer at the location(s) specified in Section 5. The meter vault(s) and facilities upstream thereof shall be the sole responsibility of NTMWD, and facilities downstream thereof shall be the sole responsibility of the Customer except as otherwise provided herein by this Contract;

(o) "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;

(p) "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; and,

(q) "Water Year" means the period of August 1 of each calendar year through July 31 of the next following calendar year, or such other twelve (12) month period designated by NTMWD to all Member Cities and Customer Entities.

Section 2. DELIVERY OF WATER. NTMWD agrees to sell and to deliver potable water under this Contract to Customer at its Point(s) of Delivery as described in Section 5 hereof, and Customer agrees to take at its Point(s) of Delivery all water required for use by Customer during the term of this Contract, including all potable water for Customer's own use and for distribution to all customers served by Customer's water distribution system, or within Customer's existing certificated retail service area regulated by the Public Utility Commission of Texas ("PUCT"), or any successor agency. It is specifically provided, however, that after the Contract Date, Customer shall be required to enter into a new potable water supply contract with NTMWD to replace and supersede this Contract in its entirety prior to the Customer entering into, renewing, or amending with regard to volume of water to be supplied, any agreement to provide wholesale or retail potable water for use outside its boundaries, its extraterritorial jurisdiction, or its certificated retail service area. Customer shall not become a party to any contract for the sale of potable water that would violate or be inconsistent with the provisions of this Contract. NTMWD will use its best efforts to furnish and remain in a position to furnish potable water sufficient for all reasonable potable water requirements of Customer, but its obligation shall be limited to the amount of potable water available to it from the System during routine operation.

The Annual Maximum that NTMWD agrees to sell and deliver to Customer under this Contract at the Point(s) of Delivery shall be 1,635,200,000 gallons per year. If Customer exceeds the Annual Maximum for the Point(s) of Delivery during any Water Year, within sixty (60) days of such exceedance Customer agrees to commence negotiations with NTMWD for the execution of a new or an amended or restated contract.

Except as provided in Section 8(j), the maximum rate of delivery at the Point(s) of Delivery shall not exceed 2.2 times the Highest Historical Average supplied to Customer hereunder, which is consistent with the capabilities and abilities of NTMWD facilities, and it is understood that NTMWD may from time to time adjust the maximum rate of delivery to all Customer Entities on a reasonable, equitable and uniform basis.

Section 3. OTHER CONTRACTS. NTMWD reserves the right to supply potable water from the System to additional parties as determined by the Board of Directors of NTMWD.

Section 4. QUALITY. The water to be delivered by NTMWD and received by Customer shall be potable water. Customer has satisfied itself that such water will be suitable for its needs, but NTMWD is obligated to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality. NTMWD and Customer shall cooperate, each within its legal powers, in preventing, to the extent practicable, the pollution and contamination of the reservoirs and watersheds from which water is obtained.

Section 5. POINT(S) OF DELIVERY. The two Points of Delivery for Customer are listed below. **Exhibit C** attached hereto, identifies the locations of the Points of Delivery Nos. 2 and 3 and the associated pipelines.

Point of Delivery No. 2 – located near the intersection of Farm to Market Road 552 and State Highway 66, Fate, Texas, on the thirty-six (36") Lavon-Royse City Pipeline

Point of Delivery No. 3 – located near the intersection of Ben Payne Road and State Highway 66, Fate, Texas, on the thirty-inch (30") Rockwall-Royse City Pipeline

The parties agree that if the pipelines, as depicted on Exhibit C, are abandoned or relocated at the request of the Customer, the Customer shall pay all costs associated with the construction of a new Point of Delivery or connection to a different pipeline at the discretion of NTMWD, including any and all costs associated with furnishing the site of the new Point of Delivery as described in this section. NTMWD, in its sole discretion, may pay the costs associated with the construction of a new Point of Delivery.

Customer agrees to furnish the site at the Point(s) of Delivery and to construct and operate adequate water distribution, storage, and pump station facilities so that the maximum rate of delivery will not exceed 2.2 times the Highest Historical Average at the Point(s) of Delivery. Customer shall design and construct a separate vault for the Point(s) of Delivery. The vault will include the billing meter, control valve, and appropriate SCADA equipment. Customer shall also provide one level transmitter for the ground storage tank for NTMWD use and shall provide a separate air gap for the Point(s) of Delivery at the ground storage tank. At the request of the Customer, or upon NTMWD's own determination, NTMWD may install isolation valves associated with the Point(s) of Delivery. NTMWD may require Customer to bear all costs associated with such installation.

Customer shall provide to NTMWD all plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract and Customer shall not proceed with any construction or installation without NTMWD's prior written approval of such plans, which approval shall not be unreasonably withheld. Further, NTMWD shall have the right to inspect any and all facilities and equipment to ensure compliance with the NTMWD approved plans. Customer shall also perform and coordinate with NTMWD regarding any and all construction activities that involve the System. Customer shall construct, maintain, and operate, at its own cost and expense, all facilities and equipment necessary to receive and take all potable water delivered to it under this Contract. Regardless of NTMWD's approval of any Customer plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract, Customer is solely responsible for the sufficiency of design to receive volume(s) of water established pursuant to this Contract. Any construction from NTMWD's pipeline including the air gap must meet NTMWD standard specifications. Any change in the Point(s) of Delivery, including but not limited to a change in the type or size of meters, or size of tap, shall only be allowed if the Customer enters into a new or an amended and restated contract in accordance with Section 10, MODIFICATION. In NTMWD's sole discretion, NTMWD may waive the requirement for a new or an amended and restated contract for a change in the Point(s) of Delivery and allow such change through an amendment to this Contract.

Section 6. MEASURING EQUIPMENT. Customer shall furnish, and install at its own expense at, or near, the Point(s) of Delivery the necessary rate of flow equipment, of a standard type approved by NTMWD, for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall become the property of NTMWD. In its sole discretion, NTMWD may furnish, install, and/or replace at its own expense at, or near, the Point(s) of Delivery the necessary rate of flow equipment for measuring properly in both low and

high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall remain the property of NTMWD. Customer shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be accomplished only by the employees or agents of NTMWD. For the purpose of this Contract, the original record or reading of the meter shall be the journal or other record book, including, but not limited to electronic databases, maintained by NTMWD in its office in which the records of the employees or agents of NTMWD who take the reading may be transcribed. Upon written request of Customer, NTMWD will provide a copy of such journal or record book, or permit it to have access to the same in the office of NTMWD during reasonable business hours.

Not more than once in any six (6) month time period, NTMWD shall test its billing meter if requested in writing by Customer to do so, in the presence of a representative of Customer, and the parties shall jointly observe any adjustments that are made to the billing meter in case any adjustments shall be necessary. If upon any test, the percentage of inaccuracy of any billing meter equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any billing meters are out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such billing meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the billing meter or meters were registering accurately.

Customer may, at its option and its own expense, install and operate a check meter downstream of the Point(s) of Delivery to check each billing meter installed by NTMWD, but the measurement of water for the purpose of this Contract shall be solely by NTMWD's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of NTMWD.

Section 7. UNIT OF MEASUREMENT. The unit of measurement for potable water delivered under this Contract shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

Section 8. PRICE AND TERMS. The service to be performed under this Contract by NTMWD consists of the readiness of NTMWD to deliver to Customer upon its demand, water in accordance with the conditions, limitations, and provisions of this Contract.

In return for such service, Customer agrees to compensate NTMWD by payment of certain minimum annual sums of money, for each of which said sums NTMWD agrees, if required by Customer, to deliver all, or so much thereof as Customer may desire, of a certain corresponding volume of water, as follows:

(a) Customer will compensate NTMWD at the Customer Rate, as such Customer Rate is calculated on an annual basis by NTMWD in accordance with the provisions of this Contract, for an Annual Minimum of 1,178,007,000 gallons of water, regardless of whether said quantity is actually taken by Customer, and any water delivered in excess of the amount allowed for the Annual Minimum will also be purchased at the Customer Rate. The Annual Minimum Customer will be required to purchase at the above Customer Rate,

shall be calculated annually for each ensuing year and such minimum amount shall be the value as calculated by using the same methodology as applied to the Member Cities or 1,178,007,000 gallons as set forth in **Exhibit D**; provided however, Customer cannot take more than 1,635,200,000 gallons per year as provided in Section 2 of this Contract, and Customer shall pay the Customer Rate for any water taken in excess of 1,635,200,000 gallons per year.

(b) If potable water must be rationed, such rationing shall, within the limits permitted by law, be accomplished by NTMWD on an equal basis of the relative actual total amount of all potable water taken by each Customer Entity, respectively, during the last preceding Annual Payment Period in which rationing among said Customer Entities was not necessary.

(c) The Annual Minimum as set forth herein shall be reviewed at the end of the first Annual Payment Period, and each year thereafter, and shall be re-determined by the Board of Directors of NTMWD at that time based upon the methodology set forth in **Exhibit D**.

(d) Payment of the Annual Payment shall be made each year by Customer to NTMWD in twelve (12) equal monthly installments, each of which shall be due and payable on or before the 10th day of the month following the service.

(e) It is further agreed that, in addition to the amounts required to be paid by Customer herein, if during any Water Year Customer uses System treated water in excess of the Annual Minimum for the Annual Payment Period that commenced during such Water Year up to the Annual Maximum allowed in Section 8(a) or in excess of the Annual Maximum allowed in Section 8(a), then Customer shall pay for such excess water in accordance with the provisions of Section 8(a). Excess water charges shall be billed by NTMWD to Customer as soon as practicable after the end of such Water Year and shall be paid to NTMWD as soon as practicable thereafter, and in all events prior to the beginning of the next Annual Payment Period.

(f) Liability for making payments, as herein set forth, shall commence on the date of the first tender of delivery of water to Customer by NTMWD at the Point(s) of Delivery.

(g) In the event that Customer shall fail to make any such monthly payment or Annual Payment within the time herein in this section specified, interest on such amount shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with the interest as herein specified. In the event such payment is not made within thirty (30) days from the date such payment becomes due, and unless otherwise prohibited by law, NTMWD may at its option discontinue delivery of water to Customer upon reasonable notice to Customer until the amount due NTMWD is paid in full with interest as herein specified.

(h) If Customer takes an amount of water above the authorized amount or authorized rate of delivery allowed by NTMWD's water conservation plan and drought contingency plan, as may be amended from time to time, NTMWD may require the Customer to pay three (3) times the Customer Rate for water taken in excess of the authorized amount or authorized rate of delivery under either plan. NTMWD shall provide 14 day written notice upon the first observed exceedance in a Fiscal Year before the imposition of such surcharge.

(i) Any time Customer exceeds the maximum rate of delivery of 2.2 times the Highest Historical Average at the Point(s) of Delivery as determined by the NTMWD, Customer shall pay three (3) times the Customer Rate for such water. NTMWD shall provide 14 day written notice upon the first observed exceedance in a Fiscal Year before the imposition of such surcharge.

(j) In the event of an Emergency Condition, as that term is defined herein, NTMWD may, in its sole discretion, waive the increased rate in Section 8(i) for exceedance of the maximum rate of delivery of 2.2 times the Highest Historical Average for the Point(s) of Delivery. This waiver shall apply for a 48-hour period, after which such waiver shall terminate. In its sole discretion, NTMWD may extend the waiver for additional 48-hour periods, if NTMWD determines that an extension of the waiver is warranted.

NTMWD, at its sole discretion and at any time, may deliver water to Customer at a delivery rate greater than 2.2 times the Highest Historical Average for the purpose of (i) minimizing or managing energy costs (e.g. 4 Coincident Peak (4CP), minimizing pump starts and/or stops, etc.); or (ii) managing hydraulic constraints in the System. In the event NTMWD exercises either of these options, Customer shall pay only the Customer Rate for water received. Additionally, if NTMWD does not have infrastructure installed with the capability of limiting the delivery rate of water to 2.2 times the Highest Historical Average, or such infrastructure is inoperable, Customer shall pay the Water Rate for water received from NTMWD.

Section 9. TERM OF CONTRACT. This Contract shall commence on the Contract Date and shall continue for a term of twenty (20) years following the Contract Date.

Section 10. MODIFICATION. This Contract may be changed or modified only by written agreement of the parties and only after having obtained approval from the governing bodies of both NTMWD and Customer. No change or modification shall be made to this Contract which will affect adversely the prompt payment when due of all monies required to be paid by Customer under the terms of this Contract.

Section 11. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of Customer to make the payments required under Section 8 of this Contract, then if 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 on, 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, 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, insurrection, riots, epidemics (including pandemics), landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 12. INSURANCE. NTMWD agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self-insurance for purposes and in amounts which, as determined by NTMWD, ordinarily would be carried by a privately-owned utility company owning and operating such facilities, except that NTMWD shall not be required to provide liability insurance except to insure itself

against risk of loss due to claims for which it can, in the opinion of NTMWD's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute just and reasonable operation and maintenance expense. The insurance coverage referenced herein does not extend to any facility owned by Customer.

Section 13. REGULATORY BODIES AND LAWS. This Contract 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, but 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.

Section 14. NOTICES. 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, addressed to the party to be notified and sent via first-class mail and by certified mail/return-receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail in the manners hereinabove described shall be 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 addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to NTMWD, to:

Executive Director
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

If to Customer, to:

City Manager
City of Fate
1900 CD Boren Pkwy
Fate, Texas 75087

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 address any other address by at least fifteen (15) days written notice to the other parties hereto.

Section 15. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had

not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 16. VENUE. All amounts due under this Contract including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of NTMWD are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract.

Section 17. OPERATING CONDITIONS AND PROVISIONS.

(a) Operation and Maintenance of System. NTMWD will continuously operate and maintain the System in an efficient manner and in accordance with good business and engineering practices, and at reasonable cost and expense.

(b) Title to Water; Indemnification. NTMWD shall retain title to all water supplied to Customer up to the Point(s) of Delivery, at which point title to such water shall pass to Customer. NTMWD and Customer shall save and hold each other harmless from all claims, demands, and causes of action that may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. As between the parties, Customer shall have the first right to use all effluent produced from any wastewater treatment plant that treats the wastewater resulting from the use of the water made available under this Contract for direct reuse, but solely for its own purposes, and not for sale to, or use by, any customer of the Customer. To the extent that effluent produced by a wastewater treatment plant that treats the wastewater resulting from the use of water made available under this Contract is discharged to water courses of the State, the right of Customer to reuse such effluent produced from such wastewater treatment is terminated, and NTMWD shall have the right, as between the parties, pursuant to any necessary authorization of the State, to indirectly reuse said effluent. Customer shall ensure via any wholesale contract with a subsequent customer, entered into after the Contract Date, to maintain NTMWD's right to indirectly reuse treated effluent, the underlying source of which is water from NTMWD made available under this Contract.

(c) Operating Expenses of Customer. Customer represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its system, as defined in Section 1502.056, Texas Government Code, and that all such payments will be made from the revenues of its system. Customer represents and has determined that the potable water supply to be obtained from the System is absolutely necessary and essential to the present and future operation of its water system and is the only available and adequate source of supply of potable water. Accordingly, all payments required by this Contract to be made by Customer shall constitute reasonable and necessary operating expenses of its respective system as described above, with the effect that the obligation to make such payments from revenues of such system shall have priority over any obligation to make any payments from such revenues (whether of principal, interest, or otherwise) with respect to all bonds or other obligations heretofore or hereafter issued by Customer.

(d) Customer's Rate for Waterworks System. Customer agrees throughout the term of this Contract to continuously operate and maintain its waterworks system, and to fix and collect such rates and charges for water services to be supplied by its waterworks system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments

under this Contract; and (ii) all other amounts required to be paid from said revenues by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding and to file appropriate financial reports related to the Customer's system including annual audits.

(e) Equity. Customer acknowledges that it will accrue no equity or any other interest in the System or any other assets of NTMWD as a result of payment or other performance pursuant to this Contract.

Section 18. WATER CONSERVATION. Customer acknowledges that as a regional wholesale supplier, NTMWD is subject to regulatory and legal requirements regarding the promotion of water conservation and drought contingency planning for the System that allow it to make a water supply available to Customer. NTMWD's water conservation and drought contingency program is developed in adherence with TCEQ public participation requirements and in consultation with other area regional providers to promote consistency throughout the North Texas region. Customer agrees to adopt, implement, and enforce any and all ordinances and policies related to water conservation and drought management as required by the Texas Water Code, the rules of the TCEQ and any ordinance or policy related to water conservation and/or drought management proposed by the Board of Directors of NTMWD consistent with the above-described regional planning effort. NTMWD's obligations pursuant to this Contract shall be subject to Customer preparing and implementing a water conservation plan or water conservation measures, as well as implementing any water conservation plans and drought contingency plans adopted by NTMWD and required or approved by the TCEQ, the Board, or any other federal, state, or local regulatory authority with power to require or approve water conservation and drought contingency plans. Upon execution of this Contract, Customer shall submit its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval, and Customer agrees to amend its water conservation plan or water conservation measures, and drought contingency plan as requested by NTMWD in order to comply with requirements of NTMWD's water conservation plan and drought contingency plan, program and/or rules as described in this Section. Customer shall also submit any changes or amendments to its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval.

NTMWD has adopted a water conservation plan and a drought contingency plan, and may amend both from time to time.

If Customer fails to implement NTMWD's and its own drought contingency plan when trigger conditions occur, NTMWD may implement rationing and collect the rate for water withdrawn as provided in Section 8(h) of this Contract, as well as enforce any contractual, statutory, or common law remedies available. The amount of water that is provided pursuant to this Contract when Customer is not in compliance with NTMWD's water conservation plan and drought contingency plan will be reduced to the amount estimated as necessary to satisfy Customer's demand if Customer was operating in compliance with both NTMWD's and Customer's drought contingency plans.

If NTMWD authorizes Customer to resell water from the System pursuant to the conditions included herein, Customer shall require through a contract condition that any successive user(s) of water from the System must implement water conservation measures that comply with NTMWD's and Customer's water conservation plans, measures, programs, and/or rules.

Section 19. DEMAND ASSESSMENT. The location of the Point(s) of Delivery and any quantity set forth in this Contract are intended to meet the water needs of Customer. The needs of Customer are independently determined by Customer, and NTMWD has conducted no independent evaluation of the Customer's water system.

Section 20. SOLE AGREEMENT. This Contract constitutes the sole and only agreement of Customer and NTMWD and supersedes any prior understanding or oral or written agreements between Customer and NTMWD with respect to the subject matter of this Contract.

Section 21. NO THIRD PARTY BENEFICIARIES. This Contract 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 Contract. Each party hereto shall be solely responsible for the fulfillment of its customer contracts or commitments, and NTMWD shall not be construed to be responsible for Customer's contracts or commitments by virtue of this Contract or any provision contained herein.

Section 22. WAIVER. Failure to enforce or the waiver of any provision of the Contract or any breach or nonperformance by the Customer or NTMWD shall not be deemed a waiver by the Customer or NTMWD of the right in the future to demand strict compliance and performance of any provision of this Contract.

Section 23. DISPUTES OTHER THAN RATE OR FEE DISPUTES; ABATEMENT. In accordance with the provisions of Subchapter I, Chapter 271, Texas Local Government Code, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this Contract, the parties will first attempt to resolve the dispute as provided as follows:

(a) The dissatisfied party shall deliver a written notice substantially describing the nature of the dispute to the other party, requesting the other party to deliver a written response within ten (10) business days after receipt of the notice of dispute;

(b) If the response does not, in the opinion of the dissatisfied party, reasonably resolve the dispute, the dissatisfied party shall notify the other party in writing. Each party shall then appoint a person having authority over the activities of the respective parties who shall promptly meet, in person or via a virtual meeting, in an effort to resolve the dispute; and

(c) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person or via a virtual meeting, in an effort to resolve the dispute.

Any lawsuit filed prior to performing these steps shall be abated pending completion of this dispute resolution process. This section shall not apply to any disputes regarding rates or fees NTMWD charges Customer. The provisions of this section are a condition precedent to the filing of any other action or complaint with any regulatory authority, governing body, or state or federal court.

Section 24. RATE OR FEE DISPUTES. Customer agrees that, as a condition precedent to instituting any lawsuit or other proceeding arising from a rate or fee dispute (including any other charges NTMWD may assess) under this Contract, Customer shall first attempt to resolve the dispute as provided as follows:

(a) Customer shall deliver a written notice substantially describing the nature of and reasons for the dispute to NTMWD;

(b) NTMWD shall respond to the dispute notification in writing within ten (10) business days after receipt of the notice of dispute;

The provisions of this section are a condition precedent to the filing of any other action or complaint with any regulatory authority, governing body, or state or federal court.

Section 25. TERMINATION AND MATERIAL BREACH. Any material breach of the duties or obligations of this Contract, or failure to faithfully keep and perform any of the terms, conditions and provision hereof shall be subject to the remedies provided in Section 26, including but not limited to termination. The non-breaching party shall provide the breaching party ninety (90) days written notice of its intention to terminate this Contract if the breaching party fails to cure the material breach. The written notice shall include a reasonable description of the breach. If the Customer is the breaching party, and fails or refuses to cure the breach, then NTMWD shall have the right, with five (5) years advance written additional notice to Customer and without any liability whatsoever on the part of NTMWD, to declare the Contract terminated. In the event of termination of this Contract, all rights, powers, and privileges of Customer pursuant to this Contract shall cease and terminate and Customer shall make no claim of any kind whatsoever against NTMWD, its agents or representatives, by reason of such termination or any act incident thereto. In any event, the non-breaching party shall advise the alleged breaching party in writing immediately upon acceptance of the cure of any default. The following shall, without limitation, be considered to be a material breach:

(a) Customer's failure to adopt and enforce reasonable policies or standards related to the System necessary to enforce any applicable NTMWD policies related to the protection and operation of the System for the benefit of all Members and Customers, contractual requirements, or any applicable state or federal laws or regulations;

(b) Customer's failure to pay any bill, charge or fee as provided for in this Contract;

(c) Customer's failure to provide NTMWD ingress and egress for purposes of sampling and operation and maintenance of any metering or any sampling facility; and

(d) NTMWD's failure to timely provide water to Customer in an amount sufficient to serve existing customers of the Customer, up to the Annual Maximum set forth in Sections 2 and 8.

Section 26. REMEDIES. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies, including termination as provided in Section 25, existing at law or in equity may be availed of by any party hereto and shall be cumulative.

Section 27. INDEMNITY. TO THE EXTENT ALLOWED BY LAW, CUSTOMER AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND NTMWD, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ANY AND ALL LIABILITY, INCLUDING CLAIMS, DEMANDS, DAMAGES, LIENS, ACTIONS OR CAUSES OF ACTION, TOGETHER WITH ANY AND ALL LOSSES, COSTS, OR EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, ARISING OUT OF OR RELATING TO THIS CONTRACT, INCLUDING THE DELIVERY OF WATER UNDER THIS CONTRACT, CAUSED BY OR RESULTING FROM THE WILLFUL MISCONDUCT AND/OR GROSSLY NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF CUSTOMER, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

TO THE EXTENT ALLOWED BY LAW NTMWD AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND CUSTOMER, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ANY AND ALL LIABILITY, INCLUDING CLAIMS, DEMANDS, DAMAGES, LIENS, ACTIONS OR CAUSES OF ACTION, TOGETHER WITH ANY AND ALL LOSSES, COSTS, OR EXPENSES,

INCLUDING REASONABLE ATTORNEY FEES, ARISING OUT OF OR RELATING TO THIS CONTRACT, INCLUDING THE DELIVERY OF WATER UNDER THIS CONTRACT, CAUSED BY OR RESULTING FROM THE WILLFUL MISCONDUCT AND/OR GROSSLY NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF NTMWD, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

Section 28. ASSIGNMENT. Customer shall not assign this Contract or any of its rights hereunder without first obtaining the express prior written consent of NTMWD.

Section 29. RECITALS AND EXHIBITS INCORPORATED. The recitals contained in the preamble hereof and the exhibit(s) hereto are hereby found to be true, and such recitals and exhibit(s) are hereby made a part of this Contract for all purposes. The exhibits include:

Exhibit A – Customer Rate Premium Methodology Examples

Exhibit B – Current Wholesale Customers (not applicable to this Contract)

Exhibit C – Points of Delivery

Exhibit D – Explanation of Annual Minimum Calculation

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the Contract Date.

(Signatures on following pages)

CITY OF FATE

By: _____ City manager

Michael Kovacs, City Manager Date May 5, 2026

ATTEST:

Vickey Raduechel

Vickey Raduechel, City Secretary

STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on this 5 day of May, 2026, by Michael Kovacs, City manager of City of Fate, Texas a political subdivision of the State of Texas, on behalf of said political subdivision.

_____

Notary Public, State of Texas
Printed Name of Notary:

Samantha Harris

My Commission Expires: 12/07/2028

SAMANTHA HARRIS
Notary Public, State of Texas
Comm. Expires 12-07-2028
Notary ID 128665443

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____ _____
David Hollifield, President Date

ATTEST:

_____
Keith Stephens, Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 2026, by David Hollifield, President of the Board of Directors 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 A

Customer Rate Premium Methodology Examples

Annually, District staff will calculate the Customer Rate for each Customer, beginning in FY29, as follows

1. Calculate Annual Minimum Volume using Rolling Average Methodology (See Exhibit D)
2. Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume
3. Apply Member City Rate + $0.05 to Legacy Volume to calculate Legacy Charges. If Annual Minimum Volume is less than Legacy Volume, only apply Member Rate + 5-cents to Annual Minimum Volume.
4. Apply Member City Rate +10% to Growth Volume to calculate Growth Charges
5. Calculate the Customer's Effective Premium Rate
6. If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete
7. If the Effective Premium Rate is greater than 2.8%, recalculate charges (Member City Rate + 2.8%) * Annual Minimum Volume

Example 1

- Customer's Legacy Volume (1,000 gallons) = 1,716
- Customer's FY30 Annual Minimum Volume (1,000 gallons) = 1,599
- FY30 Projected Member City Rate = $6.45/1,000 gallons

	Step	Calculation	Result
1	Calculate Annual Minimum Volume using Rolling Average Methodology		1,599
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	1,599<1,716	Annual Minimum Volume is less than Legacy Volume, no Growth Volume
3	Apply Member City Rate + $0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy Volume)	($6.45+0.05) *1,599	$10,394 Legacy Charges ($80 premium)
4	Apply Member City Rate +10% to Growth Volume	0	No Growth Charges
5	Calculate the Customer's Effective Premium Rate	$0.05/$6.45=1%	Effective premium is $0.05 and 1% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	Yes – 1%< 2.8%	Calculation Complete – Customer pays $10,394 ($80 premium)
7	Not Applicable to Example 1		

Example 2

- Legacy Volume (1,000 gallons) = 2,174 gallons
- FY30 Annual Minimum Volume (1,000 gallons) = 2,338
- FY30 Projected Member City Rate = $6.45/1000 Gallons

	Step	Calculation	Result
1	Calculate Annual Minimum Volume using Rolling Average Methodology		2,338
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	2,338> 2,174 -> 2,338-2,174	Growth Volume = 164
3	Apply Member City Rate + $0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy)	($6.45+.05) * 2,174	$14,131 ($109 premium)
4	Apply Member City Rate +10% to Growth Volume	($6.45*1.1)*164	$1,164 ($106 premium)
5	Calculate the Customer's Effective Premium Rate	($215/2,338)=$.09 $0.09/$6.45=1.4%	Effective Premium is $0.09/1,000 gallons and 1.4% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	Yes –1.4% < 2.8%	Calculation complete – Customer pays $15,295 ($215 premium)
7	Not Applicable to Example 2		

Example 3

- Legacy Volume (1,000 gallons) = 2,174 gallons
- FY30 Annual Minimum Volume (1,000 gallons) = 4,000
- FY30 Projected Member City Rate = $6.45/1000 Gallons

	Step	Calculation	Result
1	Calculate Annual Minimum Volume using Rolling Average Methodology		4,000
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	4,000> 2,174 -> 4,000-2,174	Growth Volume = 1,826
3	Apply Member City Rate + $0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy)	($6.45+.05) * 2,174	$14,131 ($109 premium)
4	Apply Member City Rate +10% to Growth Volume	($6.45*1.1)*1,826	$12,955 ($1,178 premium)
5	Calculate the Customer's Effective Premium Rate	($1,287/4,000)=$0.32 $0.32/$6.45=5%	Effective Premium is $0.32/1000 gallons and 5% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	No - Effective Premium 5% > 2.8%	Recalculate
7	If the Effective Premium Rate is greater than 2.8%, recalculate charges at (Member Rate + 2.8%) * Annual Minimum Volume	($6.45*1.028)*4,000	Customer pays $26,522 ($722 premium)

Note: Once Customer reaches the 2.8% Effective Premium Cap, all volumes will be charged the Member City Rate + 2.8%

EXHIBIT B
CURRENT WHOLESALE CUSTOMERS

Not applicable.

EXHIBIT C

POINTS OF DELIVERY





NORTH TEXAS MUNICIPAL WATER DISTRICT

City of Fate Point of Delivery No. 3

EXHIBIT D

EXPLANATION OF ANNUAL MINIMUM CALCULATION

The following is an explanation of the how the method for calculating Customer's Annual Minimum will follow the same method currently used for Member Cities as outlined in the First Amendment to North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract.

Method	Timeframe
Natural Drawdown	October 1, 2020 – September 30,2028
Phase-in to 5 Year Rolling Averages	October 1, 2028 – September 30, 2032
5 Year Rolling Averages	October 1, 2032 and forward

Natural Drawdown Method

- This method provides a reduction in the upcoming year's Annual Minimum to any entity that is under its current year Annual Minimum. One-third of the excess usage is reduced on a pro-rata basis from those entities' current Annual Minimum. The proration is based on each entity's percent of the total under usage.
- An Annual Minimum cannot be reduced below prior year's actual volume.
- An entity establishing a new annual minimum by contract may not be eligible to participate, depending on contract terms.

Example on following page.

Natural Drawdown Example

Step 1: Calculate the Excess Usage and Drawdown Volume Amount

- Sum the actual usage amounts for Entities that exceed the annual minimums – Column E's Total = 90 Gallons
- The Drawdown to be allocated is one-third of the Excess Usage [90/3 = 30 Gallons]

	A	B	C=B-A	D	E
	Current Year's Annual Minimum	**Actual Usage**	**Excess/ (Under)**	**Under Usage**	**Excess Usage**
Entity A	150.0	140.0	(10.0)	(10.0)	
Entity B	120.0	190.0	70.0		70.0
Entity C	30.0	50.0	20.0		20.0
Entity D	80.0	60.0	(20.0)	(20.0)	
Entity E	340.0	300.0	(40.0)	(40.0)	
Total	**720.0**	**740.0**	**20.0**	**(70.0)**	**90.0**

Step 2: Allocate the Drawdown Volume to the Eligible Entities

- Reduce the Annual Minimums by the 30 Drawdown gallons to Entities A, D, and E proportionately to calculate the next year's Annual Minimums. Entities B and C are not eligible to receive a drawdown due to being over their Annual Minimum.

	A	B	C=B-A	D		E	F = %D * 30	G = A + F
	Current Year's Annual Minimum	**Actual Usage**	**Excess/ (Under)**	**Under Usage**		**Excess Usage**	**Drawdown (1/3rd of Over Usage)**	**Next Year's Annual Minimum**
Entity A	150.0	140.0	(10.0)	(10.0)	14%		(4.3)	145.7
Entity B	120.0	190.0	70.0			70.0		190.0
Entity C	30.0	50.0	20.0			20.0		50.0
Entity D	80.0	60.0	(20.0)	(20.0)	29%		(8.6)	71.4
Entity E	340.0	300.0	(40.0)	(40.0)	57%		(17.1)	322.9
Total	**720.0**	**740.0**	**20.0**	**(70.0)**	**100%**	**90.0**	**(30.0)**	**780.0**

Rolling Averages

The phase in of Rolling Averages begins on October 1, 2028 (FY28-29). Each of the phase in years is an average of a combination of FY28 Annual Minimums and Actual Water Year Usage. The schedule is below.

Year	Annual Minimum Volume - 5 Year Average Comprised of	
	Actual Usage	**FY28 Annual Minimums**
Year 1 - FY28-29	WY 28	WY28 * 4
Year 2 - FY29-30	WY28, WY29	WY28 * 3
Year 3 - FY30-31	WY28, WY29, WY30	WY28 * 2
Year 4 - FY31-32	WY28, WY29, WY30, WY31	WY28
Year 5 – FY32-33	WY28, WY29, WY30, WY31, WY32	

WY=Water Year August 1 – July 31. The Water Year is the 12-month period that the volume calculation applies to.

All years following FY32-33 shall be composed of the average of the previous 5 Water Years' actual usage.

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6261

Regional Water System

Authorization of the Execution of the Potable Water Supply Contract with the City of Melissa, a current Customer of NTMWD.

SUBJECT

Authorize execution of new Potable Water Supply Contract with City of Melissa , a current Customer of NTMWD.

PURPOSE

The City of Melissa requests an additional Point of Delivery and time to construct facilities to receive water from NTMWD. NTMWD and Melissa wish to restate and enter into a new Potable Water Supply Contract.

RECOMMENDATION

The Executive Director, NTMWD staff and Lloyd Gosselink Rochelle & Townsend, P. C., recommend the Board of Directors authorize execution of a potable water supply contract with City of Melissa.

Contracting Party:	City of Melissa, Texas
Purpose:	Potable Water Supply Contract
Project:	N/A
Amount:	N/A
Committee:	This will be an item on the May 27, 2026, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

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

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☒ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PURPOSE

- NTMWD and Melissa previously entered into the Potable Water Supply Contract dated August 2003 and receives NTMWD water through City of McKinney' s water distribution system.
- Melissa also receives treated water from Greater Texoma Utility Authority (“GTUA”) pursuant to that certain Potable Water Supply Contract between GTUA and NTMWD dated September 29, 2020, on behalf of Customer.
- Melissa requested an additional Point of Delivery and time to construct facilities necessary to receive water from NTMWD and to renew their Potable Water Contract.
- NTMWD acknowledges that GTUA will seek to transfer a volume of water to Customer that will be added to Customer’s Annual Minimum and subtracted from GTUA’s Annual Minimum pursuant to GTUA’s Potable Water Supply Contract with NTMWD (the “Transfer”). To achieve the Transfer, GTUA and Customer will submit a written request for the Transfer to NTMWD that includes the agreed upon volume of the annual minimum to be transferred from GTUA to Customer and the date the Transfer is requested to be effective.
- Melissa desires to adopt the updated customer contract template in order to take advantage of the favorable terms negotiated with Member and Customers and formally adopted by NTMWD.

COMPONENTS OF THE CUSTOMER CONTRACT

- Contract allows Customer an additional 36 months to construct facilities to receive water from NTMWD.
- Contract term of 20 years.
- Point of Delivery No. 1:
    - NTMWD delivers the required quantity of water for Customer’s use to the City of McKinney system at the Gerrish Street metering station.
    - Customer Point of Delivery is generally near the intersections of Denton Street and DART Railroad in the City of Melissa and the twelve-inch (12”) 121 Site Facility Phase 1 Pipeline.
- Point of Delivery No. 2: Located at 5852 Collin County Road 471, McKinney, Texas near the eighty-four-inch (84") Leonard-to-McKinney Pipeline.
- Point of Delivery No. 1 will be abandoned when construction of Point of Delivery No. 2 is complete and delivers water directly from NTMWD to Customer.

- Customer rate shall be equal to the rate set by the NTMWD Board of Directors for Member Cities (“Member City Rate”) plus $0.05.
- Commencing FY 2029, the customer rate shall be made up of two tiers and a cap that includes the Legacy Premium Component, Growth Premium Component, and Effective Premium Cap, as follows:
    - Legacy Premium Component: For that portion of the Customer’s annual minimum equal to its Fiscal Year (FY) 2028 annual minimum plus 5% (“Legacy Volume”) the Customer Rate applied shall be the Member City Rate plus 5-cents (“Legacy Charge”);
    - Growth Premium Component: For that portion of the Customer’s annual minimum greater than the Legacy Volume (“Growth Volume”), the Customer Rate applied shall be the Member City Rate plus 10% (“Growth Charge”); and
    - Effective Premium Cap: For the purposes of this calculation, “Effective Rate” means the amount to be paid by Customer per 1,000 gallons resulting from the calculation of the Legacy Premium Component and the Growth Premium Component. If the Customer’s calculated Effective Rate exceeds the Member City Rate plus 2.8%; the Customer Rate shall be adjusted to result in payment by the Customer that equals the Member City Rate plus 2.8% (“Effective Premium Rate”). After a Customer reaches the Effective Premium Rate, the Customer Rate cannot fall below the Effective Premium Rate.
    - This phase-in will only be available to Customers executing the new Customer contract template prior to July 31, 2028.
- The new Customer rate methodology and Customer contract are of benefit to Customers and the region in that it:
    - Provides certainty on the Customer rate for years to come;
    - Incentivizes conservation; and
    - Allows a reasonable phase-in for Customers through recognition of the Legacy Premium Component and Effective Premium Cap.
- An Annual Minimum of 350,960,000 gallons per year.
- An Annual Maximum of 1,495,000,000 gallons per year.
- Cost of potable water is set at the Customer Rate.
- Any water delivered in excess of the annual minimum will also be purchased at the water rate established by the Board of Directors.
- If Customer exceeds the maximum rate of delivery of 2.2 times the daily average, then Customer shall pay three times the Customer entity water rate for such quantity. There is a provision for emergency conditions extending up to 48 hours during which NTMWD may, at its sole discretion, waive the additional cost.
- NTMWD, in its sole discretion and at any time, may deliver water to Customer at a delivery rate greater than 2.2 times the daily average for the purpose of (i) minimizing or managing energy costs (4CP); or (ii) managing hydraulic constraints in NTMWD’s system. If NTMWD exercises either of these options, Customer shall only pay the contract water rate for water received.
- If NTMWD does not have infrastructure installed with the capability of limiting the delivery rate of water to 2.2 times the daily average, or such infrastructure is currently inoperable, Customer shall pay the contract water rate for water received from NTMWD.

- A provision that allows NTMWD to charge three times the water rate for such quantity of water used by the Customer that is above the authorized amount or authorized rate of delivery as allowed by NTMWD's Water Conservation and Drought Contingency Plan, as such plan may be amended from time to time.

The City of Melissa approved this contract at its April 28, 2026, meeting, and their board signed the Contract on May 5, 2026. A copy of the contract is attached.

FUNDING

No funding is requested.

NORTH TEXAS MUNICIPAL WATER DISTRICT
CITY OF MELISSA
POTABLE WATER SUPPLY CONTRACT

THE STATE OF TEXAS §
§
THE COUNTY OF COLLIN §

THIS CONTRACT (the "Contract") made and entered into as of this the _____ day of _____, 2026, by and between the North Texas Municipal Water District, hereinafter called "NTMWD", a conservation and reclamation district created under Article 16, Section 59, of the Texas Constitution, and the City of Melissa, hereinafter called "Customer." NTMWD and Customer are each referred herein as "party" and jointly referred to as "parties" in this Contract.

W I T N E S S E T H :

WHEREAS, NTMWD and Customer are authorized to enter into this Contract pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon's Texas Civil Statutes), Chapter 791 of the Texas Government Code (the "Interlocal Cooperation Act") and other applicable laws;

WHEREAS, Customer and NTMWD previously entered into a Potable Water Supply Contract dated August 12, 2003 (the "Previous Contract");

WHEREAS, the Previous Contract has not yet expired, but Customer and NTMWD desire to amend and completely restate the terms of the Previous Contract, and supersede and replace the Previous Contract in its entirety, as provided herein, and the Previous Contract shall have no further force and effect;

WHEREAS, Point of Delivery No. 1, as defined in Section 5 below, will be abandoned when construction of Point of Delivery No. 2, as defined in Section 5 below, is complete and delivers water directly from NTMWD to Customer;

WHEREAS, Customer also receives treated water from Greater Texoma Utility Authority ("GTUA") pursuant to that certain Potable Water Supply Contract between GTUA and NTMWD, dated September 29, 2020, under which NTMWD agreed to furnish, and GTUA agreed to purchase, treated water, in accordance with the provisions of such contract on behalf of Customer ("GTUA Contract");

WHEREAS, Customer desires to obtain an adequate and dependable water supply from NTMWD;

WHEREAS, NTMWD was created, among other things, to serve the water needs of its Member Cities, as defined below;

WHEREAS, Customer acknowledges and understands that this Contract establishes a maximum amount of potable water that NTMWD is required to deliver to Customer;

WHEREAS, Customer agrees to construct and operate adequate water distribution, storage and pump station facilities so that the maximum delivery rate of water will not exceed, at any time, 2.2 times the Highest Historical Average at the Point(s) of Delivery, as such terms are defined herein;

WHEREAS, Customer acknowledges and understands that NTMWD determines the rates to be paid by Member Cities and Customer and that rates for Customer will not be the same as and are higher than the rates for Member Cities;

WHEREAS, Customer is not compelled to purchase water from NTMWD and is voluntarily entering into this Contract;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to furnish water, and Customer agrees to pay for water, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Section 1. DEFINITION OF TERMS. The following terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

(a) "Annual Minimum" or "Annual Minimum Volume" means the minimum amount of potable water Customer must compensate NTMWD for during the Annual Payment Period, and each year thereafter, regardless of whether Customer actually takes such quantity of water. The Annual Minimum shall be adjusted annually after the first Annual Payment Period as provided in Section 8;

(b) "Annual Maximum" means the maximum amount of potable water that NTMWD agrees to sell and deliver to Customer during any Water Year under this Contract;

(c) "Annual Payment" means the amount of money to be paid to NTMWD by Customer during each Annual Payment Period;

(d) "Annual Payment Period" means NTMWD's fiscal year, which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD;

(e) "Contract Date" means the effective date of this Contract as executed by both parties, which is the day and year first above written;

(f) "Customer" means City of Melissa as defined in the preamble to this Contract;

(g) "Customer Entity or Customer Entities" means any customer other than the Member Cities with which NTMWD contracts with to furnish water;

(h) "Customer Rate" is defined as the rate to be paid by Customer on a per 1,000 gallon basis, calculated annually by NTMWD, as provided herein, and applied to Customer's Annual Minimum. Initially, the Customer Rate shall be equal to the rate set by the NTMWD Board of Directors for Member Cities ("Member City Rate") plus $0.05. Commencing at the beginning of FY 2029, the Customer Rate shall be made up of two tiers and a cap that include the Legacy Premium Component, Growth Premium Component, and Effective Premium Cap, as set forth below:

(i) "Legacy Premium Component": For that portion of Customer's Annual Minimum equal to its FY 2028 Annual Minimum plus 5% ("Legacy Volume"), the Customer Rate applied shall be the Member City Rate plus $0.05 ("Legacy Charge");

(ii) "Growth Premium Component": For that portion of the Customer's Annual Minimum greater than the Legacy Volume ("Growth Volume"), the Customer Rate applied shall be the Member City Rate plus 10% ("Growth Charge"); and

(iii) "Effective Premium Cap": For the purposes of this calculation, "Effective Rate" means the amount to be paid by Customer per 1,000 gallons resulting from calculation of the Legacy Premium Component and the Growth Premium Component. If the Customer's calculated Effective Rate exceeds more than 2.8% of the Member City Rate, the Customer Rate shall be adjusted to result in payment by Customer that equals the Member City Rate plus 2.8% (Effective Premium Rate"). After a Customer reaches the Effective Premium Rate, the Customer Rate cannot fall below the Effective Premium Rate.

Customer Rate calculation examples are included in **Exhibit A**.

(i) "Emergency Condition" means a condition that necessitates an expeditious delivery of water to prevent or combat imminent peril to the public health, safety, or welfare;

(j) "FY" means NTMWD's fiscal year which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD.

(k) "Highest Historical Average" means the higher of (1) 961,534 gallons per day, that being 1/365 of the Annual Minimum as provided in Section 8 of this Contract at the Point(s) of Delivery, or (2) 1/365 of the highest annual amount of potable water delivered to the Customer at the Point(s) of Delivery in a Water Year during the term of this Contract. As defined below in Section 5, Point of Delivery No. 1 is allocated 100% of the Highest Historical Average, and upon completion of Point of Delivery No. 2, Point of Delivery No. 1 will be abandoned and Point of Delivery No. 2 will be allocated 100% of the Highest Historical Average;

(l) "Member City or Member Cities" means the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, Wylie, and any other city that may hereafter legally be annexed into the service area of NTMWD in accordance with Tex. Rev. Civ. Stat. Art. 8280-141;

(m) "NTMWD" means the North Texas Municipal Water District as defined in the preamble to this Contract;

(n) "Point(s) of Delivery" means the meter vault(s) at which water service is delivered by NTMWD to Customer at the location(s) specified in Section 5. The meter vault(s) and facilities upstream thereof shall be the sole responsibility of NTMWD, and facilities downstream thereof shall be the sole responsibility of the Customer except as otherwise provided herein by this Contract;

(o) "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;

(p) "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; and,

(q) "Water Year" means the period of August 1 of each calendar year through July 31 of the next following calendar year, or such other twelve (12) month period designated by NTMWD to all Member Cities and Customer Entities.

Section 2. DELIVERY OF WATER. NTMWD agrees to sell and to deliver potable water under this Contract to Customer at its Point(s) of Delivery as described in Section 5 hereof, and Customer agrees to take at its Point(s) of Delivery all water required for use by Customer during the term of this Contract, including all potable water for Customer's own use and for distribution to all customers served by Customer's water distribution system, or within Customer's existing certificated retail service area regulated by the Public Utility Commission of Texas ("PUCT"), or any successor agency. NTMWD acknowledges that Customer receives water from other sources, such as GTUA, in addition to the water supplied hereunder. It is specifically provided, however, that after the Contract Date, Customer shall be required to enter into a new potable water supply contract with NTMWD to replace and supersede this Contract in its entirety prior to the Customer entering into, renewing, or amending with regard to volume of water to be supplied, any agreement to provide wholesale or retail potable water for use outside its boundaries, its extraterritorial jurisdiction, or its certificated retail service area. Customer shall not become a party to any contract for the sale of potable water that would violate or be inconsistent with the provisions of this Contract. NTMWD will use its best efforts to furnish and remain in a position to furnish potable water sufficient for all reasonable potable water requirements of Customer, but its obligation shall be limited to the amount of potable water available to it from the System during routine operation.

The Annual Maximum that NTMWD agrees to sell and deliver to Customer under this Contract at the Point(s) of Delivery shall be 1,400,000,000 gallons per year. If Customer exceeds the Annual Maximum for the Point(s) of Delivery during any Water Year, within sixty (60) days of such exceedance Customer agrees to commence negotiations with NTMWD for the execution of a new or an amended or restated contract.

Except as provided in Section 8(j), the maximum rate of delivery at the Point(s) of Delivery shall not exceed 2.2 times the Highest Historical Average supplied to Customer hereunder, which is consistent with the capabilities and abilities of NTMWD facilities, and it is understood that NTMWD may from time to time adjust the maximum rate of delivery to all Customer Entities on a reasonable, equitable and uniform basis.

Section 3. OTHER CONTRACTS. NTMWD reserves the right to supply potable water from the System to additional parties as determined by the Board of Directors of NTMWD.

Section 4. QUALITY. The water to be delivered by NTMWD and received by Customer shall be potable water. Customer has satisfied itself that such water will be suitable for its needs, but NTMWD is obligated to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality. NTMWD and Customer shall cooperate, each within its legal powers, in preventing, to

the extent practicable, the pollution and contamination of the reservoirs and watersheds from which water is obtained.

Section 5. POINT(S) OF DELIVERY. The Point(s) of Delivery for Customer, located on **Exhibit C** attached hereto, identifies the location of the Point(s) of Delivery, the associated pipelines named below.

Point of Delivery No. 1 – collectively includes the "NTMWD Point of Delivery" and "Melissa Point of Delivery", which are defined as follows:

A) NTMWD Point of Delivery. NTMWD shall deliver the required quantity of water for Melissa's use to the City of McKinney system at the Gerrish Street metering station.

B) Melissa Point of Delivery. The Melissa Point of Delivery is generally described as being located near the intersections of Denton Street and the DART Railroad in the City of Melissa.

Point of Delivery No. 2 – Located at 5852 County Road 471, McKinney, Texas near the eighty-four-inch (84") Leonard-to-McKinney Pipeline.

The parties agree that if the pipelines, as depicted on **Exhibit C**, are abandoned or relocated at the request of the Customer, the Customer shall pay all costs associated with the construction of a new Point of Delivery or connection to a different pipeline at the discretion of NTMWD, including any and all costs associated with furnishing the site of the new Point of Delivery as described in this section. NTMWD, in its sole discretion, may pay the costs associated with the construction of a new Point of Delivery.

Customer agrees to furnish the site at the Point(s) of Delivery and to construct and operate adequate water distribution, storage, and pump station facilities so that the maximum rate of delivery will not exceed 2.2 times the Highest Historical Average at the Point(s) of Delivery. Customer shall design and construct a separate vault for the Point(s) of Delivery. The vault will include the billing meter, control valve, and appropriate SCADA equipment. Customer shall also provide one level transmitter for the ground storage tank for NTMWD use and shall provide a separate air gap for the Point(s) of Delivery at the ground storage tank. At the request of the Customer, or upon NTMWD's own determination, NTMWD may install isolation valves associated with the Point(s) of Delivery. NTMWD may require Customer to bear all costs associated with such installation.

Customer shall provide to NTMWD all plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract and Customer shall not proceed with any construction or installation without NTMWD's prior written approval of such plans, which approval shall not be unreasonably withheld. Further, NTMWD shall have the right to inspect any and all facilities and equipment to ensure compliance with the NTMWD approved plans. Customer shall also perform and coordinate with NTMWD regarding any and all construction activities that involve the System. Customer shall construct, maintain, and operate, at its own cost and expense, all facilities and equipment necessary to receive and take all potable water delivered to it under this Contract. Regardless of NTMWD's approval of any Customer plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract, Customer is solely responsible for the sufficiency of design to receive volume(s) of water established pursuant to this Contract. Any construction from NTMWD's pipeline including the air gap must meet NTMWD standard specifications. Any change in the Point(s) of Delivery, including but not limited to a change in the type or size of meters, or size of tap, shall only be allowed if the Customer enters into a new or an amended and restated contract in accordance with Section 10, MODIFICATION. In NTMWD's sole discretion, NTMWD may waive the requirement for a new or an amended and restated

contract for a change in the Point(s) of Delivery and allow such change through an amendment to this Contract.

Section 6. MEASURING EQUIPMENT. Customer shall furnish, and install at its own expense at, or near, the Point(s) of Delivery the necessary rate of flow equipment, of a standard type approved by NTMWD, for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall become the property of NTMWD. In its sole discretion, NTMWD may furnish, install, and/or replace at its own expense at, or near, the Point(s) of Delivery the necessary rate of flow equipment for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall remain the property of NTMWD. Customer shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be accomplished only by the employees or agents of NTMWD. For the purpose of this Contract, the original record or reading of the meter shall be the journal or other record book, including, but not limited to electronic databases, maintained by NTMWD in its office in which the records of the employees or agents of NTMWD who take the reading may be transcribed. Upon written request of Customer, NTMWD will provide a copy of such journal or record book, or permit it to have access to the same in the office of NTMWD during reasonable business hours.

Not more than once in any six (6) month time period, NTMWD shall test its billing meter if requested in writing by Customer to do so, in the presence of a representative of Customer, and the parties shall jointly observe any adjustments that are made to the billing meter in case any adjustments shall be necessary. If upon any test, the percentage of inaccuracy of any billing meter equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any billing meters are out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such billing meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the billing meter or meters were registering accurately.

Customer may, at its option and its own expense, install and operate a check meter downstream of the Point(s) of Delivery to check each billing meter installed by NTMWD, but the measurement of water for the purpose of this Contract shall be solely by NTMWD's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of NTMWD.

Section 7. UNIT OF MEASUREMENT. The unit of measurement for potable water delivered under this Contract shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

Section 8. PRICE AND TERMS. The service to be performed under this Contract by NTMWD consists of the readiness of NTMWD to deliver to Customer upon its demand, water in accordance with the conditions, limitations, and provisions of this Contract.

In return for such service, Customer agrees to compensate NTMWD by payment of certain minimum annual sums of money, for each of which said sums NTMWD agrees, if required by Customer,

to deliver all, or so much thereof as Customer may desire, of a certain corresponding volume of water, as follows:

(a) Customer will compensate NTMWD at the Customer Rate, as such Customer Rate is calculated on an annual basis by NTMWD in accordance with the provisions of this Contract, for an Annual Minimum of 350,960,000 gallons of water, regardless of whether said quantity is actually taken by Customer, and any water delivered in excess of the amount allowed for the Annual Minimum will also be purchased at the Customer Rate. The Annual Minimum Customer will be required to purchase at the above Customer Rate, shall be calculated annually for each ensuing year and such minimum amount shall be the value as calculated by using the same methodology as applied to the Member Cities or 350,960,000 gallons as set forth in **Exhibit D**; provided however, Customer cannot take more than 1,400,000,000 gallons per year as provided in Section 2 of this Contract, and Customer shall pay the Customer Rate for any water taken in excess of 1,400,000,000 gallons per year.

(b) If potable water must be rationed, such rationing shall, within the limits permitted by law, be accomplished by NTMWD on an equal basis of the relative actual total amount of all potable water taken by each Customer Entity, respectively, during the last preceding Annual Payment Period in which rationing among said Customer Entities was not necessary.

(c) The Annual Minimum as set forth herein shall be reviewed at the end of the first Annual Payment Period, and each year thereafter, and shall be re-determined by the Board of Directors of NTMWD at that time based upon the methodology set forth in **Exhibit D**.

(d) Payment of the Annual Payment shall be made each year by Customer to NTMWD in twelve (12) equal monthly installments, each of which shall be due and payable on or before the 10th day of the month following the service.

(e) It is further agreed that, in addition to the amounts required to be paid by Customer herein, if during any Water Year Customer uses System treated water in excess of the Annual Minimum for the Annual Payment Period that commenced during such Water Year up to the Annual Maximum allowed in Section 8(a) or in excess of the Annual Maximum allowed in Section 8(a), then Customer shall pay for such excess water in accordance with the provisions of Section 8(a). Excess water charges shall be billed by NTMWD to Customer as soon as practicable after the end of such Water Year and shall be paid to NTMWD as soon as practicable thereafter, and in all events prior to the beginning of the next Annual Payment Period.

(f) Liability for making payments, as herein set forth, shall commence on the date of the first tender of delivery of water to Customer by NTMWD at the Point(s) of Delivery.

(g) In the event that Customer shall fail to make any such monthly payment or Annual Payment within the time herein in this section specified, interest on such amount shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with the interest as herein specified. In the event such payment is not made within thirty (30) days from the date such payment becomes due, and unless otherwise prohibited by law, NTMWD may at its option discontinue delivery of water to Customer upon reasonable notice to Customer until the amount due NTMWD is paid in full with interest as herein specified.

(h) If Customer takes an amount of water above the authorized amount or authorized rate of delivery allowed by NTMWD's water conservation plan and drought contingency plan, as may be amended from time to time, NTMWD may require the Customer to pay three (3) times the Customer Rate for water taken in excess of the authorized amount or authorized rate of delivery under either plan. NTMWD shall provide 14 day written notice upon the first observed exceedance in a Fiscal Year before the imposition of such surcharge.

(i) Any time Customer exceeds the maximum rate of delivery of 2.2 times the Highest Historical Average at the Point(s) of Delivery as determined by the NTMWD, Customer shall pay three (3) times the Customer Rate for such water. NTMWD shall provide 14 day written notice upon the first observed exceedance in a Fiscal Year before the imposition of such surcharge.

(j) In the event of an Emergency Condition, as that term is defined herein, NTMWD may, in its sole discretion, waive the increased rate in Section 8(i) for exceedance of the maximum rate of delivery of 2.2 times the Highest Historical Average for the Point(s) of Delivery. This waiver shall apply for a 48-hour period, after which such waiver shall terminate. In its sole discretion, NTMWD may extend the waiver for additional 48-hour periods, if NTMWD determines that an extension of the waiver is warranted.

NTMWD, at its sole discretion and at any time, may deliver water to Customer at a delivery rate greater than 2.2 times the Highest Historical Average for the purpose of (i) minimizing or managing energy costs (e.g. 4 Coincident Peak (4CP), minimizing pump starts and/or stops, etc.); or (ii) managing hydraulic constraints in the System. In the event NTMWD exercises either of these options, Customer shall pay only the Customer Rate for water received. Additionally, if NTMWD does not have infrastructure installed with the capability of limiting the delivery rate of water to 2.2 times the Highest Historical Average, or such infrastructure is inoperable, Customer shall pay the Water Rate for water received from NTMWD.

Section 9. TERM OF CONTRACT. This Contract shall commence on the Contract Date and shall continue for a term of twenty (20) years following the Contract Date.

Section 10. MODIFICATION. This Contract may be changed or modified only by written agreement of the parties and only after having obtained approval from the governing bodies of both NTMWD and Customer. No change or modification shall be made to this Contract which will affect adversely the prompt payment when due of all monies required to be paid by Customer under the terms of this Contract.

Section 11. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of Customer to make the payments required under Section 8 of this Contract, then if 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 on, 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, 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, insurrection, riots, epidemics (including pandemics), landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents

to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 12. INSURANCE. NTMWD agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self-insurance for purposes and in amounts which, as determined by NTMWD, ordinarily would be carried by a privately-owned utility company owning and operating such facilities, except that NTMWD shall not be required to provide liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of NTMWD's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute just and reasonable operation and maintenance expense. The insurance coverage referenced herein does not extend to any facility owned by Customer.

Section 13. REGULATORY BODIES AND LAWS. This Contract 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, but 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.

Section 14. NOTICES. 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, addressed to the party to be notified and sent via first-class mail and by certified mail/return-receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail in the manners hereinabove described shall be 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 addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to NTMWD, to:

Executive Director / General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

If to Customer, to:

City Manager
City of Melissa
3411 Barker Avenue
McKinney, TX 75454

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 address any other address by at least fifteen (15) days written notice to the other parties hereto.

Section 15. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such

sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 16. VENUE. All amounts due under this Contract including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of NTMWD are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract.

Section 17. OPERATING CONDITIONS AND PROVISIONS.

(a) Operation and Maintenance of System. NTMWD will continuously operate and maintain the System in an efficient manner and in accordance with good business and engineering practices, and at reasonable cost and expense.

(b) Title to Water; Indemnification. NTMWD shall retain title to all water supplied to Customer up to the Point(s) of Delivery, at which point title to such water shall pass to Customer. NTMWD and Customer shall save and hold each other harmless from all claims, demands, and causes of action that may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. As between the parties, Customer shall have the first right to use all effluent produced from any wastewater treatment plant that treats the wastewater resulting from the use of the water made available under this Contract for direct reuse, but solely for its own purposes, and not for sale to, or use by, any customer of the Customer. To the extent that effluent produced by a wastewater treatment plant that treats the wastewater resulting from the use of water made available under this Contract is discharged to water courses of the State, the right of Customer to reuse such effluent produced from such wastewater treatment is terminated, and NTMWD shall have the right, as between the parties, pursuant to any necessary authorization of the State, to indirectly reuse said effluent. Customer shall ensure via any wholesale contract with a subsequent customer, entered into after the Contract Date, to maintain NTMWD's right to indirectly reuse treated effluent, the underlying source of which is water from NTMWD made available under this Contract.

(c) Operating Expenses of Customer. Customer represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its system, as defined in Section 1502.056 , Texas Government Code, and that all such payments will be made from the revenues of its system. Customer represents and has determined that the potable water supply to be obtained from the System is absolutely necessary and essential to the present and future operation of its water system and is the only available and adequate source of supply of potable water. Accordingly, all payments required by this Contract to be made by Customer shall constitute reasonable and necessary operating expenses of its respective system as described above, with the effect that the obligation to make such payments from revenues of such system shall have priority over any obligation to make any payments from such revenues (whether of principal,

interest, or otherwise) with respect to all bonds or other obligations heretofore or hereafter issued by Customer.

(d) Customer's Rate for Waterworks System. Customer agrees throughout the term of this Contract to continuously operate and maintain its waterworks system, and to fix and collect such rates and charges for water services to be supplied by its waterworks system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract; and (ii) all other amounts required to be paid from said revenues by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding and to file appropriate financial reports related to the Customer's system including annual audits.

(e) Equity. Customer acknowledges that it will accrue no equity or any other interest in the System or any other assets of NTMWD as a result of payment or other performance pursuant to this Contract.

Section 18. WATER CONSERVATION. Customer acknowledges that as a regional wholesale supplier, NTMWD is subject to regulatory and legal requirements regarding the promotion of water conservation and drought contingency planning for the System that allow it to make a water supply available to Customer. NTMWD's water conservation and drought contingency program is developed in adherence with TCEQ public participation requirements and in consultation with other area regional providers to promote consistency throughout the North Texas region. Customer agrees to adopt, implement, and enforce any and all ordinances and policies related to water conservation and drought management as required by the Texas Water Code, the rules of the TCEQ and any ordinance or policy related to water conservation and/or drought management proposed by the Board of Directors of NTMWD consistent with the above-described regional planning effort. NTMWD's obligations pursuant to this Contract shall be subject to Customer preparing and implementing a water conservation plan or water conservation measures, as well as implementing any water conservation plans and drought contingency plans adopted by NTMWD and required or approved by the TCEQ, the Board, or any other federal, state, or local regulatory authority with power to require or approve water conservation and drought contingency plans. Upon execution of this Contract, Customer shall submit its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval, and Customer agrees to amend its water conservation plan or water conservation measures, and drought contingency plan as requested by NTMWD in order to comply with requirements of NTMWD's water conservation plan and drought contingency plan, program and/or rules as described in this Section. Customer shall also submit any changes or amendments to its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval.

NTMWD has adopted a water conservation plan and a drought contingency plan, and may amend both from time to time.

If Customer fails to implement NTMWD's and its own drought contingency plan when trigger conditions occur, NTMWD may implement rationing and collect the rate for water withdrawn as provided in Section 8(h) of this Contract, as well as enforce any contractual, statutory, or common law remedies available. The amount of water that is provided pursuant to this Contract when Customer is not in compliance with NTMWD's water conservation plan and drought contingency plan will be reduced to the amount estimated as necessary to satisfy Customer's demand if Customer was operating in compliance with both NTMWD's and Customer's drought contingency plans.

If NTMWD authorizes Customer to resell water from the System pursuant to the conditions included herein, Customer shall require through a contract condition that any successive user(s) of water

from the System must implement water conservation measures that comply with NTMWD's and Customer's water conservation plans, measures, programs, and/or rules.

Section 19. DEMAND ASSESSMENT. The location of the Point(s) of Delivery and any quantity set forth in this Contract are intended to meet the water needs of Customer. The needs of Customer are independently determined by Customer, and NTMWD has conducted no independent evaluation of the Customer's water system.

Section 20. SOLE AGREEMENT. This Contract constitutes the sole and only agreement of Customer and NTMWD and supersedes any prior understanding or oral or written agreements between Customer and NTMWD with respect to the subject matter of this Contract.

Section 21. NO THIRD PARTY BENEFICIARIES. This Contract 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 Contract. Each party hereto shall be solely responsible for the fulfillment of its customer contracts or commitments, and NTMWD shall not be construed to be responsible for Customer's contracts or commitments by virtue of this Contract or any provision contained herein.

Section 22. WAIVER. Failure to enforce or the waiver of any provision of the Contract or any breach or nonperformance by the Customer or NTMWD shall not be deemed a waiver by the Customer or NTMWD of the right in the future to demand strict compliance and performance of any provision of this Contract.

Section 23. DISPUTES OTHER THAN RATE OR FEE DISPUTES; ABATEMENT. In accordance with the provisions of Subchapter I, Chapter 271, Texas Local Government Code, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this Contract, the parties will first attempt to resolve the dispute as provided as follows:

(a) The dissatisfied party shall deliver a written notice substantially describing the nature of the dispute to the other party, requesting the other party to deliver a written response within ten (10) business days after receipt of the notice of dispute;

(b) If the response does not, in the opinion of the dissatisfied party, reasonably resolve the dispute, the dissatisfied party shall notify the other party in writing. Each party shall then appoint a person having authority over the activities of the respective parties who shall promptly meet, in person or via a virtual meeting, in an effort to resolve the dispute; and

(c) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person or via a virtual meeting, in an effort to resolve the dispute.

Any lawsuit filed prior to performing these steps shall be abated pending completion of this dispute resolution process. This section shall not apply to any disputes regarding rates or fees NTMWD charges Customer. The provisions of this section are a condition precedent to the filing of any other action or complaint with any regulatory authority, governing body, or state or federal court.

Section 24. RATE OR FEE DISPUTES. Customer agrees that, as a condition precedent to instituting any lawsuit or other proceeding arising from a rate or fee dispute (including any other charges NTMWD may assess) under this Contract, Customer shall first attempt to resolve the dispute as provided as follows:

(a) Customer shall deliver a written notice substantially describing the nature of and reasons for the dispute to NTMWD;

(b) NTMWD shall respond to the dispute notification in writing within ten (10) business days after receipt of the notice of dispute;

The provisions of this section are a condition precedent to the filing of any other action or complaint with any regulatory authority, governing body, or state or federal court.

Section 25. TERMINATION AND MATERIAL BREACH. Any material breach of the duties or obligations of this Contract, or failure to faithfully keep and perform any of the terms, conditions and provision hereof shall be subject to the remedies provided in Section 26, including but not limited to termination. The non-breaching party shall provide the breaching party ninety (90) days written notice of its intention to terminate this Contract if the breaching party fails to cure the material breach. The written notice shall include a reasonable description of the breach. If the Customer is the breaching party, and fails or refuses to cure the breach, then NTMWD shall have the right, with five (5) years advance written additional notice to Customer and without any liability whatsoever on the part of NTMWD, to declare the Contract terminated. In the event of termination of this Contract, all rights, powers, and privileges of Customer pursuant to this Contract shall cease and terminate and Customer shall make no claim of any kind whatsoever against NTMWD, its agents or representatives, by reason of such termination or any act incident thereto. In any event, the non-breaching party shall advise the alleged breaching party in writing immediately upon acceptance of the cure of any default. The following shall, without limitation, be considered to be a material breach:

(a) Customer's failure to adopt and enforce reasonable policies or standards related to the System necessary to enforce any applicable NTMWD policies related to the protection and operation of the System for the benefit of all Members and Customers, contractual requirements, or any applicable state or federal laws or regulations;

(b) Customer's failure to pay any bill, charge or fee as provided for in this Contract;

(c) Customer's failure to provide NTMWD ingress and egress for purposes of sampling and operation and maintenance of any metering or any sampling facility; and

(d) NTMWD's failure to timely provide water to Customer in an amount sufficient to serve existing customers of the Customer, up to the Annual Maximum set forth in Sections 2 and 8.

Section 26. REMEDIES. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies, including termination as provided in Section 25, existing at law or in equity may be availed of by any party hereto and shall be cumulative.

Section 27. INDEMNITY. TO THE EXTENT ALLOWED BY LAW, CUSTOMER AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND NTMWD, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ANY AND ALL LIABILITY, INCLUDING CLAIMS, DEMANDS, DAMAGES, LIENS, ACTIONS OR CAUSES OF ACTION, TOGETHER WITH ANY AND ALL LOSSES, COSTS, OR EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, ARISING OUT OF OR RELATING TO THIS CONTRACT, INCLUDING THE DELIVERY OF WATER UNDER THIS CONTRACT, CAUSED BY OR RESULTING FROM THE WILLFUL MISCONDUCT AND/OR GROSSLY

NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF CUSTOMER, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

TO THE EXTENT ALLOWED BY LAW NTMWD AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND CUSTOMER, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ANY AND ALL LIABILITY, INCLUDING CLAIMS, DEMANDS, DAMAGES, LIENS, ACTIONS OR CAUSES OF ACTION, TOGETHER WITH ANY AND ALL LOSSES, COSTS, OR EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, ARISING OUT OF OR RELATING TO THIS CONTRACT, INCLUDING THE DELIVERY OF WATER UNDER THIS CONTRACT, CAUSED BY OR RESULTING FROM THE WILLFUL MISCONDUCT AND/OR GROSSLY NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF NTMWD, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

Section 28. ASSIGNMENT. Customer shall not assign this Contract or any of its rights hereunder without first obtaining the express prior written consent of NTMWD.

Section 29. RECITALS AND EXHIBITS INCORPORATED. The recitals contained in the preamble hereof and the exhibit(s) hereto are hereby found to be true, and such recitals and exhibit(s) are hereby made a part of this Contract for all purposes.

Exhibit A – Customer Rate Premium Methodology Examples

Exhibit B – Current Wholesale Customers (not applicable to this Contract)

Exhibit C – Points of Delivery

Exhibit D – Explanation of Annual Minimum Calculation

Section 30. SPECIAL CONDITIONS.

(a) If Customer's construction of the metering facilities and control equipment necessary to utilize the Point of Delivery is not complete within 3 years from the Contract Date, the provisions of this Contract shall terminate and be of no further force or effect unless such deadline is extended by written approval of NTMWD. Notwithstanding the foregoing, so long as the Customer has commenced the construction of the metering facilities and control equipment necessary to utilize the Point of Delivery and is making a good faith effort to complete such construction, this deadline will be extended by NTMWD to allow the Customer to complete the construction.

(b) As of the date of execution of this Contract, construction of Point of Delivery No. 2 is not yet complete. When construction on Point of Delivery No. 2 is complete and operational, Customer's access to Point of Delivery No. 1 shall be abandoned, and Customer shall receive potable water through Point of Delivery No. 2 only.

(c) NTMWD acknowledges that GTUA will seek to transfer a volume of water to Customer that will be added to Customer's Annual Minimum and subtracted from GTUA's Annual Minimum pursuant to GTUA's Potable Water Supply Contract with NTMWD (the "Transfer"). To achieve the Transfer, GTUA and Customer will submit a written request for the Transfer to NTMWD that includes the agreed upon volume of the annual minimum to be transferred from GTUA to Customer and the date the Transfer is requested to be effective. Upon review of the

Transfer request, NTMWD agrees to not unreasonably withhold approval of the request and effect the Transfer on the effective date requested. Customer acknowledges and understands that the timing of that transfer could impact the Legacy Premium Component volume designation for each customer per **EXHIBIT A** "*Customer Rate Premium Methodology Examples.*" If the Transfer is approved and effective during a fiscal year, the charge for the volumes would be prorated for Customer and GTUA.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the Contract Date.

(*Signatures on following pages*)

CITY OF MELISSA

By: _____ 5/5/2026

Jason Little, City Manager — Date

ATTEST:

_____

Hope Baskin, City Secretary

CITY OF MELISSA • TEXAS

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on this 5th day of May, 2026, by Jason Little, City Manager of City of Melissa, Texas, a political subdivision of the State of Texas, on behalf of said political subdivision.

_____

Notary Public, State of Texas
Printed Name of Notary:
Keri O'Malley

My Commission Expires: 6.16.29

KERI R. O'MALLEY
Notary Public, State of Texas
Comm. Expires 06-16-2029
Notary ID 126713029

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____ _____
David Hollifield, President Date

ATTEST:

_____
Keith Stephens, Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 2026, by David Hollifield, President of the Board of Directors 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 A

Customer Rate Premium Methodology Examples

Annually, District staff will calculate the Customer Rate for each Customer, beginning in FY29, as follows

1. Calculate Annual Minimum Volume using Rolling Average Methodology (See **Exhibit D**)
2. Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume
3. Apply Member City Rate + $0.05 to Legacy Volume to calculate Legacy Charges. If Annual Minimum Volume is less than Legacy Volume, only apply Member Rate + 5-cents to Annual Minimum Volume.
4. Apply Member City Rate +10% to Growth Volume to calculate Growth Charges
5. Calculate the Customer's Effective Premium Rate
6. If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete
7. If the Effective Premium Rate is greater than 2.8%, recalculate charges (Member City Rate + 2.8%) * Annual Minimum Volume

Example 1

- Customer's Legacy Volume (1,000 gallons) = 1,716
- Customer's FY30 Annual Minimum Volume (1,000 gallons) = 1,599
- FY30 Projected Member City Rate = $6.45/1,000 gallons

	Step	Calculation	Result
1	Calculate Annual Minimum Volume using Rolling Average Methodology		1,599
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	1,599<1,716	Annual Minimum Volume is less than Legacy Volume, no Growth Volume
3	Apply Member City Rate + $0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy Volume)	($6.45+0.05) *1,599	$10,394 Legacy Charges ($80 premium)
4	Apply Member City Rate +10% to Growth Volume	0	No Growth Charges
5	Calculate the Customer's Effective Premium Rate	$0.05/$6.45=1%	Effective premium is $0.05 and 1% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	Yes – 1%< 2.8%	Calculation Complete – Customer pays $10,394 ($80 premium)
7	Not Applicable to Example 1		

Example 2

- Legacy Volume (1,000 gallons) = 2,174 gallons
- FY30 Annual Minimum Volume (1,000 gallons) = 2,338
- FY30 Projected Member City Rate = $6.45/1000 Gallons

	Step	Calculation	Result
1	Calculate Annual Minimum Volume using Rolling Average Methodology		2,338
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	2,338> 2,174 -> 2,338-2,174	Growth Volume = 164
3	Apply Member City Rate + $0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy)	($6.45+.05) * 2,174	$14,131 ($109 premium)
4	Apply Member City Rate +10% to Growth Volume	($6.45*1.1)*164	$1,164 ($106 premium)
5	Calculate the Customer's Effective Premium Rate	($215/2,338)=$.09 $0.09/$6.45=1.4%	Effective Premium is $0.09/1,000 gallons and 1.4% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	Yes –1.4% < 2.8%	Calculation complete – Customer pays $15,295 ($215 premium)
7	Not Applicable to Example 2		

Example 3

- Legacy Volume (1,000 gallons) = 2,174 gallons
- FY30 Annual Minimum Volume (1,000 gallons) = 4,000
- FY30 Projected Member City Rate = $6.45/1000 Gallons

	Step	Calculation	Result
1	Calculate Annual Minimum Volume using Rolling Average Methodology		4,000
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	4,000> 2,174 -> 4,000-2,174	Growth Volume = 1,826
3	Apply Member City Rate + $0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy)	($6.45+.05) * 2,174	$14,131 ($109 premium)
4	Apply Member City Rate +10% to Growth Volume	($6.45*1.1)*1,826	$12,955 ($1,178 premium)
5	Calculate the Customer's Effective Premium Rate	($1,287/4,000)=$0.32 $0.32/$6.45=5%	Effective Premium is $0.32/1000 gallons and 5% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	No - Effective Premium 5% > 2.8%	Recalculate
7	If the Effective Premium Rate is greater than 2.8%, recalculate charges at (Member Rate + 2.8%) * Annual Minimum Volume	($6.45*1.028)*4,000	Customer pays $26,522 ($722 premium)

Note: Once Customer reaches the 2.8% Effective Premium Cap, all volumes will be charged the Member City Rate + 2.8%

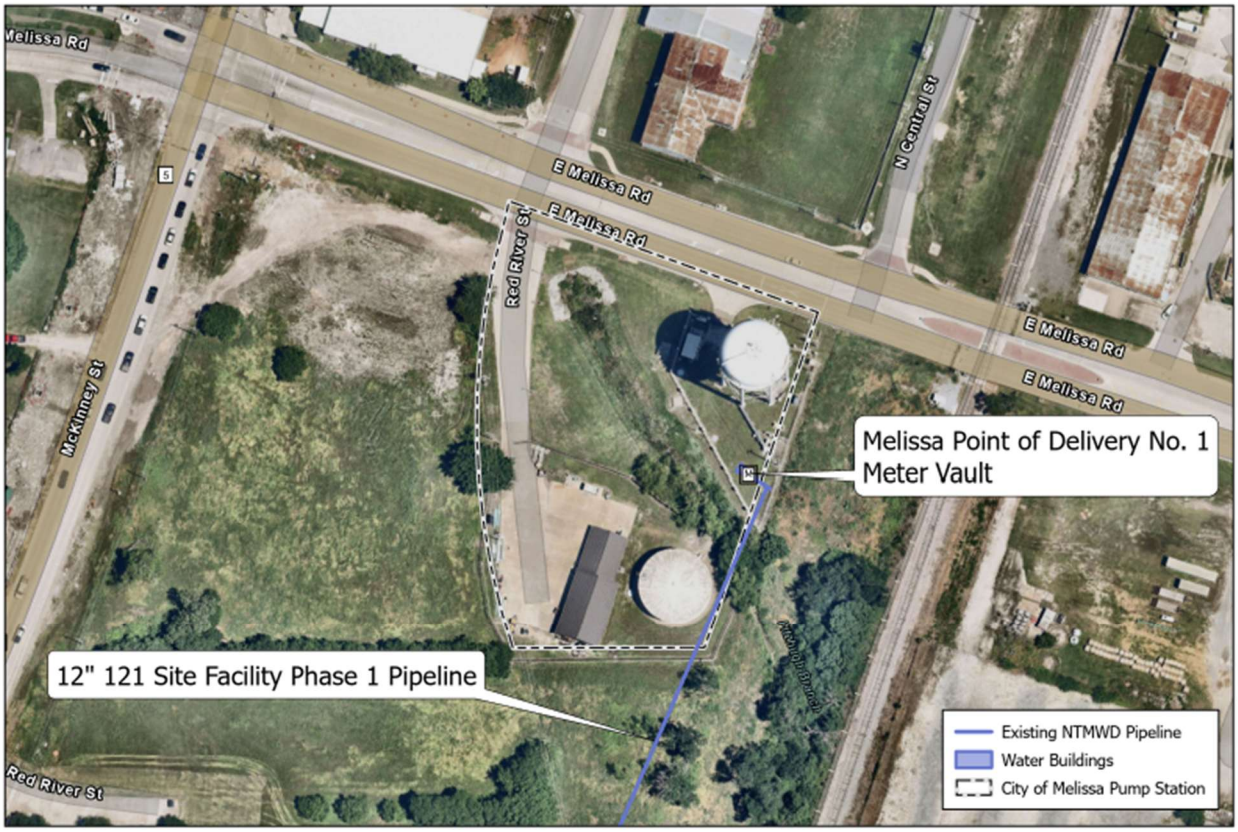
EXHIBIT B

CURRENT WHOLESALE CUSTOMERS

(not applicable to this contract)

EXHIBIT C

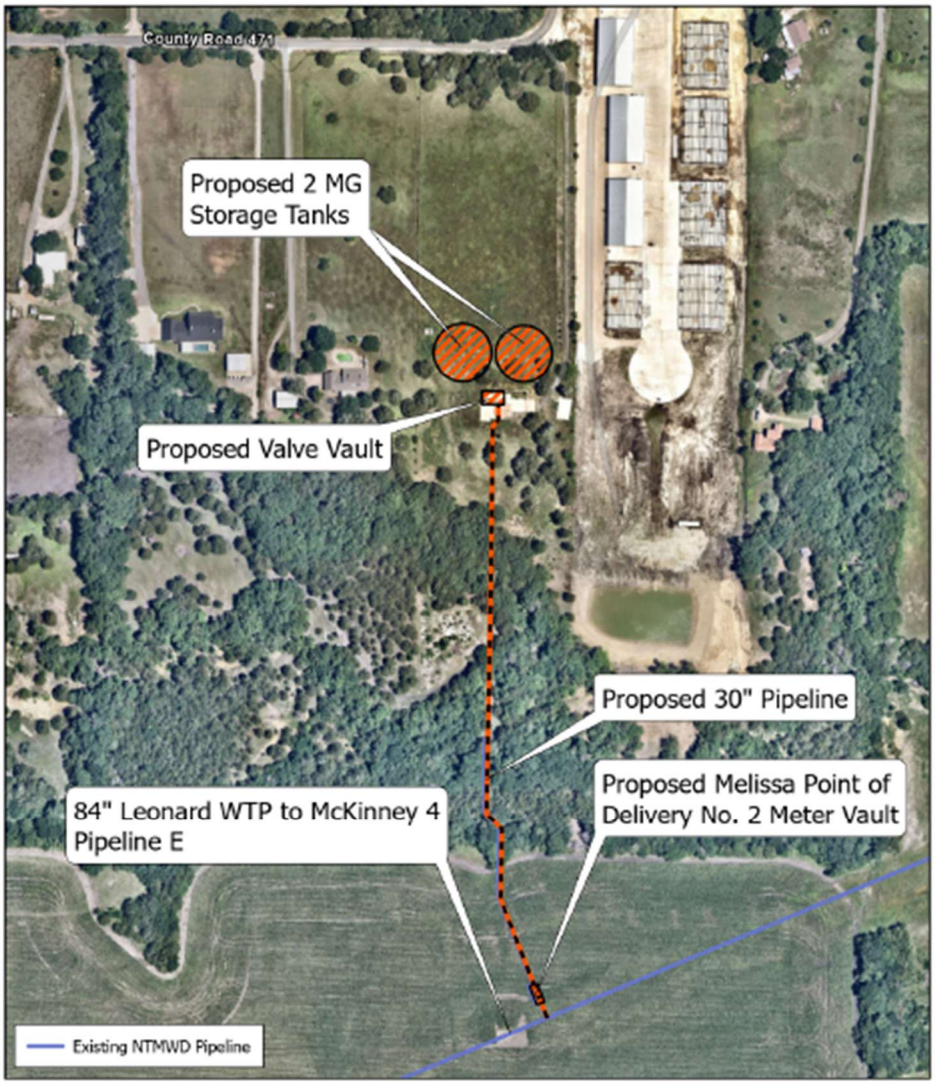
POINTS OF DELIVERY



NORTH TEXAS MUNICIPAL WATER DISTRICT

Melissa Point of Delivery No. 1

N



NORTH TEXAS MUNICIPAL WATER DISTRICT

Melissa Point of Delivery No. 2

N

EXHIBIT D

EXPLANATION OF ANNUAL MINIMUM CALCULATION

The following is an explanation of the how the method for calculating Customer's Annual Minimum will follow the same method currently used for Member Cities as outlined in the First Amendment to North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract.

Method	**Timeframe**
Natural Drawdown	October 1, 2020 – September 30, 2028
Phase-in to 5 Year Rolling Averages	October 1, 2028 – September 30, 2032
5 Year Rolling Averages	October 1, 2032 and forward

Natural Drawdown Method

- This method provides a reduction in the upcoming year's Annual Minimum to any entity that is under its current year Annual Minimum. One-third of the excess usage is reduced on a pro-rata basis from those entities' current Annual Minimum. The proration is based on each entity's percent of the total under usage.
- An Annual Minimum cannot be reduced below prior year's actual volume.
- An entity establishing a new annual minimum by contract may not be eligible to participate, depending on contract terms.

Example on following page.

Natural Drawdown Example

Step 1: Calculate the Excess Usage and Drawdown Volume Amount

- Sum the actual usage amounts for Entities that exceed the annual minimums – Column E's Total = 90 Gallons
- The Drawdown to be allocated is one-third of the Excess Usage [90/3 = 30 Gallons]

	A	B	C = B - A	D	E
	Current Year's Annual Minimum	**Actual Usage**	**Excess/ (Under)**	**Under Usage**	**Excess Usage**
Entity A	150.0	140.0	(10.0)	(10.0)	
Entity B	120.0	190.0	70.0		70.0
Entity C	30.0	50.0	20.0		20.0
Entity D	80.0	60.0	(20.0)	(20.0)	
Entity E	340.0	300.0	(40.0)	(40.0)	
Total	**720.0**	**740.0**	**20.0**	**(70.0)**	**90.0**

Step 2: Allocate the Drawdown Volume to the Eligible Entities

- Reduce the Annual Minimums by the 30 Drawdown gallons to Entities A, D, and E proportionately to calculate the next year's Annual Minimums. Entities B and C are not eligible to receive a drawdown due to being over their Annual Minimum.

	A	B	C = B - A	D		E	F = %D * 30	G = A + F
	Current Year's Annual Minimum	**Actual Usage**	**Excess/ (Under)**	**Under Usage**		**Excess Usage**	**Drawdown (1/3rd of Over Usage)**	**Next Year's Annual Minimum**
Entity A	150.0	140.0	(10.0)	(10.0)	14%		(4.3)	145.7
Entity B	120.0	190.0	70.0			70.0		190.0
Entity C	30.0	50.0	20.0			20.0		50.0
Entity D	80.0	60.0	(20.0)	(20.0)	29%		(8.6)	71.4
Entity E	340.0	300.0	(40.0)	(40.0)	57%		(17.1)	322.9
Total	**720.0**	**740.0**	**20.0**	**(70.0)**	**100%**	**90.0**	**(30.0)**	**780.0**

Rolling Averages

The phase in of Rolling Averages begins on October 1, 2028 (FY28-29). Each of the phase in years is an average of a combination of FY28 Annual Minimums and Actual Water Year Usage. The schedule is below.

Year	Annual Minimum Volume - 5 Year Average Comprised of	
	Actual Usage	**FY28 Annual Minimums**
Year 1 - FY28-29	WY 28	WY28 * 4
Year 2 - FY29-30	WY28, WY29	WY28 * 3
Year 3 - FY30-31	WY28, WY29, WY30	WY28 * 2
Year 4 - FY31-32	WY28, WY29, WY30, WY31	WY28
Year 5 – FY32-33	WY28, WY29, WY30, WY31, WY32	

WY=Water Year August 1 – July 31. The Water Year is the 12-month period that the volume calculation applies to.

All years following FY32-33 shall be composed of the average of the previous 5 Water Years' actual usage.

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6262

Regional Water System

Amendment to Policy 8 Additional Delivery Points for Member Cities and Existing Customers; Resolution No. 26-19

SUBJECT

Adopt Resolution No. 26-19 authorizing an Amendment to Policy 8 Additional Delivery Points for Member Cities and Existing Customers (Policy 8).

PURPOSE

The purpose is to amend Policy 8 to simplify NTMWD's cost recovery approach for additional delivery points and to improve equity among Members and Customers.

RECOMMENDATION

The Executive Director, NTMWD staff, Lloyd Gosselink Rochelle & Townsend P. C. recommend the Board of Directors adopt Resolution No. 26-19, "A *Resolution Authorizing Amendment to Policy 8 Additional Delivery Points for Member Cities and Existing Customers*."

Consultant:	N/A
Scope:	Amendment of the current NTMWD Policy regarding new delivery points
Project:	Policy 8
Amount:	N/A
Committee:	This item was reviewed with the Water Committee on November 19, 2025, and February 25, 2026, and reviewed with the Policy Committee on May 13, 2026.

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	2.1 Efficient Business Practices

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☒ Administrative
☒ Policy	☐ Other _____

BACKGROUND

- In July 1972, Policy 8 was initially created to establish a method to extend transmission pipelines, 12” or larger and provide additional delivery points at the request of Member Cities.
- On January 25, 1990, the Policy was amended to add that two or more Member Cities can request and share the cost for a pipeline extension to serve them.
- On June 23, 1994, the Policy was amended, designating “major pipeline systems” that service multiple cities to clarify when Policy 8 would not apply.
- In November 2007, the Policy was amended, adding existing Customers to the Policy.
- The current Policy 8 allows capacity replacement cost to be recovered by implementation of a new annual minimum for the additional delivery point applied through a 6-year phase-in of annual minimums associated with the new delivery point.
- In 2024, NTMWD engaged Lloyd Gosselink Rochelle & Townsend P. C. (legal counsel) and Carollo Engineering to review and provide recommendations, if warranted, for amending Policy 8 (Carollo Study).
- At the conclusion of its review, Carollo found that Policy 8 is consistent with industry standards.
- However, Carollo Study recommends several changes to simplify the cost recovery approach and improve equity among Members and Customers, including;
    - revise policy language to better clarify the basis for the estimated capital cost owed by the Member or Customer requesting the additional delivery point;
    - recover the estimated cost to provide the requested capacity at the additional delivery point in a lump sum or in annual installments paid over a period of 10 years or less; and
    - the Policy should identify an indexed interest rate to use for payment plans.
- In addition, NTMWD staff has determined that provisions regarding pipeline extensions are no longer needed as a part of Policy 8 as those may be addressed as separate projects.
- Under the proposed amendments, Policy 8 will only recover replacement capacity cost through a lump sum or over a 10-year annual payment or less, including interest based on the U.S. 10-year Treasury Rate (Amended Policy 8).
- Existing Policy 8 was most recently applied to the Cities of Frisco (2023) and Parker (2024), and neither has achieved its 6-year phase-in of annual minimums associated with the new delivery point.

- NTMWD staff and legal counsel recommend negotiating and bringing back for Board consideration any amendments necessary to the current and as may be requested by the Cities of Parker and Frisco, implementing Amended Policy 8. Any such amendment shall use the capacity replacement cost calculated at the time of the City's current contract.

FUNDING

No funding is requested.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-19

A RESOLUTION AUTHORIZING AMENDMENT TO POLICY 8 ADDITIONAL DELIVERY POINTS FOR MEMBER CITIES AND EXISTING CUSTOMERS.

WHEREAS, in July 1972 the North Texas Municipal Water District (NTMWD) Board of Directors adopted Policy 8 to establish a method to extend transmission pipelines, 12" or larger and provide additional delivery points at the request of Member Cities; and

WHEREAS, in January 1990, the Board amended Policy 8 to add that two or more Member Cities can request and share the cost for a pipeline extension to serve them; and

WHEREAS, in June 1994, the Board amended Policy 8 by designating major pipeline systems that service multiple cities to clarify when Policy 8 would not apply; and

WHEREAS, in November 2007, the Board amended Policy 8 by adding existing Customers to the Policy; and

WHEREAS, the current Policy 8 allows capacity replacement cost to be recovered by implementation of a new annual minimum for the additional delivery point applied through a 6-year phase in of annual minimums associated with the new delivery point; and

WHEREAS, in 2024, NTMWD engaged Lloyd Gosselink Rochelle & Townsend, P.C. (legal counsel) and Carollo Engineering to review and provide recommendations, if warranted, for amending Policy 8 (Carollo Study); and

WHEREAS, at the conclusion of its review, Carollo found that Policy 8 is consistent with industry standards; and

WHEREAS, the Carollo Study recommends several changes to simplify the cost recovery approach and improve equity among Members and Customers, including;

(i) revise policy language to better clarify the basis for the estimated capital cost owed by the Member or Customer requesting the additional delivery point;
(ii) recover the estimated cost to provide the requested capacity at the additional delivery point in a lump sum or in annual installments paid over a period of 10 years or less; and

(iii) the Policy should identify an indexed interest rate to use for payment plans;

WHEREAS, in addition, NTMWD staff has determined that provisions regarding pipeline extensions are no longer needed as a part of Policy 8 as those may be addressed as separate projects; and

WHEREAS, under the proposed amendments, Policy 8 will only recover replacement capacity cost through lump sum or over a 10-year annual payment or less including interest based on the U.S. 10-year Treasury Rate (Amended Policy 8); and

WHEREAS, Policy 8 was most recently applied to the Cities of Frisco (2023) and Parker (2024), and neither City has achieved its 6-year phase in of annual minimums associated with the new delivery point; and

WHEREAS, if either Frisco or Parker wish to apply the Amended Policy 8, NTMWD staff and legal counsel recommend use of the capacity replacement cost calculated at the time of the City's current contract; and

WHEREAS, under the proposed Amended Policy 8

(i) all future Policy 8 implementation would use the cost calculated by NTMWD and estimates of Project Costs shall be valid for one year; and

(ii) Policy 8 would apply if the Member or Customer requests an additional delivery point hydraulically further from NTMWD's treatment plant than its original delivery point; and

(iii) if hydraulically further, NTMWD shall estimate capacity replacement cost to construct a new conveyance line with the capacity requested for the additional delivery point back to the treatment plant if on a different conveyance pipeline or to the distance of the original delivery point if on the same conveyance pipeline;

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

1. Defined terms appearing in the Recitals to this resolution above are incorporated for all purposes.

2. The amended and restated Policy 8 attached hereto at Exhibit A is hereby adopted to be effective as of the date of this Resolution (Amended Policy 8).

3. NTMWD staff and legal counsel are authorized coordinate with the Cities of Parker and Frisco to provide the results of the Carollo Study and make available to the Cities the benefits of Amended Policy 8.

4. NTMWD staff and legal counsel are authorized to negotiate and bring back for Board consideration any amendments necessary to current and as may be requested by the Cities of Parker and Frisco, implementing Amended Policy 8. Any such amendment shall use the capacity replacement cost calculated at the time of the City's current contract.

5. NTMWD staff and legal counsel are further authorized to implement the Amended Policy 8 for any new requests for new delivery points presented after the date of this Resolution.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026, AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS.

KEITH STEPHENS , Secretary	**DAVID HOLLIFIELD , President**

(SEAL)

EXHIBIT A

NORTH TEXAS MUNICIPAL WATER DISTRICT

JULY 1972

DISTRICT POLICY NO. 8

AMENDED JANUARY 25, 1990
AMENDED JUNE 23, 1994
AMENDED NOVEMBER 2007
_____2026

ADDITIONAL DELIVERY POINTS FOR MEMBER CITIES AND EXISTING CUSTOMERS

SECTION I. POLICY STATEMENT AND DEFINITIONS

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

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

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

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

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

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

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

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

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

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

SECTION II. GENERAL CONDITIONS

A. This policy should not be interpreted as requiring NTMWD to issue bonds for any Project.

B. This policy does not apply to Member City or Existing Customer requests for additional capacity at existing delivery points or to Additional Delivery Points initiated by NTMWD to benefit NTMWD Regional Water System planning and operations.

SECTION III. ADDITIONAL DELIVERY POINT REVIEW AND CONTRACT PROCESS

A. The Member City or Existing Customer shall prepare a preliminary plan showing a proposed location for the Additional Delivery Point with estimates of usage and total future annual requirements as requested by NTMWD. This information shall also include the estimated population projections for the service area and the basis for such projections.

B. NTMWD shall prepare a cost estimate of the Project Costs. NTMWD estimates of Project Costs shall be valid for one year.

C. The Member City or Existing Customer agrees to reimburse NTMWD the Project Costs in a lump sum or through an annual payment plan of equal annual payments extending for a term of no greater than ten (10) years. The annual payment plan shall include interest based on the current U.S. 10-Year Treasury Rate as of and commencing on the effective date of the written agreement between NTMWD and the Member City or Existing Customer for the payment of the Project Costs. The 10-Year Treasury Rate shall be the 10 Year Treasury Par Yield Curve Rate as published by the United States Department of the Treasury.

D. NTMWD shall prepare the written agreement with the Member City or Existing Customer regarding the Project.

E. The Member City or Existing Customer executes a written agreement with NTMWD setting forth the terms and conditions for payment of the Project Costs to NTMWD.

F. If it is projected that the addition of the Additional Delivery Point will result in the Member City or Existing Customer exceeding its current contractual Annual Minimum, the Member City or Existing Customer will execute an amendment to its service agreement with NTMWD reflecting the new annual minimum. The new Annual Minimum will not take effect until the subsequent Water Year**.**

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

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

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

A. A Member City or Existing Customer may obtain an Additional Delivery Point on an existing NTMWD conveyance line hydraulically further from the original delivery point of the Member City or Existing Customer, when adequate capacity is available if the Member City or Existing Customer agrees to pay the replacement cost of the capacity to be used in the existing Conveyance Line between the original delivery point and the Additional Delivery Point as a part of the Project Costs. To determine the replacement cost, NTMWD shall estimate the costs to construct a new conveyance line with sufficient capacity to restore the capacity reduction caused by the Additional Delivery Point. The purpose of the replacement cost calculation to be included in the Project Costs as provided in this paragraph is to compensate the Regional Water System for the reduction of available capacity in the existing

Conveyance Line. NTMWD's calculation of the replacement costs shall ensure that the Member City or Existing Customer does not double-pay for capacity.

NORTH TEXAS MUNICIPAL WATER DISTRICT

JULY 1972

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

ADDITIONAL DELIVERY POINTS FOR MEMBER CITIES AND ~~TRANSMISSION LINE EXTENSIONS~~EXISTING CUSTOMERS

SECTION I. POLICY STATEMENT AND DEFINITIONS

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

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

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

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

Conveyance Lines: Treated water conveyance pipelines with associated facilities and ~~Customers, on pipelines and connections~~appurtenances of twelve ~~inches~~ (12~~"~~)") or larger~~. Transmission pipelines, as used in the context of this policy, are defined as pipelines designed and constructed in conjunction with ground storage reservoirs and pump stations, which transfer~~ which convey large volumes of water required for ~~wholesale~~Member City or Existing Customer delivery points at ground storage reservoirs. Retail distribution feeder mains, which are connected directly to various sections of distribution systems and/or to elevated storage tanks to assure a more uniform pressure within ~~municipal~~a Member City or Existing Customer's retail distribution systems~~,~~ are not considered to be ~~transmission pipelines~~Conveyance Lines.

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

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

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

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

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

SECTION II. GENERAL CONDITIONS

~~A. The intent of this policy is to provide an adequate method for the extension of transmission pipelines and the provision of additional delivery points to Member Cities and Customers within the guidelines of the policy but the Board of Directors expressly reserves the right to evaluate each project on its merits and modify the individual agreements based on the judgment of the Board of Directors in accordance with the prevalent factors involved and the planned system expansion of the District.~~

~~B. Financing capital improvements entails a definitive financing program and nothing in this policy contemplates requiring the District to issue additional bonds when in the judgment of the Board of Directors this would not be in the best interest of the District.~~

~~C. This policy would not be applicable on the District's responsibility to supply additional capacity to the original points of delivery of the Member Cities, nor would the policy be applicable to a new point of delivery, which was established for the convenience of the District or the creation of an additional point of delivery due to economic or engineering factors advantageous to the District (rather than supplying the water through the original delivery point).~~

~~D. When this policy is used for the extension of transmission lines or to establish an additional delivery point, it is not contemplated that this would increase the responsibility of the District to increase water volumes beyond capacity of the new facilities. In the future, if~~

A. additional volume is necessary and new or parallel lines must be constructed, the same policies would be utilized as though the facilities constructed under this policy were not in existence.This policy should not be interpreted as requiring NTMWD to issue bonds for any Project.

B. This policy does not apply to Member City or Existing Customer requests for additional capacity at existing delivery points or to Additional Delivery Points initiated by NTMWD to benefit NTMWD Regional Water System planning and operations.

E. The Board of Directors may, from time to time designate pipelines that serve multi-cities and a general area as a "major pipeline system". A major pipeline system would not require payments under transmission line extension policy for new delivery points. Delivery points beyond the major pipeline system would conform to transmission line extension policy.

SECTION III. TRANSMISSION PIPELINE EXTENSIONS ADDITIONAL DELIVERY POINT REVIEW AND CONTRACT PROCESS

A. CITY RESPONSIBILITIES:

The city would make a formal request to the District for a new delivery point requiring a transmission pipeline extension by preparing

1.A. The Member City or Existing Customer shall prepare a preliminary plan showing a proposed location for the new delivery pointAdditional Delivery Point with estimates of usage annually for the first six (6) years and total future annual requirements. as requested by NTMWD. This information wouldshall also include the estimated population projections for the service area and information on reasons for the anticipated growththe basis for such projections.

B. NTMWD shall prepare a cost estimate of the Project Costs. NTMWD estimates of Project Costs shall be valid for one year.

C. The Member City or Existing Customer agrees to reimburse NTMWD the Project Costs in a lump sum or through an annual payment plan of equal annual payments extending for a term of no greater than ten (10) years. The annual payment plan shall include interest based on the current U.S. 10-Year Treasury Rate as of and commencing on the effective date of the written agreement between NTMWD and the Member City or Existing Customer for the payment of the Project Costs. The 10-Year Treasury Rate shall be the 10 Year Treasury Par Yield Curve Rate as published by the United States Department of the Treasury.

D. NTMWD shall prepare the written agreement with the Member City or Existing Customer regarding the Project.

B. E. The city would agree to construct storage for receiving water at the new delivery point and providing adequate land area for the District to construct a metering station on the new delivery site.

C. The city would agree to assist the District in acquisition of all right-of-way necessary within the city limits. The cost of the right-of-way would be included in the project, with the District providing legal and engineering service, and the District would maintain final approval of any purchase.

D. The city would agree to accept a new minimum on the new delivery point established as follows:

a. The sixth-year minimum requirement would be calculated based on the capital component of the Member City rate for the current year being divided into the calculated annual debt service for the total cost of the project including engineering, right-of-way, legal, and construction.

b. For that fractional part of the fiscal year in which the first tender of water at the new delivery point shall be made available to the city, the amount of the minimum shall be determined as the fractional part of the fiscal year remaining is to the first year's annual minimum.

c. The following shall be the actual percentage of the sixth-year minimum applicable to each year:

First - 25%	Fourth - 70%
Second - 40%	Fifth - 85%
Third - 55%	Sixth - 100%

d. After the sixth-year minimum has been reached, the minimum shall be increased in accordance with the then policy of the Board of Directors for all minimums.

5. The city shall agree to pay the full water rate applicable each year for all water purchased through the new delivery point until the sixth-year annual minimum is achieved without the benefit of excess water sales through the new delivery point until the consumption at the new delivery point is in excess of the sixth-year minimum.

B. DISTRICT RESPONSIBILITIES

Upon approval of the Board of Directors, the District shall:

1. Prepare plans and specifications for the construction of the project from the existing District transmission facilities to and including the metering station on the site furnished by the city.

2. Finance the total construction of the pipeline extension including any pumps necessary for transporting the water from existing District facilities through the metering station.

3. Acquire all necessary right-of-way for the pipeline extension, with the assistance of the city, except for the site at the new delivery point.

4. The District would attempt to meet the time requirements of the city for service within the ability of the District to adequately finance and construct the facilities.

The Member City or Existing Customer executes a written agreement with NTMWD setting forth the terms and conditions for payment of the Project Costs to NTMWD.

F. If it is projected that the addition of the Additional Delivery Point will result in the Member City or Existing Customer exceeding its current contractual Annual Minimum, the Member City or Existing Customer will execute an amendment to its service agreement with NTMWD reflecting the new annual minimum. The new Annual Minimum will not take effect until the subsequent Water Year.

SECTION IV. DELIVERY POINTS ON EXISTING TRANSMISSION PIPELINES

A. BETWEEN CITY'S ORIGINAL POINT OF DELIVERY AND THE NTMWD CONVEYANCE LINES HYDRAULICALLY CLOSER TO NTMWD'S TREATMENT PLANTPLANTS THAN ORIGINAL DELIVERY POINT

1. A cityA. A Member City or Existing Customer is eligible for a new delivery pointan Additional Delivery Point on existing transmission pipelines without additional minimumConveyance Lines when the new delivery pointAdditional Delivery Point is located on an existing transmission line between an original delivery point of the city and the NTMWD Treatment PlantConveyance Line and would not reduce NTMWD's water conveyance capacity to other Member Cities and Existing Customers, if adequate capacity is available, and the city will pay the total cost of taps, pipeline connection, and metering station.subject to the provisions of the Member City or Existing Customer's Water Supply Contract governing delivery points.

~~2. The District will finance the cost of taps, pipeline connection, and metering station for a city to a new delivery point on existing transmission pipelines if the city will accept the same six (6) year minimum provisions and other conditions in accordance with Section III of this policy.~~

~~B.~~ SECTION V. DELIVERY POINTS ON EXISTING ~~TRANSMISSION LINE BEYOND AN~~CONVEYANCE LINES HYDRAULICALLY FURTHER FROM NTMWD'S TREATMENT PLANTS THAN ORIGINAL DELIVERY POINT

~~1.~~ A ~~city.~~ A Member City or Existing Customer may obtain ~~a new delivery point~~an Additional Delivery Point on an existing ~~District transmission~~NTMWD conveyance line ~~beyond~~ hydraulically further from the original delivery point of the ~~city~~Member City or Existing Customer, when adequate capacity is available if

the city will accept the same six (6) year minimum provisions and other conditions in accordance with Section III of this policy. The minimum calculation will be based on, the inclusion of the Member City or Existing Customer agrees to pay the replacement cost of the reduced capacity of to be used in the existing pipelineConveyance Line between the original delivery point and the new delivery point.

SECTION V. REGIONAL PIPELINES CONSTRUCTED FOR TWO OR MORE CITIES

A. REGIONAL PIPELINES CONSTRUCTED BY THE NTMWD

1. A city may request the Additional Delivery Point as a part of the Project Costs. To determine the replacement cost, NTMWD shall estimate the costs to construct a water transmission pipeline from an NTMWD delivery point to an additional point of water delivery when two or more cities are involved in usingnew conveyance line with sufficient capacity to restore the pipeline for water transmission purposes. The NTMWD would be responsible for engineering design, construction, and maintenance of the pipeline during the life of any outstanding debt due to the NTMWD on the pipeline.

2. The cities agree to be responsible for the total cost of the project including engineering, bond amortization, and maintenance. The selection of the consulting engineer to design the project, ownership of the pipeline, and the method of financing would be approved and included in a contractual agreement between the NTMWD and the cities during the original negotiations.

B. FINANCING REGIONAL TRANSMISSION PIPELINES

1. A regional water transmission pipeline including two or more cities may be financedcapacity reduction caused by the NTMWD as a special project with bonds issued based on contracts with the individual cities involved or the pipeline may be built from theAdditional Delivery Point. The purpose of the replacement cost calculation to be included in the Project Costs as provided in this paragraph is to compensate the Regional Water System Construction Fund as determined byfor the NTMWD Boardreduction of Directors.

2. Each year the cities involvedavailable capacity in the water transmission pipeline would be furnished a budgeted cost for the administration and maintenance of the pipeline plus all required debt service payments' foreexisting Conveyance Line. NTMWD's calculation of the replacement costs shall ensure that year. These costs would be divided by twelve and paid by the cities on a monthly basis. At the end of each fiscal year the cost would be adjusted based

~~on actual cost to the NTMWD and credited~~the Member City or ~~debited to the account of the cities for the next year~~Existing Customer does not double-pay for capacity.

3. Nothing in the agreement for a regional water transmission pipeline shall require the NTMWD to expend funds beyond those collectible under the agreement with the cities that benefit from the pipeline. The agreement would be prepared by legal counsel to meet current requirements based on the selection of financing method, project involved, and cities that are participating.

~~DISTRICT POLICY NO. 8~~
~~PAGE 5~~

~~This policy passed and approved by the Board of Directors of the North Texas Municipal Water of November 2007.~~

~~District in a regular meeting on the 23rd day of June 1994 and was last amended on the 15th day~~

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

KEITH STEPHENS, Secretary DAVID HOLLIFIELD, President

NORTH TEXAS MUNICIPAL WATER DISTRICT

JULY 1972

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

ADDITIONAL DELIVERY POINTS FOR MEMBER CITIES AND EXISTING CUSTOMERS

SECTION I. POLICY STATEMENT AND DEFINITIONS

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

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

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

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

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

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

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

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

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

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

SECTION II. GENERAL CONDITIONS

A. This policy should not be interpreted as requiring NTMWD to issue bonds for any Project.

B. This policy does not apply to Member City or Existing Customer requests for additional capacity at existing delivery points or to Additional Delivery Points initiated by NTMWD to benefit NTMWD Regional Water System planning and operations.

SECTION III. ADDITIONAL DELIVERY POINT REVIEW AND CONTRACT PROCESS

A. The Member City or Existing Customer shall prepare a preliminary plan showing a proposed location for the Additional Delivery Point with estimates of usage and total future annual requirements as requested by NTMWD. This information shall also include the estimated population projections for the service area and the basis for such projections.

B. NTMWD shall prepare a cost estimate of the Project Costs. NTMWD estimates of Project Costs shall be valid for one year.

C. The Member City or Existing Customer agrees to reimburse NTMWD the Project Costs in a lump sum or through an annual payment plan of equal annual payments extending for a term of no greater than ten (10) years. The annual payment plan shall include interest based on the current U.S. 10-Year Treasury Rate as of and commencing on the effective date of the written agreement between NTMWD and the Member City or Existing Customer for

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

D. NTMWD shall prepare the written agreement with the Member City or Existing Customer regarding the Project.

E. The Member City or Existing Customer executes a written agreement with NTMWD setting forth the terms and conditions for payment of the Project Costs to NTMWD.

F. If it is projected that the addition of the Additional Delivery Point will result in the Member City or Existing Customer exceeding its current contractual Annual Minimum, the Member City or Existing Customer will execute an amendment to its service agreement with NTMWD reflecting the new annual minimum. The new Annual Minimum will not take effect until the subsequent Water Year.

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

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

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

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

This policy passed and approved by the Board of Directors of the North Texas Municipal Water District in a regular meeting on the _____day of _____2026.

KEITH STEPHENS, Secretary

DAVID HOLLIFIELD, President

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6263

Regional Water System

48-Inch Pipeline Relocation along US-380; Project No. 101-0691-26; Engineering Services Agreement

Authorize funding in the amount of $1,297,670 to Freese and Nichols, Inc. (FNI) for engineering services to design the Water Line Relocations associated with the Texas Department of Transportation (TxDOT) road improvements along US Highway 380 in Collin County.

PURPOSE

TxDOT is preparing to widen US Highway 380 from the intersection of Coit Road to the junction of proposed US 380 bypass and University Drive in Collin County. The TxDOT widening project will encroach onto an existing NTMWD water line and easements, requiring the relocation or protection of the water line, valves, and other facilities.

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:	Freese and Nichols, Inc. (FNI)
Scope:	Engineering Design
Project:	No. 101-0691-26, Water Pipeline Relocation along US-380
Amount:	$1,297,670
Committee:	This will be an item on the May 27, 2026, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.3: Proactive Asset and Maintenance Management 3.2: Engaged Members, Customers, and Stakeholders

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☒ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PROJECT PURPOSE

- Maintain protection of existing infrastructure by relocation and other protective measures, such as extending protective casing and relocating the 48-inch water line that parallels the widened roadway.
- The Engineer's Opinion of Probable Construction Cost for the work involved is $15,870,063. This is subject to TxDOT reimbursement process.

PROJECT COMPONENTS

- NTMWD's 48-inch bar wrapped concrete cylinder pipe treated water pipeline: Frisco McKinney Pipeline Contract B. The Frisco-McKinney Pipeline was constructed under NTMWD Project No. WCF 01-08 and was placed in service in 2006. Pipe relocation limits are from the future Independence Parkway to Custer Road, approximately 5,200 linear feet of pipeline.
- Coordination with the Town of Prosper with their relocation of 30-inch Bar Wrapped Concrete Cylinder Pipe. The Town of Prosper's existing water pipeline parallels the District's pipeline. The relocation of both pipelines benefits from the coordination of alignment corridors, survey, geotechnical investigation, subsurface utility engineering (SUE), and easement acquisition.
- All elements of design FNI have already begun for the Town of Prosper's pipeline relocation. An interlocal agreement (ILA) between NTMWD and the Town of Prosper will combine both projects into one construction package since both lines are parallel to each other, and both pipelines will be constructed with bar-wrapped concrete cylinder pipes.

BASIC SERVICES

- Design phase services - Preliminary and Final Design
- Bid phase services
- Construction phase services
- Affected facilities outside of the existing TxDOT right of ways are typically candidates for reimbursement by TxDOT. The consultant will work with TxDOT representatives to establish and agree on the percentage of reimbursement for the project.

SPECIAL SERVICES

- Topographic and Boundary Surveying
- Easement Document Preparation
- Subsurface Utility Engineering (SUE)
- Geotechnical Investigation
- Cultural Resources Desktop Analysis and Coordination
- Waters of the United States Desktop Delineation

CONSULTANT SELECTION PROCESS

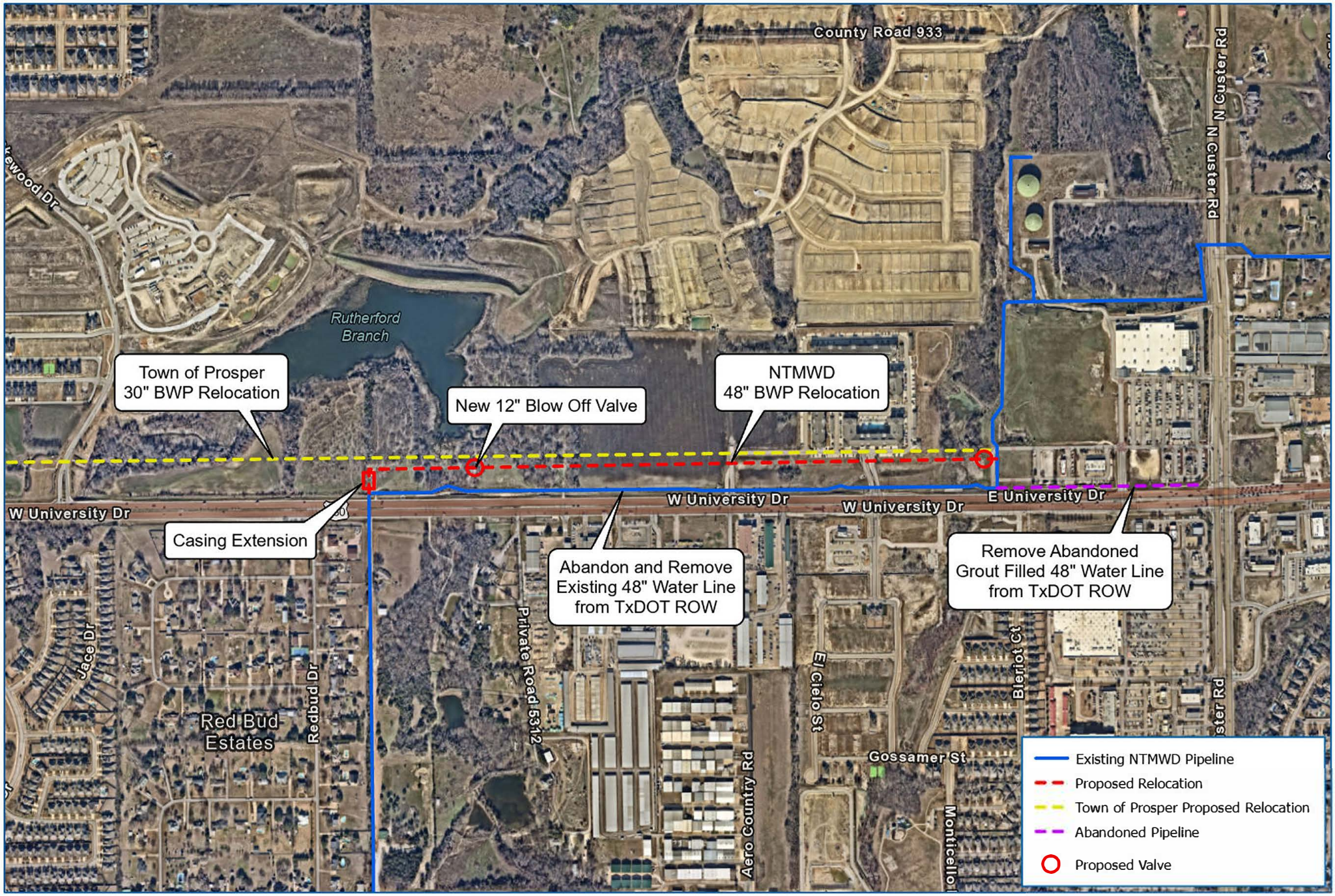
- A Sole Source Memo dated February 19, 2026, was approved on February 24, 2026, to use Freese and Nichols, Inc. for the design and construction administration services since they are currently providing design services for the Town of Prosper's 30-inch transmission water line relocation in the same corridor.

ENGINEERING SERVICES FEE

Description	**Amount**
Basic Services	$904,993
Special Services	$392,677
Requested Amount	**$1,297,670**

FUNDING

Funding in the amount of $1,297,670 to Freese and Nichols, Inc. is to be made available by utilizing the Regional Water System Extendable Commercial Paper Program as the appropriation source; issuance of ECP notes will occur as cash needs arise. The District anticipates partial reimbursement by TxDOT for this project.



NORTH TEXAS MUNICIPAL WATER DISTRICT

Waterline Relocations Along US 380 Highway from Coit Road to JCT US 380/University Drive in Collin County
Project No. 101-0691-26

N

221

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6264

Regional Water System

Long Range Water Supply Plan Update; Project No. 101-0689-26; Engineering Services Agreement

SUBJECT

Authorize an engineering services agreement with Freese and Nichols, Inc. in the amount of $3,440,000 for the development of the Long Range Water Supply Plan (LRWSP) Update.

PURPOSE

This project will update the LRWSP to incorporate the most current information, including growth projections, regulatory requirements, potential new water supply opportunities, and progress on regional partnerships and interlocal agreements.

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:	Freese and Nichols, Inc.
Scope:	Study
Project:	No. 101-0689-26, Long Range Water Supply Plan Update
Amount:	$3,440,000
Committee:	This will be an item on May 27, 2026, Water Committee meeting agenda.

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.4 Reliable and Resilient Systems

☒ Regulatory Compliance (Pre-emptive)	☒ Asset Condition
☒ Capacity	☒ Redundancy/Resiliency
☐ Relocation or External Requests	☒ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

Rapid and sustained growth within NTMWD's service area requires proactive, long-term water supply planning to ensure reliable and high-level resiliency service for its Member Cities and Customers.

NTMWD completed its most recent LRWSP in 2024, which serves as the District's primary roadmap for meeting future water supply needs. The plan provides a comprehensive evaluation of available supply options and integrates resiliency, redundancy, and operational flexibility into the long-term planning framework. The recommendations were incorporated into the Regional Water System Capital Improvement Program (CIP) to ensure that capital projects support the District's long-term strategic objectives.

This project will update the LRWSP to incorporate the most current information, including growth projections, regulatory requirements, potential new water supply opportunities, and progress on regional partnerships and interlocal agreements. The plan will be based on a 50-year outlook to identify any potential shortages under drought conditions for our service area.

The completed LRWSP update will be submitted to the Regional Planning Group C for future incorporation into the State Water Plan administered by the Texas Water Development Board.

PROJECT PURPOSE

- Identify, evaluate, and recommend long range water supply strategies
- Incorporate recommendations into the CIP program

PROJECT COMPONENTS

- Update the projections of population, water demand, and wastewater return flow through 2080
- Define and map the service area
- Reassess existing raw water supplies to determine reliable future yields
- Identify, screen, and evaluate potential new water supply strategies
- Develop water-supply portfolios
- Conduct planning-level condition assessments for major raw water facilities and inventory cathodic protection systems of raw water pipelines
- Update the raw water system CIP and water supply implementation plan

BASIC SERVICES

- Project management and coordination with other consultants/agencies if necessary
- Coordination with stakeholders
- Site visits to related facilities
- Workshops
- Technical memorandums and final report

SPECIAL SERVICES

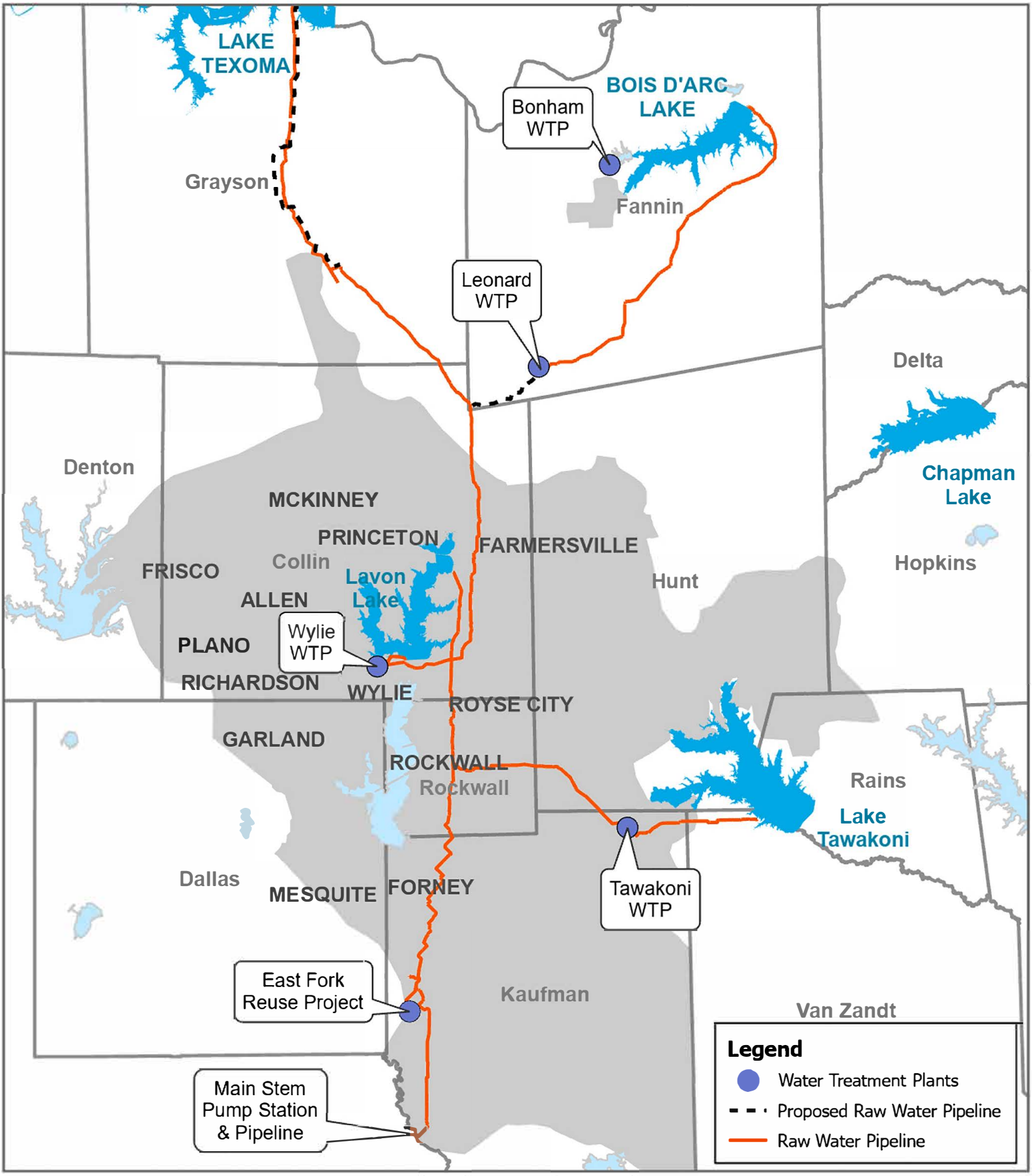
- Owner-directed services for additional meetings, presentations, testing, assessment, analyses, etc.

ENGINEERING SERVICES FEE

DESCRIPTION	**AMOUNT**
Basic Services	$2,990,000
Special Services	$450,000
Requested Amount	**$3,440,000**

FUNDING

Funding in the amount of $3,440,000 to Freese and Nichols Inc is to be made available from the Regional Water System Capital Improvement Fund.



NORTH TEXAS MUNICIPAL WATER DISTRICT

Long Range Water Supply Plan Project
No. 101-0689-26

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6265

Regional Water System

Water System Capital Improvement Plan Update; Project No. 101-0690-26; Engineering Services Agreement

SUBJECT

Authorize an engineering services agreement with HDR Engineering, Inc. in the amount of $3,950,000 for the development of the Capital Improvement Plan (CIP), Update for the Water Treatment Plants (WTPs), and the treated water transmission system.

PURPOSE

This project will incorporate updated population and demand projections, changes in regulations, and evaluations of treatment and transmission system performance. It will also identify and prioritize improvements needed to maintain capacity, ensure reliability, and support regional growth.

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:	Study
Project:	No. 101-0690-26, Water System Capital Improvement Plan Update
Amount:	$3,950,000
Committee:	This will be an item on May 27, 2026, Water Committee Meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.4 Reliable and Resilient Systems

☒ Regulatory Compliance	☒ Asset Condition
☒ Capacity	☒ Redundancy/Resiliency
☐ Relocation or External Requests	☒ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

Rapid and sustained growth in the NTMWD service area requires that the District periodically perform a comprehensive review and update to its CIP for the water treatment plants and treated water transmission system.

This study will incorporate the updated population and demand projections, changes in regulatory or policy requirements, and assessments of treatment and transmission system performance, capacity, and condition, and identify and prioritize the improvements required to maintain adequate capacity, ensure system reliability, and support long-term regional growth.

PROJECT PURPOSE

- Identify, evaluate, and recommend improvements to the WTPs and the treated water transmission system
- Incorporate the recommendations into the Regional Water System CIP

PROJECT COMPONENTS

- Coordinate with Long Range Water Supply Plan Update study to update population and water demand projections
- Evaluate and define levels of service
- Conduct a comprehensive assessment of Wylie, Tawakoni, Leonard, and Bonham WTPs
- Update and recalibrate the treated water transmission system hydraulic model and perform model analyses
- Conduct surge analysis of portions of the treated water transmission system
- Develop and evaluate treatment and transmission improvement alternatives
- Perform a multi-criteria cost-benefit analysis
- Develop a prioritized systemwide CIP project list

BASIC SERVICES

- Project management and coordination with other consultants/agencies as necessary
- Coordination with stakeholders
- Site visits to related facilities
- Workshops
- Technical memorandums and final report

SPECIAL SERVICES

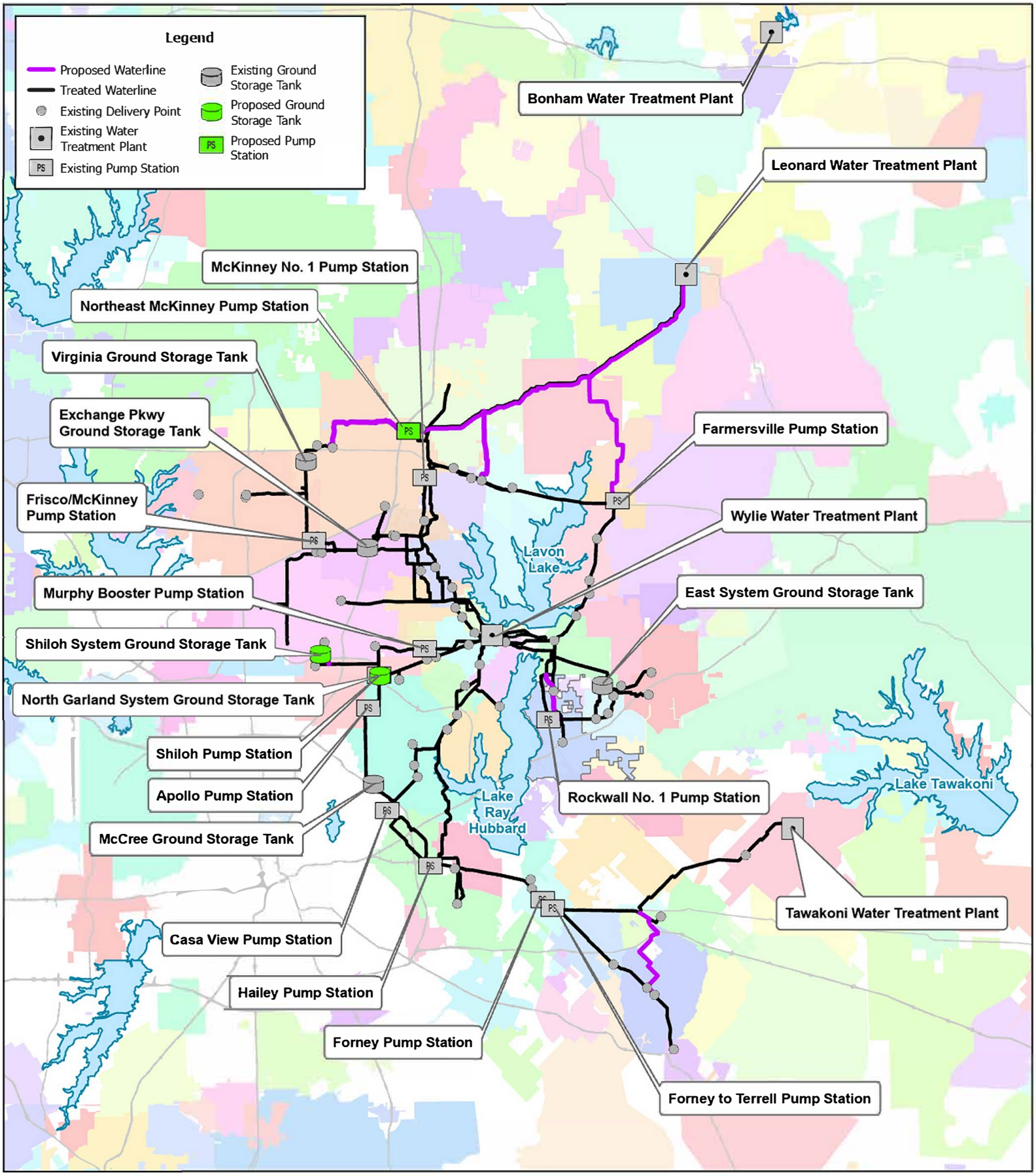
- Owner-directed services for additional meetings, presentations, testing, assessment, analyses, and additional services.

ENGINEERING SERVICES FEE

DESCRIPTION	AMOUNT
Basic Services	$3,750,000
Special Services	$200,000
Requested Amount	**$3,950,000**

FUNDING

Funding in the amount of $3,950,000 to HDR Engineering Inc is to be made available from the Regional Water System Capital Improvement Fund.



NORTH TEXAS MUNICIPAL WATER DISTRICT

Water System Capital Improvement Project Update
Project No. 101-0690-26

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6266

Regional Water System

Wylie Complex Filter Improvements; Project No. 101-0615-22; Amendment No. 3 to Construction Manager At-Risk; Work Authorization No. 2; and Authorize Inspection Services

SUBJECT

Authorize funding in the amount of $2,971,162 to Sundt Construction, Inc. for Amendment No. 3 to the Construction Manager At-Risk (CMAR) Agreement and authorize internal inspection services in the amount of $215,400 for the Wylie Complex Filter Improvements project for work related to Work Authorization No. 2.

PURPOSE

The CMAR has submitted a Cost of Work Proposal for Work Authorization No. 2 for the underdrain construction services at Wylie WTPs I and IV, and the procurement of pipe modification and underdrain materials. Future amendments will be presented to the Board as remaining work packages are developed, procured, and evaluated.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute Amendment No. 3 to the Construction Manager At-Risk as follows:

CMAR:	Sundt Construction, Inc. (Sundt)
Scope:	Construction Services and Procurement
Project:	No. 101-0615-22, Wylie Complex Filter Improvements
Amount:	Work Authorization No. 2: $2,971,162 Internal Inspection Services: $215,400
Committee:	This will be an item on the May 27, 2026, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.1: High Quality Services 1.4: Reliable and Resilient Systems

☒ Regulatory Compliance (Pre-emptive)	☒ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

- In December 2022, the Board of Directors approved Administrative Memorandum No. 5880 to authorize preliminary engineering services to Carollo Engineers, Inc. (Carollo). This included a condition assessment as well as a pilot study to determine the best media size and chemical constituents to optimize the performance of the filters.
- In February 2025, the Board of Directors approved Administrative Memorandum No. 25-6112 to authorize the final design services for this project to Carollo Engineers, Inc. This scope included the development of standard details for underdrain cleaning, underdrain replacement, media replacement, installation of Integral Media Support (IMS) caps, and access modifications to the effluent piping.
- In September 2025, the Board of Directors approved Administrative Memorandum No. 25-6185 to authorize a Construction Manager At-Risk agreement with Sundt, which included preconstruction and procurement services.
- In April 2026, the Board of Directors approved Administrative Memorandum No. 26-6253 for Work Authorization No. 1.

PROJECT PURPOSE

- Design and construct filter repairs and improvements to maintain continued service, and to improve capacity after conversion to Biologically Active Filtration.

PROJECT COMPONENTS

- The design for filter improvements for Wylie Water Treatment Plant (WTP) II Filter Nos. 11 and 31 and WTP III Filter No. 26, designed by JQ Infrastructure, LLC under Project No. 101-0517-18, will be used.
- Plans developed by Carollo will be used for the remainder of the project.
- Install underdrain access at Plant II and Plant III and inspect filter underdrains at all four plants.

- Rehabilitate up to 18 filters by using one of the following approaches:
    - Removal of media and installation of IMS caps, replacing sand and anthracite with optimally sized media
    - Removal of media, flushing the underdrains, installing IMS caps, replacing the sand and anthracite with optimally sized media
    - Removal of media, rebuilding the underdrains with IMS caps, replacing the sand and anthracite with optimally sized media
- Filter wall coating.
- Structural Modifications and Repairs (as determined through Field Inspections).
- Repair or replacement of valves (as determined through Field Inspections).

Work Authorization No. 2:

- Plant I and Plant IV underdrain inspection construction services
- Procurement of pipe modification materials for 33 filters
- Procurement of IMS caps for 5 filters
- Shipping, delivery, receipt, and storage of materials listed above
- Includes an Owner's contingency for costs that the CMAR cannot anticipate due to portions of the work that are currently inaccessible and for escalation of material cost if the procurement is not approved by NTMWD within a prescribed time.

The total 90% CMAR estimate for this work authorization, included herein, totaled $2,971,162 with one hundred and thirteen (113) additional days to reach substantial completion.

To determine Work Authorization No. 2 associated with this Amendment No. 3, the following table details the costs of the bid work package, CMAR Construction Support Costs, CMAR Contingency, and the CMAR fee.

Scope of Work Description - Work Authorization No. 2	**Lump Sum Amount**
Work Authorization No. 2	$1,971,548
Cost of Work (Sum of Work Packages)	**$1,971,548**
CMAR Fees	$121,070
Time Sensitive Construction Support Costs (access, video inspection, Leopold representative, and disinfection for filter underdrain inspections)	$676,890
CMAR Contingency (based on Risk Register)	$61,713
Sum of Cost of Work, CMAR Fees, Construction Support Costs, and CMAR Contingency)	**$2,831,221**
Owner Contingency (based on Risk Register- will not be included in the final guaranteed maximum price)	$139,941
Work Authorization No. 2	**$2,971,162**

INSPECTION SERVICES

NTMWD will utilize its own inspection staff to cover all inspection tasks. The costs to the NTMWD related to this internal inspection coverage for 12-month construction duration is approximately $215,400.

FUNDING

Funding in the amount of $2,971,162 to Sundt Construction, Inc. and $215,400 for NTMWD Internal Inspection Services is to be made available in the Regional Water System Construction Funds.



NORTH TEXAS MUNICIPAL WATER DISTRICT

Wylie Complex Filter Improvements
Project No. 101-615-22

N

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6267

Regional Water System

Wylie Water Treatment Plant Complex Valve Improvements; Project No. 101-0672-25; Tabulation of Bids and Award of Contract

SUBJECT

Authorize funding in the amount of $556,042 to VAG, USA, LLC for a contract to procure valves for the Wylie WTP Complex Valve Improvements project.

PURPOSE

Due to the long lead time for large valves (estimated 42 weeks), NTMWD recommended beginning the procurement and manufacture of the 60-inch and 72-inch butterfly valves before bidding and selecting a general contractor for this project. This will allow NTMWD to have the valves delivered to the project site during the next shutdown season, allowing the contractor to perform the installation when water demands are lower.

RECOMMENDATION

The Executive Director, NTMWD staff and Pape-Dawson Consulting Engineers, LLC recommend the Board of Directors authorize the award of a contract as follows:

Contractor:	VAG, USA, LLC
Scope:	Procurement and Manufacture of three (3) 60-inch double offset butterfly valves and two (2) 72-inch double offset butterfly valves
Project:	No. 101-0672-25, Wylie WTP Complex Valve Improvements
Amount:	$556,042
Committee:	This will be an item on the May 27, 2026, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.3 Proactive Asset and Maintenance Management 1.4 Reliable and Resilient Systems

☐ Regulatory Compliance	☒ Asset Condition
☐ Capacity	☒ Redundancy/Resiliency
☐ Relocation or External Requests	☒ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

The Wylie WTP Complex has insufficient pipeline isolation capabilities, which limit the ability to shut down facilities for proper maintenance. NTMWD staff have identified valves that need to be immediately repaired or replaced in support of upcoming projects and future isolation needs for maintenance activities. Valve failures can significantly impact plant operations and treatment capacity, thereby posing a risk to NTMWD's ability to meet customers' demands.

PROJECT PURPOSE

- Project No. 101-0528-19, the High Service Pump Stations 2-2 and 2-3 Control Valve Improvements, cannot proceed due to the identified leaking valves and insufficient isolation capabilities.
- On September 25, 2025, the Board of Directors approved Administrative Memorandum No. 25 -6184 to authorize an engineering services agreement with Pape-Dawson Consulting Engineers, LLC for the design of this project.

PROJECT COMPONENTS

- Removal of 60-inch butterfly valve ISO-011 and its interconnection pipe between the North Garland Pipeline No. 2 Phase I pipeline and High Service Pump Station 2-1 discharge pipeline
- Replacement of a 72-inch butterfly valve (ISO-112) in a more suitable location and the addition of a new 72-inch butterfly valve on the North Garland Pipeline No. 2 Phase I pipeline
- Replacement of the 60-inch butterfly valve ISO-002 and the addition of a new 60-inch butterfly valve on the North Garland Pipeline
- Replacement of the 60-inch butterfly valve ISO-003 on the interconnect between the North Garland Pipeline and the North Garland Pipeline No. 2 Phase I pipeline

TABULATION OF BIDS

Sealed bids for procurement of the valves were received at 2:00 p.m. on Thursday April 23, 2026, as tabulated below:

Bidder	Total Bid	Recommendation
The Valve Agency, Inc.	$471,931	Non-responsive bid
VAG USA, LLC		$556,042 Lowest responsible bid Recommended for Award
Municipal Valve & Equipment Co.	$719,811	
Core & Main	$779,700	Non-responsive bid
ENGINEER'S OPINION OF PROBABLE COST	$605,000	

LOWEST RESPONSIBLE BIDDER HISTORY

One VAG valve is currently in service in the NTMWD conveyance system, and additional VAG valves have been purchased for future installation by NTMWD Facilities Services. Pape-Dawson Consulting Engineers, LLC recommends VAG valves, which meet the specified requirements.

Based on their standing as the lowest responsible bidder, the information provided, and reports by the supplied references, the NTMWD staff and Pape-Dawson Consulting Engineers, LLC recommend award of the contract to VAG, USA, LLC.

INTERNAL INSPECTION SERVICES

NTMWD will authorize inspection services with the upcoming general contractor contract Administrative Memorandum. No inspections are expected to be needed before that time.

FUNDING

Funding to VAG USA LLC in the amount of $556,042 is to be made available in the Regional Water System Capital Improvement Fund.

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6268

Regional Water System

Cost Share Agreement Between North Texas Municipal Water District and Greater Texoma Utility Authority for City of Sherman Project No. SHM23287, Lake Texoma Pump Station Improvements, and NTMWD Project No. 101-0633-23, Texoma Raw Water Pipeline No. 2; Resolution No. 26-24

SUBJECT

Adopt Resolution No. 26-24 authorizing the execution of a Cost Share Agreement between North Texas Municipal Water District (NTMWD) and Greater Texoma Utility Authority (GTUA) for the Lake Texoma Pump Station Improvements and Texoma Raw Water Pipeline No. 2 Projects (Projects).

PURPOSE

This is a cost share agreement that outlines the financial responsibilities between NTMWD and GTUA for engineering design, procurement of necessary real estate, easements and right-of-way, construction, providing construction management and inspection services, of the Projects.

RECOMMENDATION

The Executive Director, NTMWD staff, and Saunders | Walsh recommend the Board of Directors authorize the Executive Director to execute an agreement as follows:

1. Authorize the Executive Director to execute a Cost Share Agreement with Greater Texoma Utility Authority.

2. Adopt Resolution No. 26-24, *"A Resolution Authorizing the Executive Director to execute a Cost Share Agreement between the North Texas Municipal Water District and the Greater Texoma Utility Authority Regarding City of Sheman Project No. SHM23287, Lake Texoma Pump Station Improvements, and NTMWD Project No. 101-0633-23, Texoma Raw Water Pipeline No. 2."*

Contracting Parties: North Texas Municipal Water District (NTMWD) and Greater Texoma Utility Authority (GTUA)

Purpose: Cost share responsibility between NTMWD and GTUA for Shared Facilities of Texoma System

Committee: This will be an item on the May 27, 2026, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

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

☐ Regulatory Compliance	☐ Asset Condition
☐ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☒ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PURPOSE

- Lake Texoma Pump Station Improvements project, constructed by the City of Sherman, consists of designing and construction of 114 linear feet of the 54-inch pipeline and associated appurtenances.
- GTUA has funded the costs for the Lake Texoma Pump Station project. NTMWD is to contribute 75% of the cost of pump station improvements of the shared facilities.
- Texoma Raw Water Pipeline No. 2 project consists of designing and constructing approximately 25 miles of 84-inch pipeline from Lake Texoma to the Texoma Balancing Reservoir in Howe, Texas.
- GTUA is to contribute 25% of the actual cost of the shared pipeline section from the Lake Texoma Pump Station to the Sherman Water Treatment Plant (10.4 miles). GTUA is to contribute 2% of the actual cost of the shared pipeline section from the Sherman Water Treatment Plant to the Rayburn Energy Station (11.2 miles).
- These shared facilities benefit both NTMWD's Regional Water System (RWS) and GTUA as our partner in this Agreement, providing additional raw water services to their system.

COMPONENTS OF THE AGREEMENT WITH NTMWD AND GTUA

- This agreement establishes a cost allocation of 75/25 between NTMWD and GTUA, based on volume distribution.
- City of Sherman has completed the design and construction of improvements to the City's designated pumps and associated infrastructure in association with the Lake Texoma Pump Station Improvements project. NTMWD has use of the proposed 54-inch pipeline header from any side of the pump station and associated appurtenances.
- NTMWD will design and build an 84-inch poly-coated, mortar-lined steel pipeline with associated valves and appurtenances from the existing Lake Texoma Pump Station to the Texoma Balancing Reservoir in association with the Texoma Raw Water Pipeline No. 2 project.

- Rather than have NTMWD pay its 75% share of the costs associated with the Lake Texoma Pump Station Improvements project, NTMWD shall provide this to GTUA in the form of a credit against GTUA's obligations to contribute to the Texoma Raw Water Pipeline No. 2 project.
- GTUA shall pay NTMWD an amount equal to 25% of the GTUA share of the Texoma Raw Water Pipeline No. 2 project minus the amount of the credit from the Lake Texoma Pump Station Improvements project, no later than August 1, 2026. This will allow NTMWD to procure pipe materials.
- GTUA shall pay to NTMWD the remaining 75% of the GTUA share of the Texoma Raw Water Pipeline No. 2 project no later than March 1, 2027. This will allow NTMWD to award a construction contract for the Texoma Raw Water Pipeline No. 2 sections shared with GTUA.
- NTMWD shall deposit and maintain all funds paid by GTUA pursuant to this agreement in a separate, interest-bearing account. All interest or investment earnings accrued on the deposited funds shall be the sole property of GTUA.

GTUA approved this Agreement at its May 18, 2026, Board Meeting.

FUNDING

Provided by GTUA

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 26-24

A RESOLUTION AUTHORIZING A COST SHARE AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND THE GREATER TEXOMA UTILITY AUTHORITY FOR CITY OF SHERMAN PROJECT NO. SHM23287, LAKE TEXOMA PUMP STATION IMPROVEMENTS, AND NTMWD PROJECT NO. 101-0633-23, TEXOMA RAW WATER PIPELINE NO. 2

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 a Cost Share Agreement; and

WHEREAS, the Lake Texoma Pump Station project consists of designing and construction of 114 linear feet of 54-inch pipeline and associated appurtenances; and

WHEREAS, the Texoma Raw Water Pipeline No. 2 project consists of designing and construction of approximately 25 miles of 84-inch pipeline from Lake Texoma to the Texoma Balancing Reservoir in Howe, Texas; and

WHEREAS, City of Sherman has completed the design and construction of improvements to the City's designated pumps and associated infrastructure in association with the Lake Texoma Pump Station Improvements project. NTMWD has use of the proposed 54-inch pipeline header from any side of the pump station and associated appurtenances; and

WHEREAS, City of Sherman has completed the design and construction of improvements to the City's designated pumps and associated infrastructure in association with the Lake Texoma Pump Station Improvements project. NTMWD has use of the proposed 54-inch pipeline header from any side of the pump station and associated appurtenances; and

WHEREAS, NTMWD will design and build an 84-inch poly-coated, mortar-lined steel pipeline with associated valves and appurtenances from the existing Lake Texoma Pump Station to the Texoma Balancing Reservoir in association with the Texoma Raw Water Pipeline No. 2 project; and

WHEREAS, Rather than have NTMWD pay it's 75% share of the costs associated with the Lake Texoma Pump Station Improvements project, NTMWD shall provide this to GTUA in the form of a credit against GTUA's obligations to contribute to the Texoma Raw Water Pipeline No. 2 project; and

WHEREAS, NTMWD shall deposit and maintain all funds paid by GTUA pursuant to this agreement in a separate, interest-bearing account. All interest or investment earnings accrued on the deposited funds shall be the sole property of GTUA; and

WHEREAS, it is necessary to execute a Cost Share 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 Cost Share Agreement and completion of the Projects.

2. The Cost Share Agreement with GTUA for funding the Projects, including the construction contract, is hereby approved and the Executive Director is authorized to execute said Cost Share Agreement.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON MAY 28, 2026, AT THE JOHN BUNKER SANDS WETLAND CENTER, LOCATED AT 655 MARTIN LANE, SEAGOVILLE, TEXAS.

_____ _____

KEITH STEPHENS, Secretary **DAVID HOLLIFIELD, President**

(SEAL)

COST SHARE AGREEMENT
FOR LAKE TEXOMA PUMP STATION IMPROVEMENTS AND TEXOMA RAW WATER PIPELINE NO. 2 PROJECTS

This Cost Share Agreement for Lake Texoma Pump Station Improvements, SHM23287, and Texoma Raw Water Pipeline No.2, Project No. 101-0633-23, Projects (the "***Agreement***") is made this ____ day of _____, ____, (the "***Effective Date***") by and between North Texas Municipal Water District, a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution ("***NTMWD***") and Greater Texoma Utility Authority, a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution ("***GTUA***"). NTMWD and GTUA may be collectively referred to herein as the "***Parties***".

RECITALS

WHEREAS, NTMWD and GTUA entered into that certain *Contractual Agreement – Texoma Water Diversion* dated October 31, 1985 (the "***Water Diversion Contract***") which, among other things, contemplated the construction of certain intake pump facilities for raw water intake and distribution from Lake Texoma, defined as the "Joint Facilities" in the Water Diversion Contract; and

WHEREAS, previous cost share agreements for Lake Texoma facilities benefiting both NTMWD and GTUA have historically reflected an 80/20 split between NTMWD and GTUA contributions, respectively. This Agreement establishes a revised cost allocation of 75/25 between NTMWD and GTUA. All existing executed cost share agreements remain separate and are unaffected by this Agreement, with payments between GTUA and NTMWD continuing in accordance with the terms of their respective agreements; and

WHEREAS, the Water Diversion Contract contemplates that the Parties shall enter into separate agreements for the distribution of proportionate costs of future improvements related to the Joint Facilities; and

WHEREAS, in association with the Lake Texoma Pump Station Improvements, Project No. SHM23287, the City of Sherman, Texas ("**City**") has completed the design and construction of improvements to the City's designated pumps and associated infrastructure (collectively, the "**Pump Station Improvements**"). The Parties have agreed to allow NTMWD future use of the proposed 54-inch pipeline header from any side of the pump station and associated appurtenances to the parallel pipe connection, which comprise a portion of the Pump Station Improvements, making a limited portion of the Pump Station Improvements a "Joint Facility" as defined in the Water Diversion Contract (the "**Shared Pump Station Improvements**"); and

WHEREAS, in association with the Texoma Raw Water Pipeline (RWPL) No. 2, Project No. 101-0633-23, NTMWD will design and build an 84-inch Poly-coated, mortar-lined steel pipeline with associated valves and appurtenances, from the existing Lake Texoma Pump Station to the Texoma Balancing Reservoir in Howe, Texas (collectively, the "**Pipeline Improvements**"). The Parties have agreed to include take points from the Pipeline Improvements to the Sherman

Water Treatment Plant at the two take points that match the existing take points along the 72-inch raw water pipeline and a third take point that matches the existing take point at the Rayburn Energy Station (previously known as Panda Power Plant); hence considering it a Joint Facility as defined in the Water Diversion Contract (the **"Shared Pipeline Section"** and together with the Shared Pump Station Improvements, the "**Shared Infrastructure**"); and

WHEREAS, each Party represents that it is independently authorized to perform the functions or services contemplated in this Agreement; and

WHEREAS, each Party desires to enter into this Agreement pursuant to Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, as amended; and

WHEREAS, the subject matter of this Agreement constitutes a governmental function that serves the public health, safety and welfare and is of mutual concern to the Parties; and

WHEREAS, each Party obligated to pay for the performance of governmental functions or services under this Agreement shall make those payments from current revenues available to the paying Party and all payments are in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement; and

WHEREAS, the Parties desire to memorialize their agreement as to the sharing of the costs of construction of the Shared Infrastructure.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Limits of Shared Pump Station Improvements.** The Shared Pump Station Improvements are limited to 114 linear feet of the 54-inch pipeline and associated appurtenances to the connection of the parallel transmission pipes, as depicted in the shaded portion of **Exhibit A-1**, attached hereto.

2. **Limits of Shared Pipeline Section.** The Shared Pipeline Section is limited to all portions of the pipeline and appurtenances from the connection at Lake Texoma Pump Station (PS) to Sherman Water Treatment Plant (WTP) at La Cima Road (approximately 10.4 miles south of the Lake Texoma Pump Station), then continuing on to the connection at Rayburn Energy Station at Progress Drive (approximately 11.2 miles south of Sherman WTP), for a total of approximately 21.6 miles of shared pipeline, as depicted in the red and blue sections of the pipeline shown on **Exhibit A-2**, attached hereto.

3. **Construction of the Pump Station Improvements**. City shall have the sole discretion and responsibility for the planning, design, construction, and installation of the Pump Station Improvements included in Project No. SHM23287). NTMWD agrees to credit

GTUA a percentage of the Shared Pump Station Improvements. The mutually agreed upon estimated costs of the Pump Station Improvements Project is attached hereto as **Exhibit B-1.**

4. **Construction of the Pipeline Improvements**. NTMWD shall have the sole discretion and responsibility for the planning, design, construction, and installation of the Pipeline Improvements as depicted in the contract documents for NTMWD Project No. 101-0633-23. NTMWD has entered into an agreement dated October 23, 2025, with Garney as the Construction Manager at Risk to construct this project, currently scheduled for final completion October 2030. The mutually agreed upon estimated costs of the Pipeline Improvements Project is attached hereto as **Exhibit B-2.**

5. **Costs of Construction.** Attached hereto as **Exhibit B-3** is a summary of the total estimated costs for each project and the calculation of estimated shared costs (the "***Total Project Costs***"). Each Party shall maintain a system of records necessary to support and establish the eligibility of all payment claims made under this Agreement. These records may be reviewed by the other Party at any reasonable time to substantiate the payment claim by a Party and/or determine the need for an adjustment in the payment amount asserted by a Party. Notwithstanding any statement to the contrary in this Agreement, in the event the estimated shared costs amounts set forth in **Exhibit B-3** exceed the actual shared costs amount of either project by 25% or more, the Parties agree to enter into good-faith negotiations regarding a final true-up to determine the amount due from either Party under this Agreement.

6. **GTUA Share**. In regard to the Shared Pump Station Improvements, GTUA hereby agrees to pay 25% of the actual cost of the Shared Pump Station Improvements as shown on **Exhibit B-3.** In regard to the Shared Pipeline Section, GTUA hereby agrees to pay 25% of the actual cost of the Shared Pipeline Section depicted in red on Exhibit A-2 (the pipeline section from the Lake Texoma PS to the Sherman WTP) and 2% of the actual cost of the portion of the Shared Pipeline Section depicted in blue on Exhibit A-2 (the pipeline section from the Sherman WTP to the Rayburn Energy Station)(collectively, the "***GTUA Share***"). The GTUA Share is currently estimated to be $60,499,608.53, as depicted on **Exhibit B-3.** (25% of Shared Pump Station Improvements=$4,390,260.32; 25% of red portion of Shared Pipeline Section=$51,658,748.35; 2% of blue portion of Shared Pipeline Section=$4,450,599.86).

7. **NTMWD Share**. In regard to the Shared Pump Station Improvements, NTMWD hereby agrees to pay 75% of the actual cost of the Shared Pump Station Improvements, as shown on **Exhibit B-3.** In regard to the Shared Pipeline Section, NTMWD hereby agrees to pay 75% of the actual cost of the Shared Pipeline Section depicted in red on Exhibit A-2 (the

pipeline section from the Lake Texoma PS to the Sherman WTP) and 98% of the actual cost of the portion of the Shared Pipeline Section depicted in blue on Exhibit A-2 (the pipeline section from the Sherman WTP to the Rayburn Energy Station) (collectively, the "***NTMWD Share***"). The NTMWD Share is currently estimated to be $384,181,477.04, as depicted on **Exhibit B-3**. (75% of Shared Pump Station Improvements=$11,125,838.95; 75% of red portion of Shared Pipeline Section=$154,976,245.05; 98% of blue portion of Shared Pipeline Section=$218,079,393.04).

8. **Construction Costs Subject to Change**. Construction costs of the Pipeline Improvements, including the Shared Pipeline Section, are subject to change according to the contract awarded, change orders, amendments, and final payment as approved by the NTMWD's Board of Directors. Construction costs of the Pump Station Improvements, including the Shared Pump Station Improvements, are subject to change according to the contract awarded, change orders, amendments, and final payment as approved by GTUA's Board of Directors. While Exhibit B-3 to the Agreement includes projected costs of construction, it is understood by all Parties that these are just estimates and that the final calculation of the GTUA Share and NTMWD Share will be based upon the actual final costs and allocated based upon the percentages set forth in Paragraphs 6 and 7, above.

9. **Payments/Credit of Parties' Respective Shares**.

   A. **Payment for Pump Station Improvements**. GTUA shall make all payments related to the planning, design, construction, and installation of the Pump Station Improvements. As detailed in Section 7, above, NTMWD has agreed to pay 75% of the actual cost of the Shared Pump Station Improvements. The estimated amount to be paid by NTMWD for its 75% of the Shared Pump Station Improvements costs is currently $11,125,838.95, as detailed on **Exhibit B-3**. Rather than make this payment in cash to GTUA, NTMWD shall provide its 75% of the Shared Pump Station Improvements costs to GTUA in the form of a credit against GTUA's obligations to pay the GTUA Share to NTMWD, the mechanics and timing of which is detailed in Section 9(B), below.

   B. **Payment for the Pipeline Improvements.** NTMWD shall make all payments related to the planning, design, construction, and installation of the Pipeline Improvements. As detailed in Section 6, above, GTUA has agreed to pay to NTMWD 25% of the actual cost of the Shared Pipeline Section depicted in red on **Exhibit A-2** (the pipeline section from the Lake Texoma PS to the Sherman WTP) and 2% of the actual cost of the portion of the Shared Pipeline Section depicted in blue on **Exhibit A-2** (the pipeline section from the Sherman WTP to the Rayburn Energy Station). The estimated amount to be paid by GTUA for its 25% of the actual cost of the Shared Pipeline Section

depicted in red on **Exhibit A-2** (the pipeline section from the Lake Texoma PS to the Sherman WTP) is $51,658,748.35, as detailed on **Exhibit B-3**. The estimated amount to be paid by GTUA for its 2% of the actual cost of the Shared Pipeline Section depicted in blue on **Exhibit A-2** (the pipeline section from the Sherman WTP to the Rayburn Energy Station) is $4,450,599.86, as detailed on **Exhibit B-3**. The total estimated amount to be paid by GTUA to NTMWD for the Shared Pipeline Section is $56,109,348.21. As described in Section 9(A), above, this amount shall be reduced by the credit to be given by NTMWD for its 75% of the Shared Pump Station Improvements costs, thereby reducing the total amount estimated to be paid by GTUA to NTMWD for its share of the Shared Pipeline Section costs to $44,983,509.26 (i.e., $56,109,348.21 minus $11,125,838.95).

GTUA's payment schedule for its share of the Shared Pipeline Section costs are as follows:

1. GTUA shall pay to NTMWD an amount equal to 25% of the estimated GTUA Share minus the amount of the credit as described in Section 9(A) ($56,109,348.21 * .25 = $14,027,337.05 - $11,125,838.95=**$2,901,498.10**) no later than thirty (30) days after NTMWD provides to GTUA written notice with supporting evidence that a work authorization for pipe material procurement has been awarded by NTMWD's Board of Directors for the Pipeline Improvements. Notwithstanding anything to the contrary, the above-reference payment shall be made by GTUA to NTMWD no later than August 1, 2026.

2. GTUA shall pay to NTMWD an amount equal to the balance (75%) of the estimated GTUA Share ($56,109,348.21 * 0.75 = $42,082,011.16) no later than thirty (30) days after NTMWD provides to GTUA written notice with supporting evidence that the first work authorization for the Share Pipeline Section has been awarded by NTMWD's Board of Directors. Notwithstanding anything to the contrary, in no event must the payment required by this subsection be required to be made prior to September 30, 2026. Notwithstanding anything to the contrary, the above-reference payment shall be made by GTUA to NTMWD no later than March 1, 2027, in time for the contemplated March 25, 2027, NTMWD Board consideration of the construction work packages.

3. **"True Up."** Thirty (30) days after final completion of Texoma Raw Water Pipeline (RWPL) No. 2, Project No.101-0633-23, currently scheduled for October 2030 but subject to change, NTMWD and GTUA will prepare and deliver to each other a final accounting of all costs expended on the Texoma Pump Station Improvements Project and the Texoma Raw Water Pipeline

(RWPL) No. 2, Project No.101-0633-23, respectively, and the interest earnings on any of the GTUA deposited funds, along with backup documentation. In the event that upon accounting for the actual costs of construction, GTUA has paid to NTMWD more than the actual GTUA Share plus any interest earnings, NTMWD shall pay to GTUA within thirty (30) days any money necessary to "true up" the accounting. In the event that upon accounting for the actual costs of construction, GTUA has paid to NTMWD less than the actual GTUA Share plus any interest earnings, GTUA shall pay to NTMWD within thirty (30) days any money necessary to "true up" the accounting.

10. **Management of GTUA Deposited Funds**. NTMWD shall deposit and maintain all funds paid by GTUA pursuant to this Agreement in a separate, interest-bearing account, such as a Local Government Investment Pool or other similar account authorized under applicable law and in compliance with NTMWD's Investment Policy. These funds shall not be commingled with any other funds of NTMWD. All interest or investment earnings accrued on the deposited funds shall be the sole property of GTUA and shall be credited accordingly.

11. **Operation and Maintenance**. Operation and maintenance of the Shared Infrastructure shall continue to be performed in accordance with that certain *Operation and Maintenance Agreement* between the Parties, dated January 20, 2004, including any amendments or successor agreements thereto.

12. **Notice / Opportunity to Cure / Remedies**. Each Party shall have any and all rights and remedies available to them at law or in equity in the event of a breach of this Agreement. In the event of a breach by either Party of any of the covenants or obligations contained in this Agreement, the non-breaching Party shall notify the breaching Party in writing and specify the nature of the breach. The breaching Party shall thereafter have thirty (30) days from date the notice is received in which to cure such breach, failing in which the non-breaching Party shall be entitled to terminate this Agreement by written notice to the breaching party and to seek recovery of any and all remedies to which it is entitled under the Agreement, at law, and/or in equity.

13. **Liability**. The provisions of this Agreement 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 other than as stated in this Agreement.

14. **Notice**. Any notice required herein must be in writing and served by depositing the same in the United States mail postpaid and registered or certified to the Party to be notified,

with return receipt requested. For the purposes of notice, the addresses of the Parties shall be as follows:

NTMWD:
Attn: Executive Director and General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098
Phone: (972) 442-5405

GTUA:
Attn: General Manager
Greater Texoma Utility Authority
5100 Airport Road
Denison, TX 75020
Phone: (903) 786-4433

15. **No Third-Party Beneficiaries**. NTMWD and GTUA are entering 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 the Parties.

16. **No Partnership**. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Party shall be considered a separate entity, and no Party shall have the right to act as an agent for another Party, unless expressly authorized to do so herein or by separate written instrument signed by the Party to be charged.

17. **Entire Agreement; Amendments; Captions**. This Agreement, along with the Water Diversion Contract, contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior or contemporaneous agreements or understandings, verbal or written, between the parties hereto respecting such matters. This Agreement may be amended by written agreement of amendment executed by both parties thereto, but not otherwise. Section headings shall not be used in construing this Agreement.

18. **Attorneys' Fees**. In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the Party prevailing in any such action or proceedings shall be entitled to recover from the non-prevailing Party all reasonable attorneys' fees and

reasonable costs and expenses incurred by the prevailing Party, including such fees and costs incurred with respect to appeals, arbitrations and bankruptcy proceedings.

19. **Cumulative Remedies**. No remedy conferred upon a Party in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute (except as otherwise expressly herein provided).

20. **Binding Effect; Governing Law**. Except as expressly provided otherwise in this Agreement, all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, without regard to the rules governing choice of law. The parties agree that the exclusive venue for any dispute arising out of this Agreement shall be the State District Courts of Collin County Texas.

21. **Successors and Assigns**. Neither Party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall be at the sole discretion of such Party.

22. **Counterparts**. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

23. **Severability**. If any provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and every other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

24. **Immunity**. It is expressly understood and agreed that, in the execution and performance of this Agreement, neither Party has waived, nor shall be deemed hereby to have waived, any defense or immunity, including governmental, sovereign and official immunity, 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, express or implied, other than those set forth herein.

NTMWD:

NORTH TEXAS MUNICIPAL WATER DISTRICT, a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution

By: _____
Name: Jennafer P. Covington
Title: Executive Director and General Manager

Attest: _____

GTUA:

GREATER TEXOMA UTILITY AUTHORITY, a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution

By: _____
Name: _____
Title: _____

Attest: _____

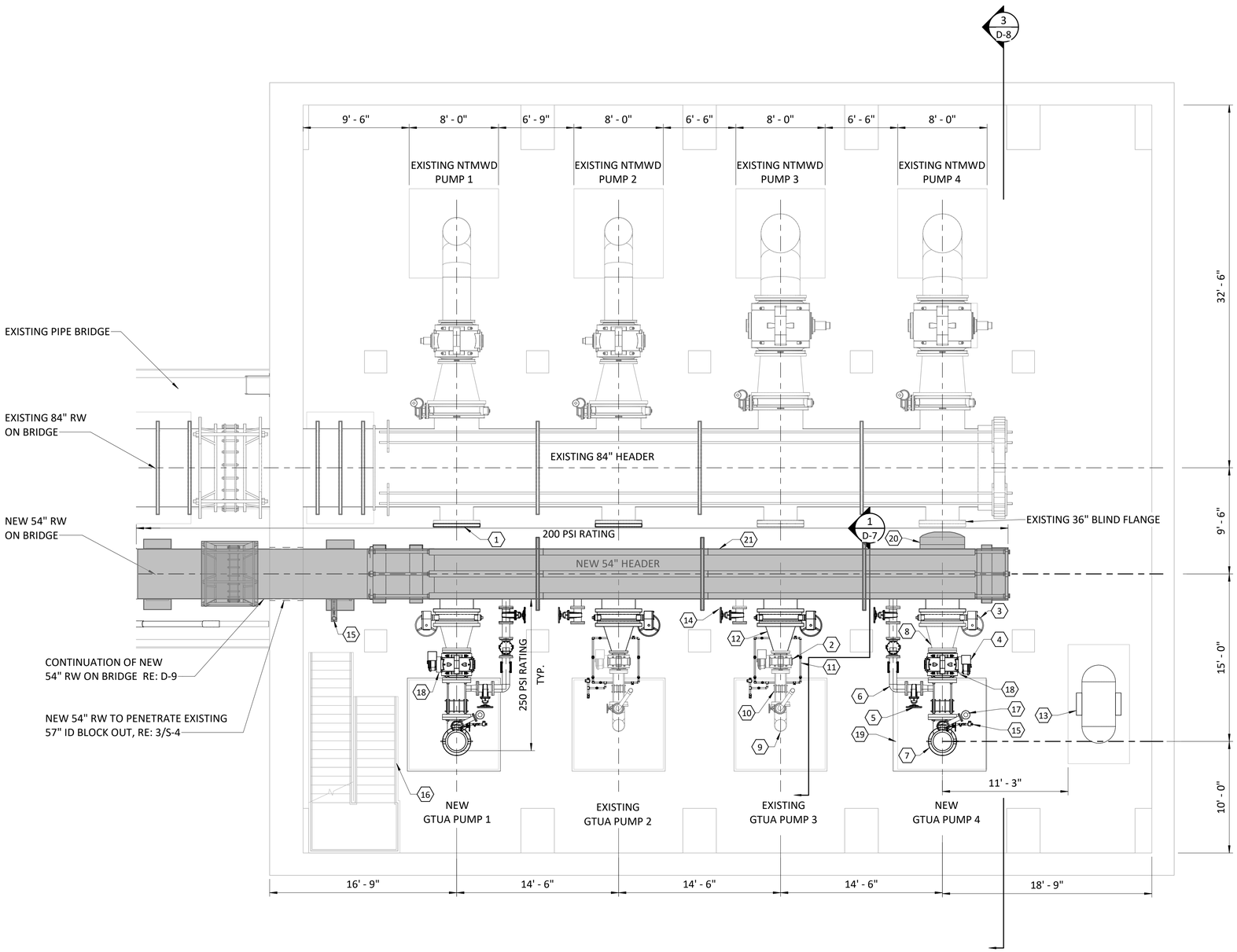
EXHIBIT A

Limits of Shared Infrastructure per Project

Exhibit A-1
Lake Texoma Pump Station Expansion Project

ISSUED FOR CONSTRUCTION
ON 09/16/2024

Shared Infrastructure - City of Sherman and NTMWD



1 LOWER LEVEL FLOOR PLAN
3/16" = 1'-0"

GENERAL NOTES

1. THE DIMENSIONS OF VALVES, PIPING AND PUMPS ARE BASED UPON EXISTING PROJECT INFORMATION AND GENERAL DESIGN STANDARDS. CONTRACTOR TO VERIFY ALL LAY LENGTHS PRIOR TO THE SUBMITTAL OF LAY DRAWINGS AND INCORPORATE INTO THE LAY DRAWINGS ANY ADJUSTMENTS REQUIRED TO ACCOMMODATE ANY EQUIPMENT OR PIPING DIMENSIONS WHICH DIFFER FROM THOSE SHOWN. ANY QUESTIONS REGARDING DIMENSION ADJUSTMENT SHALL BE DIRECTED TO THE ENGINEER.
2. ALL BUTTERFLY VALVES SHALL BE INSTALLED WITH THE SEAT FACING THE UPSTREAM SIDE.
3. RE: SECTION G. OF GENERAL NOTES. COORDINATE SHUTDOWNS WITH OWNER'S REPRESENTATIVE.
4. NOTES BY SYMBOL SHOWN FOR GTUA PUMP 3 ARE SIMILAR FOR PUMP 2. NOTES BY SYMBOL SHOWN FOR GTUA PUMP 4 ARE SIMILAR FOR PUMP 1.
5. ALL PIPING, VALVES, APPURTENANCES, AND ACCESSORIES BETWEEN THE PUMP AND HEADER SHALL BE RATED AT 250 PSI. ALL OTHER PIPING, VALVES, APPURTENANCES AND ACCESSORIES SHALL BE RATED AT 200 PSI.

NOTES BY SYMBOL " (X) "

1 36" BLIND FLANGE (NEW) TYP OF 3
2 12" PUMP CONTROL BALL VALVE (EXISTING), TYP OF 2
3 36" BUTTERFLY VALVE (NEW) TYP OF 4
4 20" PUMP BALL CONTROL VALVE (NEW) TYP OF 2
5 20" THRUST HARNESS WITH DRESSER COUPLING (NEW) TYP OF 2
6 8" BYPASS W/ ISOLATION AND CHECK VALVES, (NEW) TYP OF 2
7 20" PUMP DISCHARGE HEAD W/ PRESSURE AND AIR/VACUUM TAPS, 16.5 MGD TYP OF 2
8 36" X 20" REDUCER (NEW) TYP OF 2
9 12" PUMP DISCHARGE HEAD, 7 MGD, (EXISTING) TYP OF 2
10 12" THRUST HARNESS W/ DRESSER COUPLING, (EXISTING), TYP OF 2
11 1" PUMP BYPASS W/ ISOLATION AND CHECK VALVES (NEW), TYP OF 2
12 36" X 12" REDUCER, (NEW), TYP OF 2
13 HYDRAULIC POWER UNIT FOR CONTROL VALVE (EXISTING)
14 8" FLANGED CONNECTION W/ GATE VALVE AND BLIND FLANGE FOR FUTURE PUMP BYPASS, TYP OF 2
15 PRESSURE GAUGE AND TRANSMITTER, TYP OF 3
16 EXISTING STAIRS FROM PUMP STATION UPPER LEVEL TO LOWER LEVEL
17 4" AIR RELEASE ASSEMBLY WITH DRAIN PIPE, 4" PAV, 4" CAV AND ISOLATION VALVES, TYP OF 2
18 BALL VALVE CONTROL PANEL (NEW) TYP OF 2
19 PUMP BAY COVER PLATE (NEW) RE: 3/D-11, TYP OF 2
20 NEW 48" WELDED PLUG
21 54" HEADER (NEW), REFER TO SECTION 33 05 24.10 PRESSURE BALANCED UNIVERSAL EXPANSION JOINT

NORTH

0 4' 8'
3/16"=1'-0"

ISSUED FOR BID

Freese and Nichols, Inc.
Texas Registered Engineering Firm F- 2144

STATE OF TEXAS
LEWIS J. BERNARD
140614
LICENSED
PROFESSIONAL ENGINEER
09/16/2024

FREESE NICHOLS
5805 Main Street, Suite B
Frisco, TX 75034
Phone - (972) 624-9201
Web - www.freese.com

CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
LAKE TEXOMA PUMP STATION EXPANSION
PROCESS
LOWER LEVEL PLAN

F&N JOB NO. SHM23287
DATE 5/22/2024
DESIGNED UB
DRAWN WFA
REVISED LJB
CHECKED EJE

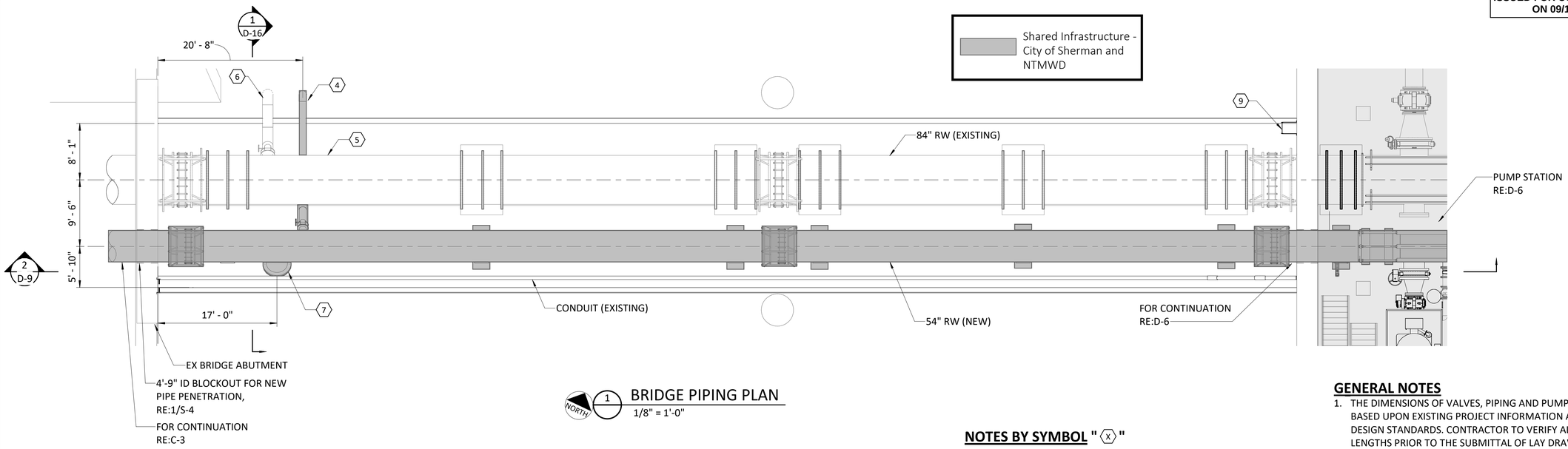
NO.	ISSUE	BY	DATE

FILE NAME TU-SHM23287-R23.RVT

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SHEET A-2-1
SEQ. 23

ISSUED FOR CONSTRUCTION
ON 09/16/2024



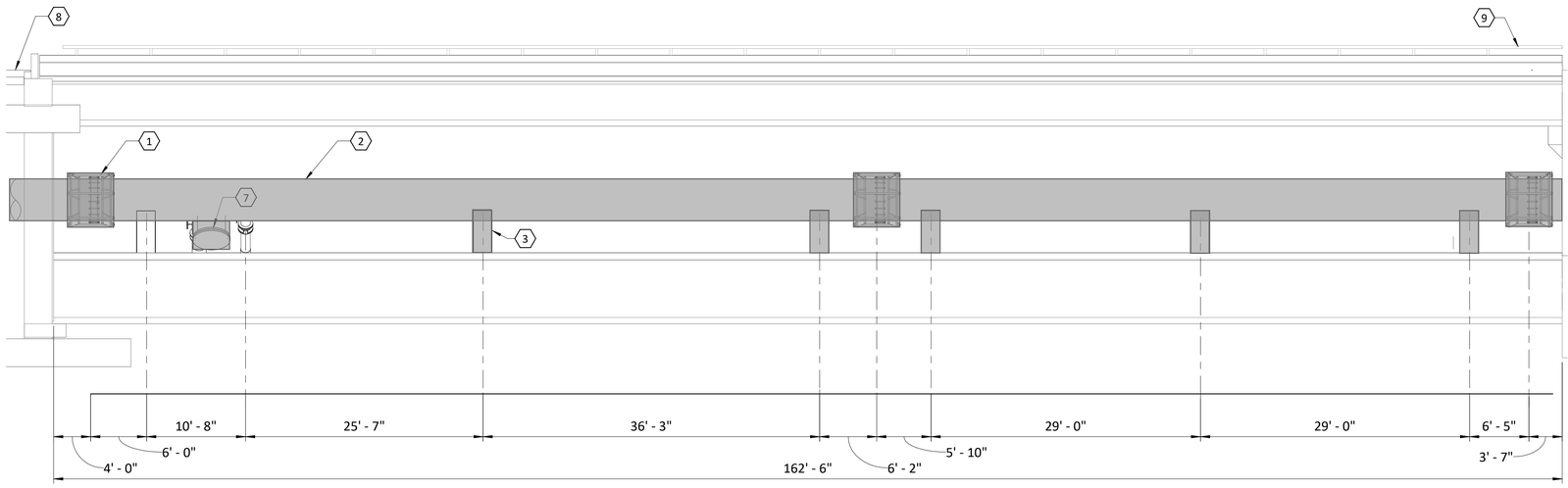
NORTH 1 BRIDGE PIPING PLAN
1/8" = 1'-0"

NOTES BY SYMBOL " (X) "

1 54" HARNESSED COUPLING (NEW) RE: 5/D-15
2 54" RW (NEW)
3 54" PIPE SUPPORT (NEW)
4 12" DRAIN (NEW)
5 84" RW (EXISTING)
6 18" DRAIN (EXISTING)
7 36" MANWAY (NEW)
8 EXISTING VEHICULAR BRIDGE
9 NEW BRIDGE ACCESS LADDER (NOTE 4)

GENERAL NOTES

1. THE DIMENSIONS OF VALVES, PIPING AND PUMPS ARE BASED UPON EXISTING PROJECT INFORMATION AND GENERAL DESIGN STANDARDS. CONTRACTOR TO VERIFY ALL LAY LENGTHS PRIOR TO THE SUBMITTAL OF LAY DRAWINGS AND INCORPORATE INTO THE LAY DRAWINGS ANY ADJUSTMENTS REQUIRED TO ACCOMMODATE ANY EQUIPMENT OR PIPING DIMENSIONS WHICH DIFFER FROM THOSE SHOWN. ANY QUESTIONS REGARDING DIMENSION ADJUSTMENT SHALL BE DIRECTED TO THE ENGINEER.
2. EXISTING CONDUIT IS SHOWN SCHEMATICALLY AND MUST REMAIN IN SERVICE. CONTRACTOR SHALL FAMILIARIZE THEMSELVES WITH THE NUMBER, SIZE AND LOCATION OF CONDUIT PRIOR TO BID.
3. 84" RW NOT SHOWN IN SECTION VIEW FOR CLARITY.
4. A NEW BRIDGE ACCESS LADDER WILL BE INSTALLED UNDER A SEPERATE CONTRACT PRIOR TO COMMENCMENT OF THIS CONTRACT.



2 SECTION
1/8" = 1'-0"

0 4' 8' 16'
1/8"=1'-0"

ISSUED FOR BID

Plot Date: 9/13/2024 3:43:06 PM

Freese and Nichols, Inc.
Texas Registered Engineering Firm F- 2144

STATE OF TEXAS
LAUREN J. BOWLES
140614
LICENSED
PROFESSIONAL ENGINEER
9/25/24

FREESE NICHOLS
5805 Main Street, Suite B
Frisco, TX 75034
Phone - (972) 624-9201
Web - www.freese.com

CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
LAKE TEXOMA PUMP STATION EXPANSION

PROCESS

PIPE AT BRIDGE PLAN AND SECTION

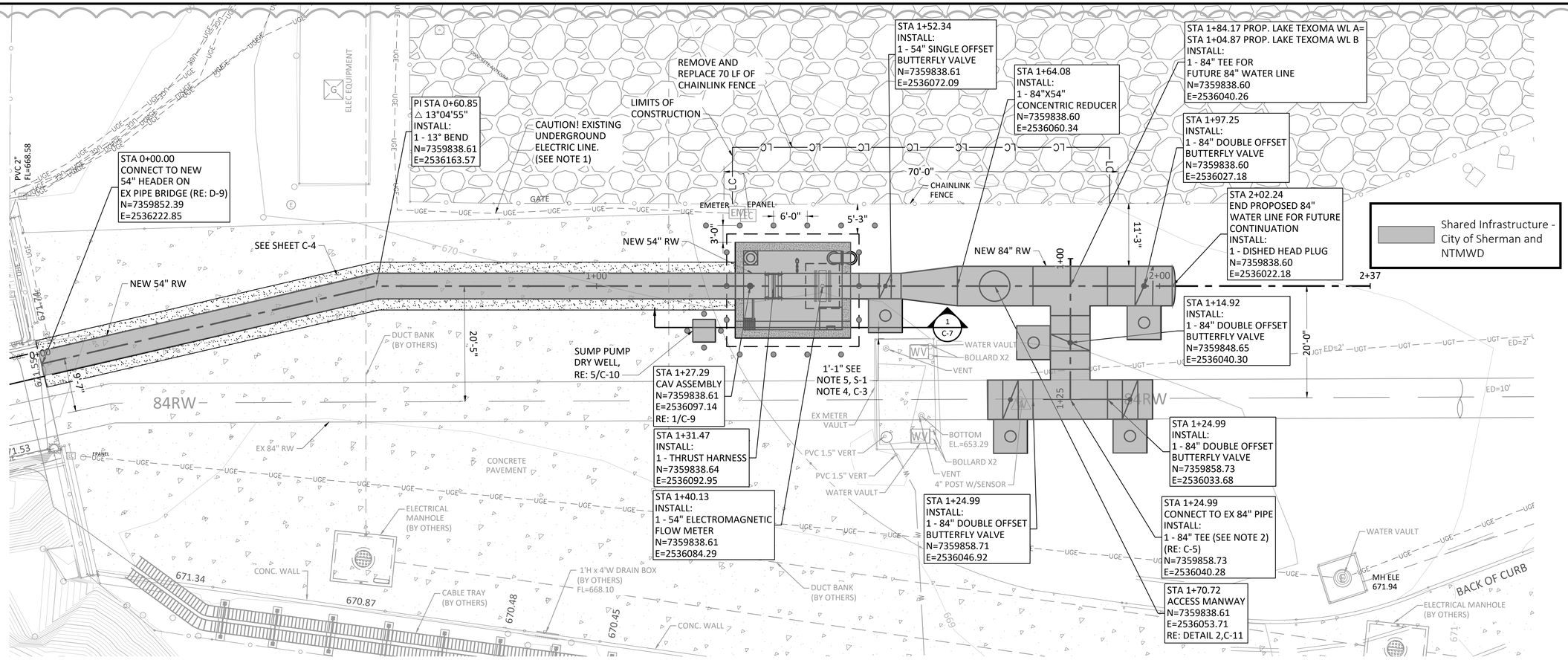
F&N JOB NO.	SHM23287
DATE	5/22/2024
DESIGNED	TSG
DRAWN	WFA
REVISED	LJB
CHECKED	EJE

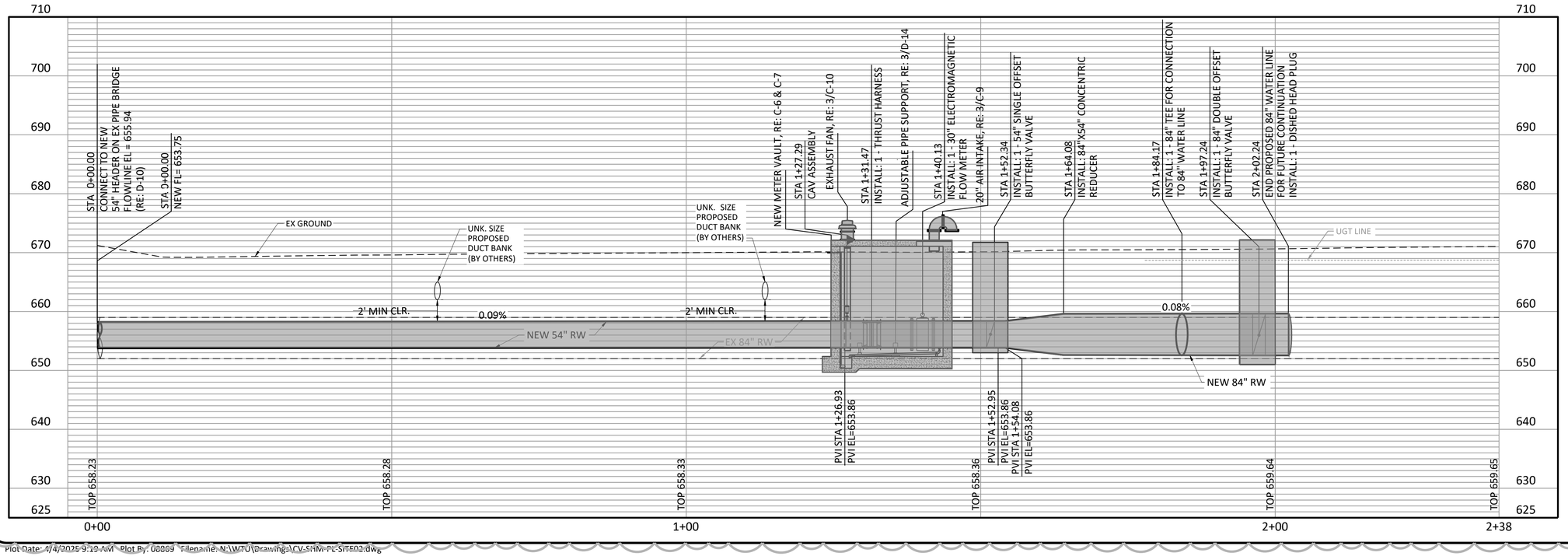
NO.	ISSUE	BY	DATE
1	ADDENDUM 1	LJB	6/26/2024

FILE NAME TU-SHM23287-R23.RVT

VERIFY SCALE Bar is one inch on original drawing. If not one inch on this sheet, adjust scale.
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SHEET A-2-2
SEQ. 26





NOTES:

1. CONTRACTOR SHALL VERIFY LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO BEGINNING OF CONSTRUCTION.
2. TIE-IN CONNECTION TO 84" WATER LINE TO BE LOCATED BETWEEN TWO CLOSEST PIPE JOINTS OF EXISTING 84" WATER LINE.
3. CONTRACTOR SHALL VERIFY DATUM ADJUSTMENT AND MATCH PROPOSED PIPE TO THE EXISTING BLOCK OUT IN BRIDGE ABUTMENT.
4. BFV VAULT AND OPERATOR MAY BE POSITIONED ON THE OPPOSITE SIDE, CONTRACTOR TO CONFIRM WITH VALVE SUPPLIER, RYAN MOORE, FERGUSON, 817-267-3900

NORTH

0 10' 20'
SCALE IN FEET
HORIZONTAL

0 10' 20'
SCALE IN FEET
VERTICAL

1
ISSUED FOR BID

Freese and Nichols, Inc.
Texas Registered Engineering Firm F-2144
STATE OF TEXAS
LEWIS J. BERNARD
140614
LICENSED
PROFESSIONAL ENGINEER
4/4/25
FREESE NICHOLS
5805 Main Street, Suite B
Frisco, Texas 75034
Phone - (972) 624-9201
Web - www.freese.com

CITY OF SHERMAN, GRAYSON COUNTY, TEXAS

LAKE TEXOMA PUMP STATION EXPANSION

CIVIL

PROPOSED SITE PLAN AND PROFILE

NO.	ISSUE	BY	DATE
1	REVISION 1	LJB	2/20/2025

PROJECT NO.	SHM23287
DATE	5/24/2024
DESIGNED	TSG
DRAWN	JO
REVISED	OC
CHECKED	LJB
FILE NAME	CV-SHM-PL-SITE02.dwg

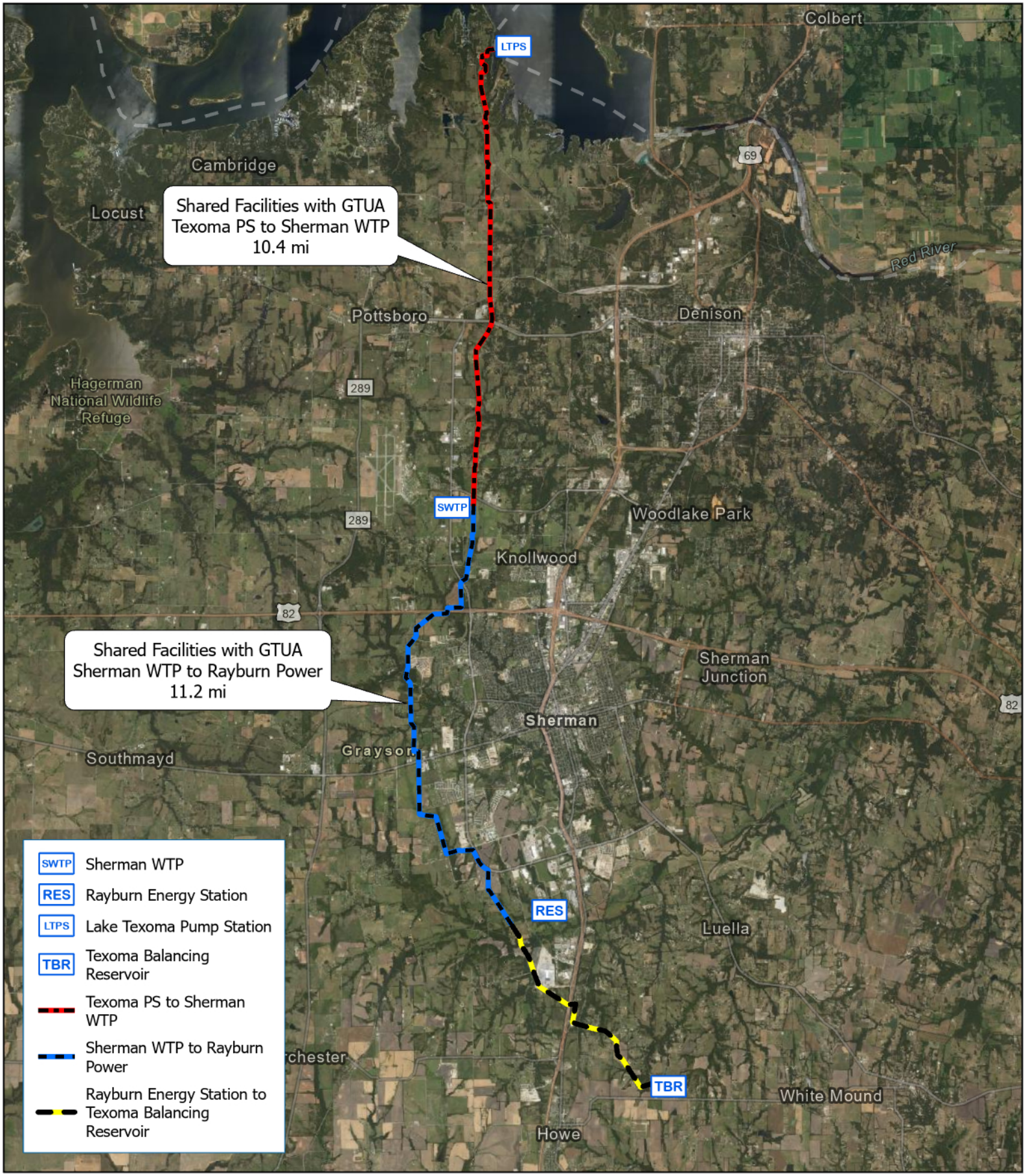
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SHEET A-2-3

SEQ. 7

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Exhibit A-2
Texoma Raw Water Pipeline No. 2



NORTH TEXAS MUNICIPAL WATER DISTRICT

Texoma Raw Water Pipeline No. 2
Shared Facilities with GTUA
Project No. 101-0633-23

N

EXHIBIT B
Estimated Total Project Costs

Exhibit B-1
Lake Texoma Pump Station Improvements Costs

Exhibit B-1 Lake Texoma Pump Station Improvement Costs

BID ITEM	DESCRIPTION	UNIT	UNIT PRICE	Quantity	Project Share		TOTAL	
					CITY OF SHERMAN Share	NTMWD Share	CITY OF SHERMAN Cost	NTMWD Cost
Pump Station Expansion								
BC-01	Mobilization	LS	$ 350,000.00	1.0	0.25	0.75	$ 87,500.00	$ 262,500.00
BC-02	Installation of pre-purchased GTUA Pump 1	LS	$ 253,900.00	1.0	1.00	0.00	$ 253,900.00	$ -
BC-03	Installation of pre-purchased GTUA Pump 4	LS	$ 256,300.00	1.0	1.00	0.00	$ 256,300.00	$ -
BC-04	Installation of pre-purchased 36-inch butterfly	EA	$ 4,937.00	4.0	1.00	0.00	$ 19,748.00	$ -
BC-05	Installation of pre-purchased 20-inch ball	EA	$ 40,100.00	2.0	1.00	0.00	$ 80,200.00	$ -
BC-06	Remove and salvage existing equipment	LS	$ 118,200.00	1.0	1.00	0.00	$ 118,200.00	$ -
BC-07	Demolition	LS	$ 117,500.00	1.0	1.00	0.00	$ 117,500.00	$ -
BC-08	Piping, Valves and Accessories for GTUA Pump	EA	$ 250,600.00	2.0	1.00	0.00	$ 501,200.00	$ -
BC-09	Piping, Valves and Accessories for GTUA Pump	EA	$ 87,800.00	2.0	1.00	0.00	$ 175,600.00	$ -
BC-10	54-inch Metal Expansion Joint	LS	$ 836,900.00	1.0	0.25	0.75	$ 209,225.00	$ 627,675.00
BC-11	54-Inch Piping on Pipe Bridge	LS	$ 565,300.00	1.0	0.25	0.75	$ 141,325.00	$ 423,975.00
Yard Piping and Sitework								
BC-12	Furnish, Install and Establish Site Preparation,	LS	$ 49,100.00	1.0	0.25	0.75	$ 12,275.00	$ 36,825.00
BC-13	Saw-Cut for Blockout at Bridge Abutment, Excavation and Repair of Bulkhead	LS	$ 255,200.00	1.0	0.25	0.75	$ 63,800.00	$ 191,400.00
BC-14	Trench Excavation Protection	LF	$ 50.00	200.0	0.25	0.75	$ 2,500.00	$ 7,500.00
BC-15	Fittings, Welded Joints and Appurtenances in Open Cut, With Standard Bedding and Backfill,	LF	$ 11,644.00	142.0	0.25	0.75	$ 413,362.00	$ 1,240,086.00
BC-16	Construction Access	LS	$ 50,000.00	1.0	0.25	0.75	$ 12,500.00	$ 37,500.00
BC-17	Vault As Required For Tie-In to the Existing 84" Pipeline	LS	$ 4,353,600.00	1.0	0.25	0.75	$ 1,088,400.00	$ 3,265,200.00
BC-18	Proposed Meter Vault, piping, valves and appurtenances	LS	$ 3,177,700.00	1.0	0.25	0.75	$ 794,425.00	$ 2,383,275.00
BC-19	Special Shoring for Proposed Meter Vault	LS	$ 860,000.00	1.0	0.25	0.75	$ 215,000.00	$ 645,000.00
BC-20	Remove and Replace Concrete Driveway, Complete in Place	SY	$ 1,069.00	183.0	0.25	0.75	$ 48,906.75	$ 146,720.25
BC-21	Shut Down and Drain Header/Pipeline	LS	$ 15,900.00	1.0	0.25	0.75	$ 3,975.00	$ 11,925.00
BC-22	Geotextile	SY	$ 18.00	217.0	0.25	0.75	$ 976.50	$ 2,929.50
Electrical								
BC-23	Electrical System	LS	$ 3,115,700.00	1.0	1.00	0.00	$ 3,115,700.00	$ -
BC-24	Instrumentation and Controls System	LS	$ 292,400.00	1.0	1.00	0.00	$ 292,400.00	$ -
BC-25	Miscellaneous Electrical and Instrumentation	LS	$ 47,200.00	1.0	1.00	0.00	$ 47,200.00	$ -
Procurment Contracts								
1	PUMP/MOTOR PROCUREMENT - SMITH PUMP	LS	$ 2,446,700.00	1.0	1.00	0.00	$ 2,446,700.00	$ -
2	MCC PROCUREMENT - ELLIOT ELECTRIC BID	LS	$ 701,900.00	1.0	1.00	0.00	$ 701,900.00	$ -
3	VALVE PROCURMENT - FERGUSON BID							
BFV-01	84-Inch Double Offset Butterfly Valve	EA	$ 375,000.00	4.0	0.25	0.75	$ 375,000.00	$ 1,125,000.00
BFV-02	54-inch Butterfly Valve	EA	$ 100,000.00	1.0	0.25	0.75	$ 25,000.00	$ 75,000.00
BFV-03	36-Inch Butterfly Valve	EA	$ 60,000.00	4.0	1.00	0.00	$ 240,000.00	$ -
BV-01	20-Inch Pump Control Ball Valve	EA	$ 360,000.00	2.0	1.00	0.00	$ 720,000.00	$ -
D-01	Allowance and Extra Work Items	LS	$ 100,024.00	1.0	1.00	0.00	$ 100,024.00	$ -
CR *	Credit if all work items are selected	LS	$ (150,000.00)	1.0	0.50	0.50	$ (75,000.00)	$ (75,000.00)
Contract Changes								
CO #1	Archer Wester - Meter Vault Changes	LS	$ (156,081.73)	1.0	0.25	0.75	$ (39,020.43)	$ (117,061.30)
CO #2	Ferguson - 84 BFV Bonnet Replacement	LS	$ 14,000.00	1.0	0.25	0.75	$ 3,500.00	$ 10,500.00
	CONSTRUCTION **COST (AS BID COSTS)**			$22,871,171.27	0.55	0.45	$ 12,570,221.82	$ 10,300,949.45
	PLANNING AND DESIGN COST			$1,831,500.00	0.55	0.45	$ 1,006,610.50	$ 824,889.50
	PROJECT TOTAL COST			$24,702,671.27	0.55	0.45	$ 13,576,832.32	$ 11,125,838.95

Exhibit B-2
Texoma Raw Water Pipeline No. 2 OPCC

Exhibit B-2 Texoma Raw Water Pipeline No. 2 OPCC

Project Summary

NTMWD Project Number: 101-0633-23

Total Costs on CIP		
Engineer's Opinion of Probable Cost	$	493,096,500.00
Right of Way	$	9,000,000.00
Engineering/Design	$	18,747,983.00
CMAR Procurement	$	750,000.00
Construction Management and Inspection	$	10,888,000.00
TOTAL	$	532,482,483.00

Exhibit B-3
Costs Table Summary

Exhibit B-3 Costs Table Summary

Texoma Pump Station Capacity

With existing 72-in Pipeline and New 84-in Pipeline	278	MGD		
Projected Shared Capacites:	**254**	**MGD**		
NTMWD Wylie	120	MGD	74.8%	75%
NTMWD Leonard	70	MGD		
GTUA to Sherman WTP	64	MGD	25.2%	25%
Sherman to Rayburn (from GTUA's 64)	5	MGD	2%	2%

Project Name	ENG starts	Const Start	Completion	Cost Estimates allocated	CIP GTUA Facilities	NTMWD Facilities	Shared Facilities
City of Sherman - Texoma PS ("Pump Station Improvements")	Bid tab	Oct-24	Dec-26	$ 24,702,671.27	$ 9,186,572.00		
a. Shared Header and appurtenances ("Shared Pump Station Improvements")							$ 15,516,099.27
TOTAL Shared costs for Texoma System				**$ 557,185,154.27**	$ 9,186,572.00	$ 103,317,496.70	$ 444,681,085.57
						double check	$ 557,185,154.27

Shared Percentages of the Shared Facilites	NTMWD Totals *	GTUA Totals
GTUA Only		$ 9,186,572.00
NT-75/GTUA-25	$ 11,125,838.95	$ 4,390,260.32
Total GTUA project - funded by GTUA	$ 11,125,838.95	$ 13,576,832.32
*NTMWD to pay GTUA		
	NTMWD Totals	**GTUA Totals****
NTMWD only	$ 103,317,496.70	
NT-75/GTUA-25	$ 154,976,245.05	$ 51,658,748.35
NT-98/GTUA-2	$ 218,079,393.04	$ 4,450,599.86
Total NTMWD Project - Funded by TWDB	$ 476,373,134.79	$ 56,109,348.21
** GTUA to pay NTMWD (GTUA total for TRWPL2 [2] project minus NTMWD portion for Texoma PS project[1])		$ 44,983,509.26
Total	**$ 487,498,973.74**	**$ 69,686,180.53**
	double check	$ 557,185,154.27

Exhibit B-4
GTUA Estimated Payments Schedule

Exhibit B-4 GTUA Estimated Payments Schedule

Project Summary	**Texoma Raw Water Pipeline No.2**
NTMWD PN:	101-0633-23

Total Costs on CIP			Estimated Date
Award of GMP for Pipe Material Procurement	$	2,901,498.10	8/01/2026
Award of Construction GMP for RWPL No. 2 Section No. 1 - Texoma PS to Sherman WTP	$	42,082,011.16	3/01/2027
True Up		TBD	10/01/2030
TOTAL	$	44,983,509.26	

NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6269

Buffalo Creek Interceptor System & Regional Wastewater System

South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 10 to Construction Manager At-Risk; Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Final GMP; Engineering Services During Construction; and Construction Management, Inspection, and Material Testing Services

SUBJECT

Authorize funding in the amount of $19,546,807 to Archer Western Construction, LLC for Amendment No. 10 to the Construction Manager At-Risk (CMAR) Agreement; to Carollo Engineers, Inc. in the amount of $498,200 for Engineering Services During Construction; and to AECOM Technical Services, Inc. in the amount of $961,193 for construction management, inspection, and material testing services for work related to the Buffalo Creek Parallel Force Main (BCPFM) Final Guaranteed Maximum Price (GMP).

PURPOSE

The purpose of this project is to improve peak flow management and increase wastewater conveyance capacity to accommodate growth in the South Mesquite Creek Regional Wastewater Treatment Plant service area. The CMAR has submitted the Final GMP for the South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion to 41 MGD and the Buffalo Creek Parallel Force Main projects.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute Amendment No. 10 to the Construction Manager At-Risk, Engineering Services Agreement, and Construction Management, Inspection Services and Material Testing Agreements, and authorize the award of a contract as follows:

CMAR:	Archer Western Construction, LLC (Archer Western)
Consultant:	Carollo Engineers, Inc. (Carollo)
Construction Manager:	AECOM Technical Services, Inc. (AECOM)

Scope: BCPFM Construction, BCPFM Final GMP; BCPFM Engineering Services During Construction (ESDC); Construction Management, Inspection Services, and Construction Material Testing for the BCPFM project.

Project: No. 507-0640-24, Buffalo Creek Parallel Force Main

Amount: $19,546,807 for Construction
$498,200 for ESDC
$961,193 for Construction Management and Inspection Services and Material Testing

Committee: This will be an item on the May 27, 2026, Wastewater Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.1 High Quality Services 1.4 Reliable and Resilient Systems

☒ Regulatory Compliance (Pre-emptive)	☐ Asset Condition
☒ Capacity	☐ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

PROJECT PURPOSE

- Flow monitoring studies show the South Mesquite Creek Regional Wastewater Treatment Plant (RWWTP) have influent flows higher than its rated wet weather capacity of 82.5 MGD (million gallons per day). The South Mesquite Creek RWWTP Peak Flow Management preliminary design report determined that onsite storage facilities need to be provided to store peak flows in excess of the wet-weather capacity, with a phased approach that will provide early peak flow relief for the facility.
- The Capacity Assessment Study of the southern service area shows the South Mesquite Creek RWWTP needs to expand from 33 MGD to 41 MGD average daily flow by 2028 to meet the growth projections through 2033.

- Provide condition assessment and criticality assessment to determine which critical items need to be repaired or replaced in the expansion project, and which items to be included as part of the master plan.
- A 2023 Feasibility Analysis for Conveyance Alternatives Report recommended a new Buffalo Creek Lift Station No. 2 and Buffalo Creek Parallel Force Main to convey flows from the Buffalo Creek Interceptor System to the new headworks at the South Mesquite Creek RWWTP.
- Divert Buffalo Creek Parallel Force Main and Buffalo Creek Force Main flows to a new Headworks at the South Mesquite Creek RWWTP to improve peak flow management and increase wastewater conveyance capacity in the Buffalo Creek Interceptor System to accommodate growth in Forney, Heath, and Rockwall.

PROJECT COMPONENTS

- Early peak flow relief includes upgrades to existing influent pump station no. 1, force main, and re-purposing an existing basin for peak flow storage basin no. 3.
- Peak flow management includes new parallel 42-inch force mains, new headworks facility no. 2, new peak flow storage basin no. 1, and supporting facilities.
- Expansion of the RWWTP to 41 MGD includes a primary clarifier, aeration basins, blower building, secondary sludge pump station, tertiary filters, disinfection, effluent metering, plant water pump station, solids handling, and supporting facilities.
- Approximately 10,400 feet of 42-inch force main paralleling the existing 36-inch force main from Buffalo Creek Lift Station No. 2 (BCLS2) to the South Mesquite Creek RWWTP.

BCPFM FINAL GUARANTEED MAXIMUM PRICE (GMP)

- Bid Package 13 - Buffalo Creek Parallel Force Main Construction.
- Allowance for temporary fencing, gates, gravel and site improvements

Proposals were received at 2:00 p.m. on Thursday, April 16, 2026, as tabulated below:

Proposers	Bid Package No. 13 Total Bid	Total with allowance, GCs, CMAR Fee, and Contingency	Recommendation
BELT Construction of Texas, LLC	**$ 16,631,008**	**$ 19,546,807**	**Best Value Proposal**
Mountain Cascade of Texas, LLC	$ 17,798,120	$ 20,914,429	
RAVA Utilities, LLC	$ 19,111,000	$ 22,452,861	
S. J. Louis Construction of Texas, LTD	$ 20,718,182	$ 24,336,158	
MA Constructors JV, LLC	$ 22,802,780	$ 26,778,890	
McKee Utility Contractors, LLC	$ 23,600,000	$ 27,713,071	
90% CMAR ESTIMATE	**$ 21,923,779**	**$ 25,690,284**	

Proposal evaluations were conducted on Friday, April 24, 2026. The proposal submitted by Belt Construction of Texas, LLC provided the best value and was lower than the 90% CMAR estimate for the solicitation package included herein, which totaled $25.69 million.

Major Scope of Work Description – BCPFM Final GMP	Lump Sum Amount
Bid Package 13 – Buffalo Creek Parallel Force Main Construction	$16,631,008
Allowance for temporary fencing, gates, gravel and site improvements	$50,000
Total Construction Cost	**$16,681,008**
General Conditions (@8.5% of the Construction Costs)	**$1,417,886**
Total Cost of Work	**$18,098,894**
CMAR Fees (@6.5% of the Cost of Work)	**$1,176,429**
CMAR Contingency (@1.5% of the Cost of Work)	**$271,484**
BCPFM Final GMP (Sum of Total Cost of Work and CMAR Fees)	**$19,546,807**

To determine BCPFM Final GMP associated with this Amendment No. 10, the following table summarizes the costs of the bid work package, allowance, general conditions, CMAR fee and CMAR contingency.

Attachment A details the total contract price summary and the contract amendment summary. Attachment B summarizes the project cost and schedule.

ENGINEERING SERVICES AGREEMENT (ESA)
The ESA with Carollo Engineers, Inc. is for engineering services during the estimated two years construction for work related to Final GMP for the Buffalo Creek Parallel Force Main.

The services will consist of:

- Monthly project management, coordination, and start-up/commissioning support
- Participation in pre-construction and bi-weekly construction progress meetings, including site visits
- Review of shop drawing submittals, requests for information, proposed change orders, payment applications, and operation and maintenance (O&M) manuals
- Agency coordination with entities such as the Texas Commission on Environmental Quality and the City of Mesquite
- Review and evaluation of project closeout documentation and development of record drawings

CONSTRUCTION MANAGEMENT, INSPECTION AND MATERIAL TESTING SERVICES AGREEMENT

The ESA with AECOM Technical Services, Inc. is for construction management, inspection, and material testing services related to the Final GMP for the Buffalo Creek Parallel Force Main.

The services consist of:

- Administer and manage day-to-day requirements of the Buffalo Creek Parallel Force Main in regular coordination with the District Project Manager (PM).
- Monitor construction activities for conformance with contract requirements, schedule, and quality standards; provide monthly status reports.
- Administer contract issues; schedule and conduct construction progress meetings; review submittals, materials, and work-in-place as needed; coordinate resolution of requests for information (RFI's).
- Review the quantities of work in place, payment requests, and supporting documentation to recommend the amount to be paid on monthly and final payment requests.
- Implement the Change Management process in accordance with the Contract Documents. Prepare written justification statements for each change proposal.
- Manage Project completion activities as required by the Contract Documents.
- Provide third-party construction management oversight and daily on-site representation for the CMAR's construction activity.
- Maintain documentation and report to the District staff of issues and status related to the CMAR's work.
- Provide outsourced inspection services to verify construction compliance with Contract Documents.
- Provide third-party construction material testing for quality assurance for this construction work package.
- Monthly rental of project vehicles.

FUNDING

Funding to Archer Western Construction, LLC in the amount of $19,546,807, to Carollo Engineers, Inc., in the amount of $498,200, and to AECOM Technical Services, Inc., in the amount of $961,193 is to be made available in the Buffalo Creek Interceptor System Construction Funds.

South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 10; Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Final GMP; Engineering Services During Construction; and Construction Management, Inspection, and Material Testing Services

ATTACHMENT A

TOTAL CONTRACT PRICE SUMMARY The total contract price includes a summary of all construction costs, which is the sum of all construction work, pre-negotiated pre-construction and procurement services fee, general conditions, contingency, and CMAR construction services fee.	
Total Contract Price – South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion	
Pre-Construction Services Fee	$900,000.00
Procurement Services Fee	$350,000.00
Partial GMP No. 1	$11,944,463.24
Partial GMP No. 2	$8,556,427.36
Change Order No. 1	$48,117.51
Partial GMP No. 3	$16,788,604.77
Partial GMP No. 4	$110,349,109.09
Change Order No. 2	($1,553,954.45)
Buffalo Creek Parallel Force Main (BCPFM) Pre-Construction and Procurement Services Fee	$225,000.00
Partial GMP No. 5	$21,145,610.27
Partial GMP No. 6	$49,650,787.00
BCPFM Partial GMP No. 1	$936,308.00
Partial GMP No. 7	$99,857,013.00
BCPFM Final GMP	$16,681,008.00
General Conditions (@8.5% of construction costs)	$1,417,886.00
CMAR Construction Services Fee (@6.5% of Total Cost of Work)	$1,176,429.00
Contingency (@1.5% of Total Cost of Work)	$271,484.00
Total Contract Price – South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion	**$338,744,292.79**

CONTRACT AMENDMENT SUMMARY SOUTH MESQUITE CREEK REGIONAL WASTEWATER TREATMENT PLANT		
Description	**Status**	**Amount**
Original Agreement - Partial Pre-Construction and Procurement Services Fee	Board Approved	$1,250,000.00
Amendment No. 1 – Partial GMP No. 1	Board Approved	$11,944,463.24
Amendment No. 2 – Partial GMP No. 2	Board Approved	$8,556,427.36
Change Order No. 1	Board Approved	$48,117.51
Amendment No. 3 – Partial GMP No. 3	Board Approved	$16,788,604.77
Amendment No. 4 – Partial GMP No. 4	Board Approved	$110,349,109.09
Amendment No. 5 – (Change Order No. 2)	Board Approved	($1,553,954.45)
Amendment No. 6 – BCPFM CMAR Services and Partial GMP No. 5	Board Approved	$21,370,610.27
Amendment No. 7 – Partial GMP No. 6	Board Approved	$49,650,787.00
Amendment No. 8 – BCPFM Partial GMP No. 1	Board Approved	$936,308.00
Amendment No. 9 – Partial GMP No. 7	Board Approved	$99,857,013.00
Amendment No. 10 – Final GMP	**Current Request**	**$19,546,807.00**
Total Contract Price		**$338,744,292.79**

South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion, Project No. 301-0525-18; Amendment No. 10; Buffalo Creek Parallel Force Main, Project No. 507-0640-24; Final GMP; Engineering Services During Construction; and Construction Management, Inspection, and Material Testing Services

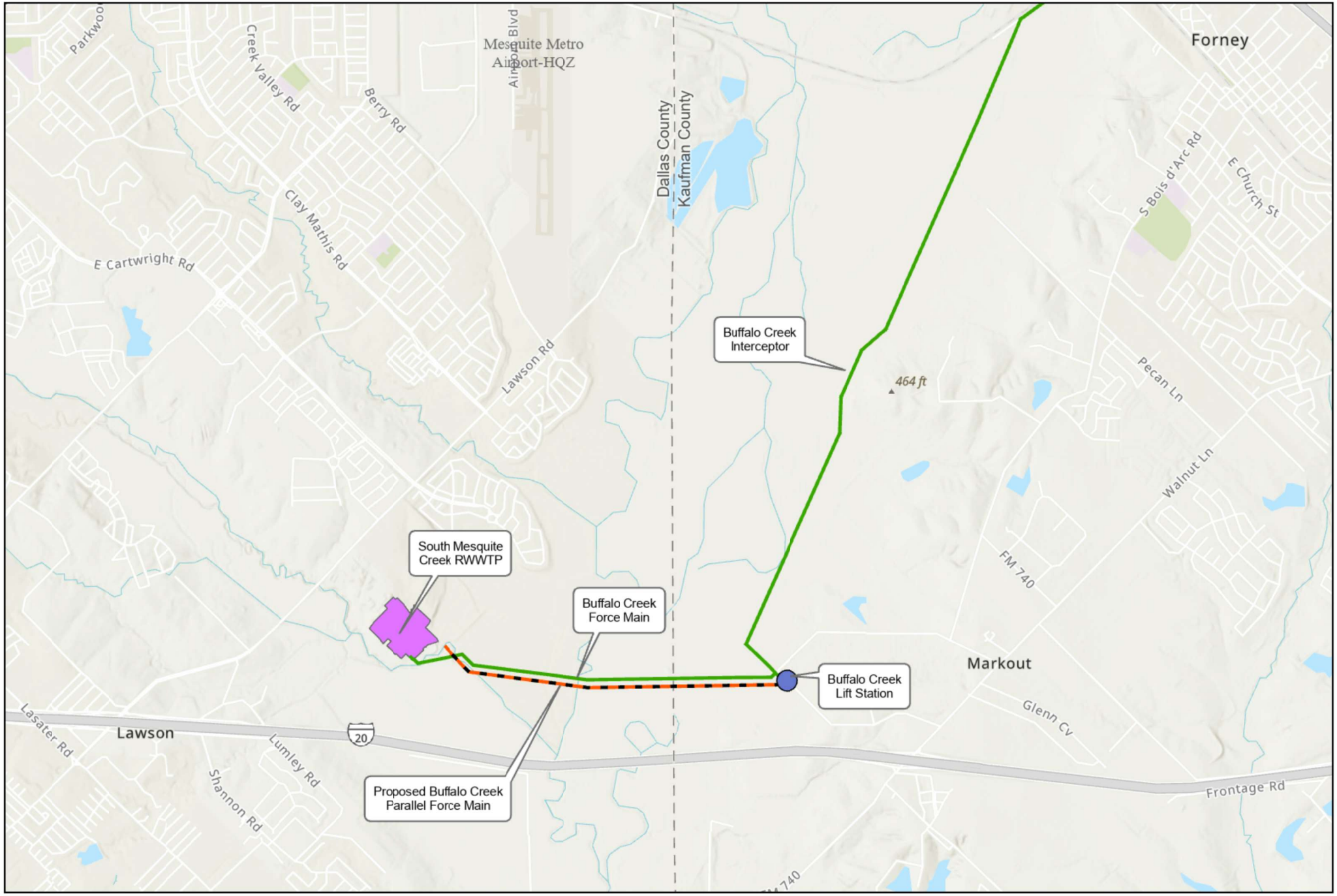
ATTACHMENT B

Project Cost and Schedule
South Mesquite Creek RWWTP Peak Flow Management and Expansion
Project No. 301-0525-18

GMP No.	Description	Award Date	Amount
	Original Agreement - Pre-construction and Procurement Services Fee	Oct-21	$1,250,000
1	Early Peak Flow Material and Site Preparation	Jun-22	$11,944,463
2	Early Peak Flow Relief Construction	Dec-22	$8,556,427
	Change Order No. 1	Mar-23	$48,118
3	Early Electrical Equipment	Feb-24	$16,788,605
4	Headworks No. 2, Peak Flow Storage Basin No. 1, and Electrical Building No. 4	Jun-24	$110,349,109
	Change Order No. 2	Aug-24	($1,553,954)
5	Electrical Building No. 3	Oct-24	$21,145,610
6	42-inch Force Mains and UV, Filters, and Solids Improvements for Expansion to 41 MGD	Jan-25	$49,650,787
7	Primary Clarifier, Aeration Basins, and Blowers for Expansion to 41 MGD	Sep-25	$99,857,013
Total Contract Price			**$318,036,178**

Buffalo Creek Parallel Force Main
Project No. 507-0640-24

GMP No.	Description	Award Date	Amount
	Pre-construction and Procurement Services Fee	Oct-24	$225,000
1	Buffalo Creek Parallel Force Main Valve Procurement	Jun-25	$936,308
2	**Buffalo Creek Parallel Force Main**	**Current Request**	**$19,546,807**
Total Contract Price			**$20,708,115**



NORTH TEXAS MUNICIPAL WATER DISTRICT

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Buffalo Creek Parallel Force Main, Final GMP
Project No. 507-0640-24

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NORTH TEXAS MUNICIPAL WATER DISTRICT

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

5/28/2026 Administrative Memorandum No. 26-6270

Regional Solid Waste System

Gateway Drive Transfer Station; Project No. 401-0644-24; Engineering Services Agreement - Final Design

SUBJECT

Authorize an engineering services agreement (ESA) in the amount of $741,411 to Weaver Consultants Group, LLC, for final engineering design services for the Gateway Drive Transfer Station project.

PURPOSE

The purpose of this project is to design and construct a fourth transfer station site that will be known as the Gateway Drive Transfer Station within the City of Frisco, to alleviate the current waste volumes experienced at the Custer Road Transfer Station from the City of Frisco and the other four NTMWD Regional Solid Waste System (RSWS) member cities.

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:	Weaver Consultants Group, LLC
Scope:	Final Design Engineering Services
Project:	No. 401-0644-24, Gateway Drive Transfer Station
Amount:	$741,411
Committee:	This was an item on the March 11,2026, Solid Waste Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

Strategic Objective:	1.1 High Quality Services 1.4 Reliable and Resilient Systems

☐ Regulatory Compliance	☐ Asset Condition
☒ Capacity	☒ Redundancy/Resiliency
☐ Relocation or External Requests	☐ Operational Efficiency
☐ Safety	☐ Administrative
☐ Policy	☐ Other _____

BACKGROUND

- NTMWD owns and operates the Lookout Drive Transfer Station, the Parkway Transfer Station, and the Custer Road Transfer Station (Custer Road TS).
- The Custer Road TS is limited by its municipal solid waste permit issued by the Texas Commission on Environmental Quality (TCEQ) to accept a maximum of 1,900 tons of waste per day, including yard waste, and is more frequently approaching the permitted daily limit due to the growth of the RSWS Member Cities.
- The City of Frisco currently delivers 93 percent of its waste to the Custer Road TS, and the City's tonnage is increasing annually.
- Administrative Memorandum No. 24-6063 authorized the filing of a permit application for the future Gateway Drive Transfer Station solid waste permit with the TCEQ and City of Frisco, and funding in the amount of $488,068 to Weaver Consultants Group, LLC, for an engineering services agreement for permitting the future Gateway Drive Transfer Station.
- Administrative Memorandum No. 25-6211 authorized an ESA for preliminary design of the future Gateway Drive Transfer Station to Weaver Consultants Group, LLC, in the amount of $233,570.

PROJECT PURPOSE

- Provide final set of plans for the Gateway Drive Transfer Station. Construction of the transfer station will alleviate the high current waste volumes experienced at the Custer Road Transfer Station.

PROJECT COMPONENTS

- Final design of a new solid waste transfer station on the property purchased by NTMWD, including all associated civil, landscaping, architectural, and structural components. Submission of building and civil construction documents to the City of Frisco for the acquisition of permits.

BASIC SERVICES

- Project management and quality assurance
- Final Design and Permitting
  - 60% and 90% Civil Construction Plans
  - 60% and 90% Building Construction Plans
  - 100% Final Design Submittal and associated permit applications to the City of Frisco
- Final Plat
- City of Frisco Permitting Responses
- Bid Phase Services

SPECIAL SERVICES

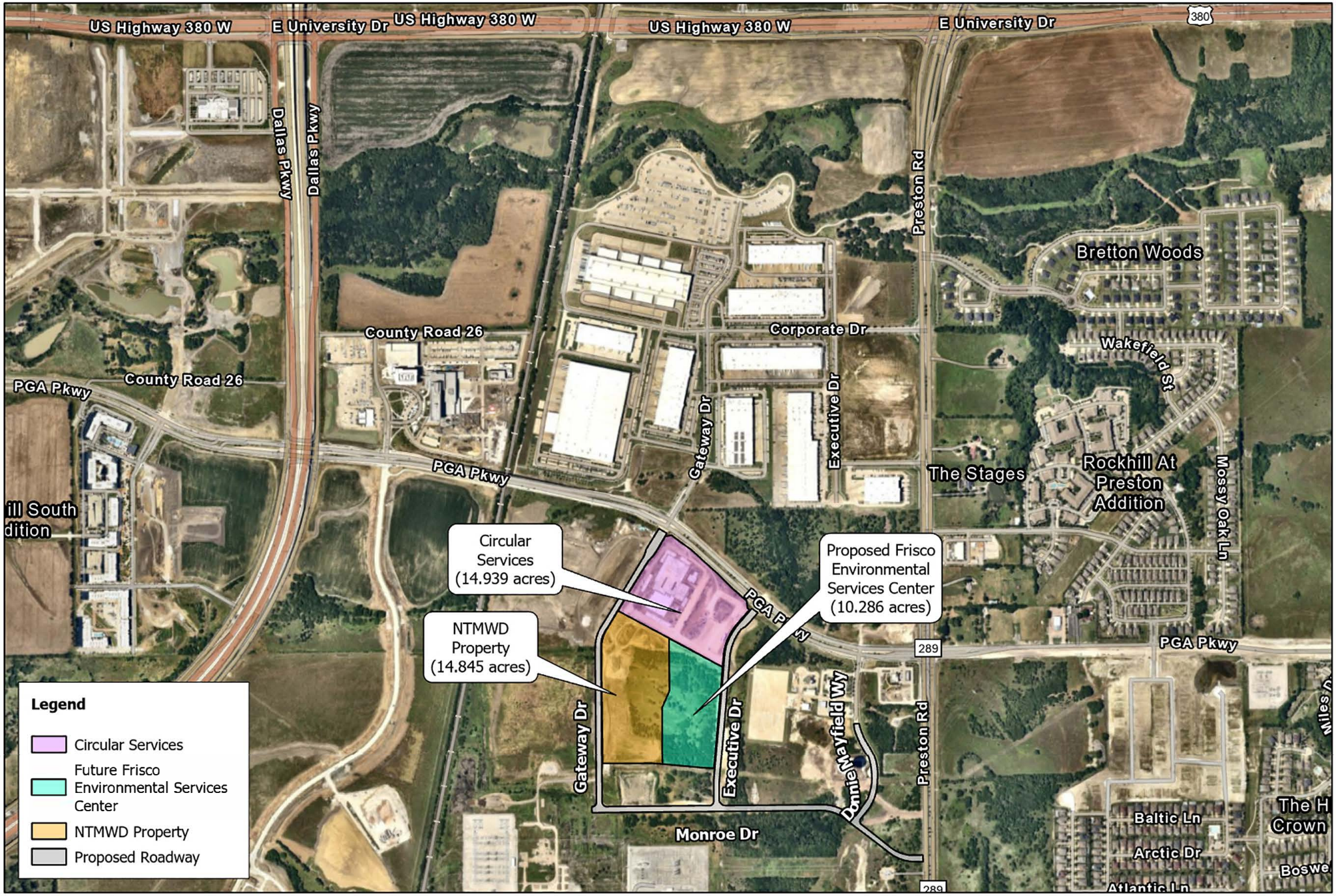
- None

ENGINEERING SERVICES FEE

Description	**Amount**
Basic Services	$741,411
Special Services	$0.00
Requested Amount	**$741,411**

FUNDING

Funding to Weaver Consultants Group, LLC, for final engineering services in the amount of $741,411 is to be made available in the Regional Solid Waste System Construction Funds.



NORTH TEXAS MUNICIPAL WATER DISTRICT

Gateway Drive Transfer Station
Project No. 401-0644-24

N

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