



**BOARD OF DIRECTORS  
PUBLIC HEARING & REGULAR MEETING**

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
100 MUNICIPAL DRIVE  
TROPHY CLUB, TEXAS 76262**

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Monday, September 20, 2021

6:30 P.M.

Svore Municipal Boardroom

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**PUBLIC HEARING & REGULAR MEETING AGENDA PACKET**

**CALL TO ORDER AND ANNOUNCE A QUORUM**

**PUBLIC HEARING**

Trophy Club Municipal Utility District No. 1 will conduct a Public Hearing regarding adoption of the final District Tax Rates for Tax Year 2021.

**CITIZEN COMMENTS**

*This is an opportunity for citizens to address the Board on any matter whether or not it is posted on the agenda. The Board is not permitted to take action on or discuss any comments made to the Board at this time concerning an item not listed on the agenda. The Board will hear comments on specific agenda items prior to the Board addressing those items. You may speak up to four (4) minutes or the time limit determined by the President or presiding officer. To speak during this item, you must complete the Speaker's form that includes the topic(s) of your statement. Citizen Comments should be limited to matters over which the Board has authority.*

**REPORTS & UPDATES**

1. Staff Reports
  - a. Capital Improvement Projects
  - b. Water Operations Report
  - c. Wastewater System Reports
  - d. Finance Reports

[attachment: Staff Reports](#)

**CONSENT AGENDA**

*All matters listed as Consent Agenda are considered to be routine by the Board of Directors and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.*

2. Consider and act to approve the Consent Agenda.
  - a. August 2021 Combined Financials
  - b. August 16, 2021 Regular Meeting Minutes

[attachments: August Financials](#)

[August 16, 2021 Meeting Minutes](#)

**REGULAR SESSION**

3. Consider and act regarding adoption of Resolution No. 2021-0920A approving Budget for Fiscal Year 2022.

[attachments: Resolution No. 2021-0920A](#)

[Fiscal Year 2022 Budget](#)

4. Consider and take appropriate action to adopt Rate Order No. 2021-0920A amending water and sewer rates and setting an effective date of October 1, 2021.

[attachment: Order No. 2021-0920A](#)

5. Consider and act regarding Order No. 2021-0920B, fixing and levying Trophy Club Municipal Utility District No. 1 Debt Service Tax Rate and Operations and Maintenance Tax Rate for 2021 Tax Year.

[attachment: Order No. 2021-0920B](#)

6. Consider and act to approve of Amendment to District Information Form, including Notice to Purchaser Form.

[attachment: Amendment to District Information Form](#)

7. Consider and act to adopt Resolution 2021-0920B approving 2021 Tax Roll for Trophy Club Municipal Utility District No. 1.

[attachment: Resolution No. 2021-0920B](#)

8. Consider and act regarding annual review of District Investment Policy and Investment Strategies including:

- a. Adopt Order No. 2021-0920C approving Amended and Restated Investment Policy, including the District's Investment Strategies and Appointment of Investment Officer(s).

[attachment: Order No. 2021-0920C](#)

9. Consider and act to adopt Resolution No. 2021-0920C Cash Reserve Policy.

[attachment: Resolution No. 2021-0920C](#)

10. Consider and take appropriate action to approve Master Client Agreement and Statement of Work with M3 Networks for information Technology Services and cyber security for Fiscal Year 2022 and authorize the General Manager to execute the contract.

[attachment: M3 Networks MCA SOW](#)

**EXECUTIVE SESSION**

11. Pursuant to Section 551.072 of the Texas Open Meetings Act, the Board may deliberate the purchase,

exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person:

a. Purchase of Easements or Real Property interests required for access to Wastewater Lift Station No. 1

12. Deliberations pursuant to Section 551.074(a)(1) of the Texas Open Meetings Act regarding appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: General Manager annual review.

**REGULAR SESSION**

13. Consider and take appropriate action regarding approval of Amendment to Employment Agreement between the District and its General Manager.

14. Items for future agendas:

15. Set future Meeting dates:

[attachment: Fall Meeting Calendar](#)

**\*THE BOARD RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE MEETING PURSUANT TO THE APPLICABLE SECTION OF SUBCHAPTER D, CHAPTER 551, TEXAS GOVERNMENT CODE, THE TEXAS OPEN MEETINGS ACT, WITH RESPECT TO ANY ITEM ON THE AGENDA. NO FINAL ACTION, DECISION OR VOTE WILL BE TAKEN ON ANY SUBJECT OR MATTER IN EXECUTIVE SESSION. THIS NOTICE MODIFIES THE DISTRICT'S PRIOR PRACTICE OF SPECIFICALLY IDENTIFYING ALL AGENDA ITEMS TO BE DISCUSSED IN EXECUTIVE SESSION.**

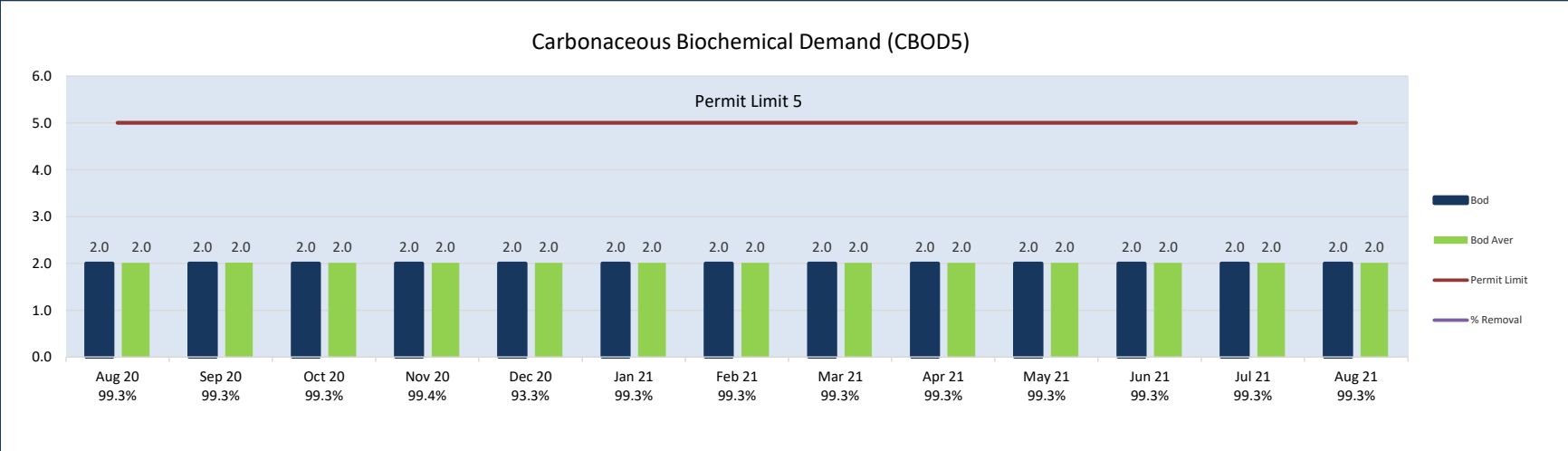
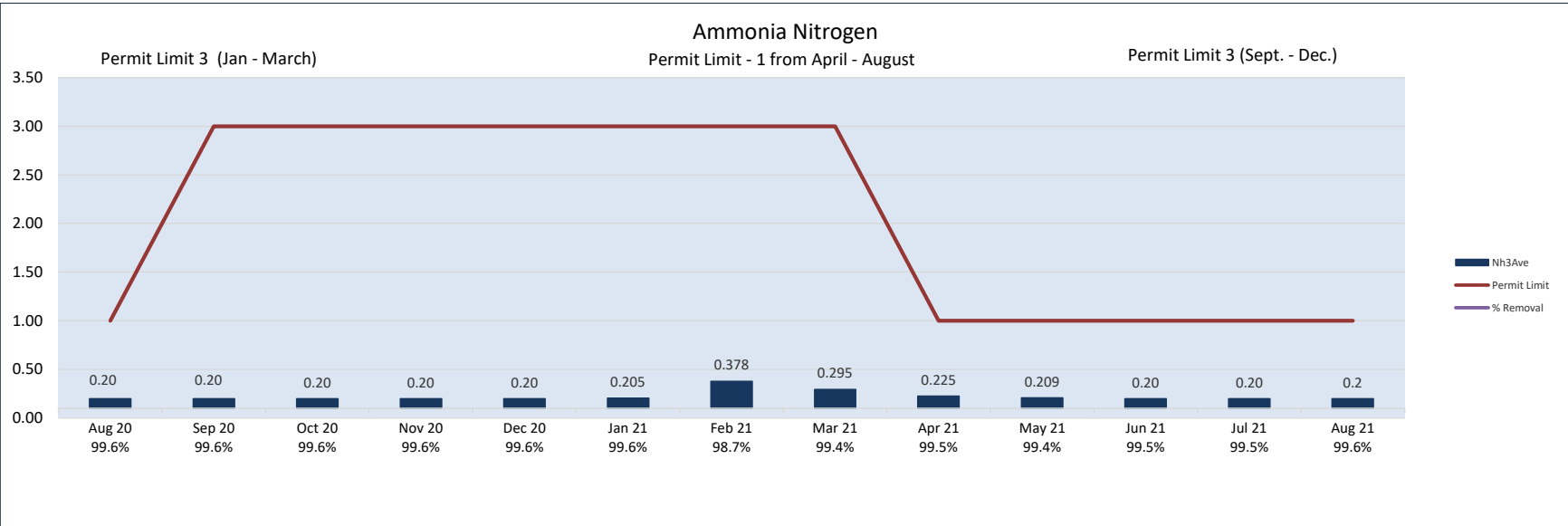
**ADJOURN**

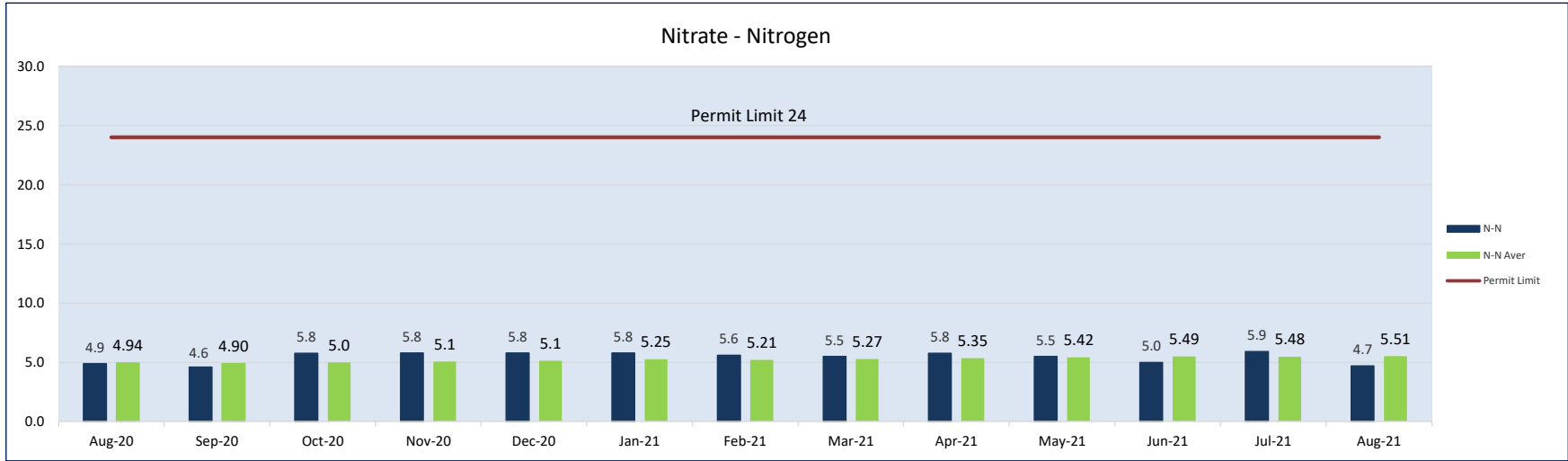
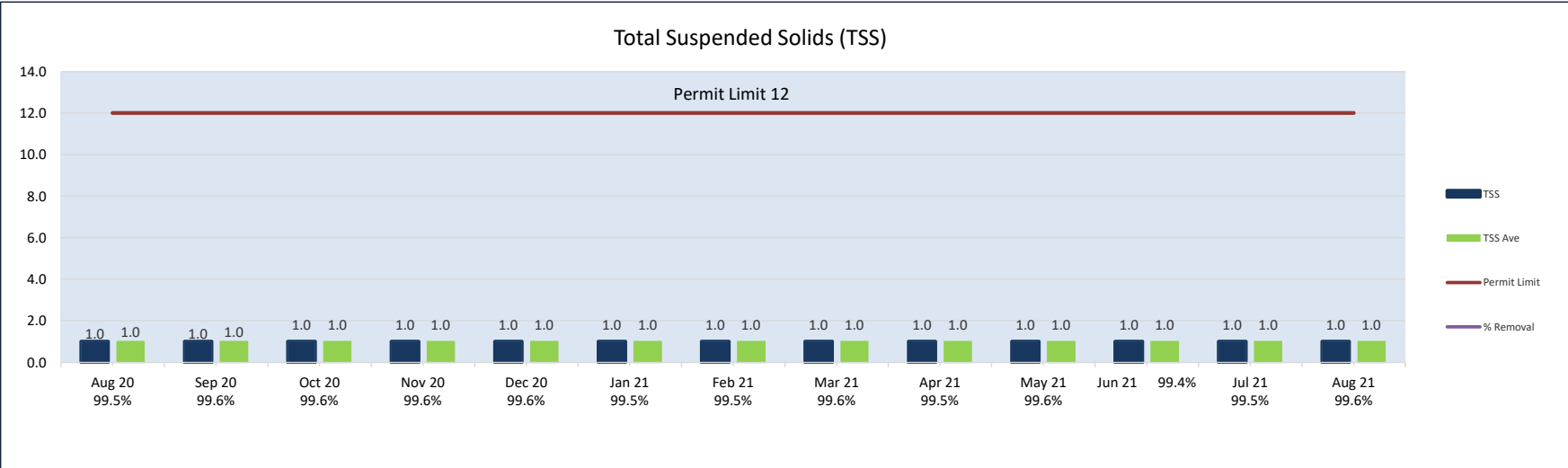


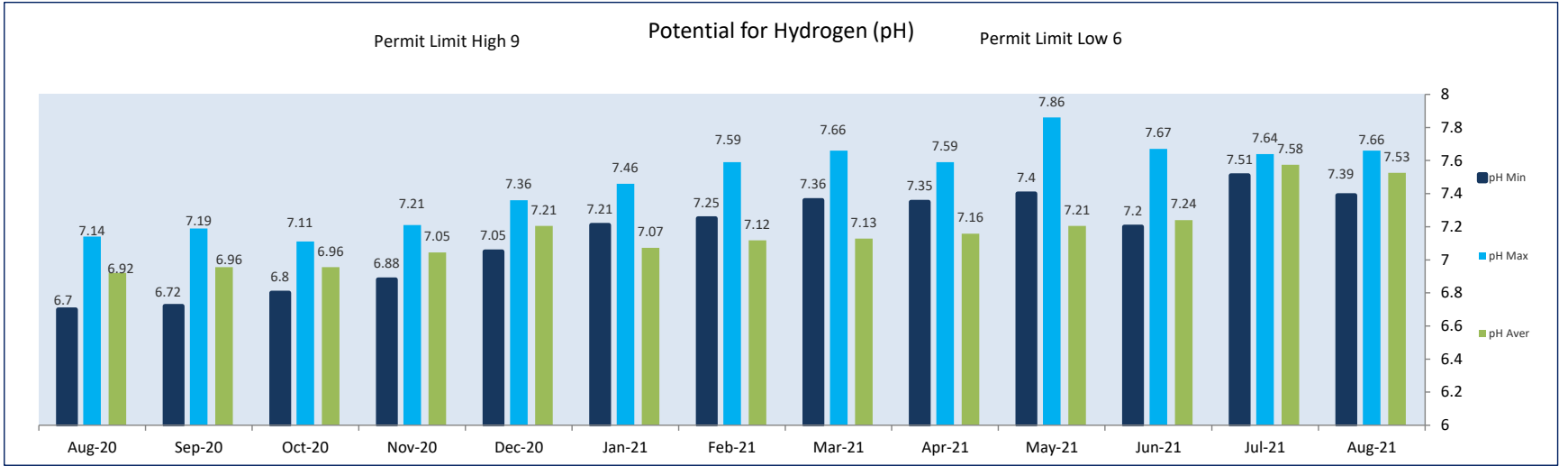
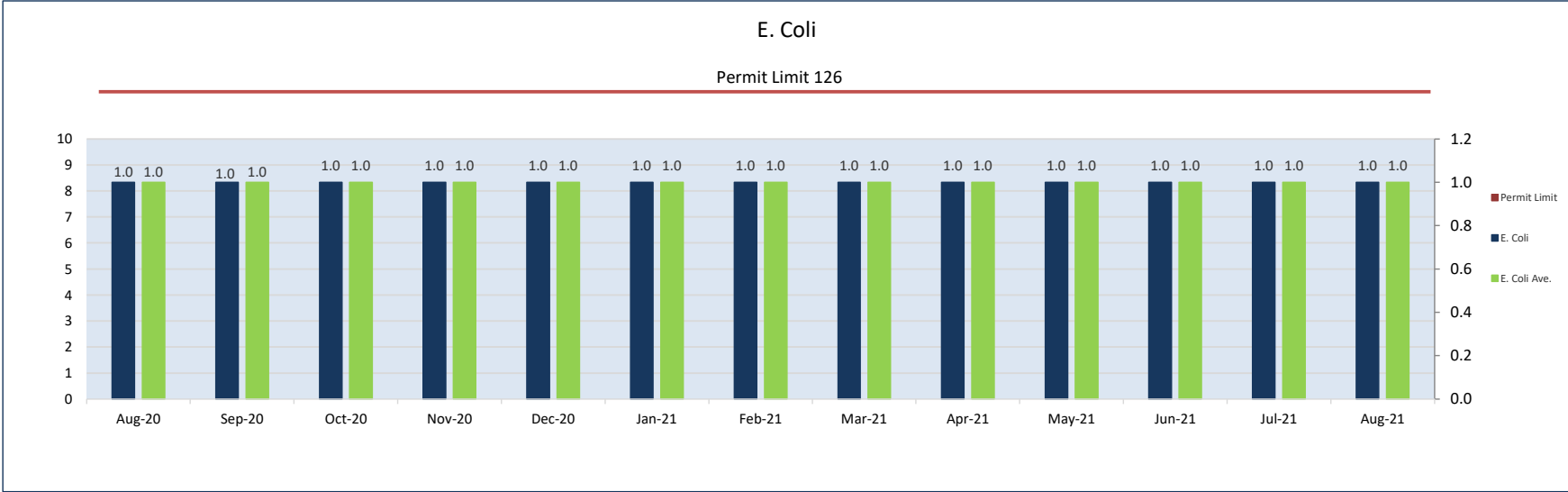
### August 2021 Results

Date	Ammonia-N		% Removal	CBOD5		% Removal	TSS		% Removal
	Influent	Effluent		Influent	Effluent		Influent	Effluent	
2-Aug	35.0	0.20	99.4%	282	2.0	99.3%	176	1.0	99.4%
4-Aug	52.5	0.20	99.6%	280	2.0	99.3%	372	1.0	99.7%
10-Aug	54.5	0.20	99.6%	292	2.0	99.3%	277	1.0	99.6%
12-Aug	47.8	0.20	99.6%	284	2.0	99.3%	343	1.0	99.7%
16-Aug	59.5	0.20	99.7%	289	2.0	99.3%	319	1.0	99.7%
19-Aug	38.3	0.20	99.5%	304	2.0	99.3%	226	1.0	99.6%
24-Aug	61.0	0.20	99.7%	311	2.0	99.4%	272	1.0	99.6%
25-Aug	52.0	0.20	99.6%	286	2.0	99.3%	260	1.0	99.6%

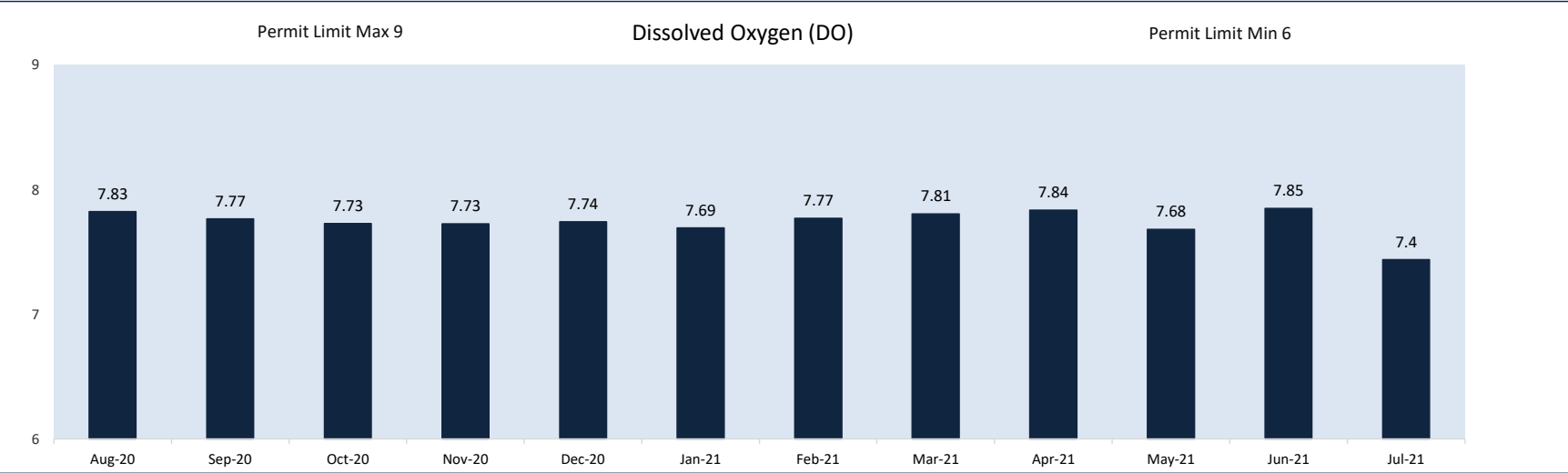
Report	Ammonia-N		CBOD5		TSS	
		0.20	99.6%	2.0	99.3%	1.0











Begin Date: 08/01/2021 End Date: 08/31/2021

From Amt:

AP Checks For Date/Amount Range  
.00 To Amt: 99,999,999.99

Vendor Number	Vendor Name	Invoice Number	Invoice Date	Inv Stat	Dept No	Account Number	Description	Line Item Value	Check Number	Check Date
998	BIRDSEY, CINDY	U0050360013103A	07/31/21	P		135-20050-000-000	A/P Vendors	06.92	7722	08/05/21
Totals for Check: 7722								06.92		
998	COMER, JASON	U9048020016904A	07/31/21	P		135-20050-000-000	A/P Vendors	22.65	7723	08/05/21
Totals for Check: 7723								22.65		
998	CROMER, CLIFTON	U0010080624111A	07/31/21	P		135-20050-000-000	A/P Vendors	117.96	7724	08/05/21
Totals for Check: 7724								117.96		
998	DAVIS, CHRIS	U0030101298206A	07/31/21	P		135-20050-000-000	A/P Vendors	75.93	7725	08/05/21
Totals for Check: 7725								75.93		
998	EMERALD RESIDENTIAL PROPERTY M	U0050060508109A	07/31/21	P		135-20050-000-000	A/P Vendors	12.57	7726	08/05/21
Totals for Check: 7726								12.57		
998	GILLIS, JAMES B	REISSUE	07/31/21	V		135-20050-000-000	A/P Vendors	27.29	7727	08/05/21
Totals for Check: 7727								27.29		
998	HERRING, CANDY	U0050090712101A	07/31/21	P		135-20050-000-000	A/P Vendors	42.82	7728	08/05/21
Totals for Check: 7728								42.82		
998	JIANG, YONG	U0030121527206A	07/31/21	P		135-20050-000-000	A/P Vendors	28.77	7729	08/05/21
Totals for Check: 7729								28.77		
998	JIMENEZ, CHRIS	U9035200011901A	07/31/21	P		135-20050-000-000	A/P Vendors	23.51	7730	08/05/21
Totals for Check: 7730								23.51		
998	LAM, TONY	U9031130028901A	07/31/21	P		135-20050-000-000	A/P Vendors	07.04	7731	08/05/21
Totals for Check: 7731								07.04		
998	LEHRMANN, BRIAN	U0037000410101A	07/31/21	P		135-20050-000-000	A/P Vendors	43.11	7732	08/05/21
Totals for Check: 7732								43.11		
998	MASSINGILL, ANDREW	U0036010646101A	07/31/21	P		135-20050-000-000	A/P Vendors	22.65	7733	08/05/21
Totals for Check: 7733								22.65		
998	MCLAUGHLIN, WILLIAM	U0010200010100A	07/31/21	P		135-20050-000-000	A/P Vendors	03.75	7734	08/05/21
Totals for Check: 7734								03.75		
998	MORRILL, KRISTI	U0030111396202A	07/31/21	P		135-20050-000-000	A/P Vendors	12.57	7735	08/05/21
Totals for Check: 7735								12.57		
998	RODRIGUEZ, JULIO D.	U0010010028103A	07/31/21	P		135-20050-000-000	A/P Vendors	28.82	7736	08/05/21
Totals for Check: 7736								28.82		
2655	Core & Main LP	P181333	07/02/21	P	10	135-55080-010-000	Maintenance & Repairs	(525.00)	7737	08/06/21
2655	Core & Main LP	0227383	07/28/21	P	20	135-55081-020-000	Mainten & Repairs Collections	1,464.00	7737	08/06/21

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Vendor Number	Vendor Name	Invoice Number	Invoice Date	Inv Stat	Dept No	Account Number	Description	Line Item Value	Check Number	Check Date
Totals for Check: 7737								939.00		
3168	LUBRICATION ENGINEERS, INC	IV454234	07/28/21	P	20	135-55080-020-000	Maintenance & Repairs	830.88	7738	08/06/21
Totals for Check: 7738								830.88		
3216	MB Networks	7117	06/29/21	P	30	135-69005-030-000	Capital Outlays	1,095.70	7739	08/06/21
Totals for Check: 7739								1,095.70		
1238	NORTH TEXAS PUMP CO.	15139	08/03/21	P	20	135-55080-020-000	Maintenance & Repairs	750.00	7740	08/06/21
Totals for Check: 7740								750.00		
1056	OFFICE DEPOT, INC	184459873001	07/21/21	P	30	135-65085-030-000	Office Supplies	72.23	7741	08/06/21
1056	OFFICE DEPOT, INC	184459873001	07/21/21	P	30	135-65095-030-000	Maintenance Supplies	101.93	7741	08/06/21
Totals for Check: 7741								174.16		
2696	Texas Excavation Safety System	21-16714	07/31/21	P	30	135-60040-030-000	Service Charges & Fees	183.35	7742	08/06/21
Totals for Check: 7742								183.35		
1000	TROPHY CLUB MUD (WATER BILLS)	07/31/2021	07/31/21	P	30	135-60025-030-000	Water	394.15	7743	08/06/21
Totals for Check: 7743								394.15		
3280	WATTS ELLISON LLC	27127	08/02/21	P	10	135-60285-010-000	Lawn Equipment & Maintenance	1,200.00	7744	08/06/21
3280	WATTS ELLISON LLC	27127	08/02/21	P	20	135-60285-020-000	Lawn Equipment & Maintenance	1,540.00	7744	08/06/21
3280	WATTS ELLISON LLC	27127	08/02/21	P	30	135-60285-030-000	Lawn Equipment & Maintenance	469.67	7744	08/06/21
Totals for Check: 7744								3,209.67		
3045	3RD EYE SURVEILLANCE SYSTEMS	9512	08/06/21	P	30	135-55080-030-000	Maintenance & Repairs	830.00	7745	08/16/21
Totals for Check: 7745								830.00		
2222	AFLAC	PR00732	996 08/06/21	P		135-21312-000-000	Aflac	166.60	7746	08/16/21
Totals for Check: 7746								166.60		
2772	Allied Waste Industries	0615-001004981A	05/31/21	P	20	135-55125-020-000	Dumpster Services	8,073.15	7747	08/16/21
Totals for Check: 7747								8,073.15		
2772	Allied Waste Industries	0615-001064066	07/31/21	P	20	135-55125-020-000	Dumpster Services	1,926.55	7748	08/16/21
Totals for Check: 7748								1,926.55		
2683	Charter Communications	71672080621	08/06/21	P	30	135-55030-030-000	Software & Support	899.00	7749	08/16/21
Totals for Check: 7749								899.00		
3193	COMPUPAY, INC.	PR00732	996 08/06/21	P		135-21313-000-000	Cafe 125-Medical Reimb	490.40	7750	08/16/21
Totals for Check: 7750								490.40		
3184	DATAPROSE LLC	DP2102671	07/31/21	P	30	135-60035-030-000	Postage	1,649.07	7751	08/16/21
3184	DATAPROSE LLC	DP2102671	07/31/21	P	30	135-55205-030-000	Utility Billing Contract	583.62	7751	08/16/21
Totals for Check: 7751								2,232.69		

Begin Date: 08/01/2021 End Date: 08/31/2021

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Vendor Number	Vendor Name	Invoice Number	Invoice Date	Inv Stat	Dept No	Account Number	Description	Line Item Value	Check Number	Check Date
2758	Dezurik Inc	RPI 67011119	08/04/21	P	10	135-55080-010-000	Maintenance & Repairs	1,578.00	7752	08/16/21
Totals for Check: 7752								1,578.00		
2606	Fiserv Solutions, LLC	91945241	08/09/21	P	30	135-60040-030-000	Service Charges & Fees	50.00	7753	08/16/21
Totals for Check: 7753								50.00		
3258	FRANCOTYP-POSTALIA, INC.	RI104975496	07/16/21	P	30	135-60035-030-000	Postage	113.04	7754	08/16/21
Totals for Check: 7754								113.04		
2635	Halff Associates, INC	10056952	08/11/21	P	30	135-55030-030-000	Software & Support	1,840.49	7755	08/16/21
2635	Halff Associates, INC	10056688	08/06/21	P	30	135-69005-030-000	Capital Outlays	1,000.00	7755	08/16/21
2635	Halff Associates, INC	10057067	08/12/21	P	10	520-69005-010-000	Capital Outlays	12,097.87	7755	08/16/21
2635	Halff Associates, INC	10057070	08/12/21	P	10	135-69005-010-000	Capital Outlays	7,911.00	7755	08/16/21
2635	Halff Associates, INC	10057070	08/12/21	P	20	135-69005-020-000	Capital Outlays	9,350.00	7755	08/16/21
2635	Halff Associates, INC	10057072	08/12/21	P	20	135-69005-020-000	Capital Outlays	1,300.00	7755	08/16/21
Totals for Check: 7755								33,499.36		
1372	HACH COMPANY	12575449	08/02/21	P	10	135-65030-010-000	Chemicals	83.00	7756	08/16/21
1372	HACH COMPANY	12575439	08/02/21	P	10	135-65030-010-000	Chemicals	207.50	7756	08/16/21
1372	HACH COMPANY	12573602	07/30/21	P	20	135-65045-020-000	Lab Supplies	383.95	7756	08/16/21
Totals for Check: 7756								674.45		
2767	InSpeyer Human Resource Svc	20210801TCMUD-1	08/01/21	P	30	135-55070-030-000	Independent Labor	1,000.00	7757	08/16/21
Totals for Check: 7757								1,000.00		
3124	IRS Tax Payment	PR00732	996 08/06/21	P		135-21302-000-000	FWH Taxes	5,012.07	7758	08/16/21
3124	IRS Tax Payment	PR00732	996 08/06/21	P		135-21303-000-000	Social Security Taxes	6,127.44	7758	08/16/21
3124	IRS Tax Payment	PR00732	996 08/06/21	P		135-21304-000-000	Medicare Taxes	1,433.06	7758	08/16/21
Totals for Check: 7758								12,572.57		
3167	KEYSTONE PARK SECRETARIAL	170676	08/05/21	P	30	135-60005-030-000	Telephone	25.00	7759	08/16/21
Totals for Check: 7759								25.00		
3132	Legal Shield	PR00732	996 08/06/21	P		135-21310-000-000	Legal Plan	17.46	7760	08/16/21
Totals for Check: 7760								17.46		
2643	McLean & Howard, L.L.P.	40181	07/31/21	P	39	135-55045-039-000	Legal	1,050.00	7761	08/16/21
2643	McLean & Howard, L.L.P.	40180	07/31/21	P	39	135-55045-039-000	Legal	3,510.00	7761	08/16/21
Totals for Check: 7761								4,560.00		
3111	North Texas Groundwater	INV-01279	06/30/21	P	10	135-60135-010-000	TCEQ Fees & Permits	4,785.40	7762	08/16/21
Totals for Check: 7762								4,785.40		
1056	OFFICE DEPOT, INC	184460192001	07/23/21	P	30	135-65085-030-000	Office Supplies	39.89	7763	08/16/21
Totals for Check: 7763								39.89		
3156	OXIDOR LABORATORIES LLC	21080023	08/02/21	P	20	135-55135-020-000	Lab Analysis	333.50	7764	08/16/21

Begin Date: 08/01/2021 End Date: 08/31/2021

From Amt: .00 To Amt: 99,999,999.99

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3156	OXIDOR LABORATORIES LLC	21070590	07/29/21	P	20	135-55135-020-000	Lab Analysis	259.90	7764	08/16/21
3156	OXIDOR LABORATORIES LLC	21080063	08/04/21	P	20	135-55135-020-000	Lab Analysis	294.40	7764	08/16/21
3156	OXIDOR LABORATORIES LLC	21070510	07/27/21	P	20	135-55135-020-000	Lab Analysis	368.00	7764	08/16/21
3156	OXIDOR LABORATORIES LLC	21080133	08/10/21	P	20	135-55135-020-000	Lab Analysis	368.00	7764	08/16/21
3156	OXIDOR LABORATORIES LLC	21080159	08/11/21	P	20	135-55135-020-000	Lab Analysis	259.90	7764	08/16/21
Totals for Check: 7764								1,883.70		
2703	RDO Equipment Co	W0246419	08/01/21	P	20	135-55105-020-000	Maintenance-Backhoe/SkidLoader	1,068.20	7765	08/16/21
Totals for Check: 7765								1,068.20		
2633	Sluder Emergency Power Service	2105	08/13/21	P	10	135-55085-010-000	Generator Maint. and Repair	889.35	7766	08/16/21
2633	Sluder Emergency Power Service	2105	08/13/21	P	30	135-55085-030-000	Generator Maint. and Repair	669.90	7766	08/16/21
2633	Sluder Emergency Power Service	2105	08/13/21	P	20	135-55085-020-000	Generator Maint. and Repair	4,008.48	7766	08/16/21
Totals for Check: 7766								5,567.73		
2440	TARRANT CTY PUBLIC HEALTH LAB	35511	07/31/21	P	10	135-55135-010-000	Lab Analysis	200.00	7767	08/16/21
2440	TARRANT CTY PUBLIC HEALTH LAB	35512	07/31/21	P	10	135-55135-010-001	Lab Analysis for PID	80.00	7767	08/16/21
Totals for Check: 7767								280.00		
3113	TCDRS	PR00732	996 08/06/21	P		135-21317-000-000	TCDRS	8,339.96	7768	08/16/21
Totals for Check: 7768								8,339.96		
1001	TOWN OF TROPHY CLUB	JULY REFUSE	07/31/21	P		135-25040-000-000	Town-Storm Drainage	32,492.13	7769	08/16/21
1001	TOWN OF TROPHY CLUB	JULY REFUSE	07/31/21	P		135-25000-000-000	Refuse	81,672.53	7769	08/16/21
1001	TOWN OF TROPHY CLUB	JULY REFUSE	07/31/21	P		135-25010-000-000	Refuse Tax	6,755.64	7769	08/16/21
1001	TOWN OF TROPHY CLUB	080121	08/02/21	P	45	122-60337-045-000	Transfer to Town/Fire Budget	68,335.58	7769	08/16/21
Totals for Check: 7769								189,255.88		
1081	TRI COUNTY ELECTRIC	78894530	08/05/21	P	20	135-60020-020-000	Electricity	508.74	7770	08/16/21
Totals for Check: 7770								508.74		
2634	Valley Solvent Company, INC	74619	08/06/21	P	20	135-65030-020-000	Chemicals	821.00	7771	08/16/21
Totals for Check: 7771								821.00		
1087	WHITAKER CHALK SWINDLE	275244	07/31/21	P	39	135-55045-039-000	Legal	40.00	7772	08/16/21
Totals for Check: 7772								40.00		
2784	Manning Concrete Sawing	2258	08/11/21	P	30	135-69005-030-000	Capital Outlays	16,740.75	7773	08/16/21
Totals for Check: 7773								16,740.75		
1973	TX COMMISSION ENVIRONMENTAL QU REGASS-2020A		08/23/21	P		135-25045-000-000	TCEQ Reg Assessment Charge	1,129.01	7774	08/23/21
Totals for Check: 7774								1,129.01		
1973	TX COMMISSION ENVIRONMENTAL QU TCEQ-FILING FEE		08/23/21	P	10	135-60135-010-000	TCEQ Fees & Permits	100.00	7775	08/24/21
Totals for Check: 7775								100.00		
2222	AFLAC	PR00733	996 08/20/21	P		135-21312-000-000	Aflac	166.60	7776	08/24/21

Begin Date: 08/01/2021 End Date: 08/31/2021

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Vendor Number	Vendor Name	Invoice Number	Invoice Date	Inv Stat	Dept No	Account Number	Description	Line Item Value	Check Number	Check Date
Totals for Check: 7776								166.60		
3193	COMPUPAY, INC.	PR00733	996 08/20/21	P		135-21313-000-000	Cafe 125-Medical Reimb	490.40	7777	08/24/21
Totals for Check: 7777								490.40		
2740	Cues Inc	583710-1	08/01/21	P	20	135-55081-020-000	Mainten & Repairs Collections	1,250.00	7778	08/24/21
Totals for Check: 7778								1,250.00		
2497	DHS AUTOMATION, INC	06-2082	08/18/21	P	20	135-55081-020-000	Mainten & Repairs Collections	1,988.55	7779	08/24/21
2497	DHS AUTOMATION, INC	06-2083	08/18/21	P	20	135-55080-020-000	Maintenance & Repairs	2,156.65	7779	08/24/21
2497	DHS AUTOMATION, INC	06*2086	08/18/21	P	20	135-69005-020-000	Capital Outlays	12,861.00	7779	08/24/21
Totals for Check: 7779								17,006.20		
1737	DPC INDUSTRIES, INC	757004007-21	08/16/21	P	10	135-65030-010-000	Chemicals	771.68	7780	08/24/21
Totals for Check: 7780								771.68		
1372	HACH COMPANY	12597474	08/17/21	P	10	135-65030-010-000	Chemicals	456.50	7781	08/24/21
1372	HACH COMPANY	12597474	08/17/21	P	10	135-65030-010-000	Chemicals	69.95	7781	08/24/21
Totals for Check: 7781								526.45		
2641	Huber Technology Inc	CD10021578	07/27/21	P	20	135-55080-020-000	Maintenance & Repairs	1,414.97	7782	08/24/21
2641	Huber Technology Inc	II10005026	08/18/21	P	20	135-55080-020-000	Maintenance & Repairs	(180.00)	7782	08/24/21
Totals for Check: 7782								1,234.97		
2676	Humana Inc	155516863	08/13/21	P		135-21308-000-000	Dental	1,342.43	7783	08/24/21
2676	Humana Inc	155516863	08/13/21	P		135-21309-000-000	Vision	172.26	7783	08/24/21
2676	Humana Inc	155516863	08/13/21	P		135-21311-000-000	Voluntary Life	366.95	7783	08/24/21
2676	Humana Inc	155516863	08/13/21	P	10	135-50029-010-000	Life Insurance & Other	155.43	7783	08/24/21
2676	Humana Inc	155516863	08/13/21	P	20	135-50029-020-000	Life Insurance & Other	175.56	7783	08/24/21
2676	Humana Inc	155516863	08/13/21	P	30	135-50029-030-000	Life Insurance & Other	184.80	7783	08/24/21
Totals for Check: 7783								2,397.43		
2775	HUDSON ENERGY SERVICES, LLC	S2108160002-20	08/16/21	P	30	135-60020-030-000	Electricity/Gas	960.01	7784	08/24/21
2775	HUDSON ENERGY SERVICES, LLC	S2108160002-20	08/16/21	P	10	135-60020-010-000	Electricity	12,637.78	7784	08/24/21
2775	HUDSON ENERGY SERVICES, LLC	S2108160002-20	08/16/21	P	20	135-60020-020-000	Electricity	12,527.36	7784	08/24/21
Totals for Check: 7784								26,125.15		
3124	IRS Tax Payment	PR00733	996 08/20/21	P		135-21302-000-000	FWH Taxes	4,926.64	7785	08/24/21
3124	IRS Tax Payment	PR00733	996 08/20/21	P		135-21303-000-000	Social Security Taxes	6,089.68	7785	08/24/21
3124	IRS Tax Payment	PR00733	996 08/20/21	P		135-21304-000-000	Medicare Taxes	1,424.24	7785	08/24/21
Totals for Check: 7785								12,440.56		
3132	Legal Shield	PR00733	996 08/20/21	P		135-21310-000-000	Legal Plan	17.44	7786	08/24/21
Totals for Check: 7786								17.44		
3115	METLIFE GROUP BENEFITS	09012021	08/15/21	P	10	135-50029-010-000	Life Insurance & Other	123.37	7787	08/24/21
3115	METLIFE GROUP BENEFITS	09012021	08/15/21	P	20	135-50029-020-000	Life Insurance & Other	165.40	7787	08/24/21

Begin Date: 08/01/2021 End Date: 08/31/2021

From Amt: .00 To Amt: 99,999,999.99

Vendor Number	Vendor Name	Invoice Number	Invoice Date	Inv Stat	Dept No	Account Number	Description	Line Item Value	Check Number	Check Date
3115	METLIFE GROUP BENEFITS	09012021	08/15/21	P	30	135-50029-030-000	Life Insurance & Other	182.22	7787	08/24/21
3115	METLIFE GROUP BENEFITS	09012021	08/15/21	P		135-21315-000-000	Short Term Disability	85.46	7787	08/24/21
Totals for Check: 7787								556.45		
2760	NDS Leasing	73534613	08/21/21	P	30	135-69170-030-000	Copier Lease Installments	175.00	7788	08/24/21
Totals for Check: 7788								175.00		
1056	OFFICE DEPOT, INC	186957247001	08/09/21	P	30	135-65085-030-000	Office Supplies	50.79	7789	08/24/21
1056	OFFICE DEPOT, INC	186957401001	08/03/21	P	30	135-65085-030-000	Office Supplies	103.98	7789	08/24/21
Totals for Check: 7789								154.77		
3156	OXIDOR LABORATORIES LLC	21080286	08/17/21	P	20	135-55135-020-000	Lab Analysis	368.00	7790	08/24/21
3156	OXIDOR LABORATORIES LLC	21080338	08/19/21	P	20	135-55135-020-000	Lab Analysis	259.90	7790	08/24/21
Totals for Check: 7790								627.90		
3176	REY-MAR CONSTRUCTION	17CYPRESSMANHOL	08/23/21	P	20	135-69005-020-000	Capital Outlays	4,530.00	7791	08/24/21
Totals for Check: 7791								4,530.00		
2736	Stuart Hose & Pipe	SI001848246	06/17/21	P	20	135-55081-020-000	Mainten & Repairs Collections	87.76	7792	08/24/21
Totals for Check: 7792								87.76		
3113	TCDRS	PR00733	996 08/20/21	P		135-21317-000-000	TCDRS	8,412.84	7793	08/24/21
Totals for Check: 7793								8,412.84		
2497	DHS AUTOMATION, INC	06-2047 A	08/25/21	P	20	135-55081-020-000	Mainten & Repairs Collections	880.00	7794	08/25/21
Totals for Check: 7794								880.00		
998	GILLIS, JAMES B	8/25/2021	08/25/21	P		135-20050-000-000	A/P Vendors	27.29	7795	08/25/21
Totals for Check: 7795								27.29		
2767	InSpeyer Human Resource Svc	20210901TCMUD08	08/25/21	P	30	135-55070-030-000	Independent Labor	1,000.00	7796	08/25/21
Totals for Check: 7796								1,000.00		
2291	KYOCERA MITA AMERICA, INC.	55R1882860	08/18/21	P	30	135-69170-030-000	Copier Lease Installments	148.00	7797	08/25/21
Totals for Check: 7797								148.00		
3216	M3 Networks	7261	08/15/21	P	30	135-55030-030-000	Software & Support	484.00	7798	08/25/21
Totals for Check: 7798								484.00		
2749	Aqua-Metric Sales Company	INV0084181	08/24/21	P	10	135-55080-010-000	Maintenance & Repairs	1,800.00	7799	08/31/21
Totals for Check: 7799								1,800.00		
1030	CITY OF FORT WORTH	08/20/2021	08/20/21	P	10	135-60150-010-000	Wholesale Water	257,774.05	7800	08/31/21
Totals for Check: 7800								257,774.05		
2786	ClearGov Inc	2021-11323	08/23/21	P	30	135-55030-030-000	Software & Support	5,900.00	7801	08/31/21
Totals for Check: 7801								5,900.00		

Begin Date: 08/01/2021 End Date: 08/31/2021

From Amt:

Vendor Number	Vendor Name	Invoice Number	Invoice Date	Inv Stat	Dept No	Account Number	Description	Line Item Value	Check Number	Check Date
3187	CLS SEMER EQUIPMENT CO., INC	27415	08/24/21	P	20	135-55081-020-000	Mainten & Repairs Collections	3,350.00	7802	08/31/21
Totals for Check: 7802								3,350.00		
2677	Digital Air Control, Inc	2056780	08/29/21	P	30	135-60235-030-000	Security	24.00	7803	08/31/21
Totals for Check: 7803								24.00		
3118	Exclusive Pest Control	10316	08/30/21	P	20	135-55080-020-000	Maintenance & Repairs	119.08	7804	08/31/21
3118	Exclusive Pest Control	10024	08/01/21	P	30	135-55080-030-000	Maintenance & Repairs	235.00	7804	08/31/21
Totals for Check: 7804								354.08		
3093	FOUR MAN FURNACE, INC.	MUD-0821	08/30/21	P	30	135-69005-030-000	Capital Outlays	17,125.00	7805	08/31/21
Totals for Check: 7805								17,125.00		
2635	Halff Associates, INC	10057074	08/12/21	P	20	135-55081-020-000	Mainten & Repairs Collections	690.00	7806	08/31/21
Totals for Check: 7806								690.00		
1834	IDEXX DISTRIBUTION, INC	3080492535	08/16/21	P	20	135-65045-020-000	Lab Supplies	2,085.00	7807	08/31/21
Totals for Check: 7807								2,085.00		
2785	KLeen Pipe, Inc	INV-35963	08/25/21	P	20	135-55081-020-000	Mainten & Repairs Collections	9,265.00	7808	08/31/21
Totals for Check: 7808								9,265.00		
3216	M3 Networks	7281	08/17/21	P	30	135-55030-030-000	Software & Support	1,455.00	7809	08/31/21
Totals for Check: 7809								1,455.00		
3156	OXIDOR LABORATORIES LLC	21080387	08/23/21	P	20	135-55135-020-000	Lab Analysis	368.00	7810	08/31/21
3156	OXIDOR LABORATORIES LLC	21080466	08/26/21	P	20	135-55135-020-000	Lab Analysis	259.90	7810	08/31/21
Totals for Check: 7810								627.90		
1466	POLYDYNE, INC	1571381	08/24/21	P	20	135-65030-020-000	Chemicals	2,856.60	7811	08/31/21
Totals for Check: 7811								2,856.60		
3176	REY-MAR CONSTRUCTION	ROOFLEAKREPAIR	08/23/21	P	20	135-55080-020-000	Maintenance & Repairs	2,590.00	7812	08/31/21
Totals for Check: 7812								2,590.00		
3225	US Bank Voyager Fleet Systems	8693381112135	08/24/21	P	10	135-65005-010-000	Fuel & Lube	1,473.53	7813	08/31/21
3225	US Bank Voyager Fleet Systems	8693381112135	08/24/21	P	20	135-65005-020-000	Fuel & Lube	1,270.84	7813	08/31/21
Totals for Check: 7813								2,744.37		
2634	Valley Solvent Company, INC	75342	08/24/21	P	20	135-65030-020-000	Chemicals	851.25	7814	08/31/21
Totals for Check: 7814								851.25		
2943	JPMORGAN CHASE BANK NA	08272021	08/27/21	P		135-20060-000-000	Procurement Clearing	6,183.69	7815	08/31/21
Totals for Check: 7815								6,183.69		



\*\*\*\*\* End of Report \*\*\*\*\*





<b>CASH STATUS AS OF AUGUST 2021</b>		Restricted - Unable to be spent	Unrestricted- Available for spending	Total in Accounts (Restricted & Unrestricted)
135-10250	TexPool O & M (XXXXX0002)-General Fund Operating ***	\$0	\$4,377,574	\$4,377,574
135-10300	Prosperity Bank (XXX8701) General Fund Operating	\$312,405	\$2,698,821	\$3,011,226
135-10305	Prosperity Bank Reserve-Savings Acct (XXXXX7724)	\$2,000,397	\$0	\$2,000,397
135-11100	Petty Cash Administration	\$0	\$150	\$150
135-11150	Petty Cash Utility Billing	\$0	\$450	\$450
137-10250	TexPool O & M (XXXXX0002) GASB Replacement	\$2,007,484	\$0	\$2,007,484
517-10250	TexPool Construction Tax (XXXXX011) WWTP Improvements	\$0	\$0	\$0
517-10300	Prosperity Bank Construction WWTP Improvements	\$0	\$0	\$0
519-10250	Texpool Revenue Bond Construction (XXXXX015) SWIFT	\$0	\$0	\$0
519-11155	Cash-Bond Escrow Bank of Texas (SWIFT)	\$785,032	\$0	\$785,032
520-10250	Texpool Revenue Bond Water & Waste Water Systems 2019 (XXXXX018)	\$145,375	\$0	\$145,375
520-10300	Prosperity Bank Construction Water & Waste Water Systems 2019	\$0	\$0	\$0
520-11155	Cash-Bond Escrow Bank of Texas (Water & Waste Water Systems)	\$3,892,849	\$0	\$3,892,849
528-10250	TexPool Revenue Bond Reserve (XXXXX014) WWTP Improvements	\$894,291	\$0	\$894,291
533-10250	TexPool Tax I & S (XXXXX0003)	\$127,873	\$0	\$127,873
533-10300	Prosperity Bank (XXX8701) Tax I&S	\$0	\$0	\$0
534-10250	TexPool Revenue I & S (XXXXX013) WWTP Improvements	\$26,060	\$0	\$26,060
535-10250	Texpool Revenue I & S (XXXXX017) SWIFT	\$5,656	\$0	\$5,656
536-10250	TexPool Revenue I & S (XXXXX020) Water & Waste Water Systems	\$565	\$0	\$565
		<b>\$10,197,987</b>	<b>\$7,076,995</b>	<b>\$17,274,981</b>

Amount available in cash (MUD Accounts) **\$7,076,995**

Amount available for spending (MUD Accounts) **\$7,076,995**

\*08/31/2021 Customer Water Deposits \$312,405

**Fire Department Cash**

122-10250	TexPool O & M (XXXXX0002)-Fire Operating Cash	\$0	\$771,824	\$771,824
122-10300	Prosperity Bank (XXX8701) Fire Operating	\$0	\$0	\$0
		<b>\$0</b>	<b>\$771,824</b>	<b>\$771,824</b>

Amount available in cash (Fire Department Accounts) **\$771,824**

Amount available for spending (Fire Department Accounts) **\$771,824**

<b>General Fund 135 Available</b>	
\$ 2,698,821	Prosperity General Fund
\$ 4,377,574	Texpool General Fund
\$ 600	Petty Cash
<b>\$ 7,076,995</b>	

Total General Fund 135 Available for Spending

**General Fund 135 Fund Balances**

Nonspendable Fund Balance (Prepays)	\$ 3,486
Assigned Fund Balance (FY2020 Capital Projects plus prior year carry forward)	\$ 1,518,116
Unassigned Fund Balance	\$ 7,651,523
Current Year Revenue/Expenses	\$ 718,433
<b>Total Nonspendable, Assigned &amp; Committed Fund Balances - General Fund 135</b>	<b>\$9,891,558</b>

## FY 2021 General Fund YTD Budget Variance

Account	Description	FY 2021 Adopted	Amended Budget	August Totals	YTD Total 8/31/2021	YTD % Budget (91% Target)	Remaining Budget
<b>General Fund Revenues</b>							
135-40000-000-000	Property Taxes	136,531	136,531	464	134,690	98.65%	1,842
135-40002-000-000	Property Taxes/Delinquent	300	547	0	519	94.83%	28
135-40015-000-000	Property Taxes/P & I	300	367	54	529	144.09%	(162)
135-40025-000-000	PID Surcharges	163,725	163,725	-	-	0.00%	163,725
135-47000-000-000	Water	5,932,489	5,639,480	633,186	4,828,108	85.61%	811,372
135-47005-000-000	Sewer	3,677,146	3,560,000	328,470	3,248,559	91.25%	311,441
135-47025-000-000	Penalties	112,608	74,000	12,994	76,130	102.88%	(2,130)
135-47030-000-000	Service Charges (Disconnect Fees)	16,550	11,500	1,025	11,050	96.09%	450
135-47035-000-000	Plumbing Inspections	750	300	-	300	100.00%	-
135-47045-000-000	Sewer Inspections	2,500	100	-	100	100.00%	-
135-47070-000-000	TCCC Effluent Charges	50,000	42,000	11,655	57,965	138.01%	(15,965)
135-48010-000-000	Utility Fees	-	-	-	-	0.00%	-
135-49000-000-000	Capital Lease- Other Fin Sources	-	-	-	-	0.00%	-
135-49011-000-000	Interest Income	100,000	18,090	1,284	17,031	94.15%	1,059
135-49016-000-000	Cell Tower Revenue	14,146	14,146	2,358	14,146	100.00%	-
135-49018-000-000	Building Rent Income	-	-	-	-	0.00%	-
135-49026-000-000	Proceeds from Sale of Assets	5,000	19,575	-	19,575	100.00%	-
135-49035-000-000	Prior Year Reserves	-	-	-	-	0.00%	-
135-49036-000-000	GASB Reserves	-	-	-	-	0.00%	-
135-49005-000-000	Loan Proceeds	-	-	-	-	0.00%	-
135-49075-000-000	Oversize Meter Reimbursement	8,232	4,407	-	4,407	100.00%	-
135-49141-000-000	Interfund Transfer In	-	-	-	-	0.00%	-
135-49145-000-000	Intergov Transfer In	-	-	-	-	0.00%	-
135-49900-000-000	Miscellaneous Income	7,000	18,488	999	19,735	106.75%	(1,248)
135-49901-000-000	Records Management Revenue	-	-	-	-	0.00%	-
135-49903-000-000	Recovery of Prior Year Expense	-	-	-	-	0.00%	-
135-00000-000-000	Reimbursement	-	-	-	-	0.00%	-
	<b>Total</b>	<b>10,227,277</b>	<b>9,703,255</b>	<b>992,489</b>	<b>8,432,844</b>	<b>86.91%</b>	<b>1,270,411</b>

Water	General Fund Expenses	FY 2021 Adopted	Amended Budget	August Totals	YTD Total 8/31/2021	YTD % Budget (91% Target)	Remaining Budget
135-50005-010-000	Salaries & Wages	365,309	358,000	25,352	310,492	86.73%	47,508
135-50010-010-000	Overtime	17,000	24,000	700	20,346	84.78%	3,654
135-50016-010-000	Longevity	5,435	5,435	-	5,435	100.00%	-
135-50017-010-000	Certification	6,000	3,025	250	2,775	91.74%	250
135-50020-010-000	Retirement	36,520	36,520	2,441	33,124	90.70%	3,396
135-50026-010-000	Medical Insurance	86,182	65,000	4,625	58,242	89.60%	6,758
135-50027-010-000	Dental Insurance	4,933	4,000	292	3,544	88.59%	456
135-50028-010-000	Vision Insurance	789	580	41	520	89.57%	60
135-50029-010-000	Life Insurance & Other	3,289	3,800	279	3,498	92.06%	302
135-50030-010-000	Social Security Taxes	24,412	24,412	1,599	20,768	85.07%	3,644
135-50035-010-000	Medicare Taxes	5,709	5,709	374	4,857	85.07%	852
135-50040-010-000	Unemployment Taxes	1,080	1,200	-	1,671	139.25%	(471)
135-50045-010-000	Workman's Compensation	10,877	12,500	901	11,599	92.79%	901
135-50060-010-000	Pre-emp Physicals/Testing	400	400	-	-	0.00%	400
135-50070-010-000	Employee Relations	300	300	-	103	34.38%	197
135-55005-010-000	Engineering	20,000	-	-	-	0.00%	-
135-55080-010-000	Maintenance & Repairs	124,000	96,000	7,842	77,572	80.80%	18,428
135-55085-010-000	Generator Maintenance & Repairs	3,000	2,000	889	889	44.47%	1,111
135-55090-010-000	Vehicle Maintenance	5,000	7,657	142	7,879	102.90%	(222)
135-55105-010-000	Maintenance-Heavy Equipment	3,500	3,500	-	1,114	31.83%	2,386
135-55120-010-000	Cleaning Services	1,000	1,000	-	788	78.75%	213
135-55135-010-000	Lab Analysis - MUD	7,500	7,500	400	3,441	45.88%	4,059
135-55135-010-001	Lab Analysis - PID	2,000	2,000	160	1,753	87.66%	247
135-60010-010-000	Communications/Mobiles	7,500	7,500	376	4,252	56.69%	3,248
135-60020-010-000	Electricity	123,487	123,487	12,638	110,412	89.41%	13,075
135-60066-010-000	Publications/Books/Subscripts	1,000	1,366	-	1,366	100.00%	-
135-60070-010-000	Dues & Memberships	500	500	-	-	0.00%	500
135-60080-010-000	Schools & Training	7,426	2,500	-	1,986	79.44%	514
135-60090-010-000	Safety Program	400	400	-	105	26.25%	295
135-60100-010-000	Travel & per diem	2,875	500	-	-	0.00%	500
135-60105-010-000	Rent/Lease Equipment	1,500	-	-	-	0.00%	-
135-60135-010-000	TCEQ Fees & Permits - MUD	30,000	30,000	5,099	29,117	97.06%	883
135-60135-010-001	TCEQ Fees & Permits - PID	-	-	-	-	0.00%	-
135-60150-010-000	Wholesale Water	2,596,295	2,316,841	257,774	1,578,514	68.13%	738,327
135-60245-010-000	Miscellaneous Expenses	200	-	-	-	0.00%	-
135-60280-010-000	Property Maintenance	3,000	1,000	105	245	24.50%	755
135-60285-010-000	Lawn Equipment & Maintenance	14,750	10,000	600	8,100	81.00%	1,900
135-60332-010-000	Interfund Transfer Out- Revenue I&S	565,820	565,820	51,438	565,819	100.00%	0
135-60333-010-000	Interfund Transfer Out- Bond Reserve	-	-	-	-	0.00%	-
135-60334-010-000	Interfund Transfer Out-Bank Reserve Account	75,000	75,000	-	-	0.00%	75,000
135-60360-010-000	Furniture/Equipment < \$5000	2,500	383	-	383	100.00%	-
135-65005-010-000	Fuel & Lube	15,000	15,000	1,474	13,367	89.12%	1,633
135-65010-010-000	Uniforms	5,190	3,500	-	2,966	84.75%	534

September 20, 2021 Agenda Packet

Account	Description	FY 2021 Adopted	Amended Budget	August Totals	YTD Total 8/31/2021	YTD % Budget (91% Target)	Remaining Budget
135-65030-010-000	Chemicals	25,000	25,000	1,589	22,634	90.53%	2,366
135-65035-010-000	Small Tools	1,200	1,200	-	-	0.00%	1,200
135-65040-010-000	Safety Equipment	1,000	1,000	-	-	0.00%	1,000
135-65050-010-000	Meter Expense	70,000	10,000	-	9,287	92.87%	713
135-65053-010-000	Meter Change Out Program	87,000	87,000	-	86,625	99.57%	375
135-69005-010-000	Capital Outlays	740,000	835,000	7,911	671,593	80.43%	163,407
135-69008-010-000	Short Term Debt-Principal	30,962	30,962	-	30,962	100.00%	(0)
135-69009-010-000	Short Term Debt-Interest	2,324	2,324	-	2,314	99.57%	10
135-69195-010-000	Gasb34/Reserve for Replacement	75,000	75,000	-	75,000	100.00%	-
135-69281-010-000	Water Tank Inspection Contract	108,000	108,000	900	107,607	99.64%	393
135-70040-010-000	Bond Related Expenses	-	-	-	-	0.00%	-
	<b>Subtotal Water</b>	<b>5,327,165</b>	<b>4,993,820</b>	<b>386,191</b>	<b>3,893,062</b>	<b>77.96%</b>	<b>1,100,758</b>

<b>Wastewater</b>							
135-50005-020-000	Salaries & Wages	483,633	465,000	33,511	401,867	86.42%	63,133
135-50010-020-000	Overtime	33,000	33,000	2,786	29,023	87.95%	3,977
135-50016-020-000	Longevity	7,420	7,420	-	7,420	100.00%	-
135-50017-020-000	Certification	8,100	8,100	675	7,125	87.96%	975
135-50020-020-000	Retirement	49,358	49,358	3,431	43,550	88.23%	5,808
135-50026-020-000	Medical Insurance	122,035	93,300	7,456	84,171	90.22%	9,129
135-50027-020-000	Dental Insurance	6,443	5,150	412	4,645	90.19%	505
135-50028-020-000	Vision Insurance	1,098	800	63	722	90.27%	78
135-50029-020-000	Life Insurance & Other	4,725	4,725	341	4,447	94.11%	278
135-50030-020-000	Social Security Taxes	32,993	30,500	2,196	26,634	87.32%	3,866
135-50035-020-000	Medicare Taxes	7,716	7,200	514	6,229	86.51%	971
135-50040-020-000	Unemployment Taxes	1,440	1,600	-	1,960	122.47%	(360)
135-50045-020-000	Workman's Compensation	14,607	16,302	1,218	15,084	92.53%	1,218
135-50060-020-000	Pre-emp Physicals/Testing	400	400	-	-	0.00%	400
135-50070-020-000	Employee Relations	300	300	-	135	45.10%	165
135-55005-020-000	Engineering	30,000	-	-	-	0.00%	-
135-55070-020-000	Independent Labor	15,000	-	-	-	0.00%	-
135-55080-020-000	Maintenance & Repairs- WWTP	108,000	85,000	9,186	80,013	94.13%	4,987
135-55081-020-000	Maintenance & Repairs- Collections	157,500	157,500	15,460	128,365	81.50%	29,135
135-55085-020-000	Generator Maintenance & Repairs	10,000	8,000	4,008	4,055	50.69%	3,945
135-55090-020-000	Vehicle Maintenance- WWTP	4,000	4,000	10	2,717	67.93%	1,283
135-55091-020-000	Vehicle Maintenance- Collections	13,000	8,500	1,074	7,538	88.69%	962
135-55105-020-000	Maintenance-Heavy Equipment	3,000	1,000	1,068	1,390	138.98%	(390)
135-55120-020-000	Cleaning Services	1,500	1,000	-	788	78.75%	213
135-55125-020-000	Dumpster Services	100,000	100,000	8,975	83,808	83.81%	16,192
135-55135-020-000	Lab Analysis	40,000	40,000	3,767	36,410	91.03%	3,590
135-60010-020-000	Communications/Mobiles	7,500	7,500	398	5,191	69.21%	2,309
135-60020-020-000	Electricity	157,735	157,735	13,036	131,989	83.68%	25,746
135-60066-020-000	Publications/Books/Subscripts	200	200	-	-	0.00%	200
135-60070-020-000	Dues & Memberships	300	300	-	-	0.00%	300
135-60080-020-000	Schools & Training	4,991	3,500	-	2,705	77.29%	795
135-60090-020-000	Safety Program	1,000	1,000	-	-	0.00%	1,000
135-60100-020-000	Travel & per diem	1,575	1,575	-	-	0.00%	1,575
135-60105-020-000	Rent/Lease Equipment	5,000	1,200	-	575	47.94%	625
135-60125-020-000	Advertising	2,500	-	-	-	0.00%	-
135-60135-020-000	TCEQ Fees & Permits	45,000	45,000	-	28,591	63.54%	16,409
135-60245-020-000	Miscellaneous Expenses	450	-	-	-	0.00%	-
135-60280-020-000	Property Maintenance	5,000	-	-	-	0.00%	-
135-60285-020-000	Lawn Equipment & Maintenance	14,000	10,000	770	9,660	96.60%	340
135-60331-020-000	Interfund Transfer Out-Tax I&S	114,681	114,681	10,426	114,681	100.00%	0
135-60332-020-000	Interfund Transfer Out- Revenue I&S	688,005	688,005	62,546	688,005	100.00%	0
135-60333-020-000	Interfund Transfer Out-Bond Reserve	-	-	-	-	0.00%	-
135-60334-020-000	Interfund Transfer Out-Bank Reserve Account	75,000	75,000	-	38,802	51.74%	36,198
135-60360-020-000	Furniture/Equipment < \$5000	2,000	36	-	228	634.65%	(192)
135-65005-020-000	Fuel & Lube	12,500	12,500	1,271	12,617	100.94%	(117)
135-65010-020-000	Uniforms	6,280	4,500	-	4,168	92.62%	332
135-65030-020-000	Chemicals- WWTP	25,000	25,000	4,529	22,592	90.37%	2,408
135-65031-020-000	Chemicals- Collections	17,500	6,500	-	4,895	75.31%	1,605
135-65035-020-000	Small Tools	1,200	-	343	343	0.00%	(343)
135-65040-020-000	Safety Equipment	1,200	600	55	307	51.18%	293
135-65045-020-000	Lab Supplies	28,000	28,000	2,469	28,349	101.25%	(349)
135-69005-020-000	Capital Outlays	335,000	250,500	28,041	185,844	74.19%	64,656
135-69008-020-000	Short Term Debt-Principal	81,273	81,273	-	81,295	100.03%	(22)
135-69009-020-000	Short Term Debt-Interest	8,532	8,532	-	8,496	99.58%	36
135-69195-020-000	Gasb34/Reserve for Replacement	130,000	130,000	-	130,000	100.00%	-
135-70020-020	Capital Lease Issuance Cost	-	-	-	-	0.00%	-
	<b>Subtotal Wastewater</b>	<b>3,026,690</b>	<b>2,781,292</b>	<b>220,035</b>	<b>2,477,426</b>	<b>89.07%</b>	<b>303,865</b>

<b>Board of Directors</b>							
135-50005-026-000	Salaries & Wages	-	-	-	-	0.00%	-
135-50030-026-000	Social Security Taxes	-	-	-	-	0.00%	-
135-50035-026-000	Medicare Taxes	-	-	-	-	0.00%	-
135-55040-026-000	Unemployment Taxes	-	-	-	-	0.00%	-

September 20, 2021 Agenda Packet

Account	Description	FY 2021 Adopted	Amended Budget	August Totals	YTD Total 8/31/2021	YTD % Budget (91% Target)	Remaining Budget
135-50045-026-000	Workman's Compensation	30	10	1	9	86.90%	1
135-60066-026-000	Publications/Books/Subscrip	150	-	-	-	0.00%	-
135-60070-026-000	Dues & Memberships	750	1,195	-	1,195	100.00%	-
135-60075-026-000	Meetings	1,300	1,300	204	1,303	100.25%	(3)
135-60080-026-000	Schools & Training	4,000	-	-	-	0.00%	-
135-60100-026-000	Travel & per diem	5,000	-	-	-	0.00%	-
135-60245-026-000	Miscellaneous Expenses	2,000	57	-	58	100.88%	(1)
	<b>Subtotal Board of Directors</b>	<b>13,230</b>	<b>2,562</b>	<b>205</b>	<b>2,564</b>	<b>100.10%</b>	<b>(2)</b>

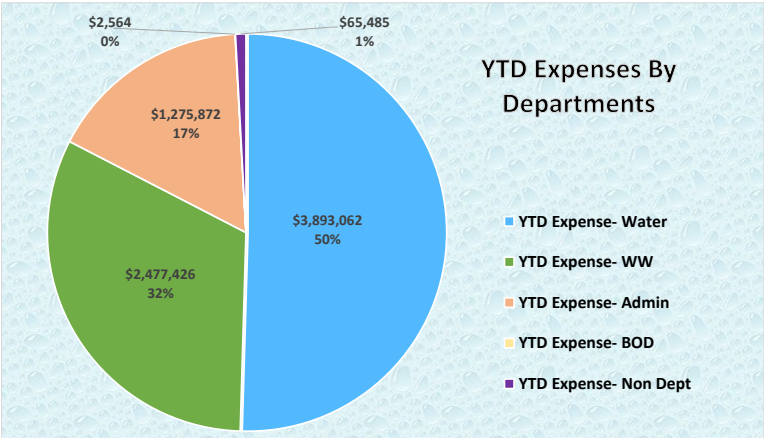
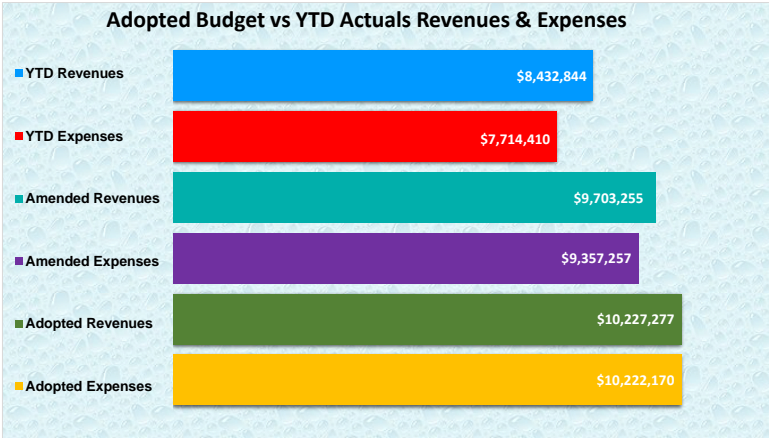
<b>Administration</b>							
135-50005-030-000	Salaries & Wages	626,592	510,100	39,630	449,246	88.07%	60,854
135-50010-030-000	Overtime	2,000	74	-	80	107.72%	(6)
135-50016-030-000	Longevity	2,668	2,668	-	2,668	100.00%	-
135-50020-030-000	Retirement	58,550	50,250	3,678	44,467	88.49%	5,783
135-50026-030-000	Medical Insurance	136,834	75,850	5,843	69,987	92.27%	5,863
135-50027-030-000	Dental Insurance	7,109	4,250	327	3,876	91.21%	374
135-50028-030-000	Vision Insurance	1,138	625	45	571	91.43%	54
135-50029-030-000	Life Insurance & Other	4,730	4,730	367	4,430	93.65%	300
135-50030-030-000	Social Security Taxes	39,138	30,250	2,313	26,510	87.64%	3,740
135-50035-030-000	Medicare Taxes	9,153	7,050	541	6,200	87.94%	850
135-50040-030-000	Unemployment Taxes	1,440	1,440	-	1,512	105.00%	(72)
135-50045-030-000	Workman's Compensation	1,573	1,700	129	1,414	83.15%	287
135-50060-030-000	Pre-emp Physicals/Testing	500	-	-	-	0.00%	-
135-50070-030-000	Employee Relations	8,000	4,000	-	3,422	85.55%	578
135-55005-030-000	Engineering	-	-	-	-	0.00%	-
135-55030-030-000	Software & Support	126,854	96,500	11,504	91,973	95.31%	4,527
135-55070-030-000	Independent Labor	15,000	20,000	1,000	15,573	77.86%	4,427
135-55080-030-000	Maintenance & Repairs	40,000	108,050	1,065	72,583	67.18%	35,467
135-55085-030-000	Generator Maintenance & Repairs	10,000	3,000	670	670	22.33%	2,330
135-55100-030-000	Building Maintenance & Supplies	-	-	-	-	0.00%	-
135-55120-030-000	Cleaning Services	15,000	15,000	-	14,511	96.74%	489
135-55160-030-000	Professional Outside Services	104,925	104,925	-	82,690	78.81%	22,235
135-55205-030-000	Utility Billing Contract	9,000	9,000	1,156	6,603	73.37%	2,397
135-60005-030-000	Telephone	9,680	8,000	355	6,935	86.69%	1,065
135-60010-030-000	Communications/Mobiles	3,000	3,000	225	2,475	82.50%	525
135-60020-030-000	Electricity	14,512	14,512	960	12,888	88.81%	1,623
135-60025-030-000	Water	5,000	3,750	394	3,446	91.91%	304
135-60035-030-000	Postage	30,000	30,000	3,413	19,921	66.40%	10,079
135-60040-030-000	Bank Service Charges & Fees	67,000	82,000	6,920	74,563	90.93%	7,437
135-60050-030-000	Bad Debt Expense	1,500	1,500	-	-	0.00%	1,500
135-60055-030-000	Insurance	84,000	84,000	6,725	73,974	88.06%	10,026
135-60066-030-000	Publications/Books/Subscrip	1,000	250	-	183	73.36%	67
135-60070-030-000	Dues & Memberships	6,000	6,000	-	6,017	100.28%	(17)
135-60075-030-000	Meetings	400	240	-	289	120.47%	(49)
135-60079-030-000	Public Education	6,000	3,063	-	3,063	100.00%	-
135-60080-030-000	Schools & Training	6,850	4,000	335	3,639	90.98%	361
135-60100-030-000	Travel & per diem	3,575	600	-	301	50.18%	299
135-60110-030-000	Physicals/Testing	200	-	-	-	0.00%	-
135-60115-030-000	Elections	5,000	9,330	-	9,330	100.00%	-
135-60125-030-000	Advertising	2,500	-	-	-	0.00%	-
135-60235-030-000	Security	1,288	1,288	24	288	22.36%	1,000
135-60245-030-000	Miscellaneous Expenses	500	500	-	392	78.40%	108
135-60246-030-000	General Manager Contingency	17,000	17,000	-	-	0.00%	17,000
135-60285-030-000	Lawn Equipment & Maintenance	5,000	5,000	470	3,543	70.85%	1,457
135-60360-030-000	Furniture/Equipment < \$5000	2,500	-	-	-	0.00%	-
135-65010-030-000	Uniforms	2,050	1,000	-	-	0.00%	1,000
135-65055-030-000	Hardware IT	20,253	20,339	-	20,339	100.00%	-
135-65085-030-000	Office Supplies	6,000	4,000	350	3,923	98.08%	77
135-65090-030-000	Printer Supplies & Maintenance	-	-	-	-	0.00%	-
135-65095-030-000	Maintenance Supplies	4,000	4,000	496	4,120	102.99%	(120)
135-65105-030-000	Printing	2,500	-	-	-	0.00%	-
135-69005-030-000	Capital Outlays	138,000	129,975	35,442	124,356	95.68%	5,619
135-69170-030-000	Copier Lease Installments	4,000	4,000	323	2,902	72.56%	1,098
	<b>Subtotal Administration</b>	<b>1,669,510</b>	<b>1,486,808</b>	<b>124,698</b>	<b>1,275,872</b>	<b>85.81%</b>	<b>210,936</b>

<b>Non Departmental</b>							
135-55045-039-000	Legal	135,000	50,000	4,600	31,690	63.38%	18,310
135-55055-039-000	Auditing	33,800	26,000	-	21,000	80.77%	5,000
135-55060-039-000	Appraisal	11,925	11,925	-	8,974	75.26%	2,951
135-55065-039-000	Tax Admin Fees	4,850	4,850	-	3,821	78.78%	1,029
	<b>Subtotal Non Departmental</b>	<b>185,575</b>	<b>92,775</b>	<b>4,600</b>	<b>65,485</b>	<b>70.58%</b>	<b>27,290</b>

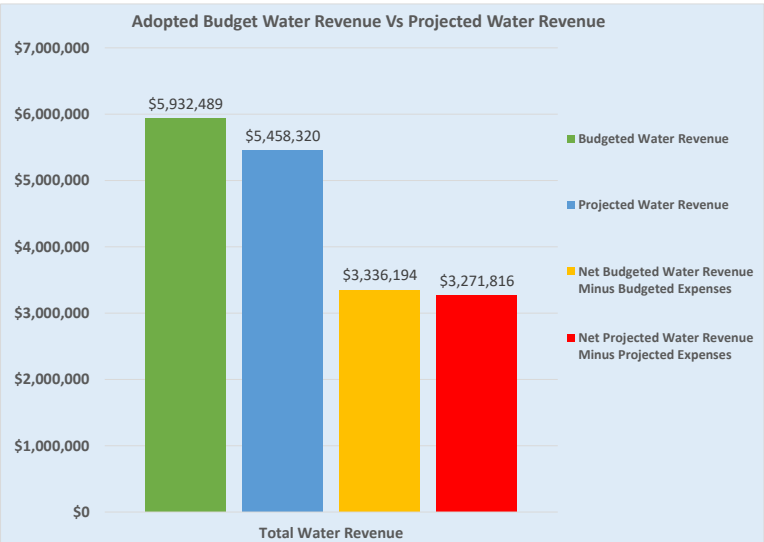
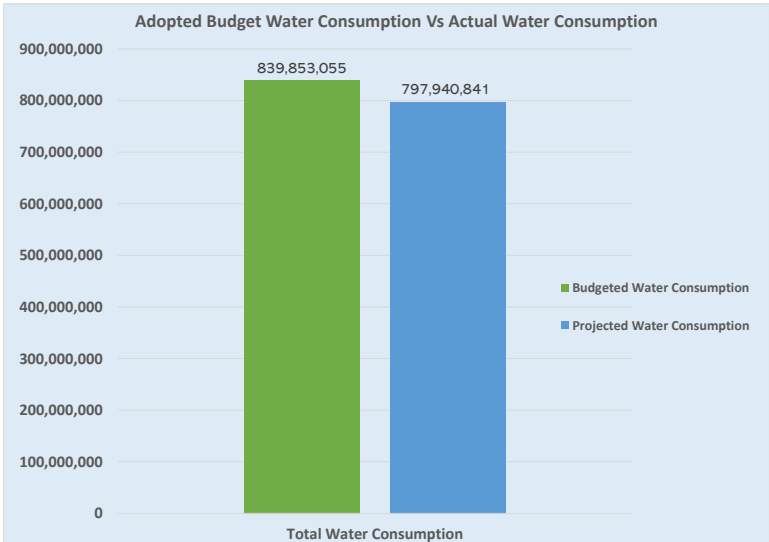
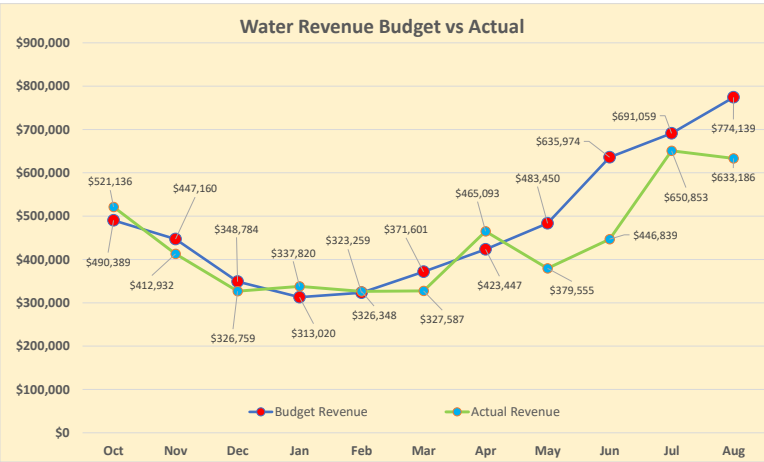
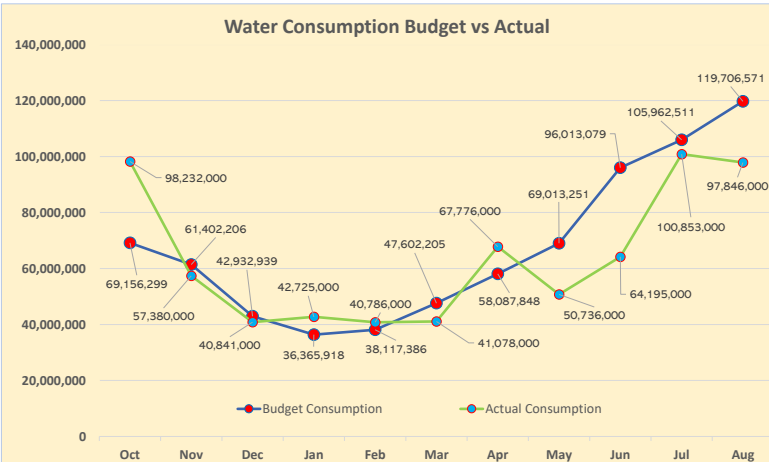
<b>Total General Fund Revenues</b>	<b>10,227,277</b>	<b>9,703,255</b>	<b>992,489</b>	<b>8,432,844</b>	<b>86.91%</b>	<b>1,270,411</b>
<b>Total General Fund Expenses</b>	<b>10,222,170</b>	<b>9,357,257</b>	<b>735,730</b>	<b>7,714,410</b>	<b>82.44%</b>	<b>1,642,847</b>
<b>Net Budget Surplus (Deficit)</b>	<b>5,107</b>	<b>345,998</b>	<b>256,759</b>	<b>718,434</b>	<b>4.46%</b>	<b>372,436</b>

# FY 2021 Combined Financials

YTD as of 08/31/2021



## Water Budget vs Actual



**TROPHY CLUB MUD NO. 1 - FIRE DEPARTMENT  
BALANCE SHEET  
AUGUST 2021**



**122**

**ASSETS**

**FIRE DEPT.**

CASH IN BANK	-
INVESTMENTS	771,824
PREPAID EXPENSES	1,649
ADVALOREM PROPERTY TAXES RECEIVABLE	16,949
EMERGENCY SERVICES ASSESSMENTS RECEIVABLE	-
UTILITY AND OTHER ACCOUNTS RECEIVABLE	-

**TOTAL ASSETS** 790,422

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

DEFERRED REVENUE - PROPERTY TAXES/ASSESSMENTS	237
ACCOUNTS AND OTHER PAYABLES	-

**TOTAL LIABILITIES** 237

**FUND BALANCE**

DESIGNATED FOR FUTURE ASSET REPLACEMENT	-
NON-SPENDABLE FUND BALANCE	-
UNASSIGNED FUND BALANCE	668,784
RESERVE FOR ENCUMBRANCES	-
NET REVENUES / EXPENDITURES	121,401

**TOTAL FUND BALANCE** 790,185

**TOTAL LIABILITIES AND FUND BALANCE** 790,422





**TROPHY CLUB MUD NO. 1 - O&M (GENERAL FUND)  
BALANCE SHEET  
AUGUST 2021**

	135	137	
	GENERAL FUND	GASB	TOTAL
<b>ASSETS</b>			
CASH ON HAND	600	-	600
CASH IN BANK-CHECKING	3,011,226	-	3,011,226
CASH IN BANK-SAVINGS-CASH RESERVE	2,000,397	-	2,000,397
INVESTMENTS-TEXPOOL	4,377,574	2,007,484	6,385,058
PREPAID EXPENSES	12,460	-	12,460
ADVALOREM PROPERTY TAXES RECEIVABLE	1,736	-	1,736
UTILITY AND OTHER ACCOUNTS RECEIVABLE	1,252,746	-	1,252,746
<b>TOTAL ASSETS</b>	<b>10,656,739</b>	<b>2,007,484</b>	<b>12,664,223</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
DEFERRED REVENUE - AD VALOREM PROPERTY TAXES	(16)	-	(16)
ACCOUNTS AND OTHER PAYABLES	452,791	-	452,791
CUSTOMER DEPOSITS	312,405	-	312,405
<b>TOTAL LIABILITIES</b>	<b>765,180</b>	<b>-</b>	<b>765,180</b>
<b>FUND BALANCE</b>			
NON-SPENDABLE FUND BALANCE	3,486		3,486
ASSIGNED FUND BALANCE	1,518,116		1,518,116
ASSIGNED FUND BALANCE/TOWN ELEVATED STORAGE TANK		315,000	315,000
ASSIGNED FUND BALANCE/WATER REPLACEMENT		460,899	460,899
ASSIGNED FUND BALANCE/SEWER REPLACEMENT		558,704	558,704
ASSIGNED FUND BALANCE/FIRE DEPARTMENT		472,881	472,881
ASSIGNED FUND BALANCE/WWTP MBR REPLACEMENT		200,000	200,000
UNASSIGNED FUND BALANCE	7,651,523	-	7,651,523
COMMITTED FUND BALANCE	-	-	-
NET REVENUES / EXPENDITURES	718,434	-	718,434
<b>TOTAL FUND BALANCE</b>	<b>9,891,559</b>	<b>2,007,484</b>	<b>11,899,043</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>10,656,739</b>	<b>2,007,484</b>	<b>12,664,223</b>

**TROPHY CLUB MUD NO. 1 - WWTP TAX BOND CONST  
BALANCE SHEET  
AUGUST 2021**



517

<b>ASSETS</b>	<b>TAX BOND CONSTRUCTION</b>
CASH IN BANK	-
INVESTMENTS	-
ACCOUNTS RECEIVABLE	-
<b>TOTAL ASSETS</b>	<hr/> <hr/> -
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
ACCOUNTS AND OTHER PAYABLES	-
<b>TOTAL LIABILITIES</b>	<hr/> <hr/> -
<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE	(199,119)
NET REVENUES / EXPENDITURES	199,119
<b>TOTAL FUND BALANCE</b>	<hr/> <hr/> -
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<hr/> <hr/> -

**TROPHY CLUB MUD NO. 1 - REVENUE BOND CONSTRUCTION  
NSII FORT WORTH- SWIFT FUNDING  
BALANCE SHEET  
AUGUST 2021**



519

<b>ASSETS</b>	<b>REVENUE BOND CONSTRUCTION</b>
CASH IN BANK	-
CASH IN ESCROW	785,032
INVESTMENTS	-
ACCOUNTS RECEIVABLE	-
<b>TOTAL ASSETS</b>	<u><u>785,032</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
ACCOUNTS AND OTHER PAYABLES	81,691
<b>TOTAL LIABILITIES</b>	<u><u>81,691</u></u>
<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE	703,276
NET REVENUES / EXPENDITURES	65
<b>TOTAL FUND BALANCE</b>	<u><u>703,341</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>785,032</u></u>

**TROPHY CLUB MUD NO. 1 - 16" WATERLINE REV BOND  
BALANCE SHEET  
AUGUST 2021**



**FUND 520**

**16" 2019  
REVENUE BOND**

<b>ASSETS</b>		
CASH IN BANK		145,375
INVESTMENTS		3,892,849
ACCOUNTS RECEIVABLE		-
<b>TOTAL ASSETS</b>		<u><u>4,038,224</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
ACCOUNTS AND OTHER PAYABLES		-
<b>TOTAL LIABILITIES</b>		<u>-</u>
<b>FUND BALANCE</b>		
ASSIGNED FUND BALANCE		4,151,382
NET REVENUES / EXPENDITURES		(113,158)
<b>TOTAL FUND BALANCE</b>		<u><u>4,038,224</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u><u>4,038,224</u></u>

**TROPHY CLUB MUD NO. 1 - REVENUE BOND RESERVE  
BALANCE SHEET  
AUGUST 2021**



**528**

**REVENUE BOND  
RESERVE**

	<b>ASSETS</b>	
CASH IN BANK		-
INVESTMENTS		894,291
ACCOUNTS RECEIVABLE		-
<b>TOTAL ASSETS</b>		<u><u>894,291</u></u>
	<b>LIABILITIES AND FUND BALANCE</b>	
	<b>LIABILITIES</b>	
ACCOUNTS AND OTHER PAYABLES		-
<b>TOTAL LIABILITIES</b>		<u>-</u>
	<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE		893,868
NET REVENUES / EXPENDITURES		423
<b>TOTAL FUND BALANCE</b>		<u><u>894,291</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u><u>894,291</u></u>

**TROPHY CLUB MUD NO. 1 - I&S (DEBT SERVICE)  
BALANCE SHEET  
AUGUST 2021**



**533**

<b>ASSETS</b>	<b>INTEREST &amp; SINKING DEBT</b>
CASH IN BANK	-
INVESTMENTS	127,873
PREPAID EXPENSES	-
ADVALOREM PROPERTY TAXES RECEIVABLE	9,576
ACCOUNTS RECEIVABLE-OTHER	-
<b>TOTAL ASSETS</b>	<b>137,449</b>
<b>LIABILITIES AND FUND BALANCE</b>	
LIABILITIES	64,064
DEFERRED REVENUE - AD VALOREM PROPERTY TAXES	(27)
ACCOUNTS AND OTHER PAYABLES	-
<b>TOTAL LIABILITIES</b>	<b>64,037</b>
<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE	(19,950)
NET REVENUES / EXPENDITURES	93,362
<b>TOTAL FUND BALANCE</b>	<b>73,412</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>137,449</b>

TROPHY CLUB MUD NO. 1 - REVENUE BOND I&S (WWTP)  
BALANCE SHEET  
AUGUST 2021



534

<b>ASSETS</b>	<b>REVENUE BOND I&amp;S WWTP</b>
CASH IN BANK	-
INVESTMENTS	26,060
ACCOUNTS RECEIVABLE	-
<b>TOTAL ASSETS</b>	<u><u>26,060</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
ACCOUNTS AND OTHER PAYABLES	-
<b>TOTAL LIABILITIES</b>	<u><u>-</u></u>
<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE	25,988
NET REVENUES / EXPENDITURES	72
<b>TOTAL FUND BALANCE</b>	<u><u>26,060</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>26,060</u></u>

**TROPHY CLUB MUD NO. 1 - SWIFT REVENUE BOND I&S  
BALANCE SHEET  
AUGUST 2021**



**535**

**NSII FTW SWIFT  
REVENUE BOND  
I&S**

	<b>ASSETS</b>	
CASH IN BANK		-
INVESTMENTS		5,656
ACCOUNTS RECEIVABLE		-
<b>TOTAL ASSETS</b>		<u><u>5,656</u></u>
	<b>LIABILITIES AND FUND BALANCE</b>	
	<b>LIABILITIES</b>	
ACCOUNTS AND OTHER PAYABLES		-
<b>TOTAL LIABILITIES</b>		<u><u>-</u></u>
	<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE		5,625
NET REVENUES / EXPENDITURES		31
<b>TOTAL FUND BALANCE</b>		<u><u>5,656</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u><u>5,656</u></u>



**TROPHY CLUB MUD NO. 1 - REVENUE BOND I&S  
WATER & WASTEWATER SYSTEM 2019  
BALANCE SHEET  
AUGUST 2021**



536

<b>ASSETS</b>	<b>REVENUE BOND SERIES 2019 I&amp;S</b>
CASH IN BANK	-
INVESTMENTS	565
ACCOUNTS RECEIVABLE	-
<b>TOTAL ASSETS</b>	<hr/> <b>565</b> <hr/>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
ACCOUNTS AND OTHER PAYABLES	-
<b>TOTAL LIABILITIES</b>	<hr/> <b>-</b> <hr/>
<b>FUND BALANCE</b>	
ASSIGNED FUND BALANCE	531
NET REVENUES / EXPENDITURES	34
<b>TOTAL FUND BALANCE</b>	<hr/> <b>565</b> <hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<hr/> <b>565</b> <hr/>

**REGULAR MEETING MINUTES  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
BOARD OF DIRECTORS  
August 16, 2021 at 6:30 p.m.**

Trophy Club Municipal Utility District No. 1 Board of Directors, of Denton and Tarrant Counties, met in a regular session meeting on Monday, August 16, 2021 at 6:30 p.m., in the Boardroom of the Administration Building, 100 Municipal Drive, Trophy Club, Texas 76262. The meeting was held within the boundaries of the District and was open to the public.

STATE OF TEXAS §  
COUNTIES OF DENTON AND TARRANT §

**BOARD MEMBERS PRESENT:**

Steve Flynn President  
Mark Chapman Vice President  
Kelly Castonguay Secretary/Treasurer  
William C. Rose Director

**BOARD MEMBERS ABSENT:**

Kevin R. Carr Director

**STAFF PRESENT:**

Alan Fourmentin General Manager  
Laurie Slaght District Secretary  
Mike McMahon Operations Manager  
Steven Krolczyk Finance Manager  
Tony Corbett Legal Counsel

**GUESTS PRESENT:**

Preston Dillard Halff Associates  
Chris Ekrut NewGen Strategies & Solutions

**CALL TO ORDER AND ANNOUNCE A QUORUM**

President Flynn announced the date of August 16, 2021, announced a quorum present and called the meeting to order at 6:30 p.m.

**CITIZEN COMMENTS**

There were no citizen comments

**DIRECTOR ANNOUNCEMENTS**

President Flynn announced that Bill Armstrong passed away on August 13, 2021. Mr. Armstrong was elected to the Board of Directors in May of 2010 and served through May of 2014. President Flynn asked that the Board and the staff keep Bill’s family in our thoughts and prayers.

**REPORTS & UPDATES**

- 1. Staff Reports
  - a. Capital Improvement Projects
  - b. Water Operations Report

- c. Wastewater System Reports
- d. Finance Reports

General Manager Alan Fourmentin presented the monthly staff reports and answered questions related thereto.

**CONSENT AGENDA**

- 2. Consider and act to approve the Consent Agenda.
  - a. July 2021 Combined Financials
  - b. July 27, 2021 Joint Meeting Minutes
  - c. July 27, 2021 Regular Meeting Minutes
  - d. Approve Interlocal Cooperation Agreement with Denton County for Property Tax Assessment and Collection effective October 1, 2021 with automatic renewals through tax year 2023.

**Motion made by Director Chapman and seconded by Director Castonguay to approve the Consent Agenda as presented.**

**Motion carried unanimously**

**REGULAR SESSION**

- 3. Receive Master Plan update from Halff Associates.

Preston Dillard with Halff Associates presented the findings and recommendations of the Master Plan for the Water Distribution System and Wastewater Collection System and answered questions related thereto.

- 4. Consider and take appropriate action regarding water and sewer rates for Fiscal Year 2022:
  - a. Receive report from Rate Committee.
  - b. Consider and take appropriate action regarding rate assumptions and projections for FY2022 Budget. (Staff/NewGen)

District rate consultant Chris Ekrut with NewGen Strategies & Solutions presented the rate scenarios for fiscal year 2022 as well as future revenue requirements. The current water rates are insufficient moving forward as the cost of water will continue to increase annually as well as capital expenses. Wastewater is stable.

Mr. Ekrut and the Rate Committee members recommends rate scenario 2 and Rate Committee Members Director Chapman and Director Rose agree.

**Motion made by Director Rose and seconded by Director Chapman to go with scenario 2 as presented by the consultant.**

**Motion carried unanimously**

5. Consider and take appropriate action regarding Fiscal Year 2022 Budget Matters:
  - a. Report from Budget Committee
  - b. Discussion regarding the Draft Fiscal Year 2022 Budget.

Finance Manager Steven Krolczyk presented the final draft budget to the board and answered questions related thereto.

Director Rose would like to see additional funds allocated to the medical insurance line item in the budget which would allow for the potential increase in medical coverage for employees in December.

**Direction only**

6. Consider and take appropriate action regarding tax rates for 2021 tax year:
  - a. Approve proposed tax rate for 2021 tax year: and,
  - b. Schedule date and authorize publication of notice for hearing regarding adoption of final tax rates for 2021 tax year.

**Motion made by Director Rose and seconded by Director Castonguay to approve the proposed tax rate for publication for the 2021 tax year of \$.10588 per \$100 dollars of assessed valuation and authorize staff to proceed with publication of public hearing to be conducted on September 20, 2021.**

**Motion carried unanimously**

7. Consider and act to ratify and approve fire department budget for Fiscal Year 2022 pursuant to July 27, 2021 special meeting.

**Motion made by Director Rose and seconded by Director Castonguay to ratify and approve Fire Department Budget for the Fiscal Year 2022 as stated at the July 27, 2021 board meeting.**

**Motion carried unanimously**

8. Discussion and possible action regarding GASB reserves and fire department ladder truck lease.

Discussion only, no action taken.

**The Board convened into Executive Session at 7:51 p.m.**

**EXECUTIVE SESSION**

9. Pursuant to Section 551.071 of the Texas Open Meetings Act, the Board may consult with its attorney in Executive Session on a matter in which the duty of the attorney to the Governmental Body under the Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act or to seek advice of counsel on legal matters involving pending or contemplated litigation or settlement offers:

- a. Consult with legal counsel regarding the existing Interlocal Cooperation Agreement for Administration of Fire Protection Services between the District and the Town of Trophy Club, and seek legal advice regarding the potential renewal, termination, modification, or replacement thereof.
- 10. Deliberations pursuant to Section 551.074(a)(1) of the Texas Open Meetings Act regarding appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: General Manager annual review.

**The Board re-convened into Regular Session at 8:36 p.m.**

**REGULAR SESSION**

- 11. Consider and take appropriate action regarding Executive Session.

**Motion by Director Rose and Director Chapman to approve Amended and Restated Interlocal Cooperation Agreement for Administration of Fire Protection Services.**

**Motion carried unanimously**

- 12. Items for future agendas:
- 13. Set future Meeting dates – Monday, September 20, 2021 at 6:30 p.m.

**ADJOURN**

**President Flynn called the meeting adjourned at 8:36 p.m.**

\_\_\_\_\_  
Steve Flynn, President

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer

(SEAL)

\_\_\_\_\_  
Laurie Slaght, District Secretary

**CERTIFICATE OF RESOLUTION 2021-0920A**

THE STATE OF TEXAS §  
COUNTIES OF DENTON AND TARRANT §

I, the undersigned member of the Board of Directors of Trophy Club Municipal Utility District No. 1 of Denton and Tarrant Counties, Texas (the "District"), hereby certify as follows:

1. That I am the duly qualified Secretary of the Board of Directors of the District, and that, as such, I have custody of the minutes and records of the District.

2. That the Board of Directors of the District convened in Open Session at a Regular Meeting on September 20, 2021, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board of Directors, to wit:

- |                  |                     |
|------------------|---------------------|
| Steve Flynn      | President           |
| Mark Chapman     | Vice President      |
| Kelly Castonguay | Secretary/Treasurer |
| William C. Rose  | Director            |
| Kevin R. Carr    | Director            |

All members of the Board were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

**A RESOLUTION APPROVING THE 2022 FISCAL YEAR BUDGET OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

and duly introduced for the consideration of the Board of Directors of the District. It was then duly moved and seconded that such Resolution be adopted and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following vote:

AYES: \_\_\_                      NAYS: \_\_\_                      ABSTENSIONS: \_\_\_

3. That a true, full and correct copy of such Resolution adopted at such meeting is attached to and follows this certificate; that such resolution has been duly recorded in the minutes of the Board of Directors for such meeting; that the persons named in the above and foregoing Paragraph 2 were the duly chosen, qualified and acting officers and members of the Board of Directors as indicated therein, that each was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of such meeting, and

that such Resolution would be introduced and considered for adoption at such meeting, and that each consented, in advance, to the holding of such meeting for such purpose; that the canvassing of the officers and members of the Board of Directors present at and absent from such meeting and of the votes of each on such motion, as set forth in the above and foregoing Paragraph 2, is true and correct; and that sufficient and timely notice of the hour, date, place and subject of such meeting was given and posted as required by Chapter 551, Texas Government Code, as amended.

**SIGNED AND SEALED** the 20<sup>th</sup> day of September 2021.

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Kelly Castonguay, Secretary/Treasurer  
Board of Directors

(SEAL)

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Laurie Slaght, District Secretary

**RESOLUTION NO. 2021-0920A**

**A RESOLUTION APPROVING THE 2021 FISCAL YEAR BUDGET OF  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

**WHEREAS**, Trophy Club Municipal Utility District No. 1 (the “District”) is a conservation and reclamation district of the State of Texas created under Article XVI, Sec. 59 of the Texas Constitution, and the District operates under Chapters 49 and 54 of the Texas Water Code, as amended;

**WHEREAS**, Section 49.057(b) of the Texas Water Code requires the board of directors of a water district to adopt an annual budget;

**WHEREAS**, Title 30, Section 293.97(b), Texas Administrative Code, provides that an operating budget shall be passed and approved by a resolution of the governing board of a water district and shall be made a part of the governing board minutes; and

**WHEREAS**, the Board of Directors of the District desires to adopt a budget for the 2022 fiscal year in an open, public meeting, proper notice of which has been given as required by law.

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1:**

**Section 1.** That the facts and recitations found in the preamble of this Resolution are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 2.** That the annual budget of revenues and expenditures necessary for conducting the operations and affairs of the District for Fiscal Year 2022, attached hereto and incorporated herein as **Exhibit A**, is hereby approved and adopted. Said budget document shall be on file for public inspection in the office of the District.

**Section 3.** That the District’s expenditures during the fiscal year shall be made in accordance with the approved budget and any amendments thereto approved by the Board of Directors.

**Section 4.** A copy of this Resolution and the budget approved hereby shall be attached to the minutes of the Board’s September 20, 2021 meeting.



**Section 5.** That this Resolution shall become effective immediately upon its passage.

**RESOLVED, PASSED AND APPROVED** by the Board of Directors of Trophy Club Municipal Utility District No. 1, this the 20<sup>th</sup> day of September 2021.

\_\_\_\_\_  
Steve Flynn, President  
Board of Directors

(SEAL)

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer  
Board of Directors

\_\_\_\_\_  
Laurie Slaght, District Secretary

**EXHIBIT "A"**  
**(Approved FY 2022 Budget)**

# FY 2022

# Adopted Annual Budget



Trophy Club Municipal Utility District No.1

100 Municipal Dr

Trophy Club, TX 76262

(682) 831-4600

# FY 2022 ADOPTED BUDGET

Trophy Club MUD No. 1

TAX RATE SUMMARY COMPARISON			
Fiscal Years	2021	2022	% of Increase/Decrease
M&O (General Fund) Tax	0.00709	0.00687	-3.05%
M&O Fire Tax	0.06476	0.06412	-0.99%
<b>M&amp;O Tax Rate</b>	<b>0.07185</b>	<b>0.07099</b>	<b>-1.19%</b>
<i>Increase/Decrease:</i>	<i>-0.00301</i>	<i>-0.00086</i>	
<b>I &amp; S (Debt Service) Tax</b>	<b>0.03589</b>	<b>0.03489</b>	<b>-2.79%</b>
<i>Increase/Decrease:</i>	<i>-0.00198</i>	<i>-0.00100</i>	
<b>Total Tax Rate:</b>	<b>0.10774</b>	<b>0.10588</b>	<b>-1.72%</b>
<i>Increase/Decrease:</i>	<i>-0.00499</i>	<i>-0.00186</i>	

PROPERTY VALUE SUMMARY COMPARISON			
Fiscal Years	2021	2022	% of Increase/Decrease
MUD Tarrant Co.	522,432,262	510,691,116	-2.25%
MUD Denton Co.	1,403,005,151	1,468,987,935	4.70%
PID	788,523,995	824,066,245	4.51%
Out of District & PID	276,544	266,888	-3.49%
<b>Total Value:</b>	<b>2,714,237,952</b>	<b>2,804,012,184</b>	<b>3.31%</b>

FY 2022 BUDGET FUND SUMMARY			
General Fund		Fire Fund	
Revenue	10,069,129	Revenue	22,000
Tax Collections	136,092	Tax Collections	1,269,330
PID Surcharges	165,537	PID Assessment	528,546
Reserve Funds	0	Reserve Funds	57,700
Total Revenue	10,370,758	Total Revenue	1,877,576
Water Expense	5,307,626	Fire Expense	1,877,576
Wastewater Expense	3,298,159		
Board of Directors Expense	11,780		
Administration Expense	1,567,488		
Non-Departmental Expense	185,705		
Total Expense	10,370,758	Total Expense	1,877,576
Net Budget Surplus/Deficit	\$0	Net Budget Surplus/Deficit	\$0

Tax Debt Service Fund	
Revenue	198,761
Tax Collections	690,667
PID Surcharge	115,924
Total Revenue	1,005,353
Debt Service Expense	1,005,353
Total Expense	1,005,353
Net Budget Surplus/Deficit	\$0

Revenue Debt Service Fund	
Revenue	1,259,540
Total Revenue	1,259,540
Debt Service Expense	1,259,540
Total Expense	1,259,540
Net Budget Surplus/Deficit	\$0

<b>FY 2022 Budget Calendar</b>	
4/20/2021 - 5/21/2021	Create and update Workforce for new FY budget in OpenGov, create FY base budget in OpenGov Create new FY base budget in excel, carry over and update prior year data, finalize budget calendar
5/24/2021 - 5/25/2021	Departmental budget meeting for base budget needs and wants, review calendar and set expectations OpenGov training on proposals with departments
5/25/2021 - 6/4/2021	First round of Departmental Proposals should be submitted for review with supporting documents Detail explanation on account increases and capital request
6/8/2021	Meeting with General Manager, Operations Manager, and Finance Manager to discuss 5 year CIP projection Impact to rates and Cash Reserves, and overall projected budget review
6/8/2021 - 6/11/2021	Update excel budget worksheets YTD thru May, Revenue and Tax Bond Debt, TexPool Transfers (I&S) employee cost projections, preliminary tax valuations, and consumption forecasting and demands
6/14/2021 6/16/2021	Budget meeting with Town/Fire staff to review and update the Fire Budget, Budget Committee meeting to review draft Present a projected General Fund and Fire Fund budget summary at the June Board meeting
6/17/2021 - 6/24/2021	Meet with department supervisors to address budget demands and address required reductions All departmental budget proposal submissions and documents are due to Finance Department
6/25/2021 - 6/29/2021	Review and approve resubmittal department proposals, reach out to Fire Department/Town for proposed Fire Budget, update the excel budget with preliminary tax evaluations, and calculate preliminary District tax rate
6/30/2021	Meet with General Manager and department managers to present "proposed" budget. Review 5 year capital plan, preliminary tax valuations, and rate model parameters. Provide new rate reports to NewGen for assessment
7/1/2021 - 7/15/2021	Finance department updating and finalizing budget projections through excel and OpenGov Work with NewGen for final rate assessment calculations and PowerPoint
7/13/2021	Budget Committee Meeting to review any final changes before the Board meeting
7/26/2021	Certified Tax Roll numbers released, update Tax Assessment worksheet, and update budget projections Calculate HS tax averages and Comptroller Developed Water District Voter-Approval Tax Rate Worksheet
7/27/2021	Joint District Board meeting with the Town of Trophy Club Council for Fire Budget
8/2/2021	Final projections of budget to NewGen for rate assessment and updated Rate Model
8/6/2021	Notify Town of Trophy Club of preliminary Fire Assessment Rate
8/16/2021	Regular Board Meeting- Review budget and recommended rate scenarios (NewGen PowerPoint)
8/25/2021 - 9/5/2021	Update District's website and Denton/Tarrant County TNT websites with Proposed Tax Rate and Public Hearing Notice Notice of Public Hearing for Proposed Tax Rate published in Star Telegram (minimum 7 days prior)
9/20/2021	Public Hearing/Board meeting for adoption of District Property Tax Rate Resolutions and FY 22 Budget Resolution
9/30/2021	Update Denton County and Tarrant County TNT websites with Adopted Tax Rates Update District's website with Adopted Tax Rates and updated Notice to Purchaser

\*Some of the following dates are estimated and maybe subject to change as needed

## TAX RATE ASSESSMENT PID ASSESSMENT & SURCHARGE CALCULATIONS

<u>FIRE TAX/ASSESSMENT RATE</u>		<u>NET TAX VALUE:</u>	
		Certified	
TARRANT COUNTY:	\$510,691,116		7/23/2021
DENTON COUNTY:	\$1,468,987,935		7/26/2021
DENTON CO. PID:	\$824,066,245		7/26/2021
OUT OF DISTRICT & PID	\$266,888		7/26/2021
<b>REQUIRED REVENUE</b>		<b>TAX/ASSESS RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>FIRE</b>		Vals/100 = 28,040,122	
<b>\$1,797,876</b>		<b>FY 2022 Tax/Assess Rate = 0.06412</b>	
		Revenue from MUD Tax = \$ 1,269,330	
		Revenue from PID Assess = \$ 528,546	
		<b>Total: \$ 1,797,876</b>	

<u>M&amp;O TAX/SURCHARGE RATE</u>		<u>NET TAX VALUE:</u>	
		Certified	
TARRANT COUNTY:	\$510,691,116		7/23/2021
DENTON COUNTY:	\$1,468,987,935		7/26/2021
DENTON CO. PID:	\$824,066,245		7/26/2021
<b>REQUIRED REVENUE</b>		<b>TAX/SURCHARGE RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>M&amp;O</b>		Vals/100 = 28,037,453	
<b>185,705</b>		<b>FY 2022 MUD M&amp;O Tax Rate = 0.00687</b>	
<b>168,800</b>		<b>FY 2022 PID Tax/Surcharge Rate = 0.00602</b>	
<small>*MUD (All of Dept. 39 Budget)</small>		Revenue from MUD Tax = \$ 136,092	
<small>**PID (Legal and Auditor only Dept 39 Budget)</small>		Revenue from PID Surcharge = \$ 49,613	
		<b>Total: \$ 185,705</b>	

<u>I&amp;S TAX/SURCHARGE RATE</u>		<u>NET TAX VALUE:</u>	
<b>NEW DEBT: CALCULATE AMOUNT DUE FROM PID</b>		Certified	
TARRANT COUNTY:	\$510,691,116		7/23/2021
DENTON COUNTY:	\$1,468,987,935		7/26/2021
DENTON CO. PID:	\$824,066,245		7/26/2021
<b>REQUIRED REVENUE</b>		<b>TAX/SURCHARGE RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>TAX DEBT 2014 AND AFTER (I&amp;S)</b>		Vals/100 = 28,037,453	
<b>\$394,413</b>		<b>FY 2022 PID Surcharge Rate = 0.01407***</b>	
		Revenue from MUD Tax = \$ 278,488	
		Revenue from PID Surcharge = \$ 115,924	
		<b>Total: \$ 394,413</b>	

<u>MUD DEBT: CALCULATE MUD TAX</u>		<u>NET TAX VALUE:</u>	
		Certified	
TARRANT COUNTY:	\$510,691,116		7/23/2021
DENTON COUNTY:	\$1,468,987,935		7/26/2021
<b>REQUIRED REVENUE</b>		<b>TAX/SURCHARGE RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>I&amp;S MUD DEBT</b>		Vals/100 = 19,796,791	
<b>\$690,667</b>		<b>FY 2022 Tax Rate = 0.03489</b>	
		Revenue from MUD Tax = \$ 690,667	
		Revenue from PID = N/A \$ -	
		<b>Total: \$ 690,667</b>	

Tax Rate Requirements 3.5%	
Overall Tax Rate FY 2022	0.10588
Voter Approval Rate	0.10588
Contributions Required	\$57,700

TAX COMPARISON		
	2021	2022
M&O (General Fund) Tax	0.00709	0.00687
M&O Fire Tax	0.06476	0.06412
<b>M&amp;O Tax Rate</b>	<b>0.07185</b>	<b>0.07099</b>
Increase/Decrease Rate:	-0.00301	-0.00086
<b>I &amp; S (Debt Service) Tax</b>	<b>0.03589</b>	<b>0.03489</b>
Increase/Decrease Rate:	-0.00198	-0.00100
<b>Total Tax Rate:</b>	<b>0.10774</b>	<b>0.10588</b>
Increase/Decrease Rate:	-0.00499	-0.00186

## FIRE DEPARTMENT FUND

Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Amended	FY 2021 Projected	FY 2022 Adopted	Budget vs Amended	Budget % Change
<b>Revenues-Town</b>									
Assessment - Emerg Svcs	490,697	500,667	513,618	510,812	512,258	510,808	528,546	16,288	3.18%
Emer Svcs Assessment/Delinquent	-	-	-	-	-	-	-	-	0.00%
Property Taxes/Assessments P&I	-	-	-	-	-	-	-	-	0.00%
Fire Permits/Sprinkler & Plan Review	83,704	57,841	47,977	35,000	35,000	5,000	5,000	(30,000)	-85.71%
Fire Inspections	-	-	-	-	-	-	-	-	0.00%
Denton/Tarrant County Pledge-Fire	10,000	7,367	17,072	16,000	17,072	17,072	17,000	(72)	-0.42%
Grant Revenue	-	-	17,009	-	-	-	-	-	0.00%
<b>Revenues-MUD</b>									
Property Taxes/MUD Fire	1,066,061	1,103,690	1,223,805	1,246,877	1,246,877	1,246,877	1,269,330	22,453	1.80%
Property Taxes/Fire-Delinquent	3,945	3,166	3,736	-	-	32,399	-	-	0.00%
Property Taxes/Fire P&I	4,787	5,126	6,897	-	-	3,336	-	-	0.00%
Capital Leases-Other Financial Sources	-	-	-	-	-	-	-	-	0.00%
Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	0.00%
Prior Year Reserves	-	-	-	-	-	-	57,700	57,700	0.00%
GASB Reserves	-	-	-	-	-	-	-	-	0.00%
Miscellaneous Income	-	135,611	24,423	-	-	-	-	-	0.00%
<b>Total Revenue</b>	<b>1,659,193</b>	<b>1,813,468</b>	<b>1,854,538</b>	<b>1,808,689</b>	<b>1,811,207</b>	<b>1,815,492</b>	<b>1,877,576</b>	<b>66,369</b>	<b>3.66%</b>
<b>Expenses-Town</b>									
Salaries- Regular	582,657	665,043	671,577	670,420	711,424	695,199	709,025	(2,399)	-0.34%
Salaries- Part Time	-	-	-	50,078	50,078	54,071	50,078	-	0.00%
Salaries- Merits	-	-	-	-	-	-	13,550	13,550	0.00%
Salaries- Overtime	71,354	91,609	75,008	72,896	93,476	118,359	84,405	(9,071)	-9.70%
Salaries- Longevity	5,856	6,358	6,838	6,730	6,730	7,343	7,254	524	7.79%
Salaries- Stipend	-	-	-	-	1,875	1,875	-	(1,875)	-100.00%
Certification Pay	4,950	7,564	9,063	9,750	9,750	9,700	11,438	1,688	17.31%
Salaries- Cell Phone Stipend	-	-	-	-	-	-	1,800	1,800	0.00%
Retirement	83,513	103,227	100,538	106,114	106,114	112,516	110,223	4,109	3.87%
Medical Insurance	59,991	93,982	76,605	78,087	78,087	76,059	74,102	(3,985)	-5.10%
Dental Insurance	5,388	5,447	5,514	6,045	6,045	5,594	5,582	(463)	-7.66%
Vision Insurance	569	599	525	576	576	512	539	(37)	-6.42%
Life Insurance & Other	3,316	3,989	4,087	5,171	5,171	4,642	5,635	464	8.97%
Social Security Taxes	37,002	46,593	44,880	51,123	51,123	52,558	52,084	961	1.88%
Medicare Taxes	8,651	10,893	10,496	11,956	11,956	12,288	12,182	226	1.89%
Unemployment Taxes	1,620	291	426	1,625	1,625	2,394	2,442	817	50.28%
Workman's Compensation	8,639	9,638	15,004	20,177	20,177	17,842	17,816	(2,361)	-11.70%
Physicals/Testing	7,417	3,117	3,867	6,675	6,675	4,033	5,960	(715)	-10.71%
Tuition Reimbursement	3,488	3,289	1,497	8,290	8,290	5,637	8,290	-	0.00%
Professional Outside Services	125	550	-	1,750	1,750	2,089	1,750	-	0.00%
Software & Support	2,784	12,123	12,495	17,164	17,164	16,854	17,164	-	0.00%
Tax Administration	-	1,529	-	1,605	1,605	2,028	1,605	-	0.00%
Advertising	-	-	-	1,500	1,500	-	1,500	-	0.00%
Printing	155	219	141	500	500	373	500	-	0.00%
Schools & Training	15,392	12,887	14,427	19,900	19,900	11,364	19,900	-	0.00%
Electricity	4,895	4,790	4,970	8,400	8,400	4,818	8,400	-	0.00%
Water	3,203	2,823	3,935	4,000	4,000	3,114	4,000	-	0.00%
Telephone	-	-	-	-	-	-	-	-	0.00%
Communications/Mobiles	15,884	12,792	12,345	16,691	16,691	20,378	16,691	-	0.00%
Building Maintenance	14,335	24,520	22,727	22,200	22,200	14,995	22,200	-	0.00%
Vehicle Maintenance	49,770	46,433	31,865	40,800	40,800	12,590	40,800	-	0.00%
Equipment Maintenance	12,394	11,202	5,719	18,000	18,000	7,984	18,715	715	3.97%
Emergency Management	158	1,000	1,000	1,000	1,000	1,333	1,000	-	0.00%
Dispatch- Denton County	3,045	3,706	3,986	3,946	3,946	5,261	4,020	74	1.88%
Dues & Memberships	19,601	19,616	19,782	20,337	20,337	21,854	20,337	-	0.00%
Flags & Repair	1,000	9,441	-	-	-	-	-	-	0.00%
Travel & per diem	7,280	11,153	5,326	14,510	14,510	12,801	14,510	-	0.00%
Office Supplies	289	317	390	500	500	319	500	-	0.00%
Printer Supplies	1,041	1,020	-	1,400	1,400	1,175	1,400	-	0.00%
Postage	53	82	31	100	100	89	100	-	0.00%
Publications/Books/Subsripts	267	344	334	350	350	-	350	-	0.00%
Fuel	9,082	10,611	6,959	12,215	12,215	8,630	12,215	-	0.00%
Uniforms	6,338	5,787	7,001	9,645	9,645	10,052	9,645	-	0.00%

## FIRE DEPARTMENT FUND

Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Amended	FY 2021 Projected	FY 2022 Adopted	Budget vs Amended	Budget % Change
Safety Equipment/Protective Clothing	25,217	31,343	24,353	27,700	27,700	361	27,700	-	0.00%
Small Equipment	5,499	6,428	3,591	4,950	4,950	215	4,950	-	0.00%
Hardware	914	3,268	2,592	4,458	4,458	1,272	4,458	-	0.00%
Maintenance & Supplies	386	444	1,113	1,500	1,500	-	1,500	-	0.00%
Miscellaneous Expense	3,246	3,949	27,936	4,000	4,000	1,759	4,000	-	0.00%
Capital Outlays	-	-	-	-	-	-	-	-	0.00%
Programs & Special Projects	10,745	13,309	18,023	17,005	17,005	4,714	16,931	(74)	-0.44%
<b>Expenses-MUD</b>									
Maintenance & Repairs (GASB34)	1,490		5,900	-	-	-	-	-	0.00%
Rent And/or Usage	218,954	215,979	218,004	197,281	197,281	197,281	198,761	1,480	0.75%
Insurance	15,238	17,895	19,691	21,000	21,000	19,800	21,000	-	0.00%
Capital Outlays	-	64,482	39,743	-	-	-	-	-	0.00%
Short Term Debt -Interest	14,768	11,958	9,078	6,127	6,127	6,127	3,101	(3,026)	-49.38%
GASB34/Reserve for Replacement	81,420	81,420	81,420	81,420	81,420	81,420	81,420	-	0.00%
Capital Leases- Principal	112,381	115,190	118,070	121,022	121,022	121,022	124,047	3,025	2.50%
<b>Total Expense</b>	<b>1,541,761</b>	<b>1,810,249</b>	<b>1,748,871</b>	<b>1,808,689</b>	<b>1,872,148</b>	<b>1,772,694</b>	<b>1,877,576</b>	<b>5,428</b>	<b>0.29%</b>

<b>Total Fire Revenues</b>	<b>1,659,193</b>	<b>\$ 1,813,468</b>	<b>\$ 1,854,538</b>	<b>\$ 1,808,689</b>	<b>\$ 1,811,207</b>	<b>\$ 1,815,492</b>	<b>\$ 1,877,576</b>	<b>66,369</b>	<b>3.66%</b>
<b>Total Fire Expenses</b>	<b>1,541,761</b>	<b>\$ 1,810,249</b>	<b>\$ 1,748,871</b>	<b>\$ 1,808,689</b>	<b>\$ 1,872,148</b>	<b>\$ 1,772,694</b>	<b>\$ 1,877,576</b>	<b>5,428</b>	<b>0.29%</b>
<b>Net Budget Surplus (Deficit)</b>	<b>117,432</b>	<b>\$ 3,219</b>	<b>\$ 105,667</b>	<b>\$ -</b>	<b>\$ (60,941)</b>	<b>\$ 42,798</b>	<b>\$ -</b>	<b>60,941</b>	

Town/MUD Fire Contract Calculation	FY 2021	FY 2022
Fire Budget	1,808,689	1,877,576
Less: Rent/Debt Service	197,281	198,761
Less: TML Fire Insurance	21,000	21,000
Less: Capital Outlays	-	-
Less: Capital Leases Interest	6,127	3,101
Less: Capital Leases Principal	121,022	124,047
Less: GASB34/Reserve for Replacement	81,420	81,420
Less: ESD Assessment	510,812	528,546
Less: Fire Permits/Sprinkler	35,000	5,000
Less: Fire Inspections	-	-
Less: Denton County Fire Pledge	16,000	17,000
Less: Grant Proceeds	-	-
<b>Annual transfer to Town from MUD/Fire Budget</b>	<b>\$ 820,027</b>	<b>\$ 898,700</b>
<b>Monthly payment to Town Oct -Sept</b>	<b>\$ 68,336</b>	<b>\$ 74,892</b>





## GENERAL FUND

Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Amended	FY 2021 Projected	FY 2022 Adopted	Budget vs Budget Net	Prior Year Change %
Wholesale Water	2,257,593	1,977,849	1,865,024	2,596,295	2,316,841	2,186,504	2,508,611	(87,684)	-3.38%
Miscellaneous Expenses	-	-	-	200	-	-	-	(200)	-100.00%
Property Maintenance	975	612	1,392	3,000	1,000	245	-	(3,000)	-100.00%
Lawn Services	11,250	8,090	6,000	14,750	10,000	10,000	12,500	(2,250)	-15.25%
Interfund Transfer Out- Revenue I&S	278,084	276,901	527,381	565,820	565,820	565,820	569,454	3,635	0.64%
Interfund Transfer Out- Bond Reserve	48,996	55,200	36,800	-	-	-	-	-	0.00%
Interfund Transfer Out-Bank Reserve	-	-	-	75,000	75,000	-	-	(75,000)	-100.00%
Furniture/Equipment < \$5000	5,020	-	562	2,500	383	383	2,500	-	0.00%
Fuel & Lube	11,489	10,479	10,066	15,000	15,000	15,000	15,000	-	0.00%
Uniforms	2,632	2,219	3,425	5,190	3,500	3,500	5,250	60	1.16%
Chemicals	18,687	22,270	21,491	25,000	25,000	25,000	25,000	-	0.00%
Small Tools	-	-	-	1,200	1,200	1,200	-	(1,200)	-100.00%
Safety Equipment	1,081	641	-	1,000	1,000	-	-	(1,000)	-100.00%
Meter Expense	24,976	55,003	61,774	70,000	10,000	10,000	20,000	(50,000)	-71.43%
Meter Change Out Program	82,313	86,949	36,900	87,000	87,000	87,000	87,000	-	0.00%
Capital Outlays	488,427	1,147,521	451,480	740,000	835,000	835,000	905,000	165,000	22.30%
Short Term Debt-Principal	-	30,068	30,512	30,962	30,962	30,962	31,419	457	1.48%
Short Term Debt-Interest	2,271	4,124	3,230	2,324	2,324	2,324	1,404	(920)	-39.59%
Gasb34/Reserve for Replacement	75,000	75,000	475,899	75,000	75,000	75,000	75,000	-	0.00%
Water Tank Inspection Contract	107,864	99,877	102,077	108,000	108,000	108,000	113,500	5,500	5.09%
Bond Related Expenses	-	39,160	1,220	-	-	-	-	-	0.00%
<b>Subtotal Water Expenses</b>	<b>4,066,003</b>	<b>4,630,096</b>	<b>4,410,770</b>	<b>5,327,165</b>	<b>4,993,821</b>	<b>4,786,126</b>	<b>5,307,626</b>	<b>(19,539)</b>	<b>-0.37%</b>

<b>Wastewater Expenses</b>									
Salaries & Wages	362,490	354,641	425,068	483,633	465,000	465,000	478,934	(4,699)	-0.97%
Overtime	37,047	33,704	22,679	33,000	33,000	33,000	33,000	-	0.00%
Longevity	7,415	7,445	6,873	7,420	7,420	7,420	7,956	536	7.22%
Certification	8,436	8,575	7,575	8,100	8,100	8,100	8,400	300	3.70%
Retirement	38,361	37,618	42,091	49,358	49,358	49,358	56,634	7,276	14.74%
Medical Insurance	65,584	60,272	84,736	122,035	93,300	93,300	112,190	(9,845)	-8.07%
Dental Insurance	4,692	4,181	4,900	6,443	5,150	5,150	7,175	732	11.37%
Vision Insurance	803	677	784	1,098	800	800	1,013	(85)	-7.76%
Life Insurance & Other	4,205	4,088	4,563	4,725	4,725	4,725	4,800	75	1.59%
Social Security Taxes	23,764	23,840	27,142	32,993	30,500	30,500	32,754	(239)	-0.73%
Medicare Taxes	5,558	5,576	6,348	7,716	7,200	7,200	7,660	(56)	-0.73%
Unemployment Taxes	1,134	54	1,100	1,440	1,600	1,960	1,764	324	22.50%
Workman's Compensation	16,176	14,119	12,653	14,607	16,302	16,302	14,153	(454)	-3.11%
Pre-emp Physicals/Testing	273	190	357	400	400	-	400	-	0.00%
Employee Relations	-	76	105	300	300	135	300	-	0.00%
Engineering	-	-	23,200	30,000	-	-	-	(30,000)	-100.00%
Independent Labor	2,145	2,921	3,000	15,000	-	-	-	(15,000)	-100.00%
Maintenance & Repairs- WWTP	74,141	114,795	87,020	108,000	85,000	85,000	125,000	17,000	15.74%
Maintenance & Repairs- Collections	-	-	27,259	157,500	157,500	157,500	222,500	65,000	41.27%
Generator Maintenance & Repairs	1,595	6,160	3,198	10,000	8,000	8,000	9,000	(1,000)	-10.00%
Vehicle Maintenance- WWTP	9,572	2,894	1,203	4,000	4,000	4,000	4,600	600	15.00%
Vehicle Maintenance- Collections	-	-	2,173	13,000	8,500	8,500	13,000	-	0.00%
Maintenance-Heavy Equipment	395	8,781	1,471	3,000	1,000	1,390	3,000	-	0.00%
Cleaning Services	-	263	1,050	1,500	1,000	1,000	2,000	500	33.33%
Dumpster Services	68,016	71,124	91,387	100,000	100,000	100,000	100,000	-	0.00%
Lab Analysis	31,558	33,902	37,205	40,000	40,000	40,000	40,000	-	0.00%
Communications/Mobiles	4,844	4,927	5,716	7,500	7,500	7,500	7,500	-	0.00%
Electricity	161,571	147,288	132,686	157,735	157,735	157,735	150,732	(7,003)	-4.44%
Publications/Books/Subscrip	-	-	-	200	200	-	-	(200)	-100.00%
Dues & Memberships	60	191	216	300	300	-	-	(300)	-100.00%
Schools & Training	658	1,794	4,349	4,991	3,500	3,500	4,652	(339)	-6.79%
Safety Program	352	314	109	1,000	1,000	-	-	(1,000)	-100.00%
Travel & per diem	90	2,523	411	1,575	1,575	-	1,138	(438)	-27.78%
Rent/Lease Equipment	-	3,491	-	5,000	1,200	575	-	(5,000)	-100.00%
Advertising	-	-	-	2,500	-	-	-	(2,500)	-100.00%
TCEQ Fees & Permits	30,273	16,545	10,088	45,000	45,000	45,000	12,000	(33,000)	-73.33%
Miscellaneous Expenses	0	4	-	450	-	-	-	(450)	-100.00%
Property Maintenance	274	4,134	2,618	5,000	-	-	-	(5,000)	-100.00%
Lawn Services	8,730	7,119	6,525	14,000	10,000	10,000	16,000	2,000	14.29%
Interfund Transfer Out-Tax I&S	122,043	120,053	114,563	114,681	114,681	114,681	115,924	1,243	1.08%

## GENERAL FUND

Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Amended	FY 2021 Projected	FY 2022 Adopted	Budget vs Budget Net	Prior Year Change %
Interfund Transfer Out- Revenue I&S	598,738	596,238	673,867	688,005	688,005	688,005	690,085	2,081	0.30%
Interfund Transfer Out-Bond Reserve	123,336	125,184	46,000	-	-	-	-	-	0.00%
Interfund Transfer Out-Bank Reserve	-	-	-	75,000	75,000	38,802	-	(75,000)	-100.00%
Furniture/Equipment < \$5000	1,762	791	1,055	2,000	36	228	500	(1,500)	-75.00%
Fuel & Lube	9,009	12,243	8,220	12,500	12,500	13,500	12,500	-	0.00%
Uniforms	2,930	2,713	3,732	6,280	4,500	4,500	6,205	(75)	-1.19%
Chemicals- WWTP	19,716	31,632	23,055	25,000	25,000	25,000	32,500	7,500	30.00%
Chemicals- Collections	-	-	10,449	17,500	6,500	6,500	10,000	(7,500)	-42.86%
Small Tools	1,436	1,143	-	1,200	-	343	-	(1,200)	-100.00%
Safety Equipment	1,158	1,638	1,167	1,200	600	307	-	(1,200)	-100.00%
Lab Supplies	20,748	18,456	26,446	28,000	28,000	28,349	33,000	5,000	17.86%
Capital Outlays	128,991	756,778	324,270	335,000	250,500	242,500	700,000	365,000	108.96%
Short Term Debt-Principal	-	58,709	79,142	81,273	81,273	81,295	81,878	605	0.74%
Short Term Debt-Interest	3,011	9,458	11,269	8,532	8,532	8,532	7,312	(1,220)	-14.30%
Gasb34/Reserve for Replacement	30,000	30,000	530,899	130,000	130,000	130,000	130,000	-	0.00%
Capital Lease Issuance Cost	1,500	1,500	-	-	-	-	-	-	0.00%
<b>Subtotal Wastewater Expenses</b>	<b>2,034,586</b>	<b>2,750,762</b>	<b>2,941,991</b>	<b>3,026,690</b>	<b>2,781,292</b>	<b>2,735,192</b>	<b>3,298,159</b>	<b>271,468</b>	<b>8.97%</b>

<b>Board of Directors Expenses</b>									
Salaries & Wages	-	-	-	-	-	-	-	-	0.00%
Social Security Taxes	-	-	-	-	-	-	-	-	0.00%
Medicare Taxes	-	-	-	-	-	-	-	-	0.00%
Unemployment Taxes	-	-	-	-	-	-	-	-	0.00%
Workman's Compensation	29	25	24	30	10	10	30	-	0.00%
Publications/Books/Subscripts	-	-	-	150	-	-	-	(150)	-100.00%
Dues & Memberships	650	650	675	750	1,195	1,195	750	-	0.00%
Meetings	135	105	1,034	1,300	1,300	1,500	1,500	200	15.38%
Schools & Training	2,755	920	-	4,000	-	-	4,000	-	0.00%
Travel & per diem	4,768	800	-	5,000	-	-	5,000	-	0.00%
Miscellaneous Expenses	1,474	-	-	2,000	57	58	500	(1,500)	-75.00%
<b>Subtotal Board of Directors Expenses</b>	<b>9,811</b>	<b>2,500</b>	<b>1,733</b>	<b>13,230</b>	<b>2,562</b>	<b>2,763</b>	<b>11,780</b>	<b>(1,450)</b>	<b>-10.96%</b>

<b>Administration Expenses</b>									
Salaries & Wages	383,692	380,629	453,839	626,592	510,100	510,100	567,338	(59,254)	-9.46%
Overtime	566	58	50	2,000	74	80	2,000	-	0.00%
Longevity	3,548	1,833	2,208	2,668	2,668	2,668	2,972	305	11.42%
Retirement	36,819	35,474	41,774	58,550	50,250	50,250	61,353	2,802	4.79%
Medical Insurance	49,850	51,652	80,099	136,834	75,850	75,850	103,384	(33,450)	-24.45%
Dental Insurance	3,277	3,409	4,436	7,109	4,250	4,250	6,533	(577)	-8.11%
Vision Insurance	590	547	667	1,138	625	625	819	(319)	-28.01%
Life Insurance & Other	3,735	3,894	4,307	4,730	4,730	4,730	4,800	70	1.48%
Social Security Taxes	23,075	22,675	26,325	39,138	30,250	30,250	35,483	(3,655)	-9.34%
Medicare Taxes	5,397	5,303	6,157	9,153	7,050	7,050	8,298	(855)	-9.34%
Unemployment Taxes	1,146	60	1,008	1,440	1,440	1,512	1,512	72	5.00%
Workman's Compensation	1,482	1,239	1,178	1,573	1,700	1,700	1,425	(148)	-9.41%
Pre-emp Physicals/Testing	212	180	-	500	-	-	500	-	0.00%
Employee Relations	4,351	3,165	3,140	8,000	4,000	4,000	4,000	(4,000)	-50.00%
Engineering	-	-	-	-	-	-	-	-	0.00%
Software & Support	68,007	139,396	124,037	126,854	96,500	96,500	122,310	(4,544)	-3.58%
Independent Labor	153,669	152,578	90,481	15,000	20,000	20,000	15,000	-	0.00%
Maintenance & Repairs	10,584	5,676	18,794	40,000	108,050	108,050	40,000	-	0.00%
Generator Maintenance & Repairs	5,205	928	1,169	10,000	3,000	3,000	3,000	(7,000)	-70.00%
Building Maintenance & Supplies	-	-	-	-	-	-	-	-	0.00%
Cleaning Services	10,046	10,429	17,143	15,000	15,000	16,500	12,000	(3,000)	-20.00%
Professional Outside Services	62,300	69,427	57,100	104,925	104,925	104,925	70,281	(34,644)	-33.02%
Utility Billing Contract	7,063	6,974	7,132	9,000	9,000	9,000	9,000	-	0.00%
Telephone	18,246	17,696	24,055	9,680	8,000	8,000	8,500	(1,180)	-12.19%
Communications/Mobiles	2,986	2,853	2,784	3,000	3,000	3,000	3,000	-	0.00%
Electricity	6,591	6,792	6,315	14,512	14,512	14,512	15,213	701	4.83%
Water	719	682	1,945	5,000	3,750	3,750	5,000	-	0.00%
Postage	21,120	21,652	20,402	30,000	30,000	30,000	30,000	-	0.00%
Bank Service Charges & Fees	62,356	66,236	73,964	67,000	82,000	82,000	85,000	18,000	26.87%
Bad Debt Expense	-	-	16,874	1,500	1,500	1,500	1,500	-	0.00%
Insurance	76,999	75,633	79,988	84,000	84,000	84,000	84,000	-	0.00%

## GENERAL FUND

Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2021 Amended	FY 2021 Projected	FY 2022 Adopted	Budget vs Budget Net	Prior Year Change %
Publications/Books/Subscripts	360	-	125	1,000	250	250	-	(1,000)	-100.00%
Dues & Memberships	3,988	4,269	4,607	6,000	6,000	6,017	6,000	-	0.00%
Meetings	134	176	149	400	240	289	-	(400)	-100.00%
Public Education	-	561	1,875	6,000	3,063	3,063	2,000	(4,000)	-66.67%
Schools & Training	3,238	1,172	3,018	6,850	4,000	4,000	5,250	(1,600)	-23.36%
Travel & per diem	1,677	218	1,205	3,575	600	600	1,588	(1,988)	-55.59%
Physicals/Testing	-	-	-	200	-	-	-	(200)	-100.00%
Elections	220	-	138	5,000	9,330	9,330	5,000	-	0.00%
Advertising	925	1,222	6,112	2,500	-	-	2,500	-	0.00%
Security	442	288	264	1,288	1,288	312	-	(1,288)	-100.00%
Miscellaneous Expenses	169	124	6,096	500	500	500	-	(500)	-100.00%
General Manager Contingency	17,000	-	-	17,000	17,000	-	-	(17,000)	-100.00%
Lawn Services	-	-	-	5,000	5,000	5,000	5,000	-	0.00%
Furniture/Equipment < \$5000	212	1,579	2,027	2,500	-	-	10,000	7,500	300.00%
Uniforms	747	746	-	2,050	1,000	-	530	(1,520)	-74.15%
Hardware IT	6,802	5,526	24,611	20,253	20,339	20,339	21,400	1,147	5.66%
Office Supplies	5,331	6,651	5,383	6,000	4,000	4,500	6,000	-	0.00%
Printer Supplies & Maintenance	2,365	-	-	-	-	-	-	-	0.00%
Maintenance Supplies	4,199	4,849	4,596	4,000	4,000	4,500	4,000	-	0.00%
Printing	144	-	-	2,500	-	-	-	(2,500)	-100.00%
Capital Outlays	48,355	67,391	156,107	138,000	129,975	129,975	190,000	52,000	37.68%
Copier Lease Installments	3,231	3,306	3,027	4,000	4,000	4,000	4,000	-	0.00%
<b>Subtotal Administration Expenses</b>	<b>1,123,167</b>	<b>1,185,147</b>	<b>1,386,708</b>	<b>1,669,510</b>	<b>1,486,808</b>	<b>1,470,475</b>	<b>1,567,488</b>	<b>(102,022)</b>	<b>-6.11%</b>
<b>Non Departmental Expenses</b>									
Legal	151,171	138,579	109,011	135,000	50,000	40,000	135,000	-	0.00%
Auditing	25,659	26,460	31,908	33,800	26,000	26,000	33,800	-	0.00%
Appraisal	10,696	11,057	11,909	11,925	11,925	11,200	12,055	130	1.09%
Tax Admin Fees	2,968	3,653	3,756	4,850	4,850	3,821	4,850	-	0.00%
<b>Subtotal Non Departmental Expenses</b>	<b>190,494</b>	<b>179,748</b>	<b>156,584</b>	<b>185,575</b>	<b>92,775</b>	<b>81,021</b>	<b>185,705</b>	<b>130</b>	<b>0.07%</b>
<b>Total General Fund Revenues</b>	<b>\$ 10,897,878</b>	<b>\$ 9,525,452</b>	<b>\$ 9,661,678</b>	<b>\$ 10,227,277</b>	<b>\$ 9,703,255</b>	<b>\$ 9,541,572</b>	<b>\$ 10,370,758</b>	<b>\$ 143,481</b>	<b>1.40%</b>
<b>Total General Fund Expenses</b>	<b>\$ 7,424,061</b>	<b>\$ 8,748,253</b>	<b>\$ 8,897,786</b>	<b>\$ 10,222,170</b>	<b>\$ 9,357,257</b>	<b>\$ 9,075,578</b>	<b>\$ 10,370,758</b>	<b>\$ 148,588</b>	<b>1.45%</b>
<b>Net Budget Surplus (Deficit)</b>	<b>\$ 3,473,817</b>	<b>\$ 777,200</b>	<b>\$ 763,892</b>	<b>\$ 5,107</b>	<b>\$ 345,998</b>	<b>\$ 465,994</b>	<b>\$ -</b>	<b>\$ (5,107)</b>	

## TAX DEBT PAYMENTS

### LONG TERM TAX DEBT

	MUD/PID Reimburse	Par Amount	Principal FY 2022	Interest 3/01	Interest 9/01	Subtotal Interest	Paying Agent Fee	Total	Maturity Date	First Callable Date	Project/Reason
Series 2012 (Tax)	MUD	\$2,355,000	\$240,000	\$7,350	\$7,350	\$14,700	\$500	\$255,200	9/1/2023	9/1/2020	Refund MUD #2 Unlimited Tax Bonds Series 2002 and costs of issuance
Series 2013 (Tax)	MUD	\$1,905,000	\$210,000	\$6,913	\$6,913	\$13,825	\$500	\$224,325	9/1/2023	9/1/2023	Refund MUD #2 Unlimited Tax Bonds Series 2003 & Unlimited Tax Refunding Bonds Series 2005 and costs of issuance
Series 2020 (Tax)	MUD	\$1,220,000	\$115,000	\$7,833	\$7,833	\$15,665	\$750	\$131,415	9/1/2031	9/1/2031	Refund MUD #1 Unlimited Tax Bonds Series 2010 and costs of issuance of the Bonds, Trophy Club Fire Station
<b>SUBTOTAL MUD-ONLY TAX BONDS:</b>		<b>\$5,480,000</b>	<b>\$565,000</b>	<b>\$22,095</b>	<b>\$22,095</b>	<b>\$44,190</b>	<b>\$1,750</b>	<b>\$610,940</b>			
Series 2014 (Tax)	MUD/PID	\$5,765,000	\$270,000	\$62,006	\$62,006	\$124,013	\$400	\$394,413	9/1/2034	9/1/2024	Tax Bonds for WWTP Expansion
<b>SUBTOTAL MUD/PID TAX BONDS:</b>		<b>\$5,765,000</b>	<b>\$270,000</b>	<b>\$62,006</b>	<b>\$62,006</b>	<b>\$124,013</b>	<b>\$400</b>	<b>\$394,413</b>			
<b>TOTAL ALL TAX BONDS:</b>		<b>\$11,245,000</b>	<b>\$835,000</b>	<b>\$84,101</b>	<b>\$84,101</b>	<b>\$168,203</b>	<b>\$2,150</b>	<b>\$1,005,353</b>			

## REVENUE DEBT PAYMENTS

### LONG TERM REVENUE DEBT

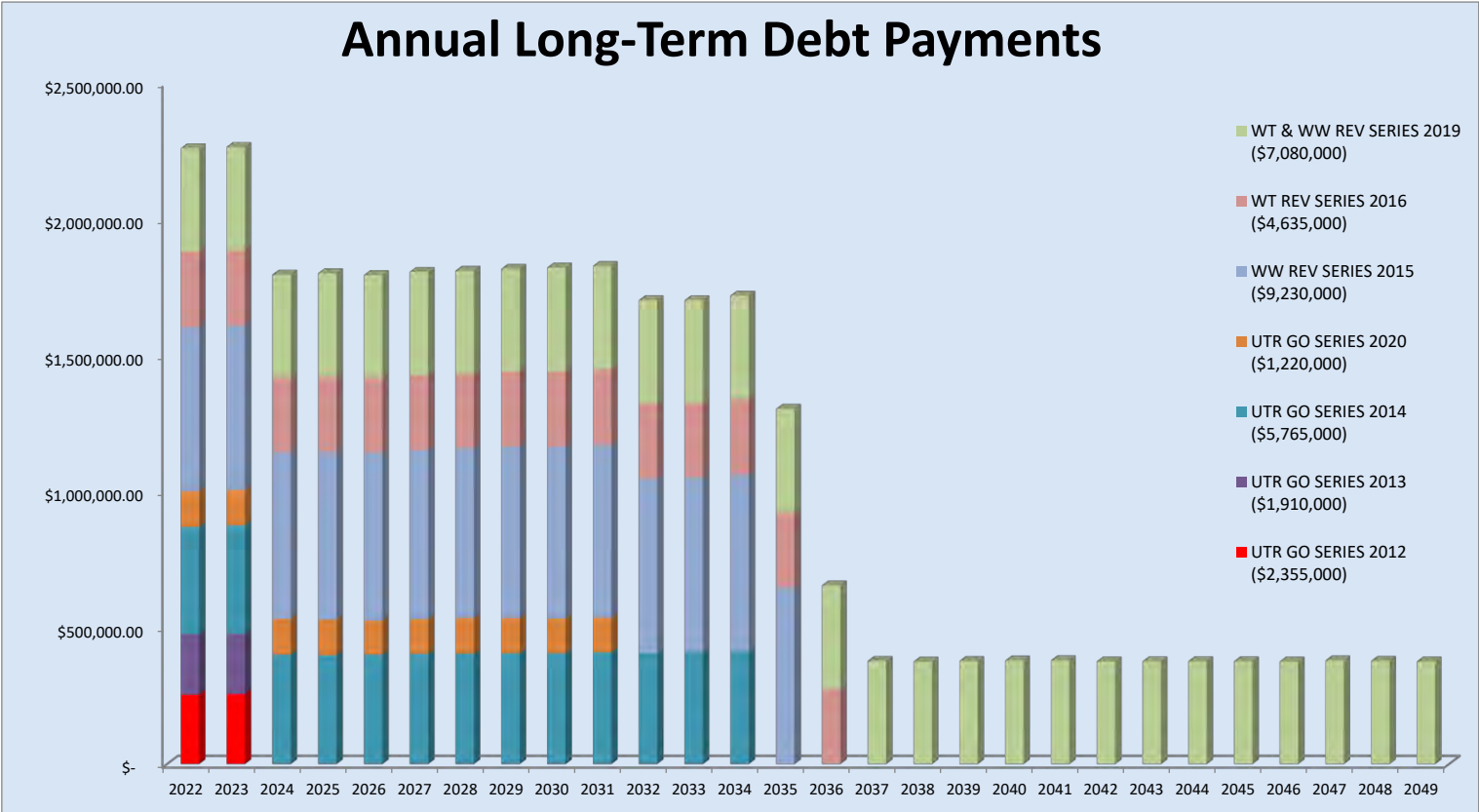
	Revenue Rates	Par Amount	Principal FY 2022	Interest 3/01	Interest 9/01	Subtotal Interest	Paying Agent Fee	Total	Maturity Date	First Callable Date	Project/Reason
Series 2015 (Revenue) WWTP		\$9,230,000	\$410,000	\$96,219	\$96,219	\$192,438	\$400	\$602,838	9/1/2035	9/1/2025	Revenue Bonds for WWTP Expansion
Series 2016 (Revenue) SWIFT		\$4,635,000	\$220,000	\$28,482	\$28,482	\$56,965	\$400	\$277,365	9/1/2036	9/1/2027	Revenue Bonds for Fort Worth Line NSII
Series 2019 (Revenue) WT & WW		\$7,080,000	\$160,000	\$109,469	\$109,469	\$218,938	\$400	\$379,338	9/1/2049	9/1/2028	Revenue Bonds for 16in Water Line (77%) Overrun for WWTP Expansion (23%)
<b>TOTAL ALL REVENUE BONDS:</b>		<b>\$20,945,000</b>	<b>\$790,000</b>	<b>\$234,170</b>	<b>\$234,170</b>	<b>\$468,340</b>	<b>\$1,200</b>	<b>\$1,259,540</b>			

## CAPITAL LEASE PAYMENTS

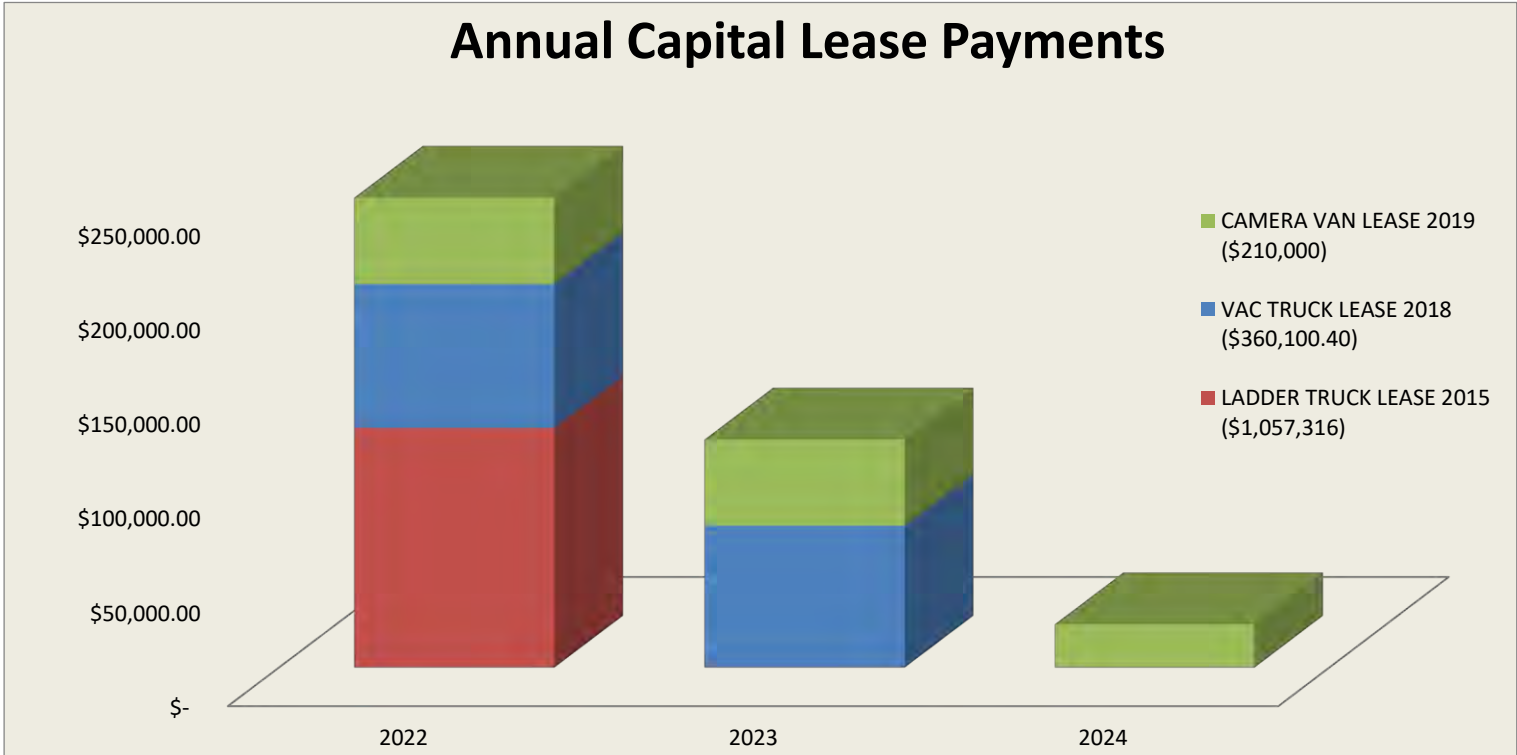
### SHORT TERM REVENUE DEBT

	Revenue Rates	Par Amount	Principal FY 2022	Interest 2/01	Interest 8/01	Subtotal Interest	Paying Agent Fee	Total	Payoff Date	Reason	Department
Vaccon Truck (Water usage 43%)		\$154,843	\$31,419	\$934	\$470	\$1,404	\$ -	\$32,823	2/1/2023	Replacement	Water
Vaccon Truck (WW usage 57%)		\$205,257	\$41,648	\$1,238	\$623	\$1,861	\$ -	\$43,509	2/1/2023	Replacement	Wastewater
Camera Van		\$205,504	\$40,230	\$2,922	\$2,529	\$5,451	\$ -	\$45,681	2/1/2024	Replacement	Wastewater
<b>Total:</b>		<b>\$565,604</b>	<b>\$113,297</b>	<b>\$5,094</b>	<b>\$3,623</b>	<b>\$8,716</b>	<b>\$ -</b>	<b>\$122,013</b>			

### Annual Long-Term Debt Payments



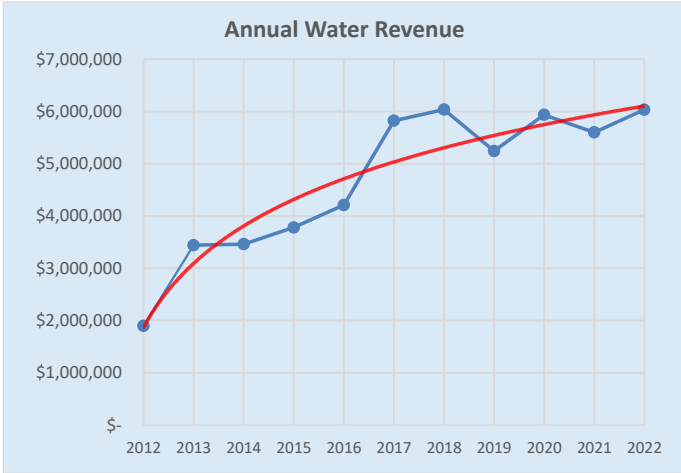
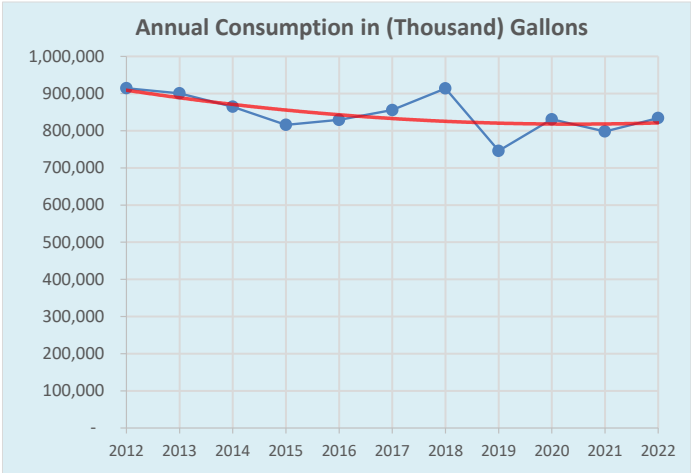
### Annual Capital Lease Payments



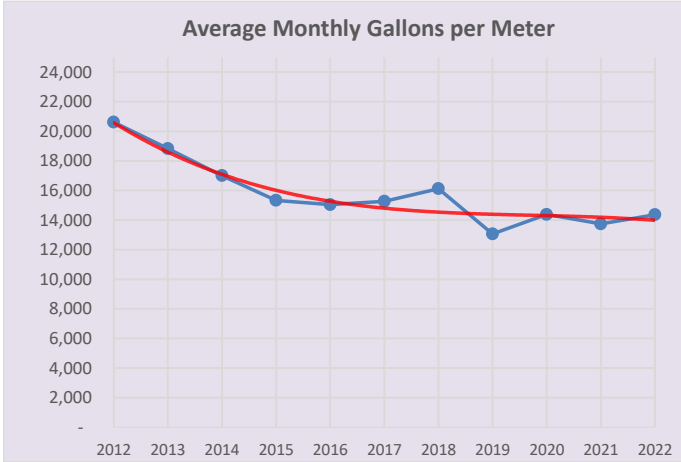
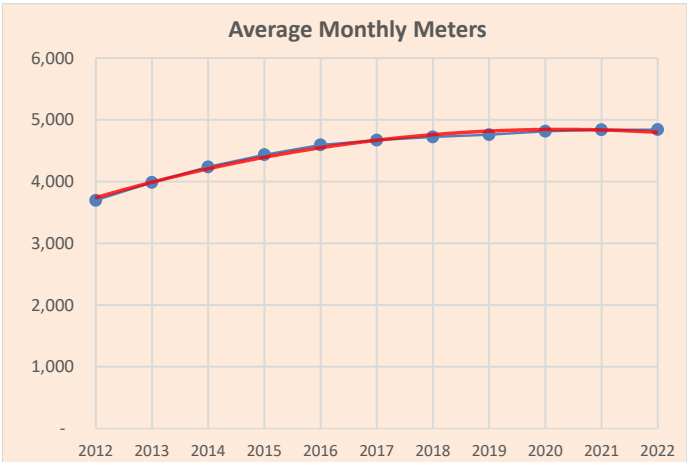
# CAPITAL OUTLAYS

Department	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Water</b>					
Water Line Replacement	\$ 575,000	\$ 632,500	\$ 695,750	\$ 765,325	\$ 841,858
Pump Head Discharge	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
Valve Replacement/Addition	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000	\$ 70,000
SCADA Upgrade	\$ 135,000	\$ -	\$ -	\$ -	\$ -
Concrete Pad for Dumpster	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Barn Repairs	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Fencing	\$ 15,000	\$ 30,000	\$ 15,000	\$ -	\$ -
Fleet Replacement	\$ 50,000	\$ 35,000	\$ 41,000	\$ -	\$ -
Contingency For Carryover	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Water Grand Totals</b>	<b>\$ 905,000</b>	<b>\$ 777,500</b>	<b>\$ 811,750</b>	<b>\$ 830,325</b>	<b>\$ 911,858</b>
<b>WASTEWATER</b>					
LS #1 Upgrades	\$ 300,000	\$ -	\$ -	\$ -	\$ -
WWTP Crane	\$ 15,000	\$ -	\$ -	\$ -	\$ -
MBR Return Pumps	\$ 85,000	\$ -	\$ -	\$ -	\$ -
SCADA Upgrade	\$ 135,000	\$ -	\$ -	\$ -	\$ -
Permeate Pump Piping	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Lift Station Fencing	\$ 20,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Lift Station Generators	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	\$ -
Fleet Truck Replacement	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ -
<b>Wastewater Grand Totals</b>	<b>\$ 700,000</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>ADMIN</b>					
New ERP System Deployment	\$ 170,000	\$ -	\$ -	\$ -	\$ -
Pavement and Driveway Repair	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
Fleet Replacement	\$ -	\$ 35,000	\$ -	\$ -	\$ -
<b>Admin Grand Totals</b>	<b>\$ 190,000</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

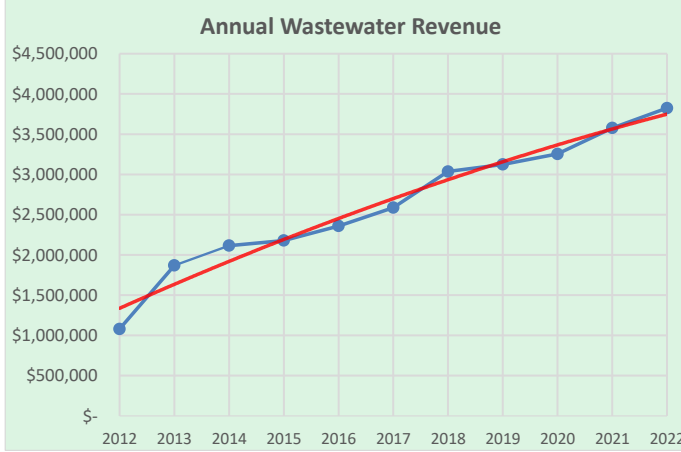
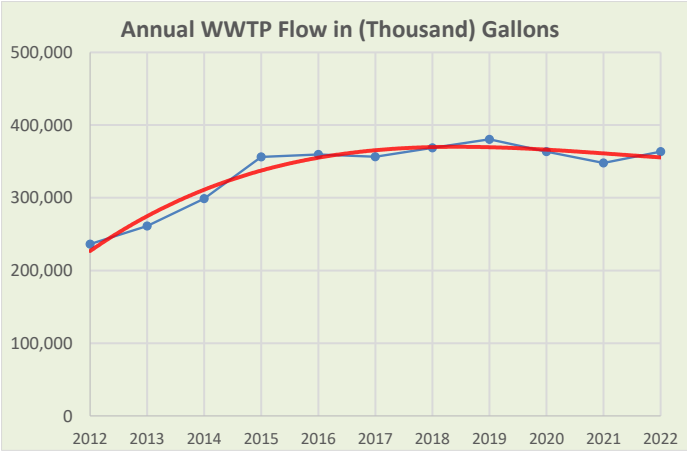
### ANNUAL WATER CONSUMPTION AND REVENUE BY YEAR



### AVERAGE MONTHLY METERS AND AVERAGE GALLONS BY YEAR



### ANNUAL WASTEWATER FLOW AND REVENUE BY YEAR







**STAFF REPORT**

**September 20, 2021**

**AGENDA ITEM**

Consider and take appropriate action to adopt Rate Order No. 2021-0920A amending water and sewer rates and setting an effective date of October 1, 2021.

**DESCRIPTION**

The changes in the proposed Rate Order are shown below.

**Section 1.09 Water Meter Fees.** Fees charged are the actual cost of water meters.

METER SIZE	WATER METER FEE	UPDATED METER FEE
5/8"	\$300	<b>\$318</b>
1"	\$355	<b>\$381</b>
1-1/2"	\$736	<b>\$780</b>

**Section 2.01 Water Service Rates.**

**Base Rates:**

METER SIZE	MONTHLY BASE RATE	
	Current	Effective Oct. 1
5/8" & 3/4"	\$18.50	<b>\$18.54</b>
1"	\$34.11	<b>\$34.84</b>
1.5"	\$60.26	<b>\$61.79</b>
2"	\$91.63	<b>\$98.87</b>
3"	\$164.84	<b>\$185.37</b>
4"	\$269.43	<b>\$308.95</b>
6"	\$530.89	<b>\$617.91</b>

**Volumetric Rates:**

Gallons Used	Rate per 1000 gallons	
	Current	Oct. 1
0 to 6,000	\$3.96	<b>\$4.09</b>
6,001 to 17,000	\$4.61	<b>\$4.76</b>
17,001 to 25,000	\$5.34	<b>\$5.51</b>
25,001 to 50,000	\$6.20	<b>\$6.40</b>
50,001+	\$7.21	<b>\$7.44</b>

**ATTACHMENTS**

Rate Order 2021-0920A Redline  
Rate Order 2021-0920A

**RECOMMENDATION**

Staff recommends the adoption of Rate Order No. 2021-0920A amending water and sewer rates and setting an effective date of October 1, 2021.

**RATE ORDER  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO.1  
ORDER NO. 2021-0920A**

**AN ORDER ESTABLISHING POLICIES, PROCEDURES, AND RATES FOR WATER AND SEWER SERVICE; PROVIDING FEES FOR CONNECTION, RECONNECTION, INSPECTION, ACCURACY READINGS, AND RETURNED CHECKS; REQUIRING DEPOSITS FOR SERVICE; PROVIDING A PENALTY FOR DELINQUENT PAYMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.**

**WHEREAS**, Trophy Club Municipal Utility District No. 1 (the "District") is the owner and/or operator of a water and sewer system designed to serve present and future inhabitants within the District and the Trophy Club Development; and

**WHEREAS**, the District's most recent Rate Order was adopted on September 21, 2020 (Order No 2020-0920B), and additional modifications are needed. The District desires to establish all of its rate policies in a single new Rate Order; and

**WHEREAS**, the Board of Directors of the District has carefully considered the terms of this Rate Order No. 2021-0920A, and is of the opinion that the following conditions and provisions should be established as the policies, procedures, and rates for obtaining service from the District's water and sewer system.

**THEREFORE, IT IS ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 THAT:**

**ARTICLE I  
TAP FEES AND CONNECTION POLICY**

**Section 1.01. Initiation of Water and Sanitary Sewer Connections.** Each person desiring a water and sanitary sewer service connection to the District's System shall be required to pay such fees as set forth in this Order. No service shall be established or re-established until such fees are paid. All service connections are subject to all other rules, regulations, and policies of the District.

**A. Certification of System.** Connections shall not be made to the District's System or portions of the System until the District's engineer or District staff has certified that the System or applicable portion thereof is operable and meets all regulatory requirements.

**B. Backflow Prevention.** No water connections from any public drinking water supply system shall be allowed to any residential or commercial establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination.

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At any residential or commercial establishment where an actual or potential contamination hazard exists, protection shall be required in the form of a backflow prevention assembly. The type of assembly required shall be specified by the District.

The existence of potential contamination hazards without installation having been made of the means of control and prevention as set out in the preceding paragraph; or, the same having been installed, there is a failure to properly maintain the same, shall be considered sufficient grounds for immediate termination of water service. Service can be restored only when the health hazard no longer exists, or when the health hazard has been isolated from the public water system in accordance with the foregoing requirements.

All backflow prevention assemblies that are required according to this section shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies that are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by this Rate Order. Copies of all testing and maintenance records shall be provided to the District within ten (10) days after maintenance and/or testing is performed.

If the Customer fails to comply with the terms of this Order, the District shall, at its option, either terminate service to the property or properly install, test, and maintain an appropriate backflow prevention device at the service connection at the expense of the Customer. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

**C. Availability of Access/Obstructions.** By application for connection to the District's System, the Customer shall be deemed to be granting to the District and its representatives a right of ingress and egress to and from the meter or point of service for such installation, maintenance and repair as the District, in its judgment, may deem reasonably necessary. The Customer shall also be deemed to be granting to the District and its representatives a right of ingress and egress to the Customer's property, including the exterior of the Customer's premises, for the purpose of performing the inspections and completing the Customer's Service Inspection Certifications required by the District's rules and regulations. Taps and connections will not be made when, in the opinion of the District, building materials or other debris obstructs the work area or the work area is not completed or finished to grade. When sidewalks, driveways or other improvements have been constructed prior to application for service, such application shall be construed and accepted as the Customer's waiver of a claim for any damages to such improvements resulting from the reasonable actions of the District in installation of the connection.

**Section 1.02. Residential Fire Lines, Connections, and Fees.** A residence of at least six-thousand (6,000) square feet but less than eight-thousand (8,000) square feet shall have installed on its one-inch (1") water service line, for fire protection, a one-inch (1") U-branch, with a separate meter and meter-box. The cost of installation, including parts, equipment, and labor shall be eight-hundred dollars (\$800.00), payable at the time of permitting.

A residence of eight-thousand (8,000) square feet or greater, in addition to its regular one-inch (1") water service line, shall have installed a separate one-and one-half (1 1/2") water service line for fire protection with its own meter and meter-box. The cost of connection and installation of the fire line and meter shall be either one thousand six hundred dollars (\$1,600.00) if the home is on the same side of the street as the waterline; or, if it is on the opposite side of the street from the waterline, necessitating boring, then the charge shall be five thousand nine hundred seventy five dollars (\$5,975.00), payable at the time of permitting to the District.

**Section 1.03. Connections by District.** All Connections to the District's water and sewer system shall be made with written approval of the District and in accordance with the District's Plumbing Code and its rules and regulations.

No person except the General Manager or his/her authorized agent shall be permitted to tap or make any connection to the mains or distribution piping of the District's water system, or make any repairs, additions to, or alterations in any meter, box, tap, pipe, cock or other fixture connected with the water system or any manhole, main, trunk or appurtenance of the District's sanitary sewer system. No sewer connection shall be covered in the ground and no house lead shall be covered in the ground before it has been inspected and approved by a licensed plumbing inspector with jurisdiction of the site.

**Section 1.04. Water and Sewer Tap Fees. Fees for water and sewer taps performed by the District are as follows:**

**Water Service Taps:**

Size	Fee for Tap	Bore (if applicable)
up to 1" Tap	\$1,200.00	\$5,000.00
2" Tap	\$1,800.00	\$10,000.00
3" Tap	\$4,500.00	\$10,000.00
4" Tap	\$5,500.00	\$10,000.00
6" Tap	\$6,500.00	\$10,000.00
8" Tap	\$7,500.00	\$10,000.00
10" Tap	\$8,500.00	\$10,000.00

**Sewer Service Taps:** Actual cost plus 10%. An estimate will be provided prior to work being performed.

When water taps have been made by someone other than the District personnel, there is an installation/inspection fee of fifty dollars (\$50.00) plus the cost of the appropriate meter.

**Section 1.05. Inspections and Fees.** Fees for permits and for plumbing inspections (other than for sewer and backflow inspections referred to below in subparagraphs A and B) should be paid to the city or town in which the property is located or to the District if the property is not located within a city or town.

**A. Sewer Inspection and Fees.** Sewer connections and house service lines shall be inspected by the District. An inspection fee of one-hundred-fifty dollars (\$150.00) shall be paid to the District for each connection to the District sanitary sewer system. Installations that fail to conform at any time to the rules and regulations shall be disconnected. Any customer whose connection is disconnected for such failure shall be notified as to the basis for such disconnection. After noted deficiencies have been corrected, a re-inspection shall be made upon payment to the District of a re-inspection fee of twenty-five dollars (\$25.00), plus payment by the customer of all outstanding charges. If subsequent re-inspections are required before the sewer connection and service lines are in compliance with the rules and regulations, a re-inspection fee of twenty-five dollars (\$25.00) shall be paid to the District for each subsequent re-inspection. Inspections by the District requested after regular business hours will be charged at a minimum of one-hundred dollars (\$100.00).

**B. Backflow Inspections.** Backflow installations (residential and commercial) that require annual inspections must have a certified Backflow Technician perform the testing and submit the report annually to the District.

**C. Swimming Pool Discharge into Sanitary Sewer System.** New swimming pools permitted on or after June 24, 2005, shall have all backwash and/or drainage from said pool discharge into the sanitary sewer system. Owners of pools built or permitted prior to July 1, 2005 are not required to retrofit the pool equipment and tie into the sanitary sewer. However, swimming pool backwash and drainage must drain to grassy areas and is not permitted to flow into the storm drain system, creeks, or other waterways.

For swimming pools discharging to the sanitary sewer system, an indirect connection shall be made by means of an air break, discharging into a tailpiece installed a minimum of six inches (6") (or 152 mm) above adjacent grade. The tailpiece shall be connected to a minimum three-inch (3" or 76mm) p-trap not less than twelve inches (12" or 304 mm) below grade which discharges into the yard cleanout riser. Backwash systems shall not flow onto neighboring properties or into the storm sewer. The tie-in and inspection fee shall be seventy-five dollars (\$75.00) to be paid at the time of issuance of the pool permit.

**Section 1.06 Temporary Water Service-Construction Meters.**

**A. Construction Meters.** The District shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water service. All temporary service shall be metered and billed to the temporary customer as provided herein. All unauthorized withdrawal of water from flushing valves, fire hydrants, or other appurtenances of the District's System is prohibited.

**B. Application and Deposit.** Each temporary customer desiring temporary water service shall be required to execute an application for such temporary service and shall provide a minimum-security deposit of one-thousand-seven-hundred-seventy-five dollars (\$1,775.00) for a three-inch (3") meter and RPZ; one-thousand-four-hundred-twenty-five dollars (\$1,425.00) for a smaller meter and smaller RPZ. The deposit shall be made by cashier's check or money order payable to the District. The deposit shall be used by the District to secure the payment for temporary water supplied by the District, the installation fee, and the cost of repair of any damages caused by the temporary customer. The balance of the security deposit, if any, shall be refunded after disconnection from the District's System.

**C. Construction Meter Fees and Rates.** Construction meters will be charged the same monthly rates (base fee and volumetric rate) for water as commercial accounts as set forth in Article II of this Rate Order.

**D. Temporary Construction Meter Use and Billing.** Construction meters can be rented by filing an application at the District office and payment of all required deposits. Upon approval of the application, a temporary meter and RPZ will be provided to the applicant. Installation on any fire hydrant or flush valve must be approved by the District and District meters may only be used within the District's service area. The location of installation must be indicated on the application and cannot be relocated unless notification is provided to and approved by the District in advance. Temporary meters may only be rented for a period of ninety (90) days and extensions may be approved upon request and approval. Failure to return a temporary meter or request a usage extension by the due date will result in repossession of the meter and forfeiture of the deposit.

Upon return of a temporary construction meter, an inspection of the meter and RPZ will be performed. Any and all damages to the meter and/or RPZ will be charged to the customer and deducted from the deposit. If the deposit does not cover the total amount of damages, the balance will be billed to the customer and payment must be received by the due date. Failure to pay all charges due will result in suspension of rental privileges until payment in full and may result in collection procedures.

**E. Return of Temporary Meter at District Request.** The District reserves the right to request the return of a temporary construction meter at any time determined

necessary by the District. Should Stage 2 Drought Restrictions or more stringent restrictions be implemented, all temporary construction meters must be returned within three (3) business days of notification by the District. Failure to promptly return the temporary meter within three business days will result in repossession of the meter and forfeiture of the deposit. Should District personnel be unable to locate the temporary meter for repossession, theft charges will be filed against the meter holder with local law enforcement.

**Section 1.07 Service Outside the District.** The rates and charges stated in this Rate Order are for services to customers and property located within the boundaries of the District. Any service to a customer or property located outside the boundaries of the District shall be granted only upon approval by the Board of Directors of the District. Out of District customers will pay the adopted rates for in district customers plus 15% for both water and sewer base and volumetric rates. For the purpose of customer classification, Trophy Club Park at Lake Grapevine is considered "in-district" and subject to all rates and service provisions related to in-district customers.

**Section 1.08 Service to New Development and Extension of Facilities.**

**A. New Service Connections and Extension of Facilities.** New service connections and extension of facilities must be constructed and installed in accordance with the District's Rules Governing New Service Connections and Extension of Facilities as approved through separate Resolution by the Board of Directors. **Applicants for Non-Standard Service must submit all required information and pay all fees prior to conveyance of facilities and service commencement.**

**B. Application Fee for Non-Standard Service.** Upon request for non-standard service an application fee of \$150 must be submitted.

**C. Design of Facilities.** All water and wastewater facilities to be constructed to extend service to new developments must be designed by a professional engineer licensed in the State of Texas at the applicant's expense. The District must approve the plans and specifications prior to the commencement of construction. At the time of plan review submittal, the applicant must provide payment to the District in the amount of \$2,500.00 as deposit for review of each set of plans and specifications reviewed by the District's engineer. The actual final fee for plan review by the District's engineer shall be provided to the applicant upon approval of the plans. If there is a balance due over the \$2,500 paid by the applicant at submittal, the balance due shall be paid by the applicant prior to receiving District approval of plans and specifications. District construction plans, and specifications shall be strictly adhered to, but the District reserves the right to change order any specifications, due to unforeseen circumstances during the design or construction of the proposed facilities, or as otherwise authorized by applicable laws, to better facilitate the operation of the facility. All expenses and costs associated with a change order shall be charged to the

applicant. Service to new developments is subject to available capacity in the District's water and wastewater systems. All new potential developments must seek written approval from the General Manager that capacity is available to serve and may be required to install offsite improvements if capacity is not available with current system infrastructure.

**D. Inspection Fees.** The District will inspect all infrastructure during construction. Inspection fees of \$100 per lot must be paid to the District prior to a notice to proceed being issued. A minimum of \$500 for inspection fees is required if less than five (5) lots are to be developed.

**Section 1.09 Water Meter Fees.**

METER SIZE	WATER METER FEE
5/8"	\$318
1"	\$381
1-1/2"	\$780
2"	Quoted at Time of Purchase
3"	Quoted at Time of Purchase
4"	Quoted at Time of Purchase
6"	Quoted at Time of Purchase
8"	Quoted at Time of Purchase
10"	Quoted at Time of Purchase

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Fees must be received by the District before any connection is installed.

A customer seeking service through an oversized connection line or from a meter larger than a one-inch (1") standard meter shall follow the District's policy for new development as outlined in Section 1.07 above. Should approval be granted by the District, the customer agrees to pay the water and sewer rates as outlined in Article II of this Rate Order.

**Section 1.10. Fort Worth Impact Fee.** Each customer requesting an initial connection, shall also pay to the District the applicable City of Fort Worth Impact Fee.

**Section 1.11. Title to Facilities.** Title to all water meters, water and sewer taps, and all other appurtenances, including meter boxes, shall lie in the District.



**ARTICLE II**  
**SERVICE RATES**

**Section 2.01. Water Service Rates.** The following monthly rates for water service shall be in effect for each separate connection within the District. The base rate for each connection (meter) is calculated upon meter size and will be charged for each residential and commercial meter:

**(1) Water Rates**

**BASE RATES:**

METER SIZE	MONTHLY BASE RATE
5/8" & 3/4"	\$18. <del>54</del>
1"	\$34. <del>84</del>
1.5"	\$ <del>61.79</del>
2"	\$ <del>98.87</del>
3"	\$ <del>185.37</del>
4"	\$ <del>308.95</del>
6"	\$ <del>617.91</del>

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**VOLUMETRIC RATES:**

Gallons Used	Rate per 1000 gallons
0 to 6,000	\$ <del>4.09</del>
6,001 to 17,000	\$ <del>4.76</del>
17,001 to 25,000	\$ <del>5.51</del>
25,001 to 50,000	\$ <del>6.40</del>
50,001+	\$ <del>7.44</del>

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**(2) Multi-Unit Buildings.**

Each multi-unit building (apartments, townhomes, business complex, etc.) served by a single 5/8" meter or 1" meter shall be billed the base rate for the meter size servicing the building multiplied by the number of units in the building or complex.

**Section 2.02. Sewer Service Rates.** The following monthly rates for the collection and disposal of sewage shall be in effect for each separate connection within the District:

**Residential Sewer Rates:** The District uses winter averaging for the purpose of calculating sewer charges on utility bills. The sewer charges are based on average water consumption for three months (December, January and February billing). The average consumption will be analyzed annually and take effect the first of April each year.

New customers will be assigned a default value user charge that is equal to the average winter water use for all residential customers. The winter average used for new residential customer is 7,000 gallons.

A customer with a water leak during the averaging months may request a reduction in the sewer usage calculation. Any customer filling a pool after resurfacing, construction or major repairs during the averaging months may request that their winter average calculation be adjusted. Requests for a reduction in sewer usage calculations must be submitted in writing to the General Manager and have documentation showing the construction or repairs as applicable to the issue. The General Manager or a duly authorized representative may adjust the metered water usage in determining the winter average. To assist in establishing winter averaging sewer rates, customers are encouraged to submit requests for sewer average reductions no later than March 15th.

**A. Residential Sewer Rates: Effective April 1, 2020**

<b>Base Rate:</b>	\$ 22.15
0 to 4,000	\$ 4.10
4,001 to 8,000	\$ 5.85
8,001 to 12,000	\$ 8.25
12,000+	\$ 11.75

**B. Commercial Sewer Rates: Effective April 1, 2020**

<b>Base Rate:</b>	\$ 22.15
<b>Volumetric Rate:</b>	\$ 6.94

\*Commercial sewer usage is billed based on actual water usage per month

**C. Multi-Unit Buildings.**

Each multi-unit building (apartments, townhomes, business complex, etc.) shall be billed the base rate for each meter servicing the building and sewer usage will be billed based on actual water usage per month.

**Section 2.03 Effluent Charge.** The effluent from the District’s wastewater treatment plant will be sold pursuant to separate contracts entered into with the District and approved by its Board of Directors.

**Section 2.04. Master Meter (Cooling Tower Calculation).** The water usage from the master meter reading minus the reading from the “Blow Down” meter equals the “evaporation.” Water usage less “evaporation” equals sewer usage for billing purposes.

**Section 2.06. Regulatory Assessment.** Pursuant to Section 5.235, Texas Water Code, and 30 TAC 291.76, the District shall collect and pay an annual regulatory assessment fee to the Texas Commission on Environmental Quality (“TCEQ”) in the amount required by law on the total charges for retail water and sewer service billed to its customers annually. The regulatory assessment fee will be detailed separately on customer bills.

**Section 2.07. No Reduced Rates or Free Service.** All customers receiving water and/or sewer service from the District shall be subject to the provisions of this Order and shall be charged the rates established in this Order. No reduced rate or free service shall be furnished to any customer whether such user be a charitable or eleemosynary institution, a political subdivision, or municipal corporation; provided, however, this provision shall not prohibit the District from establishing reasonable classifications of customers.

**ARTICLE III  
SERVICE POLICY**

**Section 3.01. Security Deposits.** Security deposits shall be required as follows:

**A. Builder’s Deposit.** A seventy-five dollar (\$75.00) security deposit shall be required of builders for each tap made by the District for such service connection, payable at or prior to the time that such tap is made, and the security deposit is refundable to the builder when the account is later transferred to an owner if that account and all other accounts of the builder are current at the time of the transfer; but, if that account or any other account of the same builder is not current at the time of such transfer to an owner, then the security deposit shall be applied against the outstanding balance of the builder’s account(s) at the time of such transfer. The District shall deduct from the deposit the cost to repair any damage caused to the District’s property by the builder or the builder’s employees, contractors,

subcontractors or agents and shall deduct any delinquent water and sewer service bills of the builder. In the event any amounts are deducted from the builder's deposit, it will be incumbent on the builder to reinstate the original amount of the deposit, and failure to do so will result in the suspension of any additional water taps for the builder.

**B. Residential Owners.** A security deposit of seventy-five (\$75.00) shall be required from each residential owner customer for a single-family home connected to the District's system. Upon discontinuation of service, the deposit shall be applied against amounts due, including disconnection fees.

**C. Commercial Deposits**

COMMERCIAL DEPOSITS		
METER SIZE	WATER	SEWER
3/4"	\$75	\$60
1"	\$100	\$100
1.5"	\$250	\$200
2"	\$500	\$320
3"	\$1,000	\$700
4"	\$1,800	\$1,200
6"	\$3,750	\$2,500
8"	\$5,400	\$3,600

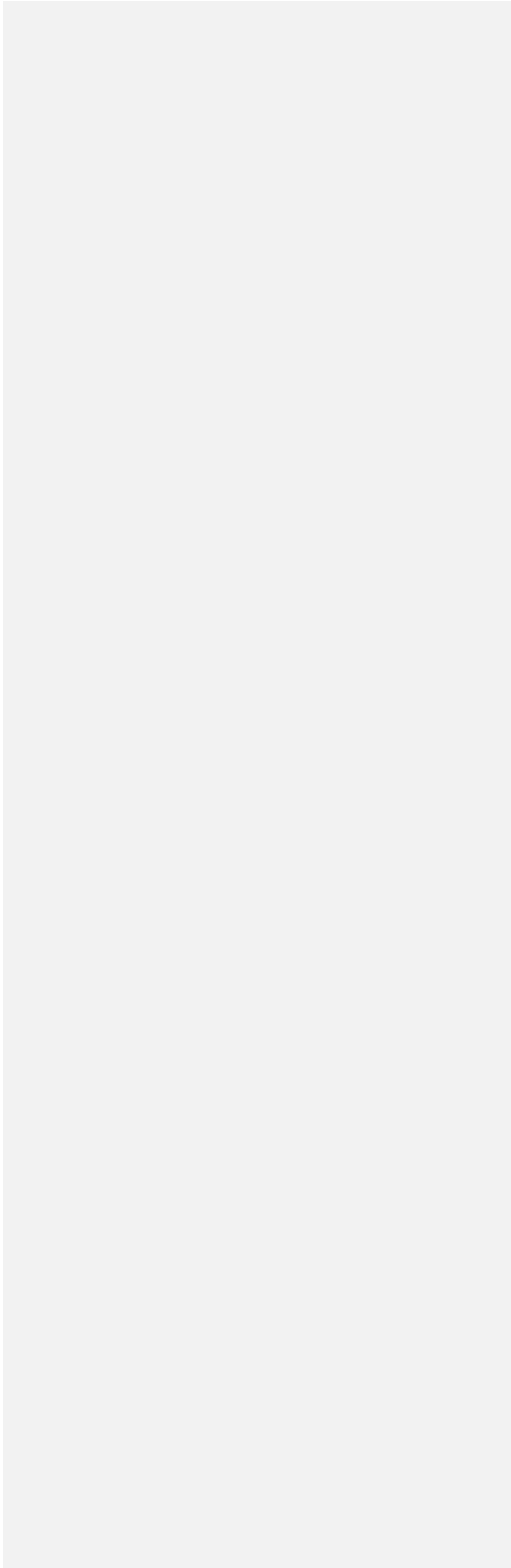
**D. Residential Lessees.** A security deposit of one-hundred-fifty dollars (\$150.00) shall be required from each residential lessee customer for a single-family home. Upon discontinuation of service, the deposit shall be applied against amounts due, including any disconnection fees.

**E. Construction Meters.** See Section 1.06 above.

**F. Other customers.** A security deposit equal to two (2) months estimated average monthly water and sewer bill shall be required of all other customers including commercial and multi-unit accounts.

**G. Deposits.** The District does not pay interest on deposits. The interest drawn by the District on customer deposits is returned into the operating budget of the water/sewer fund to help in providing the lowest possible water and sewer rates for our customers.

**Section 3.02. Billing Procedures.** All accounts shall be billed in accordance with the following:



**A. Due Date and Delinquency.** Charges for water and sewer service shall be billed monthly. Payment shall be due on or before the twentieth (20<sup>th</sup>) day of the month in the month in which the bill was received. Unless payment is received on or before the twentieth (20<sup>th</sup>) day of the month, such account shall be considered delinquent. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next working day after the due date. The District shall charge a penalty on past due accounts calculated at the rate of fifteen percent (15%) per month on water and sewer charges. The rates for water and sewer service shall depend upon the type of user and upon whether the water used has been chemically treated, as provided in this Rate Order. All accounts not paid by the due date shall be deemed delinquent and failure to make payment thereafter may result in the termination of water and sewer service.

**B. Notice and Appeal.** Prior to termination of service, a customer who is delinquent in payment shall be sent a notice that service will be discontinued on or after the fifteenth (15<sup>th</sup>) day after the date of such notice unless payment in full is received before by such day disconnection is scheduled. Notice shall be sent by first class United States mail and shall inform the customer of the amount of the delinquent bill, the date service will be disconnected if payment is not made, and of the customer's right to contest, explain, or correct the charges, services, or disconnection. Service shall not be disconnected where a customer has informed the District of his or her desire to contest or explain the bill. If the customer appears before the Board, the Board shall hear and consider the matter and inform the customer of the Board's determination by sending written notice to the customer by first class United States mail stating whether or not service will be disconnected. In the event of a service is disconnected more than two (2) times per calendar year (January through December) for non-payment, an additional Security Deposit of \$150.00 will be required for Residential homeowners and \$150.00 for Lessees to restore service in addition to a \$50.00 service fee, and afterhours re-connection charges if applicable, and any outstanding balance in Arrears will need to be brought current. As set out above in Section 3.01. If payment is not received prior to the date that disconnection has been scheduled, a service charge of \$50.00 dollars will be added to the account. ReconNECTIONS made outside of the District's normal business hours at the customer's request will be charged at an additional after hour's fee of one-hundred dollars (\$100.00).

**C. Business Hours.** For purposes of assessing the foregoing charges, "normal" or "regular" business hours shall mean only the hours between 8 a.m. and 5 p.m., Monday through Friday. All other times, including District holidays, are outside of the District's normal business hours and will result in the higher charge.

**D. Returned Checks and Bank Drafts.** A twenty-five-dollar (\$25.00) charge will be charged to the customer's account for any check or ACH bank draft returned by

the bank. Any amounts due on an account which have been paid with a check or ACH bank draft that has been returned by the bank must be paid in full by cash, cashier's check or money order, including all late charges and returned check charges, within ten (10) days from the day the District mails notice to the customer or otherwise notifies the customer that the check or ACH bank draft has been returned by the bank.

**E. Same-Day Service.** An additional charge of twenty-five dollars (\$25.00) shall be made when a customer requests same-day service. As an example, this charge will be implemented upon request by a customer for same-day service to start or terminate water and sewer service or to perform re-reads the same day as requested.

**F. Accuracy Reading Fee.** A meter accuracy reading fee in the amount of twenty-five dollars (\$25.00) shall be charged to a customer by the District for each meter accuracy reading made by the District for such customer when the original reading appears to be accurate. If the original meter reading appears to be in error, no fee will be charged. Each customer will be allowed one accuracy meter reading per calendar year at no charge. \*\*Should a customer request that a meter be removed, and bench tested by an outside source, then a fee of one-hundred-twenty-five dollars (\$125.00) will be charged to the customer. If the meter fails to meet American Water Works Association standards for in-service meters, then the customer will be given a credit offsetting the amount of the charge.

<https://www.awwa.org/publications/journal-awwa/abstract/articleid/34055179.aspx>

**G. Meter Data Logging Fee.** Each customer will be allowed one data log at no-cost per fiscal year. A fee of twenty-five dollars (\$25.00) shall be charged to a customer by the District for each meter data logging service performed thereafter. Meter data logging service can only be provided during regular business hours.

**Section 3.03. Entitlement.** Water and sewer service shall be provided to customers in accordance with all TCEQ rules covering minimum water and sewer standards.

**Section 3.04. Unauthorized and Extraordinary Waste.** The rates established herein are applicable for Domestic Waste as defined herein. Customers proposing to generate other types of waste will be assessed additional charges as established by the District.

**Section 3.05. Damage to District Facilities.**

**A. Damage to Meter and Appurtenances.** No person other than a duly authorized agent of the District shall tamper with or in any way interfere with a meter, meter box, service line or other water and/or sewer system appurtenance. The District reserves the right, immediately and without notice, to remove the meter or disconnect water service to any customer whose meter has been tampered with and to assess repair charges to the customer, plus a damage fee not to exceed five-thousand

dollars (\$5,000.00), plus any applicable charge for same day service. The District also reserves the right to file civil and/or criminal charges against any person or entity tampering with the District's public water system and/or sewer system.

**B. Repair.** It is the responsibility of the customer to maintain and repair the water service line from the point of connection to the District's water meter. The District reserves the right to repair any damage to the District's System and appurtenances without prior notice and to assess against any customer such penalties as are provided by law and such penalties provided for in this Rate Order in addition to those charges necessary to repair the portion of the System so damaged.

**C. Video.** If at any time a resident/customer wishes to have the District video their sewer line to help the resident determine the condition of their sewer line, the fee will be one-hundred-fifty dollars (\$150.00) payable to the District assessed on the next month's bill.

**Section 3.06. Easements.** Before service is established to any customer, the person requesting such service shall grant an easement of ingress and egress to and from the meter(s) for such maintenance and repair as the District, in its judgment, may deem necessary.

**Section 3.07. Required Service.** No service will be provided by the District unless the customer agrees to receive both water and sewer service, except that permanent irrigation only meters may receive water service only. Irrigation meters cannot be connected to any building plumbing.

**Section 3.08. Additional Charges.** In all cases where services are performed, and equipment or supplies are furnished to a party or entity not within the District, the charge to said party or entity shall be the District's cost of providing such services, equipment and/or supplies, plus fifteen percent (15%). This shall not apply to services, equipment and/or supplies furnished by the District under an existing Interlocal Agreement.

**ARTICLE IV**  
**INDUSTRIAL WASTE**

**Section 4.01. Industrial Waste Policy.** The following policy regarding industrial waste shall be effective:

**A. Definition.** "Industrial waste" shall mean the water-borne solids, liquids, and/or gaseous wastes (including Cooling Water), resulting from any industrial, manufacturing, trade, business, commercial, or food processing operation or process, or from the development of any natural resource, or any mixture of such solids, liquids, or wastes with water or domestic sewage. The Clean Water Act of 1977, as

amended, and the General Pretreatment Regulations contained in 40 C.F.R. 403 contain the requirements for user's discharge of industrial waste into wastewater facilities.

**B. Industrial Waste Discharge, Charges, and Rates.** If any customer of the District's sanitary sewer system proposes to discharge industrial waste into such system, the Board of Directors of the District shall request the recommendation of the District Engineer and shall establish rates and charges to provide for an equitable assessment of costs whereby such rates and charges for discharges of industrial waste correspond to the cost of waste treatment, taking into account the volume and strength of the industrial, domestic, commercial waste, and all other waste discharges treated and techniques of the treatment required. Such rates shall be an equitable system of cost recovery which is sufficient to produce revenues, in proportion to the percentage of industrial wastes proportionately relative to the total waste load to be treated by the District for the operation and maintenance of the treatment works, for the amortization of the District's indebtedness for the cost as may be necessary to assure adequate waste treatment on a continuing basis.

**C. Pretreatment.** The Board of Directors of the District shall rely upon the recommendation of the District Engineer and shall require pretreatment of any industrial waste that would otherwise be detrimental to the treatment works or to its proper and efficient operation and maintenance or will otherwise prevent the entry of such industrial waste into the treatment plant.

## ARTICLE V

### ENFORCEMENT/CIVIL PENALTIES

#### **Section 5.01. Enforcement.**

**A. Civil Penalties.** The Board hereby imposes the following civil penalties for breach of any rule of the District: The violator shall pay the District twice the costs the District has sustained due to the violation up to ten-thousand dollars (\$10,000.00). A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The court shall fix the amount of the attorneys' fees.

**B. Liability for Costs.** Any person violating any of the provisions of this Order and/or the rules and regulations governing water and sanitary sewer facilities, service lines, and connections shall become liable to the District for any expense, loss or



damage occasioned by the District by reason of such violation, and enforcement thereof shall be in accordance with Paragraph A of Section 5.01 of this Order.

**Section 5.02. Non-waiver.** The failure on the part of the District to enforce any section, clause, sentence, or provision of this Order shall not constitute a waiver of the right of the District later to enforce any section, clause, sentence, or provision of this Order.

**Section 5.03. Appeal.** Any determination by the District of any dispute regarding the terms and provisions of this order may be appealed to the Board of Directors of the District, which shall conduct a hearing on the matter. The District shall provide the customer with information regarding appeals and hearing procedures upon the customer’s request.

**ARTICLE VI**  
**MISCELLANEOUS**

**Section 6.01. Amendments.** The Board of the District has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

**Section 6.02. Severability.** The provisions of this Order are severable, and if any provision or part of this Order or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Order and application of such provision or part of this Order shall not be affected thereby.

**ARTICLE VII**  
**REPEAL OF PREVIOUS ORDERS**

This Rate Order shall be known as the “~~2021-0920A~~ Rate Order” (Order No. ~~2021-0920A~~) of the District. All previous Orders adopted by the Board of Directors pertaining to the subject matter hereof are each hereby repealed in their entirety as of the effective date hereof.

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**ARTICLE VIII**  
**EFFECTIVE DATE**

This Order shall be effective on October 1, 202~~1~~.

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**ARTICLE IX**  
**PUBLIC MEETING**

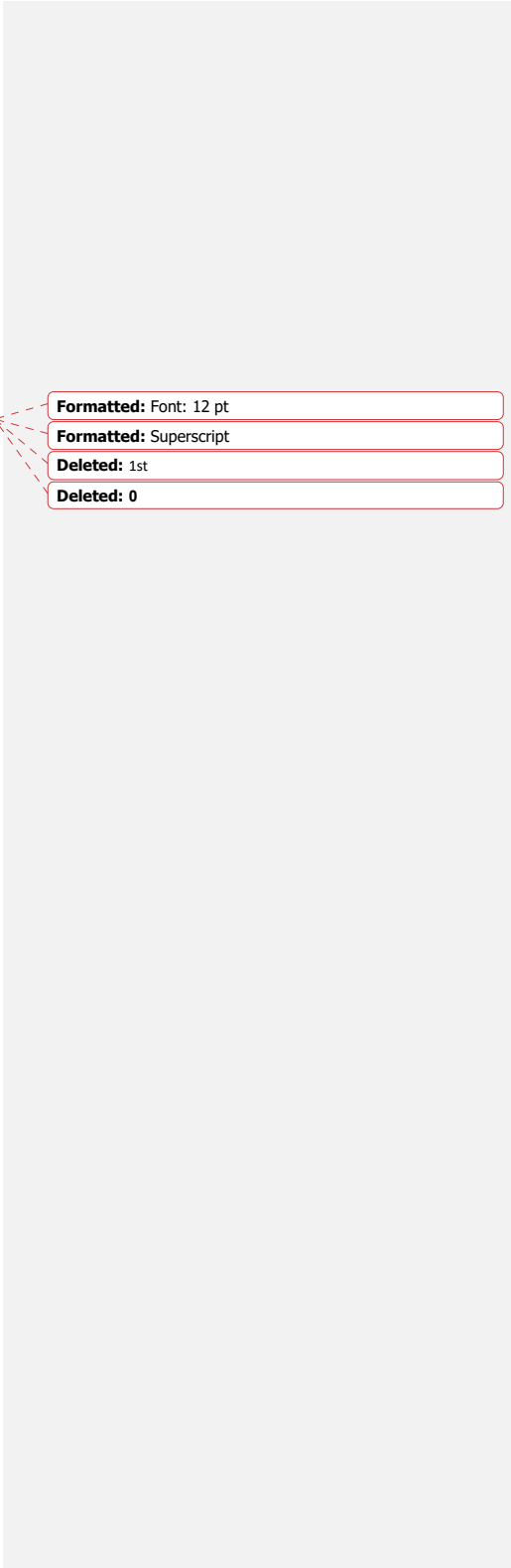
It is hereby found that the meeting at which this Order is adopted is open to the public as required by law, and that public notice of the time, place, and subject matter of said meeting and of the proposed adoption of this Order was given as required by law.

**ADOPTED AND APPROVED this 20<sup>th</sup> day of September 2021.**

\_\_\_\_\_  
Steve Flynn, President  
Board of Directors

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer  
Board of Directors

(SEAL)



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**RATE ORDER  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO.1  
ORDER NO. 2021-0920A**

**AN ORDER ESTABLISHING POLICIES, PROCEDURES, AND RATES FOR WATER AND SEWER SERVICE; PROVIDING FEES FOR CONNECTION, RECONNECTION, INSPECTION, ACCURACY READINGS, AND RETURNED CHECKS; REQUIRING DEPOSITS FOR SERVICE; PROVIDING A PENALTY FOR DELINQUENT PAYMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.**

**WHEREAS**, Trophy Club Municipal Utility District No. 1 (the “District”) is the owner and/or operator of a water and sewer system designed to serve present and future inhabitants within the District and the Trophy Club Development; and

**WHEREAS**, the District’s most recent Rate Order was adopted on September 21, 2020 (Order No 2020-0920B), and additional modifications are needed. The District desires to establish all of its rate policies in a single new Rate Order; and

**WHEREAS**, the Board of Directors of the District has carefully considered the terms of this Rate Order No. 2021-0920A and is of the opinion that the following conditions and provisions should be established as the policies, procedures, and rates for obtaining service from the District’s water and sewer system.

**THEREFORE, IT IS ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 THAT:**

**ARTICLE I**

**TAP FEES AND CONNECTION POLICY**

**Section 1.01. Initiation of Water and Sanitary Sewer Connections.** Each person desiring a water and sanitary sewer service connection to the District’s System shall be required to pay such fees as set forth in this Order. No service shall be established or re-established until such fees are paid. All service connections are subject to all other rules, regulations, and policies of the District.

**A. Certification of System.** Connections shall not be made to the District’s System or portions of the System until the District’s engineer or District staff has certified that the System or applicable portion thereof is operable and meets all regulatory requirements.

**B. Backflow Prevention.** No water connections from any public drinking water supply system shall be allowed to any residential or commercial establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination.

At any residential or commercial establishment where an actual or potential contamination hazard exists, protection shall be required in the form of a backflow prevention assembly. The type of assembly required shall be specified by the District.

The existence of potential contamination hazards without installation having been made of the means of control and prevention as set out in the preceding paragraph; or, the same having been installed, there is a failure to properly maintain the same, shall be considered sufficient grounds for immediate termination of water service. Service can be restored only when the health hazard no longer exists, or when the health hazard has been isolated from the public water system in accordance with the foregoing requirements.

All backflow prevention assemblies that are required according to this section shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies that are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by this Rate Order. Copies of all testing and maintenance records shall be provided to the District within ten (10) days after maintenance and/or testing is performed.

If the Customer fails to comply with the terms of this Order, the District shall, at its option, either terminate service to the property or properly install, test, and maintain an appropriate backflow prevention device at the service connection at the expense of the Customer. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

**C. Availability of Access/Obstructions.** By application for connection to the District's System, the Customer shall be deemed to be granting to the District and its representatives a right of ingress and egress to and from the meter or point of service for such installation, maintenance and repair as the District, in its judgment, may deem reasonably necessary. The Customer shall also be deemed to be granting to the District and its representatives a right of ingress and egress to the Customer's property, including the exterior of the Customer's premises, for the purpose of performing the inspections and completing the Customer's Service Inspection Certifications required by the District's rules and regulations. Taps and connections will not be made when, in the opinion of the District, building materials or other debris obstructs the work area or the work area is not completed or finished to grade. When sidewalks, driveways or other improvements have been constructed prior to application for service, such application shall be construed and accepted as the Customer's waiver of a claim for any damages to such improvements resulting from the reasonable actions of the District in installation of the connection.

**Section 1.02. Residential Fire Lines, Connections, and Fees.** A residence of at least six-thousand (6,000) square feet but less than eight-thousand (8,000) square feet shall have installed on its one-inch (1”) water service line, for fire protection, a one-inch (1”) U-branch, with a separate meter and meter-box. The cost of installation, including parts, equipment, and labor shall be eight-hundred dollars (\$800.00), payable at the time of permitting.

A residence of eight-thousand (8,000) square feet or greater, in addition to its regular one-inch (1”) water service line, shall have installed a separate one-and one-half (1 ½ “) water service line for fire protection with its own meter and meter-box. The cost of connection and installation of the fire line and meter shall be either one thousand six hundred dollars (\$1,600.00) if the home is on the same side of the street as the waterline; or, if it is on the opposite side of the street from the waterline, necessitating boring, then the charge shall be five thousand nine hundred seventy five dollars (\$5,975.00), payable at the time of permitting to the District.

**Section 1.03. Connections by District.** All Connections to the District’s water and sewer system shall be made with written approval of the District and in accordance with the District’s Plumbing Code and its rules and regulations.

No person except the General Manager or his/her authorized agent shall be permitted to tap or make any connection to the mains or distribution piping of the District’s water system, or make any repairs, additions to, or alterations in any meter, box, tap, pipe, cock or other fixture connected with the water system or any manhole, main, trunk or appurtenance of the District’s sanitary sewer system. No sewer connection shall be covered in the ground and no house lead shall be covered in the ground before it has been inspected and approved by a licensed plumbing inspector with jurisdiction of the site.

**Section 1.04. Water and Sewer Tap Fees. Fees for water and sewer taps performed by the District are as follows:**

**Water Service Taps:**

Size	Fee for Tap	Bore (if applicable)
up to 1" Tap	\$1,200.00	\$5,000.00
2" Tap	\$1,800.00	\$10,000.00
3" Tap	\$4,500.00	\$10,000.00
4" Tap	\$5,500.00	\$10,000.00
6" Tap	\$6,500.00	\$10,000.00
8" Tap	\$7,500.00	\$10,000.00
10" Tap	\$8,500.00	\$10,000.00

**Sewer Service Taps:** Actual cost plus 10%. An estimate will be provided prior to work being performed.

When water taps have been made by someone other than the District personnel, there is an installation/inspection fee of fifty dollars (\$50.00) plus the cost of the appropriate meter.

**Section 1.05. Inspections and Fees.** Fees for permits and for plumbing inspections (other than for sewer and backflow inspections referred to below in subparagraphs A and B) should be paid to the city or town in which the property is located or to the District if the property is not located within a city or town.

**A. Sewer Inspection and Fees.** Sewer connections and house service lines shall be inspected by the District. An inspection fee of one-hundred-fifty dollars (\$150.00) shall be paid to the District for each connection to the District sanitary sewer system. Installations that fail to conform at any time to the rules and regulations shall be disconnected. Any customer whose connection is disconnected for such failure shall be notified as to the basis for such disconnection. After noted deficiencies have been corrected, a re-inspection shall be made upon payment to the District of a re-inspection fee of twenty-five dollars (\$25.00), plus payment by the customer of all outstanding charges. If subsequent re-inspections are required before the sewer connection and service lines are in compliance with the rules and regulations, a re-inspection fee of twenty-five dollars (\$25.00) shall be paid to the District for each subsequent re-inspection. Inspections by the District requested after regular business hours will be charged at a minimum of one-hundred dollars (\$100.00).

**B. Backflow Inspections.** Backflow installations (residential and commercial) that require annual inspections must have a certified Backflow Technician perform the testing and submit the report annually to the District.

**C. Swimming Pool Discharge into Sanitary Sewer System.** New swimming pools permitted on or after June 24, 2005, shall have all backwash and/or drainage from said pool discharge into the sanitary sewer system. Owners of pools built or permitted prior to July 1, 2005 are not required to retrofit the pool equipment and tie into the sanitary sewer. However, swimming pool backwash and drainage must drain to grassy areas and is not permitted to flow into the storm drain system, creeks, or other waterways.

For swimming pools discharging to the sanitary sewer system, an indirect connection shall be made by means of an air break, discharging into a tailpiece installed a minimum of six inches (6") (or 152 mm) above adjacent grade. The tailpiece shall be connected to a minimum three-inch (3" or 76mm) p-trap not less than twelve inches (12" or 304 mm) below grade which discharges into the yard cleanout riser. Backwash systems shall not flow onto neighboring properties or into the storm sewer. The tie-in and inspection fee shall be seventy-five dollars (\$75.00) to be paid at the time of issuance of the pool permit.

**Section 1.06 Temporary Water Service-Construction Meters.**

**A. Construction Meters.** The District shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water service. All temporary service shall be metered and billed to the temporary customer as provided herein. All unauthorized withdrawal of water from flushing valves, fire hydrants, or other appurtenances of the District's System is prohibited.

**B. Application and Deposit.** Each temporary customer desiring temporary water service shall be required to execute an application for such temporary service and shall provide a minimum-security deposit of one-thousand-seven-hundred-seventy-five dollars (\$1,775.00) for a three-inch (3") meter and RPZ; one-thousand-four-hundred-twenty-five dollars (\$1,425.00) for a smaller meter and smaller RPZ. The deposit shall be made by cashier's check or money order payable to the District. The deposit shall be used by the District to secure the payment for temporary water supplied by the District, the installation fee, and the cost of repair of any damages caused by the temporary customer. The balance of the security deposit, if any, shall be refunded after disconnection from the District's System.

**C. Construction Meter Fees and Rates.** Construction meters will be charged the same monthly rates (base fee and volumetric rate) for water as commercial accounts as set forth in Article II of this Rate Order.

**D. Temporary Construction Meter Use and Billing.** Construction meters can be rented by filing an application at the District office and payment of all required deposits. Upon approval of the application, a temporary meter and RPZ will be provided to the applicant. Installation on any fire hydrant or flush valve must be approved by the District and District meters may only be used within the District's service area. The location of installation must be indicated on the application and cannot be relocated unless notification is provided to and approved by the District in advance. Temporary meters may only be rented for a period of ninety (90) days and extensions may be approved upon request and approval. Failure to return a temporary meter or request a usage extension by the due date will result in repossession of the meter and forfeiture of the deposit.

Upon return of a temporary construction meter, an inspection of the meter and RPZ will be performed. Any and all damages to the meter and/or RPZ will be charged to the customer and deducted from the deposit. If the deposit does not cover the total amount of damages, the balance will be billed to the customer and payment must be received by the due date. Failure to pay all charges due will result in suspension of rental privileges until payment in full and may result in collection procedures.

**E. Return of Temporary Meter at District Request.** The District reserves the right to request the return of a temporary construction meter at any time determined

necessary by the District. Should Stage 2 Drought Restrictions or more stringent restrictions be implemented, all temporary construction meters must be returned within three (3) business days of notification by the District. Failure to promptly return the temporary meter within three business days will result in repossession of the meter and forfeiture of the deposit. Should District personnel be unable to locate the temporary meter for repossession, theft charges will be filed against the meter holder with local law enforcement.

**Section 1.07 Service Outside the District.** The rates and charges stated in this Rate Order are for services to customers and property located within the boundaries of the District. Any service to a customer or property located outside the boundaries of the District shall be granted only upon approval by the Board of Directors of the District. Out of District customers will pay the adopted rates for in district customers plus 15% for both water and sewer base and volumetric rates. For the purpose of customer classification, Trophy Club Park at Lake Grapevine is considered "in-district" and subject to all rates and service provisions related to in-district customers.

**Section 1.08 Service to New Development and Extension of Facilities.**

**A. New Service Connections and Extension of Facilities.** New service connections and extension of facilities must be constructed and installed in accordance with the District's Rules Governing New Service Connections and Extension of Facilities as approved through separate Resolution by the Board of Directors. **Applicants for Non-Standard Service must submit all required information and pay all fees prior to conveyance of facilities and service commencement.**

**B. Application Fee for Non-Standard Service.** Upon request for non-standard service an application fee of \$150 must be submitted.

**C. Design of Facilities.** All water and wastewater facilities to be constructed to extend service to new developments must be designed by a professional engineer licensed in the State of Texas at the applicant's expense. The District must approve the plans and specifications prior to the commencement of construction. At the time of plan review submittal, the applicant must provide payment to the District in the amount of \$2,500.00 as deposit for review of each set of plans and specifications reviewed by the District's engineer. The actual final fee for plan review by the District's engineer shall be provided to the applicant upon approval of the plans. If there is a balance due over the \$2,500 paid by the applicant at submittal, the balance due shall be paid by the applicant prior to receiving District approval of plans and specifications. District construction plans, and specifications shall be strictly adhered to, but the District reserves the right to change order any specifications, due to unforeseen circumstances during the design or construction of the proposed facilities, or as otherwise authorized by applicable laws, to better facilitate the operation of the facility. All expenses and costs associated with a change order shall be charged to the



applicant. Service to new developments is subject to available capacity in the District’s water and wastewater systems. All new potential developments must seek written approval from the General Manager that capacity is available to serve and may be required to install offsite improvements if capacity is not available with current system infrastructure.

**D. Inspection Fees.** The District will inspect all infrastructure during construction. Inspection fees of \$100 per lot must be paid to the District prior to a notice to proceed being issued. A minimum of \$500 for inspection fees is required if less than five (5) lots are to be developed.

**Section 1.09 Water Meter Fees.**

METER SIZE	WATER METER FEE
5/8"	\$318
1"	\$381
1-1/2"	\$780
2"	Quoted at Time of Purchase
3"	Quoted at Time of Purchase
4"	Quoted at Time of Purchase
6"	Quoted at Time of Purchase
8"	Quoted at Time of Purchase
10"	Quoted at Time of Purchase

Fees must be received by the District before any connection is installed.

A customer seeking service through an oversized connection line or from a meter larger than a one-inch (1”) standard meter shall follow the District’s policy for new development as outlined in Section 1.07 above. Should approval be granted by the District, the customer agrees to pay the water and sewer rates as outlined in Article II of this Rate Order.

**Section 1.10. Fort Worth Impact Fee.** Each customer requesting an initial connection, shall also pay to the District the applicable City of Fort Worth Impact Fee.

**Section 1.11. Title to Facilities.** Title to all water meters, water and sewer taps, and all other appurtenances, including meter boxes, shall lie in the District.

**ARTICLE II**  
**SERVICE RATES**

**Section 2.01. Water Service Rates.** The following monthly rates for water service shall be in effect for each separate connection within the District. The base rate for each connection (meter) is calculated upon meter size and will be charged for each residential and commercial meter:

**(1) Water Rates**

**BASE RATES:**

Meter Size	Monthly Base Rate
5/8" & 3/4"	\$18.54
1"	\$34.84
1.5"	\$61.79
2"	\$98.87
3"	\$185.37
4"	\$308.95
6"	\$617.91

**VOLUMETRIC RATES:**

Gallons Used	Rate per 1000 gallons
0 to 6,000	\$4.09
6,001 to 17,000	\$4.76
17,001 to 25,000	\$5.51
25,001 to 50,000	\$6.40
50,001+	\$7.44

**(2) Multi-Unit Buildings.**

Each multi-unit building (apartments, townhomes, business complex, etc.) served by a single 5/8" meter or 1" meter shall be billed the base rate for the meter size servicing the building multiplied by the number of units in the building or complex.

**Section 2.02. Sewer Service Rates.** The following monthly rates for the collection and disposal of sewage shall be in effect for each separate connection within the District:

**Residential Sewer Rates:** The District uses winter averaging for the purpose of calculating sewer charges on utility bills. The sewer charges are based on average water consumption for three months (December, January and February billing). The average consumption will be analyzed annually and take effect the first of April each year.

New customers will be assigned a default value user charge that is equal to the average winter water use for all residential customers. The winter average used for new residential customer is 7,000 gallons.

A customer with a water leak during the averaging months may request a reduction in the sewer usage calculation. Any customer filling a pool after resurfacing, construction or major repairs during the averaging months may request that their winter average calculation be adjusted. Requests for a reduction in sewer usage calculations must be submitted in writing to the General Manager and have documentation showing the construction or repairs as applicable to the issue. The General Manager or a duly authorized representative may adjust the metered water usage in determining the winter average. To assist in establishing winter averaging sewer rates, customers are encouraged to submit requests for sewer average reductions no later than March 15th.

**A. Residential Sewer Rates: Effective April 1, 2020**

<b>Base Rate:</b>	\$ 22.15
0 to 4,000	\$ 4.10
4,001 to 8,000	\$ 5.85
8,001 to 12,000	\$ 8.25
12,000+	\$ 11.75

**B. Commercial Sewer Rates: Effective April 1, 2020**

<b>Base Rate:</b>	\$ 22.15
<b>Volumetric Rate:</b>	\$ 6.94

\*Commercial sewer usage is billed based on actual water usage per month

**C. Multi-Unit Buildings.**

Each multi-unit building (apartments, townhomes, business complex, etc.) shall be billed the base rate for each meter servicing the building and sewer usage will be billed based on actual water usage per month.

**Section 2.03 Effluent Charge.** The effluent from the District's wastewater treatment plant will be sold pursuant to separate contracts entered into with the District and approved by its Board of Directors.

**Section 2.04. Master Meter (Cooling Tower Calculation).** The water usage from the master meter reading minus the reading from the "Blow Down" meter equals the "evaporation." Water usage less "evaporation" equals sewer usage for billing purposes.

**Section 2.06. Regulatory Assessment.** Pursuant to Section 5.235, Texas Water Code, and 30 TAC 291.76, the District shall collect and pay an annual regulatory assessment fee to the Texas Commission on Environmental Quality ("TCEQ") in the amount required by law on the total charges for retail water and sewer service billed to its customers annually. The regulatory assessment fee will be detailed separately on customer bills.

**Section 2.07. No Reduced Rates or Free Service.** All customers receiving water and/or sewer service from the District shall be subject to the provisions of this Order and shall be charged the rates established in this Order. No reduced rate or free service shall be furnished to any customer whether such user be a charitable or eleemosynary institution, a political subdivision, or municipal corporation; provided, however, this provision shall not prohibit the District from establishing reasonable classifications of customers.

**ARTICLE III**  
**SERVICE POLICY**

**Section 3.01. Security Deposits.** Security deposits shall be required as follows:

**A. Builder's Deposit.** A seventy-five dollar (\$75.00) security deposit shall be required of builders for each tap made by the District for such service connection, payable at or prior to the time that such tap is made, and the security deposit is refundable to the builder when the account is later transferred to an owner if that account and all other accounts of the builder are current at the time of the transfer; but, if that account or any other account of the same builder is not current at the time of such transfer to an owner, then the security deposit shall be applied against the outstanding balance of the builder's account(s) at the time of such transfer. The District shall deduct from the deposit the cost to repair any damage caused to the District's property by the builder or the builder's employees, contractors,

subcontractors or agents and shall deduct any delinquent water and sewer service bills of the builder. In the event any amounts are deducted from the builder’s deposit, it will be incumbent on the builder to reinstate the original amount of the deposit, and failure to do so will result in the suspension of any additional water taps for the builder.

**B. Residential Owners.** A security deposit of seventy-five (\$75.00) shall be required from each residential owner customer for a single-family home connected to the District’s system. Upon discontinuation of service, the deposit shall be applied against amounts due, including disconnection fees.

**C. Commercial Deposits**

COMMERCIAL DEPOSITS		
METER SIZE	WATER	SEWER
3/4"	\$75	\$60
1"	\$100	\$100
1.5"	\$250	\$200
2"	\$500	\$320
3"	\$1,000	\$700
4"	\$1,800	\$1,200
6"	\$3,750	\$2,500
8"	\$5,400	\$3,600

**D. Residential Lessees.** A security deposit of one-hundred-fifty dollars (\$150.00) shall be required from each residential lessee customer for a single-family home. Upon discontinuation of service, the deposit shall be applied against amounts due, including any disconnection fees.

**E. Construction Meters.** See Section 1.06 above.

**F. Other customers.** A security deposit equal to two (2) months estimated average monthly water and sewer bill shall be required of all other customers including commercial and multi-unit accounts.

**G. Deposits.** The District does not pay interest on deposits. The interest drawn by the District on customer deposits is returned into the operating budget of the water/sewer fund to help in providing the lowest possible water and sewer rates for our customers.

**Section 3.02. Billing Procedures.** All accounts shall be billed in accordance with the following:

**A. Due Date and Delinquency.** Charges for water and sewer service shall be billed monthly. Payment shall be due on or before the twentieth (20<sup>th</sup>) day of the month in the month in which the bill was received. Unless payment is received on or before the twentieth (20<sup>th</sup>) day of the month, such account shall be considered delinquent. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next working day after the due date. The District shall charge a penalty on past due accounts calculated at the rate of fifteen percent (15%) per month on water and sewer charges. The rates for water and sewer service shall depend upon the type of user and upon whether the water used has been chemically treated, as provided in this Rate Order. All accounts not paid by the due date shall be deemed delinquent and failure to make payment thereafter may result in the termination of water and sewer service.

**B. Notice and Appeal.** Prior to termination of service, a customer who is delinquent in payment shall be sent a notice that service will be discontinued on or after the fifteenth (15<sup>th</sup>) day after the date of such notice unless payment in full is received before by such day disconnection is scheduled. Notice shall be sent by first class United States mail and shall inform the customer of the amount of the delinquent bill, the date service will be disconnected if payment is not made, and of the customer's right to contest, explain, or correct the charges, services, or disconnection. Service shall not be disconnected where a customer has informed the District of his or her desire to contest or explain the bill. If the customer appears before the Board, the Board shall hear and consider the matter and inform the customer of the Board's determination by sending written notice to the customer by first class United States mail stating whether or not service will be disconnected. In the event of a service is disconnected more than two (2) times per calendar year (January through December) for non-payment, an additional Security Deposit of \$150.00 will be required for Residential homeowners and \$150.00 for Lessees to restore service in addition to a \$50.00 service fee, and afterhours re-connection charges if applicable, and any outstanding balance in Arrears will need to be brought current. As set out above in Section 3.01. If payment is not received prior to the date that disconnection has been scheduled, a service charge of \$50.00 dollars will be added to the account. Reconnections made outside of the District's normal business hours at the customer's request will be charged at an additional after hour's fee of one-hundred dollars (\$100.00).

**C. Business Hours.** For purposes of assessing the foregoing charges, "normal" or "regular" business hours shall mean only the hours between 8 a.m. and 5 p.m., Monday through Friday. All other times, including District holidays, are outside of the District's normal business hours and will result in the higher charge.

**D. Returned Checks and Bank Drafts.** A twenty-five-dollar (\$25.00) charge will be charged to the customer's account for any check or ACH bank draft returned by

the bank. Any amounts due on an account which have been paid with a check or ACH bank draft that has been returned by the bank must be paid in full by cash, cashier's check or money order, including all late charges and returned check charges, within ten (10) days from the day the District mails notice to the customer or otherwise notifies the customer that the check or ACH bank draft has been returned by the bank.

**E. Same-Day Service.** An additional charge of twenty-five dollars (\$25.00) shall be made when a customer requests same-day service. As an example, this charge will be implemented upon request by a customer for same-day service to start or terminate water and sewer service or to perform re-reads the same day as requested.

**F. Accuracy Reading Fee.** A meter accuracy reading fee in the amount of twenty-five dollars (\$25.00) shall be charged to a customer by the District for each meter accuracy reading made by the District for such customer when the original reading appears to be accurate. If the original meter reading appears to be in error, no fee will be charged. Each customer will be allowed one accuracy meter reading per calendar year at no charge. \*\*Should a customer request that a meter be removed, and bench tested by an outside source, then a fee of one-hundred-twenty-five dollars (\$125.00) will be charged to the customer. If the meter fails to meet American Water Works Association standards for in-service meters, then the customer will be given a credit offsetting the amount of the charge.

<https://www.awwa.org/publications/journal-awwa/abstract/articleid/34055179.aspx>

**G. Meter Data Logging Fee.** Each customer will be allowed one data log at no-cost per fiscal year. A fee of twenty-five dollars (\$25.00) shall be charged to a customer by the District for each meter data logging service performed thereafter. Meter data logging service can only be provided during regular business hours.

**Section 3.03. Entitlement.** Water and sewer service shall be provided to customers in accordance with all TCEQ rules covering minimum water and sewer standards.

**Section 3.04. Unauthorized and Extraordinary Waste.** The rates established herein are applicable for Domestic Waste as defined herein. Customers proposing to generate other types of waste will be assessed additional charges as established by the District.

**Section 3.05. Damage to District Facilities.**

**A. Damage to Meter and Appurtenances.** No person other than a duly authorized agent of the District shall tamper with or in any way interfere with a meter, meter box, service line or other water and/or sewer system appurtenance. The District reserves the right, immediately and without notice, to remove the meter or disconnect water service to any customer whose meter has been tampered with and to assess repair charges to the customer, plus a damage fee not to exceed five-thousand

dollars (\$5,000.00), plus any applicable charge for same day service. The District also reserves the right to file civil and/or criminal charges against any person or entity tampering with the District's public water system and/or sewer system.

**B. Repair.** It is the responsibility of the customer to maintain and repair the water service line from the point of connection to the District's water meter. The District reserves the right to repair any damage to the District's System and appurtenances without prior notice and to assess against any customer such penalties as are provided by law and such penalties provided for in this Rate Order in addition to those charges necessary to repair the portion of the System so damaged.

**C. Video.** If at any time a resident/customer wishes to have the District video their sewer line to help the resident determine the condition of their sewer line, the fee will be one-hundred-fifty dollars (\$150.00) payable to the District assessed on the next month's bill.

**Section 3.06. Easements.** Before service is established to any customer, the person requesting such service shall grant an easement of ingress and egress to and from the meter(s) for such maintenance and repair as the District, in its judgment, may deem necessary.

**Section 3.07. Required Service.** No service will be provided by the District unless the customer agrees to receive both water and sewer service, except that permanent irrigation only meters may receive water service only. Irrigation meters cannot be connected to any building plumbing.

**Section 3.08. Additional Charges.** In all cases where services are performed, and equipment or supplies are furnished to a party or entity not within the District, the charge to said party or entity shall be the District's cost of providing such services, equipment and/or supplies, plus fifteen percent (15%). This shall not apply to services, equipment and/or supplies furnished by the District under an existing Interlocal Agreement.

## **ARTICLE IV**

### **INDUSTRIAL WASTE**

**Section 4.01. Industrial Waste Policy.** The following policy regarding industrial waste shall be effective:

**A. Definition.** "Industrial waste" shall mean the water-borne solids, liquids, and/or gaseous wastes (including Cooling Water), resulting from any industrial, manufacturing, trade, business, commercial, or food processing operation or process, or from the development of any natural resource, or any mixture of such solids, liquids, or wastes with water or domestic sewage. The Clean Water Act of 1977, as



amended, and the General Pretreatment Regulations contained in 40 C.F.R. 403 contain the requirements for user's discharge of industrial waste into wastewater facilities.

**B. Industrial Waste Discharge, Charges, and Rates.** If any customer of the District's sanitary sewer system proposes to discharge industrial waste into such system, the Board of Directors of the District shall request the recommendation of the District Engineer and shall establish rates and charges to provide for an equitable assessment of costs whereby such rates and charges for discharges of industrial waste correspond to the cost of waste treatment, taking into account the volume and strength of the industrial, domestic, commercial waste, and all other waste discharges treated and techniques of the treatment required. Such rates shall be an equitable system of cost recovery which is sufficient to produce revenues, in proportion to the percentage of industrial wastes proportionately relative to the total waste load to be treated by the District for the operation and maintenance of the treatment works, for the amortization of the District's indebtedness for the cost as may be necessary to assure adequate waste treatment on a continuing basis.

**C. Pretreatment.** The Board of Directors of the District shall rely upon the recommendation of the District Engineer and shall require pretreatment of any industrial waste that would otherwise be detrimental to the treatment works or to its proper and efficient operation and maintenance or will otherwise prevent the entry of such industrial waste into the treatment plant.

## ARTICLE V

### ENFORCEMENT/CIVIL PENALTIES

#### **Section 5.01. Enforcement.**

**A. Civil Penalties.** The Board hereby imposes the following civil penalties for breach of any rule of the District: The violator shall pay the District twice the costs the District has sustained due to the violation up to ten-thousand dollars (\$10,000.00). A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The court shall fix the amount of the attorneys' fees.

**B. Liability for Costs.** Any person violating any of the provisions of this Order and/or the rules and regulations governing water and sanitary sewer facilities, service lines, and connections shall become liable to the District for any expense, loss or

damage occasioned by the District by reason of such violation, and enforcement thereof shall be in accordance with Paragraph A of Section 5.01 of this Order.

**Section 5.02. Non-waiver.** The failure on the part of the District to enforce any section, clause, sentence, or provision of this Order shall not constitute a waiver of the right of the District later to enforce any section, clause, sentence, or provision of this Order.

**Section 5.03. Appeal.** Any determination by the District of any dispute regarding the terms and provisions of this order may be appealed to the Board of Directors of the District, which shall conduct a hearing on the matter. The District shall provide the customer with information regarding appeals and hearing procedures upon the customer's request.

**ARTICLE VI**  
**MISCELLANEOUS**

**Section 6.01. Amendments.** The Board of the District has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

**Section 6.02. Severability.** The provisions of this Order are severable, and if any provision or part of this Order or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Order and application of such provision or part of this Order shall not be affected thereby.

**ARTICLE VII**  
**REPEAL OF PREVIOUS ORDERS**

This Rate Order shall be known as the "2021-0920A Rate Order" (Order No. 2021-0920A ) of the District. All previous Orders adopted by the Board of Directors pertaining to the subject matter hereof are each hereby repealed in their entirety as of the effective date hereof.

**ARTICLE VIII**  
**EFFECTIVE DATE**

**This Order shall be effective on October 1, 2021.**

**ARTICLE IX**  
**PUBLIC MEETING**

It is hereby found that the meeting at which this Order is adopted is open to the public as required by law, and that public notice of the time, place, and subject matter of said meeting and of the proposed adoption of this Order was given as required by law.

**ADOPTED AND APPROVED this 20<sup>th</sup> day of September 2021.**

\_\_\_\_\_  
Steve Flynn, President  
Board of Directors

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer  
Board of Directors

(SEAL)

**ORDER NO. 2021-0920B**

**ORDER OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
LEVYING DEBT SERVICE AND MAINTENANCE TAXES  
FOR THE 2021 TAX YEAR**

**WHEREAS**, Trophy Club Municipal Utility District No. 1 (the “District”) is a duly created and existing municipal utility district created and operating under Chapters 49 and 54 of the Texas Water Code, as amended.

**WHEREAS**, Section 54.601 of the Texas Water Code provides that at the time bonds payable in whole or in part from taxes are issued, the board of a water district shall levy a continuing direct annual ad valorem tax for each year while all or part of the bonds are outstanding on all taxable property within the district in sufficient amounts to pay the interest on the bonds as it becomes due and to create a sinking fund for the payment of the principal of the bonds when due;

**WHEREAS**, Section 49.107 of the Texas Water Code provides that a district may levy and collect a tax for maintenance and operation purposes.

**WHEREAS**, at an election properly conducted in accordance with all applicable laws, the eligible residents of the District previously authorized the issuance of District tax bonds, and the levy and collection of District debt service and maintenance taxes.

**WHEREAS**, the District has issued its unlimited tax bonds pursuant to the foregoing authorization.

**WHEREAS**, the Board of Directors of the District approved a proposed ad valorem tax rate for the 2021 tax year at a meeting conducted on August 16, 2021.

**WHEREAS**, in accordance with the requirements set forth at Section 49.236 of the Texas Water Code and other applicable laws, the District has given proper notice and conducted a public hearing regarding the adoption of ad valorem tax rates for the 2021 tax year.

**WHEREAS**, after conducting the public hearing, the Board of Directors of the District desires to proceed with the levy and collection of a debt service tax and a maintenance tax for the 2021 tax year; and

**WHEREAS**, the District has complied with the applicable requirements of the Texas Water Code and other statutes relating to the procedures for establishing ad valorem taxes by municipal utility districts. Now, therefore,

**BE IT ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 THAT:**

**Section 1.** The facts and recitations found in the preamble of this Order are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 2.** There is hereby levied for the 2022 tax year the following ad valorem taxes:

- (i) An ad valorem debt service tax rate of **\$0.03489** on each \$100 of taxable value on all taxable property within the District; and
- (ii) An ad valorem maintenance tax rate of **\$0.07099** on each \$100 of taxable value on all taxable property within the District.

**Section 3.** The Board of Directors hereby finds and declares that the tax rates adopted and levied by this Order do not exceed the maximum tax rates authorized by the voters of the District.

**Section 4.** All taxes collected pursuant to this Order, after paying reasonable costs of levying, assessing, and collecting same, shall be used for authorized purposes, as may be specified by the Board of Directors in accordance with applicable laws.

**ADOPTED, PASSED AND APPROVED this 20<sup>th</sup> day of September 2021.**

\_\_\_\_\_  
Steve Flynn  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Kelly Castonguay  
Secretary, Board of Directors

(SEAL)



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## STAFF REPORT

September 20, 2021

### **AGENDA ITEM**

Consider and act to approve of Amendment to District Information Form, including Notice to Purchaser Form.

### **DESCRIPTION**

Following submittal of District boundary data to Denton County Elections to verify boundaries for elections, there was a discrepancy of two parcels of property: 2201 Galloway Blvd and R533424 Galloway. These properties were reflected within the boundaries of the District Metes and Bounds and should have been excluded. Taxation on the properties was correct as was all other property information.

Halff has revised the boundaries of the District to exclude those properties and the updated information needs to be filed.

### **ATTACHMENTS**

Amendment to District Information Form

### **RECOMMENDATION**

Staff recommends approval of Amendment to District information Form with including Notice to Purchaser Form.

**AMENDMENT TO DISTRICT INFORMATION FORM  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

STATE OF TEXAS §

COUNTIES OF DENTON AND TARRANT §

We, the undersigned, constituting a majority of the members of the Board of Directors of Trophy Club Municipal Utility District No. 1 (the “District”), of Denton and Tarrant Counties, Texas, do hereby make and execute this Amendment to the District Information Form in compliance with Section 49.455, Texas Water Code.

We do hereby certify as follows:

1. **Tax Rate.** The most recent rate of the District taxes on taxable property located in the District is \$0.10588 per \$100 of assessed valuation.
2. **Form of Notice to Purchaser.** An updated Notice to Purchaser form required by Section 49.452 of the Texas Water Code to be furnished by a seller to a purchaser of real property in the District is attached hereto as **Exhibit "A"**.
3. **District Boundary Description.** A complete and accurate legal description of the boundaries of the District is attached hereto as **Exhibit "B"**.
4. **District Boundary Map.** A complete and accurate map showing the boundaries of the District is attached hereto as **Exhibit "C"**.

*[The remainder of this page intentionally left blank.]*

**WITNESS OUR HANDS THIS THE 20<sup>th</sup> DAY OF SEPTEMBER 2021.**

(SEAL)

\_\_\_\_\_  
Steve Flynn, President

\_\_\_\_\_  
Mark Chapman, Vice President

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer

\_\_\_\_\_  
William C. Rose, Director

\_\_\_\_\_  
Kevin Carr, Director

**ACKNOWLEDGEMENT**

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF DENTON    §

This instrument was acknowledged before me on September \_\_\_\_\_, 2021, by  
\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, and  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

(SEAL)

My Commission expires: \_\_\_\_\_



**EXHIBIT "A"**

(Notice to Purchaser)

**NOTICE TO PURCHASER**

The real property, described below, that you are about to purchase is located in TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 (the "District"). The District has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the District on real property located in the District is \$0.10588 on each \$100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$34,859,217, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is \$34,855,000.

The District is located in part within the corporate boundaries of the Town of Trophy Club and the Town of Westlake. With respect to property located within the corporate boundaries of a municipality, the taxpayers of the District are subject to the taxes imposed by the municipality and by the District until the District is dissolved. By law, a district located wholly in two or more municipalities and in unincorporated area may be abolished by agreement among the District and all of the municipalities in which parts of the district are located, and without the consent of the voters of the district.

The purpose of this District is to provide water and sanitary sewer facilities and services and fire-fighting facilities and activities within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility and fire-fighting facilities is not included in the purchase price of your property, and these utility and fire-fighting facilities are owned by the District.

The legal description of the property you are acquiring is as follows:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature of Purchaser

**EXHIBIT "B"**

**DISTRICT BOUNDARY DESCRIPTION**

## NORTH PARCEL

Being a part of the Jesse Eads Survey, Abstract No. 392, the Joseph Henry Survey, Abstract No. 529, the Thomas Kelly Survey, Abstract No. 704, the Thomas H. Callaway Survey, Abstract No. 272, the Rosalinda Allen Survey, Abstract No. 17, the Richard W. Allen Survey, Abstract No. 5, the Wilson Medlin Survey, Abstract No. 828, the John R. Michael Survey, Abstract No. 820, the Charles Medlin Survey, Abstract No. 823, the Jesse Sutton Survey, Abstract No. 1154, the Richard Eads Survey, Abstract No. 393, the Mary Medlin Survey, Abstract No. 832, the John R. Michael Survey, Abstract No. 821, the Joseph Henry Survey, Abstract No. 528, the William H. Pea Survey, Abstract No. 1045, and the Joseph Henry Survey, Abstract No. 742, in Denton County and Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at the northwest corner of Lot 31, Block A of the plat of Lakeside at Trophy Club, an addition to Denton County, Texas as recorded in Cabinet M, Page 164 in the Plat Records of Denton County, Texas (P.R.D.C.T.);

thence North 89 degrees 39 minutes 59 seconds East, a distance of 1,360.20 feet, more or less to a point for an ell corner in the north line of Lot 5 of said Block A;

THENCE North 11 degrees 11 minutes 26 seconds East, a distance of 11.90 feet, more or less to a point for an ell corner in the north line of Lot 5 of said Block A;

THENCE North 89 degrees 34 minutes 48 seconds East, a distance of 270.00 feet, more or less to the common northeast corner of Lot 5 of said Block A and the northwest corner of Lot 19, Block 11 of the plat of the Lakes at Trophy Club Phase III, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet R, Page 169 P.R.D.C.T.;

THENCE North 89 degrees 35 minutes 55 seconds East, a distance of 450.14 feet, more or less to a point for corner to the common northeast corner of Lot 5 and north corner of Lot 4 of said Block 11, and being the northwest corner of Lot D of the plat of the Lakes at Trophy Club, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet N, Page 94 P.R.D.C.T.;

THENCE North 89 degrees 35 minutes 55 seconds East, a distance of 537.03 feet, more or less to a point for the southwest corner of Lot 3, Block 1 of the plat of Lot 1, Lot 2 and Lot 3, Block 1, East Campus Addition, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet O, Page 263 P.R.D.C.T.;

THENCE North 00 degrees 52 minutes 49 seconds East, a distance of 2,634.32 feet, more or less to the northwest corner of the 15 foot wide right-of-way dedication for Marshall creek Road by said East Campus Addition;

THENCE North 89 degrees 32 minutes 07 seconds East, a distance of 601.32 feet, more or less to a point for corner on the north line of said right-of-way dedication;

THENCE North 00 degrees 27 minutes 51 seconds West, a distance of 20.00 feet, more or less to a point for the southwest corner of a right-of-way dedication by the plat of Lots 1 & 2, Block 1, and Lots 1 & 2 Block 2, NISD High School No. 2, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet Y, Page 46 P.R.D.C.T.;

THENCE North 00 degrees 05 minutes 41 seconds East, a distance of 1,426.57 feet, more or less to an angle point on the east line of Lot 2, Block 2 of said NISD High School No. 2;

THENCE North 00 degrees 14 minutes 36 seconds East, a distance of 754.72 feet, more or less to the northwest corner of said Lot 2, Block 2;

THENCE North 89 degrees 31 minutes 06 seconds East, a distance of 363.50 feet, more or less to the northeast corner of Lot 2, Block 1 of said NISD High School No. 2;

THENCE South 00 degrees 28 minutes 36 seconds East, a distance of 295.57 feet, more or less to the southeast corner of said Lot 2, Block 1;

THENCE North 89 degrees 31 minutes 48 seconds East, a distance of 410.61 feet, more or less to an ell corner of Lot 1, Block 1 of said NISD High School No. 2;

THENCE North 00 degrees 28 minutes 12 seconds West, a distance of 295.62 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 89 degrees 31 minutes 52 seconds West, a distance of 155.00 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 00 degrees 16 minutes 51 seconds West, a distance of 157.16 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 65 degrees 50 minutes 00 seconds East, a distance of 293.82 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 43 degrees 21 minutes 24 seconds East, a distance of 110.89 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 45 degrees 02 minutes 47 seconds West, a distance of 298.00 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 89 degrees 28 minutes 11 seconds West, a distance of 135.33 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 00 degrees 16 minutes 51 seconds West, a distance of 347.21 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 42 degrees 23 minutes 33 seconds East, a distance of 408.77 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 44 degrees 18 minutes 44 seconds East, a distance of 777.59 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 58 degrees 05 minutes 24 seconds West, a distance of 253.93 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 61 degrees 24 minutes 57 seconds East, a distance of 642.65 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 50 degrees 13 minutes 47 seconds East, a distance of 496.53 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 15 degrees 13 minutes 35 seconds West, a distance of 150.59 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 27 degrees 02 minutes 44 seconds West, a distance of 402.08 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 87 degrees 10 minutes 20 seconds West, a distance of 157.55 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 77 degrees 18 minutes 20 seconds West, a distance of 102.76 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 41 degrees 37 minutes 50 seconds West, a distance of 91.39 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 36 degrees 15 minutes 58 seconds West, a distance of 52.32 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 40 degrees 49 minutes 25 seconds West, a distance of 95.59 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 08 degrees 38 minutes 28 seconds West, a distance of 429.68 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 04 degrees 11 minutes 27 seconds West, a distance of 306.41 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 12 degrees 59 minutes 38 seconds West, a distance of 96.30 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 19 degrees 35 minutes 32 seconds West, a distance of 103.70 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 10 degrees 22 minutes 38 seconds West, a distance of 125.46 feet, more or less to the southeast corner of a 40 foot wide right-of-way dedication by said NISD High School No. 2;

THENCE South 19 degrees 09 minutes 29 seconds East, a distance of 53.18 feet, more or less to the common northwest corner of Lot 1, Block 1 of the plat of Trophy Club Drive Church Addition, Lot 1 and Lot 2, Block 1, an addition to Town of Trophy Club of Denton County, Texas as recorded in Document No. 2012-219 P.R.D.C.T., and the northwest corner of Lot 2, Block A of the plat of Wonderland Plaza Addition, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2015-175 P.R.D.C.T., being on the south right-of-way line of Bobcat Boulevard (called 80 foot wide right-of-way), and being on a circular curve to the right, not being tangent to the preceding course having a radius of 993.00 feet, whose chord bears South 56 degrees 42 minutes 56 seconds East, a distance of 383.66 feet, more or less;

THENCE Southeasterly, along said south right-of-way line and along said circular curve to the right, through a central angle of 22 degrees 16 minutes 38 seconds, an arc length of 386.09 feet, more or less to a point for corner;

THENCE South 45 degrees 34 minutes 37 seconds East, continuing along said south right-of-way line, a distance of 48.31 feet, more or less to the north end of a corner clip between said south right-of-way line and the west right-of-way line of Trophy Club Drive (variable width right-of-way);

THENCE South 01 degree 55 minutes 29 seconds East, departing said south right-of-way line and along said corner clip, a distance of 43.41 feet, more or less to the point of curvature of a circular curve to the left, not being tangent to the preceding course, having a radius of 1,120.00 feet, whose chord bears South 26 degrees 08 minutes 21 seconds West, a distance of 573.01 feet, more or less;

THENCE Southwesterly, departing said corner clip, along said west right-of-way line and along said circular curve to the left, through a central angle of 29 degrees 38 minutes 35 seconds, an arc length of 579.45 feet, more or less to the southeast corner of Lot 2, Block 1 of said Trophy Club Drive Church Addition;

THENCE North 85 degrees 22 minutes 03 seconds West, departing said west right-of-way line, a distance of 51.88 feet, more or less to the point of curvature of a circular curve to the left, having a radius of 410.00 feet, whose chord bears North 87 degrees 57 minutes 15 seconds West, a distance of 37.01 feet, more or less;

THENCE Northwesterly, along said circular curve to the left, through a central angle of 05 degrees 10 minutes 24 seconds, an arc length of 37.02 feet, more or less to a point for corner;

THENCE South 89 degrees 27 minutes 33 seconds West, a distance of 303.15 feet, more or less to the common southwest corner of said Lot 2, Block 1 and the most southerly southeast corner of Lot 1, Block 1, Independence Park East, an addition to the Town of Trophy Cub, Denton County Texas as recorded in Document No. 2011-53 P.R.D.C.T.;

THENCE North 00 degrees 32 minutes 27 seconds West, a distance of 560.13 feet, more or less to the common southeast corner of Lot 1, Block A of said Wonderland Plaza Addition and an ell corner of said Lot 1, Block 1;

THENCE South 89 degrees 30 minutes 23 seconds West, along the common line between said Lot 1, Block A and said Lot 1, Block 1, a distance of 253.88 feet, more or less to a point for corner;

THENCE North 00 degrees 32 minutes 50 seconds West, continuing along said common line, a distance of 377.92 feet, more or less to a point for corner on said south right-of-way line of Bobcat Boulevard;

THENCE North 77 degrees 30 minutes 43 seconds West, departing said common line and along said south right-of-way line, a distance of 156.32 feet, more or less to a point for the intersection of said south right-of-way line and the east right-of-way line of Parkview Drive (called 60 foot wide right-of-way);

THENCE North 80 degrees 51 minutes 54 seconds West, across said Parkview Drive, a distance of 85.14 feet, more or less to the north end of a corner clip between said south right-of-way line and the west right-of-way line of said Parkview Drive and being on the north line of Lot 2, Block 1 of the plat of Lots 1 & 2, Block 1, Trophy Club Village Centre, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2014-15 P.R.D.C.T.;

THENCE South 32 degrees 46 minutes 21 seconds East, along said corner clip, a distance of 35.19 feet, more or less to a point for corner on said west right-of-way line;

THENCE South 12 degrees 29 minutes 20 seconds West, along said west right-of-way line, a distance of 150.04 feet, more or less to the point of curvature of a circular curve to the right, having a radius of 270.00 feet, whose chord bears South 43 degrees 15 minutes 22 seconds West, a distance of 276.24 feet, more or less;

THENCE Southwesterly, continuing along said west right-of-way line and along said circular curve to the right, through a central angle of 61 degrees 32 minutes 06 seconds, an arc length of 289.98 feet, more or less to a point for corner;

THENCE South 74 degrees 01 minutes 23 seconds West, continuing along said west right-of-way line, a distance of 82.80 feet, more or less to the point of curvature of a



circular curve to the left, having a radius of 330.00 feet, whose chord bears South 68 degrees 29 minutes 07 seconds West, a distance of 63.70 feet, more or less;

THENCE Southwesterly, continuing along said west right-of-way line and along said circular curve to the left, through a central angle of 11 degrees 04 minutes 38 seconds, an arc length of 63.80 feet, more or less to the southwest corner of Lot 1, Block 1 of said Trophy Club Village Centre, and being on a circular curve to the right, not being reverse to the preceding course, having a radius of 830.00 feet, whose chord bears South 29 degrees 41 minutes 19 seconds West, a distance of 210.38 feet;

THENCE Southwesterly, departing said west right-of-way line, across said Parkview Drive and along said circular curve to the right, through a central angle of 14 degrees 33 minutes 42 seconds, an arc length of 210.95 feet, more or less to a point for corner on the east right-of-way of said Parkview Drive and the west line of Lot 1, Block 1, Independence Park East;

THENCE South 36 degrees 58 minutes 11 seconds West, along said east right-of-way line, a distance of 114.24 feet, more or less to the point of curvature of a circular curve to the left, having a radius of 745.99 feet, whose chord bears South 28 degrees 51 minutes 38 seconds West, a distance of 210.45 feet, more or less;

THENCE Southwesterly, continuing along said east right-of-way line and along said circular curve to the left, through a central angle of 16 degrees 13 minutes 04 seconds, an arc length of 211.16 feet, more or less to a point for corner;

THENCE South 89 degrees 05 minutes 15 seconds East, departing said east right-of-way line, a distance of 568.32 feet, more or less to the point of curvature of a circular curve to the left, having a radius of 845.00 feet, whose chord bears South 81 degrees 32 minutes 37 seconds East, a distance of 270.60 feet, more or less;

THENCE Southeasterly, along said circular curve to the left, through a central angle of 18 degrees 25 minutes 40 seconds, an arc length of 271.77 feet, more or less to a point for corner;

THENCE South 29 degrees 38 minutes 42 seconds East, a distance of 36.96 feet, more or less to the point of curvature of a circular curve to the left, not being tangent to the preceding course, having a radius of 550.00 feet, whose chord bears South 42 degrees 22 minutes 39 seconds West, a distance of 186.07 feet, more or less;

THENCE Southwesterly, along said circular curve to the left, through a central angle of 19 degrees 28 minutes 39 seconds, an arc length of 186.97 feet, more or less to the point of reverse curvature of a circular curve to the right, having a radius of 500.00 feet, whose chord bears South 61 degrees 03 minutes 29 seconds West, a distance of 475.92 feet, more or less and being on the southerly line of Lot 1, Block 1 Independence Park East;

THENCE Southwesterly, along said circular curve to the right, through a central angle of 56 degrees 50 minutes 19 seconds, an arc length of 496.01 feet, more or less to a point for corner;

THENCE South 89 degrees 28 minutes 39 seconds West, a distance of 352.38 feet, more or less to a point for corner;

THENCE North 44 degrees 50 minutes 03 seconds West, a distance of 13.96 feet, more or less to the southwest corner of said Lot 1, Block 1 and being on the east right-of-way line of said Parkview Drive;

THENCE South 00 degrees 50 minutes 15 seconds West, along said east right-of-way line, a distance of 389.37 feet, more or less to the northwest corner of Lot 21, Block 1 of the Lakes of Trophy Club, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet O, Page 323 P.R.D.C.T.;

THENCE North 89 degrees 31 minutes 53 seconds East, departing said east right-of-way line, a distance of 1,548.93 feet, more or less to the northeast corner of a 40 foot wide right-of-way dedication for Trophy Club Drive as shown on the plat of the Lakes at Trophy Club, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet N, Page 94 P.R.D.C.T.;

THENCE South 00 degrees 31 minutes 31 seconds East, along the east line of said right-of-way dedication, a distance of 619.43 feet, more or less to the point of curvature of a circular curve to the right, having a radius of 875.00 feet, whose chord bears South 07 degrees 48 minutes 29 seconds West, a distance of 253.63 feet, more or less;

THENCE Southwesterly, continuing along the east line of said right-of-way dedication and along said circular curve to the right, through a central angle of 16 degrees 39 minutes 59 seconds, an arc length of 254.52 feet, more or less to a point for corner;

THENCE South 25 degrees 58 minutes 27 seconds East, departing said right-of-way dedication, a distance of 104.70 feet, more or less to the northwest corner of that called 2.503 acre tract of land described in Trophy Club Municipal Utility District No. 2 Order No. 2008-0702 as recorded in Document No. 2008-76554 in the Official Records of Denton County, Texas (O.R.D.C.T.);

THENCE South 69 degrees 26 minutes 22 seconds East, a distance of 157.92 feet, more or less to a point for the northeast corner of said called 2.503 acre tract of land;

THENCE South 11 degrees 35 minutes 34 seconds West, a distance of 51.19 feet, more or less to a point for corner on the east line of said called 2.503 acre tract of land;

THENCE South 18 degrees 04 minutes 00 seconds West, a distance of 123.38 feet, more or less to a point for corner on the north right-of-way line of Galloway Boulevard (60 foot wide right-of-way) as dedicated by the plat of the Highlands at Trophy Club

Neighborhoods 3 & 4-Phase 1B, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet X, Page 923 P.R.D.C.T. and being on a circular curve to the left, not being tangent to the preceding course, having a radius of 320.00 feet, whose chord bears North 85 degrees 11 minutes 07 seconds East, a distance of 245.19 feet;

THENCE Northeasterly, along said north right-of-way line and along said circular curve to the left, through a central angle of 45 degrees 03 minutes 10 seconds, an arc length of 251.62 feet, more or less to a point for the south end of a corner clip between said north right-of-way line and the west right-of-way line of Coastal Court (50 foot wide right-of-way) ;

THENCE North 13 degrees 16 minutes 01 second East, along said corner clip, a distance of 26.99 feet, more or less, to the north end of said corner clip, being on said west right-of-way line, and being the point of curvature of a circular curve to the right, not being tangent to the preceding course, having a radius of 325.00 feet, whose chord bears North 32 degrees 36 minutes 20 seconds West, a distance of 13.54 feet;

THENCE Northwesterly, along said west right-of-way line and along said circular curve to the right, through a central angle of 02 degrees 23 minutes 12 seconds, an arc length of 13.54 feet, more or less to a point for corner;

THENCE North 55 degrees 36 minutes 59 seconds East, departing said west right-of-way line, a distance of 202.87 feet, more or less to a point for the southwest corner of Lot 2, Block 2 of the Fourth Nine at Trophy Club, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet M, Page 148 P.R.D.C.T.;

THENCE North 80 degrees 12 minutes 02 seconds West, a distance of 100.14 feet to a point for corner on the southwesterly line of said Lot 2, Block 2;

THENCE North 38 degrees 28 minutes 48 seconds West, a distance of 87.77 feet to a point for the northwesterly corner of said Lot 2, Block 2;

THENCE North 34 degrees 12 minutes 46 seconds East, along the northerly line of said Lot 2, Block 2, a distance of 210.00 feet, more or less to a point for corner;

THENCE North 28 degrees 46 minutes 19 seconds East, continuing along said northerly line, a distance of 460.00 feet, more or less to a point for corner;

THENCE North 38 degrees 16 minutes 19 seconds East, continuing along said northerly line, a distance of 630.00 feet, more or less to a point for corner;

THENCE North 62 degrees 16 minutes 19 seconds East, continuing along said northerly line, a distance of 480.00 feet, more or less to a point for corner;

THENCE North 79 degrees 54 minutes 57 seconds East, continuing along said northerly line, a distance of 156.26 feet, more or less to a point for corner;

THENCE South 82 degrees 27 minutes 47 seconds East, continuing along said northerly line, a distance of 182.46 feet, more or less to the common northeast corner of said Lot 2, Block 2 and the most northerly northwest corner of Common Area 11 of said Phase 1B;

THENCE North 89 degrees 24 minutes 56 seconds East, departing said northerly line, a distance of 69.96 feet, more or less to the common most northerly northeast corner of Common Area 12 of said Phase 1B and the northwest corner of Lot 3, Block 2 of said Fourth Nine at Trophy Club;

THENCE North 89 degrees 24 minutes 41 seconds East, a distance of 140.04 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE North 65 degrees 31 minutes 28 seconds East, a distance of 281.03 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 84 degrees 21 minutes 41 seconds East, a distance of 553.26 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 60 degrees 50 minutes 32 seconds East, a distance of 403.11 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE North 82 degrees 23 minutes 47 seconds East, a distance of 327.45 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 11 degrees 28 minutes 22 seconds East, a distance of 220.00 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 50 degrees 03 minutes 46 seconds West, a distance of 516.70 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 34 degrees 50 minutes 19 seconds West, a distance of 762.51 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 12 degrees 47 minutes 26 seconds West, a distance of 107.65 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 40 degrees 15 minutes 52 seconds West, a distance of 123.45 feet, more or less to an ell corner of said Lot 3, Block 2;

THENCE South 00 degrees 17 minutes 52 seconds West, a distance of 159.46 feet, more or less to the common southeast corner of said Lot 3, Block 2 and the northeast corner of Public Open Space Lot 1, Block H of the Highlands at Trophy Club Neighborhood 4, Phase 2A Addition, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2011-52 P.R.D.C.T.;

THENCE South 00 degrees 23 minutes 16 seconds West, a distance of 90.05 feet, more or less to the common southeast corner of said Public Open Space Lot 1, Block H and an ell corner on Lot 4, Block 2 of said Fourth Nine at Trophy Club;

THENCE South 00 degrees 20 minutes 32 seconds West, a distance of 43.78 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 64 degrees 47 minutes 33 seconds East, a distance of 363.09 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE North 77 degrees 53 minutes 37 seconds East, a distance of 158.91 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE North 00 degrees 35 minutes 33 seconds West, a distance of 20.00 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE North 32 degrees 05 minutes 36 seconds East, a distance of 112.00 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE North 67 degrees 38 minutes 10 seconds East, a distance of 280.19 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 80 degrees 06 minutes 04 seconds East, a distance of 162.02 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 63 degrees 34 minutes 49 seconds East, a distance of 291.35 feet, more or less to a point for corner;

THENCE South 15 degrees 25 minutes 33 seconds East, a distance of 346.55 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 73 degrees 20 minutes 31 seconds East, a distance of 63.83 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 85 degrees 08 minutes 28 seconds East, a distance of 56.38 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE North 74 degrees 35 minutes 24 seconds East, a distance of 113.03 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 15 degrees 25 minutes 33 seconds East, a distance of 350.00 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE North 79 degrees 52 minutes 33 seconds West, a distance of 1,581.90 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 67 degrees 47 minutes 27 seconds West, a distance of 380.90 feet, more or less to an ell corner on said Lot 4, Block 2;

THENCE South 00 degrees 33 minutes 16 seconds West, a distance of 340.91 feet, more or less to an ell corner on said Lot 4, Block 2 and being on the north line of the Highlands at Trophy Club Neighborhood 4, The Isle of Turnberry, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2015-36 P.R.D.C.T.;

THENCE North 75 degrees 22 minutes 18 seconds East, along said north line, a distance of 120.64 feet, more or less to a point for corner;

THENCE South 78 degrees 46 minutes 54 seconds East, continuing along said north line, a distance of 394.10 feet, more or less to a point for corner;

THENCE North 33 degrees 09 minutes 36 seconds East, continuing along said north line, a distance of 298.96 feet, more or less to the common northeast corner of said Highlands at Trophy Club Neighborhood 4, The Isle of Turnberry and the northwest corner of that called 9.634 acre tract of land described in Special Warranty Deed to Clubcorp Golf of Texas, L.P. as recorded in Document No. 2014-106550 in the Official Records of Denton County, Texas;

THENCE South 74 degrees 11 minutes 08 seconds East, departing said north line, a distance of 958.59 feet, more or less to an ell corner of said called 9.634 acre tract of land;

THENCE South 10 degrees 11 minutes 35 seconds East, a distance of 221.42 feet, more or less to an ell corner of said called 9.634 acre tract of land;

THENCE North 58 degrees 11 minutes 02 seconds East, a distance of 169.23 feet, more or less to an ell corner of Lot 1, Block 1 of said Fourth Nine at Trophy Club;

THENCE North 05 degrees 12 minutes 41 seconds West, a distance of 234.00 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 85 degrees 54 minutes 19 seconds East, a distance of 306.50 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 65 degrees 46 minutes 19 seconds East, a distance of 877.40 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 02 degrees 16 minutes 19 seconds West, a distance of 224.00 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE South 40 degrees 37 minutes 48 seconds East, a distance of 542.27 feet, more or less to an ell corner of said Lot 1, Block 1;

THENCE North 18 degrees 42 minutes 25 seconds East, a distance of 244.82 feet, more or less to the common most easterly northeast corner of said Lot 1, Block 1 of said Fourth Nine at Trophy Club and the southwest corner of Lot 3, Block A of the Golf Maintenance Facility Addition, an addition to the Town Of Trophy Club, Denton County, Texas as recorded in Cabinet X, Page 813 P.R.D.C.T.;

THENCE North 18 degrees 41 minutes 33 seconds West, a distance of 1,000.08 feet, more or less to an ell corner on the west line of Lot 1, Block A, Trophy Club Municipal Utility District No. 1 Wastewater Treatment Facility, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2016-148 P.R.D.C.T.;

THENCE North 28 degrees 39 minutes 01 second East, a distance of 557.66 feet, more or less to the northwest corner of said Lot 1, Block A;

THENCE North 88 degrees 59 minutes 05 seconds East, a distance of 1,748.63 feet, more or less to the northeast corner of Lot 18A, Block F of Canterbury Hills Phase 3 Final Plat, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2015-176 P.R.D.C.T.;

THENCE South 10 degrees 46 minutes 47 seconds East, a distance of 1,203.08 feet, more or less to the common southeast corner of Lot 29, Block A of Canterbury Hills Phase 1B Final Plat, an addition to the Town of Trophy Club, Denton County, Texas, as recorded in Document No. 2013-87 P.R.D.C.T. and an ell corner on the north line of Lot 33A, Block A of said Phase 1B Final Plat;

THENCE North 28 degrees 20 minutes 54 seconds East, a distance of 1,362.65 feet, more or less to the northwest corner of Lot 47, Block A of Canterbury Hills Phase 2, Final Plat, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2013-86 P.R.D.C.T.;

THENCE North 88 degrees 55 minutes 12 seconds East, a distance of 796.96 feet, more or less to the common northeast corner of Lot 54, Block A of said Canterbury Hills Phase 2 and the northwest corner of Lot A, Block 1 of Eagles Ridge Phase I, an addition to the Town of Trophy Club, Denton County Texas as recorded in Cabinet M, Page 150 P.R.D.C.T.;

THENCE North 89 degrees 02 minutes 09 seconds East, a distance of 220.17 feet, more or less to the common northeast corner of said Lot A, Block 1 and the northwest corner of Lot 3, Block A of Eagles Ridge, Phase II, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet X, Page 433 P.R.D.C.T.;

THENCE North 88 degrees 55 minutes 58 seconds East, a distance of 1,303.09 feet, more or less to the northwest corner of Lot 17, Block A of said Eagles Ridge Phase II;

THENCE South 00 degrees 42 minutes 32 seconds East, a distance of 54.13 feet, more or less to the northwest corner of a 25 foot wide right-of-way dedication as shown on said Eagles Ridge Phase II;

THENCE North 56 degrees 10 minutes 27 seconds East, a distance of 29.85 feet, more or less to the northeast corner of said 25 foot wide right-of-way dedication as shown on said Eagles Ridge Phase II;

THENCE South 00 degrees 38 minutes 09 seconds East, a distance of 502.58 feet, more or less to the southeast corner of said 25 foot wide right-of-way dedication as shown on said Eagles Ridge Phase II;

THENCE South 00 degrees 46 minutes 59 seconds East, a distance of 818.96 feet, more or less to the northeast corner of a 30 foot wide right-of-way dedication as shown on Trophy Club, Section 13, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet G, Page 117 P.R.D.C.T.;

THENCE South 00 degrees 42 minutes 01 second East, a distance of 2,737.13 feet, more or less to an angle point in the east line of a right-of-way dedication as shown on Trophy Club, Section Ten an addition to Denton County, Texas as recorded in Cabinet B, Page 189 P.R.D.C.T.;

THENCE South 00 degrees 17 minutes 08 seconds East, a distance of 3,841.73 feet, more or less to a point for corner in East T. W. King Road;

THENCE North 89 degrees 53 minutes 07 seconds West, a distance of 198.25 feet, more or less to a point for an ell corner on the easterly line of Lot 1R, Block B of Trophy Wood Business Center, Block B, Lot 1R & 2R, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. D207032038 in the Official Records of Tarrant County, Texas (O.R.T.C.T.);

THENCE South 02 degrees 57 minutes 22 seconds West, along said east line, a distance of 76.33 feet, more or less to an ell corner on said east line;

THENCE North 89 degrees 53 minutes 07 seconds West, departing said east line, a distance of 664.36 feet, more or less to a point for corner on the southwesterly line of Lot 2R of said Block B and being on the north right-of-way line of State Highway 114 (variable width right-of-way);

THENCE North 48 degrees 11 minutes 57 seconds West, along said north right-of-way line, a distance of 178.71 feet, more or less to a point on the southwesterly line of said Lot 2R, Block B, being the point of curvature of a circular curve to the left, not being tangent to the preceding course, having a radius of 2,884.79 feet, whose chord bears North 53 degrees 16 minutes 36 seconds West, a distance of 251.59 feet, more or less;



THENCE Southwesterly, continuing along said north right-of-way line and along said circular curve to the left, through a central angle of 04 degrees 59 minutes 54 seconds, an arc length of 251.67 feet, more or less to a point on the southwesterly line of Lot 1R, Block A, Trophy Wood Business Center as recorded in Document No, D217089613 O.R.T.C.T., and being the point of curvature of a circular curve to the left, not being compound to the preceding course, having a radius of 1,959.86 feet, whose chord bears North 62 degrees 11 minutes 29 seconds West, a distance of 622.36 feet more or less;

THENCE Southwesterly, continuing along said north right-of-way line and along said circular curve to the left, through a central angle of 18 degrees 16 minutes 18 seconds, an arc length of 625.00 feet, more or less to a point for corner on the south line of that called 50359 acre tract of land described in Special Warranty Deed to Trophy Club Economic Development Corporation 4B as recorded in Document No. D217236719 O.R.T.C.T.;

THENCE North 71 degrees 50 minutes 06 seconds West, continuing along said north right-of-way line, a distance of 2,382.14 feet, more or less to the southwest corner of the Trophy Club Plantation, an addition to Denton County, Texas as recorded in Cabinet C, Page 393 P.R.D.C.T.;

THENCE North 02 degrees 05 minutes 54 seconds West, continuing along said north right-of-way line, a distance of 10.75 feet, more or less to the southeast corner of Lot 1, Block 1 of the Church of Christ Addition, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet U, Page 959 P.R.D.C.T.;

THENCE North 25 degrees 54 minutes 32 seconds West, continuing along said north right-of-way line, a distance of 69.01 feet, more or less to a point for an ell corner of said Lot 1, Block 1;

THENCE North 68 degrees 56 minutes 14 seconds West, continuing along said north right-of-way line, a distance of 401.07 feet, more or less to a point for an ell corner of said Lot 1, Block 1;

THENCE North 63 degrees 34 minutes 59 seconds West, continuing along said north right-of-way line, a distance of 217.21 feet, more or less to a point for the southwest corner of said Lot 1, Block 1 and being on the east line of Lake Forest Village Phase Three, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet B, Page 160 P.R.D.C.T.;

THENCE South 36 degrees 17 minutes 26 seconds West, continuing along said north right-of-way line, a distance of 105.11 feet, more or less to the southeast corner of said Phase Three;

THENCE North 71 degrees 32 minutes 00 seconds West, continuing along said north right-of-way line, a distance of 2,953.49 feet, more or less to an ell corner on the south

line of Lot 1, Block A of Trophy Club Town Center Addition, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2018-56 P.R.D.C.T.;

THENCE North 69 degrees 21 minutes 34 seconds West, continuing along said north right-of-way line, a distance of 7,516.59 feet, more or less to the southeast corner of that called 0.904 acre tract of land described as Parcel 17, Part 2 in Deed to the State of Texas as recorded in Volume 4047, Page 459 in the Deed Records of Denton County, Texas (D.R.D.C.T.);

THENCE North 10 degrees 35 minutes 05 seconds West, continuing along said north right-of-way line, a distance of 3.51 feet, more or less to a point for corner;

THENCE North 66 degrees 20 minutes 19 seconds West, continuing along said north right-of-way line, a distance of 86.94 feet, more or less to a point for corner;

THENCE North 60 degrees 17 minutes 37 seconds West, continuing along said north right-of-way line, a distance of 199.29 feet, more or less to a point for corner;

THENCE North 54 degrees 14 minutes 56 seconds West, continuing along said north right-of-way line, a distance of 33.10 feet, more or less to a point for corner;

THENCE North 75 degrees 48 minutes 11 seconds West, continuing along said north right-of-way line, a distance of 4.15 feet, more or less to a point for corner;

THENCE North 60 degrees 16 minutes 38 seconds West, continuing along said north right-of-way line, a distance of 72.00 feet, more or less to a point for corner;

THENCE North 35 degrees 58 minutes 38 seconds West, continuing along said north right-of-way line a distance of 28.98 feet, more or less to a point for corner;

THENCE North 54 degrees 13 minutes 48 seconds West, continuing along said north right-of-way line, a distance of 62.97 feet, more or less to a point for corner;

THENCE North 47 degrees 54 minutes 44 seconds West, continuing along said north right-of-way line, a distance of 5.99 feet, more or less to a point for corner;

THENCE South 80 degrees 56 minutes 28 seconds West, continuing along said north right-of-way line, a distance of 101.49 feet, more or less to a point for corner;

THENCE North 69 degrees 18 minutes 38 seconds West, continuing along said north right-of-way line, a distance of 81.00 feet, more or less to a point for corner;

THENCE North 54 degrees 43 minutes 38 seconds West, continuing along said north right-of-way line, a distance of 76.00 feet, more or less to a point for corner;

THENCE North 30 degrees 37 minutes 38 seconds West, continuing along said north right-of-way line, a distance of 48.61 feet, more or less to a point for corner;

THENCE North 00 degrees 44 minutes 38 seconds West, continuing along said north right-of-way line, a distance of 158.00 feet, more or less to a point for corner transitioning to the east right-of-way line of said State Highway 114;

THENCE North 02 degrees 01 minute 53 seconds East, along said east right-of-way line, a distance of 46.29 feet, more or less to a point for corner;

THENCE North 36 degrees 24 minutes 11 seconds West, continuing along said east right-of-way line, a distance of 55.48 feet, more or less to the northwest corner of said called 0.904 acre tract of land;

THENCE North 00 degrees 44 minute 38 seconds West, along said east right-of-way line, a distance of 22.83 feet, more or less to an ell corner in the west line of Tract F of Village West, Section "B", an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet C, Page 172 P.R.D.C.T.;

THENCE South 89 degrees 15 minutes 22 seconds West, continuing along said east right-of-way line, a distance of 15.29 feet, more or less to the southeast corner of that called 0.136 acre tract of land described as Parcel 17, Part 1 in Deed to the State of Texas as recorded in Volume 4047, Page 459 D.R.D.C.T.;

THENCE North 23 degrees 07 minutes 33 seconds West, continuing along said east right-of-way line, a distance of 8.15 feet, more or less to a point for corner;

THENCE North 26 degrees 05 minutes 35 seconds West, continuing along said east right-of-way line, a distance of 27.47 feet, more or less to a point for corner;

THENCE North 73 degrees 43 minutes 35 seconds West, continuing along said east right-of-way line, a distance of 125.33 feet, more or less to the northwest corner of said called 0.136 acre tract of land;

THENCE North 00 degrees 44 minutes 38 seconds West, continuing along said east right-of-way line, a distance of 589.87 feet, more or less to a point for corner;

THENCE North 08 degrees 33 minutes 22 seconds East, continuing along said east right-of-way line, a distance of 61.94 feet, more or less to a point for corner;

THENCE North 04 degrees 02 minutes 48 seconds West, continuing along said east right-of-way line, a distance of 85.95 feet, more or less to a point for corner;

THENCE North 01 degree 51 minutes 38 seconds West, continuing along said east right-of-way line, a distance of 50.03 feet, more or less to a point for corner;

THENCE North 04 degrees 02 minutes 48 seconds West, continuing along said east right-of-way line, a distance of 118.37 feet, more or less to a point for corner;

THENCE North 89 degrees 30 minutes 22 seconds East, continuing along said east right-of-way line, a distance of 7.00 feet, more or less to a point for corner;

THENCE North 00 degrees 29 minutes 38 seconds West, continuing along said east right-of-way line, a distance of 115.00 feet, more or less to a point for corner;

THENCE North 12 degrees 45 minutes 22 seconds East, continuing along said east right-of-way line, a distance of 51.37 feet, more or less to a point for corner;

THENCE North 00 degrees 29 minutes 38 seconds West, continuing along said east right-of-way line, a distance of 115.00 feet, more or less to the common northwest corner of Lot 1188 of said Village West Section "B" and the southwest corner of Lot 40, Block A of Lakeside at Trophy Club, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet M, Page 164 P.R.D.C.T.;

THENCE North 00 degrees 21 minutes 26 seconds East, continuing along said east right-of-way line, a distance of 238.29 feet, more or less to a point for corner;

THENCE North 00 degrees 42 minutes 50 seconds West, continuing along said east right-of-way line, a distance of 600.87 feet, more or less to the POINT OF BEGINNING AND CONTAINING 88,378,682 square feet or 2,028.90 acres of land, more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

### **SAVE AND EXCEPT TRACT 1**

Being a tract of land in the Joseph Henry Survey, Abstract No. 529, the Rosalinda Allen Survey, Abstract No. 17, the Richard W. Allen Survey, Abstract No. 5, the John R. Michael Survey, Abstract No. 820, and the Wilson Medlin Survey, Abstract No. 828, in the Town of Trophy Club, Denton County, Texas, being a part of the Highlands at Trophy Club, Neighborhoods 3 & 4-Phase 1B, an addition to the Town of Trophy Club as recorded in Cabinet X, Page 923 in the Plat Records of Denton County, Texas (P.R.D.C.T.), being a part of the Highlands at Trophy Club, Neighborhood 4, Phase 2A Addition, an addition to the Town of Trophy Club as recorded in Document No. 2011-52 P.R.D.C.T., and being more particularly described as follows:

BEGINNING at the common northeast corner of Lot 8, Block F of said Phase 1B and an ell corner of Lot 3, Block 2 of the plat of The Fourth Nine at Trophy Club, an addition to the Town of Trophy Club, Denton County, Texas, as recorded in Cabinet M, Page 148 P.R.D.C.T.;

THENCE South 28 degrees 04 minutes 46 seconds East, a distance of 140.97 feet, more or less to a point for the southeast corner of said Lot 8, Block F;

THENCE South 38 degrees 34 minutes 24 seconds West, a distance of 500.41 feet, more or less to a common ell corner on the west line of said Lot 3, Block 2 and the east line of Lot 13 of said Block F;

THENCE South 33 degrees 59 minutes 23 seconds West, a distance of 500.30 feet, more or less to a common ell corner of the west line of said Lot 3, Block 2 and the east line of Lot 19 of said Block F;

THENCE South 05 degrees 28 minutes 09 seconds East, a distance of 206.77 feet, more or less to a point for a common ell corner of said Block F and the west line of said Lot 3, Block 2;

THENCE South 52 degrees 07 minutes 15 seconds East, a distance of 308.93 feet, more or less to a point for a common ell corner between the east line of Lot 24, Block F of said Phase 2A;

THENCE South 00 degrees 21 minutes 06 seconds West, a distance of 199.17 feet, more or less to a point for a common ell corner on the east line of Lot 26, Block F of said Phase 2A and the east line of Lot 4, Block 2 of said The Fourth Nine at Trophy Club;

THENCE South 17 degrees 11 minutes 35 seconds East, a distance of 129.77 feet, more or less to the common southeast corner of said Lot 26, Block F and an ell corner on the east line of said Lot 4, Block 2;

THENCE South 67 degrees 47 minutes 04 seconds West, a distance of 665.27 feet, more or less to a common ell corner on the south line of Lot 32 of said Block F, Phase 2A and the north line of said Lot 4, Block 2;

THENCE South 25 degrees 19 minutes 37 seconds West, a distance of 836.84 feet, more or less to a point for the common most southerly southeast corner of Common Area 14 of said Phase 2A and an ell corner on the north line of the plat of Veranda Avenue, an addition to the Town of Trophy Club as recorded in Document No. 2013-251 P.R.D.C.T.;

THENCE North 70 degrees 41 minutes 08 seconds West, a distance of 103.16 feet, more or less to a point for the common northwest corner of said plat of Veranda Avenue and the southwest corner of said Common Area 14;

THENCE North 33 degrees 21 minutes 14 seconds West, a distance of 347.16 feet, more or less to a common ell corner on the west line of Lot 16, Block G of said Phase 2A and the east line of Lot 1, Block 2 of said The Fourth Nine at Trophy Club;

THENCE North 04 degrees 20 minutes 26 seconds West, a distance of 743.26 feet, more or less to a point for the common northwest corner of Lot 9, Block G of said Phase 2A, the southwest corner of Lot 8, Block G of said Phase 2A, and being on the east line of said Lot 1, Block 2;

THENCE North 21 degrees 16 minutes 35 seconds West, a distance of 601.05 feet, more or less to a point for corner for the common southerly corner of Common Area 10 of said Phase 1B, an ell corner on the west line of Lot 2, Block G of said Phase 1B, and being an ell corner on the east line of said Lot 1, Block 2;

THENCE North 69 degrees 04 minutes 20 seconds West, a distance of 175.78 feet, more or less to a point for the common northwest corner of said Common Area 10, the northeast corner of said Lot 1, Block 2, and being on the south right-of-way line of Galloway Boulevard (60 foot wide right-of-way);

THENCE North 68 degrees 54 minutes 46 seconds West, a distance of 121.42 feet, more or less to a point for a common ell corner on the north line of Common Area 9 of said Phase 1B and an ell corner on the east line of Lot 2, Block 2 of said The Fourth Nine at Trophy Club;

THENCE North 37 degrees 14 minutes 43 seconds East, a distance of 408.65 feet, more or less to a point for the common ell corner on the north line of Lot 2, Block E of said Phase 1B and the east line of said Lot 2, Block 2;

THENCE North 38 degrees 05 minutes 48 seconds East, a distance of 509.10 feet, more or less to a point for the common ell corner on the north line of Lot 7, Block E of said Phase 1B and the east line of said Lot 2, Block 2;

THENCE North 62 degrees 15 minutes 56 seconds East, a distance of 403.61 feet, more or less to a point for corner the common ell corner on the north line of Lot 11, Block E of said Phase 1B and the east line of said Lot 2, Block 2;

THENCE North 89 degrees 32 minutes 27 seconds East, a distance of 110.25 feet, more or less to the common southeast corner of said Lot 2, Block 2 and an ell corner on the west line of Common Area 11 of said Phase 1B;

THENCE North 89 degrees 10 minutes 10 seconds East, a distance of 69.84 feet, more or less to a point for the common southwest corner of said Lot 3, Block 2 and an ell corner on the east line of Common Area 12 of said Phase 1B;

THENCE North 89 degrees 25 minutes 06 seconds East, a distance of 939.88 feet to the POINT OF BEGINNING AND CONTAINING 2,866,938 square feet or 65.82 acres of land, more or less.

“This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.”

## SAVE AND EXCEPT TRACT 2

Being a part of the Wilson Medlin Survey, Abstract No. 828 in Denton County, Texas, being a part of the Highlands at Trophy Club Neighborhoods 3 & 4-Phase 1B, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet X, Page 923 in the Plat Records of Denton County, Texas (P.R.D.C.T.), being a part of the Highlands at Trophy Club Neighborhood 3, Phase 2B, an addition to the Town of Trophy Club, Denton County, Texas as recorded in Document No. 2012-44 P.R.D.C.T., and being more particularly described as follows:

BEGINNING at the common northeast corner of Common Area 7 of said Phase 1B, the northwest corner of Lot 1, Block 2 of the Fourth Nine at Trophy Club an addition to the Town of Trophy Club, Denton County, Texas as recorded in Cabinet M, Page 148 P.R.D.C.T., and being on the south right-of-way line of Galloway Boulevard (60 foot wide right-of-way);

THENCE South 67 degrees 00 minutes 44 seconds East, a distance of 111.12 feet, more or less to a common ell corner on the east line of said Common Area 7 and the west line of said Lot 1, Block 2;

THENCE South 21 degrees 16 minutes 06 seconds East, a distance of 489.09 feet, more or less to a common ell corner on the west line of said Lot 1, Block 2 and the east line of Lot 53, Block A of said Phase 2B;

THENCE South 04 degrees 20 minutes 27 seconds East, a distance of 730.69 feet, more or less to a common ell corner on the west line of said Lot 1, Block 2 and the east line of Lot 45, Block A of said Phase 2B;

THENCE South 15 degrees 45 minutes 01 seconds West, a distance of 138.62 feet, more or less to the southeast corner of Lot 44, Block A of said Phase 2B and being on the west line of said Lot 1, Block 2;

THENCE South 85 degrees 39 minutes 28 seconds West, a distance of 439.06 feet, more or less to the common southwest corner of Lot 40, Block A of said Phase 2B and the southeast corner of Lot 39, Block A of said Phase 2B;

THENCE South 81 degrees 40 minutes 08 seconds West, a distance of 76.76 feet, more or less to the common southwest corner of Lot 39, Block A of said Phase 2B and the southeast corner of Lot 38, Block A of said Phase 2B;

THENCE South 77 degrees 39 minutes 41 seconds West, a distance of 79.38 feet, more or less to the common southwest corner of Lot 38, Block A of said Phase 2B and the southeast corner of Lot 37, Block A of said Phase 2B;

THENCE South 77 degrees 33 minutes 51 seconds West, a distance of 253.11 feet, more or less to the common southwest corner of Lot 35, Block A of said Phase 2B and



the southeast corner of Lot 34, Block A of said Phase 2B, and being on the east line of a called 2.503 acre tract of land described in Trophy Club Municipal Utility District No. 2, Order No. 2008-0702, as recorded in Document No. 2008-7654 in the Official Records of Denton County, Texas;

THENCE North 07 degrees 12 minutes 02 seconds West, a distance of 194.88 feet to a point on the common north right-of-way line of McLean Avenue (50 foot wide right-of-way), being on the south line of Lot 1, Block C of said Phase 1B, and being on a circular curve to the left, not being tangent to the preceding course, having a radius of 975.00 feet, whose chord bears North 81 degrees 08 minutes 00 seconds East, a distance of 56.66 feet, more or less;

THENCE Northeasterly, along said north right-of-way line and along said circular curve to the left, through a central angle of 03 degrees 19 minutes 48 seconds, an arc length of 56.67 feet, more or less to the common southeast corner of said Lot 1, Block C and the southeast corner of Lot 23, Blok C of said Phase 2B;

THENCE North 10 degrees 31 minutes 56 seconds West, departing said north right-of-way line and along the common west line of said Phase 2B and the east line of said Phase 1B, a distance of 76.80 feet, more or less to a point for corner;

THENCE North 06 degrees 25 minutes 35 seconds East, continuing along said common line, a distance of 83.03 feet, more or less to a point for corner;

THENCE North 10 degrees 41 minutes 39 seconds East, continuing along said common line, a distance of 155.69 feet, more or less to a point for corner;

THENCE North 27 degrees 22 minutes 25 seconds East, continuing along said common line, a distance of 72.52 feet, more or less to a point for corner;

THENCE North 44 degrees 06 minutes 14 seconds East, continuing along said common line, a distance of 72.93 feet, more or less to the common southwest corner of Lot 7, Block C of said Phase 1B and the southeast corner of Lot 6, Block C of said Phase 1B;

THENCE North 37 degrees 30 minutes 38 seconds West, departing said common line, a distance of 174.99 feet, more or less to a point for corner on the north right-of-way line of Alisa Lane (50 foot wide right-of-way);

THENCE North 52 degrees 29 minutes 29 seconds East, along said north right-of-way line, a distance of 73.03 feet, more or less to the common southwest corner of Lot 23, Block B of said Phase 1B and the southeast corner of Lot 22, Block B of said Phase 1B;

THENCE North 37 degrees 30 minutes 31 seconds West, departing said North right-of-way line, a distance of 125.00 feet, more or less to the common northeast corner of said Lot 22, Block B and the northwest corner of said Lot 23, Block B;

THENCE North 52 degrees 29 minutes 29 seconds East, a distance of 87.80 feet, more or less to the common southeast corner of Lot 3, Block B of said Phase 1B and the southwest corner of Lot 2, Block B of said Phase 1B;

THENCE North 54 degrees 21 minutes 07 seconds West, a distance of 145.17 feet to a point to the common northwest corner of said Lot 3, Block B, the northeast corner of said Lot 2, Block B, being on the southeasterly right-of-way line of Glasgow Drive (50 foot wide right-of-way), and being on a circular curve to the left, not being tangent to the preceding course, having a radius of 325.00 feet, whose chord bears North 23 degrees 01 minute 06 seconds East, a distance of 142.12 feet, more or less;

THENCE Northeasterly, along said southeasterly right-of-way line and along said circular curve to the left, through a central angle of 25 degrees 15 minutes 33 seconds, an arc length of 143.28 feet, more or less to a point for corner;

THENCE North 10 degrees 23 minutes 19 seconds East, continuing along said southeasterly right-of-way line, a distance of 3.96 feet, more or less to a point for south end of a corner clip between said southeasterly right-of-way line and the south right-of-way line of said Galloway Boulevard;

THENCE North 49 degrees 21 minutes 31 seconds East, departing said southeasterly right-of-way line and along said corner clip, a distance of 31.09 feet to the north end of said corner clip and being on a circular curve to the left, not being tangent to the preceding course, having a radius of 380.00 feet, whose chord bears North 71 degrees 13 minutes 08 seconds East, a distance of 204.41 feet, more or less;

THENCE Northeasterly, departing said corner clip, along said south right-of-way line and along said circular curve to the left, through a central angle of 31 degrees 12 minutes 18 seconds, an arc length of 206.96 feet, more or less to a point for corner;

THENCE North 55 degrees 37 minutes 00 seconds East, continuing along said south right-of-way line, a distance of 364.63 feet to the POINT OF BEGINNING AND CONTAINING 992,291 square feet or 22.78 acres of land, more or less.

“This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.”

## **SOUTH PARCEL**

Being a tract of land in the William H. Pea Survey, Abstract No. 1045, the Joseph Henry Survey, Abstract No. 528, the Wilson Medlin Survey, Abstract No. 1958, the Charles M. Throop Survey, Abstract No. 1510, and the T. W. Mann Survey, Abstract No. 1107, in Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at the northwest corner of that called 22.067 acre tract of land described in Special Warranty Deed to FMR Texas Limited Partnership as recorded in Volume 14146, Page 381 the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being on the southwesterly right-of-way line of State Highway 114 (variable width right-of-way);

THENCE South 63 degrees 32 minutes 21 seconds East, along said southwesterly right-of-way line, a distance of 144.15 feet, more or less to a point for corner;

THENCE South 49 degrees 43 minutes 18 seconds East, continuing along said southwesterly right-of-way line, a distance of 107.70 feet, more or less to a point for corner;

THENCE South 71 degrees 31 minutes 23 seconds East, continuing along said southwesterly right-of-way line, a distance of 100.00 feet, more or less to a point for corner;

THENCE South 81 degrees 21 minutes 33 seconds East, continuing along said southwesterly right-of-way line, a distance of 234.54 feet, more or less to a point for corner;

THENCE South 29 degrees 33 minutes 09 seconds East, continuing along said southwesterly right-of-way line, a distance of 52.33 feet, more or less to a point for corner;

THENCE South 18 degrees 28 minutes 37 seconds West, continuing along said southwesterly right-of-way line, a distance of 30.00 feet, more or less to a point for corner;

THENCE South 71 degrees 31 minutes 23 seconds East, continuing along said southwesterly right-of-way line, a distance of 130.42 feet, more or less to a point for corner at the intersection of said southwesterly right-of-way line, the east right-of-way line of Davis Boulevard (variable width right-of-way), and the west line of Lot 2RX, Block O of the Replat of Westlake Entrada Lots 1R, 2, 3 & 4 , Block A, and Lots 1R, 2RX & 3RX, Block, O, an addition to the Town of Westlake, Tarrant County, Texas as recorded in Document No. D218071847 O.R.T.C.T.;

THENCE North 16 degrees 29 minutes 40 seconds East, continuing along said southwesterly right-of-way line, a distance of 43.08 feet, more or less to a point for corner;

THENCE North 59 degrees 33 minutes 30 seconds East, continuing along said southwesterly right-of-way line, a distance of 44.59 feet, more or less to a point for corner;

THENCE South 71 degrees 41 minutes 39 seconds East, continuing along said southwesterly right-of-way line, a distance of 254.06 feet, more or less to a point for corner;

THENCE South 77 degrees 57 minutes 00 seconds East, continuing along said southwesterly right-of-way line, passing the common northwest corner of said Replat of Westlake Entrada and the northwest corner of Lot 4X, Block P of the Replat of Lot 1, Block B, Westlake Entrada, an addition to the Town of Westlake, Tarrant County, Texas as recorded in Document No. D218140387 O.R.T.C.T. at a distance of 60.00 feet, more or less and continuing for a total distance of 747.19 feet, more or less to a point for corner;

THENCE South 71 degrees 36 minutes 25 seconds East, continuing along said southwesterly right-of-way line, a distance of 1,443.85 feet, more or less to a point for corner;

THENCE South 63 degrees 07 minutes 25 seconds East, continuing along said southwesterly right-of-way line, a distance of 404.34 feet, more or less to the point of curvature of a circular curve to the right, having a radius of 2,709.79 feet, whose chord bears South 58 degrees 57 minutes 51 seconds East, a distance of 393.11 feet;

THENCE Southeasterly, continuing along said southwesterly right-of-way line, and along said circular curve to the right, through a central angle of 08 degrees 19 minutes 09 seconds, 393.45 feet, more or less to a point for corner;

THENCE South 54 degrees 48 minutes 10 seconds East, continuing along said southwesterly right-of-way line, a distance of 399.24 feet, more or less to a point for corner;

THENCE South 64 degrees 52 minutes 25 seconds East, continuing along said southwesterly right-of-way line, a distance of 56.55 feet, more or less to the point of curvature of a circular curve to the right, not being tangent to the preceding course, having a radius of 2,754.79 feet, whose chord bears South 43 degrees 46 minutes 50 seconds East, a distance of 107.32 feet, more or less;

THENCE Southeasterly, continuing along said southwesterly right-of-way line and along said circular curve to the right, through a central angle of 02 degrees 13 minutes 56 seconds, an arc length of 107.33 feet, more or less to the southeast corner of Lot 1, Block Q of said Replat of Lot1, Block B, Westlake Entrada;

THENCE South 36 degrees 08 minutes 53 seconds East, continuing along said southwesterly right-of-way line, a distance of 137.46 feet, more or less to a point for corner;

THENCE South 29 degrees 40 minutes 11 seconds East, continuing along said southwesterly right-of-way line, a distance of 573.30 feet, more or less to a point for corner;

THENCE South 33 degrees 41 minutes 36 seconds East, continuing along said southwesterly right-of-way line, a distance of 362.48 feet to the point of curvature of a circular curve to the left, not being tangent to the preceding course, having a radius of 1,452.40 feet, whose chord bears South 35 degrees 54 minutes 42 seconds East, a distance of 65.11 feet, more or less;

THENCE Southeasterly, continuing along said southwesterly right-of-way line and along said circular curve to the left, through a central angle of 02 degrees 34 minutes 07 seconds, an arc length of 65.12 feet, more or less to the point of a circular curve to the right, not being reverse to the preceding course, having a radius of 90.00 feet, whose chord bears South 12 degrees 40 minutes 12 seconds West, a distance of 137.61 feet, more or less;

THENCE Southwesterly, continuing along said southwesterly right-of-way line and along the said circular curve to the right, through a central angle of 99 degrees 43 minutes 46 seconds, an arc length of 156.65 feet, more or less to a point for corner;

THENCE South 27 degrees 27 minutes 48 seconds East, continuing along said southwesterly right-of-way line, a distance of 131.00 feet, more or less to a point for corner on the common south right-of-way line of Kirkwood Boulevard (variable width right-of-way) and the north line of Lot 1R, Block 2 of the plat of Lot 1R and Lot 2r, Block 2, Westlake/Southlake Park Addition No. 1, an addition to the Town of Westlake, Tarrant County, Texas, as recorded in Cabinet A, Slide 283 (Document No. D189190138) as recorded in the Plat Records of Tarrant County, Texas (P.R.T.C.T.);

THENCE North 62 degrees 32 minutes 12 seconds East, continuing along said southwesterly right-of-way line, a distance of 56.54 feet, more or less to the point of curvature of a circular curve to the left, not being tangent to the preceding course, having a radius of 90.00 feet, whose chord bears South 79 degrees 26 minutes 15 seconds East, a distance of 110.88 feet, more or less;

THENCE Southeasterly, continuing along said southwesterly right-of-way line and along said circular curve to the left, through a central angle of 76 degrees 02 minutes 57 seconds, an arc length of 119.46 feet, more or less to the point of curvature of a circular curve to the left, not being compound to the preceding course, having a radius of 974.93 feet, more or less, whose chord bears South 45 degrees 04 minutes 56 seconds East, a distance of 124.81 feet, more or less;

THENCE Southeasterly, continuing along said southwesterly right-of-way line and along said circular curve to the left, through a central angle of 07 degrees 20 minutes 24 seconds, an arc length of 124.90 feet, more or less to the point of reverse curvature of a circular curve to the right, having a radius of 5,709.58 feet, whose chord bears South 46 degrees 56 minutes 58 seconds East, a distance of 359.19 feet, more or less;

THENCE Southeasterly, continuing along said southwesterly right-of-way line and along said circular curve to the right, through a central angle of 03 degrees 36 minutes 18 seconds, an arc length of 359.25 feet, more or less to a point for corner;

THENCE South 37 degrees 15 minutes 37 seconds East, continuing along said southwesterly right-of-way line, a distance of 504.04 feet, more or less to a point for corner;

THENCE South 38 degrees 31 minutes 57 seconds East, continuing along said southwesterly right-of-way line, a distance of 1,080.95 feet, more or less to a point for corner;

THENCE North 52 degrees 44 minutes 23 seconds East, continuing along said southwesterly right-of-way line, a distance of 6.00 feet, more or less to a point for corner;

THENCE South 37 degrees 15 minutes 37 seconds East, continuing along said southwesterly right-of-way line, a distance of 366.79 feet, more or less to a point for the southeast corner of said Lot 1R, Block 2;

THENCE North 89 degrees 13 minutes 02 seconds West, departing said southwesterly right-of-way line and along the south line of said Lot 1R, Block 2, a distance of 907.77 feet, more or less to a point for corner;

THENCE South 00 degrees 25 minutes 14 seconds, continuing along said south line, East a distance of 197.59 feet, more or less to a point for corner;

THENCE South 85 degrees 38 minutes 53 seconds West, continuing along said south line, a distance of 518.25 feet, more or less to the southwest corner of said Lot 1R, Block 2 and being on the east right-of-way line of Sam School Road (variable width right-of-way);

THENCE North 19 degrees 52 minutes 13 seconds West, departing said south line and along said east right-of-way line, a distance of 393.02 feet, more or less to a point for corner;

THENCE South 88 degrees 02 minutes 41 seconds West, departing said east right-of-way line, a distance of 72.53 feet, more or less to a point for the southeast corner of that called 62.531 acre tract of land described in Special Warranty Deed to Wilbow-Solana LLC, as recorded in Document No. D218098018 in the Official Public Records of Tarrant County, Texas, and being on the west right-of-way line of said Sam School Road;

THENCE South 88 degrees 13 minutes 20 seconds West, along the south line of said called 62.531 acre tract of land, a distance of 375.57 feet, more or less to a point for corner;

THENCE South 89 degrees 01 minute 21 seconds West, continuing along said south line, a distance of 1,467.40 feet, more or less to a point for corner;

THENCE North 00 degrees 02 minutes 21 seconds East, continuing along said south line, a distance of 460.52 feet, more or less to a point for corner;

THENCE South 89 degrees 30 minutes 04 seconds West, continuing along said south line, a distance of 1,774.99 feet, more or less to the common southwest corner of said called 62.531 acre tract of land and the southeast corner of Lot 85X of Granada, Phase I, an addition to the Town of Westlake, Tarrant County, Texas as recorded in Document No. D215003584 O.R.T.C.T.;

THENCE South 89 degrees 29 minutes 20 seconds West, departing said south line, a distance of 200.93 feet, more or less to a point for corner in Dove Road;

THENCE North 00 degrees 12 minutes 05 seconds West, a distance of 45.01 feet, more or less to a point for corner in Dove Road;

THENCE South 89 degrees 47 minutes 55 seconds West, a distance of 462.17 feet, more or less to a point for corner in Dove Road;

THENCE North 00 degrees 52 minutes 55 seconds West, a distance of 22.57 feet, more or less to a point for corner;

THENCE North 89 degrees 57 minutes 45 seconds West, a distance of 790.52 feet to the point of curvature of a circular curve to the right, not being tangent to the preceding course, having a radius of 1,047.14 feet, whose chord bears North 85 degrees 15 minutes 46 seconds West, a distance of 168.88 feet, more or less;

THENCE Northwesterly, along said circular curve to the right, through a central angle of 09 degrees 15 minutes 02 seconds, an arc length of 169.06 feet, more or less to a point for corner;

THENCE North 80 degrees 43 minutes 25 seconds West, a distance of 36.09 feet, more or less to a point for corner;

THENCE North 40 degrees 10 minutes 07 seconds West, a distance of 23.83 feet to the east right-of-way line of Davis Boulevard (called 165.00 foot wide at this point), being the point of curvature of a circular curve to the left, not being tangent to the preceding course, having a radius of 1,782.50 feet, whose chord bears North 03 degrees 44 minutes 45 seconds East, a distance of 262.45 feet, more or less;

THENCE Southeasterly, along said east right-of-way line and along said circular curve to the left, through a central angle of 08 degrees 26 minutes 37 seconds, an arc length of 262.69 feet, more or less to a point for corner;

THENCE North 00 degrees 25 minutes 40 seconds West, continuing along said east right-of-way line, a distance of 994.09 feet, more or less to a point for corner;

THENCE North 89 degrees 27 minutes 05 seconds East, departing said east right-of-way line, a distance of 1,123.54 feet, more or less to a point for corner;

THENCE North 01 degree 32 minutes 35 seconds West, a distance of 1,312.19 feet, more or less to a point for corner;

THENCE South 89 degrees 27 minutes 05 seconds West, a distance of 1,128.04 feet, more or less to a point for corner on the west line of said called 22.067 acre tract of land;

THENCE North 28 degrees 21 minutes 10 seconds East, along said west line, a distance of 164.88feet, more or less to a point for corner;

THENCE North 23 degrees 03 minutes 03 seconds East, continuing along said west line, a distance of 98.16 feet, more or less to a point for corner;

THENCE North 12 degrees 19 minutes 02 seconds East, continuing along said west line, a distance of 100.00 feet, more or less to a point for corner;

THENCE North 00 degrees 44 minutes 10 seconds West, continuing along said west line, a distance of 993.50 feet, more or less to a point for corner;

THENCE North 89 degrees 19 minutes 08 seconds East, continuing along said west line, a distance of 258.02 feet, more or less to a point for corner;

THENCE North 00 degrees 58 minutes 20 seconds West, continuing along said west line, a distance of 186.34 feet, more or less to the POINT OF BEGINNING AND CONTAINING 18,361,559 square feet or 421.52 acres of land, more or less.

“This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.”



## TRACT 9

Being a tract of land in the Mary Medlin Survey, Abstract No. 832, in Denton County, Texas, being all of that called 12.2643 acre tract of land described in the plat of Churchill Downs, Lots 1-8, Block A and Lots 1-27, Block B, an addition to Denton County, Texas as recorded in Cabinet X, Page 812 in the Plat Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at the northwest corner of a 30 foot public right-of-way dedication in Marshall Creek Road.

THENCE North 89 degrees 44 minutes 40 seconds East, along said Marshall Creek Road, a distance of 1,410.47 feet, more or less to a point for the northeast corner of said 30 foot public right-of-way dedication;

THENCE South 20 degrees 55 minutes 00 seconds East, a distance of 379.80 feet, more or less to a point for the southeast corner of Lot 10, Block B of said Churchill Downs;

THENCE South 89 degrees 57 minutes 16 seconds West, a distance of 1,349.97 feet, more or less to a point for corner on the south line of Lot 25 of said Block B;

THENCE South 55 degrees 20 minutes 12 seconds West, a distance of 238.39 feet, more or less to a point for the southwest corner of Lot 27 of said Block B;

THENCE North 00 degrees 00 minutes 00 seconds East, a distance of 485.14 feet, more or less to the POINT OF BEGINNING AND CONTAINING 534,232 square feet or 12.2643 acres of land, more or less.


“This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.”

**EXHIBIT “C”**

**DISTRICT BOUNDARY MAP**





 Trophy Club Municipal Utility District No. 1 Boundary

0 2,000 Feet





**RESOLUTION NO. 2021-0920B**

**A RESOLUTION TO APPROVE THE 2021 TAX ROLL FOR  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

**RESOLVED:** Pursuant to Section 26.09(e) of the Texas Tax Code, the Board of Directors of Trophy Club Municipal Utility District No. 1 hereby approves the 2021 certified appraisal rolls dated July 24, 2021 from Denton County Central Appraisal District, and dated July 21, 2021 from Tarrant Appraisal District, in which the certified appraised values were listed as \$1,468,987,935 and \$510,691,116 respectively, for a total certified appraised value of \$1,979,679,051. The 2021 tax rate approved by the Board of Directors of Trophy Club Municipal Utility District No. 1 is **\$0.10588 per \$100 assessed valuation**. The amount of tax entered on the certified appraisal rolls and applied to all taxable property within the District results in a \$2,096,089 tax levy. The Board hereby approves such appraisal rolls with amounts of tax entered and declares that such shall constitute the District's tax roll for the 2021 tax year.

**RESOLVED, ADOPTED AND APPROVED** by the Board of Directors of Trophy Club Municipal Utility District No. 1, Trophy Club, Texas, this 20th day of September 2021.

\_\_\_\_\_  
Steve Flynn, President  
Board of Directors

(SEAL)

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer  
Board of Directors

\_\_\_\_\_  
Laurie Slaght, District Secretary

**CERTIFICATE OF RESOLUTION 2021-0920B**

THE STATE OF TEXAS §  
COUNTIES OF DENTON AND TARRANT §

I, the undersigned member of the Board of Directors of Trophy Club Municipal Utility District No. 1 of Denton and Tarrant Counties, Texas (the "District"), hereby certify as follows:

- 1. That I am the duly qualified Secretary of the Board of Directors of the District, and that as such, I have custody of the minutes and records of the District.
- 2. That the Board of Directors of the District convened in Open Session at a Regular Meeting on September 20, 2021, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board of Directors, to wit:

Steve Flynn	President
Mark Chapman	Vice President
Kelly Castonguay	Secretary/Treasurer
William C. Rose	Director
Kevin R. Carr	Director

All members of the Board were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

**RESOLUTION 2021-0920B APPROVING TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 TAX ROLL FOR FISCAL YEAR 2021**

and duly introduced for the consideration of the Board of Directors. It was then duly moved and seconded that such Resolution be adopted and, after due discussion, such motion, carrying with it the adoption of such Resolution prevailed and carried by the following vote:

AYES: \_\_\_\_\_                      NAYS: \_\_\_\_\_                      ABSTENTIONS: \_\_\_\_\_

- 3. That a true, full and correct copy of such Resolution adopted at such meeting is attached to and follows this certificate; that such Resolution has been duly recorded in the minutes of the Board of Directors for such meeting; that the persons named in the above

and foregoing Paragraph 2 were the duly chosen, qualified and acting officers and members of the Board of Directors as indicated therein, that each was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting, and that each consented, in advance, to the holding of such meeting for such purpose; that the canvassing of the officers and members of the Board of Directors present at and absent from such meeting and of the votes of each on such motion, as set forth in the above and foregoing Paragraph 2, is true and correct; and that sufficient and timely notice of the hour, date, place and subject of such meeting was given and posted as required by Chapter 551, Texas Gov. Code.

**RESOLVED, PASSED and APPROVED** on this 20<sup>th</sup> day of September 2021.

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer  
Board of Directors

(SEAL)

\_\_\_\_\_  
Laurie Slaght  
District Secretary

**CERTIFICATE OF ORDER NO. 2021-0920C  
ADOPTING AMENDED AND RESTATED INVESTMENT POLICY**

THE STATE OF TEXAS                                 §  
COUNTIES OF DENTON AND TARRANT         §

I, the undersigned District Secretary of Trophy Club Municipal Utility District No. 1 (the “District”), hereby certify as follows:

1. The Board convened in regular session, open to the public, on the 20<sup>th</sup> day of September 2021, at the regular meeting place thereof, and the roll was called of the members of the Board, to-wit:

- |                  |                     |
|------------------|---------------------|
| Steve Flynn      | President           |
| Mark Chapman     | Vice President      |
| Kelly Castonguay | Secretary/Treasurer |
| William C. Rose  | Director            |
| Kevin R. Carr    | Director            |

All members of the Board were present except the following, \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

**ORDER NO. 2021-0920C ADOPTING AMENDED  
AND RESTATED INVESTMENT POLICY**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and, after due discussion, such motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES: \_\_\_\_                    NAYS: \_\_\_\_                    ABSTENTIONS \_\_\_\_

2. A true, full, and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Order would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Government Code and Section 49.063, Texas Water Code, as amended.

**SIGNED AND SEALED the 20<sup>th</sup> day of September 2021.**

(SEAL)

\_\_\_\_\_  
Laurie Slaght, District Secretary

**ORDER NO. 2021-0920C**

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
ADOPTING INVESTMENT POLICY**

THE STATE OF TEXAS §  
COUNTIES OF DENTON AND TARRANT §

**WHEREAS**, V.T.C.A., Government Code, Chapter 2256, as amended (the “Public Funds Investment Act”), requires the governing body of political subdivisions to adopt a written investment policy concerning the investment of its funds and funds under its control;

**WHEREAS**, Section 49.157(a) of the Texas Water Code, as amended, provides that all District deposits and investments shall be governed by Subchapter A, Chapter 2256, Government Code (Public Funds Investment Act); and,

**WHEREAS**, Section 49.157(b) of the Texas Water Code, as amended, provides that an authorized representative of the District may invest and reinvest the funds of the District and provide for money to be withdrawn from the appropriate accounts of the District for the investment on such terms as the board considers advisable.

**WHEREAS**, the Board of Directors (the “Board”) of Trophy Club Municipal Utility District No. 1 (the “District”) has previously designated one or more investment officers and adopted a policy relating to the investment of District funds in accordance with the Public Funds Investment Act; and,

**WHEREAS**, the Public Funds Investment Act requires that the Board of Directors of the District review the Investment Policy and its investment strategies not less than annually and make any changes thereto as determined by the Board of Directors to be necessary and prudent, and to adopt an order or resolution stating that it has reviewed the Investment Policy and investment strategies and recording any changes made thereto.

**NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, THAT:**

**Section 1.** The matters and facts recited in the preamble to this Order are found to be true and correct and the same are incorporated herein as a part of this Order.

**Section 2.** The Board has reviewed its Investment Policy and the investment strategies set forth therein in accordance with the requirements of Section 2256.005(e) of the Public Funds Investment Act. Based upon such review, the Board finds and declares that the Investment Policy in the form attached hereto, including the written investment strategies set forth therein, is hereby approved and adopted, and such Policy shall replace and supersede in its entirety the prior Investment Policy of the District, together with any and all other resolutions or orders relating to the investment of the District’s funds. The Investment Policy has been revised to update the District’s authorized investment firms set forth in Exhibit “C”.



**Section 3.** The General Manager is authorized to do all things necessary and proper to evidence the Board's adoption of this Order and to carry out the intent hereof. Upon execution, a permanent copy of this Order shall be filed in the permanent records of the District.

**ADOPTED, PASSED AND APPROVED** by the Board of Directors of Trophy Club Municipal Utility District No. 1 on this 20<sup>th</sup> day of September 2021.

\_\_\_\_\_  
Steve Flynn, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
Kelly Castonguay, Secretary/Treasurer  
Board of Directors

(SEAL)

\_\_\_\_\_  
Laurie Slaght, District Secretary

## TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

### INVESTMENT POLICY

SEPTEMBER 20, 2021

#### I. STATUTORY AUTHORITY

**1.01 Statutory Authority.** This Policy has been adopted pursuant to, and in accordance with the requirements of, Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) and Chapter 2257 of the Texas Government Code (the Public Funds Collateral Act).

#### II. POLICY

**2.01 Policy.** It is the policy of Trophy Club Municipal Utility District No. 1 (“District”) that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

**2.02 Cash Management.** Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to District funds. The District investment portfolio shall be designed and managed in a manner designed to be responsive to public trust, to be in compliance with legal requirements and limitations, and to maximize this revenue source.

Investments shall be made with the primary objectives of:

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

#### III. PURPOSE

**3.01 Purpose.** The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (“Public Funds Investment Act”), which requires the District to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of District funds.

## IV. SCOPE

**4.01 Scope.** This Policy applies to the investment of all funds of Trophy Club Municipal Utility District No. 1 (the “District”) and funds under its control. The Board of the District shall review this Investment Policy and the investment strategies set forth herein not less than annually and shall make any changes thereto as determined by the Board of the District to be necessary and prudent for the management of District funds. Not less than annually, the Board shall adopt a written order or resolution stating that it has reviewed the Investment Policy and investment strategies and setting forth any changes made thereto.

**4.02** This Policy shall govern the investment of all financial assets of the District. These funds are accounted for in the Basic Financial Statements and include:

- \* General Fund
- \* Capital Projects Funds
- \* Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- \* Any new fund created by the District, unless specifically exempted from this Policy by the District Board of Directors or by law.

**4.03** The District consolidates fund cash balances to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**4.04** This Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the assets administered for the benefit of the District by outside agencies under deferred compensation programs.

## V. OBJECTIVES

**5.01 Investment Objectives.** Investment of funds shall be governed by the following investment objectives, in order of priority:

- i. **Preservation and safety of principal** - The foremost objective of the District’s Investment Policy is to assure safety of the invested funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital while minimizing credit rate and interest rate risk. Investment for speculation is prohibited.
- ii. **Liquidity** - Funds will be invested with maturities necessary to maintain sufficient liquidity to provide adequate and timely working funds.
- iii. **Yield** - Return on investment is of least importance compared to the safety and liquidity objectives described above.

## VI. INVESTMENT PARAMETERS

**6.01. Investment Strategies.** The District’s overall investment strategy shall be to purchase high credit quality investments that preserve the safety of capital, maximize liquidity, promote diversification, and provide reasonable market yield (in that order of priority), based on the District’s anticipated cash flows and the maintenance of a liquidity buffer for unanticipated liabilities. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high credit quality investments and high-grade money market instruments are designed to assure the marketability of those investments should liquidity needs arise. Detailed strategies by fund type are set forth in **Exhibit “A”** of this Policy. The Board of the District shall review annually the investment strategies and shall make any changes thereto as determined by the Board to be necessary and prudent for the management of the District's funds.

**6.02 Maximum Maturities.** The District will match its investments with anticipated cash flow requirements. To match anticipated cash flow requirements, the maximum weighted average maturity of the overall portfolio shall not exceed 365 days and a benchmark of the six-month and one-year Treasury Bills shall be used to measure risk in the portfolio. Unless matched to a specific cash flow requirement, the District will not directly invest in securities maturing more than 24 months from the date of purchase.

**6.03 Diversification.** The District will diversify its portfolio to reduce risk. The following table sets forth the minimum diversification standards by security type:

Type of Investment	Maximum Percentage of District Portfolio
US Agencies/Instrumentalities	50%
Certificates of Deposit/Share Certificates	90%
Local Government Investment Pools	90%
Money Market Accounts	90%

**6.04. Competitive Bidding Requirement.** All securities, including certificates of deposit, will be purchased, or sold after three (3) offers/bids are taken to verify that the District is receiving fair market value/price for the investment. Bids for certificates of deposit may be solicited orally, in writing, electronically, or any combination of these methods.

**6.05. Delivery versus Payment.** All security transactions entered into by the District shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian designated by the Investment Officer and evidenced by safekeeping receipts.

**6.06 Rating Declines or Loss of Rating.** The Investment Officer shall monitor the credit rating on all authorized investments in the District’s portfolio based on independent information from a nationally recognized rating agency. Ratings monitoring will be performed on a monthly basis for all authorized investments except mutual funds and commercial paper. Ratings monitoring will be performed on a weekly basis for mutual funds and commercial paper. If any security falls below the minimum rating required by this Policy (i.e. Public Funds Investment Act), the Investment Officer shall immediately solicit bids for and sell the security if possible, regardless

of a loss of principal.

**6.07 Electronic Wire Transfers.** The Investment Officer may use electronic means to transfer or invest funds collected or controlled by the District. Electronic transfers shall only be made with prior written approval by the General Manager.

## VII. DELEGATION OF INVESTMENT AUTHORITY

**7.01 Appointment of Investment Officer.** The person serving as General Manager is hereby appointed the Investment Officer of the District. The Investment Officer shall be responsible for the investment of District funds in accordance with this Investment Policy. If the Board has contracted with another investing entity to invest the District's funds, as authorized by the Public Funds Investment Act, the Investment Officer of the other investing entity is considered to be the Investment Officer of the District for such purposes. The authority hereby granted to the Investment Officer to invest the District's funds is effective until rescinded by the Board, until the expiration of the officer's term or the termination of the person's employment with the District, or if an investment management firm, until the expiration of the contract with the District.

**7.02 Investment Training.** The Board appointed Treasurer, General Manager/Investment Officer, and Finance Manager, shall attend at least one investment training session from an independent source and containing at least six (6) hours of instruction relating to investment responsibilities within 12 (twelve) months after taking office or assuming duties. The Treasurer, General Manager/Investment Officer, and Finance Manager shall also attend an investment training session within each two-year period that begins on the first day of the District's fiscal year and consists of the two consecutive fiscal years after that date after the first year and receive not less than four (4) hours of instruction relating to investment responsibilities from an independent source. Training must include education on investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Public Funds Investment Act. Certificates and/or other documentation of completed training hours shall be maintained with this Policy as **Exhibit "E"**.

**7.03 Internal Controls.** The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the Investment Officer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points.

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Written confirmation for telephone (voice) transactions for investments and wire transfers.

- Development of a wire transfer agreement with the depository bank or third party custodian.

**7.04 Prudence.** The standard of care to be used by the Investment Officer shall be prudent person standard and shall be applied in the context of managing the overall portfolio. This standard states that the person designated as the Investment Officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs. In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall take into consideration (i) the investment of all funds over which the Investment Officer has responsibility rather than consideration as to the prudence of a single investment, and (ii) whether the investment decision was consistent with this Investment Policy.

**7.05 Ethics.** Officers and employees involved in the investment of District funds shall refrain from personal activity that could conflict with the proper execution and management of the District's investment program. Employees and investment officials shall disclose, in writing, any material interests, including personal business relationships, with any financial institution with which it is proposed that the District conduct business. For purposes of District investments, employees or investment officials have a personal business relationship with a business organization if:

- i. the individual owns 10 (ten) percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization; or
- ii. funds received by the individual from the business organization exceed 10 percent of the individual's gross income for the previous year; or
- iii. the individual has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the individual.

**7.06 Limitation of Personal Liability.** Authorized representatives of the District who invest the District's funds in accordance with this Policy shall have no personal liability for any individual security's credit risk or market price changes provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

## **VIII. INVESTMENT REPORTS**

**8.01 Internal Management Reports.** The Investment Officer shall prepare and submit not less than quarterly to the Board of Directors of the District written reports of investment transactions for all funds of the District for the preceding reporting period. The quarterly reports shall comply with the requirements of Section 2256.023 of the Public Funds Investment Act. Specifically, the quarterly report shall:

- i. Describe in detail the investment position of the District.

- ii. Be prepared jointly by all Investment Officers.
- iii. Be signed by each Investment Officer.
- iv. Contain a summary statement of each pooled fund group that states the:
  - (A) beginning market value for the reporting period; and
  - (B) ending market value for the period; and
  - (C) fully accrued interest for the reporting period; and
  - (D) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested; and
  - (E) state the maturity date of each separately invested asset that has a maturity date; and
  - (F) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
  - (G) state the compliance of the investment portfolio of the District as it relates to: (i) the investment strategy expressed in this Policy; and (ii) relevant provisions of the Public Funds Investment Act.

## **IX. COLLATERAL, SAFEKEEPING, AND CUSTODY REQUIREMENTS**

**9.01 Collateral Policy.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all District funds on deposit with a depository bank and for repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments, less an amount insured by the FDIC. At its discretion, the District may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the District has a current custodial agreement. The General Manager is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

**9.02 Authorized Collateral for Time and Demand Deposits.** The District shall accept only the following securities as collateral for time and demand deposits:

- i. FDIC insurance coverage.
- ii. Obligations of the United States, its agencies or instrumentalities, or other evidence of indebtedness of the United States guaranteed as to principal and interest.
- iii. Obligations of Texas or other states or of a county, city or other political subdivision of a state having been rated as not less than “A” or its equivalent by two nationally recognized rating agencies.
- iv. A letter of credit issued by a federal home loan bank.

**9.03 Authorized Collateral for Repurchase Agreements.** The District shall accept as collateral for repurchase agreements only obligations of the United States, its agencies, or instrumentalities.

## X. AUTHORIZED INVESTMENTS

**10.01 Authorized Investments.** The following are authorized investments for the District’s funds, as further described and restricted by the Public Funds Investment Act:

- i. Obligations of, or guaranteed by, the United States. Obligations of the United States, its agencies and instrumentalities, excluding mortgage backed securities, and that are authorized investments under Section 2256.009 of the Public Funds Investment Act.
- ii. State Obligations. Obligations of the State of Texas or any state of the United States or their respective agencies and instrumentalities, agencies, counties, cities, and other political subdivisions rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, and that are authorized investments under Section 2256.009 of the Public Funds Investment Act.
- iii. Other Governmental Obligations. Obligations, the principal, and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
- iv. Certificates of Deposit/Share Certificates.
  - (a) Fully insured or collateralized certificates of deposit or share certificates that are approved investments under Section 2256.010 of the Public Funds Investment Act: (i) from a depository institution that has its main office or a branch office in the State of Texas; and (ii) that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or by the National Credit Union Share Insurance Fund or its successor, as applicable. Authorized certificates of deposit shall include such certificates purchased through the CDARS program with a Texas bank.



- (b) Fully insured certificates of deposit purchased from a broker or a bank that has its main office or a branch office in the State of Texas and is selected from the list of qualified brokers attached to this Investment Policy. All investments in such brokered certificates of deposit shall be made on a delivery versus payment basis to the District's safekeeping agent, and the Investment Officer shall verify that the bank is fully insured by the Federal Deposit Insurance Corporation prior to purchase. In the event any bank from which the District has purchased a brokered certificate of deposit merges with, or is acquired by, another bank in which brokered certificates of deposit are owned by the District, the Investment Officer shall immediately contact the banks and liquidate any brokered certificate that exceeds FDIC insurance levels.
  
- v. Repurchase Agreements. Fully collateralized repurchase agreements with a defined termination date executed with a primary dealer as defined by the Federal Reserve or a financial institution doing business in this state, and that are authorized investments under Section 2256.011 of the Public Funds Investment Act.
  
- vi. Mutual Funds. Money Market Mutual funds that: 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) seek to maintain a net asset value of \$1.00 per share, and 4) are rated AAA by at least one nationally recognized rating service.
  
- vii. Investment Pools. AAA-rated, constant-dollar local government investment pools that meet the requirements set forth in the Public Funds Investment Act for the investment of public funds, including Sections 2256.016, .017, .018, and .019, and provided further that such investments must be approved by the Board of Directors of the District by separate resolution.
  
- viii. Interest bearing accounts of any FDIC bank in Texas.

## XI.

### AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

**11.01 Authorized Financial Dealers and Institutions**. The Board may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of public funds; provided, that a contract may not be for a term longer than two years, and any renewal or extension thereof must be made by the Board by order or resolution.

## XII.

### MISCELLANEOUS

**12.01 Policy to be presented to Investment Officer**. The Investment Officer shall be presented a copy of this Investment Policy and shall execute a written instrument substantially in the form attached hereto as **Exhibit "B"** to the effect that the Investment Officer has:

- i. received and thoroughly reviewed a copy of this Investment Policy; and
- ii. implemented procedures and controls to comply with the Investment Policy.

**12.02 Policy to be presented to Investment Firms.** A written copy of the Investment Policy shall be presented to any business organization offering to engage in an investment transaction with the District. For purposes of this Policy, a “business organization” is an investment pool or investment management firm under contract with the District to invest or manage the District’s investment portfolio that has accepted authority granted by the District under the contract to exercise investment discretion in regard to the District’s funds. The qualified representative of the business organization offering to engage in an investment transaction with the District shall execute a written instrument in a form acceptable to the District and the business organization substantially to the effect that the business organization has:

- i. Received and reviewed the Investment Policy of the District; and
- ii. Acknowledged that the business organization has implemented procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards. The Investment Officer may not acquire or otherwise obtain any authorized investment described in the Investment Policy from a person who has not delivered to the District the written instrument set forth in **Exhibit “B”** hereof.

The District shall maintain a copy of each of the executed written statements described in Sections 12.01 and 12.02 for the auditor and include them as **Exhibit “D”** of this policy.

At any time that the District amends this Investment Policy, the Investment Officer shall present the amended Investment Policy to all persons and/or business organizations at which funds of the District are invested and shall obtain a new written instrument as described in Section 10.01(B) hereof.

**12.03 Annual Financial Audit.** The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.

**12.04 Selection of Authorized Brokers.** The District shall annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District. Approved Investment Brokers are those listed in **Exhibit C** of this Policy.

**12.05 Repeal of Prior Orders.** Any and all prior orders or resolutions relating to the investment of District funds are hereby repealed and this Policy shall supersede any such prior orders or resolutions as of the date of its adoption by the Board of Directors.

**12.06 Effective Date.** This Policy shall be effective as of September 20, 2021.

## **EXHIBIT "A"** **INVESTMENT STRATEGY**

### **Operating Funds**

Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated, and limited to one year or less. Constant \$1 net asset value investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The District's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

### **Reserve and Deposit Funds**

Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated, and limited to two years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The District's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the ninety-one (91) day Treasury bill.

### **Bond and Certificate Capital Project Funds and Special Purpose Funds**

Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds' portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than three years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to two years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The District's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the ninety-one (91) day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

### **Debt Service Funds**

Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The District's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the ninety-one (91) day Treasury bill.

**EXHIBIT "B"**

**INVESTMENT OFFICER AND INVESTMENT FIRM CERTIFICATION  
OF RECEIPT AND REVIEW OF INVESTMENT POLICY**

THE STATE OF TEXAS

COUNTY OF DENTON

I, \_\_\_\_\_ of \_\_\_\_\_,  
do hereby certify that I have been presented a copy of the Amended and Restated Investment  
Policy for Trophy Club Municipal Utility District No. 1 dated \_\_\_\_\_. I have thoroughly  
reviewed the Investment Policy and acknowledge that \_\_\_\_\_ has implemented  
procedures and controls to comply with the Investment Policy.

WITNESS MY HAND THIS \_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_

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

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

**EXHIBIT "C"**  
**APPROVED INVESTMENT FIRMS**

<b>Name of Bank</b>	<b>Phone Number</b>	<b>Address</b>	<b>Town</b>	<b>State</b>	<b>Zip</b>
Prosperity Bank	817-378-2210	217 North Main	Keller	TX	76248
First Financial	817-329-8615	95 Trophy Club Dr	Trophy Club	TX	76262
TexPool	866-839-7665	1001 Texas Avenue Suite 1400	Houston	TX	77002

**EXHIBIT "D"**

**EXECUTED CERTIFICATIONS OF RECEIPT  
AND REVIEW OF INVESTMENT POLICY**



**EXHIBIT "E"**

**TRAINING CERTIFICATES FOR INVESTMENT OFFICER**

# University of North Texas Center for Public Management

and

## Government Treasurers' Organization of Texas

Co Sponsored by University of North Texas

### Certificate of Attendance

presented to

*Steven Krolczyk*

For completion of training on the Texas Public Funds Investment Act and related investment issues

January 26, 2021 ..... 5 hours

January 27, 2021 ..... 0 hours

Patrick Shinkle  
Center for Public Management  
TSBPA CPE Sponsor 007716

# University of North Texas Center for Public Management

and

## Government Treasurers' Organization of Texas

**Co Sponsored by North Central Texas Council of Governments**

### Certificate of Attendance

presented to

*Alan Fourmentin*

For completion of training on the Texas Public Funds Investment Act and related investment issues

June 16, 2020..... 5 hours

June 17, 2020..... 5 hours

Patrick Shinkle  
Center for Public Management  
TSBPA CPE Sponsor 007716

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**RESOLUTION NO. 2021-0920C**  
**ADOPTING CASH RESERVE POLICY**

THE STATE OF TEXAS §  
COUNTIES OF DENTON AND TARRANT §

**WHEREAS**, Trophy Club Municipal Utility District No. 1 (the “District”) is duly created and existing municipal utility district created and operating under Chapters 49 and 54 of the Texas Water Code, as amended;

**WHEREAS**, the Governmental Accounting Standards Board (“GASB”) released Statement No. 54- “Fund Balance Reporting and Governmental Fund Type Definitions” on March 11, 2009. The objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying governmental fund type definitions;

**WHEREAS**, the Board of Directors of the District desires to implement GASB Statement No. 54, and in connection therewith, desires to adopt certain policies for the establishment, funding and management of the District's reserve funds including specifying the target balances for each reserve fund; and

**WHEREAS**, the objective of the Policy is to enhance the District's financial position, provide clear policies regarding the funding of reserve funds, and to establish and maintain adequate reserve funds to secure the District's financial position;

**NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, THAT:**

**Section 1.** The matters and facts recited in the preamble to this Order are found to be true and correct and the same are incorporated herein as a part of this Order.

**Section 2.** The Board has reviewed the Reserve Policy and finds and declares that the Reserve Policy in the form attached hereto is hereby approved and adopted, and such Policy shall replace and supersede in its entirety the Policy adopted pursuant to Resolution No. 2020-0921C and any prior Cash Reserve Policy of the District.

**Section 3.** The General Manager is authorized to do all things necessary and proper to evidence the Board's adoption of this Order and to carry out the intent hereof. Upon execution, a permanent copy of this Order shall be filed in the permanent records of the District.

**Section 4.** That the Finance Manager is hereby authorized to perform the functions required by the attached Reserve Policy.

**ADOPTED, PASSED AND APPROVED this 20<sup>th</sup> day of September 2021.**

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Steve Flynn, President  
Board of Directors

ATTEST:

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Kelly Castonguay, Secretary  
Board of Directors

# TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 RESERVE POLICY

## ARTICLE I

### BACKGROUND

#### **Section 1.01. Background.**

One of the key attributes of a financially stable organization is the establishment and maintenance of appropriate financial reserves. Adequate reserves position an organization to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in increased costs, and address unexpected emergencies, such as natural disasters, catastrophic events caused by human activity, or excessive liabilities or legal judgments against the organization. In concert with Trophy Club Municipal Utility District No. 1's (the "District") other financial policies, this Reserve Policy establishes fund balance policies to enhance the District's financial stability.

## ARTICLE II

### POLICY STATEMENTS

#### **Section 2.01. General.**

Reserve funds will be accumulated and maintained in a manner that allows the funding of costs and capital investments consistent with the District's capital and financial plans while avoiding significant rate fluctuations due to changes in cash flow requirements. The classification of reserve fund balances shall be in conformance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*.

#### **Section 2.02. Definitions.**

In accordance with GASB 54, the Board of Directors adopts the following classifications of fund balance depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- A. Non-spendable fund balance**—Amounts either not in spendable form, or legally or contractually required to be maintained intact. This would include inventory, prepaids, and non-current receivables.
- B. Restricted fund balance**— Amounts constrained either externally by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other

governments; or imposed by law through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds, debt service funds, and program funds funded with federal program dollars.

**C. Committed fund balance**—Amounts that are committed for specific purposes by formal action of the Board of Directors. Amounts classified as "committed" are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the Board removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

**D. Assigned fund balance**—Amounts intended to be used by the District for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. The Finance Manager is authorized by the Board of Directors to assign fund balance to a specific purpose as approved by this fund balance policy. Assigned fund balance includes:

1. For the General Fund, the amounts assigned by the Finance Director intended to be used for specific purposes. The amounts reported as assigned should not result in a deficit in unassigned fund balance.
2. For all governmental funds other than the General Fund; these are all remaining positive amounts (except for negative balances) that are not classified as non-spendable and are neither restricted nor committed. However, if there is a negative balance after classifying amounts as non-spendable, restricted, or committed, the fund would report a negative amount as Unassigned and zero to be reported as Assigned.

**E. Unassigned fund balance** - Amounts remaining after applying the above definitions. Amounts are available for any purpose; these amounts are reported only in the general fund. Planned spending in the subsequent year's budget would be included here unless formally committed or assigned.

### **Section 2.03. Reserve Targets.**

The Reserve Policy is based on either percentage targets or days of operation; all associated dollar figures represent estimated/projected targets based on either the percentage target or days of operation target set by the Reserve Policy. Reserve Targets shall be adopted as part of the annual budget.

**Section 2.04. Monitoring and Reporting Use of Reserve Funds**

The General Manager shall perform a review and analysis of each designated reserve fund for presentation to the Board of Directors at a public meeting during consideration of the annual budget by the Board of Directors. Upon determination that a fund balance is less than the established target fund level, the General Manager shall inform the Board of Directors. Any requests to the Board of Directors for the use of reserves will be accompanied by a current status report of the affected reserve fund and impacts on the future reserve levels.

**Section 2.05. Reserve Expenditures**

Unless specified otherwise in the Reserve Policy, expenditures from any reserve requires District Board action to appropriate the funds. The General Manager may recommend reserve expenditures through the budget process or at District Board meetings for the Board of Directors consideration and approval.

**Section 2.06. Replenishment of Reserves**

Should a reserve fall below the targeted reserve level set forth in this Reserve Policy, the General Manager will develop a plan to replenish the reserve in a reasonable time-frame. The proposed plan will be presented to the Board of Directors as part of the subsequent fiscal year budget.

**Section 2.07. Deviations from the Reserve Policy**

No deviations from the Reserve Policy will be allowed except as approved by the Board of Directors. Proposed exceptions to the Reserve Policy will be reviewed by the General Manager and District Finance Manager. After their timely review and recommendation, the proposed exception will be presented to the Board of Directors for action.

**Section 2.08. Reserve Policy Review and Update**

The District's General manager will present this Reserve Policy to the Board of Directors at least biennially to determine if changes are necessary to ensure the Policy is effective and remains current with general accounting and financial best practice standards, and to address any regulatory changes that may become applicable after adoption of this Policy. Any changes, additions, or deletions to this Reserve Policy will be by formal action of the Board of Directors.

**Section 2.09. Fund Balance Spending Order**

Unless legally prohibited, the District will spend the most restricted funds before less restricted funds in the following order:

1. Non-spendable — if the funds become spendable
2. Restricted
3. Committed
4. Assigned
5. Unassigned



## **ARTICLE III**

### **RESERVE FUNDS**

#### **Section 3.01. Reserve Funds**

The Board of Directors hereby establishes and designates the following reserve funds: Operating Reserves; Rehabilitation and Replacement Reserves; Equipment Replacement Reserves; Emergency Reserves; Debt Service Reserves; and Rate Stabilization Reserves.

#### **Section 3.02. Operating Reserves**

- A. The purpose of Operating Reserves is to accumulate sufficient reserve funds necessary to satisfy the general cash flow demands and requirements of the District. There can be a significant length of time between when a system provides a service and when a customer may pay for that service. In addition to timing, the volume of cash flow can be affected by weather and seasonal demand patterns. This reserve fund will preserve credit worthiness, ensure adequate financial resources are available for timely payment of District obligations, and provide liquidity throughout the fiscal year. This funds GASB 54 classification is assigned fund balance.
- B. The District should maintain Operating Reserves equivalent to at least 45 days budgeted operating requirements to mitigate potential cash flow problems. Operating Reserves will not normally exceed the equivalent of 90 days budgeted operating requirements.
- C. The General Manager is authorized to approve the expenditure of Operating Reserves in response to day-to-day cash flow requirements that are in accordance with the Board of Directors approved policy and budget authorizations.

#### **Section 3.03. Capital Reserves**

##### **A. Rehabilitation and Replacement Reserves**

1. The purpose of Rehabilitation and Replacement Reserves is to fund unplanned or accelerated infrastructure rehabilitation or replacement needs when assets wear out before their expected useful life ends or when a utility desires to accrue for its future rehabilitation and replacement needs on a pay-as-you-go basis. These reserves may also be used as a source of funds for cash funding for the utility's Capital Improvement Program (CIP), or to set aside funds for intermediate to long-term future replacement of major assets not included in the CIP. Rehabilitation and Replacement Reserves may be used to provide a cushion to

absorb capital cost overruns that might otherwise require debt issuance and/or rate increases. This funds GASB 54 classification is assigned fund balance.

2. Each adopted budget of the District should contain a transfer from the general fund to the Rehabilitation and Replacement Reserves in an amount approved by the Board of Directors. The desired minimum balance for this reserve is 1.5 percent of the cost of the District's system assets.
3. The General Manager is authorized to approve the expenditure of Rehabilitation and Replacement Reserves, without prior approval of the Board of Directors, in accordance with approved policy and budget authorizations.

#### **B. Equipment Replacement Reserves**

1. The purpose of Equipment Replacement Reserves is to accumulate the probable replacement cost of equipment each year over the life of the asset, so it can be replaced readily when it becomes obsolete, is totally depreciated or is scheduled for replacement. Assets defined as equipment include vehicles, pumps, computer equipment, office equipment, mechanical equipment, laboratory equipment, and other similar equipment with an expected life typically in the range of as few as three to as many as twenty years. Annual depreciation is calculated as a function of the depreciation schedule maintained within the District's financial management software. This funds GASB 54 classification is assigned fund balance.
2. The source of funding for this reserve shall be in the form of an annual operating expense (transfer) to the Equipment Replacement Reserves.
3. The General Manager is authorized to approve the expenditure of Equipment Replacement Reserves, without prior approval of the Board of Directors, in accordance with approved policy and budget authorizations.

#### **C. Emergency Capital Reserves**

1. Emergency Capital Reserves are essentially "insurance" against unanticipated emergencies, failure of the utility's most vulnerable system components, and liability from District activities that are not insured through other mechanisms. This reserve provides funding to ensure timely emergency repairs or replacements, and continued operation of the District's essential services during periods of natural disasters and/or other emergencies that potentially threaten the

health, safety or welfare of District customers, residents, or employees and for which immediate corrective action is necessary. Emergency Capital Reserves may be used when capital improvement funds have otherwise been purposefully spent down to a preset limit on planned projects. They will not be used to meet operating shortfalls or to fund new programs or personnel. This funds GASB 54 classification is committed fund balance.

2. The Emergency Capital Reserves funding level is based on the historical records and the experience of the utility in dealing with such emergencies and disasters. Determining the emergency reserve funding level is also a function of management objectives and overall system reliability.
3. The General Manager is authorized to approve the expenditure of Emergency Capital Reserves, without prior approval of the Board of Directors, in accordance with District policy. Upon expenditure of any Emergency Capital Reserves, the General Manager shall notify the Board of Directors at the earliest possible opportunity.
4. Expenditures from Emergency Capital Reserves which are subsequently recovered, either partially or fully, from FEMA, insurance and/or any other sources, shall be utilized solely for refunding Emergency Capital Reserves.

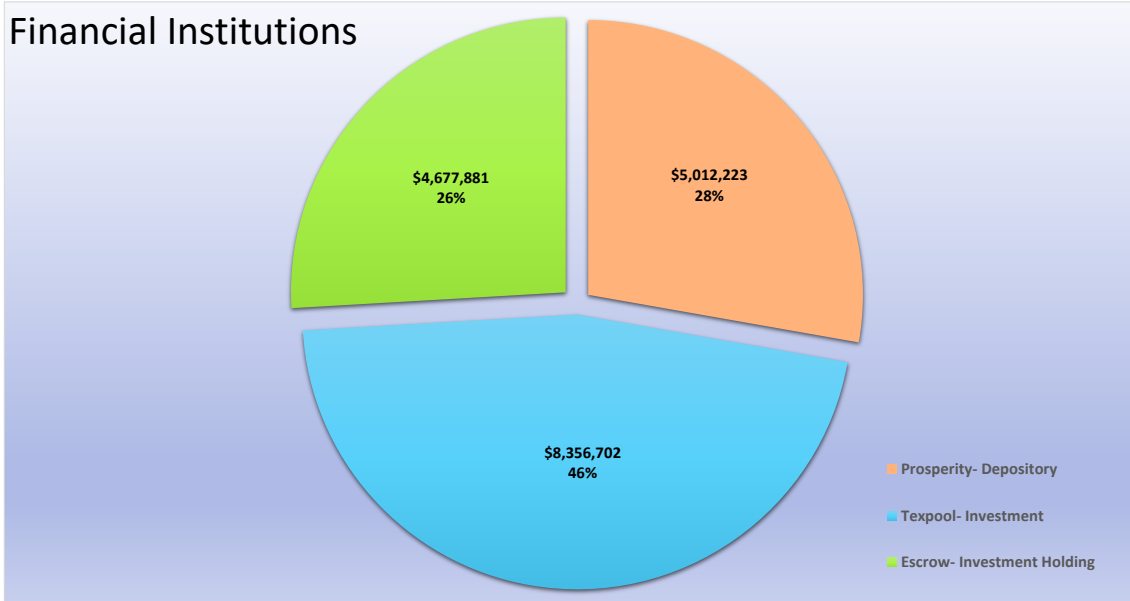
#### **Section 3.04. Debt Service Reserves**

- A. Debt Service Reserves are those funds that relate to the management of the District's outstanding bonded indebtedness. Establishment of a debt service reserve is typically legally required by the covenants and indentures of the District's revenue bonds and may be required by some general obligation bonds. The establishment of a debt reserve provides security to the bondholders that adequate funds will be available to pay the debt service obligations, even under a distressed situation. This funds GASB 54 classification is restricted reserve fund balance.
- B. Debt Service Reserves will be funded, maintained and expended only in accordance with the terms of the orders or resolutions adopted by the Board of Directors authorizing the issuance of the District's revenue obligations. Authorization to expend the Debt Service Reserves is restricted to the Board of Directors.

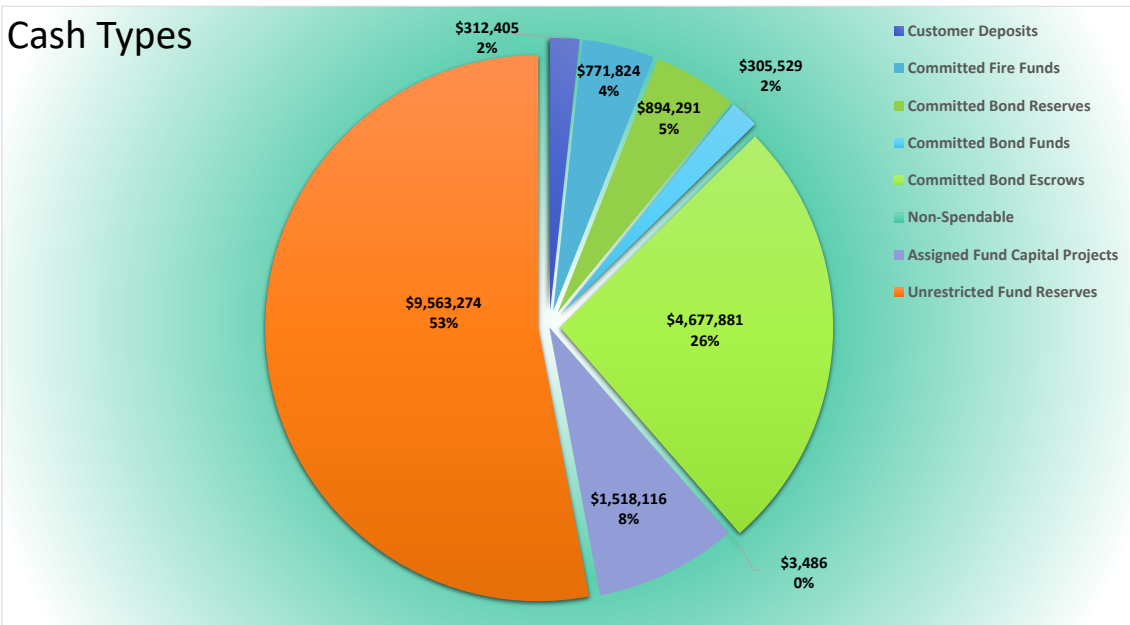
#### **Section 3.05. Rate Stabilization Reserves**

- A. The purpose of Rate Stabilization Reserves is to establish a means to provide cash reserves that can be used to meet revenue requirements while gradually increasing rates over time to the level necessary for the utility to be financially sustainable. This fund buffers the impacts of unanticipated fluctuations or revenue shortfalls and should be capable of defraying the need for an immediate rate increase to cover the cost of an unanticipated rise in expenses. Unexpected fluctuations can include, but are not limited to an economic downturn, unanticipated increases in other utility expenses, and/or other extraordinary circumstances. This funds GASB 54 classification is committed fund balance.
  
- B. The District should maintain Rate Stabilization Reserves equivalent to 30% of the annual net water revenue. Each adopted budget of the District should contain a transfer from the general fund to the Rate Stabilization Reserves in an amount approved by the Board of Directors.
  
- C. Transfer of funds from Rate Stabilization Reserves requires the Board of Directors approval. After transfer, the General Manager is authorized to approve the expenditure of those funds, in accordance with District policy and budget authorizations.

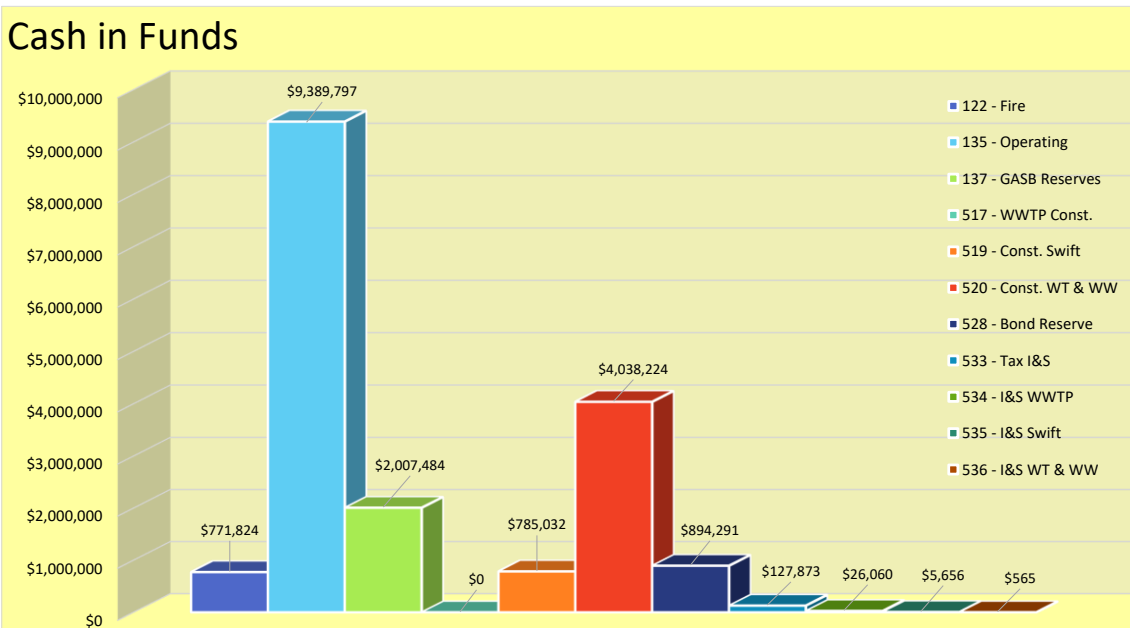
### Financial Institutions



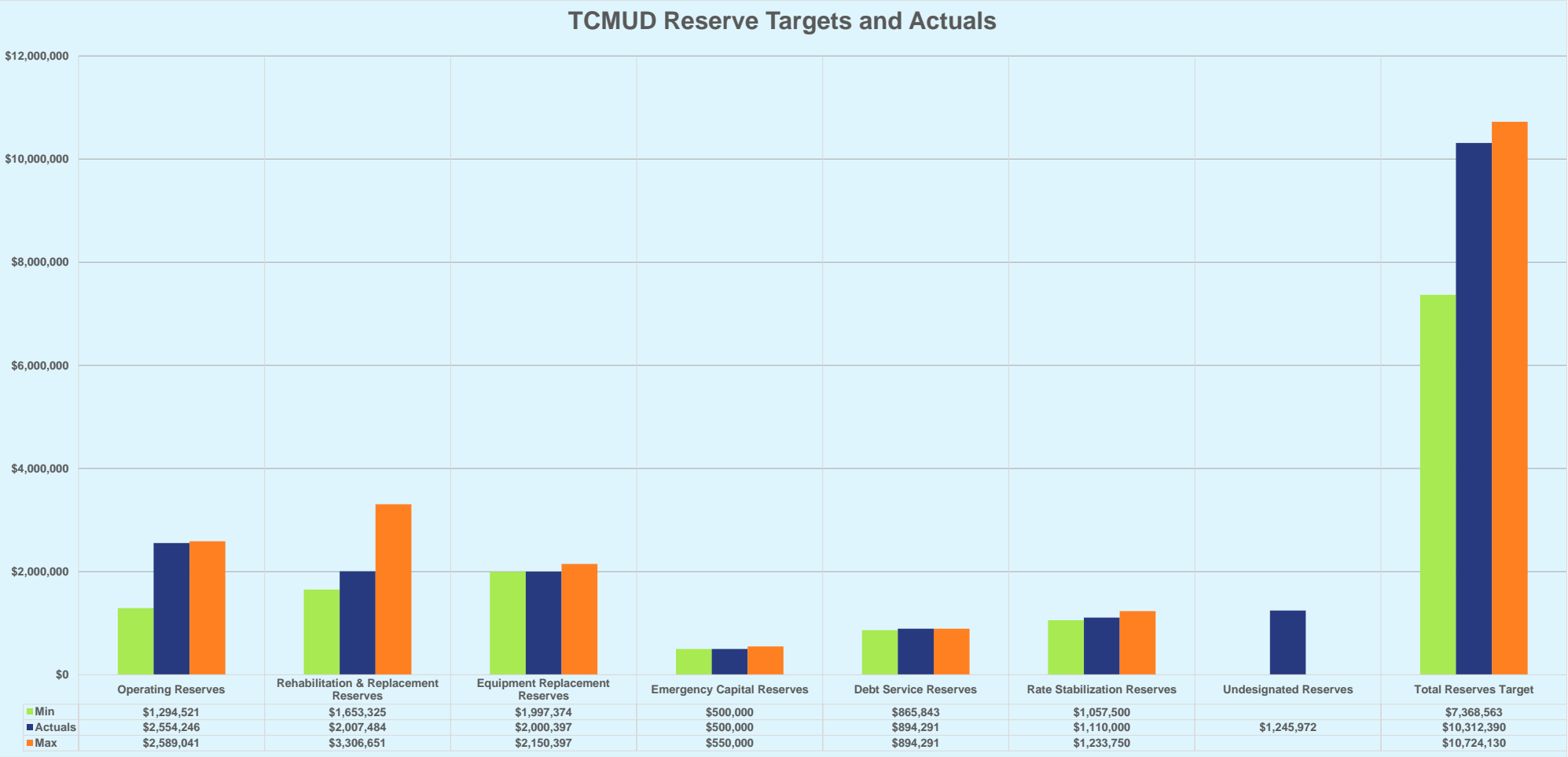
### Cash Types



### Cash in Funds



Dedicated Reserve Funds



Cash Reserve Standards	
Budgeted Expense	\$10,500,000
District Assets	\$110,221,694
Annual Net Water Revenue	\$3,525,000
Customer Deposits	\$312,405
Assigned Fund Capital Projects	\$1,518,116

Reserve Fund Categories	Targets	Min	Max	Actuals
Operating Reserves	45-90 Days	\$1,294,521	\$2,589,041	\$2,554,246
Rehabilitation & Replacement Reserves	1.5% of Assets	\$1,653,325	\$3,306,651	\$2,007,484
Equipment Replacement Reserves	TBD at Budget	\$1,997,374	\$2,150,397	\$2,000,397
Emergency Capital Reserves	TBD	\$500,000	\$550,000	\$500,000
Debt Service Reserves	Bond Covenants	\$865,843	\$894,291	\$894,291
Rate Stabilization Reserves	30-35% Net Water Rev	\$1,057,500	\$1,233,750	\$1,110,000
Undesignated Reserves				\$1,245,972
<b>Total Reserves Target</b>		<b>\$7,368,563</b>	<b>\$10,724,130</b>	<b>\$10,312,390</b>



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## STAFF REPORT

September 20, 2021

### **AGENDA ITEM**

Consider and act to approve Master Client Agreement and Statement of Work with M3 Networks for information Technology Services and cyber security for Fiscal Year 2022 and authorize the General Manager to execute the contract.

### **DESCRIPTION**

Staff requested that M3 Networks offer additional Cyber Security services. M3 Networks has provided a Master Client Agreement that includes a Statement of Work which provides continual Cyber Security support in digital monitoring, internal controls, and on-going training for District staff. These additional services will be provided by M3 Networks at an annual cost of \$66,240. The term of the agreement is one year with annual automatic renewal unless termination is provided by either party.

### **ATTACHMENTS**

Master Client Agreement  
Statement of Work

### **RECOMMENDATION**

Staff recommends approval of the Master Client Agreement and Statement of Work with M3 Networks for information Technology Services and cyber security for Fiscal Year 2022 for an annual cost of \$66,240 and authorize the General Manager to execute the agreement and authorize the General Manager to execute the contract.

**MASTER CLIENT AGREEMENT**

This Master Client Agreement (“Agreement” or “MCA”) is between M3 Networks (“M3”) and Trophy Club Municipal Utility District No. 1 (“Client”) and is dated to be effective as of October 1, 2021 (“Effective Date”).

**1. MASTER CLIENT AGREEMENT**

This MCA governs all equipment, software, hardware and other material procured by Client from M3 (“Goods”) and consulting services and maintenance or subscription services procured by Client from M3 (“Services”) as set forth in one or more Statements of Work (“SOW”) relating to the purchasing Goods (“Order”) or Services (individually and collectively referred to as “SOW”) referencing this MCA. Each SOW must be executed by both parties and thereupon shall be deemed incorporated in this MCA. Goods and Services shall be collectively referred to hereinafter as “Deliverables”, regardless of whether such Deliverable is provided to Client by M3 directly or through any third party. If there is a conflict between the terms of this MCA and a SOW, the terms of the applicable SOW shall prevail. Client grants M3 authorization to view any data within the regular routine of the repair or system improvement. Client also authorizes M3 Networks to reasonably delete, change, and/or rewrite any necessary information to complete the system repair or improvement that is consistent with the standards and practices in the industry. M3 shall provide reasonable notice to Client before deleting, changing and/or rewriting any Client information so that Client may create a copy of the information before such deletion, change or rewrite.

**2. TERM AND TERMINATION**

a. This MCA between Client and M3 shall commence on the Effective Date and continue thereafter until expiration of any SOW executed by M3 and Client. The Term of any SOW shall be 1 year from the date of the execution of the SOW unless otherwise set forth in the SOW. After the expiration of an SOW, an extension of an SOW’s Term will automatically commence thereafter for the same period as the original SOW Term, unless earlier terminated as permitted herein.

b. Either party may terminate, upon written notice of a non-breaching party (“Non-Defaulting Party”) to the breaching party (“Defaulting Party”) if Defaulting party (i) is in breach, which such breach is incapable of being cured, or if such breach can be cured (including nonpayment by Customer) and such breach remains uncured for 30 days following written notice, and/or (ii) is insolvent, subject to a bankruptcy or state law equivalent, makes an assignment for the benefit of creditors, has a receiver appointed by a court or admits to being unable to pay its obligations when due.

c. In addition to termination for cause as set forth above, Client may terminate this Agreement at any time by providing not less than thirty (30) days prior written notice of termination to M3. Any such written notice shall specify the effective date of termination. Upon termination, each Party shall be without further duty or obligation to the other party, except as otherwise set forth herein. Any payment obligation that accrues prior to termination shall survive termination.

d. If either party terminates any SOW, M3 will assist Client in the orderly transition, including timely transfer to another designated provider, on a time and materials basis at M3’s standard or normal rates provided that Client has paid, in advance, the estimated amounts as determined by M3 to facilitate such transition assistance (“Post-Termination Transition Fee”). The Post-Termination Transition Fee shall not exceed the sum of \$5,000 without Client’s prior written consent.

e. Upon any termination of an SOW, the right to use a licensed Product or Service pursuant to an SOW shall terminate and Client will immediately uninstall licensed Goods and cease to use the terminated licensed Goods and, upon M3's written request, immediately return such licensed Goods to M3, together with all related documentation, and copies thereof. Upon written request of M3, Client will promptly certify in writing to M3 that all copies of the licensed Goods have been returned, and that any copies not returned have been destroyed. Notwithstanding any provision to the contrary, if a SOW is terminated,



### 3. PAYMENT AND DELIVERY

Client shall be billed by M3 on a monthly basis in an amount set forth in the SOW or Order. Client shall pay to M3 all fees and expenses incurred under this MCA and/or any Order (including any Post-Termination Transition Fee) in accordance with and upon receipt of an invoice generated by M3 to Client specifying the amounts due for fees and reimbursable expenses (collectively, the "Fees"). The payment of any Fees shall occur by check, automatic ACH transfer, or other automatic electronic means designated by M3 unless otherwise agreed to or required by M3 in writing. All Fees payable under this MCA are exclusive of sales, use, value added tax, customs duties, excise, and any other applicable transaction taxes, which Client will pay report and remit unless otherwise required by applicable law. If payment for undisputed invoices is not received on or before any invoice due date, interest shall begin to accrue and be payable at the lesser of the maximum rate permitted under applicable law or at the rate of one and three-quarter percent (1.75%) per month from the date due until paid in full. In the event Client disputes any invoice, Client shall timely pay the undisputed portion thereof while the Parties resolve the dispute.

### 4. ALLOCATION OF RISKS

a. **Force Majeure:** Any delay or failure of any party to perform any obligation under this MCA or any SOW caused by or results from acts of God, flood, fire, earthquake, explosion, war (whether war is declared or not), governmental restrictions, labor disputes, storms or natural disasters, terrorist threats or acts, riots, civil unrest, national emergency, revolution, epidemic, lock-outs, strikes or other labor disputes, power outage, telecommunication failure, interruption in supply chain, emergency, or other causes beyond the reasonable control of the party, will not be deemed a breach of this MCA. If such event continues for 30 days, Client shall be entitled to give notice to M3 to terminate any SOW. If M3 is unable to perform pursuant to any SOW due to circumstances beyond M3's reasonable control, M3 may terminate SOW(s) by written notice to Client without any further liability. In the event of such termination, M3 shall promptly refund to Client any sums prepaid by Client to M3 for the period after termination.

b. **Exclusion of Damages.** NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, SPECIAL, PUNITIVE, ECONOMIC, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING UNDER THIS MCA OR ANY SOW OR ORDER MADE PURSUANT TO THIS MCA, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR REVENUE, BUSINESS INTERRUPTION, LOSS OF USE OF EQUIPMENT, LOST DATA, COSTS OF SUBSTITUTE EQUIPMENT, OR OTHER COSTS.

C. M3 WARRANTS ONLY THAT IT USES SUFFICIENTLY QUALIFIED AND EXPERIENCED PERSONNEL TO PERFORM PURSUANT TO AN SOW. CLIENT SHALL NOTIFY M3 OF ANY PURPORTED BREACH OF THE AFOREMENTIONED WARRANTY AND PROVIDE M3 30 DAYS TO CURE SUCH ALLEGED BREACH. IN THE EVENT THAT M3 FAILS TO CURE SUCH BREACH, CLIENT'S SOLE REMEDY SHALL BE TO TERMINATE THIS MCA. IN THE EVENT OF TERMINATION FOR CAUSE OR BREACH OF THIS WARRANTY, NO POST-TERMINATION FEE SHALL BE APPLICABLE

D. CLIENT SHALL RELY UPON THE WARRANTIES OF THE MANUFACTURERS OF GOODS AND SHALL DEAL DIRECTLY WITH SUCH MANUFACTURER AND NOT M3. M3 MAKES NO WARRANTY FOR ANY GOODS AND CLIENT SHALL RELY UPON THE WARRANTY OF THE MANUFACTURER OF GOODS. M3 MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL OTHER WARRANTIES ARE EXPRESSLY DISCLAIMED.

e. **Limitation of Liability.** IN NO EVENT SHALL THE TOTAL LIABILITY OF M3 ARISING OUT OF OR RELATED TO THIS MCA, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL AMOUNTS PAID PURSUANT TO THE APPLICABLE SOW TO M3 DURING THE TWELVE MONTHS PRECEDING THE EVENT GIVING RISE TO LIABILITY. [THE LIMITATION OF

f. **Declined Goods or Services.** NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, M3 SHALL HAVE NO LIABILITY FOR ANY GOODS OR SERVICES OFFERED TO CLIENT DURING THE TERM WHICH SUCH GOODS OR SERVICE WERE DECLINED BY CLIENT.

5. **CONFIDENTIALITY**

The parties may consider certain information confidential and proprietary that it discloses (“Discloser”) to the other party (“Recipient”), and seeks to restrict use and disclosure of such Confidential Information after disclosure to Recipient. The term “Confidential Information” means all proprietary or confidential information that is disclosed to the Recipient by the Discloser, and is marked confidential or proprietary, or is orally identified as confidential and proprietary when disclosed and is summarized in writing within 30 days of such disclosure with an indication of the information as being confidential or proprietary. Confidential Information does not include information that Recipient can show: (i) was rightfully in Recipient’s possession without any obligation of confidentiality; (ii) is or becomes a matter of public knowledge through no fault of Recipient; (iii) is rightfully received by Recipient from a third party without violation of a duty of confidentiality; (iv) is disclosed by Discloser without similar restriction; or (v) is or was independently developed by or for Recipient. Confidential Information also does not include any information that is public information under the laws of the State of Texas, including the Public Information Act. Except as otherwise required by law, Recipient may not disclose or use Confidential Information of Discloser to any third party without the prior written consent of Discloser. A violation hereof may cause the Discloser irreparable harm. In the event of a breach of this section, a party may seek an injunction, specific performance or other appropriate relief.

6. **MISCELLANEOUS**

a. **Venue and Governing Law.** This MCA shall be governed by, construed, and enforced in accordance with the laws of the State of Texas. Jurisdiction and venue shall exclusively lie in the County of Tarrant.

b. **Entire Agreement and Waiver.** This MCA and incorporated SOWs and Orders constitute the entire agreement between Client and M3. Failure of a party to require performance by the other party under this MCA will not affect the right of such party to require performance in the future. A waiver by a party of any breach will not be construed as a waiver of any continuing or succeeding breach.

c. **Point of Contact.** If a SOW does not appoint a point of contact for Goods and/or Services, Client’s signatory below shall be deemed the point of contact.

d. **Attorney Fees.** If any action is brought to enforce the terms of this MCA, the prevailing party shall be entitled to reasonable attorneys’ fees and costs in addition to any other relief to which it may be entitled.

e. **Severability.** If any provision in this MCA is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

f. **Intellectual Property.** The parties acknowledge and agree that this MCA constitutes an IT services contract and M3 is not being engaged to develop or prepare inventions, patents, patent applications, copyrights, trade names, trademarks, trade secrets, moral rights, work product, know-how, or any other intellectual property for or on behalf of Client. Client shall have and retain the entire and exclusive right, title, and interest in and to all inventions, patents, patent applications, copyrights, trade names, trademarks, trade secrets, moral rights, work product, know-how, and all other intellectual property owned or developed by Client in accordance with applicable law. M3 further agrees to assist Client, at Client’s expense, in securing, preserving, and enforcing any intellectual property rights described above, including but not limited to M3 executing any acknowledgments to Client (if reasonable and necessary) or oaths required for Client to secure any of these intellectual property rights. Nothing in this MCA shall be construed as a sale of or a license to, whether express or implied, any intellectual property belonging to Client or M3.

g. **Insurance.** Each party shall maintain at its own expense, commercial general liability insurance for personal injury and property damage for a general aggregate of \$1,000,000. At the request of the other party, a party shall provide the requesting party a certificate, including renewal certificates evidencing such coverage within thirty (30) days of a request.

h. **Solicitation of Resources.** During the Term of this MCA, and for a period of six (6) months thereafter, neither party will solicit for employment any employees of the other party who, within six (6) months prior to such solicitation: (a) directly performed under this MCA, (b) had substantial contact with the hiring party pursuant to this MCA, or (c) the hiring party became aware of due to, or derived from information learned through the performance of, this MCA. For this purpose, "solicitation" does not include contact resulting from indirect means such as public advertisement, placement firm searches or similar means not directed specifically at the employee to which the employee responds on his or her own initiative. The parties acknowledge and agree that a breach of this "Non-Solicitation" clause will give rise to damages to the other party and that, as liquidated damages to compensate the non-breaching party for the search, recruitment, replacement recruitment, training and other expenses, the breaching party shall pay 3 months of the employee's compensation to the non-breaching party as damages for breaching this non-solicitation covenant.

i. **Notices.** Any notices given hereunder shall be sent by e-mail to the last notified e-mail address of a party with a read receipt or an email confirming receipt. If there is not a read receipt or email confirming receipt, written notice may be made by certified mail return receipt requested through the United States Postal Service to the address of the party listed above making it to the attention of the point of contact for each party. If there is not a point of contact listed, such written notice shall be made to the person who is signing on behalf of a party below.

j. **Counterparts.** This MCA and any SOW pursuant to this MCA may be executed in counterparts, each of which shall be deemed an original. A signed version of this MCA or any SOW may be delivered by facsimile, email or other electronic transmission and shall have the same legal effect as delivery of an original signed copy of this Agreement.

k. **Interested Parties.** M3 acknowledges that Texas Government Code Section 2252.908 (as amended, "Section 2252.908") requires disclosure of certain matters by contractors entering into a contract with a local government entity such as Client. M3 confirms that it has reviewed Section 2252.908 and, if required to do so, will (1) complete a Form 1295, using the unique identification number specified on page 1 of the Contract, and electronically file it with the Texas Ethics Commission ("TEC"); and (2) submit the signed Form 1295, including the certification of filing number of the Form 1295 with the TEC, to Client at the same time M3 executes and submits the Contract to Client. Form 1295s are available on the TEC's website at <https://www.ethics.state.tx.us/filinginfo/1295/>. The Contract is not effective until the requirements listed above are satisfied and any approval or award of the Contract by Client is expressly made contingent upon M3's compliance with these requirements. The signed Form 1295 may be submitted to Client in an electronic format.

l. **Conflicts of Interest.** M3 acknowledges that Texas Local Government Code Chapter 176 (as amended, "Chapter 176") requires the disclosure of certain matters by contractors doing business with or proposing to do business with local government entities such as Client. M3 confirms that it has reviewed Chapter 176 and, if required to do so, will complete and return Form CIQ promulgated by the TEC, which is available on the TEC's website at <https://www.ethics.state.tx.us/forms/conflict/>, within seven days of the date of submitting the Contract to Client or within seven days of becoming aware of a matter that requires disclosure under Chapter 176, whichever is applicable.

m. **Verification Under Chapter 2271, Texas Government Code.** If required under Chapter 2271 of the Texas Government Code (as amended, "Chapter 2271"), M3 represents and warrants that, at the time of execution and delivery of the Contract, neither M3, nor any wholly or majority-owned subsidiary, parent company, or affiliate of M3 that exist to make a profit, boycott Israel or will boycott Israel during the term of the Contract. The foregoing verification is made solely to comply with Chapter 2271, to the extent such Chapter does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is

intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. M3 understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with M3.

n. **Verification Under Subchapter F, Chapter 2252, Texas Government Code.** For purposes of Subchapter F of Chapter 2252 of the Texas Government Code (as amended, “Subchapter F”), M3 represents and warrants that, neither M3, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of M3 that exist to make a profit, are companies identified on a list prepared and maintained by the Texas Comptroller of Public Accounts (the “Comptroller”) described within Subchapter F and posted on the Comptroller’s internet website at:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,  
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, and  
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Subchapter F, to the extent such subchapter does not contravene applicable Federal law, and excludes companies that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan, Iran, or a foreign terrorist organization. M3 understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with M3.

o. **Verification Under Chapter 2274, Texas Government Code, Relating to Contracts With Companies Boycotting Certain Energy Companies.** If required under Chapter 2274 of the Texas Government Code (as amended, “Chapter 2274”), M3 represents and warrants that, at the time of execution and delivery of the Contract, neither M3, nor any wholly or majority-owned subsidiary, parent company, or affiliate of M3 that exists to make a profit, boycott energy companies or will boycott energy companies during the term of the contract. The foregoing verification is made solely to comply with Chapter 2274. As used in the foregoing verification, “boycott energy companies” means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (1) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law or (2) does business with a company described in the preceding section (1).

p. **Verification Under Chapter 2274, Texas Government Code, Relating to Contracts with Companies that Discriminate Against the Firearm and Ammunition Industries.** If required under Chapter 2274 of the Texas Government Code (as amended, “Chapter 2274”), M3 represents and warrants that, at the time of execution and delivery of the Contract, neither M3, nor any wholly or majority-owned subsidiary, parent company, or affiliate of M3 that exists to make a profit, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or will discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Chapter 2274. As used in the foregoing verification, the terms “discriminate against a firearm entity”, “firearm entity”, and “firearm trade association” have the meanings ascribed to them in Section 2274.001, Texas Government Code.

IN WITNESS WHEREOF, the parties hereto agree with the terms of this MCA and have signed by their duly authorized representatives as of the date set forth below. September 20, 2021 Agenda Packet

**Client:**

Trophy Club Municipal Utility District No. 1

_____ Signature	_____ Name (please print)	_____ Title	_____ Date
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**M3 Networks:**

<u><i>Amy James</i></u> Signature	<u>Amy James</u> Name (please print)	<u>Director of Operations</u> Title	<u>9/14/2021</u> Date
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## Statement of Work

This Statement of Work (“SOW”) dated October 1, 2021 pursuant to the Master Client Agreement (“MCA”) is entered into by **M3 Networks** (“M3”) and **Trophy Club Municipal Utility District No. 1** (Client”) (collectively, the “Parties”). This SOW consists of the terms below and are incorporated and made part of the MCA.

### Scope Description

In exchange for a monthly payment, made in advance, in the amount of \$ 5,520.00, M3 will provide the following technical support services and solutions (“Services”) pursuant to this SOW:

Monthly Investment: Complete + IT

Service Plan: \$5,520.00

One-Time Onboarding: \$ N/A

BDR Device: \$ Included

First Month Investment: \$ 5,520.00

\$ N/A additional per user

- Unlimited end-user helpdesk & onsite support
- Workstation maintenance and support
- Server, network, and infrastructure management
- 24/7/365 Monitoring Services
- Antivirus, spyware monitoring, removal/remediation
- Security information and event management.
- Online support portal (monitor support tickets)
- Peripheral basic support (i.e. smartphones, tablets, printers, scanner)
- Data protection - Client onsite & offsite data backup for server(s). A backup data recovery (“BDR”) unit is supplied that acts as a local storage device & stand-by server in the event of server failure. Restoration of data files and folders. Full recovery of data with the previous day’s data being the most current information provided from the offsite data center- in the event of total catastrophe, where the server and onsite BDR unit are lost.
- Advanced Endpoint Protection
- Dark Web Monitoring
- Advanced Spam Filter
- Managed Detection and Response
- Next Generation Endpoint Security
- Staff Testing and Phishing
- Security Awareness Training
- 2 Factor Authorization on Office 365 Email - \$25.00 per mailbox onetime fee to setup.
- Complete + Plan – Security Operations Center (Blackpoint Cyber and Threat Locker)

**Remote Help Desk** is provided through remote means by M3 to Client 24/7/365. M3 Help Desk is accessible by authorized personnel by calling M3’s helpdesk number at 817-532-0127, by submitting a service request through M3’s ticket portal or by email. Onsite support provided on an as-needed basis. M3 will provide a services summary report periodically to Client’s primary contact person.

### On-Site Consultation:

M3 will perform an analysis of Client network, security and performance and meet with Client as needed to review Client’s goals and technology issues. This review will allow M3 to make recommendations to improve Client network performance, office productivity, and help Client plan and budget for future IT needs.

### Monitoring Services:

M3 will provide on-going monitoring & the enumerated security services of Client network critical devices. Network monitoring services will be provided 24/7/365. M3 will provide monthly reports as well as document critical alerts, scans and event resolutions to Client. Should a problem be discovered during monitoring, M3 shall make every attempt to rectify the condition in a timely manner through remote means. Some of the items M3 will monitor include:

- Network and server uptime, hardware integrity and reliability
- Server traffic and load, storage space and availability

**Service Level Agreement (“SLA”) Client can expect M3 service response time:**

- (i) Priority 1 (High/Emergency): within 4 hours
- (ii) Priority 2 (Normal): preferred within 24 hours but no later than 72 hours
- (iii) Priority 3 (Low): preferred within 48 hours but no later than 96 hours
- (iv) Priority 4 (Ultra Low/Scheduled Maintenance): based on Client and MSP’s availability.

**On-site, Project & Consulting Services**

M3 will provide on-site service, planning, design and implementation services during regular business hours (M-F, 8am – 5pm). Such services are included in the monthly fee set forth above. Emergency service will be provided outside of our regular business hours & on holidays at its regular hourly rates set forth on the attached exhibit.

**Offsite Security of Client Information**

Client data is encrypted before it leaves your servers with an encryption key held by M3. Files are then transferred to a data center in encrypted form to storage servers at a high security facility. M3 software communicates with the remote servers using secure socket layers technology.

**Backup Frequency & Storage Capacity**

M3 service can protect Client data as frequently as every hour, every day. This provides many more additional backup copies thus allowing multiple restore points to recover the most current version of Client data just prior to the data loss event. Off-site backup frequencies will be dependent on image sizes & internet bandwidth available. M3 will supply a BDR unite that has storage capacity that is sized X1.5 times Client data in order to backup & protect Client information. Server backup agents require a minimum of 12 months before the backup can be removed. As your data grows & is stored on the local BDR image device, once it exceeds 70% capacity, virtualization will be slow & data errors can occur, M3 will then increase the device image storage capacity in 1TB or 2TB increments for a minimum of 12 months. Additional charges will apply based on the fee schedule attached hereto. M3 will provide not less than 30 days notice to Client of any proposed fee increases. M3 backup Client data files for a period of 60 days. Client may increase the number of days Client wants data stored. Storing Client data for a longer period of time, will increase the amount of data stored on the BDR unit.

**Restore and Disaster Recovery**

M3 will attempt to resolve access, backup, or retrieval problems over the phone on first call within 24 hours of the first request. M3 can restore a file or file folders as needed by Client calling M3 help desk for assistance. The BDR can also be used to perform a bare metal restore (“BMR”) to dissimilar hardware which means when a new server arrives, the BDR can be used to restore the most current data to that new server regardless of the server hardware. In a disaster, where Client should lose your entire office, M3 will be able to offer options of retrieving offsite data so M3 can install on Client’s new local server or by setting up a temporary connection (additional charges would apply after 30 days) in order to allow Client access to Client’s offsite their data in the cloud.

**Ownership of the Data**

The backup data being stored on the BDR unit and at the data center remains the sole property of the Client. If the Client chooses to terminate services, M3 will promptly assist Client in the orderly termination of services. This could involve copying the backup image to an external drive which can be synchronized with the data on the BDR unit.

**Minimum Compliance Standards**

In order for Client’s existing environment to qualify for M3 Services, the following requirements must be met by Client.

- All Servers with Microsoft Windows Operating Systems must be running Windows 2008 Server or later.
- All Desktop PC’s and Notebooks/Laptops with Microsoft Windows Operating Systems must be running Windows 7 or later and have all of the latest Microsoft Service Packs and Critical Updates installed.
- All Server and Desktop Software must be Genuine, Licensed and Vendor-Supported.
- Hardware warranty on network and server equipment. Without warranty, response time on equipment will not be guaranteed.
- Any Wireless data traffic in the environment must be secured with a minimum of 128bit data encryption.

**Services rendered under this Agreement DO NOT include**

- Parts, equipment or software not covered by vendor/manufacturer warranty or support.
- Web & application software programming, printer & copier service, structured cabling service.
- Labor to move workstations, printers, scanners & other non-server equipment to a new location.
- The cost of any parts, equipment, or shipping charges of any kind.
- The cost of any software, licensing, or software renewal or upgrade fees of any kind.
- The cost of any third-party vendor or manufacturer support or incident fees of any kind.
- The cost to bring Client’s environment up to minimum standards required for service compliance.
- In case of loss of office, Client offsite data is available in the cloud at an additional fee.
- Maintenance of application software, whether acquired from M3 or other source unless as specified in this agreement.

- Wireless assessments & voice over internet protocol Phone installations/maintenance.
- Consumables such as printer maintenance kits, toner, ink, batteries, paper, etc. are not included or covered under this service agreement and will be invoiced separately.
- Payment card industry data compliance coverage, meetings, or paperwork unless otherwise specified in an SOW.
- Health Insurance Portability and Accountability Act compliance coverage, meetings, or paperwork unless otherwise specified in the SOW.

**M3 Supplied Equipment & Product**

All M3 supplied equipment, software and products remain the property and under the ownership of M3. All M3 supplied equipment, software and products must be returned to M3 at end of term, if breach of agreement occurs or within 3 days of written demand by M3 if Client has invoices older than 60 days past due. Client also gives M3 permission to enter Client premises during normal business hours for M3 to take possession of M3 supplied equipment, software and products. Client will be responsible for any M3 supplied equipment or products that are missing, lost, stolen or damaged.

The point of contact for Client for this SOW shall be Alan Fourmentin.

IN WITNESS WHEREOF, the parties hereto agree with the terms of this SOW and have signed by their duly authorized representatives.

**Client:**

Trophy Club Municipal Utility District No. 1

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Signature                      Name (please print)                      Title                      Date

**M3 Networks:**

*Amy James*

Amy James                      Director of Operations                      9/14/2021

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Signature                      Name (please print)                      Title                      Date




# TC Meeting Spaces

## Calendars

October 2021

-  FS Conference Room
-  FS Training Room
-  PS Large Conference Room
-  Svore Board Room

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
40	Sep 26, 2021	27	28	29	30	Oct 1	2
41	3	4	5	6	7	8	9
42	10	11	12	13	14	15	16
43	17	18 6:30pm  Board of D	19	20	21	22	23
44	24	25	26	27	28	29	30
45	31	Nov 1	2	3	4	5	6

# TC Meeting Spaces

## Calendars

November 2021

- FS Conference Room
- FS Training Room
- PS Large Conference Room
- Score Board Room

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
45	Oct 31, 2021	Nov 1	2	3	4	5	6
46	7	8	9	10	11	12	13
47	14	15 6:30pm Board of D	16	17	18	19	20
48	21	22	23	24	25 Thanksgiving Holiday - Office Closed	26	27
49	28	29	30	Dec 1	2	3	4

# TC Meeting Spaces

## Calendars

December 2021

- FS Conference Room
- FS Training Room
- PS Large Conference Room
- Svore Board Room

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
49	Nov 28, 2021	29	30	Dec 1	2	3	4
50	5	6	7	8	9	10	11
51	12	13	14	15	16	17	18
52	19	20	21	22	23	24	25
1	26	27	28	29	30	31	Jan 1

Proposed December Board Meeting Dates

6:30pm Scheduled da

Office Closed - Chris

Office Closed - Chris