



**BOARD OF DIRECTORS  
REGULAR MEETING**

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

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Wednesday, September 18, 2024

6:30 P.M.

Svore Municipal Boardroom

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**PUBLIC HEARING AND REGULAR MEETING AGENDA PACKET**

**VIA VIDEOCONFERENCE - THE PRESIDING OFFICER AND A QUORUM OF THE BOARD OF DIRECTORS WILL BE PHYSICALLY PRESENT AT, AND MEMBERS OF THE PUBLIC MAY ATTEND THE MEETING AT THE LOCATION SPECIFIED ABOVE. PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.127, ON A REGULAR, NON-EMERGENCY BASIS, UP TO TWO DIRECTORS' MAY ATTEND AND PARTICIPATE IN THE MEETING REMOTELY BY VIDEOCONFERENCE. SHOULD THAT OCCUR, A QUORUM OF THE MEMBERS WILL BE PHYSICALLY PRESENT AT THE LOCATION NOTED ABOVE ON THIS AGENDA.**

**CALL TO ORDER AND ANNOUNCE A QUORUM**

**PUBLIC HEARING**

1. Trophy Club Municipal Utility District No. 1 will conduct a Public Hearing regarding adoption of proposed District Tax rate of \$0.06250 for the 2024 Tax Year.

**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**

2. Staff Reports
  - a. Capital Improvement Projects
  - b. Operations Reports
  - c. Finance Reports

[attachments: Monthly 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.*

3. Consider and act to approve the Consent Agenda.
  - a. August 21, 2024, Regular Meeting Minutes

[attachment: Meeting minutes](#)

#### **REGULAR SESSION**

4. Introduction of Association of Water Board Directors (AWBD) representative Linda Backlund.
5. Presentation and review of District IT services.
6. Presentation and review of proposed security audit services.
7. Consider and act to adopt Resolution No. 2024-0918A approving Budget for Fiscal Year 2025.  
[attachment: Resolution No. 2024-0918A](#)
8. Consider and act to adopt Rate Order No. 2024-0918A amending water and sewer rates and setting an effective date of October 1, 2024.  
[attachment: Rate Order No. 2024-0918A Redline](#)
9. Consider and act to adopt Order No. 2024-0918B Fixing and Levying Trophy Club Municipal Utility District No. 1 Debt Service Tax Rate and Operations and Maintenance Tax Rate for 2024 Tax Year.  
[attachment: Order No. 2024-0918B](#)
10. Consider and act to adopt Resolution 2024-0918B approving 2024 Tax Roll for Trophy Club Municipal Utility District No. 1.  
[attachment: Resolution 2024-0918B](#)
11. Consider and act to approve the Amendment to District Information Form, including Notice to Purchaser Form.  
[attachment: Amendment to District Information Form](#)
12. Consider and act regarding annual review of District Investment Policy and Investment Strategies including:
  - a. Adopt Order No. 2024-0918C Approving Amended and Restated Investment Policy, including the District's Investment Strategies and Appointment of Investment Officer(s).  
[attachment: Order No. 2024-0918C](#)
13. Consider and act to adopt Resolution No. 2024-0918C Approving Cash Reserve Policy.  
[attachment: Resolution No. 2024-0918C](#)
14. Consider and take appropriate action regarding Banking and depository matters: Approval of Resolution No. 2024-0918D authorizing the extension of term of depository pledge agreement with Prosperity Bank.

[attachment: Resolution No. 2024-0918D](#)

15. Consider and act regarding approval of task order agreement with Halff Associates for professional engineering services for the replacement of the existing water lines and authorize the General Manager to execute the necessary documents to implement Board action.

[attachment: Halff Task Order Agreement](#)

16. Consider and act regarding approval of work order agreement with Pipeline Analysis, LLC for professional engineering services related to the district wastewater collection system and authorize the General Manager to execute the necessary documents to implement Board action.

[attachment: Pipeline Analysis Work Order Agreement](#)

17. Discussion and possible action regarding Drought Contingency and Emergency Water Management Plan. (Brewster)

[attachment: Drought Contingency and Emergency Water Management Plan](#)

#### **EXECUTIVE SESSION**

18. Pursuant to Section 551.074 of the Texas Government Code (Personnel), the Board will convene into executive (closed) session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: General Manager annual evaluation.

#### **REGULAR SESSION**

19. Consider and act regarding items discussed in Executive Session.

#### **20. Future Agenda Items**

*Board Members may provide requests for discussion items for a future agenda in accordance with the board's approved bylaws. No further discussion will be held related to topics proposed until they are posted on a future agenda in accordance with the Texas Open Meetings Act*

21. Items for future agendas.

22. Next Regular Meeting date – October 16, 2024

[attachment: October meeting calendar](#)

**THE BOARD OF DIRECTORS RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY MATTERS LISTED ON THE AGENDA, AS AUTHORIZED BY TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 (PERSONNEL MATTERS), 551.076 (DELIBERATIONS ABOUT SECURITY DEVICES), AND/OR 418.183 (HOMELAND SECURITY).**

#### **ADJOURN**

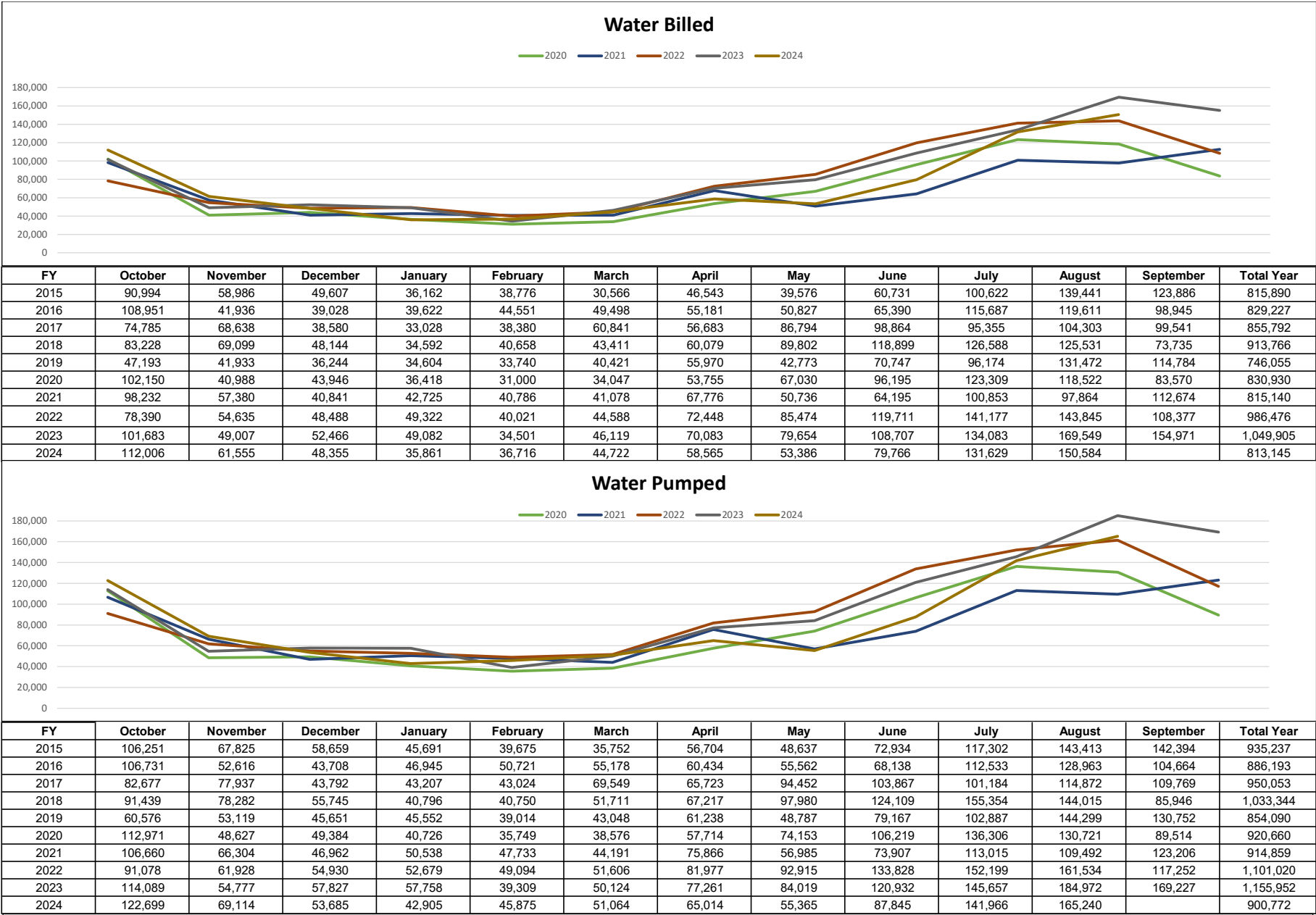


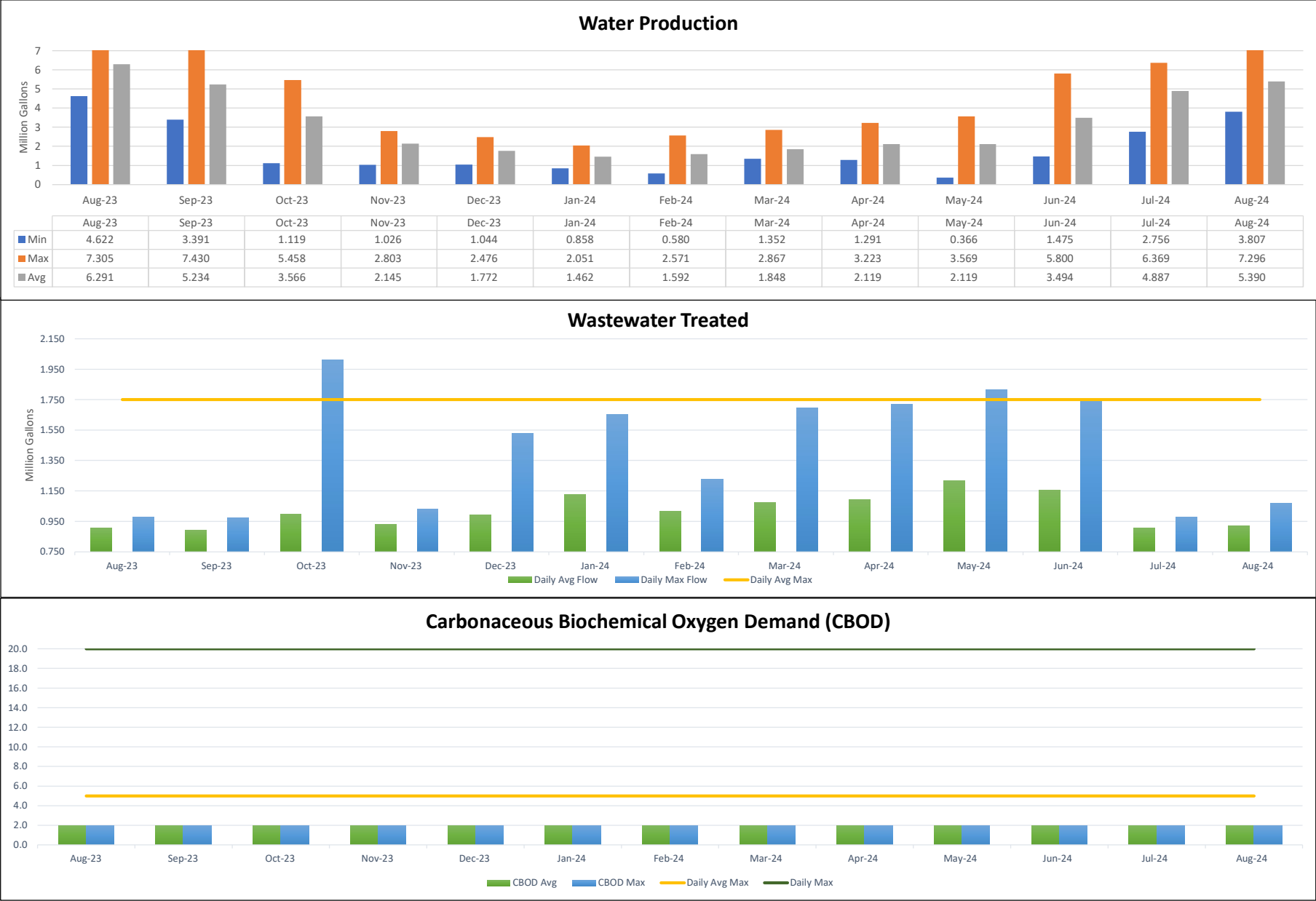
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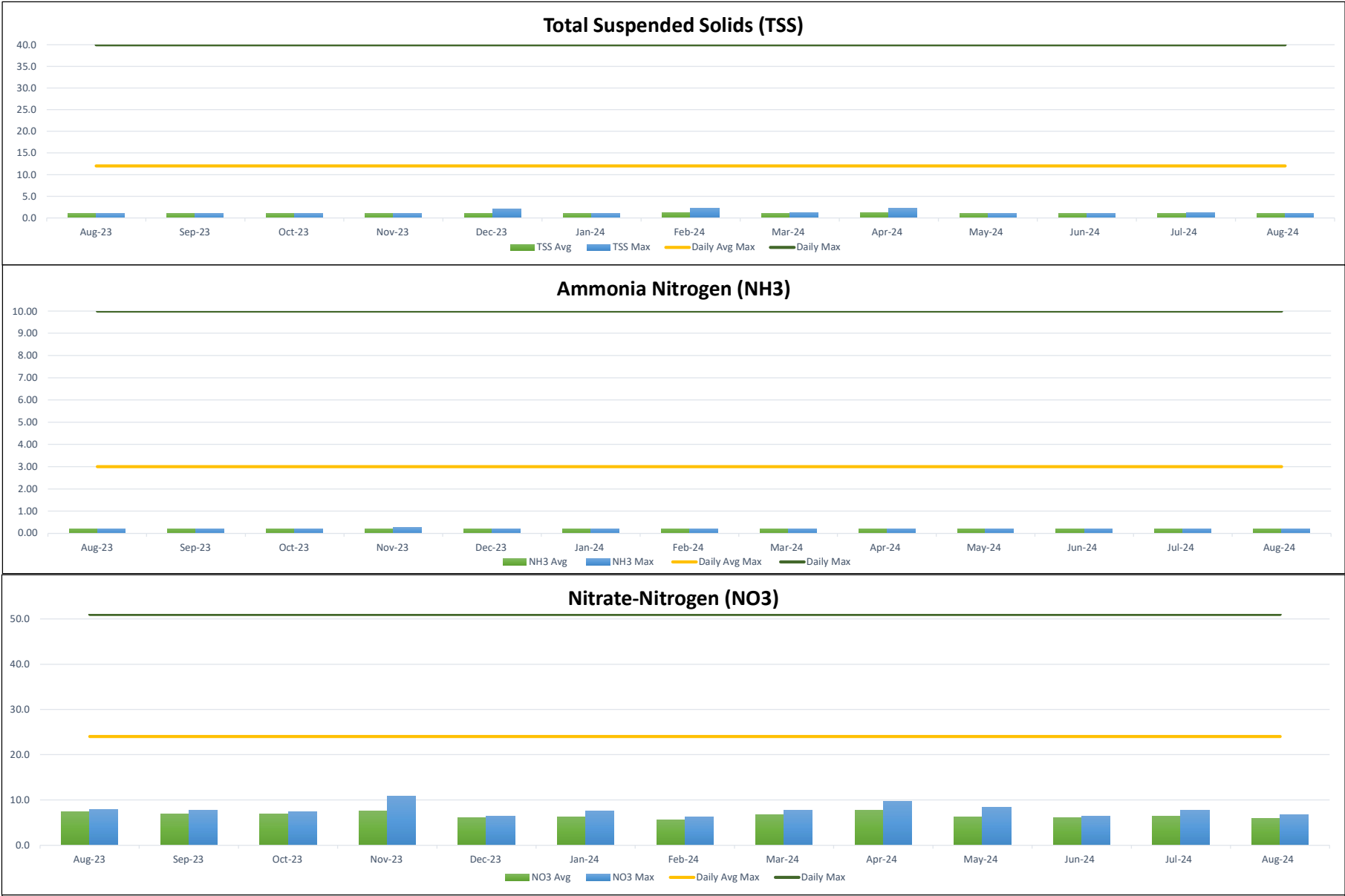
## Capital Improvement Projects

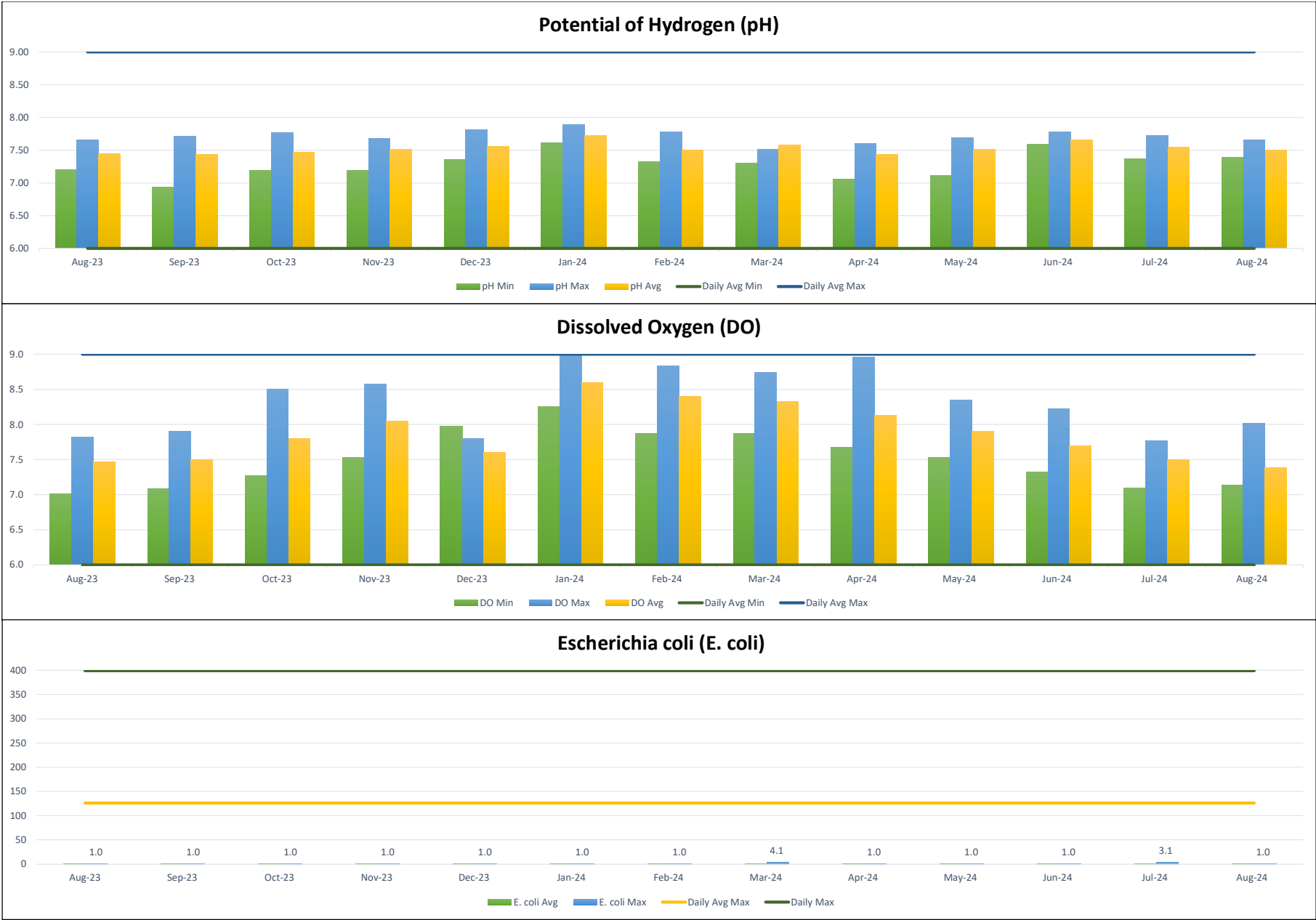
- Pump Station Improvement Project – The variable frequency drives have been installed for Pump #2 and Pump #3. Installation of the pumps, discharge heads, and control valves are expected to be completed next week. Concrete replacement has been completed and the contractor anticipates finalizing the electrical connectivity to the new pumps and working on final cleanup over the next few weeks.
- FY 2024 Water Line Project – Pipe replacement is approximately 95% complete on Sonora Drive from Monterrey Drive to Village Trail and 100% complete on Mesa Verde Court, Palo Duro Court and Pagosa Court. Sod replacement and cleanup is in progress and being completed as the contractor progresses. The contractor began work on Inverness Drive potholing existing water mains and services, began installing the temporary water line and boring temporary services. The project is scheduled to be completed by the end of October.
- WWTP CIP Improvements – This project has been completed.
- Southlake emergency connection – We are awaiting a response from the city of Southlake regarding whether they can accommodate the request for an emergency water connection.













## Trophy Club Municipal Utility District No. 1

## Check Report

By Check Number

Date Range: 08/01/2024 - 08/31/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: Prosperity Bank-Prosperity Bank</b>						
<b>Payment Type: Regular</b>						
3213	Alan'S Gates, Inc.	08/09/2024	Regular	0.00	145.00	10580
1512	Association of Water Board Directors	08/09/2024	Regular	0.00	90.00	10581
3197	BenefitMall	08/09/2024	Regular	0.00	52.00	10582
4018	BP Energy Holding Company LLC	08/09/2024	Regular	0.00	38,568.97	10583
2920	CareNow Corporate	08/09/2024	Regular	0.00	38.00	10584
2683	Charter Communications	08/09/2024	Regular	0.00	903.74	10585
4006	Conсор Engineers LLC	08/09/2024	Regular	0.00	2,280.00	10586
4003	CW Janitorial Services	08/09/2024	Regular	0.00	1,600.00	10587
3184	Dataprose LLC	08/09/2024	Regular	0.00	2,623.21	10588
2497	DHS Automation Inc	08/09/2024	Regular	0.00	2,728.46	10589
4088	Entech Sales & Service, LLC	08/09/2024	Regular	0.00	305.00	10590
2558	First Check Applicant Screenin	08/09/2024	Regular	0.00	66.95	10591
2606	Fiserv Solutions LLC	08/09/2024	Regular	0.00	50.00	10592
2796	Garver	08/09/2024	Regular	0.00	303.00	10593
2635	Halff Associates Inc.	08/09/2024	Regular	0.00	1,260.49	10594
4033	Health Care Service Corporation	08/09/2024	Regular	0.00	21,759.20	10595
2783	JJ HVAC LLC	08/09/2024	Regular	0.00	630.00	10596
2943	JP Morgan Chase Bank NA	08/09/2024	Regular	0.00	6,959.71	10597
3278	Kyocera Document Solutions	08/09/2024	Regular	0.00	125.30	10598
3216	M3 Networks	08/09/2024	Regular	0.00	6,239.64	10599
4089	Mas Talent LLC	08/09/2024	Regular	0.00	1,875.00	10600
3115	Metlife Group Benefits	08/09/2024	Regular	0.00	2,491.09	10601
2760	NDS Leasing	08/09/2024	Regular	0.00	367.50	10602
1056	Office Depot Inc	08/09/2024	Regular	0.00	79.78	10603
2842	Omnisite	08/09/2024	Regular	0.00	64.96	10604
1737	PVS DX INC	08/09/2024	Regular	0.00	1,557.08	10605
4085	The Liston Law Firm, P.C.	08/09/2024	Regular	0.00	2,310.75	10606
1001	Town of Trophy Club	08/09/2024	Regular	0.00	130,783.26	10607
1058	Verizon Wireless	08/09/2024	Regular	0.00	583.84	10608
2222	Aflac	08/09/2024	Regular	0.00	221.93	10619
2772	Allied Waste Industries	08/09/2024	Regular	0.00	14,526.45	10620
3132	Legal Shield	08/09/2024	Regular	0.00	7.98	10621
3176	Rey-Mar Construction	08/09/2024	Regular	0.00	296,067.50	10622
3156	Southern Petroleum Lab Inc	08/09/2024	Regular	0.00	3,265.20	10623
2683	Charter Communications	08/21/2024	Regular	0.00	903.74	10630
2497	DHS Automation Inc	08/21/2024	Regular	0.00	1,655.00	10631
4088	Entech Sales & Service, LLC	08/21/2024	Regular	0.00	9,874.00	10632
3118	Exclusive Pest Control	08/21/2024	Regular	0.00	125.00	10633
2606	Fiserv Solutions LLC	08/21/2024	Regular	0.00	50.00	10634
3258	Francotyp-Postalia, Inc.	08/21/2024	Regular	0.00	170.88	10635
2796	Garver	08/21/2024	Regular	0.00	1,654.00	10636
2635	Halff Associates Inc.	08/21/2024	Regular	0.00	4,397.59	10637
3278	Kyocera Document Solutions	08/21/2024	Regular	0.00	125.82	10638
2754	Lower Colorado River Authority	08/21/2024	Regular	0.00	439.00	10639
3216	M3 Networks	08/21/2024	Regular	0.00	1,103.00	10640
3111	North Texas Groundwater	08/21/2024	Regular	0.00	1,290.40	10641
4019	Peterson Pump & Motor Service LLC	08/21/2024	Regular	0.00	640.00	10642
2696	Texas Excavation Safety System	08/21/2024	Regular	0.00	453.10	10643
4085	The Liston Law Firm, P.C.	08/21/2024	Regular	0.00	1,283.75	10644
1081	Tri County Electric	08/21/2024	Regular	0.00	642.87	10645
3225	US Bank Voyager Fleet Systems	08/21/2024	Regular	0.00	2,225.74	10646
1058	Verizon Wireless	08/21/2024	Regular	0.00	583.80	10647
3280	Watts Ellison LLC	08/21/2024	Regular	0.00	3,089.67	10648

## Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1030	City of Fort Worth	08/21/2024	Regular	0.00	641,199.99	10649
2796	Garver	08/21/2024	Regular	0.00	1,351.88	10650
2635	Halff Associates Inc.	08/21/2024	Regular	0.00	800.00	10651
1578	Smith Pump Company, Inc.	08/21/2024	Regular	0.00	5,025.00	10652
3156	Southern Petroleum Lab Inc	08/21/2024	Regular	0.00	1,838.40	10653
1001	Town of Trophy Club	08/21/2024	Regular	0.00	99,620.00	10654
3300	2T Underground LLC	08/29/2024	Regular	0.00	307,087.50	10655
2655	Core & Main LP	08/29/2024	Regular	0.00	181.29	10656
2804	Fortiline Inc.	08/29/2024	Regular	0.00	55,619.57	10657
2635	Halff Associates Inc.	08/29/2024	Regular	0.00	9,800.00	10658
1466	Polydyne, Inc	08/29/2024	Regular	0.00	4,046.85	10659
1737	PVS DX INC	08/29/2024	Regular	0.00	1,946.35	10660
3176	Rey-Mar Construction	08/29/2024	Regular	0.00	117,610.00	10661
3156	Southern Petroleum Lab Inc	08/29/2024	Regular	0.00	338.40	10662
2222	Aflac	08/29/2024	Regular	0.00	930.70	10663
3197	BenefitMall	08/29/2024	Regular	0.00	52.00	10664
1250	Bio-Aquatic Testing Inc.	08/29/2024	Regular	0.00	1,290.00	10665
4018	BP Energy Holding Company LLC	08/29/2024	Regular	0.00	44,421.37	10666
2655	Core & Main LP	08/29/2024	Regular	0.00	225.42	10667
4003	CW Janitorial Services	08/29/2024	Regular	0.00	1,600.00	10668
1026	Federal Express Corp	08/29/2024	Regular	0.00	87.00	10669
4033	Health Care Service Corporation	08/29/2024	Regular	0.00	20,670.70	10670
3132	Legal Shield	08/29/2024	Regular	0.00	7.97	10671
3115	Metlife Group Benefits	08/29/2024	Regular	0.00	2,385.03	10672
3179	NewGen Strategies & Solutions	08/29/2024	Regular	0.00	2,672.50	10673
1238	North Texas Pump Co.	08/29/2024	Regular	0.00	857.38	10674
3134	Prime Controls LP	08/29/2024	Regular	0.00	847.00	10675
2440	Tarrant County Public Health Laboratory	08/29/2024	Regular	0.00	870.00	10676
1481	TML Intergovernmental Risk	08/29/2024	Regular	0.00	1,250.00	10677
3225	US Bank Voyager Fleet Systems	08/29/2024	Regular	0.00	2,232.64	10678
<b>Total Regular:</b>				<b>0.00</b>	<b>1,898,503.29</b>	

## Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Payment Type: Bank Draft</b>						
3197	BenefitMall	08/02/2024	Bank Draft	0.00	248.33	DFT0000175
3113	TCDRS	08/31/2024	Bank Draft	0.00	9,250.72	DFT0000176
3124	IRS Tax Payment	08/02/2024	Bank Draft	0.00	12,596.00	DFT0000177
3197	BenefitMall	08/16/2024	Bank Draft	0.00	248.33	DFT0000179
3113	TCDRS	08/31/2024	Bank Draft	0.00	9,664.10	DFT0000180
3124	IRS Tax Payment	08/16/2024	Bank Draft	0.00	13,004.68	DFT0000181
3113	TCDRS	08/31/2024	Bank Draft	0.00	18,062.09	DFT0000182
3124	IRS Tax Payment	08/30/2024	Bank Draft	0.00	28,937.11	DFT0000183
3113	TCDRS	08/31/2024	Bank Draft	0.00	-9,006.07	DFT0000184
3124	IRS Tax Payment	08/30/2024	Bank Draft	0.00	-16,161.53	DFT0000185
3113	TCDRS	08/31/2024	Bank Draft	0.00	-573.94	DFT0000186
3124	IRS Tax Payment	08/16/2024	Bank Draft	0.00	-645.79	DFT0000187
3124	IRS Tax Payment	08/30/2024	Bank Draft	0.00	229.10	DFT0000189
<b>Total Bank Draft:</b>				<b>0.00</b>	<b>65,853.13</b>	

## Bank Code Prosperity Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	109	83	0.00	1,898,503.29
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	13	13	0.00	65,853.13
EFT's	0	0	0.00	0.00
	<b>122</b>	<b>96</b>	<b>0.00</b>	<b>1,964,356.42</b>

## All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	109	83	0.00	1,898,503.29
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	13	13	0.00	65,853.13
EFT's	0	0	0.00	0.00
	<b>122</b>	<b>96</b>	<b>0.00</b>	<b>1,964,356.42</b>

## Fund Summary

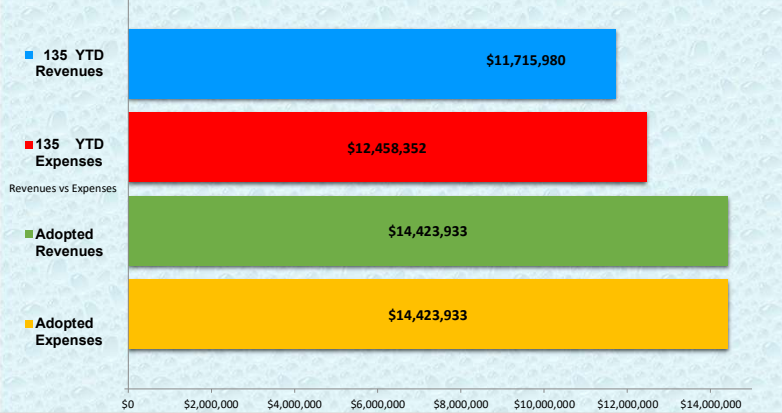
Fund	Name	Period	Amount
996	MUD Consolidated Cash	8/2024	1,964,356.42
			<b>1,964,356.42</b>



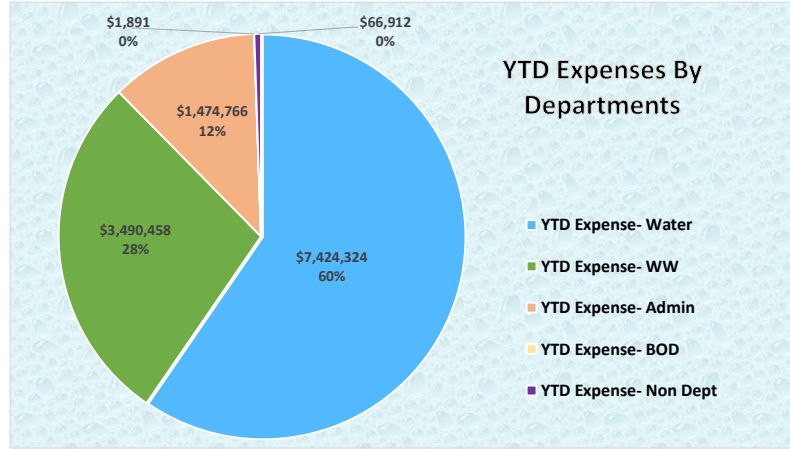
# FY 2024 Combined Financials

YTD as of 8/31/2024

Adopted Budget vs YTD Actuals Revenues & Expenses

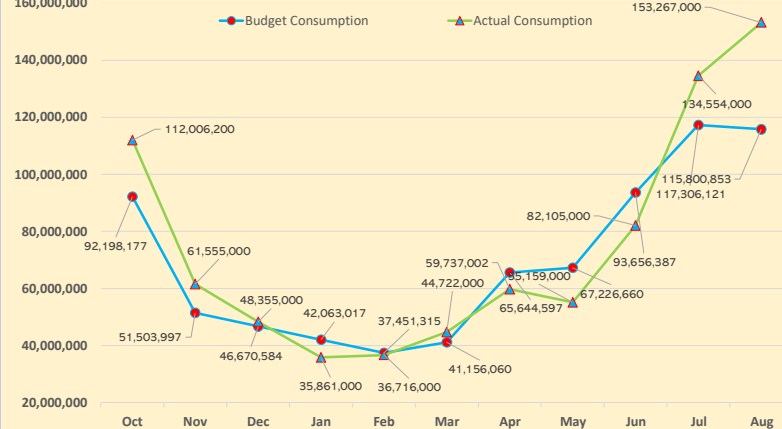


YTD Expenses By Departments

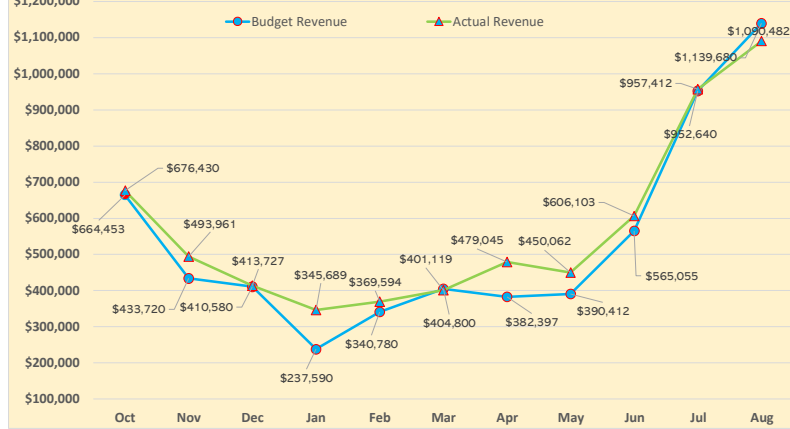


## Water Budget vs Actual

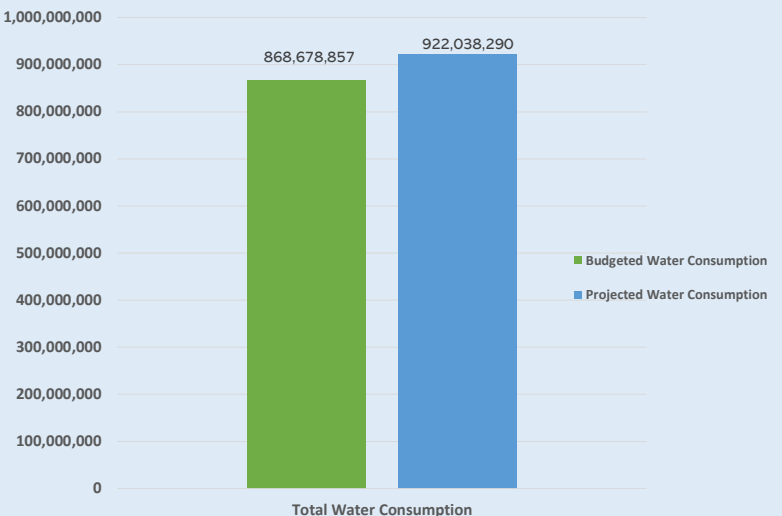
Water Consumption Budget vs Actual



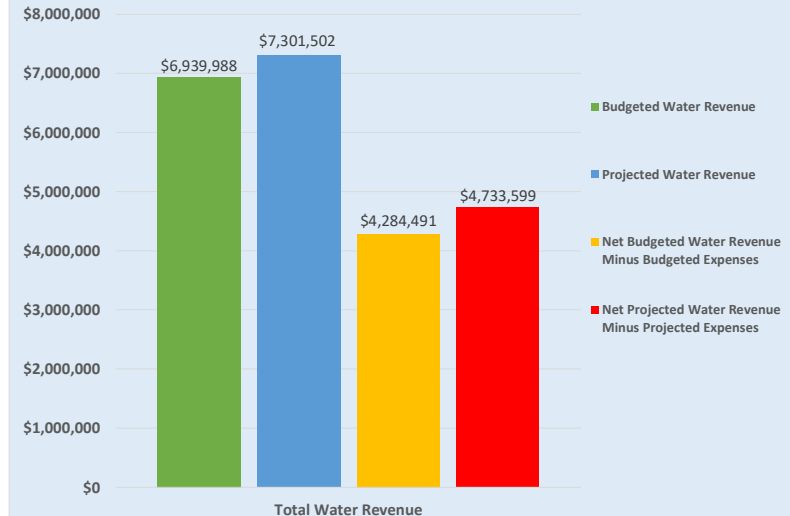
Water Revenue Budget vs Actual



Adopted Budget Water Consumption Vs Actual Water Consumption



Adopted Budget Water Revenue Vs Projected Water Revenue





## Trophy Club Municipal Utility District No. 1

# Budget Report

## Account Summary

For Fiscal: 2023-2024 Period Ending: 08/31/2024

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 135 - MUD 1 General Fund</b>							
<b>Revenue</b>							
<b>Department: 000 - Revenue, Asset, Liability, &amp; Equity</b>							
<a href="#">135-000-40000-000</a>	Property Taxes	85,733.51	85,733.51	294.76	85,296.50	-437.01	0.51 %
<a href="#">135-000-40002-000</a>	Property Taxes/Delinquent	300.00	300.00	6.50	-1,360.40	-1,660.40	553.47 %
<a href="#">135-000-40015-000</a>	Property Taxes/P & I	300.00	300.00	37.95	434.37	134.37	144.79 %
<a href="#">135-000-40025-000</a>	PID Surcharges	143,223.25	143,223.25	12,085.05	132,943.88	-10,279.37	7.18 %
<a href="#">135-000-47000-000</a>	Water	6,939,998.00	6,939,998.00	1,090,481.50	6,283,622.01	-656,375.99	9.46 %
<a href="#">135-000-47005-000</a>	Sewer	3,679,786.00	3,679,786.00	315,210.68	3,262,660.56	-417,125.44	11.34 %
<a href="#">135-000-47025-000</a>	Penalties	105,800.00	105,800.00	12,783.75	83,172.98	-22,627.02	21.39 %
<a href="#">135-000-47030-000</a>	Service Charges	3,350.00	3,350.00	225.00	3,475.00	125.00	103.73 %
<a href="#">135-000-47035-000</a>	Plumbing Inspections	300.00	300.00	0.00	2,100.00	1,800.00	700.00 %
<a href="#">135-000-47045-000</a>	Sewer Inspections	100.00	100.00	0.00	650.00	550.00	650.00 %
<a href="#">135-000-47070-000</a>	TCCC Effluent Charges	70,000.00	70,000.00	22,949.60	69,406.40	-593.60	0.85 %
<a href="#">135-000-49011-000</a>	Interest Income	150,000.00	150,000.00	41,854.97	481,369.87	331,369.87	320.91 %
<a href="#">135-000-49016-000</a>	Cell Tower Revenue	49,320.00	49,320.00	-4,120.00	45,200.00	-4,120.00	8.35 %
<a href="#">135-000-49026-000</a>	Proceeds from Sale of Assets	25,000.00	25,000.00	0.00	51,450.00	26,450.00	205.80 %
<a href="#">135-000-49035-000</a>	Prior Year Reserves	1,933,264.00	1,933,264.00	0.00	0.00	-1,933,264.00	100.00 %
<a href="#">135-000-49036-000</a>	GASB Reserves	50,000.00	50,000.00	0.00	0.00	-50,000.00	100.00 %
<a href="#">135-000-49075-000</a>	Oversize Meter Reimbursement	2,058.00	2,058.00	0.00	5,992.00	3,934.00	291.16 %
<a href="#">135-000-49141-000</a>	Interfund Transfer In	1,178,400.00	1,178,400.00	0.00	1,200,330.86	21,930.86	101.86 %
<a href="#">135-000-49900-000</a>	Miscellaneous Income	7,000.00	7,000.00	246.07	9,235.80	2,235.80	131.94 %
<b>Department: 000 - Revenue, Asset, Liability, &amp; Equity Total:</b>		<b>14,423,932.76</b>	<b>14,423,932.76</b>	<b>1,492,055.83</b>	<b>11,715,979.83</b>	<b>-2,707,952.93</b>	<b>18.77 %</b>
<b>Revenue Total:</b>		<b>14,423,932.76</b>	<b>14,423,932.76</b>	<b>1,492,055.83</b>	<b>11,715,979.83</b>	<b>-2,707,952.93</b>	<b>18.77 %</b>
<b>Expense</b>							
<b>Department: 010 - Water</b>							
<a href="#">135-010-50005-000</a>	Salaries & Wages	431,575.02	431,575.02	50,296.49	396,538.38	35,036.64	8.12 %
<a href="#">135-010-50010-000</a>	Overtime	17,000.00	17,000.00	1,812.96	10,805.17	6,194.83	36.44 %
<a href="#">135-010-50016-000</a>	Longevity	6,252.50	6,252.50	0.00	6,252.50	0.00	0.00 %
<a href="#">135-010-50017-000</a>	Certification	3,600.00	3,600.00	350.00	2,600.00	1,000.00	27.78 %
<a href="#">135-010-50020-000</a>	Retirement	56,730.41	56,730.41	6,295.16	50,920.72	5,809.69	10.24 %
<a href="#">135-010-50026-000</a>	Medical Insurance	116,527.50	116,527.50	7,631.12	86,299.65	30,227.85	25.94 %
<a href="#">135-010-50027-000</a>	Dental Insurance	4,834.55	4,834.55	368.24	3,994.18	840.37	17.38 %
<a href="#">135-010-50028-000</a>	Vision Insurance	1,051.01	1,051.01	71.39	784.36	266.65	25.37 %
<a href="#">135-010-50029-000</a>	Life Insurance & Other	4,000.00	4,000.00	560.38	3,444.28	555.72	13.89 %
<a href="#">135-010-50030-000</a>	Social Security Taxes	28,422.51	28,422.51	3,181.33	25,101.24	3,321.27	11.69 %
<a href="#">135-010-50035-000</a>	Medicare Taxes	6,647.20	6,647.20	744.02	5,870.40	776.80	11.69 %
<a href="#">135-010-50040-000</a>	Unemployment Taxes	1,260.00	1,260.00	0.00	585.00	675.00	53.57 %
<a href="#">135-010-50045-000</a>	Workman's Compensation	11,898.56	11,898.56	1,060.94	9,012.34	2,886.22	24.26 %
<a href="#">135-010-50060-000</a>	Pre-emp Physicals/Testing	400.00	400.00	0.00	0.00	400.00	100.00 %
<a href="#">135-010-50070-000</a>	Employee Relations	300.00	300.00	0.00	0.00	300.00	100.00 %
<a href="#">135-010-55080-000</a>	Maintenance & Repairs	201,500.00	201,500.00	13,799.46	149,855.68	51,644.32	25.63 %
<a href="#">135-010-55085-000</a>	Generator Maint. and Repair	2,000.00	2,000.00	0.00	13,469.93	-11,469.93	-573.50 %
<a href="#">135-010-55090-000</a>	Vehicle Maintenance	5,000.00	5,000.00	0.00	4,586.53	413.47	8.27 %
<a href="#">135-010-55105-000</a>	Maintenance-Backhoe/SkidLoader	1,000.00	1,000.00	0.00	1,911.94	-911.94	-91.19 %
<a href="#">135-010-55120-000</a>	Cleaning Services	2,500.00	2,500.00	0.00	40.31	2,459.69	98.39 %
<a href="#">135-010-55135-000</a>	Lab Analysis	7,500.00	7,500.00	750.00	5,177.00	2,323.00	30.97 %
<a href="#">135-010-55135-001</a>	Lab Analysis for PID	2,000.00	2,000.00	559.00	2,991.00	-991.00	-49.55 %
<a href="#">135-010-60010-000</a>	Communications/Mobiles	7,500.00	7,500.00	2,255.79	4,933.96	2,566.04	34.21 %
<a href="#">135-010-60020-000</a>	Electricity	183,143.49	183,143.49	21,290.79	134,930.97	48,212.52	26.32 %
<a href="#">135-010-60035-000</a>	Postage	0.00	0.00	0.00	95.45	-95.45	0.00 %
<a href="#">135-010-60066-000</a>	Publications/Books/Subscripts	1,000.00	1,000.00	0.00	0.00	1,000.00	100.00 %

Budget Report

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<a href="#">135-010-60080-000</a>	Schools & Training	2,630.00	2,630.00	0.00	3,671.74	-1,041.74	-39.61 %
<a href="#">135-010-60100-000</a>	Travel & per diem	577.50	577.50	0.00	604.10	-26.60	-4.61 %
<a href="#">135-010-60135-000</a>	TCEQ Fees & Permits	29,500.00	29,500.00	1,290.40	16,424.55	13,075.45	44.32 %
<a href="#">135-010-60135-001</a>	TCEQ Fees & Permits for PID	500.00	500.00	0.00	0.00	500.00	100.00 %
<a href="#">135-010-60150-000</a>	Wholesale Water	2,655,497.13	2,655,497.13	641,199.99	1,964,989.00	690,508.13	26.00 %
<a href="#">135-010-60285-000</a>	Lawn Equipment & Maintenance	12,500.00	12,500.00	900.00	7,800.00	4,700.00	37.60 %
<a href="#">135-010-60332-000</a>	Interfund Transfer Out-Rev I&S	565,796.88	565,796.88	51,500.52	566,505.72	-708.84	-0.13 %
<a href="#">135-010-60334-000</a>	Interfund Transfer Out	0.00	0.00	0.00	920,912.00	-920,912.00	0.00 %
<a href="#">135-010-65005-000</a>	Fuel & Lube	23,575.00	23,575.00	1,698.21	15,608.50	7,966.50	33.79 %
<a href="#">135-010-65010-000</a>	Uniforms	4,355.00	4,355.00	0.00	1,991.46	2,363.54	54.27 %
<a href="#">135-010-65030-000</a>	Chemicals	58,200.00	58,200.00	3,910.14	34,561.02	23,638.98	40.62 %
<a href="#">135-010-65050-000</a>	Meter Expense	20,000.00	20,000.00	0.00	19,740.00	260.00	1.30 %
<a href="#">135-010-65053-000</a>	Meter Change Out Program	124,500.00	124,500.00	0.00	82,650.00	41,850.00	33.61 %
<a href="#">135-010-65085-000</a>	Office Supplies	0.00	0.00	0.00	149.00	-149.00	0.00 %
<a href="#">135-010-69005-000</a>	Capital Outlays	4,200,000.00	4,200,000.00	695,037.00	2,489,856.95	1,710,143.05	40.72 %
<a href="#">135-010-69195-000</a>	GASB Reserve for Replacement	378,659.00	378,659.00	0.00	378,659.00	0.00	0.00 %
<b>Department: 010 - Water Total:</b>		<b>9,179,933.26</b>	<b>9,179,933.26</b>	<b>1,506,563.33</b>	<b>7,424,324.03</b>	<b>1,755,609.23</b>	<b>19.12%</b>
<b>Department: 020 - Wastewater</b>							
<a href="#">135-020-50005-000</a>	Salaries & Wages	290,304.62	290,304.62	16,176.76	187,020.35	103,284.27	35.58 %
<a href="#">135-020-50010-000</a>	Overtime	20,000.00	20,000.00	1,917.03	10,481.86	9,518.14	47.59 %
<a href="#">135-020-50016-000</a>	Longevity	2,367.50	2,367.50	0.00	2,540.00	-172.50	-7.29 %
<a href="#">135-020-50017-000</a>	Certification	5,100.00	5,100.00	175.00	2,675.00	2,425.00	47.55 %
<a href="#">135-020-50020-000</a>	Retirement	40,934.05	40,934.05	2,192.26	24,847.10	16,086.95	39.30 %
<a href="#">135-020-50026-000</a>	Medical Insurance	93,222.04	93,222.04	6,519.37	48,330.81	44,891.23	48.16 %
<a href="#">135-020-50027-000</a>	Dental Insurance	3,385.28	3,385.28	201.97	2,118.06	1,267.22	37.43 %
<a href="#">135-020-50028-000</a>	Vision Insurance	818.82	818.82	25.60	450.80	368.02	44.95 %
<a href="#">135-020-50029-000</a>	Life Insurance & Other	3,000.00	3,000.00	319.29	2,034.89	965.11	32.17 %
<a href="#">135-020-50030-000</a>	Social Security Taxes	20,507.87	20,507.87	1,101.39	12,115.57	8,392.30	40.92 %
<a href="#">135-020-50035-000</a>	Medicare Taxes	4,796.20	4,796.20	257.59	2,833.48	1,962.72	40.92 %
<a href="#">135-020-50040-000</a>	Unemployment Taxes	1,008.00	1,008.00	0.00	350.98	657.02	65.18 %
<a href="#">135-020-50045-000</a>	Workman's Compensation	8,403.61	8,403.61	748.93	6,115.23	2,288.38	27.23 %
<a href="#">135-020-50060-000</a>	Pre-emp Physicals/Testing	400.00	400.00	0.00	0.00	400.00	100.00 %
<a href="#">135-020-50070-000</a>	Employee Relations	300.00	300.00	0.00	0.00	300.00	100.00 %
<a href="#">135-020-55080-000</a>	Maintenance & Repairs	137,000.00	137,000.00	4,194.38	129,186.69	7,813.31	5.70 %
<a href="#">135-020-55081-000</a>	Mainten & Repairs Collections	270,000.00	270,000.00	5,665.00	252,583.83	17,416.17	6.45 %
<a href="#">135-020-55085-000</a>	Generator Maint. and Repair	11,000.00	11,000.00	0.00	6,478.06	4,521.94	41.11 %
<a href="#">135-020-55090-000</a>	Vehicle Maintenance	4,600.00	4,600.00	0.00	227.94	4,372.06	95.04 %
<a href="#">135-020-55091-000</a>	Veh Maintenance Collections	13,000.00	13,000.00	0.00	4,301.52	8,698.48	66.91 %
<a href="#">135-020-55105-000</a>	Maintenance-Backhoe/SkidLoader	3,000.00	3,000.00	0.00	1,541.03	1,458.97	48.63 %
<a href="#">135-020-55120-000</a>	Cleaning Services	2,000.00	2,000.00	0.00	40.31	1,959.69	97.98 %
<a href="#">135-020-55125-000</a>	Dumpster Services	100,000.00	100,000.00	14,526.45	82,689.62	17,310.38	17.31 %
<a href="#">135-020-55135-000</a>	Lab Analysis	55,000.00	55,000.00	6,732.00	54,795.22	204.78	0.37 %
<a href="#">135-020-60010-000</a>	Communications/Mobiles	7,500.00	7,500.00	1,106.01	3,194.16	4,305.84	57.41 %
<a href="#">135-020-60020-000</a>	Electricity	242,978.33	242,978.33	22,068.47	220,316.40	22,661.93	9.33 %
<a href="#">135-020-60035-000</a>	Postage	0.00	0.00	87.00	87.00	-87.00	0.00 %
<a href="#">135-020-60080-000</a>	Schools & Training	2,119.00	2,119.00	0.00	727.50	1,391.50	65.67 %
<a href="#">135-020-60100-000</a>	Travel & per diem	527.50	527.50	0.00	0.00	527.50	100.00 %
<a href="#">135-020-60135-000</a>	TCEQ Fees & Permits	12,000.00	12,000.00	0.00	9,888.02	2,111.98	17.60 %
<a href="#">135-020-60285-000</a>	Lawn Equipment & Maintenance	16,000.00	16,000.00	1,540.00	13,040.00	2,960.00	18.50 %
<a href="#">135-020-60331-000</a>	Interfund Transfer Out-Tax I&S	115,885.76	115,885.76	10,535.09	115,885.99	-0.23	0.00 %
<a href="#">135-020-60332-000</a>	Interfund Transfer Out-Rev I&S	698,542.63	698,542.63	63,548.65	699,035.15	-492.52	-0.07 %
<a href="#">135-020-60334-000</a>	Interfund Transfer Out	0.00	0.00	0.00	96,630.00	-96,630.00	0.00 %
<a href="#">135-020-65005-000</a>	Fuel & Lube	13,000.00	13,000.00	534.43	9,808.39	3,191.61	24.55 %
<a href="#">135-020-65010-000</a>	Uniforms	3,520.00	3,520.00	0.00	1,731.53	1,788.47	50.81 %
<a href="#">135-020-65030-000</a>	Chemicals	32,500.00	32,500.00	4,046.85	25,347.16	7,152.84	22.01 %
<a href="#">135-020-65031-000</a>	Chemicals Collections	10,000.00	10,000.00	0.00	5,709.00	4,291.00	42.91 %
<a href="#">135-020-65045-000</a>	Lab Supplies	33,000.00	33,000.00	0.00	26,116.94	6,883.06	20.86 %
<a href="#">135-020-69005-000</a>	Capital Outlays	1,050,000.00	1,050,000.00	89,155.45	1,250,863.34	-200,863.34	-19.13 %

Budget Report

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<a href="#">135-020-69008-000</a>	Short Term Debt-Principal	22,398.34	22,398.34	0.00	22,132.30	266.04	1.19 %
<a href="#">135-020-69009-000</a>	Short Term Debt-Interest	442.39	442.39	0.00	425.07	17.32	3.92 %
<a href="#">135-020-69195-000</a>	GASB Reserve for Replacement	155,762.00	155,762.00	0.00	155,762.00	0.00	0.00 %
<b>Department: 020 - Wastewater Total:</b>		<b>3,506,323.94</b>	<b>3,506,323.94</b>	<b>253,374.97</b>	<b>3,490,458.30</b>	<b>15,865.64</b>	<b>0.45%</b>
<b>Department: 026 - Board of Directors</b>							
<a href="#">135-026-50045-000</a>	Workman's Compensation	15.00	15.00	0.66	7.26	7.74	51.60 %
<a href="#">135-026-60070-000</a>	Dues & Memberships	750.00	750.00	0.00	750.00	0.00	0.00 %
<a href="#">135-026-60075-000</a>	Meetings	1,500.00	1,500.00	0.00	1,043.91	456.09	30.41 %
<a href="#">135-026-60080-000</a>	Schools & Training	4,000.00	4,000.00	90.00	90.00	3,910.00	97.75 %
<a href="#">135-026-60100-000</a>	Travel & per diem	5,000.00	5,000.00	0.00	0.00	5,000.00	100.00 %
<a href="#">135-026-60245-000</a>	Miscellaneous Expenses	500.00	500.00	0.00	0.00	500.00	100.00 %
<b>Department: 026 - Board of Directors Total:</b>		<b>11,765.00</b>	<b>11,765.00</b>	<b>90.66</b>	<b>1,891.17</b>	<b>9,873.83</b>	<b>83.93%</b>
<b>Department: 030 - Administration</b>							
<a href="#">135-030-50005-000</a>	Salaries & Wages	663,185.25	663,185.25	73,615.63	608,095.12	55,090.13	8.31 %
<a href="#">135-030-50010-000</a>	Overtime	2,000.00	2,000.00	0.00	1,620.34	379.66	18.98 %
<a href="#">135-030-50016-000</a>	Longevity	2,532.50	2,532.50	0.00	2,597.50	-65.00	-2.57 %
<a href="#">135-030-50020-000</a>	Retirement	82,631.07	82,631.07	8,994.45	74,629.05	8,002.02	9.68 %
<a href="#">135-030-50026-000</a>	Medical Insurance	108,759.00	108,759.00	7,075.25	71,425.16	37,333.84	34.33 %
<a href="#">135-030-50027-000</a>	Dental Insurance	3,816.74	3,816.74	253.55	2,715.96	1,100.78	28.84 %
<a href="#">135-030-50028-000</a>	Vision Insurance	886.17	886.17	55.36	600.07	286.10	32.29 %
<a href="#">135-030-50029-000</a>	Life Insurance & Other	4,800.00	4,800.00	822.30	4,640.99	159.01	3.31 %
<a href="#">135-030-50030-000</a>	Social Security Taxes	41,398.50	41,398.50	4,455.83	36,180.57	5,217.93	12.60 %
<a href="#">135-030-50035-000</a>	Medicare Taxes	9,681.91	9,681.91	1,042.08	8,577.95	1,103.96	11.40 %
<a href="#">135-030-50040-000</a>	Unemployment Taxes	1,512.00	1,512.00	78.82	936.01	575.99	38.09 %
<a href="#">135-030-50045-000</a>	Workman's Compensation	1,597.19	1,597.19	139.51	1,179.61	417.58	26.14 %
<a href="#">135-030-50060-000</a>	Pre-emp Physicals/Testing	500.00	500.00	104.95	353.40	146.60	29.32 %
<a href="#">135-030-50070-000</a>	Employee Relations	4,000.00	4,000.00	0.00	3,111.83	888.17	22.20 %
<a href="#">135-030-55030-000</a>	Software & Support	130,311.00	130,311.00	9,671.56	145,596.72	-15,285.72	-11.73 %
<a href="#">135-030-55080-000</a>	Maintenance & Repairs	23,000.00	23,000.00	7,249.00	25,280.71	-2,280.71	-9.92 %
<a href="#">135-030-55085-000</a>	Generator Maint. and Repair	1,000.00	1,000.00	0.00	1,348.04	-348.04	-34.80 %
<a href="#">135-030-55100-000</a>	Building Maint & Supplies	0.00	0.00	305.00	305.00	-305.00	0.00 %
<a href="#">135-030-55120-000</a>	Cleaning Services	13,825.00	13,825.00	3,200.00	16,454.70	-2,629.70	-19.02 %
<a href="#">135-030-55160-000</a>	Professional Outside Services	100,000.00	100,000.00	11,507.21	100,626.72	-626.72	-0.63 %
<a href="#">135-030-55205-000</a>	Utility Billing Contract	9,000.00	9,000.00	632.40	6,388.63	2,611.37	29.02 %
<a href="#">135-030-60005-000</a>	Telephone	6,000.00	6,000.00	0.00	4,250.44	1,749.56	29.16 %
<a href="#">135-030-60010-000</a>	Communications/Mobiles	3,000.00	3,000.00	96.54	482.59	2,517.41	83.91 %
<a href="#">135-030-60020-000</a>	Electricity/Gas	17,684.51	17,684.51	1,704.98	15,942.96	1,741.55	9.85 %
<a href="#">135-030-60025-000</a>	Water	5,000.00	5,000.00	0.00	2,226.42	2,773.58	55.47 %
<a href="#">135-030-60035-000</a>	Postage	30,000.00	30,000.00	2,161.69	22,492.61	7,507.39	25.02 %
<a href="#">135-030-60040-000</a>	Service Charges & Fees	140,000.00	140,000.00	9,187.49	154,098.73	-14,098.73	-10.07 %
<a href="#">135-030-60050-000</a>	Bad Debt Expense	13,000.00	13,000.00	0.00	0.00	13,000.00	100.00 %
<a href="#">135-030-60055-000</a>	Insurance	116,158.22	116,158.22	9,618.44	105,802.84	10,355.38	8.91 %
<a href="#">135-030-60070-000</a>	Dues & Memberships	6,800.00	6,800.00	0.00	2,016.00	4,784.00	70.35 %
<a href="#">135-030-60080-000</a>	Schools & Training	3,900.00	3,900.00	0.00	1,313.10	2,586.90	66.33 %
<a href="#">135-030-60100-000</a>	Travel & per diem	1,227.50	1,227.50	0.00	0.00	1,227.50	100.00 %
<a href="#">135-030-60115-000</a>	Elections	10,000.00	10,000.00	0.00	0.00	10,000.00	100.00 %
<a href="#">135-030-60245-000</a>	Miscellaneous Expenses	0.00	0.00	0.00	1,854.76	-1,854.76	0.00 %
<a href="#">135-030-60285-000</a>	Lawn Equipment & Maintenance	5,000.00	5,000.00	649.67	5,526.37	-526.37	-10.53 %
<a href="#">135-030-60360-000</a>	Furniture/Equipment < \$5000	3,000.00	3,000.00	0.00	0.00	3,000.00	100.00 %
<a href="#">135-030-65010-000</a>	Uniforms	530.00	530.00	0.00	0.00	530.00	100.00 %
<a href="#">135-030-65055-000</a>	Hardware	8,200.00	8,200.00	5,136.64	9,698.88	-1,498.88	-18.28 %
<a href="#">135-030-65085-000</a>	Office Supplies	5,000.00	5,000.00	79.78	2,938.60	2,061.40	41.23 %
<a href="#">135-030-65095-000</a>	Maintenance Supplies	5,000.00	5,000.00	0.00	5,467.97	-467.97	-9.36 %
<a href="#">135-030-69170-000</a>	Copier Lease Installments	4,000.00	4,000.00	618.62	3,087.10	912.90	22.82 %
<a href="#">135-030-69195-000</a>	GASB Reserve for Replacement	24,903.00	24,903.00	0.00	24,903.00	0.00	0.00 %
<b>Department: 030 - Administration Total:</b>		<b>1,612,839.56</b>	<b>1,612,839.56</b>	<b>158,456.75</b>	<b>1,474,766.45</b>	<b>138,073.11</b>	<b>8.56%</b>

Budget Report

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Department: 039 - Non Departmental							
<a href="#">135-039-55045-000</a>	Legal	65,000.00	65,000.00	3,594.50	33,140.20	31,859.80	49.02 %
<a href="#">135-039-55055-000</a>	Auditing	30,000.00	30,000.00	0.00	21,784.29	8,215.71	27.39 %
<a href="#">135-039-55060-000</a>	Appraisal	13,071.00	13,071.00	0.00	8,046.27	5,024.73	38.44 %
<a href="#">135-039-55065-000</a>	Tax Admin Fees	5,000.00	5,000.00	0.00	3,941.00	1,059.00	21.18 %
Department: 039 - Non Departmental Total:		113,071.00	113,071.00	3,594.50	66,911.76	46,159.24	40.82%
Expense Total:		14,423,932.76	14,423,932.76	1,922,080.21	12,458,351.71	1,965,581.05	13.63%
Fund: 135 - MUD 1 General Fund Surplus (Deficit):		0.00	0.00	-430,024.38	-742,371.88	-742,371.88	0.00%
Report Surplus (Deficit):		0.00	0.00	-430,024.38	-742,371.88	-742,371.88	0.00%

Budget Report

Group Summary

Department	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 135 - MUD 1 General Fund						
Revenue						
000 - Revenue, Asset, Liability, & Equity	14,423,932.76	14,423,932.76	1,492,055.83	11,715,979.83	-2,707,952.93	18.77%
Revenue Total:	14,423,932.76	14,423,932.76	1,492,055.83	11,715,979.83	-2,707,952.93	18.77%
Expense						
010 - Water	9,179,933.26	9,179,933.26	1,506,563.33	7,424,324.03	1,755,609.23	19.12%
020 - Wastewater	3,506,323.94	3,506,323.94	253,374.97	3,490,458.30	15,865.64	0.45%
026 - Board of Directors	11,765.00	11,765.00	90.66	1,891.17	9,873.83	83.93%
030 - Administration	1,612,839.56	1,612,839.56	158,456.75	1,474,766.45	138,073.11	8.56%
039 - Non Departmental	113,071.00	113,071.00	3,594.50	66,911.76	46,159.24	40.82%
Expense Total:	14,423,932.76	14,423,932.76	1,922,080.21	12,458,351.71	1,965,581.05	13.63%
Fund: 135 - MUD 1 General Fund Surplus (Deficit):	0.00	0.00	-430,024.38	-742,371.88	-742,371.88	0.00%
Report Surplus (Deficit):	0.00	0.00	-430,024.38	-742,371.88	-742,371.88	0.00%

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
135 - MUD 1 General Fund	0.00	0.00	-430,024.38	-742,371.88	-742,371.88
Report Surplus (Deficit):	0.00	0.00	-430,024.38	-742,371.88	-742,371.88

<b>CASH STATUS AS OF AUGUST 2024</b>			<b>Restricted - Unable to be spent</b>	<b>Unrestricted- Available for spending</b>	<b>Total in Accounts (Restricted &amp; Unrestricted)</b>
135-10250	TexPool O & M (XXXXX0002) General Fund Operating		\$0	\$2,378,917	\$2,378,917
135-10300	Prosperity Bank (XXXXX2660) General Fund Operating	*	\$150,355	\$4,244,934	\$4,395,289
135-10305	Prosperity Bank Reserve-Savings Acct (XXXXX7724)		\$1,993,668	\$0	\$1,993,668
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		\$4,916,433	\$0	\$4,916,433
519-10300	Prosperity Bank (XXXXX2660) SWIFT		\$85,052	\$0	\$85,052
519-11155	Cash-Bond Escrow Bank of Texas (SWIFT)		\$848,572	\$0	\$848,572
520-10250	Texpool Revenue Bond Water & Waste Water Systems 2019 (XXXXX018)		\$0	\$0	\$0
520-10300	Prosperity Bank (XXXXX2660)- Construction Water & Waste Water Systems		\$0	\$0	\$0
528-10250	TexPool Revenue Bond Reserve (XXXXX014) WWTP Improvements		\$989,636	\$0	\$989,636
533-10250	TexPool Tax I & S (XXXXX0003)		\$101,195	\$0	\$101,195
533-10300	Prosperity Bank (XXXXX2660) Tax I&S		\$0	\$0	\$0
534-10250	TexPool Revenue I & S (XXXXX013) WWTP Improvements		\$52,732	\$0	\$52,732
535-10250	Texpool Revenue I & S (XXXXX017) SWIFT		\$18,072	\$0	\$18,072
536-10250	TexPool Revenue I & S (XXXXX020) Water & Waste Water Systems		\$12,836	\$0	\$12,836
				<b>\$6,624,451</b>	<b>\$15,793,001</b>

Amount available in cash for spending (MUD Accounts)

**\$6,624,451**

\*8/31/2024 Customer Water Deposits \$150,355

**Fire Department Cash**

122-10250	TexPool O & M (XXXXX0002)-Fire Operating Cash		\$0	\$675,863	\$675,863
122-10300	Prosperity Bank (XXXXX2660) Fire Operating		\$0	\$55,363	\$55,363
			<b>\$0</b>	<b>\$731,226</b>	<b>\$731,226</b>

Amount available in cash for spending (Fire Department Accounts)

**\$731,226****General Fund 135 Available**

\$	4,244,934	Prosperity General Fund
\$	2,378,917	Texpool General Fund
\$	600	Petty Cash
\$	<b>6,624,451</b>	

Total General Fund 135 Available for Spending

**General Fund 135 Fund Balances**

Nonspendable Fund Balance (Prepays)	\$	3,880
Assigned Fund Balance (FY2024 Capital Projects plus prior year carry forward)	\$	6,516,007
Unassigned Fund Balance	\$	4,185,596
Current Year Revenue/Expenses	\$	(742,372)
Total Nonspendable, Assigned & Committed Fund Balances - General Fund 135		<b>\$9,963,111</b>



August Utility Billing Report  
Fiscal Year 2023 - 2024

	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024
ebills	1,744	1,742	1,745	1,740	1,737	1,736	1,734	1,744	1,741	1,738	1,724	1,720	1,719
Bills Mailed	3,747	3,747	3,737	3,739	3,742	3,726	3,729	3,737	3,747	3,753	3,758	3,768	3,774
Bank Draft	578	572	569	562	567	568	565	565	562	562	557	546	543
Online Payments	2,957	3,086	3,072	3,006	3,133	3,023	3,036	3,246	2,992	3,152	3,197	3,136	3,263
Late Notices	268	344	255	298	342	249	298	299	245	295	277	242	326
Disconnects	7	7	13	4	5	4	8	7	3	3	3	0	4
Connections MUD	3,395	3,395	3,395	3,395	3,395	3,395	3,395	3,394	3,394	3,394	3,394	3,394	3,394
Connections Town	1,443	1,443	1,444	1,444	1,446	1,446	1,447	1,447	1,450	1,453	1,453	1,454	1,456

August Permits  
Fiscal Year 2023 - 2024

Date of Permit	Permit No.	Customer Deposit	Due to FW Water	Oversize Meter	Plumbing Inspections	Sewer Inspections	Fire Line	Misc. Income	Total
									\$ -
									\$ -
									\$ -
									\$ -
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**REGULAR MEETING MINUTES  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
BOARD OF DIRECTORS  
August 21, 2024, 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 August 21, 2024, 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:**

Kevin R. Carr	President
Ben Brewster	Vice President
Doug Harper	Secretary/Treasurer
William C. Rose	Director
Jim Thomas	Director

**STAFF PRESENT:**

Alan Fourmentin	General Manager
Laurie Slaght	District Secretary
Mike McMahon	Operations Manager
Regina Van Dyke	Finance Manager
Pam Liston	General Legal Counsel

**GUESTS PRESENT:**

Chris Ekrut	NewGen Strategies and Solutions
Brandon Wright	Town Manager
Jason Wise	Fire Chief

## CALL TO ORDER AND ANNOUNCE A QUORUM

President Carr announced the date of August 21, 2024, called the meeting to order and announced a quorum present at 6:32 p.m.

## CITIZEN COMMENTS

There were no citizen comments

## REPORTS & UPDATES

1. Staff Reports
  - a. Capital Improvement Projects Update
  - b. Operations Reports

- c. Finance Reports
  - Quarterly Tax Collections 3<sup>rd</sup> Quarter
  - Quarterly Investment Report 3<sup>rd</sup> Quarter

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. June 19, 2024, Regular Meeting Minutes
  - b. June 20, 2024, Special Session Meeting Minutes
  - c. July 31, 2024, Special Session Meeting Minutes
  - d. Appointment of Wholesale Water Advisory Committee

Director Carr removed item d. for further discussion.

**Motion made by Director Carr and seconded by Director Brewster to approve items a. through c. consent agenda.**

**Motion carried unanimously.**

**Motion by Director Carr and seconded by Director Thomas to approve item d. Appointment of Wholesale Water Advisory Committee members with Mike McMahon, Operations Manager being the Primary and Alan Fourmentin, General Manager as the alternate.**

**Motion carried unanimously**

## **REGULAR SESSION**

- 3. Presentation, input, and discussion regarding security. (Carr)

Philip Shoffner, resident of Trophy Club joined the meeting via Zoom to discuss the security system used at his place of business.

- 4. Discussion and possible action regarding rate assumptions and projections for FY2025 Budget.

District Rate Consultant Chris Ekrut with NewGen Strategies & Solutions presented the updated rate summary and projections. Mr. Ekrut explained that the District will see an annual increase in the cost for wholesale water from the City of Fort Worth and he recommends that the District pass that cost onto our customers, which is a best management practice.

**The Board convened into Executive Session at 7:13 p.m.**

## **EXECUTIVE SESSION**

5. Pursuant to Section 551.001, et. seq. of the Texas Open Meetings Act, the Board will convene into executive session for the following purposes:

- a. Pursuant to Section 551.071, to consult with its attorney 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 on the following matters:

- 1. Expansion of District boundaries.

**The Board reconvened into Regular Session at 8:12 p.m.**

6. Discussion and possible action regarding FY 2025 draft budget.

**Motion made by Director Brewster and seconded by Director Thomas to approve the Fire Budget for FY2025 as presented.**

**For: Brewster, Carr, Harper and Thomas**

**Oppose: Rose**

**Motion passed 4 -1**

**Motion by Director Carr and seconded by Director Brewster to approve a 4% increase in salaries and direct the General Manager to use his discretion in the disbursement of those funds.**

**For: Brewster, Carr, Harper and Thomas**

**Oppose: Rose**

**Motion passed 4 -1**

**Motion made by Director Brewster and seconded by Director Thomas to approve the FY2025 Budget as amended.**

**For: Brewster, Carr, Harper and Thomas**

**Oppose: Rose**

**Motion passed 4 -1**

7. Consider and act regarding tax rates for 2024 tax year:

- a. Approve proposed tax rate for 2024 tax year; and

- b. Schedule date and authorize publication of notice for hearing regarding adoption of final tax rates for 2024 tax year.

**Motion made by Director Rose and seconded by Director Thomas to approve the proposed tax rate of \$0.06250 per \$100 of assessed valuation for publication for the 2024 tax year and authorize staff to proceed with publication of a public hearing to be conducted on September 18, 2024.**

**Motion carried unanimously.**

8. Consider and act to adopt Order No. 2024-0821 amending the Effluent Rate and setting an effective date of October 1, 2024.

**Motion made by Director Rose and seconded by Director Harper to adopt Order No. 2024-0821 amending the Effluent Rate and setting an effective date of October 1, 2024.**

**Motion carried unanimously.**

9. Discussion and possible action regarding Amended and Restated Interlocal Cooperation Agreement for Administration of Fire Protection Services with Town of Trophy Club.

**Motion made by Director Harper and seconded by Director Brewster to approve Amended and Restated Interlocal Cooperation Agreement for Administration of Fire Protection Services with the Town of Trophy Club.**

**Motion carried unanimously.**

10. Discussion regarding *Robert's Rules of Order Newly Revised*. (Rose/Harper)

**Discussion only, no action taken.**

**The Board convened into Executive Session at 9:37 p.m.**

#### **EXECUTIVE SESSION**

11. Pursuant to Section 551.001, et. seq. of the Texas Open Meetings Act, the Board will convene into executive session for the following purposes:
  - b. Pursuant to Section 551.071, to consult with its attorney 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 on the following matters:
    2. Expansion of District boundaries.
    3. Respective roles, responsibilities, and duties of the Board.

- c. Pursuant to Section 551.076, to deliberate regarding the deployment of security devices on District-owned properties.

**The Board Reconvened into Regular Session at 11:16 p.m.**

**REGULAR SESSION**

**Motion made by Director Rose and seconded by Director Carr to have the General Manager take action as directed in Executive Session regarding deployment of security devices on District-owned properties.**

**Motion carried unanimously**

**Future Agenda Items:** *Board Members may provide requests for discussion items for a future agenda in accordance with the board's approved bylaws. No further discussion will be held related to topics proposed until they are posted on a future agenda in accordance with the Texas Open Meetings Act.*

12. Items for future agendas:

Drought Contingency (Brewster)

Review of IT Svc (Brewster)

13. Next Regular Meeting date – September 18, 2024

**ADJOURN**

President Carr called the meeting adjourned at 11:21 p.m.

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Kevin R. Carr, President

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Doug Harper, Secretary/Treasurer

(SEAL)

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Laurie Slaght, District Secretary



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 18<sup>th</sup> day of September 2024.

---

Doug Harper, Secretary/Treasurer  
Board of Directors

(SEAL)

---

Laurie Slaght, District Secretary



**RESOLUTION NO. 2024-0918A**

**A RESOLUTION APPROVING THE 2025 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 2025, 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.** The District’s audited financial statements, bond transcripts; and engineer’s reports required by Texas Water Code § 49.106, are hereby incorporated to the District’s budget as an appendix as required by Texas Water Code § 49.057(b).

**Section 4.** 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 5.** A copy of this Resolution and the budget approved hereby shall be attached to the minutes of the Board's September 18, 2024, meeting.

**Section 6.** 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 18<sup>th</sup> day of September 2024.

---

Kevin R. Carr, President  
Board of Directors

(SEAL)

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Doug Harper, Secretary/Treasurer  
Board of Directors

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Laurie Slaght, District Secretary

**EXHIBIT “A”**

**(Approved FY 2025 Budget)**

# FISCAL YEAR 2025 ADOPTED ANNUAL BUDGET



Trophy Club Municipal Utility District No. 1  
100 Municipal Drive  
Trophy Club, Texas 76262  
(682) 831-4600  
[www.tcmud.org](http://www.tcmud.org)

# FY 2025 ADOPTED BUDGET

Trophy Club MUD No. 1

TAX RATE SUMMARY COMPARISON			
Fiscal Years	2024	2025	% of Increase/Decrease
M&O (General Fund) Tax	0.00336	0.00315	-6.38%
M&O Fire Tax	0.05186	0.05136	-0.96%
<b>M&amp;O Tax Rate</b>	<b>0.05522</b>	<b>0.05451</b>	<b>-1.29%</b>
<i>Increase/Decrease:</i>	<i>-0.00497</i>	<i>-0.00071</i>	
<b>I &amp; S (Debt Service) Tax</b>	<b>0.00859</b>	<b>0.00799</b>	<b>-7.01%</b>
<i>Increase/Decrease:</i>	<i>-0.02256</i>	<i>-0.00060</i>	
<b>Total Tax Rate:</b>	<b>0.06381</b>	<b>0.06250</b>	<b>-2.06%</b>
<i>Increase/Decrease:</i>	<i>-0.02753</i>	<i>-0.00131</i>	

PROPERTY VALUE SUMMARY COMPARISON			
Fiscal Years	2024	2025	% of Increase/Decrease
District Tarrant Co.	677,155,614	717,908,930	6.02%
District Denton Co.	1,877,675,027	2,003,954,100	6.73%
Town	1,032,220,715	1,106,013,301	7.15%
Out of District & Out of PID	12,316,662	8,973,424	-27.14%
<b>Total Value:</b>	<b>3,599,368,018</b>	<b>3,836,849,755</b>	<b>6.60%</b>

FY 2025 BUDGET FUND SUMMARY			
General Fund		Fire Fund	
Revenue	12,726,575	Revenue	15,000
Tax Collections	85,620	Tax Collections	1,398,028
PID Surcharges	143,160	Town Assessment	572,690
Reserve Funds	285,000	Reserve Funds	184,800
Total Revenue	13,240,355	Total Revenue	2,170,518
Water Expense	7,440,945	Fire Expense	2,170,518
Wastewater Expense	3,852,935		
Board of Directors Expense	11,770		
Administration Expense	1,805,499		
Non-Departmental Expense	113,070		
Total Expense	13,224,220	Total Expense	2,170,518
Net Budget Surplus/Deficit	\$16,135	Net Budget Surplus/Deficit	\$0

Tax Debt Service Fund	
Revenue	199,211
Tax Collections	217,408
PID Surcharge	115,708
Total Revenue	532,328
Debt Service Expense	532,328
Total Expense	532,328
Net Budget Surplus/Deficit	\$0

Revenue Debt Service Fund	
Revenue	1,273,318
Total Revenue	1,273,318
Debt Service Expense	1,273,318
Total Expense	1,273,318
Net Budget Surplus/Deficit	\$0

FY 2025 Budget Calendar	
4/1/2024 - 4/29/2024	Create Budget Calendar Create new fiscal year baseline budget in Excel and Clear Gov Operational Budget
5/2/2024 - 5/27/2024	Departmental budget meeting for base budget needs and wants, review calendar and set expectations
5/31/2024 - 6/4/2024	First round of Departmental Proposals should be submitted for review Detail explanation on account increases and capital request with quotes and supporting documents
6/5/2024 - 6/17/2024	Correspondence with Town/Fire staff to review and update the Fire Budget Present a projected General Fund and Fire Fund budget summary at the June Board meeting
6/8/2024 - 6/19/2024	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
6/20/2024	Budget workshop with District Board members and Town of Trophy Club staff
7/1/2024	Annual IT budget meeting Update the excel budget with preliminary tax evaluations, and calculate preliminary District tax rate
7/2/2024	Provide consumption numbers and draft budget numbers for rate calculations to NewGen for rate assessment calculations
7/2/2024 - 7/13/2024	Various meetings with General Manager to prepare presentation of proposed budget Review 5 year capital plan and preliminary tax valuations to put together for July Board Meeting
7/25/2024	Certified Tax Roll numbers released, update Tax Assessment worksheet, and update budget projections Calculate Comptroller Developed Water District Voter-Approval Tax Rate Worksheet
7/30/2024	Budget meeting with Town of Trophy Club to discuss fire budget
7/31/2024	Special Board Budget Workshop to review General Fund and Fire Fund Details
8/7/2024 - 8/13/2024	Meetings with NewGen to discuss rates
8/15/2024 - 8/29/2024	Discussions with Samco to discuss debt tax rate
8/17/2024 - 8/18/2024	Update and finalize the fiscal year draft General Fund and Fire Fund budget for Boar Meeting in August
8/21/2024	Regular Board meeting to review any final budget questions and set proposed Budget and Tax Rates for legal publications
8/21/2024 - 9/3/2024	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 Denton Chronicle (minimum 7 days prior)
9/18/2024	Public Hearing/Board meeting for adoption of District Property Tax Rate, Levy Tax Resolutions, and adopt District FY Budget
9/25/2024 - 9/30/2024	Update Denton County and Tarrant County TNT websites with Adopted Tax Rates Update District's website with Adopted Tax Rates, Adopted Rate Order, and Notice to Purchaser

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

## FY 2025 TAX RATE ASSESSMENT TOWN ASSESSMENT & SURCHARGE CALCULATIONS

**FIRE TAX/ASSESSMENT RATE****NET TAX VALUE:**

		Certified
TARRANT COUNTY:	\$717,908,930	7/25/2024
DENTON COUNTY:	\$2,003,954,100	7/25/2024
DENTON CO. PID:	\$1,106,013,301	7/25/2024
OUT OF DISTRICT & PID	\$8,973,424	7/25/2024
<b>REQUIRED REVENUE FIRE</b>	<b>TAX/ASSESS RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
	Vals/100 = 38,368,498	
<b>\$1,970,718</b>	<b>FY 2025 Tax/Assess Rate = 0.05136</b>	
	Revenue from District Tax = \$ 1,398,028	
	Revenue from Town Assess = \$ 572,690	
	<b>Total: \$ 1,970,718</b>	

**M&O TAX/SURCHARGE RATE****NET TAX VALUE:**

		Certified
TARRANT COUNTY:	\$717,908,930	7/25/2024
DENTON COUNTY:	\$2,003,954,100	7/25/2024
DENTON CO. PID:	\$1,106,013,301	7/25/2024
<b>REQUIRED REVENUE M&amp;O</b>	<b>TAX/SURCHARGE RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>113,070</b>	Vals/100 = 38,278,763	
<b>95,000</b>	<b>FY 2025 District M&amp;O Tax Rate = 0.00315</b>	
	<b>FY 2025 Town Tax/Surcharge Rate = 0.00248</b>	
<i>*District (All of Dept. 39 Budget)</i>	Revenue from MUD Tax = \$ 85,621	
<i>**Town (Legal and Auditor only Dept 39 Budget)</i>	Revenue from PID Surcharge = \$ 27,449	
	<b>Total: \$ 113,070</b>	

**I&S TAX/SURCHARGE RATE****NET TAX VALUE:**

<b>NEW DEBT: CALCULATE AMOUNT DUE FROM Town</b>		Certified
TARRANT COUNTY:	\$717,908,930	7/25/2024
DENTON COUNTY:	\$2,003,954,100	7/25/2024
DENTON CO. PID:	\$1,106,013,301	7/25/2024
<b>REQUIRED REVENUE TAX DEBT 2014 AND AFTER (I&amp;S)</b>	<b>TAX/SURCHARGE RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>\$400,463</b>	Vals/100 = 38,278,763	
	<b>FY 2025 PID Surcharge Rate = 0.01046 ***</b>	
	<b>***NOT FINAL TAX RATE: ONLY USED TO CALCULATE PID SHARE</b>	
	Revenue from District Tax = \$ 284,754	
	Revenue from Town Surcharge = \$ 115,708	
	<b>Total: \$ 400,463</b>	

**MUD DEBT: CALCULATE MUD TAX****NET TAX VALUE:**

		Certified
TARRANT COUNTY:	\$717,908,930	7/25/2024
DENTON COUNTY:	\$2,003,954,100	7/25/2024
<b>REQUIRED REVENUE I&amp;S DISTRICT DEBT</b>	<b>TAX/SURCHARGE RATE = REQUIRED REVENUE/TOTAL VALS/100</b>	
<b>\$217,408</b>	Vals/100 = 27,218,630	
	<b>FY 2025 Tax Rate = 0.00799</b>	
	Revenue from District Tax = \$ 217,408	
	Revenue from Town = N/A \$ -	
	<b>Total: \$ 217,408</b>	

**Tax Rate Requirements 3.5%**

<b>Overall Tax Rate FY 2025</b>
<b>0.06250</b>
<b>Voter Approval Rate</b>
<b>0.06250</b>
<b>Contributions Required</b>
<b>\$0</b>

**TAX COMPARISON**

	<b>2024</b>	<b>2025</b>
M&O (General Fund) Tax	0.00336	0.00315
M&O Fire Tax	0.05186	0.05136
<b>M&amp;O Tax Rate</b>	<b>0.05522</b>	<b>0.05451</b>
Increase/Decrease Rate:	-0.00497	-0.00071
<b>I &amp; S (Debt Service) Tax</b>	<b>0.00859</b>	<b>0.00799</b>
Increase/Decrease Rate:	-0.02256	-0.00060
<b>Total Tax Rate:</b>	<b>0.06381</b>	<b>0.06250</b>
Increase/Decrease Rate:	-0.02753	-0.00131

# FY 2025 ADOPTED FIRE BUDGET

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Projected	FY 2025 Proposed
<b>Revenues - Town</b>				
Assessment - Emergency Services	-	541,701	541,701	572,690
Emergency Services Assessment/Delinquent	-	-	-	-
Property Taxes/Assessments P&I	-	-	-	-
Fire Permits/Sprinkler & Plan Review	-	5,000	5,000	5,000
Fire Inspections	-	-	-	-
Denton/Tarrant County Pledge - Fire	-	10,000	10,000	10,000
Town Cash Contribution				-
Grant Revenue	-	-	-	-
<b>Revenues - MUD</b>				
Property Taxes/MUD Fire	1,246,229	1,324,945	1,324,945	1,398,028
Property Taxes/Fire - Delinquent	6,991	-	-	-
Property Taxes/Fire P&I	12,916	-	-	-
Capital Leases - Other Financial Sources	-	-	-	-
Proceeds from Sale of Assets	60,000	-	-	-
Prior Year Reserves	-	179,500	179,500	184,800
GASB Reserves	-	-	-	-
Miscellaneous Income	14,340	-	54,417	-
<b>Total Revenue</b>	<b>1,340,476</b>	<b>2,061,146</b>	<b>2,115,563</b>	<b>2,170,518</b>

<b>Expenses - Town 50%/MUD 50%</b>				
Salaries - Regular	853,876	950,494	950,494	1,001,354
Salaries - Part Time	23,176	50,000	50,000	50,000
Salaries - Overtime	126,709	40,303	40,303	125,008
Salaries - Longevity	6,916	7,441	7,441	8,515
Certification Pay	10,183	11,250	11,250	11,250
Salaries - Cell Phone Stipend	1,374	1,350	1,350	1,350
Salaries - Payout/Separations	-	-	-	4,258
Retirement		130,884	130,884	148,657
Medical Insurance	75,815	79,022	79,022	87,481
Dental Insurance	4,762	4,472	4,472	8,400
Vision Insurance	676	594	594	1,760
Life Insurance & Other	3,869	3,921	3,921	4,116
Social Security Taxes	37,956	61,194	61,194	69,312
Medicare Taxes	8,874	14,311	14,311	16,210
Unemployment Taxes	116	2,520	2,520	2,520
Workman's Compensation	25,980	58,584	58,584	67,300
Pre-Employment Physicals/Testing	5,875	-	-	1,000
Tuition Reimbursement	2,828	7,000	7,000	5,000
Professional Outside Services	196	1,750	1,750	1,750
Physicals/Testing	-	7,000	7,000	7,000
Recruitment	-	-	-	5,000
Software & Support	15,323	11,085	11,085	10,197
Tax Administration	1,579	1,600	1,600	1,600
Advertising	-	200	200	200
Printing	249	1,100	1,100	1,100
Schools & Training	7,889	19,900	19,900	19,900



# FY 2025 ADOPTED FIRE BUDGET

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Projected	FY 2025 Proposed
Electricity	5,928	8,400	8,400	8,820
Water	4,312	levy	4,000	4,000
Communications/Mobiles	18,447	87,353	16,691	16,691
Building Maintenance	43,592	37,200	37,200	30,000
Vehicle Maintenance	19,588	49,029	49,029	51,500
Equipment Maintenance	14,537	18,715	18,715	19,500
Kitchen/Janitorial Supplies	-	-	-	7,200
Emergency Management	-	1,000	1,000	1,000
Dispatch - Denton County	5,061	5,622	5,622	5,224
Copier Rental/Lease	-	-	-	3,693
Dues & Memberships	18,791	27,242	27,242	30,000
Travel & per diem	17,461	14,510	14,510	14,510
Office Supplies	449	500	500	500
Printer Supplies	1,429	2,600	2,600	1,000
Postage	31	100	100	100
Publications/Books/Subscripts	-	350	350	350
Fuel	11,978	12,225	12,225	12,225
Uniforms	9,491	9,645	9,645	9,133
Safety Equipment/Protective Clothing	36,947	40,000	40,000	40,000
Disposable Supplies	35	-	-	-
Small Equipment	6,981	4,950	4,950	4,000
Hardware	1,283	4,458	4,458	4,000
Maintenance & Supplies	1,274	1,500	1,500	1,500
Miscellaneous Expense	2,580	4,000	4,000	3,303
Programs & Special Projects	7,354	16,931	16,931	16,000
Capital Outlays	-	6,500	6,500	-
<b>Expenses - MUD 100%</b>				
Maintenance & Repairs (GASB34)	24	-	-	-
Rent And/or Usage	197,266	200,771	200,771	199,211
Insurance	22,623	26,812	26,812	26,820
Transfer to Town/Fire Budget	-	-	-	-
Capital Outlays	-	-	-	-
Short Term Debt -Principal	-	-	-	-
Short Term Debt - Interest	-	-	-	-
GASB34/Reserve for Replacement	81,420	81,420	81,420	-
Capital Leases - Principal	-	-	-	-
<b>Total Expense</b>	<b>1,743,103</b>	<b>2,127,808</b>	<b>2,061,146</b>	<b>2,170,518</b>

<b>Total Fire Revenues</b>	<b>\$ 1,340,476</b>	<b>\$ 2,061,146</b>	<b>\$ 2,115,563</b>	<b>\$ 2,170,518</b>
<b>Total Fire Expenses</b>	<b>\$ 1,743,103</b>	<b>\$ 2,127,808</b>	<b>\$ 2,061,146</b>	<b>\$ 2,170,518</b>
<b>Net Budget Surplus (Deficit)</b>	<b>\$ (402,628)</b>	<b>\$ (66,662)</b>	<b>\$ 54,417</b>	<b>\$ -</b>

# FY 2025 ADOPTED FIRE BUDGET

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Projected	FY 2025 Proposed
<b>Town/MUD Fire Contract Calculation</b>		<b>FY 2024</b>		<b>FY 2025</b>
Fire Budget		2,127,808		2,170,518
Less: Rent/Debt Service		200,771		199,211
Less: TML Fire Insurance		26,812		26,820
Less: Capital Outlays		-		-
Less: Capital Leases Interest		-		-
Less: Capital Leases Principal		-		-
Less: GASB34/Reserve for Replacement		81,420		-
Less: ESD Assessment		541,701		572,690
Less: Fire Permits/Sprinkler		5,000		5,000
Less: Fire Inspections		-		-
Less: Denton County Fire Pledge		10,000		10,000
Less: Grant Proceeds		-		-
Annual transfer to Town from MUD/Fire Budget		\$ 1,262,104		\$ 1,356,797
Monthly payment to Town		\$ 105,175		\$ 113,066

# FY 2025 ADOPTED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Actual 7/31	FY 2024 Projected	FY 2025 Proposed
<b>Revenues</b>					
Property Taxes	86,595	85,734	84,488	85,734	85,620
Property Taxes/Delinquent	1,299	300	(951)	550	550
Property Taxes/P&I	1,119	300	314	400	500
PID Surcharges	151,357	143,223	120,859	143,200	143,160
Water	8,001,954	6,939,998	5,193,141	7,112,680	6,925,430
Sewer	3,736,790	3,679,786	2,947,500	3,548,555	3,773,500
Penalties	77,201	105,800	70,389	86,964	105,800
Service Charges (Disconnect Fees)	4,100	3,350	3,200	3,700	3,350
Plumbing Inspections	-	300	2,100	1,650	300
Sewer Inspections	-	100	650	500	100
TCCC Effluent Charges	108,286	70,000	46,457	70,000	119,890
Interest Income	397,122	150,000	434,224	548,000	533,725
Cell Tower Revenue	45,179	49,320	49,320	49,440	50,930
Proceeds from Sale of Assets	50,979	25,000	51,450	51,450	25,000
Prior Year Reserves	-	1,933,264	-	1,204,217	-
GASB Reserves	164,000	50,000	-	50,000	285,000
Loan Proceeds	-	-	-	-	-
Oversize Meter Reimbursement	-	2,058	5,992	4,708	2,100
Interfund Transfer In	-	1,178,400	1,200,331	1,178,400	1,178,400
Intergov Transfer In	-	-	-	-	-
Miscellaneous Income	3,016	7,000	8,990	6,481	7,000
Records Management Revenue	-	-	-	-	-
Recovery of Prior Year Expense	76	-	-	-	-
Reimbursement/Revenue Bond	-	-	-	-	-
<b>Subtotal Revenues</b>	<b>12,829,073</b>	<b>14,423,933</b>	<b>10,218,453</b>	<b>14,146,629</b>	<b>13,240,355</b>

<b>Water Expenses</b>					
Salaries & Wages	403,507	431,575	346,242	430,020	448,840
Overtime	17,676	17,000	8,992	11,386	17,000
Longevity	5,983	6,253	6,253	6,253	6,540
Certification	2,700	3,600	2,250	2,700	3,300
Retirement	50,705	56,730	44,626	55,414	57,100
Medical Insurance	87,625	116,528	78,669	97,717	105,150
Dental Insurance	3,960	4,835	3,626	4,546	5,080
Vision Insurance	744	1,051	713	891	980
Life Insurance & Other	3,567	4,000	2,884	3,783	4,000
Social Security Taxes	26,110	28,423	21,920	27,402	29,490
Medicare Taxes	5,906	6,647	5,126	6,409	6,897
Unemployment Taxes	54	1,260	585	878	1,260
Workers's Compensation	13,313	11,899	7,951	10,073	13,200
Pre-employment Physicals/Testing	420	400	-	400	400
Employee Relations	640	300	-	300	300
Maintenance & Repairs	230,476	201,500	136,056	180,000	222,000
Generator Maintenance & Repairs	876	2,000	13,470	13,470	2,000
Vehicle Maintenance & Repairs	12,919	5,000	4,587	5,000	5,000
Equipment Maintenance & Repairs	2,891	1,000	1,912	1,912	1,000
Cleaning Services	2,096	2,500	40	40	-
Lab Analysis - District	5,492	7,500	4,427	7,500	7,500

# FY 2025 ADOPTED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Actual 7/31	FY 2024 Projected	FY 2025 Proposed
Lab Analysis - Town	2,341	2,000	2,432	3,000	3,000
Communications/Mobiles	5,466	7,500	2,678	4,017	7,500
Electricity	222,085	183,143	113,640	209,900	216,400
Postage	-	-	95	-	-
Publications/Books/Subscripts	-	1,000	-	-	-
Dues & Memberships	-	-	-	-	-
Schools & Training	3,124	2,630	3,672	3,547	3,000
Travel & per diem	45	578	604	604	920
TCEQ Fees & Permits - District	34,114	29,500	15,134	25,135	29,500
TCEQ Fees & Permits - Town	214	500	-	500	500
Wholesale Water	2,738,044	2,655,497	1,323,789	2,717,862	2,757,560
Lawn Services	5,400	12,500	6,900	10,200	12,500
Interfund Transfer Out - Revenue I&S	567,783	565,797	515,005	565,797	568,498
Interfund Transfer Out - Bank Reserve	-	-	920,912	-	-
Furniture/Equipment < \$5000	1,355	-	-	-	-
Fuel & Lube	18,660	23,575	13,910	18,399	23,580
Uniforms	3,098	4,355	1,991	2,779	4,360
Chemicals	47,747	58,200	30,651	33,000	35,000
Meter Expense	-	20,000	19,740	19,740	20,000
Meter Change Out Program	87,000	124,500	82,650	83,555	130,000
Office Supplies	-	-	149	-	-
Capital Outlays	2,107,269	4,200,000	1,794,820	3,840,711	2,265,000
Short Term Debt - Principal	31,882	-	-	-	-
Short Term Debt - Interest	470	-	-	-	-
Gasb34 Reserves	162,639	378,659	378,659	378,659	426,590
Water Tank Inspection Contract	110,864	-	-	-	-
Bond Related Expenses	-	-	-	-	-
<b>Subtotal Water Expenses</b>	<b>7,027,259</b>	<b>9,179,933</b>	<b>5,917,761</b>	<b>8,783,498</b>	<b>7,440,945</b>

<b>Wastewater Expenses</b>					
Salaries & Wages	292,361	290,305	170,844	220,031	275,760
Overtime	16,059	20,000	8,565	11,062	20,000
Longevity	4,035	2,368	2,540	2,540	2,770
Certification	4,350	5,100	2,500	5,700	5,700
Retirement	37,504	40,934	22,655	24,691	36,500
Medical Insurance	63,848	93,222	41,811	56,506	60,090
Dental Insurance	2,643	3,385	1,751	2,482	2,790
Vision Insurance	564	819	392	544	590
Life Insurance & Other	2,547	3,000	1,716	2,209	3,000
Social Security Taxes	19,162	20,508	11,014	14,112	18,860
Medicare Taxes	4,481	4,796	2,576	3,300	4,411
Unemployment Taxes	44	1,008	351	400	1,010
Workers's Compensation	10,635	8,404	5,366	6,864	8,356
Pre-employment Physicals/Testing	150	400	-	400	400
Employee Relations	1,228	300	-	300	300
Maintenance & Repairs - WWTP	220,313	137,000	124,992	135,551	149,000
Maintenance & Repairs - Collections	259,373	270,000	246,919	330,000	330,000
Generator Maintenance & Repairs	2,836	11,000	6,478	6,478	11,000
Vehicle Maintenance - WWTP	640	4,600	228	1,000	4,600
Vehicle Maintenance - Collections	11,144	13,000	4,302	5,000	11,480

# FY 2025 ADOPTED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Actual 7/31	FY 2024 Projected	FY 2025 Proposed
Equipment Maintenance & Repairs	2,435	3,000	1,541	3,000	3,000
Cleaning Services	2,096	2,000	40	40	-
Dumpster Services	85,077	100,000	68,163	100,000	103,000
Lab Analysis	50,001	55,000	48,063	60,600	60,000
Communications/Mobiles	4,016	7,500	2,088	3,260	5,000
Electricity	272,792	242,978	198,248	226,800	314,100
Schools & Training	2,561	2,119	728	1,580	2,420
Travel & per diem	3	528	-	100	870
TCEQ Fees & Permits	9,888	12,000	9,888	9,900	12,000
Lawn Services	6,390	16,000	11,500	15,750	16,000
Interfund Transfer Out - Tax I&S	116,245	115,886	105,351	115,886	115,708
Interfund Transfer Out - Revenue I&S	691,932	698,543	635,487	698,543	704,820
Interfund Transfer Out - Bank Reserve	-	-	96,630	-	-
Furniture/Equipment < \$5000	347	-	-	-	-
Fuel & Lube	12,206	13,000	9,274	11,427	13,000
Uniforms	2,932	3,520	1,732	2,000	3,520
Chemicals - WWTP	22,109	32,500	21,300	31,843	32,500
Chemicals - Collections	6,003	10,000	5,709	5,709	10,000
Lab Supplies	27,835	33,000	26,117	33,000	33,000
Capital Outlays	1,390,083	1,050,000	1,161,708	1,023,468	1,140,000
Short Term Debt - Principal	85,763	22,398	22,132	22,398	-
Short Term Debt - Interest	2,835	442	425	442	-
Gasb34 Reserves	165,777	155,762	155,762	155,762	337,380
<b>Subtotal Wastewater Expenses</b>	<b>3,913,241</b>	<b>3,506,324</b>	<b>3,236,884</b>	<b>3,350,679</b>	<b>3,852,935</b>

<b>Board of Directors Expenses</b>					
Workman's Compensation	7	15	6	8	20
Dues & Memberships	750	750	750	750	750
Meetings	1,451	1,500	1,044	1,500	1,500
Schools & Training	535	4,000	-	485	4,000
Travel & per diem	-	5,000	-	-	5,000
Miscellaneous Expenses	-	500	-	-	500
<b>Subtotal Board of Directors Expenses</b>	<b>2,743</b>	<b>11,765</b>	<b>1,800</b>	<b>2,743</b>	<b>11,770</b>

<b>Administration Expenses</b>					
Salaries & Wages	616,594	663,185	534,479	657,800	662,170
Overtime	1,094	2,000	1,620	1,620	2,000
Longevity	2,423	2,533	2,598	2,600	2,290
Retirement	72,808	82,631	65,635	80,700	79,976
Medical Insurance	77,664	108,759	64,350	81,800	105,150
Dental Insurance	3,064	3,817	2,444	3,120	3,810
Vision Insurance	629	886	540	690	830
Life Insurance & Other	4,382	4,800	3,819	5,030	4,800
Social Security Taxes	36,720	41,399	31,725	39,200	41,320
Medicare Taxes	8,653	9,682	7,536	9,300	9,660
Unemployment Taxes	59	1,512	857	1,025	1,510
Workers's Compensation	1,291	1,597	1,040	1,319	1,703
Pre-employment Physicals/Testing	198	500	248	400	400
Employee Relations	2,842	4,000	3,112	4,000	4,000
Software & Support	108,247	130,311	135,925	132,661	153,810

# FY 2025 ADOPTED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2024 Actual 7/31	FY 2024 Projected	FY 2025 Proposed
Independent Labor	6,473	-	-	-	-
Maintenance & Repairs	22,778	23,000	18,032	20,000	23,000
Generator Maintenance & Repairs	-	1,000	1,348	1,348	1,000
Cleaning Services	13,354	13,825	13,255	18,055	20,000
Professional Outside Services	74,770	100,000	89,120	98,000	100,000
Utility Billing Contract	7,701	9,000	5,756	7,860	9,000
Telephone	5,763	6,000	4,250	6,110	6,000
Communications/Mobiles	190	3,000	386	580	3,000
Electricity	18,313	17,685	14,238	29,740	20,300
Water	4,971	5,000	2,226	1,736	-
Postage	24,227	30,000	20,331	25,500	30,000
Bank Service Charges & Fees	165,491	140,000	144,911	150,650	155,000
Bad Debt Expense	11,623	13,000	-	13,000	13,000
Insurance	97,414	116,158	96,184	116,200	129,860
Dues & Memberships	6,965	6,800	2,016	3,000	2,560
Public Education	27,795	-	-	-	-
Schools & Training	626	3,900	1,313	1,350	3,550
Travel & per diem	-	1,228	-	500	4,270
Elections	-	10,000	-	-	-
Advertising	1,265	-	-	-	-
Miscellaneous Expenses	4,145	-	2,515	2,550	-
Lawn Services	3,468	5,000	4,877	6,200	6,000
Furniture/Equipment < \$5000	13,053	3,000	-	-	-
Uniforms	307	530	-	-	530
Hardware IT	14,265	8,200	4,562	7,000	50,000
Office Supplies	4,303	5,000	2,859	5,000	5,000
Maintenance Supplies	5,833	5,000	5,468	6,000	6,000
Capital Outlays	56,090	-	-	-	115,000
Copier Lease	3,210	4,000	2,468	3,340	4,000
Gasb34 Reserves	26,736	24,903	24,903	24,903	25,000
<b>Subtotal Administration Expenses</b>	<b>1,557,796</b>	<b>1,612,840</b>	<b>1,316,947</b>	<b>1,569,887</b>	<b>1,805,499</b>

<b>Non Departmental Expenses</b>					
Legal	30,163	65,000	29,546	45,000	65,000
Auditing	23,164	30,000	21,784	21,800	30,000
Appraisal	11,264	13,071	8,046	10,050	13,070
Tax Admin Fees	4,046	5,000	3,941	3,941	5,000
<b>Subtotal Non Departmental Expenses</b>	<b>68,637</b>	<b>113,071</b>	<b>63,317</b>	<b>80,791</b>	<b>113,070</b>

<b>Total General Fund Revenues</b>	<b>\$ 12,829,073</b>	<b>\$ 14,423,933</b>	<b>\$ 10,218,453</b>	<b>\$ 14,146,629</b>	<b>\$ 13,240,355</b>
<b>Total General Fund Expenses</b>	<b>\$ 12,569,676</b>	<b>\$ 14,423,933</b>	<b>\$ 10,536,709</b>	<b>\$ 13,787,598</b>	<b>\$ 13,224,220</b>
<b>Net Budget Surplus (Deficit)</b>	<b>\$ 259,397</b>	<b>\$ 0</b>	<b>\$ (318,256)</b>	<b>\$ 359,031</b>	<b>\$ 16,135</b>

## TAX DEBT PAYMENTS

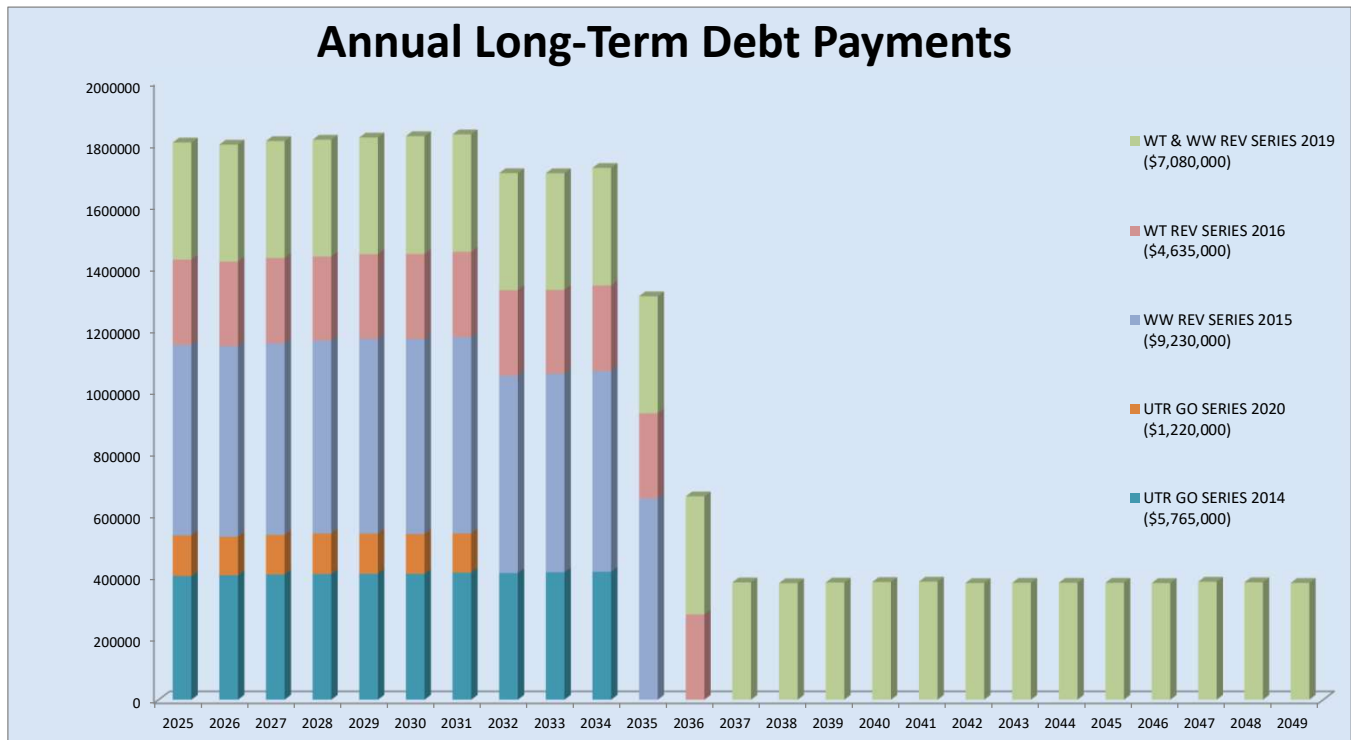
### LONG TERM TAX DEBT

	MUD/PID Reimburse	Par Amount	Principal FY 2025	Interest 3/01	Interest 9/01	Subtotal Interest	Paying Agent Fee	Total	Maturity Date	First Callable Date	Project/Reason
Series 2020 (Tax)	MUD	\$1,220,000	\$120,000	\$5,558	\$5,558	\$11,115	\$750	\$131,865	9/1/2031	N/A	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>\$1,220,000</b>	<b>\$120,000</b>	<b>\$5,558</b>	<b>\$5,558</b>	<b>\$11,115</b>	<b>\$750</b>	<b>\$131,865</b>			
Series 2014 (Tax)	MUD/PID	\$5,765,000	\$295,000	\$52,531	\$52,531	\$105,063	\$400	\$400,463	9/1/2034	9/1/2024	Tax Bonds for WWTP Expansion
<b>SUBTOTAL MUD/PID TAX BONDS:</b>		<b>\$5,765,000</b>	<b>\$295,000</b>	<b>\$52,531</b>	<b>\$52,531</b>	<b>\$105,063</b>	<b>\$400</b>	<b>\$400,463</b>			
<b>TOTAL ALL TAX BONDS:</b>		<b>\$6,985,000</b>	<b>\$415,000</b>	<b>\$58,089</b>	<b>\$58,089</b>	<b>\$116,178</b>	<b>\$1,150</b>	<b>\$532,328</b>			

## REVENUE DEBT PAYMENTS

### LONG TERM REVENUE DEBT

	Revenue Rates	Par Amount	Principal FY 2025	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	\$450,000	\$83,569	\$83,569	\$167,138	\$400	\$617,538	9/1/2035	9/1/2025	Revenue Bonds for WWTP Expansion
Series 2016 (Revenue) SWIFT		\$4,635,000	\$225,000	\$25,446	\$25,446	\$50,893	\$400	\$276,293	9/1/2036	9/1/2027	Revenue Bonds for Fort Worth Line NSII
Series 2019 (Revenue) WT & WW		\$7,080,000	\$175,000	\$102,044	\$102,044	\$204,088	\$400	\$379,488	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>\$850,000</b>	<b>\$211,059</b>	<b>\$211,059</b>	<b>\$422,118</b>	<b>\$1,200</b>	<b>\$1,273,318</b>			



# CAPITAL OUTLAYS (5 Year)

Department	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
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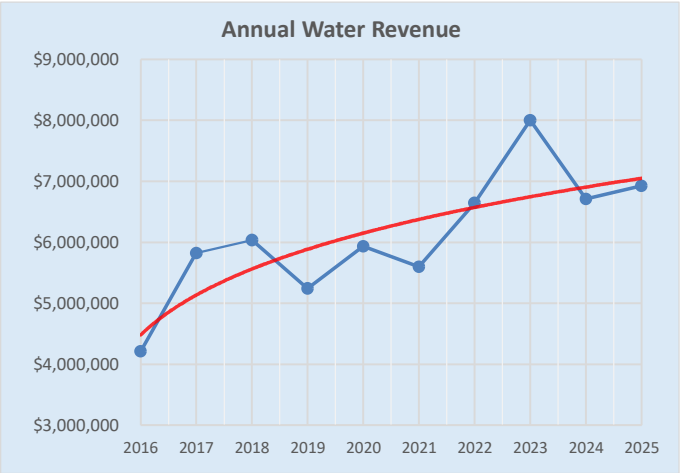
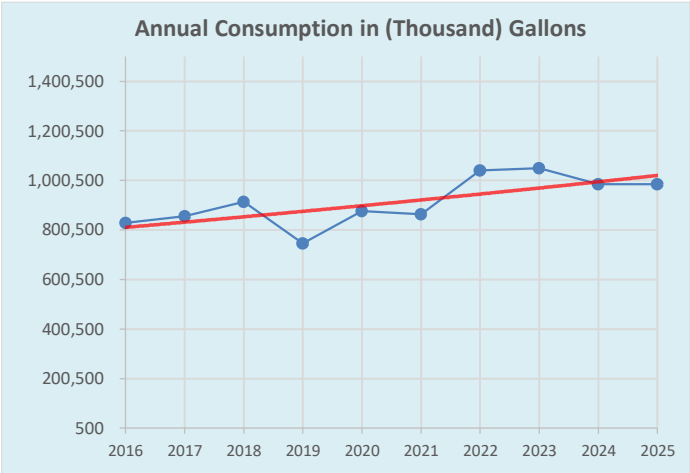
Water					
Water Line Replacement	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,300,000
Fleet Replacement	\$ 65,000	\$ -	\$ 50,000	\$ -	\$ -
<b>Water Grand Totals</b>	<b>\$ 2,265,000</b>	<b>\$ 2,200,000</b>	<b>\$ 2,250,000</b>	<b>\$ 2,200,000</b>	<b>\$ 2,300,000</b>

Wastewater					
Wastewater Line Improvements	\$ 850,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Lift Station Improvements	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Return Pump	\$ 45,000	\$ 45,000	\$ 45,000	\$ -	\$ -
Fleet Replacement	\$ 80,000	\$ -	\$ -	\$ -	\$ -
CCTV Camera Replacement	\$ 65,000	\$ -	\$ -	\$ -	\$ -
<b>Wastewater Grand Totals</b>	<b>\$ 1,140,000</b>	<b>\$ 295,000</b>	<b>\$ 295,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>

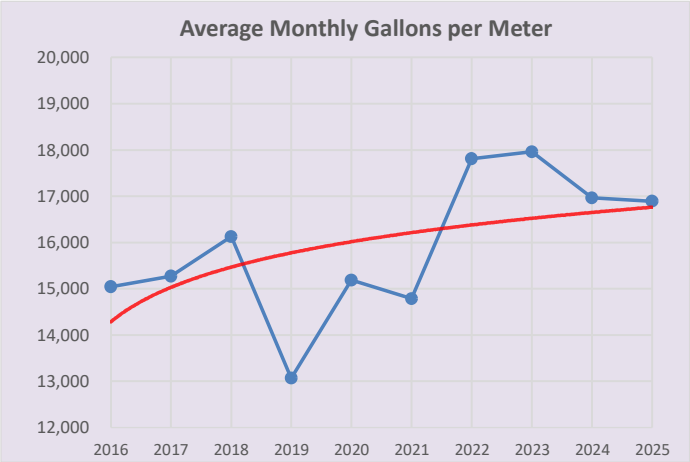
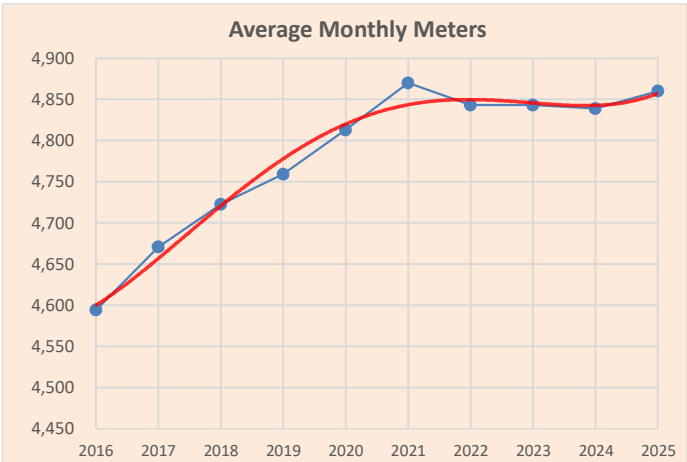
Administration					
Security Upgrades	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Software Upgrades	\$ 40,000	\$ -	\$ -	\$ -	\$ -
<b>Admin Grand Totals</b>	<b>\$ 115,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



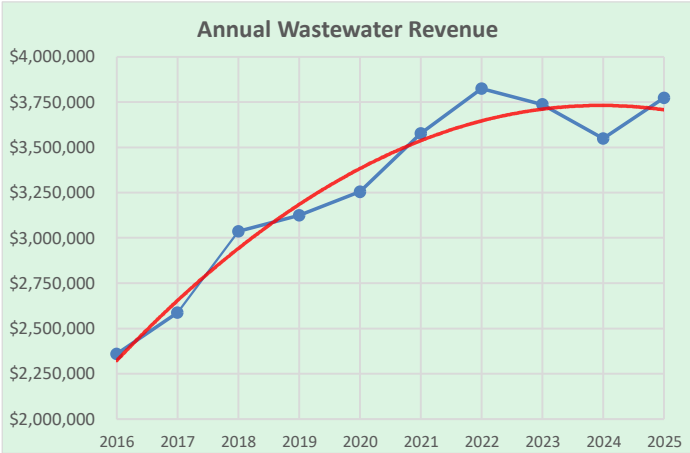
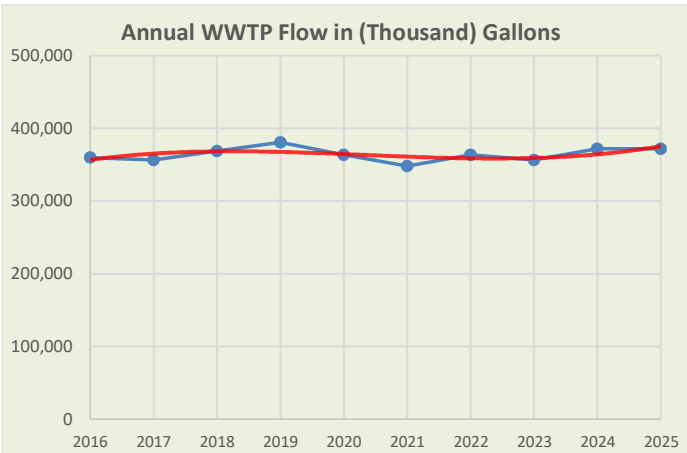
ANNUAL WATER CONSUMPTION AND REVENUE BY YEAR



AVERAGE MONTHLY METERS AND AVERAGE GALLONS BY YEAR



ANNUAL WASTEWATER FLOW AND REVENUE BY YEAR



— Trendline — Actuals



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## STAFF REPORT

September 18, 2024

### AGENDA ITEM:

Consider and act to adopt Rate Order No. 2024-0918A Establishing Policies, Procedures and Rates, Fees and Charges for Water and Sewer Services.

### DESCRIPTION:

#### ARTICLE II SERVICE RATES

**Section 2.02. Water Service Rates.** Increase in Water Service Volumetric Rates to reflect the pass thru increase from the City of Fort Worth.

Gallons Used	Rate per 1,000 gallons	Effective October 1, 2024
0 to 6,000	\$4.60	\$4.69
6,001 to 17,000	\$5.35	\$5.46
17,001 to 25,000	\$6.19	\$6.32
25,001 to 50,000	\$7.19	\$7.34
50,001+	\$8.36	\$8.53

### ATTACHMENTS:

Rate Order 2024-0918A Redline

### RECOMMENDATION:

Staff recommends the adoption of Rate Order No. 2024-0918A Establishing Policies, Procedures and Rates, Fees and Charges for Water and Sewer Services.

**RATE ORDER**  
**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO.1**  
**ORDER NO. ~~2023-0322A~~2024-0918A**

**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-March 22, 2023 21, 2022~~ (Order No ~~2022-0921A~~2023-0322A), 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. ~~2023-0322A~~2024-0918A 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 quoted at the time of request and is 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 quoted at the time of request and is payable at the time of permitting.

**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 and 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 security deposit of one thousand five hundred dollars (\$1,500.00). 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 damage 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 damage, 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 one hundred fifty dollars (\$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 two thousand five hundred dollars (\$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 two thousand five hundred dollars (\$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 one hundred dollars (\$100) per lot must be paid to the District prior to a notice to proceed being issued. A minimum of five hundred dollars (\$500) for inspection fees is required if less than five (5) lots are to be developed.



**Section 1.09 Water Meter Fees.**

<b>METER SIZE</b>	<b>WATER METER FEE</b>
5/8"	\$358
1"	\$428
1-1/2"	\$905
2" – 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:**

<b>Meter Size</b>	<b>Monthly Base Rate</b>
5/8" & 3/4"	\$20.26
1"	\$38.08
1.5"	\$67.54
2"	\$108.06
3"	\$204.80
4"	\$337.68
6"	\$675.38

**VOLUMETRIC RATES:**

Gallons Used	Rate per 1,000 gallons
0 to 6,000	\$4.6 <del>90</del>
6,001 to 17,000	\$5.4 <del>635</del>
17,001 to 25,000	\$6.4 <del>932</del>
25,001 to 50,000	\$7.4 <del>934</del>
50,001+	\$8.3 <del>653</del>

**(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:**

	<b>Base Rate:</b>	\$ 22.15
0	to 4,000	\$ 3.57
4,001	to 8,000	\$ 5.09
8,001	to 12,000	\$ 7.18
12,001+		\$ 10.22

**B. Commercial Sewer Rates:**

	<b>Base Rate:</b>	\$ 22.15
	<b>Volumetric Rate:</b>	\$ 8.57

\*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 one hundred dollar (\$100.00) 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 and Lessee Deposits.** A security deposit of one hundred dollars (\$100.00) shall be required from each residential owner and lessee for a single-family home connected to the District’s system. Deposits will be applied to the bill upon twenty-four (24) consecutive months of on-time payments. A deposit will be required to reestablish service due to disconnection. Upon discontinuation of service, the any remaining deposit shall be applied against amounts due, including disconnection fees.

**C. Commercial Deposits**

COMMERCIAL		
METER SIZE	WATER	SEWER
¾"	\$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. Construction Meters.** See Section 1.06 above.

**E. 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 disconnection for non-payment, an additional Security Deposit of one hundred dollars (100.00) will be required for Residential homeowners and Lessees to restore service in addition to a fifty-dollar (\$50.00) service fee, and after-hours reconnection 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 fifty dollars (\$50.00) 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 "~~2023-0322A~~2024-0918A Rate Order" (Order No. ~~2023-0322A~~2024-0918A) 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 ~~April 1, 2023~~ October 1, 2024.

**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 ~~22nd<sup>t</sup> day of March 2023~~ 18<sup>th</sup> day of September 2024.**

\_\_\_\_\_  
Kevin R. Carr, President  
Board of Directors

\_\_\_\_\_  
Doug Harper, Secretary/Treasurer  
Board of Directors

(SEAL)

**ORDER NO. 2024-0918B**

**ORDER OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
LEVYING DEBT SERVICE AND MAINTENANCE TAXES  
FOR THE 2024 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 2024 tax year at a meeting conducted on September 18, 2024.

**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 2024 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 2024 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 2024 tax year the following ad valorem taxes:

- (i) An ad valorem debt service tax rate of **\$0.00799** on each \$100 of taxable value on all taxable property within the District; and
- (ii) An ad valorem maintenance tax rate of **\$0.05451** 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 18<sup>th</sup> day of September 2024.**

\_\_\_\_\_  
Kevin R. Carr  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Doug Harper  
Secretary, Board of Directors

(SEAL)

**RESOLUTION NO. 2024-0918B**

**A RESOLUTION TO APPROVE THE 2024 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 2024 certified appraisal rolls dated July 25<sup>th</sup>, 2024, from Denton County Central Appraisal District and dated July 25<sup>th</sup>, 2024, from Tarrant Appraisal District, in which the certified appraised values were listed as **\$2,003,954,100** and **\$717,908,930** respectively, for a total certified appraised value of **\$2,721,863,030**. The 2024 tax rate approved by the Board of Directors of Trophy Club Municipal Utility District No. 1 is **\$0.06250 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 **\$1,701,057** 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 2024 tax year.

**RESOLVED, ADOPTED AND APPROVED** by the Board of Directors of Trophy Club Municipal Utility District No. 1, Trophy Club, Texas, this 18<sup>th</sup> day of September 2024.

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Kevin R. Carr, President  
Board of Directors

(SEAL)

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Doug Harper, Secretary/Treasurer  
Board of Directors

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Laurie Slaght, District Secretary



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 18<sup>th</sup> day of September 2024.

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Doug Harper, Secretary/Treasurer  
Board of Directors

(SEAL)

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Laurie Slaght  
District Secretary

STATE OF TEXAS   §  
COUNTIES OF DENTON AND TARRANT                         §

- The most recent rate of District-wide taxes on property located in the District for maintenance and operation purposes is \$0.05451 on each \$100 of assessed valuation. The most recent rate of District-wide taxes on property located in the District for debt service is \$0.00799 on each \$100 of assessed valuation.
- The particular form of Notice to Purchasers required by Sections 49.452 and 49.4521 of the Texas Water Code to be furnished by a seller to a purchaser of real property in the District, completed by the District with all information required to be furnished by the District, is attached hereto as Exhibit “A”.

James C. Thomas, Director

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THE STATE OF TEXAS           §  
   §  
COUNTY OF DENTON           §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared KEVIN R. CARR, BEN BREWSTER, DOUG HARPER, WILLIAM C. ROSE and JAMES C. THOMAS, known to me to be the persons and officers whose names are subscribed to the foregoing instrument and affirmed and acknowledged that said instrument is correct and accurate to the best of their knowledge and belief, and that they executed the same for the purposes and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18th day of September 2024.

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

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

(SEAL)

**EXHIBIT "A"**

# NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

The real property that you are about to purchase is located in Trophy Club Municipal Utility District No. 1 and may be subject to District taxes or assessments.

The District may, subject to voter approval, impose taxes and issue bonds. The District may impose an unlimited rate of tax in payment of such bonds. The current rate of the District property tax is \$0.06250 on each \$100 of assessed valuation, The District may impose assessments and issue bonds and impose an assessment in payment of such bonds.

The total amounts of bonds payable wholly or partly from property taxes excluding refunding bonds that are separately approved by the voters, approved by the voters are \$32,859,217 for water, sewer, and drainage facilities; and \$2,000,000 for firefighting facilities.

The aggregate initial principal amounts of all such bonds issued are \$32,855,000 for water, sewer, and drainage facilities; and \$2,000,000 for firefighting facilities.

The District is located partially within the corporate boundaries of the Town of Trophy Club. The Town of Trophy Club and the District overlap but may not provide duplicate services or improvements. Property located in the Town of Trophy Club and the District is subject to taxation by the Town of Trophy Club and the District. The District is located partially within the corporate boundaries of the Town of Westlake. The Town of Westlake and the District overlap but may not provide duplicate services or improvements. Property located in the Town of Westlake and the District is subject to taxation by the Town of Westlake and the District.

The purpose of this District is to provide water and sanitary sewer facilities and services and fire-fighting facilities and activities. The cost of district facilities is not included in the purchase price of your property.

**PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ANNUALLY ESTABLISHES TAX RATES. 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 before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property**

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

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





**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 18<sup>st</sup> day of September 2024.

\_\_\_\_\_  
Kevin R. Carr, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
Doug Harper, Secretary/Treasurer  
Board of Directors

(SEAL)

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

## **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

### **INVESTMENT POLICY**

**SEPTEMBER 18, 2024**

#### **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 by 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 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 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. These 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 18, 2024.

## **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 \_\_\_\_\_, 2024.

\_\_\_\_\_

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**

# Public Funds Investment Act Training

North Central Texas Council of Governments  
and

Government Treasurers' Organization of Texas

Co-Sponsored by AWBD and TWCA

## Certificate of Attendance

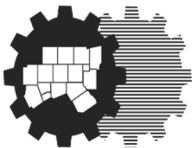
*Regina Van Dyke*

October 12, 2023 ..... 6 hours

Zoom

INSTRUCTOR: Patrick Shinkle

SPONSOR NUMBER: 010174



We are registered with the Texas State Board of Public Accountancy as a CPE sponsor. This registration does not constitute an endorsement by the board as to the quality of our CPE Program. In accordance with the standards of the National Registry of CPE Sponsors and the rules for CPE promulgated by the TSBPA, CPE credits have been granted based on a 50-minute hour.

# Public Funds Investment Act Training

North Central Texas Council of Governments  
and

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## Certificate of Attendance

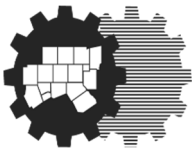
*Alan Fourmentin*

May 22, 2024 ..... 4 hours

Zoom

INSTRUCTOR: Patrick Shinkle

SPONSOR NUMBER: 010174



We are registered with the Texas State Board of Public Accountancy as a CPE sponsor. This registration does not constitute an endorsement by the board as to the quality of our CPE Program. In accordance with the standards of the National Registry of CPE Sponsors and the rules for CPE promulgated by the TSBPA, CPE credits have been granted based on a 50-minute hour.



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**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 18<sup>th</sup> day of September 2024.**

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Kevin R. Carr, President  
Board of Directors

ATTEST:

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Doug Harper, 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 and Balances.**

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 and balances 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 timeframe. 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 forty-five (45) days budgeted operating requirements to mitigate potential cash flow problems. Operating Reserves will not normally exceed the equivalent of ninety (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 may contain a transfer from the general fund to the Rehabilitation and Replacement Reserves in an amount approved by the Board of Directors.
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 five (5) to as many as forty (40) years. Annual depreciation is calculated as a function of the depreciation schedule maintained within the District's financial management software. These are GASB 34 replacement funds and the GASB 54 classification is assigned funds.
2. The source of funding for this reserve shall be in the form of an annual operating expense (transfer) to the Equipment Replacement Reserves. The desired balance is determined by the GASB 34 replacement schedule.
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. District should maintain Rate Stabilization Reserves equivalent to the historical year with the lowest water usage and set the reserve equal to the difference in revenue that would result from using the lowest water usage year versus the most recent year or a typical year based on current rates. Each adopted budget of the District may 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.



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## STAFF REPORT

September 18, 2024

**AGENDA ITEM:** Consider and take appropriate action regarding Banking and depository matters: Approval of the extension of term of depository pledge agreement with Prosperity Bank.

**DESCRIPTION:** The District currently has an agreement with Prosperity Bank for depository services that will be terminating at the end of September 2024. The current contracts allow for an additional two (2) year extension.

**RECOMMENDATION:** Staff recommends the Board adopt Resolution 2024-0918D Authorizing Extension of Term of Depository Pledge Agreement and approval of the Prosperity Bank Pledge Agreement Extension for an additional 2-year term effective from October 1, 2024, through September 30, 2026.

**RESOLUTION NO. 2024-0918D AUTHORIZING EXTENSION  
OF TERM OF DEPOSITORY PLEDGE AGREEMENT**

**THE STATE OF TEXAS** §

COUNTIES OF DENTON AND TARRANT §

**WHEREAS**, TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 (the “*District*”) is a political subdivision of the State of Texas, operating under Chapters 49 and 54, Texas Water Code, as amended (the “*Code*”);

**WHEREAS**, Section 49.156 of the Code provides that the board of directors of a water district, by order or resolution, shall designate one or more banks or savings associations within the State of Texas to serve as the depository for the funds of the district, and further provides that the board may authorize a designated representative to supervise the substitution of securities pledged to secure the district's funds;

**WHEREAS**, the Board of Directors of the District previously designated Prosperity Bank (the “Bank”) to serve as a depository for the funds of the District, and in connection therewith, entered into that certain Depository Pledge Agreement effective October 1, 2020 (the “Depository Pledge Agreement”) between the District, the Bank and the Federal Home Loan Bank of Dallas, Irving, Texas, as custodian of funds pledged collateralize the deposits of the District at the Bank;

**WHEREAS**, the term of the Depository Pledge Agreement is two years (expiring September 30, 2024), but may be extended at the discretion of the District for up to an additional two (2) year term; and

**WHEREAS**, the Board of Directors of the District desires to extend the term of the Depository Pledge Agreement for an additional two (2) year term. **NOW, THEREFORE**,

**IT IS HEREBY RESOLVED 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 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. The selection and designation of Prosperity Bank as a depository for the funds of the District is hereby approved and confirmed.

Section 3. The Board of Directors hereby approves the extension of the term of the Depository Pledge Agreement for an additional two (2) year term expiring on September 30, 2026.

Section 4. The General Manager is hereby instructed to deliver a copy of this Resolution to the Bank and is authorized to take such other actions as may be necessary to extend the term of the Depository Pledge Agreement in accordance with the terms hereof.

**ADOPTED as of the \_\_\_\_\_ day of \_\_\_\_\_, 2024.**

\_\_\_\_\_  
Kevin R. Carr, President  
Board of Directors

\_\_\_\_\_  
Doug Harper, Secretary/Treasurer  
Board of Directors



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## STAFF REPORT

September 18, 2024

**AGENDA ITEM:** Consider and act regarding approval of task order agreement with Halff Associates for professional engineering services for the replacement of the existing water lines and authorize the General Manager to execute the necessary documents to implement Board action.

**DESCRIPTION:** Halff Associates will provide professional engineering services for the design, bidding and construction phase services for the replacement of approximately 8,500 linear feet of water lines along and adjacent to Indian Creek Drive, Brook Hollow Lane, Saint Andrews Court, Lake Forest Court, Turnbury Court, Glen Eagles Court, Alamosa Drive, Monterey Drive, and Silver Rock Drive as a part of FY 2025 Capital Improvement Projects.

**ATTACHMENTS:**

Halff Task Order Proposal

**RECOMMENDATION:** Staff recommends approval of task order agreement with Halff Associates for professional engineering services for the replacement of the existing water lines as part of FY 2025 Capital Improvement Projects at a total cost not to exceed \$110,500 and authorize the General Manager to execute the necessary documents to implement Board action.



August 23, 2024  
P36681.007

Mr. Alan Fourmentin  
Trophy Club Municipal Utility District No.1  
100 Municipal Drive  
Trophy Club, Texas 76262

**RE: Proposal for FY 2025 Water Line Replacement**

Dear Mr. Fourmentin,

We are pleased to present the following scope of services and fee schedule to provide professional engineering services for the Trophy Club Municipal Utility District No. 1 (District). Per our discussion, the District would like Halff Associates to prepare engineering design plans for the replacement of the existing water lines along Indian Creek Drive, Brook Hollow Lane, Saint Andrews Court, Lake Forest Court, Turnbury Court, Glen Eagles Court, Alamosa Drive, Monterey Drive, and Silver Rock Drive.

This contract proposal includes the following items: Attachment 'A' – Scope of Services and Attachment 'B' – Fee Summary. Refer to Halff's Agreement for Professional Engineering Services on a Task Order Basis, executed by the District on October 18, 2018, for the terms and conditions of this proposal. The fees quoted in this proposal will be honored for up to 60 days from the date of this proposal. The signed Agreement by both parties will serve as Notice to Proceed (NTP). Engineering services will begin upon NTP and following the initial meeting with the District. See Attachment 'B' for signature page.

We trust this proposal meets your requirements for this project. We appreciate the opportunity to be of service to you, and trust that our association on this project will be mutually beneficial. Please feel free to contact us if you have any questions or comments concerning this proposal.

Sincerely,

**HALFF ASSOCIATES, INC.**

A handwritten signature in blue ink that reads "Leah M. Hodge".

Leah M. Hodge, PE, CFM  
Project Manager

C: Jourdan Johnson, PE - Halff

## **ATTACHMENT 'A'**

### **Scope of Services**

#### **Overview**

Halff will prepare design plans for 8 and 12-inch water lines and services, an approximate total length of 8,500 linear feet. The existing asbestos cement (AC) lines will be replaced in-place by AWWA C-900 pipe. The District has provided record drawings of the existing water lines, where available. The water lines will be replaced in the existing alignment.

The Indian Creek Drive water line replacement will begin at Trophy Club Drive and end near Plantation Oaks Dr (west). The total length is approximately 3,060 lf.

The Brook Hollow Lane replacement will begin at Indian Creek Drive and end at the cul-de-sac. The Brook Hollow Court replacement is also included for a total length of approximately 680 lf.

The Saint Andrews Court replacement will begin at Indian Creek Drive and end at the cul-de-sac for a total length is approximately 270 lf.

The Lake Forest Court replacement will begin at Indian Creek Drive and end at the cul-de-sac for a total length of 240 lf.

The Turnbury Court replacement will begin at Indian Creek Drive and end at the cul-de-sac for a total length of 240 lf.

The Glen Eagles Court replacement will begin at Indian Creek Drive and end at the cul-de-sac for a total length of 240 lf.

The Alamosa Drive Replacement will begin at Village Trail and end at Village Trail for a total length of 2,070 lf.

The Monterey Drive will begin at Silver Rock Drive and end at Sonora drive for a total length of 1,180 lf.

The Silver Rock Drive Replacement will begin at Chimney Rock Drive and end at Durango Drive for a total length of 490 lf.

#### **Basemap Preparation**

No survey will be performed as part of this project. The basemap will be prepared using an aerial image, record drawings, and field verification. GIS property boundaries from the Denton County Appraisal District will be utilized.

#### **Final Design Phase (90% Submittal)**

Final plans will be prepared and submitted to the District for review.

The plans will include the following sheets:

1. Cover Sheet with locator map and sheet index.
2. General notes/specifications sheet.
3. Project layout sheet.
4. Water line plan sheets; no profiles.
5. Construction detail sheets.
6. Contract Documents and Specifications (separate document).

Halff will deliver a PDF and two half size (11"x17") hard copies of the Construction Plans to the District for review. Halff will submit an estimate of probable construction cost with the 90% submittal. A review meeting with the District will be conducted at the end of the 90% Design Phase.

### **Construction Plans (100% Submittal)**

District comments will be addressed, and the plans will be submitted for construction. Each plan sheet will be stamped, dated and signed by the Engineer. Contract Documents and Specifications will be prepared. Halff will submit an updated estimate of probable construction cost with the 100% submittal.

Halff will deliver a PDF, and one full size (22"x34") and three half size (11"x17") hard copies of the Construction Plans to the District.

### **Bidding and Construction Phase Services**

Halff will provide bidding and construction phase services, including the following tasks:

1. Provide Link to Bidding Documents, Maintain Plan holder List, and receive bids through Civicast
2. Attend Pre-Bid Meeting
3. Issue Addenda and Respond to Contractor Questions
4. Host Virtual Bid Opening
5. Prepare Bid Tabulation and Letter of Recommendation
6. Prepare Conformed Contract Documents for Execution (Digital)
7. Provide Plans for Construction (1-22"x34" and 3-11"x17")
8. Attend Pre-Construction Meeting
9. Review Submittals and Answer RFIs
10. Review Pay Applications
11. Prepare Project Closeout Documents
12. Prepare Record Drawings
13. Update GIS Shapefiles and Asset Management Spreadsheet



**Schedule**

- Completion of final construction plans and contract documents and specifications (90%): 90 calendar days from notice to proceed.
- Completion of construction plans (100%): 150 calendar days from notice to proceed, excluding District review time.
- Bidding services: 30 calendar days from District's approval of construction plans.
- Construction services: In accordance with construction schedule
- Closure: 30 calendar days from the date of construction completion

**Additional services not included in the Scope of Services:**

- Geotechnical investigation
- Subsurface Utility Engineering (SUE) services
- Traffic control services
- ROW/Easement services, including temporary right-of-entries
- Pavement replacement or rehabilitation outside of the trench width
- Public meetings
- Services associated with rebidding the project after the initial advertisement/bid process
- Performance of materials testing or specialty testing services
- Services related to submitting for permits (ie. Town, utilities, etc.)
- Services related to survey construction staking
- Construction site visits
- Construction inspection services, including final walk through

**ATTACHMENT 'B'****Fee Summary****PROPOSED FEE SCHEDULE**

I.	Construction Plan Preparation.....	\$85,100 (Lump Sum)
II.	Bidding and Construction Phase Services .....	\$25,400 (Lump Sum)

**TOTAL FEE ..... \$110,500**

This project will be a lump sum fee. The lump sum fee will not be exceeded without prior approval from the District. The lump sum fee will be invoiced monthly based on percent completed. Halff will coordinate with the District to establish the billing schedule.

Direct costs, including printing, plotting, and reproduction, postage, messenger service, specialized equipment (such as GPS), long distance telephone calls and vehicle mileage will be considered reimbursable and will be billed at 1.10 times the direct cost incurred.

Additional services may be requested by the District on a task order basis. Halff will develop a separate scope and fee for each additional service and obtain approval from the District prior to initiating work on the additional services. A summary of current hourly billing rates and current unit pricing schedule is in Halff's Agreement for Professional Engineering Services on a Task Order Basis with the District (dated October 18, 2018).

Unless otherwise stated, fees quoted in this proposal exclude state and federal sales taxes on professional services. Current Texas law requires assessment of sales tax on certain kinds of surveying services but does not require sales taxes on other professional services. In the event that new or additional state or federal taxes are implemented on the professional services provided under this contract during the term of the work, such taxes will be added to the applicable billings and will be in addition to the quoted fees and budgets.

The fees and budgets established above do not include revisions once the project is underway. If revisions are requested, a revision to the scope and budget will be required.

Refer to Halff's Agreement for Professional Engineering Services on a Task Order Basis, executed by the District on October 18, 2018, for the terms and conditions of this proposal. We will proceed upon receiving the signed copy of this proposal. Signature blocks are on the following page.



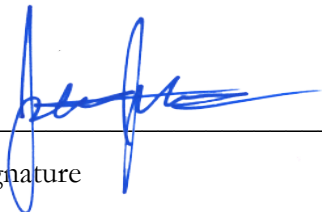
Submitted:

**HALFF ASSOCIATES, INC.**

Approved:

**TROPHY CLUB MUNICIPAL UTILITY  
DISTRICT NO.1**

By:

  
\_\_\_\_\_  
Signature

Jourdan Johnson  
\_\_\_\_\_  
Printed Name

Printed Name

W/WW Team Leader  
\_\_\_\_\_  
Title

Title

8/23/2024  
\_\_\_\_\_  
Date

Date

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



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## STAFF REPORT

September 18, 2024

### **AGENDA ITEM:**

Consider and act regarding approval of work order agreement with Pipeline Analysis, LLC for professional engineering services related to the district wastewater collection system and authorize the General Manager to execute the necessary documents to implement Board action.

### **DESCRIPTION:**

The district wastewater collection system has been divided into multiple study areas to be performed over an eleven-year period. This will be the fifth year of condition assessment efforts, which also coincide with the sanitary sewer overflow initiative (SSOI) executed with the Texas Commission on Environmental Quality (TCEQ) in September 2021 and expires September 2032. This work order includes smoke testing, cleaning, and CCTV of approximately 37,301 linear feet of pipe and inspection of approximately 169 manholes.

Upon completion of this work order and subsequent years of studies, the results will assist in determining annual capital improvement funding, long-term asset management needs, implementation with our computerized maintenance management system (CMMS), further refinement of the geographic information system (GIS), and provide the necessary data needed for annual reporting to TCEQ.

### **ATTACHMENT:**

Work Order No. 4

### **RECOMMENDATION:**

Staff recommends approval of work order agreement with Pipeline Analysis, LLC for professional engineering services related to the district wastewater collection system at a total cost not to exceed \$200,230.02 and authorize the General Manager to execute the necessary documents to implement Board action.

# Sanitary Sewer Condition Assessment and Infiltration/Inflow Reduction Program

## Work Order No. 4

### Basin 13

Alan Fourmentin  
General Manager  
[afourmentin@tcmud.org](mailto:afourmentin@tcmud.org)

P: 682-831-4600  
F: 817-491-9312



August 26, 2024



PIPELINE ANALYSIS LLC  
1115 Main Street  
Garland, Texas 75040  
800-637-0164

## **WORK ORDER NO.4 SCOPE OF SERVICES**

### **PURPOSE**

The purpose of this project is to perform a phased systematic condition assessment of the District wastewater collection system to identify system defects that contribute to wet weather infiltration/inflow. Best management practice is to perform a condition assessment of the wastewater collection system assets followed by repairs and rehabilitation. Such inspections and testing will identify system defects that, if repaired early, will minimize rehabilitation costs, and extend the life of system assets. All work will follow the Pipeline Analysis LLC Master Service Agreement Contract No. 2021101801. This work will comply with sections of the TCEQ SSO Initiative agreement entered into on September 27, 2021.

The District wastewater collection system consists of approximately 371,320 linear feet of mainline sewer and 1,600 manholes. Exhibit A presents the estimated cost for Work Order 4. The following summarizes the project tasks and approach to this phased project:

### **Work Tasks**

#### **TASK 100      MOBILIZATION**

Mobilize project team and coordinate startup. Establish personnel assignments and responsibilities. Inventory equipment needs and order expendable supplies. Review all relevant existing materials, previous reports, etc. developed for or by the District concerning this project, including, but not limited to, the following:

1. Previous studies for the service areas to be investigated
2. Sewer maps

#### *Deliverable:*

1. Delivery of equipment and personnel
2. Work maps of Basin with delineated boundaries

#### *To Be Provided by the District:*

- Access for placement of equipment and personnel
- Copies of all applicable reports, maps and historical data for the study area at no cost to ENGINEER
- As-built drawings, sewer key maps, street plans, electronic aerial photographs if available and if requested at no cost to ENGINEER

## TASK 200      MANHOLE/PIPE INSPECTION

The existing GIS maps will be used and updated during the course of field inspections. Field verification of the map will be necessary to resolve flow directions, “race track” connections, split flow locations, and identify assets not shown on the existing sewer maps. The updated maps will be used for subsequent field testing and inspections. Work Order 4 includes the inspection and map update of Basin 13 consisting of approximately 169 manholes and 37,301 linear feet of mainline sewer.

Manholes can be a significant source of extraneous infiltration/inflow and thereby reduce system wet weather capacity. For this reason, each manhole within the District will be inspected and undergo a condition assessment. The data gathered during this phase of the project will be used to prioritize manholes for rehabilitation and establish the base data necessary to accurately determine mainline sewer rehabilitation alternatives and costs. Other important deliverables resulting from this work task are the updating of the collection system map, determination of debris levels in pipes and verification of pipe sizes. This information is critical in preparing subsequent rehabilitation plans, cleaning requirements to restore capacity and updating of the system maps.

Inspection personnel will use digital cameras during the inspection of all manholes on this project. All photographs will be included in the field inspection computer database so that a permanent electronic record can be maintained. During inspection, each of the following types of information will be obtained to establish the condition and prioritize least cost repairs:

1. Manhole/Cleanout ID
2. Inspection Status – (including buried, could not locate, etc)
3. Address and GPS coordinates (sub-meter x,y) of manhole
4. Surface cover, grade, type of cover (paved, yard, etc.)
5. Material of construction – brick, concrete, etc.
6. Area and Internal photos of manhole
7. All incoming and outgoing pipe depths from rim to invert
8. All incoming and outgoing pipe digital photographs
9. Defects – Active, Evidence or No Infiltration/Inflow with digital photographs
10. Field corrections to collection system map

Upon completion of the manhole inspection, a prioritized manhole rehabilitation report will be prepared that will include:

- Documentation with summary of field observations
- List of manholes/lines requiring immediate attention
- Digital photos
- Documentation for preparing manhole rehabilitation quantities
- Field updated map(s)
- Prioritized Manhole Repair Recommendations and Cost Estimates

*To Be Provided by the District:*

- Access (if requested) to manholes that are buried or could not be opened.

- Assistance in locating assets (if requested)

*Measurement of Payment:*

Payment for this work task shall be a unit price for each manhole documented. Those manholes that are located, but buried or could not be opened will be noted and a list provided to the District. Manholes that could not be located using metal detectors or probes will be listed as Could Not Locate (CNL). CNL manholes will not be billed. Manholes located, but were buried or could not be opened will be billed. The District will provide replacement covers at no cost should a cover be broken while attempting opening.

**TASK 300      SMOKE TESTING OF STUDY AREA**

Smoke testing of Basin 13 will provide detailed information on wet weather inflow sources for the study area. In order to identify defects in the lines, non-toxic smoke will be forced into the sewer by high-capacity blowers. Data documentation includes measurements from two permanent points and will be sufficient to establish the location of each defect and determine the best repair method and priority. Color digital photographs will be taken to document each defect during the smoke test. The estimated total footage to be smoke tested is 37,301 linear feet.

Forty-eight (48) hours prior to testing, door hangers will be used to notify residents. A telephone number will be provided for those individuals with questions or for anyone requiring special assistance. Each day the fire department will be notified of the crew location since smoke may enter homes through defective plumbing.

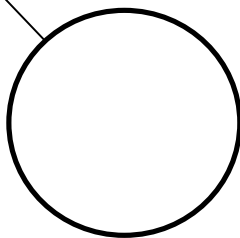
*To Be Provided by the District:*

- Review and approval of Notice to Residents
- Letter of introduction to be carried by field crews
- Previous smoke testing data, if any

*Final Report Deliverables:*

- Defects listing and database
- Defect location sketch
- Digital photographs
- Smoke Notification Flyers and Notification of Residents
- Priority ranking of defects (both private and public sector)
- Repair methods and estimated costs





## **SMOKE TESTING NOTICE TO RESIDENT**

For the next few days, inspection crews will conduct a physical survey of the wastewater collection system. Pipeline Analysis will perform this study, which involves opening manholes in the streets and backyard utility easements. Information gained from this study will be used to repair and improve the wastewater collection system.

One important task of the survey will be smoke testing of sewer lines to locate breaks and defects in the system. During this testing, white smoke will exit through vent pipes on the roofs of homes and through sewer line breaks. The smoke is non-toxic, leaves no residue, and creates no fire hazard. The smoke should not enter your home unless defective plumbing exists or drain traps are dry.

If you have seldom-used drains, please pour a gallon of water in the drain to fill the drain trap. This procedure will help prevent the possibility of smoke entering your living areas through those drains.

Field crews will perform testing of all sewers in the area. At no time will field crews have to enter your business or residence.

Your cooperation is appreciated. Should you have any additional questions concerning this study or if you desire special assistance, please phone:

**800-637-0164**



## Task 400      Dye Flooding

Dye water testing can be anticipated to assist in locating specific defects during the evaluation. Non-toxic dye will be introduced as a powder or liquid. Cross-connections, roof drains and area drains, that are suspected of being connected to the sanitary sewer, may be positively identified using the dye tracer procedure. Field documentation and photographs will be used to record all findings. Internal inspection will determine the exact source of the 'cross-connection' and establish the best repair option (i.e., point repair, direct connection, etc.). Five (5) dye flood locations are estimated.

*To Be Provided by the District:*

- Water for dye flooding at no cost to Engineer

## TASK 500 & 600 CLEANING AND CCTV

Preparatory cleaning shall consist of hydraulic jet cleaning to facilitate the internal CCTV inspection. Preparatory cleaning will consist of not more than three passes of the jet hose (normal cleaning). Heavy cleaning to remove large deposits of debris is not included in this work task. Debris will be removed from the line and transported for disposal. CCTV investigation is found to be critical in establishing the mainline condition and best practical repair methods. The total footage in Basin 13 for cleaning and CCTV inspection is estimated to be 37,301 linear feet. The following information will be gathered:

1. Field forms, equipment, supplies and oversight QA/QC
2. Document findings. Data to include:
  - a. Date inspected
  - b. Line segment being inspected
  - c. Project name
  - d. Location (Address)
  - e. Footage location from manhole
  - f. Defect code and/or type and severity rating using the national Pipeline Assessment Certification Program (PACP) codes
  - g. Pipeline surface cover
3. Review video and logs
4. Provide reports on of segments televised in electronic format
5. Summary of line segments cleaned and CCTV'd
6. Results of TV inspection provided on printed logs
7. Prepare prioritized mainline rehabilitation plan

*To Be Provided by the District:*

- Access to site of work for placement of equipment and personnel

- Disposal site for any debris removed from the sewer system
- Water for cleaning and dye testing at no cost to engineer

*Measurement of Payment:*

Pipeline Analysis will invoice for the actual linear feet of sewer cleaned per the unit price specified in Exhibit A. In the case of CCTV, should the camera not be able to pass the entire length of the segment (due to protruding taps, roots, dropped joints, etc.), then an attempt will be made from the opposite direction (if possible). Where a reverse setup was attempted, then the entire segment length will be billed at the unit price specified. If a reverse setup cannot be performed, then the actual segment footage CCTV'd will be billed.

**TASK 700      ADMINISTRATION AND PROJECT MANAGEMENT**

This task includes internal project administration and oversight including scheduling, budget, quality assurance and control meetings and reporting. The project schedule will be reviewed and milestones for the completion of each task will be assigned. The project schedule will be reviewed and updated monthly to ensure that all tasks are completed in a timely and organized fashion.

Management work items include:

1. Field crew supervision and project planning
2. Prepare monthly billings
3. Schedule equipment and order supplies

Major system deficiencies that are identified during the field inspections that if corrected would result in significant reduction in I/I or is deemed to be of a safety concern will be recorded and forwarded as soon as possible to the District's designated project manager. Likewise, should the District undertake a major repair within the study area, they will notify ENGINEER to determine the impact on data analysis.

*Deliverables:*

1. Monthly invoice
2. Status reports
3. Project schedule and updates

*To Be Provided by the District:*

- All reports or materials deemed necessary by ENGINEER and identified during the course of the project that is not specifically stated above will be provided at no additional cost to the ENGINEER

## TASK 800 DEFECT ANALYSIS/ REHABILITATION

This project will generate a considerable amount of data that will require proper entry and quality control. Data collection will include the following:

1. All collected data will be integrated into the project existing defect database and will be compatible with ArcGIS.
2. All collected defect data will be correlated between sources to address duplicate defects that were identified by different testing methods. Identify duplicate defects to ensure multiple rehabilitation methods are not recommended for the same defect.
3. Defect data will be presented graphically (data visualization).
4. Much of the baseline data required for rehabilitation decision is gathered during the normal course of field investigations. For example, “area photos” are taken of each manhole in the direction of the outgoing pipe. This photograph not only shows the location of the manhole but also provide data on the line cover and easement conditions.
5. Since private sector defects can contribute to excessive inflow, proper documentation for subsequent repair is important. Property owner address, photograph and sufficient information to document the defect will be recorded. Private sector defects will be prioritized and repair methods/costs established.
6. Rehabilitation recommendations will consider the best repair for the particular asset (manhole, pipeline, etc.) being rehabilitated. A long-term least-cost solution may have an initial higher cost, but provide a higher level of service and lower operating and maintenance cost. Supporting data will be provided on accompanying flash drive.

*To Be Provided by the District:*

- Complaint records and SSO database if requested

## TASK 900 FINAL SSES REPORT AND TCEQ ANNUAL PROGRESS REPORT

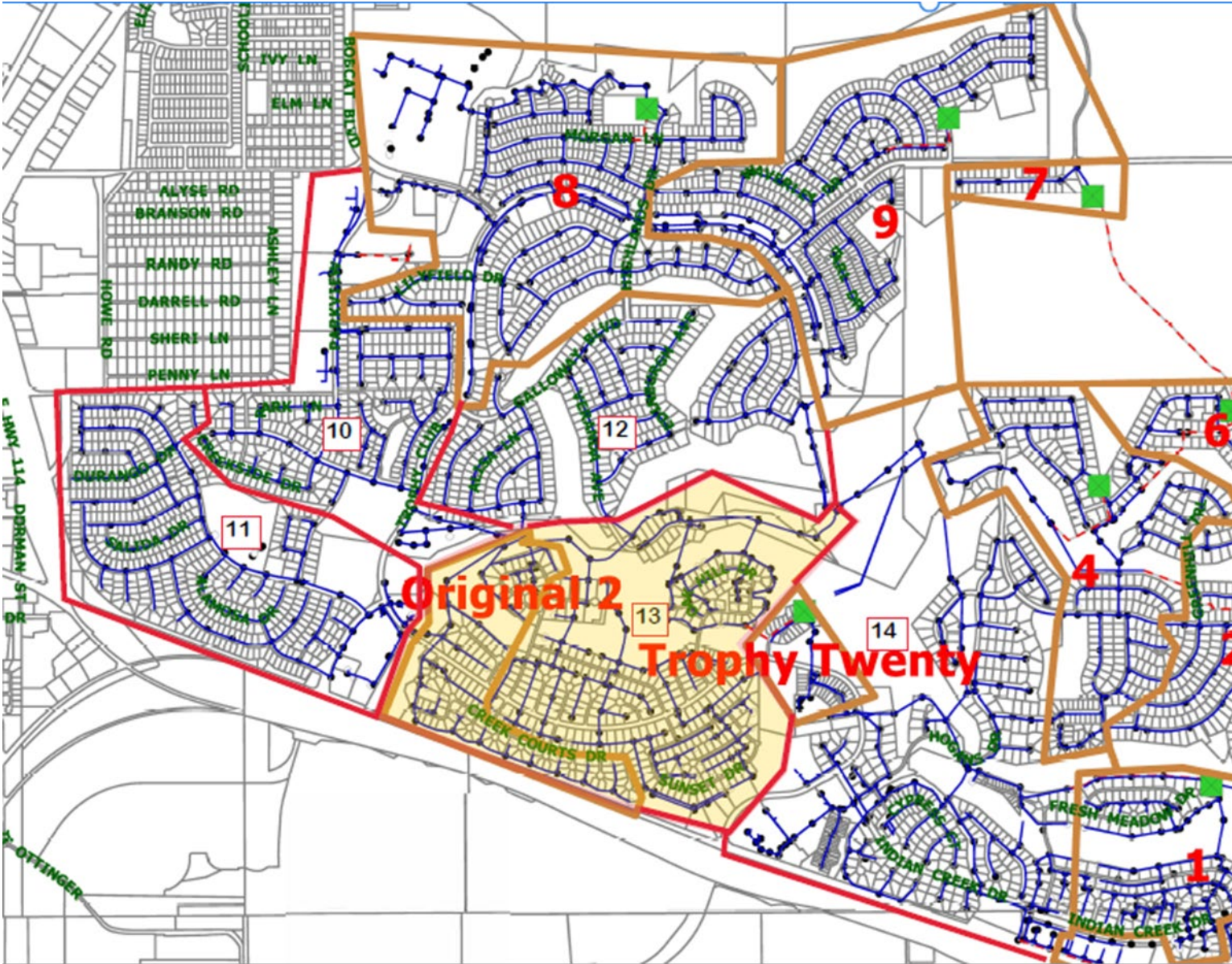
Prepare and submit three (3) flash drives of Final SSES Report and project data that includes the following:

- Executive Summary
- Description of all tasks
- Manhole and pipe inspection summary/inventory
- Manhole and pipeline defect summary
- Service lateral defect summary
- Smoke test data summary
- CCTV data summary
- Recommendations and Cost Estimates for Private and Public sector repairs

Compile applicable information necessary to complete and submit by October 1, 2025 the TCEQ SSOI Annual Progress Report (TCEQ Form 20595) on behalf of the District as stipulated in the SSOI Agreement Enforcement Case No. 59814.



Basin 13 Study Area Map  
Manhole Inspection, Smoke Testing and CCTV Inspection



Size	Length
6	29452
8	3318
18	2350
21	2181
Total	37301

## Exhibit A

### Project Fee and Schedule

### Basin 13

Task	Description	Estimated Quantity	Unit Price	Total
100	Mobilization	L.S.	L.S.	\$ 4,170.00
200	Manhole/Pipe Inspection -Basin 13	169	\$ 150.00	\$ 25,350.00
300	Smoke Testing, Public Awareness, Data Entry & Analysis (Basin 13)	37,301	\$ 0.67	\$ 24,991.67
400	Dye Flooding	5	\$ 650.00	\$ 3,250.00
500	Preparatory Cleaning	37,301	\$ 1.80	\$ 67,141.80
600	CCTV Inspection	37,301	\$ 1.55	\$ 57,816.55
700	Admin.,Project Mgt.	L.S.	L.S.	\$ 1,980.00
800	Defect Analysis/Rehab.	L.S.	L.S.	\$ 1,730.00
900	Database, Cost Estimates, Mapping, Final Reports, TCEQ Annual Report	L.S.	L.S.	\$ 13,800.00
<b>Total Not To Exceed</b>				<b>\$ 200,230.02</b>

Task	Description	Month						
		1	2	3	4	5	6	7
100	Mobilization	■						
200	Manhole/Pipe Inspection -Basin 13	■	■					
300	Smoke Testing, Public Awareness, Data Entry & Analysis (Basin 13)		■	■				
400	Dye Flooding				■			
500	Preparatory Cleaning				■	■		
600	CCTV Inspection				■	■		
700	Admin.,Project Mgt.	■	■	■	■	■	■	■
800	Defect Analysis/Rehab.						■	
900	Database, Cost Estimates, Mapping, Final Reports, TCEQ Annual Report							■

**WORK ORDER MANAGER**

The Work Order Manager will be the primary contact person during performance of this work and will provide the ENGINEER the basin study area(s) to be inspected. All correspondence or inquiries should be addressed to the Work Order Manager. This work task will be coordinated by:

Alan Fourmentin  
General Manager  
682-831-4600  
[afourmentin@tcmud.org](mailto:afourmentin@tcmud.org)

**APPROVAL**

The undersigned has reviewed and approved this Work Order and authorizes Pipeline Analysis LLC to perform the work as presented:

Authorized by:

\_\_\_\_\_  
Alan Fourmentin  
General Manager

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

**ACCEPTED BY**

The undersigned has reviewed and approved this Work Order. Pipeline Analysis is authorized to perform the scope of services in Work Order 4 as presented without exceeding contract not-to-exceed limits.

Authorized by:

Mattie A. Engels

Mattie A. Engels,  
P.E. Vice-President  
August 26, 2024





## **Drought Contingency & Emergency Water Management Plan**



Considered: April 16, 2024  
Effective: May 1, 2024

General Manager: Alan Fourmentin  
Trophy Club Municipal Utility District No. 1  
100 Municipal Drive  
Trophy Club, TX 76262  
(682) 831-4600

**Public Water System ID TX 0610018**



## **Section I: Introduction and Objectives**

The purpose of this Water Management and Drought Contingency Plan (subsequently referred to as the Plan) is as follows:

- To effectively manage water supply while ensuring that the needs of all residents and customers of the District are adequately addressed
- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions

TCEQ rule Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.1 (4) defines a drought contingency plan as “a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.” TCEQ rules governing development of and minimum requirements for drought contingency plans for municipal water suppliers and wholesale water suppliers are contained in Texas Administrative Code Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 and Rule 288.22, respectively.

Water uses regulated or prohibited under this Plan are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply conditions are deemed to constitute a waste of water which subjects the offender(s) to penalties, as defined in Section XI - Enforcement of this Plan.

## **Section II: Public Involvement**

Opportunity of the public to provide input into the preparation of the Plan was provided by Trophy Club Municipal Utility District No. 1 (subsequently referred to as the District) by means of public meeting held on April 16, 2024. Additionally, the Plan is posted on the District website.

## **Section III: Public Education**

The District will inform and educate the public about the Plan through the following means:

- Preparing fact sheets describing the Plan and making these available online, through bill inserts, direct mail, and postings in public locations.
- Posting a copy of the Plan on the District website.
- Using the District News/Eblast to share the information.

At any time the Plan is initiated, terminated, or the stage changes, customers will be notified through the above methods as well as through press releases to the media.

## **Section IV: Coordination with Regional Water Planning Groups**

The District purchases water from the City of Fort Worth Water Department, which is mixed with water from several water wells of the District. In accordance with Section 2.3 of the wholesale contract with the City of Fort Worth, the District will institute and apply the same rationing, conservation measures or and/or restrictions for the use of water by its customers for so long as the District continues to purchase water from the City of Fort Worth.

The service area of the District is located within the Region C: North Texas Municipal Water District. The District will provide a copy of this Plan to the North Texas Groundwater Conservation District and to the City of Fort Worth.

## **Section V: Application, Initiation, and Termination of Drought and Emergency Response Stages**

The provisions of this Plan shall apply to all persons, customers, and property utilizing potable water provided by the District. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, governmental institutions, and all other legal entities. The Plan does not apply to locations using treated wastewater effluent and/or private wells.

The Plan may be applied to the entire District or to geographic portions of the District as necessary. If the Plan is applied only to a limited sector, the boundaries will be defined in terms of roadways, creeks, and other easily distinguishable features.

The General Manager or acting General Manager may order the implementation of a drought response or water emergency stage when one or more of the trigger conditions for that stage is met or upon notification from the City of Fort Worth. Initiation of a drought stage requires notification in accordance with Section VI of this plan.

The General Manager or acting General Manager may order the termination of a drought response or water emergency stage when the conditions for termination are met or at their discretion based on current conditions and likelihood of the need to reinstate stages. Termination of a drought stage requires notification in accordance with Section VI of this plan.

## **Section VI: Notification**

**A. Notification of the Public:** The General Manager or acting General Manager shall notify the public by means of:

1. Publication in newspaper of general circulation;
2. Public Service announcements (cable channel and/or website, marquees, list-serve);
3. Signs posted in public places;
4. Bill inserts and/or direct mailings.

**B. Additional Notification:** The General Manager or acting General Manager shall notify directly, or cause to be notified directly, the following individuals and entities:

1. Board of Directors for the District;
2. Mayor, Town Manager, and Town Council Members;
3. Fire Chief;
4. TCEQ (Texas Commission on Environmental Quality) (required when mandatory restrictions are imposed);

5. Major water users

## Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

**Acting General Manager:** The person occupying the position temporarily to ensure continuity

**Aesthetic water use:** Water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

**Commercial and institutional water use:** Water use that is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

**Conservation:** Those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

**Customer:** Any person, company, or organization using water supplied by Trophy Club Municipal Utility District No. 1.

**District:** Trophy Club Municipal Utility District No. 1 provides water, sewer and fire protection services to customers within its boundaries or to customers outside its boundaries by contract with the Town of Trophy Club.

**General Manager:** Chief administrator of the District.

**Domestic Water Use:** Water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

**Drought:** Generally a lack of adequate water to supply needs or replenish supplies used.

**Even number address:** Street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6 or 8 and locations without addresses.

**Industrial Water Use:** The use of water in processes designed to convert materials of lower value into forms having greater usability and value.

**Landscape Irrigation Use:** Water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks and rights-of-way and medians.

**Non-essential water use:** Water uses that are neither essential nor required for the protection of public, health, safety, and welfare, including:

- a. Irrigation of landscape areas including parks, athletic fields, and golf courses, except otherwise provided under this Plan. Areas using recycled water or water sources not supplied by the District are excluded.
- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;

- c. Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- d. Use of water to wash down buildings or structures for purposes other than immediate fire protection;
- e. Flushing gutters or permitting water to run or accumulate in any gutter or street;
- f. Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- g. Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- h. Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- i. Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

**Odd numbered address:** Street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7 or 9.

**Person:** Any Person, entity, firm, partnership, association, corporation, company, or organization of any kind.

**Rationing:** Limiting the amount of water that can be used.

**Water:** Water taken from the public water supply or distribution system within the boundaries of the District or within an area supplied wholesale water by the District. Water may be potable or non-potable.

**Watering Prohibited Times:** Outdoor irrigation is prohibited year-round on Mondays. Additionally, outdoor watering is prohibited year-round between the hours of 10:00 a.m. and 6:00 p.m. unless otherwise noted in the Plan.

## **Section VIII: Year Round Water Management and Conservation Requirements**

The District recognizes the need to promote water conservation as a part of the District's overall strategy and future planning efforts. Water conservation practices can extend the life of existing infrastructure, extend the timing for new infrastructure, and reduce the need for added water supply. Extending the time for infrastructure upgrades allows the District to stabilize rates and prevent economic impacts to customers.

Based on the known benefits of water conservation, the District is implementing a year-round water management plan that allows for two day per week outdoor irrigation for all customers. Unless the Drought Management Plan is initiated, customers are allowed to perform outdoor watering in accordance with the following schedule:

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
No outdoor watering	Non-residential	Even Residential addresses ending in 0,2,4,6,8	Odd Residential addresses ending in 1,3,5,7,9	Non-residential	Even Residential addresses ending in 0,2 4,6,8	Odd Residential addresses ending in 1,3 5,7,9

Violations of year-round water management requirements are enforceable violations of the District Plan in accordance with Section XI - Enforcement Procedures for Mandatory Water Use Measures.

## **Section IX: Criteria for Initiation and Termination of Drought Response Stages**

The General Manager or acting General Manager shall monitor water supply and/or demand conditions on a monthly basis during non-trigger times and a daily basis during trigger times and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified triggers are reached.

The triggering criteria described below are based on many conditions. First, because the City of Fort Worth is the primary water provider, the District will adhere to the current policy of Fort Worth Water established by the City of Fort Worth, through notification procedures established in the agreement. Second, identified local conditions will be used to implement the stages listed below. Local conditions include known system capacity, time of the year, weather conditions, and staff monitoring of the water supply.

### **Stage 1 Response Triggers - Water Watch**

#### **A. Triggering Conditions**

1. Water demand reaches or exceeds 90% of reliable delivery capacity for three (3) consecutive days.
2. Contamination of the City of Fort Worth's water treatment or distribution system.
3. Inadequate delivery capacity by the City of Fort Worth.
4. Failure of or damage to the City of Fort Worth's water supply system.
5. Water demand approaches a reduced delivery capacity for all or part of the system due to supply or production capacity limitation including contamination of the system.
6. Pursuant to requirements established in the agreement with the City of Fort Worth, notification is received requesting initiation of Stage 1 of their Drought Contingency Plan.
7. Conditions within the District's water system that warrant a mild reduction in water usage. These conditions may include loss of supply, storage, or pumping capacity, water main break, or other system failure.

**B. Requirements for Termination** - Stage 1 may terminate when the City of Fort Worth terminates its Stage 1 condition or when the circumstance that caused the initiation of Stage 1 no longer prevails.

**C. Goal for Use Reduction for Stage 1** - The goal for water-use reduction under Stage 1 - Water Watch is five percent (5%). If circumstances warrant or if required by the City of Fort Worth, the General Manager or acting General Manager can set a goal for greater water use reduction.

**D. All Water Users**

1. Initiate mandatory restrictions to prohibit non-essential water use as follows:
  - a. Prohibit hosing of paved areas, such as sidewalks, driveways, parking lots, tennis courts, patios, or other impervious surfaces, except to alleviate an immediate health or safety hazard.
  - b. Prohibit hosing of buildings or other structures for purposes other than fire protection or surface preparation prior to painting.
  - c. Prohibit using water in such a manner as to allow runoff or other waste, including:
    - i. Failure to repair a controllable leak, including a broken sprinkler head, a leaking valve, leaking or broken pipes, or a leaking faucet;
    - ii. Operating a permanently installed irrigation system with: (a) a broken head; (b) a head that is out of adjustment and the arc of the spray head is over a street or parking lot; or (c) a head that is misting because of high water pressure; or
    - iii. During irrigation, allowing water (a) to run off a property and form a stream of water in a street for a distance of 50 feet or greater; or (b) to pond in a street or parking lot to a depth greater than one-quarter of an inch.
    - iv. Allowing or causing an irrigation system or other lawn watering device to operate during any form of precipitation or when temperatures are at or below 32 degrees Fahrenheit.
2. Limit landscape watering with sprinklers or irrigation systems at each service address to a twice per week schedule as outlined below. This includes landscape watering of parks, golf courses, and sports fields.
  - a. Residential addresses ending in an even number (0, 2, 4, 6, or 8) may water on Wednesdays and Saturdays.
  - b. Residential addresses ending in an odd number (1, 3, 5, 7 or 9) may water on Thursdays and Sundays.
  - c. All non-residential locations (apartment complexes, businesses, industries, parks, medians, etc.) may water on Tuesdays and Fridays.
3. No irrigation is permitted on Mondays. Watering with a sprinkler or irrigation system is prohibited between the hours of 10:00 a.m. and 6:00 p.m. every day. Watering with a soaker hose or drip irrigation is permitted at any time or day except Mondays. Watering with a hand-held hose or hand-held bucket can be done at any time or any day.
4. Exceptions:
  - a. Lawns, landscaping, and foundations may be watered up to two hours on any day except Mondays and cannot occur between the hours of 10 a.m. and 6:00 p.m. If performed under these circumstances, watering must be performed using a handheld hose, soaker hose, drip irrigation system, or tree bubbler. Foundation watering system must be placed within 24 inches of the foundation and cannot produce a spray of water above the ground.

- b. Newly installed shrubs (first year) and trees (two years) may be watered up to two hours on any day except Monday by handheld hose, drip irrigation, a soaker hose or tree bubbler. Tree watering is limited to an area not to exceed the drip line of a tree.
  - c. Establishing new turf is discouraged. If hydro mulch, grass sod, or grass seed is installed for the purpose of establishing a new lawn, watering restrictions for the first 30 days while it is being established are reduced to allow watering any day except Monday and can be performed at any time. A variance permit must be obtained in accordance with Section X of this plan. After expiration of the variance permit, the watering restrictions set forth in this stage apply. This exception for new turf does not include over seeding with rye or seasonal grasses since turf already exist.
  - d. Golf courses may water greens and tee boxes as necessary, however watering must be done before 10 a.m. and after 6 p.m. Golf courses are encouraged to reduce potable water use by 5%.
  - e. Skinned areas of sports fields may be watered as needed for dust control.
  - f. Athletic fields (playing fields within a stadium only – not surrounding landscaping) may be watered as needed, except on Mondays, to maintain league standards. Sports fields are encouraged to reduce potable water use by 5%.
- 5. All users are encouraged to reduce the frequency of the filling, draining, or refilling of swimming pools, wading pools, hot tubs, and Jacuzzi type pools except to maintain structural integrity, proper operation and maintenance, and/or to alleviate an issue that poses a public safety risk.
  - 6. All users are encouraged to use native and adapted drought tolerant plants in landscaping.
  - 7. Washing of any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle shall be limited to the use of a hand-held bucket or a hand-held hose equipped with a positive-pressure shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the premises of a commercial car wash or commercial service station. Companies with an automated on-site vehicle washing facility may wash their vehicles at any time. Further, such washing may be exempt from these requirements if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

#### **E. Commercial Customers**

- 1. All actions listed above for all water users apply to commercial and industrial users.
- 2. Hotels, restaurants, and bars are encouraged to serve drinking water to patrons on an “on demand” basis.
- 3. Hotels are encouraged to implement laundry conservation measures by encouraging patrons to reuse linens and towels.

4. Car washing facilities must keep equipment in good working order, which should include regular inspections to ensure there are no leaks, broken, or misdirected nozzles, and that all equipment is operating efficiently.
5. All commercial and industrial customers are encouraged to inspect and repair irrigation systems.

**F. District and Other Local Government Responsibilities During Stage 1** - In addition to the actions listed above:

1. Review conditions and problems that caused Stage 1 and take corrective action.
2. Increase public education efforts on ways to reduce water use.
3. Increase enforcement efforts.
4. Intensify leak detection and repair efforts.
5. Audit all local government irrigation systems to ensure proper condition, settings, and operation.
6. Identify and encourage voluntary reduction measures by high-volume water users.
7. Reduce non-essential water use. As used herein, non-essential water uses are those that do not have any health or safety impact and are not needed to meet the core function of the agency.
8. The General Manager or acting General Manager will notify wholesale customers of actions being taken and require them to implement the same stage and measures.

**Stage 2 Response Triggers – Water Warning**

**A. Triggering Conditions for Stage 2**

1. Water demand reaches or exceeds 95% of reliable delivery capacity for three (3) consecutive days. The delivery capacity could be District-wide or in a specified portion of the system.
2. Contamination of the water supply source(s) or water supply system.
3. Demand for all or part of the delivery system equals or exceeds delivery capacity because delivery capacity is inadequate.
4. Pursuant to requirements established in the agreement with the City of Fort Worth, notification is received requesting initiation of Stage 2 of their Drought Contingency Plan.
5. Conditions within the District's water system that warrants a moderate reduction in water usage. These conditions may include loss of supply, storage, or pumping capacity, water main break, or other system failure.

**B. Requirements for Termination** - Stage 2 may terminate when the City of Fort Worth terminates its Stage 2 condition or when the circumstance that caused the initiation of Stage 2 no longer prevails.



**C. Goal for Use Reduction for Stage 2** - The goal for water use reduction under Stage 2 – Water Warning is to decrease use by 10 percent (10%). If circumstances warrant or if required by the City of Fort Worth, the General Manager or acting General Manager can set a goal for greater water use reduction.

**D. All Water Users** - Continuation of restrictions imposed in Stage 1 and:

1. Limit landscape watering with sprinklers or irrigation systems to a once per week schedule at each service address as determined by the General Manager. This includes landscape watering at parks, golf courses, and sports fields.
2. Exceptions:
  - a. Lawns, landscaping, and foundations may be watered up to two hours on any day except Mondays and cannot occur between the hours of 10 a.m. and 6:00 p.m. If performed under these circumstances, watering must be performed using a handheld hose, soaker hose, drip irrigation system, or tree bubbler. Foundation watering system must be placed within 24 inches of the foundation and cannot produce a spray of water above the ground.
  - b. Newly installed shrubs (first year) and trees (two years) may be watered up to two hours on any day except Monday by handheld hose, drip irrigation, soaker hose or tree bubbler. Tree watering is limited to an area not to exceed the drip line of a tree.
  - c. Golf courses may water greens and tee boxes as needed to keep them alive, however watering must be done before 10 a.m. and after 6 p.m. and cannot be done on Mondays. Fairways are restricted to once per week watering as outlined above. Golf course rough cannot be watered.
  - d. Watering for dust control on skinned areas of sport fields is not allowed.
  - e. Athletic fields (playing fields within a stadium only – not surrounding landscaping) may be watered as needed, except on Mondays, to maintain league standards. Sports fields are encouraged to reduce potable water use by 10%.
  - f. All users are encouraged to wait until the current drought or emergency situation has passed before establishing new landscaping and turf. Variances granted for establishing new turf grass or landscaping may be granted for a maximum of 30 days in accordance with Section X of this plan. However, variances are at the discretion of the General Manager and may be denied if circumstances are warranted. This exception does not apply to over seeding with rye or seasonal grasses where turf already exists.
3. Prohibit use of water for dust control, except to protect public health.
4. Prohibit the operation of ornamental fountains or ponds that use potable water except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. Prohibit filling, draining, or refilling of swimming pools, wading pools, hot tubs, and Jacuzzi type pools except to maintain structural integrity, proper operation and maintenance, and/or to alleviate an issue that poses a public safety risk.

6. Encourage the use of covers for all types of pools, hot tubs, and Jacuzzi type pools when not in use.

**E. Commercial Customers**

1. All actions listed above for all water users apply to commercial and industrial users.
2. Use of water from fire hydrants for any purpose other than firefighting-related activities or other activities necessary to maintain public health, safety and welfare requires a variance permit issued by the General Manager or acting General Manager. Fire hydrant use may be limited to only designated hydrants. Upon declaration of this drought stage, all holders or applicants of a portable meter are required to apply for a variance as set forth in Section X of this plan. If conditions warrant the need, the General Manager or acting General Manager may require all portable meters be immediately returned pending an approved variance permit.

**F. District and Other Local Government Responsibilities During Stage 2 -** In addition to the actions listed above:

1. Continue or initiate any actions available under Stage 1.
2. Review conditions and/or problems that caused Stage 2 and take corrective action.
3. Increase frequency of media releases on water supply conditions.
4. Further accelerate public education efforts on ways to reduce water use.
5. Eliminate non-essential water use. As used herein, non-essential water uses are those that do not have any health or safety impact and are not needed to meet the core function of the agency.
6. Prohibit wet street sweeping.
7. The General Manager or acting General Manager will notify wholesale customers of actions being taken and require them to implement the same stage and measures.

**Stage 3 Response Triggers – Emergency Water Use**

**A. Triggering Conditions for Stage 3**

1. Water demand has reached or exceeds 98% of reliable delivery capacity for one (1) day.
2. Contamination of the water supply source(s) or water supply system.
3. Demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
4. Pursuant to requirements established in the agreement with the City of Fort Worth, notification is received requesting initiation of Stage 3 of their Drought Contingency Plan.

5. Conditions within the District's water system that warrant a major reduction in water usage. These conditions may include loss of supply, storage, or pumping capacity, water main break, or other system failure

**B. Terminating Conditions for Stage 3** - Stage 3 may terminate when the City of Fort Worth terminates its Stage 3 condition or when the circumstances that caused the initiation of Stage 3 no longer prevail.

**C. Goals for Use Reduction for Stage 3** - The goal for water use reduction under Stage 3 - Emergency Water Use, is to decrease use by 20 percent (20%). If circumstances warrant or if required by the City of Fort Worth, the General Manager or acting General Manager can set a goal for a greater water use reduction.

**D. All Water Users** – Continuation of restrictions imposed in Stages 1 and 2 and:

1. Prohibit landscape watering, including at parks, golf courses, and sports fields.
2. Exceptions:
  - a. Watering with a hand-held hose, soaker hose, or drip irrigation system may occur any day except Monday at any time. The intent of this measure is to allow for the protection of structural foundations, trees, and other high value landscape materials.
  - b. Golf course greens only may be watered by hand-held hose as needed to keep them alive. However watering must be done before 10 a.m. and after 6 p.m.
  - c. Watering of athletic fields (playing fields with a stadium only – not surrounding landscaping) may be allowed by a variance permit. A water management plan must be submitted to the General Manager detailing how each area will comply with stage 3 drought measurements. If approved, watering of athletic fields will be expressly permitted through a variance permit.
3. Prohibit establishment of new landscaping. Variances may be granted in accordance with Section X of this plan for those landscape projects initiated prior to the initiation of stage 3 drought restrictions.
4. Restrict vehicle washing to commercial car wash, commercial service station or private on-site vehicle washing facilities and only as necessary for health, sanitation, or safety reasons, including but not limited to the washing of garbage trucks and vehicles used to transport food and other perishables. All other vehicle washing is prohibited.
5. Prohibit the operation of ornamental fountains or ponds that use potable water except where necessary to support aquatic life.
6. Prohibit the draining, filling, or refilling of swimming pools, wading pools and Jacuzzi type pools. Existing private and public pools may add water to maintain pool levels, however they may not be refilled using automatic fill valves.
7. Prohibit the hosing of buildings or other structures for purposes other than fire protection or surface preparation prior to painting with high-pressure equipment. If

allowed, surface preparation must be performed by a professional power washing service utilizing high efficiency equipment and a vacuum recovery system.

**E. Commercial Customers**

1. All actions listed above for all water users apply to commercial and industrial users.
2. Hotels, restaurants, and bars are required to serve drinking water to patrons on an “on demand” basis.
3. Hotels are required to implement laundry conservation measures by encouraging patrons to reuse linens and towels.
4. Commercial water users will be required to reduce water use by a set percentage determined by the General Manager.

Use of water from hydrants for any purpose other than firefighting-related activities or other activities necessary to maintain public health, safety and welfare. The General Manager will order the return of all portable meters until stage 3 restrictions are rescinded.

**F. District and Other Local Government Responsibility** - In addition to actions listed above:

1. Continue or initiate any actions available under Stages 1 and 2.
2. Review conditions or problems that caused Stage 3 and take corrective action.
3. Implement viable alternative water supply strategies.
4. Increase frequency of media releases explaining emergency situation.
5. Reduce district and local government water use to maximum extent possible.
6. Prohibit the permitting of new swimming pools, Jacuzzi type pools, spas, ornamental ponds and fountain construction. Pools already permitted and under construction may be completely filled with water if a variance permit is granted in accordance with Section X of this plan
7. Institute a mandated reduction in deliveries to all wholesale customers. Such a reduction will be distributed as required by Texas Water Code §11.039.
8. The General Manager or acting General Manager will notify wholesale customers of actions being taken and require them to implement the same stage and measures.

**Section X: Procedures for Granting Variances to the Plan**

- A.** The General Manager or acting General Manager may grant temporary variances for existing water uses otherwise prohibited under the Plan if one or more of the following conditions are met:

1. Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person requesting the variance.
  2. Compliance with this plan cannot be accomplished due to technical or other limitations.
  3. Alternative methods that achieve the same level of reduction in water use can be implemented.
- B.** Variances shall be granted or denied at the discretion of the General Manager or acting General Manager. All petitions for variances should be in writing and should include the following information:
1. Name and address of the petitioner(s)
  2. Purpose of water use
  3. Specific provisions of the Plan from which the petitioner is requesting relief
  4. Detailed statement of the adverse effect of the provision from which relief is requested
  5. Description of the relief requested
  6. Period of time for which the variance is sought
  7. Alternative measures that will be taken to reduce water use
  8. Other pertinent information

## **Section XI: Enforcement Procedures for Mandatory Water Use Measures**

- A.** No person shall knowingly or intentionally allow the use of District water for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the Drought Response Stage in effect at the time pursuant to action taken by the Board of Directors of the District or the General Manager or acting General Manager, in accordance with the provisions of this Plan.
- B.** Mandatory water conservation measures and mandatory water restrictions will be enforced as follows:
1. On the first violation, customers will be given a written warning that they have violated the mandatory water use restrictions. The violation will be explained in the warning (wrong day of week, outside permissible watering times, etc.) and will include a telephone number to the District for information regarding the violation.
  2. Any person who violates this Plan for the second or subsequent times in a calendar year is subject to an administrative penalty of fifty dollars (\$50.00) that will be added to the customer's next monthly water bill. The customer will be provided a notice of the penalty that will include an explanation of the violation.
  3. If a person is found to have committed three (3) or more distinct violations of this Plan, the General Manager is authorized to discontinue water service to the

premises where such violations occur. Written notice with the reason for disconnection will be provided to the customer.

Reconnection of service will require payment of a two hundred dollar (\$200.00) reconnection charge paid to the District prior to service reinstatement in addition to an administrative penalty of \$50. Service reinstatement will only be provided during District office hours. In addition, suitable assurance must be given to the General Manager that the same action shall not be repeated while the Plan is in effect.

- C. In addition to administrative penalties issued by District personnel, any Trophy Club, Denton, or Tarrant County enforcement officer or licensed enforcement officer of the District may issue a citation to a person he/she reasonably believes to be in violation of this Plan and if found guilty is subject to a fine of up to \$2000 per violation.
- D. Each day that one or more of the provisions in the Plan is violated shall constitute a separate offense. Compliance with this Plan may also be sought through injunctive relief in the District Court.
- E. Any Person, including a Person classified as a water customer of the District, in apparent control of the property where a violation occurs or originates, shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation.
- F. Appendix A contains a copy of the Order adopting this Plan approved by the District's Board of Directors.

## **Section XII: Review and Update of Drought Contingency Plan**

As required by TCEQ rules, the District will review this Drought Contingency Plan at least every five years after adoption or amendment. The Plan will be updated as appropriate, based on new or updated information.

## **Appendix A**

### Resolution Adopting Drought Contingency Plan

October 2024							
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
40	Sep 29, 2024	30	Oct 1	2	3	4	5
41	6	7	8	9	10	11	12
42	13	14	15	16	17	18	19
				Board of Directors Reg			
43	20	21	22	23	24	25	26
		7am Early Voting - November 5 General Election					
44	27	28	29	30	31	Nov 1	2
	7am Early Voting - November 5 General Election						