



**BOARD OF DIRECTORS  
REGULAR MEETING**

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

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Monday, March 17, 2025

6:30 P.M.

Svore Municipal Boardroom

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**REGULAR MEETING AGENDA**

**CALL TO ORDER AND ANNOUNCE A QUORUM**

**CITIZEN COMMENTS**

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

**REPORTS & UPDATES**

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

[Attachments: Monthly Staff Reports](#)

2. Receive update regarding District 50<sup>th</sup> Anniversary event planning.

**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. February 19, 2025, Regular Meeting Minutes

[Attachment: February Meeting Minutes](#)

**REGULAR SESSION**

4. Discussion and possible action regarding annual Winter Average analysis.

5. Discussion and possible action regarding residential consumption adjustments. (Thomas)
6. Consider and act to adopt Rate Order No. 2025-0317A Establishing Policies, Procedures and Rates, Fees and Charges for Water and Sewer Services.

[Attachment: Rate Order 2025-0317A redline](#)

7. Consider and act to approve Resolution No. 2025-0317A amending the Fiscal Year 2025 Budget.

[Attachment: Resolution No. 2025-0317A](#)

8. Discussion and possible action regarding Amended and Restated Contract for Wholesale Water and Wastewater to Town of Trophy Club.

[Attachments: 2023 First Amendment to Wholesale Water and WW Service](#)

[2017 Amended and Restated Contract for Wholesale Water and WW](#)

9. Discussion and possible action regarding Interlocal Cooperation Agreement for Administration of Fire Protection Services.

[Attachments: 2024 First Amendment to ILA for Administration of Fire Protection Services](#)

[2023 ILA for Administration of Fire Protection Services](#)

#### **EXECUTIVE SESSION**

10. 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:
  - a. Possible transfer of District Assets.

#### **REGULAR SESSION**

11. Consider and act regarding item(s) discussed in Executive Session.

#### **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:
13. Next Regular Meeting date – April 16, 2025, at 6:30 p.m.

[Attachment: April 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**

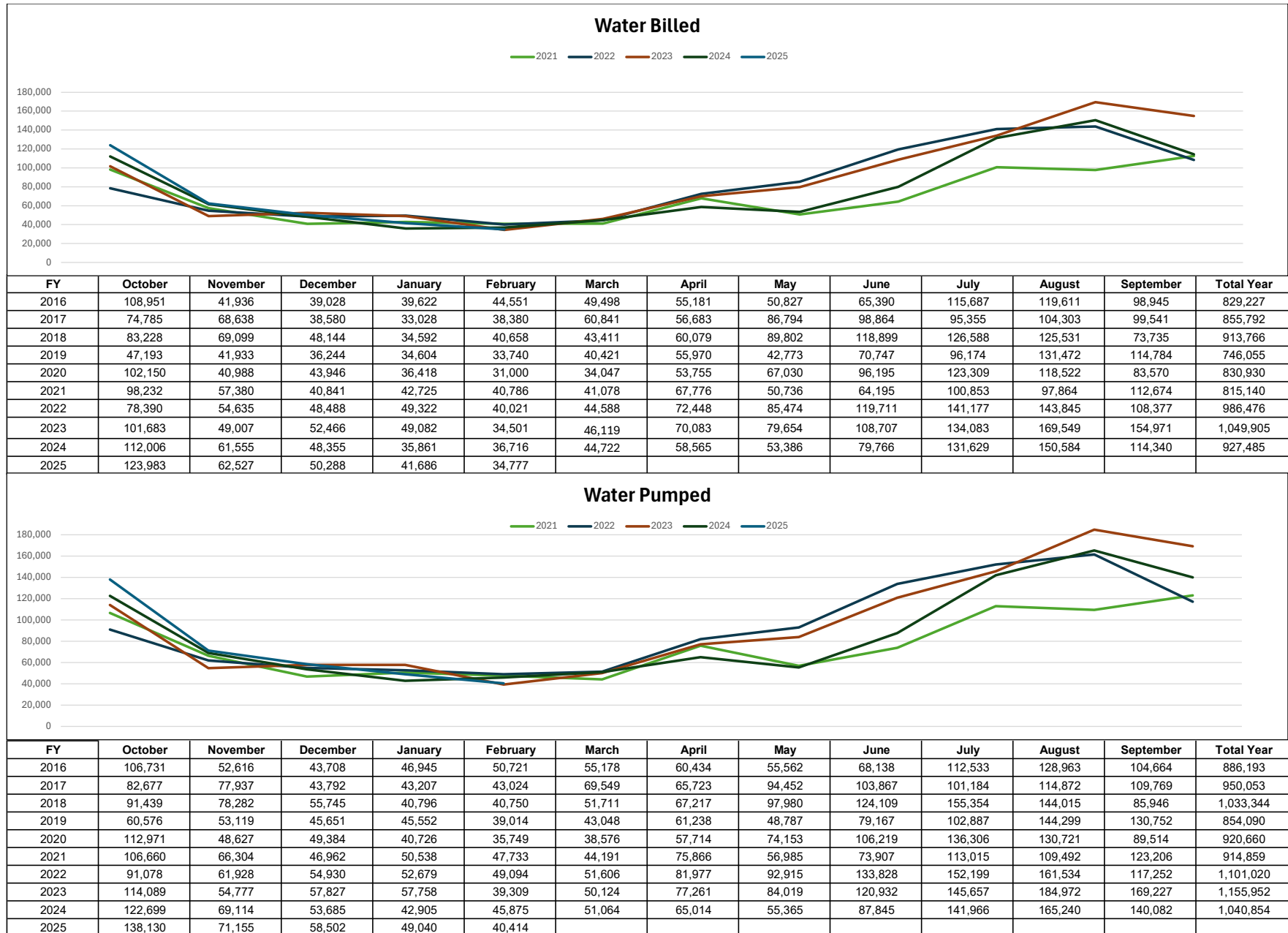


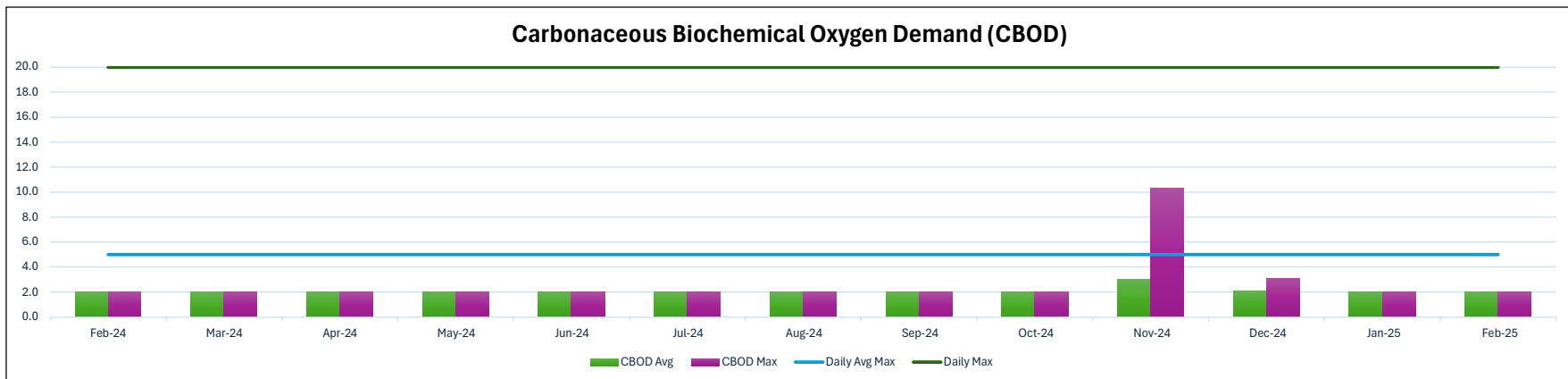
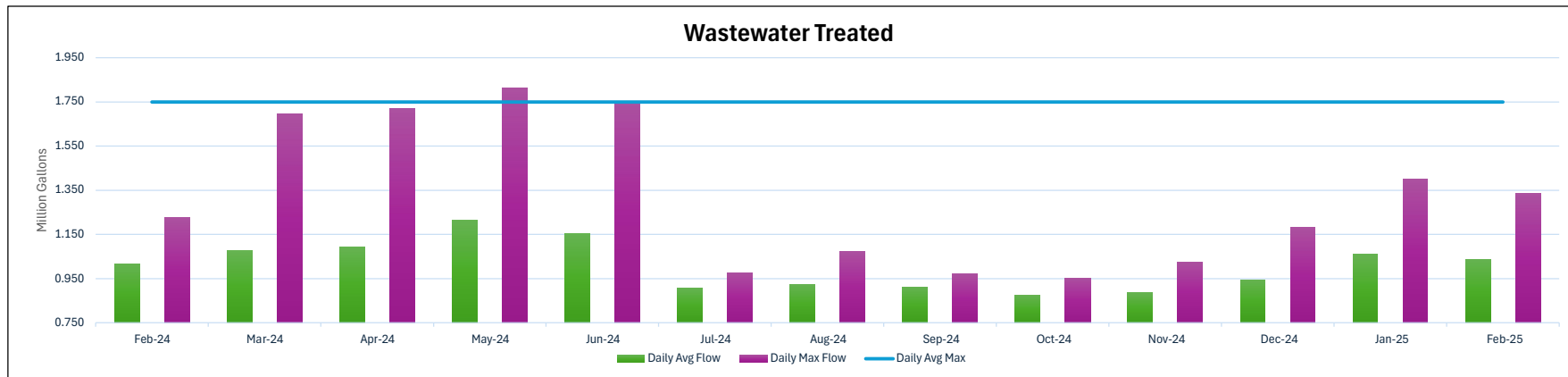
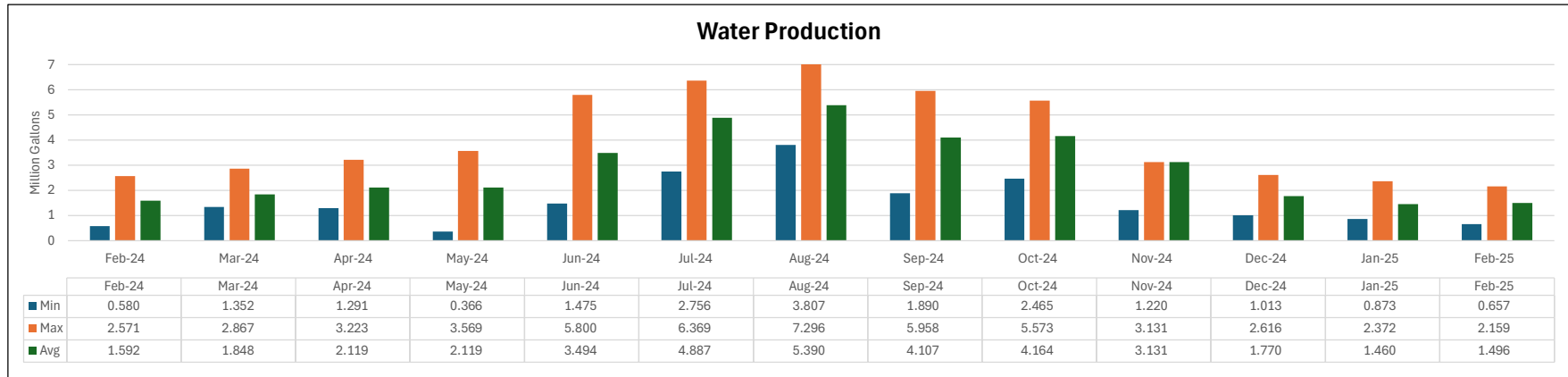
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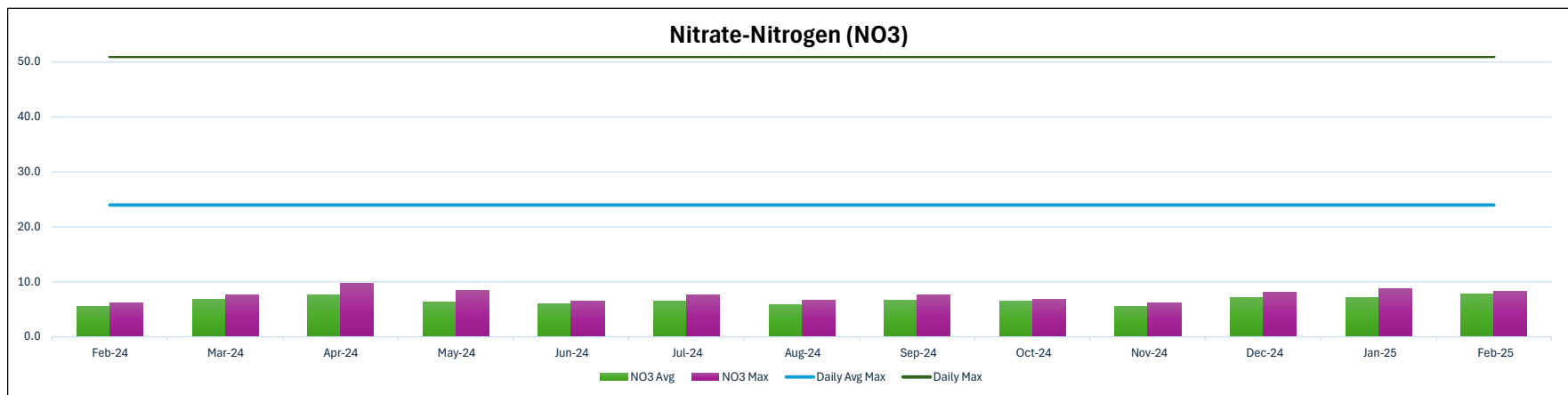
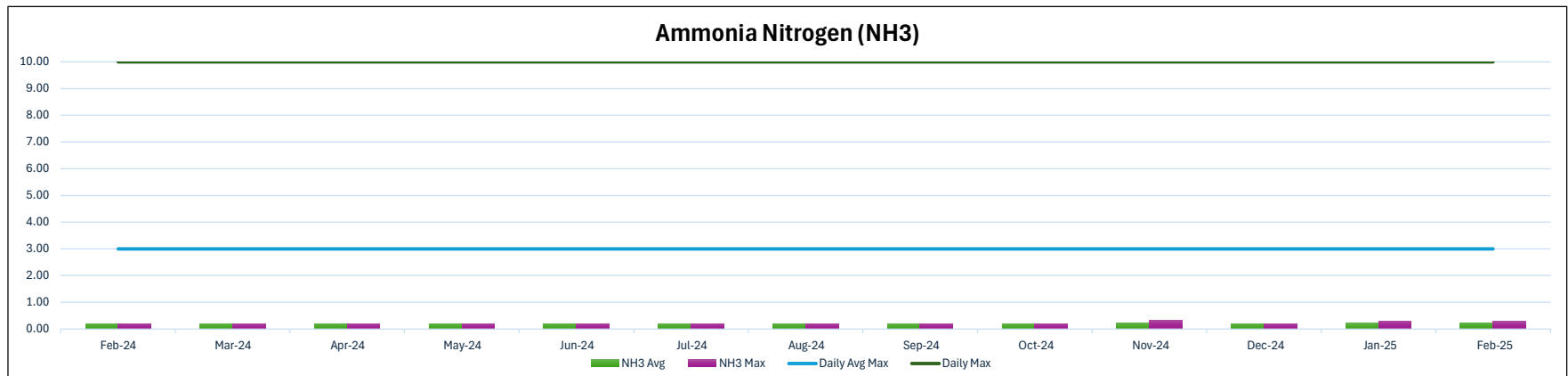
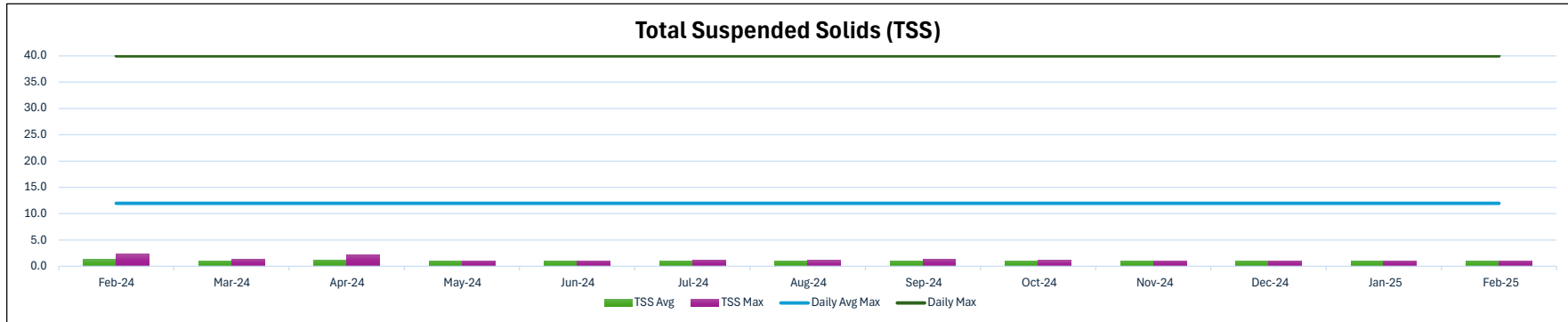
## Capital Improvement Projects

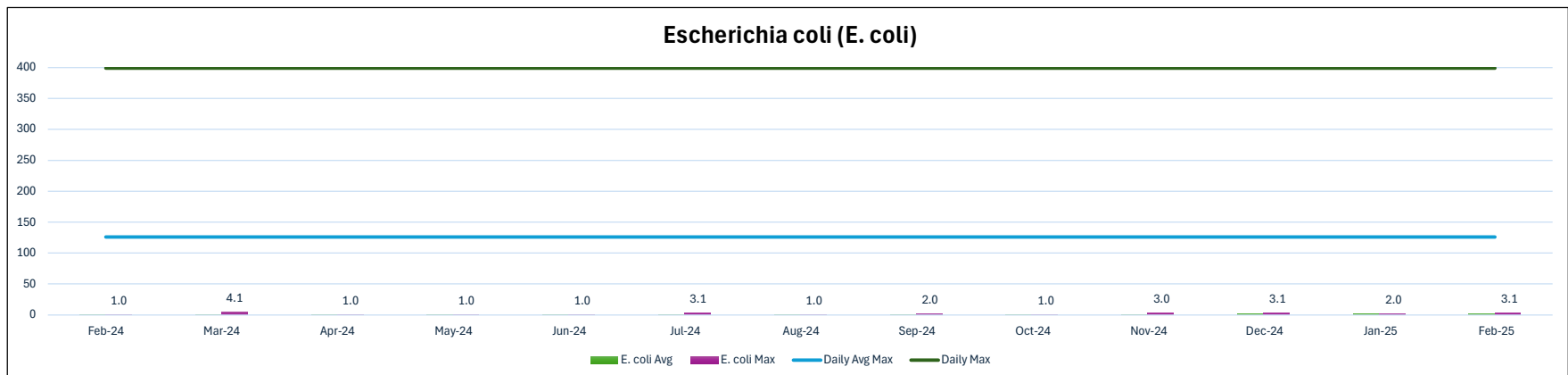
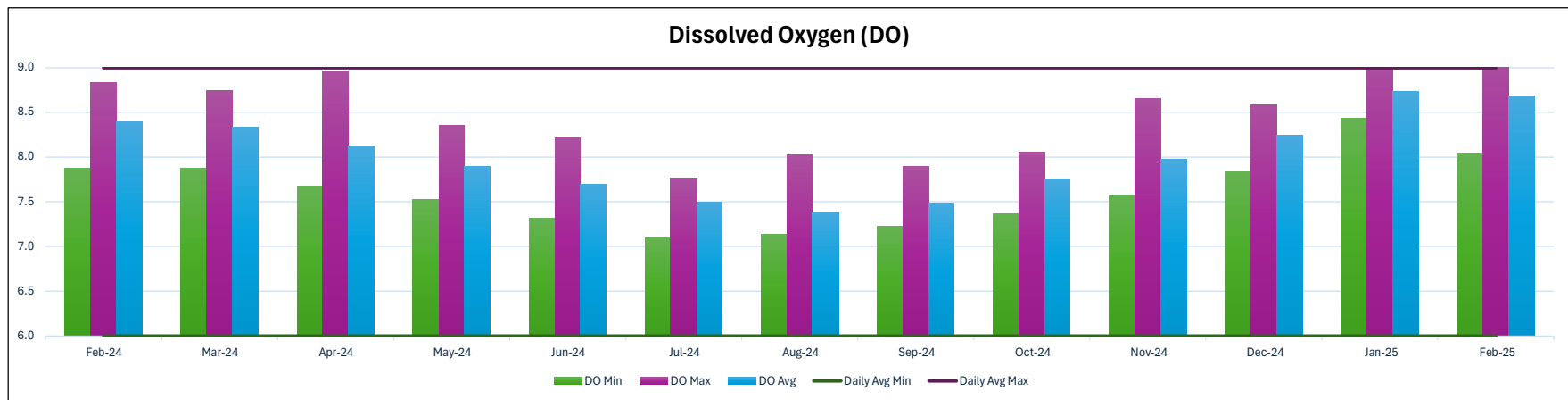
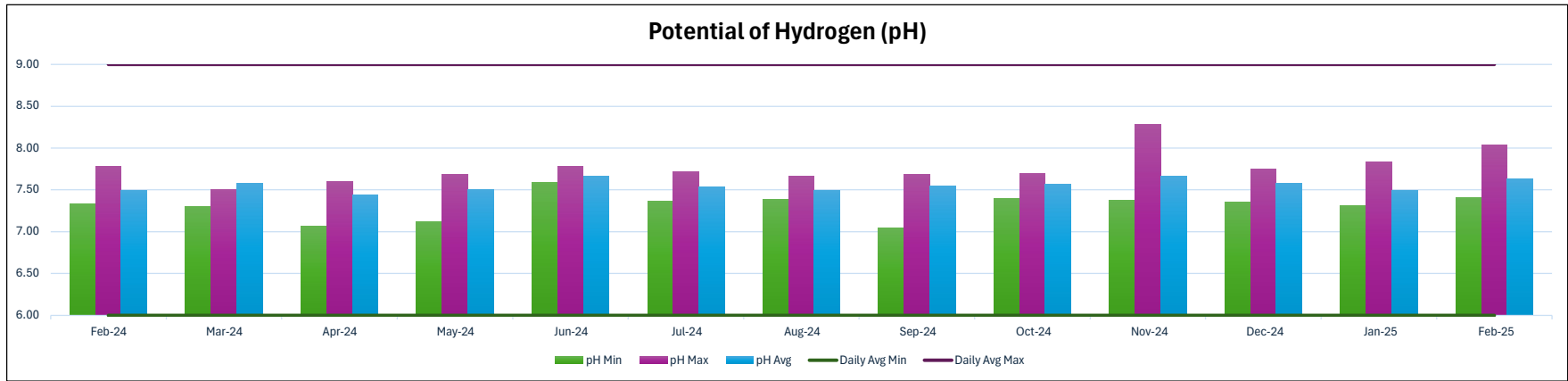
- FY 2025 Water Line Project – Bidding is under way for the replacement of approximately 8,500 linear feet of water lines along and adjacent to Indian Creek Drive, Saint Andrews Court, Lake Forest Court, Turnbury Court, Glen Eagles Court, Alamosa Drive, Monterey Drive, Silver Rock Drive, and Durango Drive.
- Lift Station Improvements – A contract has been approved for miscellaneous improvements at six lift stations and includes the following:
  - Installation of fall protection equipment at Lift Stations No. 2, 3, 4, 5, 6, and 7.
  - Removal and installation of chain link fence and installation of access drive to Lift Station No. 2.
  - Removal and installation of aluminum hatches on the check valve vaults at Lift Stations No. 2, 3, and 6.
  - Installation of manual vault bypass line with quick connect fitting at Lift Stations No. 2, 5, and 6.
  - Installation of gravel to match existing generator pad, minor electrical work, and coring drainage holes at Lift Stations No. 7.













## Trophy Club Municipal Utility District No. 1

## Check Report

By Check Number

Date Range: 02/01/2025 - 02/28/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: Prosperity Bank-Prosperity Bank</b>						
2222	Aflac	02/05/2025	Regular	0.00	216.14	10952
1512	Association of Water Board Directors	02/05/2025	Regular	0.00	485.00	10953
1926	Badger Meter, Inc	02/05/2025	Regular	0.00	205.32	10954
3197	BenefitMall	02/05/2025	Regular	0.00	52.00	10955
2890	Berry Companies, Inc	02/05/2025	Regular	0.00	48,037.52	10956
4018	BP Energy Holding Company LLC	02/05/2025	Regular	0.00	37,294.15	10957
2683	Charter Communications	02/05/2025	Regular	0.00	903.74	10958
1030	City of Fort Worth	02/05/2025	Regular	0.00	122,941.15	10959
2655	Core & Main LP	02/05/2025	Regular	0.00	2,050.79	10960
4003	CW Janitorial Services	02/05/2025	Regular	0.00	1,600.00	10961
3184	Dataprose LLC	02/05/2025	Regular	0.00	2,866.02	10962
2796	Garver	02/05/2025	Regular	0.00	2,005.92	10963
2635	Halff Associates Inc.	02/05/2025	Regular	0.00	44,304.38	10964
2773	HB Systems LLC	02/05/2025	Regular	0.00	18,194.00	10965
4033	Health Care Service Corporation	02/05/2025	Regular	0.00	25,160.68	10966
2641	Huber Technology Inc	02/05/2025	Regular	0.00	7,141.63	10967
1513	James Thomas	02/05/2025	Regular	0.00	1,432.77	10968
2943	JP Morgan Chase Bank NA	02/05/2025	Regular	0.00	9,931.05	10969
3278	Kyocera Document Solutions	02/05/2025	Regular	0.00	104.50	10970
3216	M3 Networks	02/05/2025	Regular	0.00	1,103.00	10971
2628	MCCI	02/05/2025	Regular	0.00	19,633.75	10972
3115	Metlife Group Benefits	02/05/2025	Regular	0.00	228.22	10973
2842	Omnisite	02/05/2025	Regular	0.00	442.00	10974
4019	Peterson Pump & Motor Service LLC	02/05/2025	Regular	0.00	862.50	10975
2801	Pipeline Analysis LLC	02/05/2025	Regular	0.00	20,118.00	10976
1466	Polydyne, Inc	02/05/2025	Regular	0.00	4,046.85	10977
1737	PVS DX INC	02/05/2025	Regular	0.00	1,557.08	10978
3176	Rey-Mar Construction	02/05/2025	Regular	0.00	157,815.53	10979
2809	Rod L Abbott CPA LLC	02/05/2025	Regular	0.00	17,792.04	10980
3156	Southern Petroleum Lab Inc	02/05/2025	Regular	0.00	12,337.20	10981
2793	Southwest Insulation	02/05/2025	Regular	0.00	2,900.00	10982
2440	Tarrant County Public Health Laboratory	02/05/2025	Regular	0.00	150.00	10983
2696	Texas Excavation Safety System	02/05/2025	Regular	0.00	188.60	10984
1482	Texas Municipal League	02/05/2025	Regular	0.00	200.00	10985
4085	The Liston Law Firm, P.C.	02/05/2025	Regular	0.00	5,391.75	10986
1081	Tri County Electric	02/05/2025	Regular	0.00	663.66	10987
4031	Tronic LLC	02/05/2025	Regular	0.00	39.00	10988
4027	Univar Solutions USA LLC	02/05/2025	Regular	0.00	2,684.53	10989
3225	US Bank Voyager Fleet Systems	02/05/2025	Regular	0.00	1,838.39	10990
1058	Verizon Wireless	02/05/2025	Regular	0.00	1,167.96	10991
4028	Altex Electronics, LTD	02/06/2025	Regular	0.00	18,962.69	10992
2772	Allied Waste Industries	02/19/2025	Regular	0.00	9,148.97	10993
3197	BenefitMall	02/19/2025	Regular	0.00	112.00	10994
2683	Charter Communications	02/19/2025	Regular	0.00	903.74	10995
4006	Conсор Engineers LLC	02/19/2025	Regular	0.00	49,125.00	10996
4006	Conсор Engineers LLC	02/19/2025	Regular	0.00	-49,125.00	10996
2655	Core & Main LP	02/19/2025	Regular	0.00	1,078.05	10997
3184	Dataprose LLC	02/19/2025	Regular	0.00	2,864.86	10998
2497	DHS Automation Inc	02/19/2025	Regular	0.00	4,184.06	10999
4088	Entech Sales & Service, LLC	02/19/2025	Regular	0.00	460.00	11000
3258	Francotyp-Postalia, Inc.	02/19/2025	Regular	0.00	170.88	11001
2635	Halff Associates Inc.	02/19/2025	Regular	0.00	6,955.00	11002
2750	Handling Systems & Conveyors	02/19/2025	Regular	0.00	2,551.00	11003
4089	Mas Talent LLC	02/19/2025	Regular	0.00	1,837.50	11004

## Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2440	Tarrant County Public Health Laboratory	02/19/2025	Regular	0.00	420.00	11005
4085	The Liston Law Firm, P.C.	02/19/2025	Regular	0.00	3,732.75	11006
1001	Town of Trophy Club	02/19/2025	Regular	0.00	250,118.80	11007
1081	Tri County Electric	02/19/2025	Regular	0.00	790.15	11008
1058	Verizon Wireless	02/19/2025	Regular	0.00	592.53	11009
1005	Atlas Utility Supply Co.	02/19/2025	Regular	0.00	107,430.00	11010
2920	CareNow Corporate	02/19/2025	Regular	0.00	38.00	11011
1030	City of Fort Worth	02/19/2025	Regular	0.00	110,250.61	11012
2655	Core & Main LP	02/19/2025	Regular	0.00	287.88	11013
2606	Fiserv Solutions LLC	02/19/2025	Regular	0.00	50.00	11014
2796	Garver	02/19/2025	Regular	0.00	1,920.73	11015
3292	Grapevine Dodge Chrysler Jeep	02/19/2025	Regular	0.00	55,986.00	11016
3216	M3 Networks	02/19/2025	Regular	0.00	1,103.00	11017
2760	NDS Leasing	02/19/2025	Regular	0.00	175.00	11018
3111	North Texas Groundwater	02/19/2025	Regular	0.00	5,253.57	11019
2801	Pipeline Analysis LLC	02/19/2025	Regular	0.00	31,205.51	11020
3176	Rey-Mar Construction	02/19/2025	Regular	0.00	14,955.70	11021
1578	Smith Pump Company, Inc.	02/19/2025	Regular	0.00	25,250.00	11022
3156	Southern Petroleum Lab Inc	02/19/2025	Regular	0.00	2,176.80	11023
1973	Texas Commission on Environmental Quality	02/19/2025	Regular	0.00	48,755.07	11024
2696	Texas Excavation Safety System	02/19/2025	Regular	0.00	202.40	11025
4031	Tronic LLC	02/19/2025	Regular	0.00	39.00	11026
4006	Conсор Engineers LLC	02/19/2025	Regular	0.00	42,425.00	11027
3197	BenefitMall	02/28/2025	Bank Draft	0.00	507.71	DFT0000245
3113	TCDRS	02/28/2025	Bank Draft	0.00	10,324.07	DFT0000246
3124	IRS Tax Payment	02/28/2025	Bank Draft	0.00	13,284.76	DFT0000247
3113	TCDRS	02/14/2025	Bank Draft	0.00	10,167.98	DFT0000248
3124	IRS Tax Payment	02/14/2025	Bank Draft	0.00	13,226.08	DFT0000249
3197	BenefitMall	02/14/2025	Bank Draft	0.00	457.71	DFT0000250

## Bank Code Prosperity Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	118	76	0.00	1,377,599.07
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-49,125.00
Bank Drafts	6	6	0.00	47,968.31
EFT's	0	0	0.00	0.00
	<b>124</b>	<b>83</b>	<b>0.00</b>	<b>1,376,442.38</b>

**All Bank Codes Check Summary**

<b>Payment Type</b>	<b>Payable Count</b>	<b>Payment Count</b>	<b>Discount</b>	<b>Payment</b>
Regular Checks	118	76	0.00	1,377,599.07
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-49,125.00
Bank Drafts	6	6	0.00	47,968.31
EFT's	0	0	0.00	0.00
	<b>124</b>	<b>83</b>	<b>0.00</b>	<b>1,376,442.38</b>

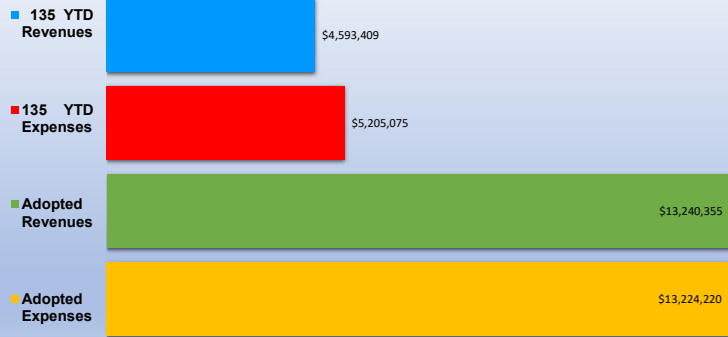
**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
996	MUD Consolidated Cash	2/2025	1,376,442.38
			<b>1,376,442.38</b>

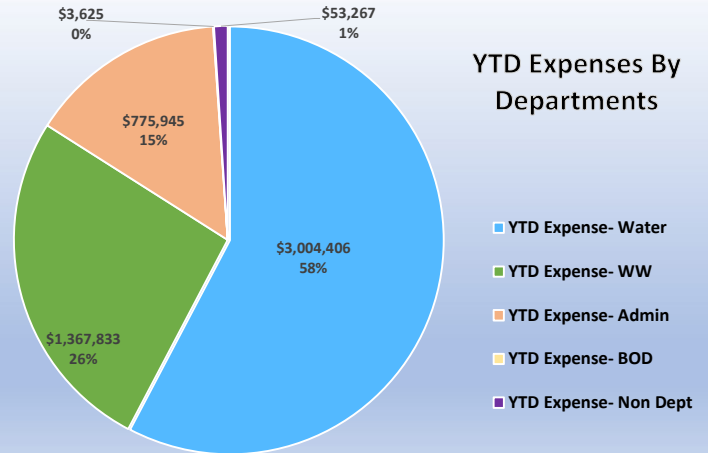
# FY 2025 Combined Financials

YTD as of 2/28/2025

Adopted Budget vs YTD Actuals Revenues & Expenses

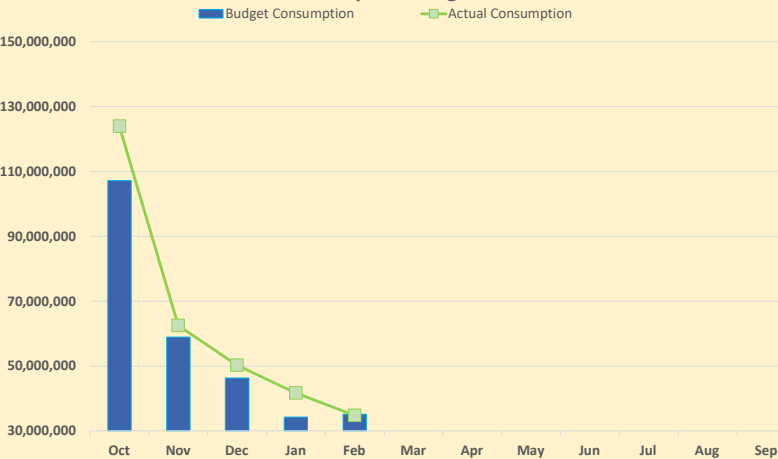


YTD Expenses By Departments

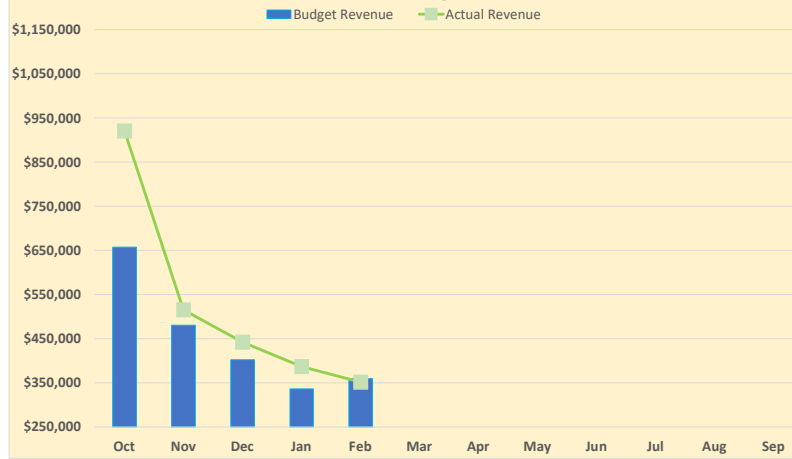


## Water Budget vs Actual

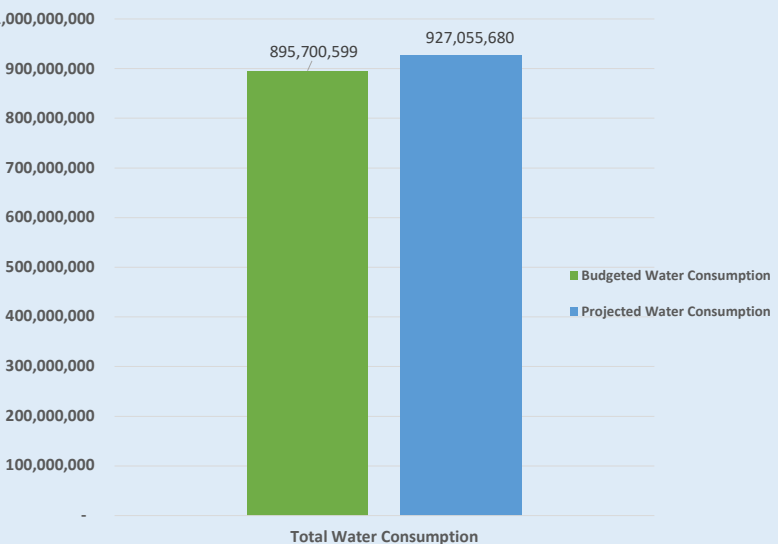
Water Consumption Budget vs Actual



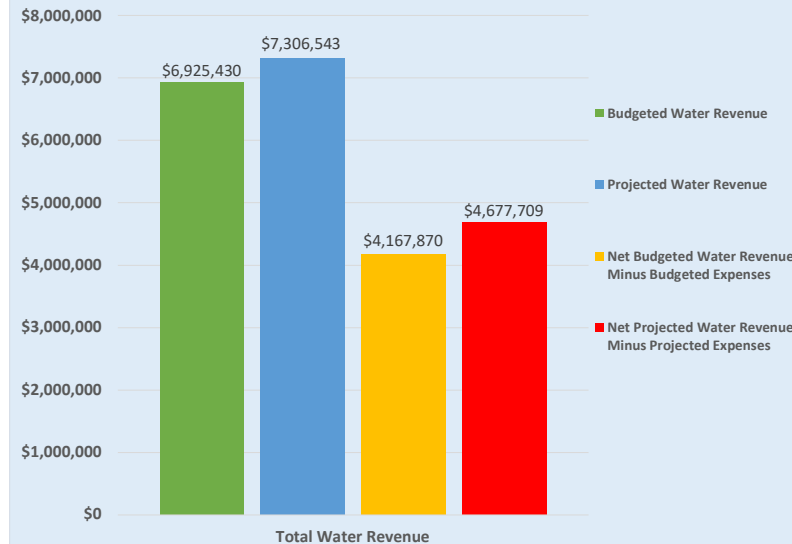
Water Revenue Budget vs Actual



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: 2024-2025 Period Ending: 02/28/2025

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 135 - MUD 1 General Fund</b>							
<b>Department: 000 - Revenue, Asset, Liability, &amp; Equity</b>							
<a href="#">135-000-40000-000</a>	Property Taxes	85,620.00	85,620.00	14,392.11	81,389.94	-4,230.06	4.94 %
<a href="#">135-000-40002-000</a>	Property Taxes/Delinquent	550.00	550.00	9.75	-293.53	-843.53	153.37 %
<a href="#">135-000-40015-000</a>	Property Taxes/P & I	500.00	500.00	128.44	114.63	-385.37	77.07 %
<a href="#">135-000-40025-000</a>	PID Surcharges	143,160.00	143,160.00	11,932.43	60,123.50	-83,036.50	58.00 %
<a href="#">135-000-47000-000</a>	Water	6,925,430.00	6,925,430.00	351,440.52	2,615,259.68	-4,310,170.32	62.24 %
<a href="#">135-000-47005-000</a>	Sewer	3,773,500.00	3,773,500.00	309,002.26	1,508,852.88	-2,264,647.12	60.01 %
<a href="#">135-000-47025-000</a>	Penalties	105,800.00	105,800.00	4,920.55	55,984.23	-49,815.77	47.08 %
<a href="#">135-000-47030-000</a>	Service Charges	3,350.00	3,350.00	425.00	1,500.00	-1,850.00	55.22 %
<a href="#">135-000-47035-000</a>	Plumbing Inspections	300.00	300.00	450.00	2,250.00	1,950.00	750.00 %
<a href="#">135-000-47045-000</a>	Sewer Inspections	100.00	100.00	150.00	700.00	600.00	700.00 %
<a href="#">135-000-47070-000</a>	TCCC Effluent Charges	119,890.00	119,890.00	0.88	23,468.72	-96,421.28	80.42 %
<a href="#">135-000-49011-000</a>	Interest Income	533,725.00	533,725.00	34,756.61	187,624.52	-346,100.48	64.85 %
<a href="#">135-000-49016-000</a>	Cell Tower Revenue	50,930.00	50,930.00	8,487.20	21,218.00	-29,712.00	58.34 %
<a href="#">135-000-49026-000</a>	Proceeds from Sale of Assets	25,000.00	25,000.00	0.00	15,000.00	-10,000.00	40.00 %
<a href="#">135-000-49036-000</a>	GASB Reserves	285,000.00	285,000.00	0.00	0.00	-285,000.00	100.00 %
<a href="#">135-000-49075-000</a>	Oversize Meter Reimbursement	2,100.00	2,100.00	1,284.00	5,992.00	3,892.00	285.33 %
<a href="#">135-000-49141-000</a>	Interfund Transfer In	1,178,400.00	1,178,400.00	0.00	0.00	-1,178,400.00	100.00 %
<a href="#">135-000-49900-000</a>	Miscellaneous Income	7,000.00	7,000.00	6,129.67	14,224.56	7,224.56	203.21 %
<b>Department: 000 - Revenue, Asset, Liability, &amp; Equity Total:</b>		<b>13,240,355.00</b>	<b>13,240,355.00</b>	<b>743,509.42</b>	<b>4,593,409.13</b>	<b>-8,646,945.87</b>	<b>65.31%</b>
<b>Department: 010 - Water</b>							
<a href="#">135-010-50005-000</a>	Salaries & Wages	448,840.00	448,840.00	35,269.74	182,733.58	266,106.42	59.29 %
<a href="#">135-010-50010-000</a>	Overtime	17,000.00	17,000.00	1,341.32	6,240.62	10,759.38	63.29 %
<a href="#">135-010-50016-000</a>	Longevity	6,540.00	6,540.00	0.00	6,537.50	2.50	0.04 %
<a href="#">135-010-50017-000</a>	Certification	3,300.00	3,300.00	275.00	1,325.00	1,975.00	59.85 %
<a href="#">135-010-50020-000</a>	Retirement	57,100.00	57,100.00	4,418.95	23,613.03	33,486.97	58.65 %
<a href="#">135-010-50026-000</a>	Medical Insurance	105,150.00	105,150.00	8,924.84	38,252.91	66,897.09	63.62 %
<a href="#">135-010-50027-000</a>	Dental Insurance	5,080.00	5,080.00	634.26	2,253.24	2,826.76	55.64 %
<a href="#">135-010-50028-000</a>	Vision Insurance	980.00	980.00	98.37	387.63	592.37	60.45 %
<a href="#">135-010-50029-000</a>	Life Insurance & Other	4,000.00	4,000.00	27.00	1,738.88	2,261.12	56.53 %
<a href="#">135-010-50030-000</a>	Social Security Taxes	29,490.00	29,490.00	2,205.35	11,912.63	17,577.37	59.60 %
<a href="#">135-010-50035-000</a>	Medicare Taxes	6,897.00	6,897.00	515.77	2,786.01	4,110.99	59.61 %
<a href="#">135-010-50040-000</a>	Unemployment Taxes	1,260.00	1,260.00	32.27	585.31	674.69	53.55 %
<a href="#">135-010-50045-000</a>	Workman's Compensation	13,200.00	13,200.00	1,136.90	5,684.50	7,515.50	56.94 %
<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	111.80	188.20	62.73 %
<a href="#">135-010-55080-000</a>	Maintenance & Repairs	222,000.00	222,000.00	43,609.88	49,932.08	172,067.92	77.51 %
<a href="#">135-010-55085-000</a>	Generator Maint. and Repair	2,000.00	2,000.00	0.00	0.00	2,000.00	100.00 %
<a href="#">135-010-55090-000</a>	Vehicle Maintenance	5,000.00	5,000.00	655.84	3,145.97	1,854.03	37.08 %
<a href="#">135-010-55105-000</a>	Maintenance-Backhoe/SkidLoader	1,000.00	1,000.00	0.00	0.00	1,000.00	100.00 %
<a href="#">135-010-55135-000</a>	Lab Analysis	7,500.00	7,500.00	450.00	2,874.00	4,626.00	61.68 %
<a href="#">135-010-55135-001</a>	Lab Analysis for PID	3,000.00	3,000.00	120.00	1,584.00	1,416.00	47.20 %
<a href="#">135-010-60010-000</a>	Communications/Mobiles	7,500.00	7,500.00	1,010.06	1,345.11	6,154.89	82.07 %
<a href="#">135-010-60020-000</a>	Electricity	216,400.00	216,400.00	13,383.40	97,640.36	118,759.64	54.88 %
<a href="#">135-010-60080-000</a>	Schools & Training	3,000.00	3,000.00	0.00	111.00	2,889.00	96.30 %
<a href="#">135-010-60100-000</a>	Travel & per diem	920.00	920.00	0.00	10.00	910.00	98.91 %
<a href="#">135-010-60135-000</a>	TCEQ Fees & Permits	29,500.00	29,500.00	51.38	19,818.60	9,681.40	32.82 %
<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	2,757,560.00	2,757,560.00	0.00	670,116.36	2,087,443.64	75.70 %
<a href="#">135-010-60285-000</a>	Lawn Equipment & Maintenance	12,500.00	12,500.00	0.00	1,800.00	10,700.00	85.60 %
<a href="#">135-010-60332-000</a>	Interfund Transfer Out-Rev I&S	568,498.00	568,498.00	51,681.71	258,408.55	310,089.45	54.55 %

Budget Report

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<a href="#">135-010-65005-000</a>	Fuel & Lube	23,580.00	23,580.00	0.00	4,841.58	18,738.42	79.47 %
<a href="#">135-010-65010-000</a>	Uniforms	4,360.00	4,360.00	114.00	1,432.77	2,927.23	67.14 %
<a href="#">135-010-65030-000</a>	Chemicals	35,000.00	35,000.00	2,374.98	14,021.02	20,978.98	59.94 %
<a href="#">135-010-65050-000</a>	Meter Expense	20,000.00	20,000.00	0.00	0.00	20,000.00	100.00 %
<a href="#">135-010-65053-000</a>	Meter Change Out Program	130,000.00	130,000.00	107,430.00	107,430.00	22,570.00	17.36 %
<a href="#">135-010-69005-000</a>	Capital Outlays	2,265,000.00	2,265,000.00	249,690.50	1,059,141.78	1,205,858.22	53.24 %
<a href="#">135-010-69195-000</a>	GASB Reserve for Replacement	426,590.00	426,590.00	0.00	426,590.00	0.00	0.00 %
<b>Department: 010 - Water Total:</b>		<b>7,440,945.00</b>	<b>7,440,945.00</b>	<b>525,451.52</b>	<b>3,004,405.82</b>	<b>4,436,539.18</b>	<b>59.62%</b>
<b>Department: 020 - Wastewater</b>							
<a href="#">135-020-50005-000</a>	Salaries & Wages	275,760.00	275,760.00	16,390.95	67,455.73	208,304.27	75.54 %
<a href="#">135-020-50010-000</a>	Overtime	20,000.00	20,000.00	322.38	2,523.00	17,477.00	87.39 %
<a href="#">135-020-50016-000</a>	Longevity	2,770.00	2,770.00	0.00	2,772.50	-2.50	-0.09 %
<a href="#">135-020-50017-000</a>	Certification	5,700.00	5,700.00	225.00	1,150.00	4,550.00	79.82 %
<a href="#">135-020-50020-000</a>	Retirement	36,500.00	36,500.00	2,029.21	8,864.75	27,635.25	75.71 %
<a href="#">135-020-50026-000</a>	Medical Insurance	60,090.00	60,090.00	6,995.16	25,148.03	34,941.97	58.15 %
<a href="#">135-020-50027-000</a>	Dental Insurance	2,790.00	2,790.00	337.86	1,348.86	1,441.14	51.65 %
<a href="#">135-020-50028-000</a>	Vision Insurance	590.00	590.00	58.39	256.02	333.98	56.61 %
<a href="#">135-020-50029-000</a>	Life Insurance & Other	3,000.00	3,000.00	67.60	991.07	2,008.93	66.96 %
<a href="#">135-020-50030-000</a>	Social Security Taxes	18,860.00	18,860.00	1,004.69	4,408.07	14,451.93	76.63 %
<a href="#">135-020-50035-000</a>	Medicare Taxes	4,411.00	4,411.00	234.97	1,030.93	3,380.07	76.63 %
<a href="#">135-020-50040-000</a>	Unemployment Taxes	1,010.00	1,010.00	47.81	281.49	728.51	72.13 %
<a href="#">135-020-50045-000</a>	Workman's Compensation	8,356.00	8,356.00	727.15	3,635.75	4,720.25	56.49 %
<a href="#">135-020-50060-000</a>	Pre-emp Physicals/Testing	400.00	400.00	38.00	38.00	362.00	90.50 %
<a href="#">135-020-50070-000</a>	Employee Relations	300.00	300.00	0.00	111.80	188.20	62.73 %
<a href="#">135-020-55080-000</a>	Maintenance & Repairs	149,000.00	149,000.00	24,747.35	102,294.80	46,705.20	31.35 %
<a href="#">135-020-55081-000</a>	Mainten & Repairs Collections	330,000.00	330,000.00	71,922.78	97,703.55	232,296.45	70.39 %
<a href="#">135-020-55085-000</a>	Generator Maint. and Repair	11,000.00	11,000.00	0.00	0.00	11,000.00	100.00 %
<a href="#">135-020-55090-000</a>	Vehicle Maintenance	4,600.00	4,600.00	0.00	92.18	4,507.82	98.00 %
<a href="#">135-020-55091-000</a>	Veh Maintenance Collections	11,480.00	11,480.00	367.35	764.55	10,715.45	93.34 %
<a href="#">135-020-55105-000</a>	Maintenance-Backhoe/SkidLoader	3,000.00	3,000.00	0.00	0.00	3,000.00	100.00 %
<a href="#">135-020-55125-000</a>	Dumpster Services	103,000.00	103,000.00	9,148.97	35,297.24	67,702.76	65.73 %
<a href="#">135-020-55135-000</a>	Lab Analysis	60,000.00	60,000.00	338.40	31,118.40	28,881.60	48.14 %
<a href="#">135-020-60010-000</a>	Communications/Mobiles	5,000.00	5,000.00	604.09	1,246.69	3,753.31	75.07 %
<a href="#">135-020-60020-000</a>	Electricity	314,100.00	314,100.00	22,986.17	112,032.92	202,067.08	64.33 %
<a href="#">135-020-60080-000</a>	Schools & Training	2,420.00	2,420.00	495.00	495.00	1,925.00	79.55 %
<a href="#">135-020-60100-000</a>	Travel & per diem	870.00	870.00	0.00	0.00	870.00	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	0.00	2,190.00	13,810.00	86.31 %
<a href="#">135-020-60331-000</a>	Interfund Transfer Out-Tax I&S	115,708.00	115,708.00	10,518.91	52,594.55	63,113.45	54.55 %
<a href="#">135-020-60332-000</a>	Interfund Transfer Out-Rev I&S	704,820.00	704,820.00	64,074.57	320,372.85	384,447.15	54.55 %
<a href="#">135-020-65005-000</a>	Fuel & Lube	13,000.00	13,000.00	0.00	1,888.47	11,111.53	85.47 %
<a href="#">135-020-65010-000</a>	Uniforms	3,520.00	3,520.00	174.95	174.95	3,345.05	95.03 %
<a href="#">135-020-65030-000</a>	Chemicals	32,500.00	32,500.00	0.00	12,002.64	20,497.36	63.07 %
<a href="#">135-020-65031-000</a>	Chemicals Collections	10,000.00	10,000.00	0.00	0.00	10,000.00	100.00 %
<a href="#">135-020-65045-000</a>	Lab Supplies	33,000.00	33,000.00	0.00	22,639.97	10,360.03	31.39 %
<a href="#">135-020-69005-000</a>	Capital Outlays	1,140,000.00	1,140,000.00	86,672.11	107,639.75	1,032,360.25	90.56 %
<a href="#">135-020-69195-000</a>	GASB Reserve for Replacement	337,380.00	337,380.00	0.00	337,380.00	0.00	0.00 %
<b>Department: 020 - Wastewater Total:</b>		<b>3,852,935.00</b>	<b>3,852,935.00</b>	<b>320,529.82</b>	<b>1,367,832.53</b>	<b>2,485,102.47</b>	<b>64.50%</b>
<b>Department: 026 - Board of Directors</b>							
<a href="#">135-026-50045-000</a>	Workman's Compensation	20.00	20.00	0.66	3.30	16.70	83.50 %
<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	115.99	463.86	1,036.14	69.08 %
<a href="#">135-026-60080-000</a>	Schools & Training	4,000.00	4,000.00	485.00	975.00	3,025.00	75.63 %
<a href="#">135-026-60100-000</a>	Travel & per diem	5,000.00	5,000.00	1,432.77	1,432.77	3,567.23	71.34 %
<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>11,770.00</b>	<b>11,770.00</b>	<b>2,034.42</b>	<b>3,624.93</b>	<b>8,145.07</b>	<b>69.20%</b>

Budget Report

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Department: 030 - Administration</b>							
<a href="#">135-030-50005-000</a>	Salaries & Wages	662,170.00	662,170.00	54,442.24	272,221.38	389,948.62	58.89 %
<a href="#">135-030-50010-000</a>	Overtime	2,000.00	2,000.00	0.00	322.76	1,677.24	83.86 %
<a href="#">135-030-50016-000</a>	Longevity	2,290.00	2,290.00	0.00	2,285.00	5.00	0.22 %
<a href="#">135-030-50020-000</a>	Retirement	79,976.00	79,976.00	6,486.21	32,860.72	47,115.28	58.91 %
<a href="#">135-030-50026-000</a>	Medical Insurance	105,150.00	105,150.00	8,278.40	34,027.23	71,122.77	67.64 %
<a href="#">135-030-50027-000</a>	Dental Insurance	3,810.00	3,810.00	386.42	1,377.89	2,432.11	63.83 %
<a href="#">135-030-50028-000</a>	Vision Insurance	830.00	830.00	75.02	286.06	543.94	65.53 %
<a href="#">135-030-50029-000</a>	Life Insurance & Other	4,800.00	4,800.00	-106.70	2,169.93	2,630.07	54.79 %
<a href="#">135-030-50030-000</a>	Social Security Taxes	41,320.00	41,320.00	3,241.05	15,720.83	25,599.17	61.95 %
<a href="#">135-030-50035-000</a>	Medicare Taxes	9,660.00	9,660.00	758.00	3,863.54	5,796.46	60.00 %
<a href="#">135-030-50040-000</a>	Unemployment Taxes	1,510.00	1,510.00	109.62	828.42	681.58	45.14 %
<a href="#">135-030-50045-000</a>	Workman's Compensation	1,703.00	1,703.00	143.71	718.55	984.45	57.81 %
<a href="#">135-030-50060-000</a>	Pre-emp Physicals/Testing	400.00	400.00	0.00	38.00	362.00	90.50 %
<a href="#">135-030-50070-000</a>	Employee Relations	4,000.00	4,000.00	13.31	3,156.85	843.15	21.08 %
<a href="#">135-030-55030-000</a>	Software & Support	153,810.00	153,810.00	6,978.07	76,273.07	77,536.93	50.41 %
<a href="#">135-030-55080-000</a>	Maintenance & Repairs	23,000.00	23,000.00	0.00	12,783.68	10,216.32	44.42 %
<a href="#">135-030-55085-000</a>	Generator Maint. and Repair	1,000.00	1,000.00	0.00	0.00	1,000.00	100.00 %
<a href="#">135-030-55120-000</a>	Cleaning Services	20,000.00	20,000.00	1,600.00	8,000.00	12,000.00	60.00 %
<a href="#">135-030-55160-000</a>	Professional Outside Services	100,000.00	100,000.00	2,980.40	98,264.63	1,735.37	1.74 %
<a href="#">135-030-55205-000</a>	Utility Billing Contract	9,000.00	9,000.00	1,294.75	2,623.48	6,376.52	70.85 %
<a href="#">135-030-60005-000</a>	Telephone	6,000.00	6,000.00	411.97	1,710.11	4,289.89	71.50 %
<a href="#">135-030-60010-000</a>	Communications/Mobiles	3,000.00	3,000.00	146.34	194.62	2,805.38	93.51 %
<a href="#">135-030-60020-000</a>	Electricity/Gas	20,300.00	20,300.00	2,378.39	8,674.98	11,625.02	57.27 %
<a href="#">135-030-60035-000</a>	Postage	30,000.00	30,000.00	4,953.63	9,943.48	20,056.52	66.86 %
<a href="#">135-030-60040-000</a>	Service Charges & Fees	155,000.00	155,000.00	9,041.16	50,702.69	104,297.31	67.29 %
<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	129,860.00	129,860.00	10,640.69	53,203.45	76,656.55	59.03 %
<a href="#">135-030-60070-000</a>	Dues & Memberships	2,560.00	2,560.00	0.00	535.00	2,025.00	79.10 %
<a href="#">135-030-60080-000</a>	Schools & Training	3,550.00	3,550.00	675.00	1,145.00	2,405.00	67.75 %
<a href="#">135-030-60100-000</a>	Travel & per diem	4,270.00	4,270.00	0.00	843.91	3,426.09	80.24 %
<a href="#">135-030-60285-000</a>	Lawn Equipment & Maintenance	6,000.00	6,000.00	0.00	939.34	5,060.66	84.34 %
<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	50,000.00	50,000.00	0.00	0.00	50,000.00	100.00 %
<a href="#">135-030-65085-000</a>	Office Supplies	5,000.00	5,000.00	48.38	1,504.78	3,495.22	69.90 %
<a href="#">135-030-65095-000</a>	Maintenance Supplies	6,000.00	6,000.00	271.36	4,327.14	1,672.86	27.88 %
<a href="#">135-030-69005-000</a>	Capital Outlays	115,000.00	115,000.00	38,596.44	48,306.44	66,693.56	57.99 %
<a href="#">135-030-69170-000</a>	Copier Lease Installments	4,000.00	4,000.00	279.50	1,092.06	2,907.94	72.70 %
<a href="#">135-030-69195-000</a>	GASB Reserve for Replacement	25,000.00	25,000.00	0.00	25,000.00	0.00	0.00 %
<b>Department: 030 - Administration Total:</b>		<b>1,805,499.00</b>	<b>1,805,499.00</b>	<b>154,123.36</b>	<b>775,945.02</b>	<b>1,029,553.98</b>	<b>57.02%</b>
<b>Department: 039 - Non Departmental</b>							
<a href="#">135-039-55045-000</a>	Legal	65,000.00	65,000.00	9,124.50	15,661.75	49,338.25	75.91 %
<a href="#">135-039-55055-000</a>	Auditing	30,000.00	30,000.00	17,792.04	22,292.04	7,707.96	25.69 %
<a href="#">135-039-55060-000</a>	Appraisal	13,070.00	13,070.00	0.00	11,275.88	1,794.12	13.73 %
<a href="#">135-039-55065-000</a>	Tax Admin Fees	5,000.00	5,000.00	0.00	4,037.00	963.00	19.26 %
<b>Department: 039 - Non Departmental Total:</b>		<b>113,070.00</b>	<b>113,070.00</b>	<b>26,916.54</b>	<b>53,266.67</b>	<b>59,803.33</b>	<b>52.89%</b>
<b>Fund: 135 - MUD 1 General Fund Surplus (Deficit):</b>		<b>16,136.00</b>	<b>16,136.00</b>	<b>-285,546.24</b>	<b>-611,665.84</b>	<b>-627,801.84</b>	
<b>Report Surplus (Deficit):</b>		<b>16,136.00</b>	<b>16,136.00</b>	<b>-285,546.24</b>	<b>-611,665.84</b>	<b>-627,801.84</b>	

Budget Report

Group Summary

Department	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 135 - MUD 1 General Fund</b>						
000 - Revenue, Asset, Liability, & Equity	13,240,355.00	13,240,355.00	743,509.42	4,593,409.13	-8,646,945.87	65.31%
010 - Water	7,440,945.00	7,440,945.00	525,451.52	3,004,405.82	4,436,539.18	59.62%
020 - Wastewater	3,852,935.00	3,852,935.00	320,529.82	1,367,832.53	2,485,102.47	64.50%
026 - Board of Directors	11,770.00	11,770.00	2,034.42	3,624.93	8,145.07	69.20%
030 - Administration	1,805,499.00	1,805,499.00	154,123.36	775,945.02	1,029,553.98	57.02%
039 - Non Departmental	113,070.00	113,070.00	26,916.54	53,266.67	59,803.33	52.89%
<b>Fund: 135 - MUD 1 General Fund Surplus (Deficit):</b>	<b>16,136.00</b>	<b>16,136.00</b>	<b>-285,546.24</b>	<b>-611,665.84</b>	<b>-627,801.84</b>	
<b>Report Surplus (Deficit):</b>	<b>16,136.00</b>	<b>16,136.00</b>	<b>-285,546.24</b>	<b>-611,665.84</b>	<b>-627,801.84</b>	

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
135 - MUD 1 General Fund	16,136.00	16,136.00	-285,546.24	-611,665.84	-627,801.84
Report Surplus (Deficit):	16,136.00	16,136.00	-285,546.24	-611,665.84	-627,801.84

<b>CASH STATUS AS OF FEBRUARY 2025</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	\$2,273,231	\$2,273,231
135-10300	Prosperity Bank (XXXXX2660) General Fund Operating	*	\$154,145	\$3,911,058	\$4,065,203
135-10305	Prosperity Bank Reserve-Savings Acct (XXXXX7724)		\$2,026,207	\$0	\$2,026,207
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		\$5,655,403	\$0	\$5,655,403
519-10300	Prosperity Bank (XXXXX2660) SWIFT		\$85,052	\$0	\$85,052
519-11155	Cash-Bond Escrow Bank of Texas (SWIFT)		\$868,146	\$0	\$868,146
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		\$1,012,869	\$0	\$1,012,869
533-10250	TexPool Tax I & S (XXXXX0003)		\$304,543	\$0	\$304,543
533-10300	Prosperity Bank (XXXXX2660) Tax I&S		\$0	\$0	\$0
534-10250	TexPool Revenue I & S (XXXXX013) WWTP Improvements		\$253,167	\$0	\$253,167
535-10250	Texpool Revenue I & S (XXXXX017) SWIFT		\$119,459	\$0	\$119,459
536-10250	TexPool Revenue I & S (XXXXX020) Water & Waste Water Systems		\$84,752	\$0	\$84,752
				<b>\$6,184,889</b>	<b>\$16,748,631</b>

Amount available in cash for spending (MUD Accounts)

**\$6,184,889**

\*2/28/2025 Customer Water Deposits \$154,145

**Fire Department Cash**

122-10250	TexPool O & M (XXXXX0002)-Fire Operating Cash		\$0	\$1,337,490	\$1,337,490
122-10300	Prosperity Bank (XXXXX2660) Fire Operating		\$0	\$140,543	\$140,543
			\$0	<b>\$1,478,033</b>	<b>\$1,478,033</b>

Amount available in cash for spending (Fire Department Accounts)

**\$1,478,033**

**General Fund 135 Available**

\$	3,911,058	Prosperity General Fund
\$	2,273,231	Texpool General Fund
\$	600	Petty Cash
\$	<b>6,184,889</b>	

Total General Fund 135 Available for Spending

**General Fund 135 Fund Balances**

Nonspendable Fund Balance (Prepays)	\$	5,130
Assigned Fund Balance (FY2024 Capital Projects plus prior year carry forward)	\$	1,946,960
Unassigned Fund Balance	\$	7,612,994
Current Year Revenue/Expenses	\$	(611,666)
Total Nonspendable, Assigned & Committed Fund Balances - General Fund 135		<b>\$8,953,418</b>

**February Utility Billing Report**  
Fiscal Year 2024 - 2025

	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025
ebills	1,734	1,744	1,741	1,738	1,724	1,720	1,719	1,721	1,720	1,713	1,710	1,701	1,710
Bills Mailed	3,729	3,737	3,747	3,753	3,758	3,768	3,774	3,759	3,772	3,815	3,785	3,776	3,787
Bank Draft	565	565	562	562	557	546	543	544	537	545	537	528	563
Online Payments	3,036	3,246	2,992	3,152	3,197	3,136	3,263	3,095	3,200	3,070	3,287	3,258	3,165
Late Notices	298	299	245	295	277	242	326	275	286	422	361	365	269
Disconnects	8	7	3	3	3	0	4	2	1	5	8	3	8
Connections MUD	3,395	3,394	3,394	3,394	3,394	3,394	3,394	3,396	3,396	3,396	3,396	3,396	3,396
Connections Town	1,447	1,447	1,450	1,453	1,453	1,454	1,456	1,457	1,457	1,466	1,468	1,468	1,471

**February Permits**  
Fiscal Year 2024 - 2025

Date of Permit	Permit No.	Customer Deposit	Due to FW Water	Meter Fee	Plumbing Inspections	Sewer Inspections	Fire Line	Misc. Income	Total
2/10/2025	2025-12	\$ 100.00	\$ 4,953.00	\$ 428.00	\$ 150.00	\$ 50.00	\$ 1,500.00		\$ 7,181.00
2/28/2025	2025-13	\$ 100.00	\$ 4,953.00	\$ 428.00	\$ 150.00	\$ 50.00			\$ 5,681.00
2/28/2025	2025-14	\$ 100.00	\$ 4,953.00	\$ 428.00	\$ 150.00	\$ 50.00			\$ 5,681.00
									\$ -
									\$ -
									\$ -
									\$ -
									\$ -
									\$ -
									\$ -
									\$ -
									\$ -
Total		\$ 300.00	\$ 14,859.00	\$ 1,284.00	\$ 450.00	\$ 150.00	\$ 1,500.00	\$ -	\$ 18,543.00

**REGULAR MEETING MINUTES  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
BOARD OF DIRECTORS  
February 19, 2025, at 6:30 p.m.**

Trophy Club Municipal Utility District No. 1 Board of Directors, of Denton and Tarrant Counties, met in regular session on February 19, 2025, 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
William C. Rose	Vice President
Doug Harper	Secretary/Treasurer
Jim Thomas	Director
Neil Twomey	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:**

Brandon Wright	Town Manager
Steve Flynn	Town Councilman
Jason Wise	Fire Chief

**CALL TO ORDER AND ANNOUNCE A QUORUM**

President Carr announced the date of February 19, 2025, called the meeting to order and announced a quorum present at 6:33 p.m.

**CITIZEN COMMENTS** – There were no citizen comments.

**REPORTS & UPDATES**

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

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

**CONSENT AGENDA**



2. Consider and act to approve the Consent Agenda.
  - a. January 15, 2025, Regular Meeting Minutes
  - b. January 21, 2025, Special Session Meeting Minutes
  - c. February 6, 2025, Special Session Meeting Minutes

**Motion made by Director Harper and seconded by Director Rose to approve the consent agenda as presented.**

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

**Abstain: Twomey**

**Motion passes 4-1-0**

#### **REGULAR SESSION**

3. Consider and take appropriate action regarding District bank signatories including:
  - a. Approve Resolution No. 2025-0219A designating authorized signers on Prosperity Bank accounts.
  - b. Approve Resolution No. 2025-0219B designating depository institutions, designating authorized signatories for the disbursement of District funds, providing for electronic transfers of District funds, and containing other matters relating thereto.

**Motion made by Director Rose and seconded by Director Thomas to approve Resolution No. 2025-0219A and Resolution No. 2025-0219B.**

**Motion carried unanimously.**

4. Consider and act to elect a director to serve as vice president through May of 2025.

Director Rose volunteered to serve in the capacity of Vice President.

**Motion by Director Twomey to nominate Director Rose to serve as Vice President of the Board of Directors.**

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

**Abstain: Rose**

**Motion Passes 4-1-0**

5. Consider and act to approve the purchase and installation of network storage from M3 Networks and authorize the General Manager to execute the necessary documents.

**Motion made by Director Rose and seconded by Director Harper to approve the purchase and installation of network storage from M3 Networks in an amount not to exceed \$42,521.69 and authorize the General Manager to execute the necessary documents**

**Motion carried unanimously.**

6. Consider and act to approve Contract No. 2025021901 for lift station improvements and authorize the General Manager to execute the necessary documents.

**Motion made by Director Thomas and seconded by Director Rose to award Contract 2025021901 for Lift Station improvements not to exceed \$247,400.00, award to Mayim Municipal Builders, and authorize the General Manager to execute any necessary documents.**

**Motion carried unanimously.**

7. Discussion regarding residential water consumption adjustments. (Thomas/Carr)

Director Thomas requested this item be tabled and brought back for discussion at the next regular meeting.

**The Board convened into Executive Session at 6:55 p.m. and reconvened into Regular Session at 8:05 p.m.**

#### **EXECUTIVE SESSION**

8. Pursuant to Section 551.071 of the Texas Government Code, to consult with its attorney on pending or contemplated litigation or 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:
- a. Expansion of District boundaries.
  - b. Possible transfer of District Assets.
  - c. Pending litigation in Cause No. 25-0139-158 in the District Court of Denton County relating to Oncor property tax obligations

#### **REGULAR SESSION**

9. Consider and act regarding item(s) discussed in Executive Session.

#### **Items a. and b.**

Director Twomey stated that the Board was looking for a 5-year projection from the Town of Trophy Club regarding how this would be beneficial to taxpayers and how the fire department would be funded and any tax increases that would be relevant at that time. Director Twomey added that the Board needs that information to make a reasonable decision on this matter.

**Motion made by Director Harper and seconded by Director Twomey to decline participation in a binding ballot measure in the November 2025 General Election.**

**Motion carried unanimously.**

#### **Item c.**

**Motion made by Director Rose and seconded by Director Thomas regarding Cause No. 25-0139-158 Pending litigation in in the District Court of Denton County that if the Perdue Law firm services are at no additional cost and fall under our existing tax agreement, that the Perdue law firm shall represent the District in this matter, however, if there are additional costs above what Perdue already collects in representing the District, we authorize the Liston Law Firm to represent the District in this matter.**

**Motion carried unanimously**

**FUTURE AGENDA ITEMS**

10. Items for future agendas:

Anniversary

Next Regular Meeting date – March 17, 2025, at 6:30 p.m. Move to the 17<sup>th</sup>.

**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**

President Carr called the meeting adjourned at 8:17 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



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## STAFF REPORT

March 17, 2025

### AGENDA ITEM:

Consider and act to adopt Rate Order No. 2025-0317A Establishing Policies, Procedures and Rates, Fees and Charges for Water and Sewer Services.

### ARTICLE I TAP FEES AND CONNECTION POLICY

**Section 1.09. Water Meter Fees.** Increase in Water Meter Fees to reflect the actual cost of the meter.

METER SIZE	WATER METER FEE	EFFECTIVE APRIL 1, 2025
5/8"	\$358	No Change
1"	\$428	\$538
1-1/2"	\$905	\$1,568
2" – 10"	Quoted at Time of Purchase	No Change

### ATTACHMENTS:

Rate Order 2025-0317A Redline

### RECOMMENDATION:

Staff recommends the adoption of Rate Order No. 2025-0317A Establishing Policies, Procedures and Rates, Fees and Charges for Water and Sewer Services.

**RATE ORDER  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO.1  
ORDER NO. 2025-0317A**

**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 18, 2024 (Order No 2024-0918A), 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. 2025-0317A 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"	<del>\$428</del> <u>\$538</u>
1-1/2"	<del>\$905</del> <u>\$1,568</u>
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:**

<b>Gallons Used</b>	<b>Rate per 1,000 gallons</b>
0 to 6,000	\$4.69
6,001 to 17,000	\$5.46
17,001 to 25,000	\$6.32
25,001 to 50,000	\$7.34
50,001+	\$8.53

**(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
3/4"	\$75	\$60
1"	\$100	\$100
1.5"	\$250	\$200
2"	\$500	\$320
3"	\$1,000	\$700
4"	\$1,800	\$1,200
6"	\$3,750	\$2,500
8"	\$5,400	\$3,600

**D. 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.

**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 "2025-0317A Rate Order" (Order No. 2025-0317A) 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, 2025.**

**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 17<sup>th</sup> day of March 2025.**

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

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

(SEAL)

**RESOLUTION NO. 2025-0317A**

**A RESOLUTION OF TROPHY CLUB MUNICIPAL UTILITY  
DISTRICT NO. 1 TO AMEND FISCAL YEAR 2025 BUDGET**

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

**WHEREAS**, Title 30, Texas Administrative Code, Section 293.97(b), provides that prior to the start of a fiscal year, the governing board of each active district shall adopt an operating budget for the upcoming fiscal year. The rule further provides that the adopted budget and any subsequent amendments thereto shall be passed and approved by a resolution of the governing board and shall be made a part of the governing board minutes.

**WHEREAS**, The Board of Directors of the District previously approved a resolution adopting the 2025 fiscal year budget for the District on September 18, 2024; and

**WHEREAS**, The Board of Directors now desires to amend its 2025 fiscal year budget.

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

Section 1. The Board of Directors hereby amends the fiscal year budget for the 2025 Fiscal Year. A copy of the budget amendment is attached to this Resolution. The budget amendment is hereby approved for all purposes.

Section 2. A copy of this Resolution amending the fiscal year 2025 budget shall be attached to the meeting minutes of March 17, 2025.

Section 3. The President and Secretary of the Board are hereby authorized and directed to execute this Resolution. After this Resolution is executed, an original Resolution shall be filed in the permanent records of the District.

**RESOLVED, PASSED AND APPROVED on this 17th day of March 2025.**

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Kevin R. Carr, President  
Board of Directors

ATTEST:

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Doug Harper, Secretary  
Board of Directors

**EXHIBIT “A”**

(Amended Budget)

# FY 2025 AMENDED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2025 Adopted	FY 2025 Amended	Amended Change	Budget % Change	Comments
<b>Revenues</b>							
Property Taxes	86,595	85,734	85,620	85,620	-	0.00%	
Property Taxes/Delinquent	1,299	300	550	550	-	0.00%	
Property Taxes/P&I	1,119	300	500	500	-	0.00%	
PID Surcharges	151,357	143,223	143,160	143,160	-	0.00%	
Water	8,001,954	6,939,998	6,925,430	6,925,430	-	0.00%	
Sewer	3,736,790	3,679,786	3,773,500	3,773,500	-	0.00%	
Penalties	77,201	105,800	105,800	105,800	-	0.00%	
Service Charges (Disconnect Fees)	4,100	3,350	3,350	3,350	-	0.00%	
Plumbing Inspections	-	300	300	300	-	0.00%	
Sewer Inspections	-	100	100	100	-	0.00%	
TCCC Effluent Charges	108,286	70,000	119,890	119,890	-	0.00%	
Interest Income	397,122	150,000	533,725	533,725	-	0.00%	
Cell Tower Revenue	45,179	49,320	50,930	50,930	-	0.00%	
Proceeds from Sale of Assets	50,979	25,000	25,000	25,000	-	0.00%	
Prior Year Reserves	-	1,933,264	-	-	-	0.00%	
GASB Reserves	164,000	50,000	285,000	285,000	-	0.00%	
Oversize Meter Reimbursement	-	2,058	2,100	2,100	-	0.00%	
Interfund Transfer In	-	1,178,400	1,178,400	1,178,400	-	0.00%	
Miscellaneous Income	3,016	7,000	7,000	7,000	-	0.00%	
Recovery of Prior Year Expense	76	-	-	-	-	0.00%	
Reimbursement/Revenue Bond	-	-	-	-	-	0.00%	
<b>Subtotal Revenues</b>	<b>12,829,073</b>	<b>14,423,933</b>	<b>13,240,355</b>	<b>13,240,355</b>	<b>-</b>	<b>0.00%</b>	

<b>Water Expenses</b>							
Salaries & Wages	403,507	431,575	448,840	448,840	-	0.00%	
Overtime	17,676	17,000	17,000	17,000	-	0.00%	
Longevity	5,983	6,253	6,540	6,540	-	0.00%	
Certification	2,700	3,600	3,300	3,300	-	0.00%	
Retirement	50,705	56,730	57,100	57,100	-	0.00%	
Medical Insurance	87,625	116,528	105,150	106,980	1,830	1.74%	Higher rates than proposed
Dental Insurance	3,960	4,835	5,080	7,610	2,530	49.80%	Board Directed Change
Vision Insurance	744	1,051	980	1,180	200	20.41%	Board Directed Change
Life Insurance & Other	3,567	4,000	4,000	4,800	800	20.00%	Board Directed Change
Social Security Taxes	26,110	28,423	29,490	29,490	-	0.00%	
Medicare Taxes	5,906	6,647	6,897	6,897	-	0.00%	
Unemployment Taxes	54	1,260	1,260	1,260	-	0.00%	
Workers' Compensation	13,313	11,899	13,200	13,200	-	0.00%	
Pre-employment Physicals/Testing	420	400	400	400	-	0.00%	
Employee Relations	640	300	300	300	-	0.00%	
Maintenance & Repairs	230,476	201,500	222,000	222,000	-	0.00%	
Generator Maintenance & Repairs	876	2,000	2,000	2,000	-	0.00%	
Vehicle Maintenance & Repairs	12,919	5,000	5,000	5,000	-	0.00%	
Equipment Maintenance & Repairs	2,891	1,000	1,000	1,000	-	0.00%	
Cleaning Services	2,096	2,500	-	-	-	0.00%	
Lab Analysis - District	5,492	7,500	7,500	7,500	-	0.00%	
Lab Analysis - Town	2,341	2,000	3,000	3,000	-	0.00%	
Communications/Mobiles	5,466	7,500	7,500	7,500	-	0.00%	
Electricity	222,085	183,143	216,400	216,400	-	0.00%	
Publications/Books/Subscripts	-	1,000	-	-	-	0.00%	
Schools & Training	3,124	2,630	3,000	3,000	-	0.00%	
Travel & per diem	45	578	920	920	-	0.00%	
TCEQ Fees & Permits - District	34,114	29,500	29,500	29,500	-	0.00%	
TCEQ Fees & Permits - Town	214	500	500	500	-	0.00%	
Wholesale Water	2,738,044	2,655,497	2,757,560	2,757,560	-	0.00%	
Lawn Services	5,400	12,500	12,500	12,500	-	0.00%	
Interfund Transfer Out - Revenue I&S	567,783	565,797	568,498	568,498	-	0.00%	
Furniture/Equipment < \$5000	1,355	-	-	-	-	0.00%	
Fuel & Lube	18,660	23,575	23,580	23,580	-	0.00%	
Uniforms	3,098	4,355	4,360	4,360	-	0.00%	
Chemicals	47,747	58,200	35,000	35,000	-	0.00%	
Meter Expense	-	20,000	20,000	20,000	-	0.00%	
Meter Change Out Program	87,000	124,500	130,000	130,000	-	0.00%	
Capital Outlays	2,107,269	4,200,000	2,265,000	2,265,000	-	0.00%	

# FY 2025 AMENDED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2025 Adopted	FY 2025 Amended	Amended Change	Budget % Change	Comments
Short Term Debt - Principal	31,882	-	-	-	-	0.00%	
Short Term Debt - Interest	470	-	-	-	-	0.00%	
Gasb34 Reserves	162,639	378,659	426,590	426,590	-	0.00%	
Water Tank Inspection Contract	110,864	-	-	-	-	0.00%	
<b>Subtotal Water Expenses</b>	<b>7,027,259</b>	<b>9,179,933</b>	<b>7,440,945</b>	<b>7,446,305</b>	<b>5,360</b>	<b>0.07%</b>	

<b>Wastewater Expenses</b>							
Salaries & Wages	292,361	290,305	275,760	194,150	(81,610)	-29.59%	Salary savings due to vacancy
Overtime	16,059	20,000	20,000	20,000	-	0.00%	
Longevity	4,035	2,368	2,770	2,770	-	0.00%	
Certification	4,350	5,100	5,700	5,100	(600)	-10.53%	Salary savings due to vacancy
Retirement	37,504	40,934	36,500	26,600	(9,900)	-27.12%	Salary savings due to vacancy
Medical Insurance	63,848	93,222	60,090	76,420	16,330	27.18%	Higher rates than proposed
Dental Insurance	2,643	3,385	2,790	4,060	1,270	45.52%	Board Directed Change
Vision Insurance	564	819	590	700	110	18.64%	Board Directed Change
Life Insurance & Other	2,547	3,000	3,000	3,600	600	20.00%	Board Directed Change
Social Security Taxes	19,162	20,508	18,860	13,770	(5,090)	-26.99%	Salary savings due to vacancy
Medicare Taxes	4,481	4,796	4,411	3,219	(1,192)	-27.02%	Salary savings due to vacancy
Unemployment Taxes	44	1,008	1,010	1,010	-	0.00%	
Workers' Compensation	10,635	8,404	8,356	6,047	(2,308)	-27.63%	Salary savings due to vacancy
Pre-employment Physicals/Testing	150	400	400	400	-	0.00%	
Employee Relations	1,228	300	300	300	-	0.00%	
Maintenance & Repairs - WWTP	220,313	137,000	149,000	149,000	-	0.00%	
Maintenance & Repairs - Collections	259,373	270,000	330,000	330,000	-	0.00%	
Generator Maintenance & Repairs	2,836	11,000	11,000	11,000	-	0.00%	
Vehicle Maintenance - WWTP	640	4,600	4,600	4,600	-	0.00%	
Vehicle Maintenance - Collections	11,144	13,000	11,480	11,480	-	0.00%	
Equipment Maintenance & Repairs	2,435	3,000	3,000	3,000	-	0.00%	
Cleaning Services	2,096	2,000	-	-	-	0.00%	
Dumpster Services	85,077	100,000	103,000	103,000	-	0.00%	
Lab Analysis	50,001	55,000	60,000	60,000	-	0.00%	
Communications/Mobiles	4,016	7,500	5,000	5,000	-	0.00%	
Electricity	272,792	242,978	314,100	314,100	-	0.00%	
Schools & Training	2,561	2,119	2,420	2,420	-	0.00%	
Travel & per diem	3	528	870	870	-	0.00%	
TCEQ Fees & Permits	9,888	12,000	12,000	12,000	-	0.00%	
Lawn Services	6,390	16,000	16,000	16,000	-	0.00%	
Interfund Transfer Out - Tax I&S	116,245	115,886	115,708	115,708	-	0.00%	
Interfund Transfer Out - Revenue I&S	691,932	698,543	704,820	704,820	-	0.00%	
Furniture/Equipment < \$5000	347	-	-	-	-	0.00%	
Fuel & Lube	12,206	13,000	13,000	13,000	-	0.00%	
Uniforms	2,932	3,520	3,520	3,520	-	0.00%	
Chemicals - WWTP	22,109	32,500	32,500	32,500	-	0.00%	
Chemicals - Collections	6,003	10,000	10,000	10,000	-	0.00%	
Lab Supplies	27,835	33,000	33,000	33,000	-	0.00%	
Capital Outlays	1,390,083	1,050,000	1,140,000	1,140,000	-	0.00%	
Short Term Debt - Principal	85,763	22,398	-	-	-	0.00%	
Short Term Debt - Interest	2,835	442	-	-	-	0.00%	
Gasb34 Reserves	165,777	155,762	337,380	337,380	-	0.00%	
Capital Lease Issuance Cost	-	-	-	-	-	0.00%	
<b>Subtotal Wastewater Expenses</b>	<b>3,913,241</b>	<b>3,506,324</b>	<b>3,852,935</b>	<b>3,770,545</b>	<b>(82,390)</b>	<b>-37.54%</b>	

<b>Board of Directors Expenses</b>							
Workman's Compensation	7	15	20	20	-	0.00%	
Dues & Memberships	750	750	750	750	-	0.00%	
Meetings	1,451	1,500	1,500	1,500	-	0.00%	
Schools & Training	535	4,000	4,000	4,000	-	0.00%	
Travel & per diem	-	5,000	5,000	5,000	-	0.00%	
Miscellaneous Expenses	-	500	500	11,520	11,020	2204.00%	50th & 4th of July celebrations
<b>Subtotal Board of Directors Expenses</b>	<b>2,743</b>	<b>11,765</b>	<b>11,770</b>	<b>22,790</b>	<b>11,020</b>	<b>2204%</b>	

<b>Administration Expenses</b>							
Salaries & Wages	616,594	663,185	662,170	701,990	39,820	6.01%	New position
Overtime	1,094	2,000	2,000	2,000	-	0.00%	



## FY 2025 AMENDED GENERAL FUND

Description	FY 2023 Actual	FY 2024 Adopted	FY 2025 Adopted	FY 2025 Amended	Amended Change	Budget % Change	Comments
Longevity	2,423	2,533	2,290	2,290	-	0.00%	
Retirement	72,808	82,631	79,976	84,754	4,778	5.97%	New position
Medical Insurance	77,664	108,759	105,150	106,980	1,830	1.74%	Higher rates than proposed
Dental Insurance	3,064	3,817	3,810	5,080	1,270	33.33%	Board Directed Change
Vision Insurance	629	886	830	910	80	9.64%	Board Directed Change
Life Insurance & Other	4,382	4,800	4,800	6,300	1,500	31.25%	Board Directed Change
Social Security Taxes	36,720	41,399	41,320	43,790	2,470	5.98%	New position
Medicare Taxes	8,653	9,682	9,660	10,240	580	6.00%	New position
Unemployment Taxes	59	1,512	1,510	1,760	250	16.56%	New position
Workers' Compensation	1,291	1,597	1,703	1,771	68	3.99%	New position
Pre-employment Physicals/Testing	198	500	400	400	-	0.00%	
Employee Relations	2,842	4,000	4,000	4,000	-	0.00%	
Software & Support	108,247	130,311	153,810	153,810	-	0.00%	
Independent Labor	6,473	-	-	-	-	0.00%	
Maintenance & Repairs	22,778	23,000	23,000	23,000	-	0.00%	
Generator Maintenance & Repairs	-	1,000	1,000	1,000	-	0.00%	
Cleaning Services	13,354	13,825	20,000	20,000	-	0.00%	
Professional Outside Services	74,770	100,000	100,000	129,500	29,500	29.50%	HR/Rate Consultant
Utility Billing Contract	7,701	9,000	9,000	9,000	-	0.00%	
Telephone	5,763	6,000	6,000	6,000	-	0.00%	
Communications/Mobiles	190	3,000	3,000	3,000	-	0.00%	
Electricity	18,313	17,685	20,300	20,300	-	0.00%	
Water	4,971	5,000	-	-	-	0.00%	
Postage	24,227	30,000	30,000	30,000	-	0.00%	
Bank Service Charges & Fees	165,491	140,000	155,000	155,000	-	0.00%	
Bad Debt Expense	11,623	13,000	13,000	13,000	-	0.00%	
Insurance	97,414	116,158	129,860	129,860	-	0.00%	
Dues & Memberships	6,965	6,800	2,560	2,560	-	0.00%	
Public Education	27,795	-	-	-	-	0.00%	
Schools & Training	626	3,900	3,550	3,550	-	0.00%	
Travel & per diem	-	1,228	4,270	4,270	-	0.00%	
Elections	-	10,000	-	-	-	0.00%	
Advertising	1,265	-	-	-	-	0.00%	
Miscellaneous Expenses	4,145	-	-	-	-	0.00%	
Lawn Services	3,468	5,000	6,000	6,000	-	0.00%	
Furniture/Equipment < \$5000	13,053	3,000	-	-	-	0.00%	
Uniforms	307	530	530	530	-	0.00%	
Hardware IT	14,265	8,200	50,000	50,000	-	0.00%	
Office Supplies	4,303	5,000	5,000	5,000	-	0.00%	
Maintenance Supplies	5,833	5,000	6,000	6,000	-	0.00%	
Capital Outlays	56,090	-	115,000	115,000	-	0.00%	
Copier Lease	3,210	4,000	4,000	4,000	-	0.00%	
Gasb34 Reserves	26,736	24,903	25,000	25,000	-	0.00%	
<b>Subtotal Administration Expenses</b>	<b>1,557,796</b>	<b>1,612,840</b>	<b>1,805,499</b>	<b>1,887,645</b>	<b>82,146</b>	<b>149.98%</b>	
<b>Non Departmental Expenses</b>							
Legal	30,163	65,000	65,000	65,000	-	0.00%	
Auditing	23,164	30,000	30,000	30,000	-	0.00%	
Appraisal	11,264	13,071	13,070	13,070	-	0.00%	
Tax Admin Fees	4,046	5,000	5,000	5,000	-	0.00%	
<b>Subtotal Non Departmental Expenses</b>	<b>68,637</b>	<b>113,071</b>	<b>113,070</b>	<b>113,070</b>	<b>-</b>	<b>-</b>	
<b>Total General Fund Revenues</b>	<b>\$ 12,829,073</b>	<b>\$ 14,423,933</b>	<b>\$ 13,240,355</b>	<b>\$ 13,240,355</b>	<b>\$ -</b>	<b>3.21%</b>	
<b>Total General Fund Expenses</b>	<b>\$ 12,569,676</b>	<b>\$ 14,423,933</b>	<b>\$ 13,224,220</b>	<b>\$ 13,240,355</b>	<b>\$ 16,135</b>	<b>-8.21%</b>	
<b>Net Budget Surplus (Deficit)</b>	<b>\$ 259,397</b>	<b>\$ 0</b>	<b>\$ 16,135</b>	<b>\$ (0)</b>	<b>\$ 16,136</b>		

2023-0322 First Amendment to Wholesale  
Water and Wastewater Services Contract

**FIRST AMENDMENT TO AMENDED AND RESTATED CONTRACT FOR  
WHOLESALE WATER SUPPLY AND WASTEWATER TREATMENT  
SERVICES AND WATER AND WASTEWATER OPERATIONAL SERVICES**

This First Amendment to Amended and Restated Contract for Wholesale Water Supply and Wastewater Treatment Services and Water and Wastewater Operations Services ("First Amendment") is entered into as of March 22, 2023 between THE TOWN OF TROPHY CLUB, TEXAS, a home rule municipality located in Denton and Tarrant Counties (hereinafter "**Town**") and TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, a conservation and reclamation District of the State of Texas in Denton and Tarrant Counties created and operating pursuant to Chapters 49 and 54 of the Texas Water Code (hereinafter "**MUD**").

**Recitals**

**WHEREAS**, Town and MUD previously entered into that Amended and Restated Contract for Wholesale Water Supply and Wastewater Treatment Services and Water and Wastewater Operations Services dated July 25, 2017 ("Contract");

**WHEREAS**, Town and MUD desire to amend the Contract to add additional property within Town territorial limits and for the MUD to provide wholesale water and wastewater services and operational services to the additional property under the Contract under the terms set forth herein;

**WHEREAS**, Town and MUD also desire to amend the Contract to further define the operation, maintenance, repair and replacement of the water and wastewater infrastructure under the Contract;

**WHEREAS**, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the "Act") provides authority for governmental entities of the State of Texas to enter into interlocal contracts with each other regarding governmental functions and services as set forth in the Act; and

**WHEREAS**, each Party hereto paying for the performance of governmental functions or services shall make such payments from current revenues legally available to the paying Party and each Party hereby finds and agrees that it is fairly compensated for the services or functions performed under the terms of this Contract.

**NOW, THEREFORE**, Town and MUD, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows:

- 1. Incorporation of Recitals.** The foregoing recitals are agreed upon and incorporated herein as a part of this First Amendment.
- 2. Addition of Town Customers.** The Property, as defined in the Contract, shall be expanded beyond that set forth in Exhibit "A" to the Contract to include any future Town Customers added after the effective date of this First Amendment that are within the Town corporate limits and outside MUD boundaries and are approved by the MUD pursuant to the provisions of this paragraph. The MUD

2023-0322 First Amendment to Wholesale  
Water and Wastewater Services Contract

will provide wholesale water and wastewater services and operational services under the Contract for any new Town Customers that connect to the Town Water Distribution and the Town Wastewater System pursuant to Town and MUD development and service extension requirements and are approved by the MUD. Town will notify MUD of the proposed addition of Town Customers to initiate the service extension review process, including but not limited to providing mapping and information on service extension locations, points of connection, total number of proposed lots and service demands. Within sixty (60) days after receipt of such notice and the receipt of all relevant information requested by the MUD under its service extension review process, the MUD will inform the Town whether it approves inclusion of the proposed additional service based on all relevant circumstances, including the available capacity in the MUD's water and wastewater systems and impact of the proposed service on the provision of services to existing customers of the MUD and the Town. If the MUD does not approve the provision of wholesale water and wastewater services, and Operations Services, to the proposed additional Town Customers, then the Town shall be solely responsible for furnishing retail water and wastewater services to such Town Customers from sources other than the MUD's water and wastewater systems. Under no circumstances shall the MUD be responsible for funding any improvements required for the provision of service to the new Town Customers, and the MUD may condition approval of service to new Town Customers on the funding and construction of facilities identified by the MUD as conditions of service. New Town Customers added pursuant to this First Amendment shall be billed in accordance with that Interlocal Agreement for Utility Billing Services between the parties dated September 20, 2016, as amended and/or restated. The parties agree that the certified assessed valuation of any taxable property included within the Town corporate limits shall be included in the calculation of the Certified Assessed Valuation under the Contract.

**3. Repair and Replacement.** In the event the MUD approves the provision of wholesale water and wastewater services, and Operation Services, to new Town Customers, then the MUD shall provide Operations Services for the new Town Customers (including maintenance and operation of any extensions of the Town Water Distribution and Town Wastewater Collection constructed for service to such customers) in accordance with the same standards set forth in Section 5.2 of the Contract.

**4. General Terms and Conditions.**

- a. In the event of any conflict between the Contract and this First Amendment, the terms of this First Amendment shall control.
- b. All capitalized terms used but not defined herein shall have the same meanings as defined in the Contract.
- c. Except as expressly set forth in this First Amendment, the Contract otherwise is unmodified and remains in full force and effect. Each reference in the Contract to itself shall be deemed also to refer to this First Amendment.

2023-0322 First Amendment to Wholesale  
Water and Wastewater Services Contract

- d. This First Amendment may be executed in duplicate counterparts, each of which will be deemed an original.
- e. Each of the parties represents and warrants that it has the right, power, legal capacity, and authority to enter into and perform its respective obligations under this First Amendment.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

2023-0322 First Amendment to Wholesale  
Water and Wastewater Services Contract

IN WITNESS WHEREOF, the parties have caused their properly  
authorized representatives to execute this First Amendment on the dates set  
forth below.

TOWN OF TROPHY CLUB, TEXAS

By: 

Name: Alicia Fleury

Title: Mayor

Date: March 28, 2023

ATTEST:

By: 

Name: Anita Otterson

Title: Town Secretary

Date: March 28, 2023

TROPHY CLUB MUNICIPAL UTILITY  
DISTRICT NO. 1

By: 

Name: Kevin R. Carr

Title: President, Board of Directors

Date: March 22, 2023

ATTEST:

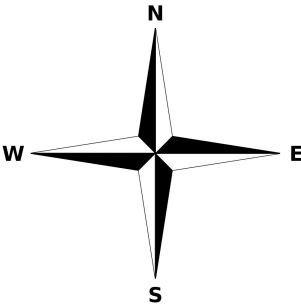
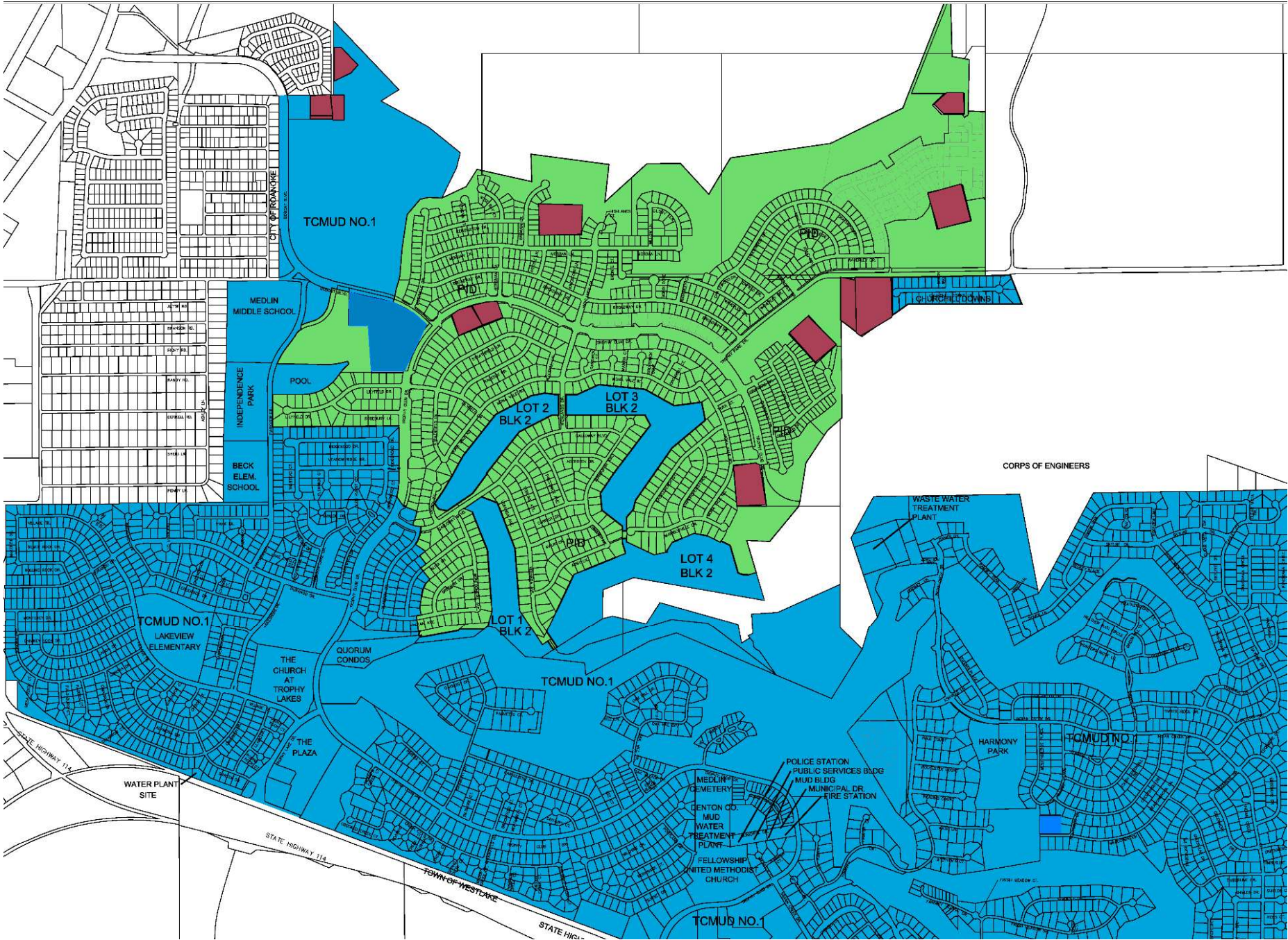
By: 

Name: Laurie Slaght

Title: District Secretary

Date: March 22, 2023







**AMENDED AND RESTATED CONTRACT FOR WHOLESALE WATER  
SUPPLY AND WASTEWATER TREATMENT SERVICES AND WATER AND  
WASTEWATER OPERATIONAL SERVICES**

This Amended and Restated Contract for Wholesale Water Supply and Wastewater Treatment Services and Water and Wastewater Operations Services ("Contract") is entered into as of July 25 2017, 2017 (the "Effective Date") between THE TOWN OF TROPHY CLUB, TEXAS, a home rule municipality located in Denton and Tarrant Counties (hereinafter "**Town**") and TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, a conservation and reclamation District of the State of Texas in Denton and Tarrant Counties created and operating pursuant to Chapters 49 and 54 of the Texas Water Code (hereinafter "**MUD**").

**Recitals**

**WHEREAS**, MUD currently supplies retail water and wastewater services to those customers located within the corporate boundaries of MUD; and

**WHEREAS**, Town currently provides water and wastewater services to a certain portion of property located within the territorial boundaries of Town which property is not located within the boundaries of MUD nor is provided retail water or wastewater services therefrom, hereinafter referred to as the "Property" and more fully described in Exhibit "A"; and

**WHEREAS**, Town and MUD previously entered into the following contracts providing for the provision of wholesale water and wastewater services, and contract operation services, by MUD to Town: (i) "Contract for Water Supply and Wastewater Treatment" dated November 20, 2007, as amended by that certain "First Modification of Contract for Water Supply and Wastewater Treatment" dated July 7, 2008 (hereafter, the "2007 Wholesale Contract"); and (ii) "Contract for Water and Wastewater Operational Services" dated November 12, 2007 as subsequently amended on July 7, 2008 and November 19, 2013 (hereafter, the "2007 Operations Contract");

**WHEREAS**, Town and MUD desire to amend and restate the 2007 Wholesale Contract and to terminate the 2007 Operations Contract;

**WHEREAS**, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the "Act") provides authority for governmental entities of the State of Texas to enter into interlocal contracts with each other regarding governmental functions and services as set forth in the Act; and

**WHEREAS**, the provision of wholesale water and wastewater services by MUD to Town, and the provision of operational services by MUD to Town, are

valid governmental functions necessary for the public health, safety and welfare for which an interlocal contract is allowed pursuant to the Act; and

**WHEREAS**, each Party hereto paying for the performance of governmental functions or services shall make such payments from current revenues legally available to the paying Party and each Party hereby finds and agrees that it is fairly compensated for the services or functions performed under the terms of this Contract.

**NOW, THEREFORE**, Town and MUD, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows:

## **ARTICLE I. INCORPORATION / DEFINITIONS / EXHIBITS**

**1.1 Incorporation of Recitals.** The foregoing recitals are agreed upon and incorporated herein as a part of this Contract.

**1.2 Definitions.** Unless the content indicates others, the following words used in this Contract shall have the following meanings:

*2007 Operations Contract* means that certain "Contract for Water and Wastewater Operational Services" dated November 12, 2007 entered into by MUD and Town, as subsequently amended on July 7, 2008 and November 19, 2013.

*2007 Wholesale Contract* means that certain "Contract for Water Supply and Wastewater Treatment" dated November 20, 2007", as amended by that certain "First Modification of Contract for Water Supply and Wastewater Treatment" dated July 7, 2008 entered into by Town and MUD, as amended.

*Annual Capital Improvements and Maintenance Charge* has the meaning set out in Section 7.2.

*Annual Debt Service Requirement* has the meaning set out in Section 7.2.

*Certified Assessed Valuation* means the most current certified assessed valuation from the County Tax-Assessor collector as of August 1 of a calendar year.

*Commission* or *TCEQ* means the Texas Commission on Environmental Quality and any successor or successors exercising any of its duties and functions.

*Emergency* means a sudden unexpected happening; an unforeseen occurrence or condition; exigency; pressing necessity; or a relatively permanent



condition or insufficiency of service or of facilities resulting from causes outside of the reasonable control of MUD. The term includes Force Majeure and acts of third parties that cause the MUD Water System or MUD Wastewater System to be unable to provide the Wholesale Water Services or Wholesale Wastewater services agreed to be provided herein.

*EPA* means the Environmental Protection Agency and any successor or successors exercising any of its duties and functions.

*Fort Worth Impact Fee* means the charge imposed by Fort Worth pursuant to Chapter 395 of the Local Government Code under the Fort Worth Water Contract.

*Fort Worth Water Contract* means the Contract for Water Service Between the City of Fort Worth, Texas, and Trophy Club Municipal Utility MUD No. 1, dated November 16, 2010, as amended.

*Infiltration and Inflow* means water that enters a wastewater collection system through physical defects in the system or from other point sources.

*MUD* means Trophy Club Municipal Utility District No. 1.

*MUD Wastewater System* means the wastewater collection lines, lift stations, pipes, valves, meters, pumps, motors, treatment plant, effluent discharge lines, and other facilities, equipment and appurtenances thereto owned or controlled by the MUD, and any expansions, improvements, enlargements, additions and replacements thereto.

*MUD Water System* means the water supply, treatment, storage, transmission, pumping and distribution system of the MUD and appurtenances thereto, and any expansions, improvements, enlargements, additions and replacements thereto.

*Operations Services* has the meaning set out in Section 5.2.

*Parties or Party* shall mean either one or more of MUD or Town or both, as the context provides.

*Permit* means Permit No. WQ0011593-001 held by MUD authorizing the treatment and disposal of treated wastewater effluent.

*Person(s)* means an individual, corporation, partnership, association, joint venture or any other third party legal entity.

*Points of Connection of Wastewater* means that point or points where Town Wastewater Collection System connects to MUD's Wastewater System.

*Points of Connection of Water* means that point or points where Town Water System connects to MUD's Water System.

*Property* means the approximately 609-acre tract of land located within the corporate boundaries of Town shown in the attached **Exhibit "A"**.

*Retail Customer Charge* has the meaning set forth in Section 7.1.

*Town* means the Town of Trophy Club, Texas, a home-rule municipality located in Denton and Tarrant Counties, Texas, and all land included within the territorial limits and extraterritorial jurisdiction of Town, at Town's creation and thereafter annexed from time to time.

*Town Customers* means any Person(s) residing within the Property and who have the right to receive, who contract to receive or otherwise are receiving Water and/or Wastewater Services from Town Water Distribution System and/or Town Wastewater Collection System.

*Town Rate Order* means an order adopted by Town setting out the rates and fees for retail water and wastewater services for Town Customers, including without limitation administrative fees, customer deposits, usage rates, late charges, returned check fees, disconnect fees, meter re-read fees, and after-hours service fees, and any Town Surcharge.

*Town Surcharge* has the meaning set forth in Section 7.1(d).

*Town Wastewater Collection System* means the Wastewater system constructed and owned by Town for the collection of Wastewater received from Town Customers, ending at the Points of Connection of Wastewater.

*Town Water Distribution System* means the water distribution system constructed and owned by Town for the distribution of potable water received from MUD to Town Customers, beginning at the Points of Connection of Water, including any elevated storage tanks and pumping facilities. The Town Water Distribution System shall not include any Wells.

*Utility Fee* has the meaning set out in Section 7.4.

*Utility Fee Remainder* has the meaning set out in Section 7.4.

*Wastewater* means the water-carried wastes, exclusive of ground, surface, and storm waters, normally discharged from the sanitary conveniences of dwellings, including apartment houses, hotels, offices buildings and institutions, of a domestic, not industrial, nature, and that meets the requirements of this Contract.



*Water or Water Supply* means potable water that meets federal and state standards for consumption by humans.

*Wells* means any and all potable water wells that may be constructed within the Property or for the benefit of the Property by Town or its designee.

*Wholesale Wastewater Services* means the wholesale wastewater treatment and disposal services provided by MUD in accordance with the terms and conditions of this Contract in receiving, treating, testing, and disposing of Wastewater from Town Wastewater Collection System in accordance with this Contract.

*Wholesale Water Services* means the wholesale services provided by MUD in furnishing a wholesale supply of Water to Town at the Points of Connection of Water.

**1.3 Exhibits.** The following Exhibits attached to this Contract are hereby made a part of the Contract as though fully incorporated herein:

**Exhibit "A"**

- The Property

**Exhibit "B"**

- Points of Connection of Water and Wastewater

**ARTICLE II.  
EFFECT ON PRIOR CONTRACTS**

**2.1 2007 Operations Contract.** As of the Effective Date, the 2007 Operations Contract shall terminate for all purposes; provided, however, the terms and conditions set forth therein relating to payment by Town to MUD for services shall remain in effect until such time as MUD commences collection of the Retail Customer Charge under this Contract.

**2.2 2007 Wholesale Contract.** As of the Effective Date, the 2007 Wholesale Contract shall be amended and restated by this Contract.

**2.3 Prior Revenues.** MUD shall be entitled to collect and retain all revenues for any and all water and wastewater services rendered to Town Customers prior to the Effective Date pursuant to the 2007 Operations Contract and 2007 Wholesale Contract, including any such revenues received after the Effective Date. The Parties agree that it is their mutual intent that the MUD shall continue to receive all payments under the 2007 Operations Contract and 2007 Wholesale Contract until such time as any payments under this Contract can be collected in lieu thereof.

### **ARTICLE III. WHOLESALE WATER SERVICES**

**3.1 Points of Connection of Water.** MUD shall deliver a wholesale supply of Water to Town Water Distribution System at the existing Points of Connection of Water. Any additional Points of Connection of Water must be at locations mutually agreed upon in writing by the Parties.

**3.2 Quantity of Wholesale Water Services.** Subject to the terms of this Contract, MUD agrees to purchase and transport to Town a supply of Water: (i) in a quantity that meets all regulatory requirements for public water systems applicable to the provision of retail water service by Town to Town Customers located within the Property; and (ii) to be made available according to the same terms, conditions and limitations that MUD furnishes a supply of Water to its retail customers. MUD agrees that, for purposes of compliance with 30 Texas Administrative Code Sec. 290.45(f), the maximum authorized daily purchase rate shall be not less than 0.6 gallons per minute, and the maximum hourly purchase rate plus actual service pump capacity shall be at least 2.0 gpm per connection or provide at least 1,000 gpm and be able to meet peak hourly demands, whichever is less.

**3.3 Resale Prohibited.** Town shall not provide or sell Water received under this Contract to any person entity, private or public, other than Town's retail customers located within the Property, without MUD's prior written consent. The Parties agree that as of the Effective Date, MUD has not provided any such consent and Town does not provide retail water or wastewater service to any customers located outside the Property.

**3.4 Sole Provider.** MUD will be the sole source of Wholesale Water Services to Town for the Property unless MUD consents in writing to Town's conversion to another wholesale provider. Under the terms and conditions set forth herein, MUD shall be entitled to provide Wholesale Water Services to Town for the Property from any source available to MUD.

**3.5 Title to Water.** Title to the water purchased by MUD and transported to Town under this Contract shall remain with MUD at all times until it reaches the Points of Connection of Water. At the Points of Connection of Water, title to the Water shall pass to the Town.

**3.6 Conservation and Drought Planning.** Town will adopt a water conservation plan and a drought contingency plan in compliance with TCEQ rules, 30 Texas Administrative Code, Chapter 288, with provisions at least as stringent as the provisions of the existing MUD Water Conservation and Drought Contingency Plan. MUD shall provide Town with any amended or revised MUD Water Conservation and Drought Contingency Plan upon adoption, and Town will adopt a water conservation plan and a drought contingency plan in compliance with TCEQ rules, 30 Texas Administrative Code, Chapter 288, with provisions at



least as stringent as the provisions of the amended or revised MUD Water Conservation and Drought Contingency Plan within sixty (60) days of Town's receipt of the amended or revised MUD Water Conservation and Drought Contingency Plan. Town specifically agrees that upon institution of any mandatory water conservation or drought contingency restrictions by MUD upon its customers, MUD shall impose identical restrictions upon Town Customers as part of the Operational Services until and unless Town has adopted more stringent restrictions, in which event MUD shall enforce Town's more stringent restrictions upon Town Customers.

**3.7 Plumbing Regulations.** MUD and Town both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection nor other undesirable plumbing practices are permitted. Plumbing regulations adopted by Town shall be not less stringent than those adopted by MUD.

**3.8 Curtailment of Service.** If water service is curtailed by MUD to other customers of the MUD Water System, MUD may impose a like curtailment on Wholesale Water Services delivered to Town under this Contract. MUD will impose such curtailments in a nondiscriminatory fashion. The Parties agree that they will not construe this Contract to prohibit MUD from curtailing service completely in the event of a maintenance, operation or Emergency for a reasonable period necessary to complete such maintenance operations or repairs or respond to an Emergency circumstance. Town acknowledges and agrees that the MUD's provision of Wholesale Water Services under this Contract is subject to applicable provisions of the MUD Water Conservation and Drought Contingency Plan.

**3.9 Water Service Rules, Regulations and Policies.** Within sixty (60) days of the Effective Date, Town agrees to adopt retail water service rules, regulations and policies with provisions at least as stringent as, and not inconsistent with, the provisions of the existing MUD water service rules, regulations and policies (the "MUD Service Rules and Policies"). MUD shall provide Town with any amended or revised water service rules, regulations and policies upon adoption, and Town will adopt provisions at least as stringent as the provisions of the amended or revised MUD service rules, regulations or policies within sixty (60) days of Town's receipt of the amended or revised MUD service rules, regulations and policies.

**3.10 Consumer Confidence Report.** Town shall timely adopt a consumer confidence report in accordance with all regulatory requirements, and to conduct any public hearing relating thereto. MUD agrees to furnish all required data and information required for Town to prepare the report and a draft of the report to Town for Town's approval, and further agrees to distribute the approved report to all Town customers upon receipt from Town as part of the Operations Services to be provided hereunder.

## **ARTICLE IV. WHOLESALE WASTEWATER SERVICES**

**4.1 Points of Connection of Wastewater.** MUD shall receive Wastewater from Town Wastewater Collection System at the existing Points of Connection of Wastewater. Any additional Points of Connection of Wastewater must be at locations mutually agreed upon in writing by the Parties.

**4.2 Wholesale Wastewater Service.**

(a) Subject to the terms and conditions of this Contract and the requirements of applicable law, MUD agrees to provide Wholesale Wastewater Services to Town: (i) in a quantity that meets all regulatory requirements applicable to the provision of retail wastewater service by Town to Town Customers located within the Property; and (ii) according to the same terms, conditions and limitations that MUD furnishes wastewater service to its retail customers.

(b) Town agrees that it shall adopt and enforce: (1) wastewater service rules and policies at least as stringent as, and not inconsistent with, the MUD Service Rules and Policies; and (ii) any pretreatment requirements for its retail customers as may be necessary to cause the quality of Wastewater Town delivers to the MUD Wastewater System pursuant to this Contract to meet the requirements of this Contract and the MUD Service Rules and Policies. MUD shall be responsible for the quality of any Wastewater collected from MUD customers and passed through the Town Wastewater Collection System to the MUD Wastewater System.

(c) MUD shall be entitled to collect samples of Wastewater at or near the Point(s) of Connection into the MUD Wastewater System or from any point within the Town Wastewater Collection System and cause the same to be analyzed in accordance with accepted methods in the industry to determine if such Wastewater complies with the MUD Service Rules and Policies and any pretreatment requirements. If analysis discloses that the Wastewater does not comply with the MUD Service Rules and Policies and any pretreatment requirements, Town shall be obligated to require the offending originator to immediately cease discharging such Wastewater into the Town Wastewater Collection System or to pretreat such Wastewater such that the discharge of prohibited Wastewater ceases immediately.

**4.3 Sole Provider.** MUD will be the sole source of Wholesale Wastewater Service to Town for the Property unless MUD consents in writing to Town's conversion to another wholesale provider. Under the terms and conditions set forth herein, MUD shall be entitled to provide Wholesale Wastewater Service to Town for the Property from any source of treatment capacity available to MUD.



**4.4 Wholesale Service Commitment Not Transferable.** MUD's commitment to provide Wholesale Wastewater Service is solely to Town and solely for the Property. Town may not assign or transfer in whole or in part its right to receive Wholesale Wastewater Service without MUD's prior written consent.

**4.5 Curtailment of Service.** The Parties agree that, if Wastewater service is curtailed by MUD to other customers of the MUD Wastewater System, MUD may impose a like curtailment on Wholesale Wastewater Service delivered to Town under this Contract. The MUD will impose such curtailments in a nondiscriminatory fashion. The Parties agree that they will not construe this Contract to prohibit MUD from curtailing service completely in the event of a maintenance operation or Emergency for a reasonable period necessary to complete such maintenance operations or repairs or respond to an Emergency circumstance.

**4.6 Town Prevention of Infiltration and Inflow.** Town will adopt and enforce such ordinances as are reasonably necessary or prudent to minimize Infiltration and Inflow to the Town Wastewater Collection System, and such ordinances shall be at least as stringent as, and not inconsistent with, the MUD's Service Rules and Policies. Town will prohibit the discharge of drainage water and stormwater run-off into the Town Wastewater Collection System.

**4.7 Liability of Town.** As between the Parties, liability for damages to third persons arising from the reception, transportation, delivery, treatment and disposal of all Wastewater will remain with Town to each Point of Connection of Wastewater; provided, however, that if any such liability to third parties arises directly out of an act or omission of MUD in the provision of Operations Services, then the MUD will pay all costs and expenses arising out of such liability as part of the Operations Services provided hereunder. Town agrees that any sewer backups caused by force majeure, intrusion of roots into the Town Wastewater Collection System, defects in construction of the Town Wastewater Collection System or other circumstances that are not under the direct control of MUD do not arise out of the act or omission of MUD, and MUD shall have no liability in connection therewith. As between the Parties, liability for damages to third persons will pass to MUD at the Points of Connection of Wastewater to the MUD Wastewater System.

**4.8 Liability of MUD.** Subject to the foregoing, MUD will bear the responsibility as between the Parties for the proper reception, transportation, treatment, and disposal of such Wastewater received by it at each Point of Connection of Wastewater in accordance with the Contract. However, the Parties agree that they will not construe this Contract to cause MUD to have liability for damages to the MUD Wastewater System or to third persons arising from the delivery by Town of any Wastewater that is prohibited under this Agreement. Similarly, this Contract shall not be construed as a waiver of any governmental immunity that MUD or Town may enjoy with respect to any claims brought by third party persons or entities.



**4.9 MUD Treatment and Use of Wastewater.** MUD may treat the Wastewater delivered by the Town pursuant to this Contract and dispose of the effluent generated thereby in such manner as may be provided in the Permit or other TCEQ authorization in its sole discretion; provided, however, that if MUD has effluent available, as determined in MUD's discretion, then MUD will make available all or part of such effluent to Town at Town's request in accordance with all terms and conditions of the MUD Service Rules and Policies relating to the use of wastewater effluent for irrigation customers, as modified from time to time. To the extent allowed by law, MUD will make effluent available to Town at no charge. Town shall be responsible for the acquisition or construction of all facilities and improvements required to transport effluent from the MUD Wastewater System to the place of use, and any modifications to the MUD's Wastewater System, at Town's sole expense. The design of all such improvements and modifications shall be subject to MUD's prior approval. Town shall also be responsible for securing at its sole cost and expense all regulatory approvals required for the delivery and use of effluent. Notwithstanding any provision herein to the contrary, the Town acknowledges and agrees as follows: (i) that Trophy Club Country Club shall have an opportunity to purchase any excess Wastewater effluent prior to such effluent being made available to Town and (ii) Town may not furnish or resell to third parties any Wastewater effluent.

**4.10 Wastewater Service Rules, Regulations and Policies.** Within sixty (60) days of the Effective Date, Town agrees to adopt wastewater service rules, regulations and policies with provisions at least as stringent as, and not inconsistent with, the provisions of the existing MUD wastewater service rules, regulations and policies ("MUD Service Rules and Policies"). MUD shall provide Town with any amended or revised wastewater service rules, regulations and policies upon adoption, and Town will adopt provisions at least as stringent as the provisions of the amended or revised MUD service rules, regulations or policies within sixty (60) days of Town's receipt of the amended or revised MUD service rules, regulations and policies.

**ARTICLE V.  
OPERATIONS SERVICES RELATED TO TOWN WATER DISTRIBUTION  
SYSTEM, TOWN WASTEWATER COLLECTION SYSTEM,  
AND TOWN WELLS**

**5.1 Town's Obligation to Construct Town Water Distribution System and Town Wastewater Collection System.** Town shall continue to design and construct, at its sole cost and expense, the Town Water Distribution System and a Town Wastewater Collection System to provide retail water and wastewater service to Town Customers. The Town Water Distribution System shall include all facilities necessary to store Water and to convey Water from the Points of Connection of Water to Town Customers. The Town Wastewater Collection System shall include all facilities necessary to transport Wastewater from Town Customers to the Points of Connection of Wastewater. The Parties specifically agree that the MUD shall have no obligation whatsoever to construct new



improvements within, or as part of, the Town Water Distribution System or the Town Wastewater Collection System to serve new development or new land uses within the Property.

## **5.2 Provision of MUD Operations Services.**

(a) MUD agrees to provide the following contract operation, maintenance, meter reading, billing and reporting functions (collectively, the "Operations Services") to Town in connection with the Town Water Distribution System and Town Wastewater Collection System:

- 1) Operating and maintaining the Town Water Distribution System and Town Wastewater Collection System in the same manner as the MUD operates and maintains the MUD Water System and the MUD Wastewater System;
- 2) Repairing and replacing the Town Water Distribution System and Town Wastewater Collection System (but excluding any expansions) in the same manner as the MUD repairs and replaces the MUD Water System and the MUD Wastewater System as necessary to provide continuous and adequate service in accordance with all regulatory requirements;
- 3) Reading individual meters of Town retail customers on behalf of Town;
- 4) Billing, collecting from, and responding to service calls from Town Customers;
- 5) Dead-end water flushes;
- 6) Prepare and filing certain operational and compliance reports required by law, including those required by the Commission or EPA relating to operation of the Town Wastewater Collection System or Town Water Distribution System, as more particularly described in Section 5.2(e) below;
- 7) Preparing and furnishing to Town a monthly operational report including the same detail and information prepared by the MUD for its own system;
- 8) Providing a representative, upon prior request of Town, to present reports at regular Town Council meetings regarding service matters; and
- 9) Cooperating with respect to any inspection of the Town Wastewater Collection System or Town Water Distribution System by TCEQ, EPA or any other regulatory entity.

(b) MUD will provide Operations Services to Town under this Contract in compliance with all applicable, federal, state, and local laws, rules and regulations, and in the same manner that it provides those services to retail water and wastewater customers within the MUD. If MUD's failure to comply with all applicable, federal, state, and local laws, rules and regulations for which it is responsible under this Contract results in fines or penalties against Town of any kind or any requirement that Town take corrective action by any governmental agency having jurisdiction, then MUD shall pay such fines and penalties, and shall undertake such correction, as part of the Operations Services provided hereunder; provided, however, that notwithstanding any provision in this Contract to the contrary, MUD shall have absolutely no responsibility to pay any costs, fines or penalties that arise out of any of the following: (i) the design or construction of the Town Wastewater Collection System or Town Water Distribution System; (ii) the introduction of prohibited Wastewater by any customer of the Town into the Town Wastewater Collection System for which the Town has not taken immediate enforcement action; (iii) any action, decision, inaction or delay of the Town that contributes to the circumstance or condition that results in the violation, fine or penalty; (iv) matters which are outside the scope of Operations Services to be provided by MUD; and (v) matters that are outside the reasonable control of the MUD, including acts of force majeure and acts of third parties.

(c) As an independent contractor, MUD shall work independently and exercise its own judgment in providing the Operations Services. Town shall have no control over the means or methods of the MUD's work, except that MUD shall provide Operations Services in a professional and workmanlike manner consistent with the standards by which it furnishes services to its own retail water and wastewater customers, and shall comply with all applicable local, state and federal laws, rules and regulations.

(d) Town acknowledges that the Operations Services do not include any services or obligations not specifically set forth in this Contract. By way of example and without limitation, the Operations Services do not include design or construction of extensions to the Town Wastewater Collection System or Town Distribution System; plumbing inspections; construction inspections; records retention; filing of plans for new infrastructure improvements with regulatory authorities; legislative functions such as adoption of policies, rates and service rules; or enforcement of Town ordinances, rules, regulations or policies.

(e) As part of the Operations Services, MUD shall prepare, execute and file on behalf of Town those operations and sampling reports and filings that may legally be executed by an operator of a public water or wastewater system on behalf of the owner. With respect to those reports, plans and filings that must be executed or filed directly by the owner of the public water or wastewater system, MUD shall prepare a draft report, plan and/or filing for Town, but Town shall be solely responsible for final approval, execution and filing thereof. The



Parties agree that the data to be furnished by MUD for purposes of preparing reports, filings and plans on behalf of Town shall be operational and sampling data obtained by MUD in connection with providing the Operations Services, and Town shall be responsible for gathering and furnishing other data not generated as a result of operating the Town Water Distribution System and Town Wastewater Collection System, such as Town population data.

**5.3 Wells.** Town has sole discretion regarding the specifications for, number and location of Wells that may be constructed by Town. Any and all Wells constructed by or at the direction of Town or dedicated to Town shall be owned and operated by Town, and are outside the scope of Operations Services to be furnished by MUD. No Wells shall be connected to the Town Water Distribution System without the prior consent and approval of the MUD. MUD has sole discretion regarding the specifications for, number and location of Wells that may be constructed by MUD.

**5.4 Cooperation.**

(a) Town agrees to fully cooperate with MUD in connection with the provision of Operations Services by MUD. By way of example and without limitation, Town shall not prevent, hinder or impair MUD's access to the Town Wastewater Collection System or Town Water Distribution System. Similarly, in the event Town receives any notices, correspondence, notices of enforcement action, inspection reports, customer correspondence or other information relating to water or wastewater services, operations or water or wastewater facilities, it shall provide a copy thereof to MUD as soon as reasonably practical. Town shall also timely execute any operations reports or filings that must be executed by an authorized representative of Town, and shall fully cooperate as necessary to allow MUD to file any regulatory reports or filings that MUD files on behalf of Town as part of the Operations Services.

(b) The Parties agree to fully cooperate and provide notice to each other as soon as practicable regarding emergencies and events that materially impact water and wastewater service.

(c) The Parties will fully cooperate to respond to alleged violations or enforcement action pertaining to water and wastewater services.

**5.5 Approvals for MUD Bonds Relating to Town Infrastructure.** The Parties acknowledge and agree that the Operations Services to be provided by MUD include necessary repairs or replacement of the Town Wastewater Collection System or the Town Water Distribution System. In the event that MUD seeks to issue bonds for funding any such repairs or replacements and TCEQ withholds approval for the issuance of such bonds, or the Attorney General of the State of Texas refuses to render an opinion approving the validity of bonds issued by MUD for such purposes, then the Parties agree to fully cooperate as necessary to cause such repair or replacement to proceed without delay at no

additional cost to Town. MUD shall have no obligation to undertake any such repair or replacement until an alternative funding source is identified and agreed upon by the Parties.

**5.6 Elevated Storage Tank.** The Parties acknowledge that the Town Water Distribution System includes an elevated storage tank to which both Parties contributed funding. As part of the Operations Services, MUD shall operate the elevated storage tank to provide and maintain pressure to customers of both the Town Water Distribution System and the MUD Water System in accordance with all applicable regulatory requirements applicable to both systems.

**5.7 Insurance.** MUD agrees to secure and maintain insurance for the Town Water Distribution System and Town Wastewater Collection System at MUD's sole cost and expense. The Parties mutually agree that any payments of insurance under any such policies should go to MUD for purposes of repair or replacement of Town infrastructure. In the event that the insurance company tenders payment of the insurance proceeds to Town for any reason, Town agrees to immediately remit all such insurance proceeds to MUD, which shall utilize the proceeds for repair or replacement of Town infrastructure, or if the amount of the proceeds exceeds the cost of the repair or replacement, MUD shall credit such excess proceeds to the Annual Capital Improvements and Maintenance Charge due from Town.

## **ARTICLE VI. CHARGES TO TOWN**

**6.1 Charges to Town for Wholesale Water Service, Wholesale Wastewater Services and Operational Services.** The MUD charges to Town for Wholesale Water Services, Wholesale Wastewater Services, and Operational Services shall consist of the following:

- (a) The Retail Customer Charge;
- (b) The Annual Capital Improvements and Maintenance Charge;
- (c) Fort Worth Impact Fees; and
- (d) Utility Fees.

## **ARTICLE VII. BILLING AND PAYMENT**

### **7.1 Retail Customer Charge.**

(a) MUD shall provide to Town any amended or revised MUD Rate Order adopted by MUD and Town shall adopt a Town Rate Order identical to the amended or revised MUD Rate Order. The Town shall adopt a Town Rate Order



identical to the amended or revised MUD Rate Order provided that the Town has received receipt of the amended or revised MUD Rate Order at least 96 hours before a regularly scheduled Council meeting. In the event that the Town receives receipt of the amended or revised MUD Rate Order with less than 96 hours before a regularly scheduled Council meeting then the Town shall adopt a Town Rate Order identical to the amended or revised MUD Rate Order at the second regularly scheduled Council meeting after receiving receipt of the amended or revised MUD Rate Order.

(b) As part of the Operations Services provided to Town, MUD shall bill and collect amounts due from Town Customers under the Town Rate Order for the provision of retail water and wastewater services. Such billing and collection shall be conducted by MUD in the same manner of billing and collections performed by MUD for retail water and wastewater service furnished by MUD to its retail customers in the MUD boundaries.

(c) Town hereby authorizes MUD to collect all monthly payments from Town Customers under the Town Rate Order and to directly deposit such payments into the MUD bank accounts. MUD shall keep one hundred percent (100%) of all collections from Town Customers, except as provided in Section 7.1(d) below. All such payments collected by MUD from Town Customers under the Town Rate Order identical to the rates, fees and charges of MUD are collectively referred to herein as the "Retail Customer Charge."

(d) Town shall have the right at any time to modify its rate order to include separate fees and charges in addition to those billed and charged by MUD. Any such additional Town fees or charges (a "Town Surcharge") shall be separately identified on the MUD's bill to Town Customers. Town shall give MUD not less than 60 days prior written notice of any such additional Town charge. Except as provided in Section 7.2(d) below with respect to the levy and collection of a Town Surcharge for payment of the Annual Capital Improvements and Maintenance Charge, MUD shall remit payment of any such additional Town fees and charges that it collects to Town within fifteen (15) days after receipt of a written invoice for payment from Town. Notwithstanding any provision herein to the contrary, Town agrees that the volumetric rates for water and wastewater service to Town Customers under the Town Rate Order must be identical to the MUD volumetric rates for water and wastewater services under the MUD Rate Order, and the Town Surcharge shall not be a gallonage charge (and instead shall be a fixed sum).

## **7.2 Annual Capital Improvements and Maintenance Charge.**

(a) The Annual Capital Improvements and Maintenance Charge shall be calculated in accordance with the following methodology:

- 1) Town shall furnish its most current certified assessed valuation from the County Tax-Assessor (the "Certified Assessed Valuation")

for the Property to the MUD on or before August 1 of each year that this Contract remains in effect.

2) No later than September 1 of the same year, MUD will furnish Town with an annual debt service, maintenance and operations budget that contains the following items:

- a. The total debt service requirements for new money ad valorem tax bonds issued by MUD after the Effective Date in the next calendar year ("Annual Debt Service Requirement");
- b. The total expenses to be funded with maintenance taxes in the next fiscal year ("Annual Maintenance and Repair Requirement"), save and except budgeted costs of MUD director fees and director elections, the costs of which MUD agrees shall not be funded by the Annual Capital Improvements and Maintenance Charge;
- c. The cumulative total of the Certified Assessed Valuation for the MUD and the Property;
- d. Town's percentage share of the Annual Debt Service Requirement and Annual Maintenance and Repair Requirement calculated by dividing the Certified Assessed Valuation for the Property by the cumulative total of the Certified Assessed Valuation for the MUD and the Property; and
- e. The amount of the next year's Annual Debt Service Requirement and Annual Maintenance and Repair Requirement for which the Town is responsible for payment during the subsequent calendar year (the "Annual Capital Improvements and Maintenance Charge") shall be equal to the product of the Town's percentage share of the Annual Debt Service Requirement and Annual Maintenance and Repair Requirement multiplied by the Annual Debt Service Requirement and Annual Maintenance and Repair Requirement.

(b) If for any reason the timing of issuance of ad valorem tax debt by MUD does not allow the Annual Capital Improvements and Maintenance Charge to be calculated in accordance with the foregoing schedule, then Town's share of any such ad valorem debt service payments shall be added to the next subsequent calendar year Annual Debt Service Requirement.

(c) Town shall determine, in its sole discretion, the source of funding for payment of the Annual Capital Improvements and Maintenance Charge; provided, however, that (i) the Town shall not levy and collect an ad valorem tax



for payment of the Annual Capital Improvements and Maintenance Charge; and (ii) the source of funding shall be collected only from Town Customers within the Property. Without limitation, Town may levy a Town Surcharge (as defined in Section 7.1(d) above) in the Town Rate Order for purposes of generating revenues for payment of the Annual Capital Improvements and Maintenance Charge.

(d) If Town levies a Town Surcharge for payment of the Annual Capital Improvements and Maintenance Charge, then MUD shall retain the Town Surcharge for payment of the Annual Capital Improvements and Maintenance Charge. If Town uses another source of funding to pay the Annual Capital Improvements and Maintenance Charge, then Town shall pay such funds to MUD within thirty (30) days of receipt, but in no event later than the end of the calendar year. Within thirty (30) days of the end of each calendar year, MUD shall prepare and furnish to Town a reconciliation that identifies the cumulative sum collected by MUD from the Town Surcharge or paid by Town from other funding sources. In the event that the cumulative sum collected exceeds the Annual Capital Improvements and Maintenance Charge, the MUD shall remit such excess monies to Town within thirty (30) days after the reconciliation report is furnished to Town. If the cumulative sum collected is less than the Annual Capital Improvements and Maintenance Charge, then Town shall pay the full amount of the deficit within thirty (30) days of receipt of the MUD reconciliation report.

(e) Each Annual Capital Improvements and Maintenance Charge shall remain in effect from January through December of each year that this Contract remains in effect. The Parties acknowledge that the payment procedures may cause the MUD to be responsible for principal or interest on bonds during the calendar year before Town has fully contributed its pro rata share of such payments to MUD; provided, however, the reconciliation and payment obligations of the Parties shall ensure that Town pays, and the MUD receives, the Annual Capital Improvements and Maintenance Charge for each calendar year (and not more or less).

(f) A new Annual Capital Improvements and Maintenance Charge shall be calculated for each calendar year in accordance with the same methodology set forth in Section 7.2(a) for so long as this Contract remains in effect.

(g) If all of the Property is annexed into the corporate boundaries of the MUD, then Town's obligation to pay the Annual Capital Improvement and Maintenance Charge will terminate on the January 1 following the effective date of the annexation.

**7.3 Fort Worth Impact Fees.** Town understands that MUD has a separate agreement for water services with the City of Fort Worth (hereinafter "Fort Worth Water Contract" as defined above) and that pursuant to that Fort Worth Water



Contract, MUD is responsible for collection of Fort Worth's impact fees from new customers that are paid to Fort Worth. Town understands and agrees that as a wholesale water supply customer of MUD, Town will be required to collect and pay all impact fees due under the Fort Worth Water Contract for each new Town Customer. The Parties further agree that Town's permitting department collects the Fort Worth Impact Fee from each new Town Customer and each new retail customer of MUD within the boundaries of Town, and provides a daily collection report to MUD identifying all new customers. Town remits the cumulative Fort Worth Impact Fees collected from all such customers to MUD each month upon receipt of a written invoice for payment from MUD, and MUD in turn provides payment to the City of Fort Worth. Town agrees to continue to take such actions as may be necessary to collect or to allow for the collection from all new retail connections of Town and MUD within the boundaries of Town an amount equal to the impact fee assessed by the City of Fort Worth pursuant to the Fort Worth Water Contract and to remit such sum to MUD in the amount and in accordance with the terms set forth in the Fort Worth Water Contract. Upon receipt of such funds from Town, MUD shall immediately remit that amount to the City of Fort Worth. Town agrees that no new Town Customer shall be entitled to receive water or wastewater service for which the Fort Worth Impact Fee is not collected and paid to MUD. In the event that payment of the Fort Worth Impact Fee is not collected from any new Town Customer, MUD may immediately disconnect service until payment is received.

**7.4 Utility Fees.** The Parties acknowledge that the 2007 Wholesale Contract provided for the Town to pay MUD a lump sum amount of \$540,000 and a Utility Fee of \$2,300 for each new service connection to the Town Water Distribution System and Town Wastewater Collection System until the total amount of Utility Fees paid to MUD equaled \$3,260,000, in consideration of the MUD's payment of the debt service on bonds issued to finance the construction and installation of the existing MUD Water System and MUD Wastewater System. For purposes of this contract, and in consideration of the receipt of Utility Fees, MUD agrees that Town shall not be responsible for payment of debt service on ad valorem tax bonds issued by MUD prior to the Effective Date, or any refunding thereof. The 2007 Wholesale Contract further provided that to the extent the Town paid less than this sum to the District as of May 7, 2013, then the Town would be required to pay ten percent (10%) interest each year on the difference between the amount of such fees paid to the District and \$3,260,000 in accordance with a formula set forth in the 2007 Wholesale Contract. The Parties now acknowledge that there will not be a sufficient number of new service connections within the Property in order for Town to collect and remit to MUD the full amount that was required to be paid under the 2007 Wholesale Contract. As a result, from and after the Effective Date, the Parties agree that Town's payment obligation of Utility Fees and interest shall be as follows:

(a) Town shall collect a fee \$2,300 (the "Utility Fee") for each new standard service connection within the Property to the Town Water Distribution System or Town Wastewater Collection System within the Property and tender



such fee to MUD until such time as MUD has received Utility Fees from 1,407 standard service connections within the Property (including those received under the 2007 Wholesale Contract);

(b) From and after the Effective Date, Town shall pay to MUD the Utility Fees collected by Town for all new service connections within the Property during the preceding calendar month on or before the end of a calendar month.

(c) Until such time as MUD has received Utility Fees from 1,407 new service connections within the Property (including those received under the 2007 Wholesale Contract), Town shall, pursuant to its contract with 831 Trophy LP ("Developer"), entitled "The Highlands at Trophy Club Development and Public Improvement District Agreement" and all prior modifications thereof, notify the Developer of its requirement to directly pay to MUD or to provide a letter of credit for the benefit of MUD to pay interest in accordance with the following methodology:

- 1) The difference between the total amount of Utility Fees received by MUD as of a specified date and \$3,260,000 represents the "Utility Fee Remainder" as of said date;
- 2) Interest at ten percent (10%) per annum shall be payable to MUD each year based on the Utility Fee Remainder until such time as the MUD has received Utility Fees from 1,407 new service connections within the Property (including those received under the 2007 Wholesale Contract);
- 3) It is hereby agreed that, as of May 7, 2013, the Utility Fee Remainder was \$707,000. Therefore, the initial interest payment, equal to \$70,700 (which represents 10% of the Utility Fee Remainder as of May 7, 2013), shall be paid to MUD on or before May 31, 2014;
- 4) The amount of interest to be paid to MUD thereafter (commencing May 31, 2015) shall be calculated according to the following methodology: where (A) equals the Utility Fee Remainder as of the preceding May 7th (commencing May 7, 2014) and (B) equals the Utility Fee Remainder as of the subsequent May 7<sup>th</sup> (commencing May 7, 2015), then (A) plus (B) divided by two (2) and multiplied by ten percent (10%) will be the amount of interest payable for the preceding year; and
- 5) If the foregoing calculation of interest results in interest greater than the maximum amount allowed by applicable law, then the amount of interest for that period will be reduced to equal the maximum amount allowed by applicable law.

- 6) Town agrees that no new Town Customer shall be entitled to receive water or wastewater service for which the Utility Fee is not collected and paid to MUD. In the event that payment of the Utility Fee is not collected from any new Town Customer, MUD may immediately disconnect service on behalf of Town until payment is received. In the event interest is not received by MUD by May 31 of each year for so long as such interest is due, no meters shall be set for new service connections within the Property until the interest is paid to the MUD.

**7.5 Customer Deposits.** Town hereby authorizes the MUD to collect, deposit, administer and refund customer deposits from Town Customers in the same manner, in the same amount, and according to the same procedures as applicable to MUD retail customers. Town acknowledges and agrees that interest will not be paid either to Town or to Town Customers on such deposits.

**7.6 Payments by Town Unconditional.** Town recognizes that MUD will issue bonds that will be payable and secured by a pledge of the sums of money to be received by MUD from Town under this Contract. Accordingly, Town's obligation to make the payments required by this Contract is hereby made unconditional. All sums payable hereunder by Town to MUD shall, so long as any part of the MUD bonds are outstanding and unpaid, be paid by Town without set-off, counterclaim, abatement, suspension or diminution except as otherwise expressly provided herein; and so long as any part of MUD bonds are outstanding and unpaid, Town shall not have any right to terminate this Contract nor shall the Town be entitled to the abatement of any payment or any reduction thereof nor shall the obligations of the Town be otherwise affected for any reason, it being the intention of the Parties that so long as any portion of the MUD bonds are outstanding and unpaid, all sums required to be paid by the Town to MUD shall continue to be payable in all events and the obligations of the Town hereunder shall continue unaffected, unless the requirement to pay the same shall be reduced or terminated pursuant to an express provision of the Agreement.

**7.7 Rate Appeals.** If the Town at any time disputes the amount to be paid by it to the MUD, the Town shall nevertheless promptly make the disputed payment or payments, but the Town shall have the right to seek a judicial determination whether the rates charged by the MUD are in accordance with the terms of this Contract.

**7.8 Other Charges.** The Parties mutually acknowledge that each Party currently collects certain charges and fees on behalf of the Party, as follows:

- (i) MUD collects Town's solid waste fee and taxes, and drainage fees, on each monthly bill to Town Customers. Payments received from Town Customers are deposited by MUD, and then tendered to Town upon receipt of a monthly invoice for payment.



- (ii) The Town permitting department collects the MUD service deposit, meter charge, Utility Fee, Fort Worth Impact Fees, a Fire Line Fee, the Fire Plan Review Fee, and Omnicom Fee from new MUD retail customers. Such payments received from MUD customers are deposited by Town, and then tendered to MUD upon receipt of a monthly invoice for payment.

Each Party agrees to cooperate in good faith with the other Party to continue collection of fees and charges on behalf of the other Party to lower costs to, and minimize burdens upon, their respective customers. Notwithstanding the foregoing, in the event that it is determined that either Party does not have the authority to collect and/or deposit charges on behalf of the other Party, each Party shall be responsible for billing and collection of its own charges, or the Parties shall otherwise cooperate as necessary to ensure that separate payments are made by customers to the appropriate payee.

## **ARTICLE VIII. TERM**

**8.1 Term.** This Contract shall become effective upon approval by each of the respective governing bodies of Town and MUD and upon execution by their respective authorized representatives, and shall remain in effect for an initial term of 99 years from the Effective Date or until any new bonds issued by the District after the Effective Date (including refunding bonds for such new bonds) are no longer outstanding, whichever is later. Thereafter, this Contract shall renew automatically for additional terms of ten (10) years each unless either Party provides not less than six (6) months prior written notice to the other Party of termination before the expiration of any term.

### **8.2 Material Breach; Notice and Opportunity to Cure.**

(a) In the event that one Party believes that another Party has materially breached one of the provisions of this Agreement, the non-defaulting Party will make written demand to cure and give the defaulting Party up to 30 days to cure such material breach or, if the curative action cannot reasonably be completed within 30 days, the defaulting Party will commence the curative action within 30 days and thereafter diligently pursue the curative action to completion. This period must pass before the non-defaulting Party may initiate any remedies available to the non-defaulting party due to such breach; provided, however, that neither Party may terminate this Contract as a remedy for default.

(b) Any non-defaulting Party will mitigate direct or consequential damage arising from any breach or default to the extent reasonably possible under the circumstances.

(c) The Parties agree that they will negotiate in good faith to resolve any disputes and may engage in non-binding mediation, arbitration or other

alternative dispute resolution methods as recommended by the laws of the State of Texas.

### **8.3 Equitable Relief.**

(a) The Parties acknowledge that MUD is limited in its ability to terminate this Contract in the event of Town's default, whether a monetary default or otherwise, because MUD has outstanding bonds and because Town may have an obligation to provide continuous and adequate water and wastewater services to its retail customers at the time of the default and may lack alternative sources for service. In recognition of this, and that failure in the performance of Town's obligations could not be adequately compensated in money damages alone, Town agrees that in the event of any default on its part that the MUD shall have available to it equitable remedies including, without limitation, the right to obtain a writ of mandamus or specific performance or an injunction against the Town requiring the Town to levy and collect rates and charges sufficient to pay the amounts owed to MUD by Town under this Agreement.

(b) The Parties acknowledge that Town is limited in its ability to terminate this Contract in the event of MUD's default because Town may have an obligation to provide continuous and adequate water and wastewater services to its retail customers at the time of the default and may lack alternative sources for service. In recognition of this, and that failure in the performance of MUD's obligations could not be adequately compensated in money damages alone, MUD agrees that in the event of any default on its part that Town shall have available to it equitable remedies including, without limitation, the right to obtain a writ of mandamus or specific performance or an injunction against MUD requiring it to perform its duties under this Contract.

**8.4 Remedies Not Exclusive.** The provisions of this Agreement providing remedies in the event of a Party's breach of this are not intended to be exclusive remedies. The Parties retain, except to the extent released or waived by the express terms of this Agreement, all rights at law and in equity to enforce the terms of this Agreement in addition to, and cumulative to, remedies provided in this Agreement. The foregoing shall not be construed to authorize termination.

## **ARTICLE IX. MISCELLANEOUS**

**9.1 Joint Meetings.** The Town Council and the MUD Board of Directors agree to hold joint meetings in each quarter of each calendar year or as the parties mutually agree. The purpose of these joint meeting will be to discuss matters of common interest to Town and MUD, including, but not limited to, amendments or revisions to the MUD Conservation and Drought Contingency Plan, amendments or revisions to the MUD Rate Order, the construction of capital improvements to serve the MUD and the Property, the calculation and



collection of the Annual Capital Improvements and Maintenance Charge, and the calculation and collection of any other charges due from Town to MUD under this Contract.

**9.2 Immunity.** The fact that Town and MUD accept certain responsibilities relating to the provision of Operations Services under this Contract as part of their responsibility for providing Water and Wastewater Services to their respective residents makes it imperative that the performance of these vital services be recognized as a governmental function and that the doctrine of governmental immunity shall be, and it is hereby, invoked to the extent possible under the law. Neither Town nor MUD waive any immunity or defense against third party claims that would otherwise be available to it against claims arising from the exercise of governmental powers and functions. The Parties hereto agree that each respectively waives its sovereign immunity to suit for the limited purpose of adjudication of a claim for breach of this Contract. Notwithstanding the foregoing Contract, remedies in such action shall be limited to those provided by state law.

**9.3 Force Majeure.** If any Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Contract, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Contract, then the obligations of such Party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority other than a Party to this Contract, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and sewer systems hereunder or in an inability of MUD to provide Water or receive Wastewater, and any other inability of any Party, whether similar to those enumerated or otherwise, which are not within the control of the Party claiming such inability, which such Party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing



Party when such settlement is unfavorable to it in the judgment of the Party experiencing such difficulty.

**9.4 Applicable Law.** This Contract shall be governed by the laws of the State of Texas and no lawsuit shall be prosecuted on this Contract except in a court of competent jurisdiction located in Tarrant or Denton County.

**9.5 No Additional Waiver Implied.** No waiver or waivers of any breach or default (or any breaches or defaults) by any Party hereto of any term, covenant, condition, or liability hereunder, or the performance by any Party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

**9.6 Addresses and Notice.** Unless otherwise provided in this Contract, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any Party to the other (except bills), must be in writing and may be given or be serviced by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to such Party, addressed to the Party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated in this Contract, from and after the expiration of three (3) days after it is so deposited. Notice given in any such other manner shall be effective when received by the Party to be notified. For the purpose of notice, addresses of the Parties shall, until changed as hereinafter provided, be as follows:

If to MUD, to:

MUD Manager  
100 Municipal Drive  
Trophy Club, Texas 76262

If to Town, to:

Town Manager,  
100 Municipal Drive  
Trophy Club, Texas 76262

The Parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days' written notice to the other.

**9.7 Merger and Modification.** This Contract, including the exhibits that are attached hereto and incorporated herein for all purposes, embodies the entire Contract between the Parties relative to the subject matter hereof. This Contract shall be subject to change or modification only with the written mutual consent of all Parties affected by such change or modification.

**9.8 Severability.** The provisions of this Contract are severable, and if any part of this Contract or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or

unconstitutional for any reason, the remainder of this Contract and the application of part of this Contract to other persons or circumstances shall not be affected thereby.

**9.9 Successors and Assigns.** This Contract shall be binding upon and inure to the benefit of the Parties hereto and their successors. This Contract shall not be assigned without the written consent of the governing bodies of the respective entities.

**9.10 Benefits of Contract.** This Contract is for the benefit of the Parties and their successors and assigns and shall not be construed to confer any benefit on any other person or entity except as expressly provided for herein.

**9.11 Consent and Approvals.** Whenever this Contract provides for the approval or consent of one of the Parties, such consent or approval shall not be unreasonably withheld or delayed.

**9.12 Authority.** This Agreement is made and entered into pursuant to the provisions of the Interlocal Cooperation Act, V.T.C.A. Government Code, Chapter 791; V.T.C.A. Local Government Code, Chapter 552; V.T.C.A. Water Code Chapters 30 and 49, and other applicable law.

**TOWN OF TROPHY CLUB, TEXAS**

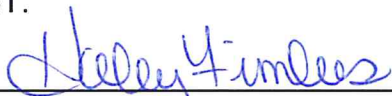
By: 

Name: C. Nick Sanders

Title: Mayor

Date: 7/25/17

ATTEST:

By: 

Name: Holly Fimbres

Title: Town Secretary



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

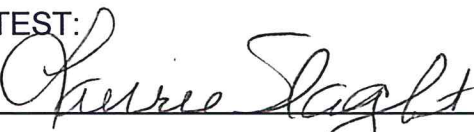
By: 

Name: Kevin Carr

Title: President

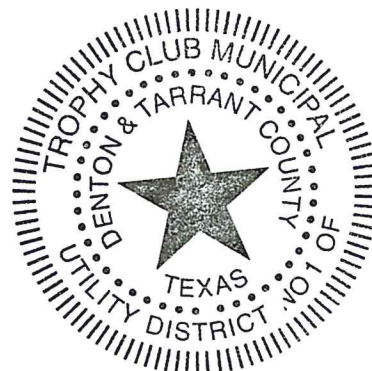
Date: 7/25/17

ATTEST:

By: 

Name: Laurie Slaght

Title: District Secretary





**EXHIBIT “A”**

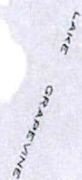
## TROPHY CLUB

JUNE 2002

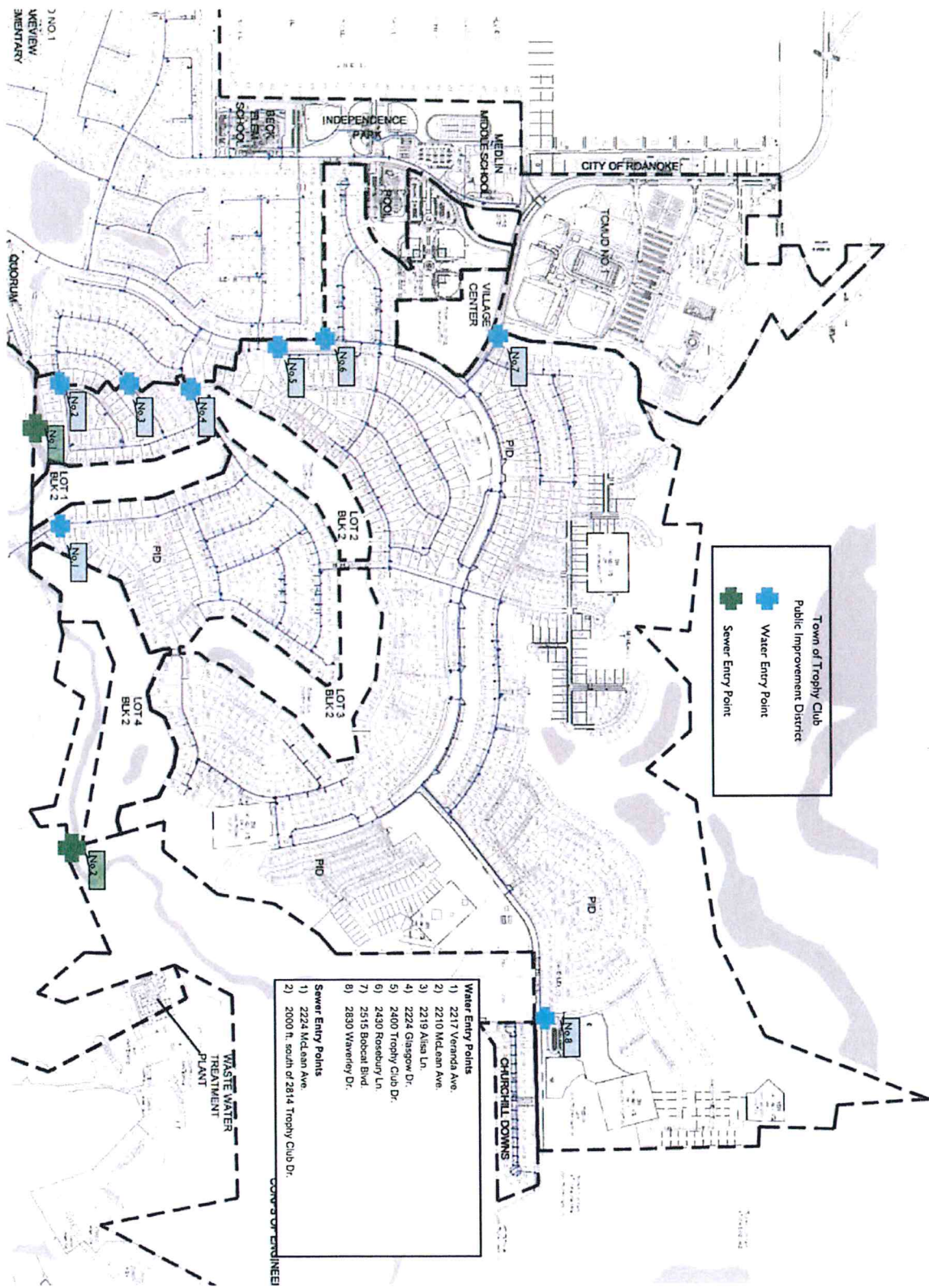


TCMUD BOUNDARY

9



**EXHIBIT “B”**





**FIRST AMENDMENT**  
**TO INTERLOCAL COOPERATION AGREEMENT**  
**FOR ADMINISTRATION OF FIRE PROTECTION SERVICES**

THIS FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT FOR ADMINISTRATION OF FIRE PROTECTION SERVICES (the "First Amendment") is made and entered into as of the 1<sup>st</sup> day of October, 2024 (the First Amendment "**Effective Date**"), by and between **Trophy Club Municipal Utility District No. 1**, a district created pursuant to Section 59, Article XVI, Texas Constitution and the Texas Water Code, Chapter 54, hereinafter referred to as "**District**", and the **Town of Trophy Club**, a Texas home rule municipal corporation, hereinafter referred to as "**Town**".

**RECITALS**

**WHEREAS**, the Town and District entered into an Interlocal Cooperation Agreement for Administration of Fire Protection Services on October 1<sup>st</sup>, 2023 (the "**Agreement**"); and

**WHEREAS**, the Town and District desire to amend only the first paragraph of Subsection 3.1(C) of the Agreement to provide for bi-annual payments to the Town by the District, instead of monthly payments; and

**WHEREAS**, the recitals and all other terms and conditions in the Agreement are incorporated into this First Amendment as if fully set forth herein, and defined terms shall have the meaning as assigned to such terms in the Agreement, unless otherwise defined herein.

**AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and District agree as follows:

1. That only the first paragraph of Subsection 3.1(C) of the Agreement is hereby amended and replaced in its entirety as follows:
  - C. **Payment:** Payments from District for the purpose of Fire Protection Services shall be paid to the Town on a bi-annual basis by the end of February and September. The bi-annual payments shall constitute the entirety of the Approved Budget for District's payment to be paid, minus total PID assessments actually collected for Fire Protection Services, beginning on October 1st and concluding on September 30th of each fiscal year of the term of this Agreement. Payments will become past due fifteen (15) business days after the invoice is received by the District.

2. Except as amended herein, the all other terms and conditions of the Agreement shall remain in full force and effect. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The execution of this First Amendment may be accomplished by facsimile or electronic signatures and shall be deemed fully executed upon the exchange among the Parties of signed facsimile or electronic copies of this First Amendment.

**IN WITNESS WHEREOF**, the Parties hereto have caused this First Amendment to be executed by their duly authorized officers and to be effective as of the day, month, and year first above written.

[Signatures on Following Page]

[Remainder of Page Intentionally Left Blank]

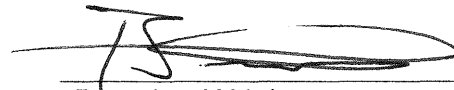
### Signature Authority

The undersigned officer and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this First Amendment on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

**EXECUTED in duplicate originals.** The Effective Date of this First Amendment to Interlocal Cooperation Agreement for Administration of Fire Protection Services shall be October 1<sup>st</sup>, 2024.

#### TOWN OF TROPHY CLUB, TEXAS

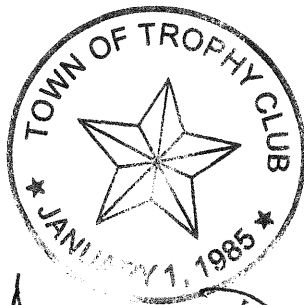
By:



Brandon Wright

Title: Town Manager

Date: 8.28.2024



ATTEST:

By:

Name: Tammy Dixon

Title: Town Secretary

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

By:



Name: Kevin R. Carr

Title: President

Date: 8/21/24

ATTEST:

By:

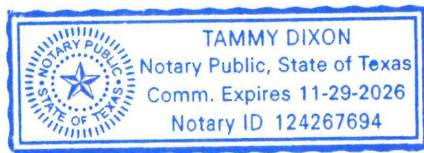
Name: Laurie Slaght

Title: District Secretary

ACKNOWLEDGEMENTS

STATE OF TEXAS       §  
                                     §  
COUNTY OF DENTON   §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 28<sup>th</sup> day of August, 2024 by Brandon Wright, **Town Manager** of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation




  
\_\_\_\_\_  
Notary Public in and for the State of  
Texas

STATE OF TEXAS       §  
                                     §  
COUNTY OF DENTON   §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 28<sup>th</sup> day of August, 2024 by Kevin R. Carr, **President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a conservation and reclamation district of the State of Texas, on behalf of said district.



  
\_\_\_\_\_  
Notary Public in and for the State of  
Texas



**INTERLOCAL COOPERATION AGREEMENT**  
**FOR ADMINISTRATION OF FIRE PROTECTION SERVICES (2023)**

THIS AGREEMENT is made and entered into as of the Effective Date, by and between **Trophy Club Municipal Utility District No. 1**, a district created pursuant to Section 59, Article XVI, Texas Constitution and the Texas Water Code, Chapter 54, hereinafter referred to as "**District**", and the **Town of Trophy Club**, a home rule municipal corporation, hereinafter referred to as "**Town**".

**W I T N E S S E T H:**

**WHEREAS**, District is a duly organized political subdivision of the State of Texas engaged in the administration of fire protection and related services for the benefit of those persons residing, traveling within, or being physically located within the boundaries of District, which boundaries include, without limitation, portions of the incorporated and unincorporated limits of the Town of Trophy Club, Texas; and

**WHEREAS**, District and Town are parties to the existing Interlocal Cooperation Agreement for Administration of Fire Protection Services that expires on September 30<sup>th</sup>, 2023 (the "**Prior ILA**") which set forth certain terms and conditions of the parties relating to Fire Protection Services (as hereinafter defined) to residents of District and Town, including to residents of the Trophy Club Public Improvement District No. 1 (hereinafter also referred to as the "**PID**"); and

**WHEREAS**, the PID is not located within the boundaries of the District and is not a party to this Agreement; and

**WHEREAS**, Town, whose council also serves as the board of directors for the PID, anticipates receiving payment, if any, from the PID to pay part of the Fire Protection Services through the collection of special assessments levied under Texas Local Gov't Code Ch. 372 (the "**PID Act**"); and

**WHEREAS**, the provision of Fire Protection Services is a governmental function that serves and benefits the public health, safety, and welfare of Town, District, and the general public, promotes efficiency and effectiveness of local governments, and is of mutual concern to the contracting parties; and

**WHEREAS**, District is individually authorized to perform Fire Protection Services pursuant to Section 49.351 of the Texas Water Code, and Town is individually authorized to perform Fire Protection Services pursuant to its police powers and the parties desire to enter into this Agreement regarding the performance of Fire Protection Services; and

**WHEREAS**, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the "**Act**") provides authority for governmental entities of the State of Texas to enter into interlocal agreements with each other regarding governmental functions and services as set forth in the Act; and

**WHEREAS**, Town and District have determined it necessary and appropriate to enter into this Agreement for the administration of Fire Protection Services, which supersedes the Prior ILA for Fire Protection Services.

**NOW, THEREFORE**, District and Town, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows:

**I.  
Incorporation and Term**

**1.1 Incorporation of Recitals:** The foregoing recitals are agreed upon and incorporated herein as a part of this Agreement.

**1.2 Term:** This Agreement shall remain in full force and effect for a period of one (1) year from the Effective Date, and shall automatically renew each year thereafter for four (4) additional one (1) year renewal periods, unless written notice of nonrenewal is given no later than ninety (90) days prior to the expiration of the applicable one (1) year renewal period, or unless terminated in accordance with **Section X**.

**II.  
Definitions**

**2.1** As used herein, the words and phrases hereinafter set forth shall have the meanings as follows:

- A. “Effective Date”** shall mean October 1, 2023.
- B. “Eligible Persons”** shall mean those persons residing, traveling within, or being physically located within the corporate boundaries of the Town of Trophy Club, Texas and/or District, including without limitation both incorporated and unincorporated areas, and shall also include those persons residing, traveling within, or being physically located within the corporate boundaries of another political subdivision of the State of Texas with whom Town and/or District have an automatic or mutual aid agreement to provide fire protection services and those persons located within the fire district as designated by Denton County or Tarrant County and accepted by Town and/or District.
- C. “Emergency Medical Services”** shall mean any and all of the customary and usual activities of trained paramedics providing emergency health care services.
- D. “Fire Protection Services”** shall mean any and all of the customary and usual activities of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, photography, administration, fire-fighting activities, “fire-fighting services” as defined in Texas Water Code Ch. 49, and all other related fire functions.

- E. **“Maximum Annual Payment Amount”** means the maximum total payment that may be made by District to Town each year to pay District’s proportionate share of funding for the cost of Fire Protection Services in accordance with this Agreement and the Act. The Maximum Annual Payment Amount shall be the amount of revenues available to District from the levy of a fire tax without triggering the Voter Approval Tax Rate. District shall not be contractually obligated to levy, or collect, a tax to pay the Maximum Annual Payment Amount to Town in any fiscal year beyond the then current fiscal year; however, District shall be contractually obligated to fund its proportionate share of the cost of Fire Protection Services in accordance with this Agreement and the Act, and in all cases, the maximum annual payment obligation of District to Town under this Agreement shall be limited to the final Approved Budget by the Board of Directors of District and the Town Council of Town, or any amendment to the Approved Budget by the Board of Directors of District and the Town Council of Town.
- F. **“Voter Approval Tax Rate”** shall have the meaning set forth in Section 49.23602(a)(4) of the Texas Water Code.

### III. Budget and Funding

#### 3.1 Budget and Funding Matters:

- A. **Budget Preparation:** The parties agree to the following schedule of events for purposes of preparation of an annual budget for funding Fire Protection Services:
- i. Town shall prepare a preliminary draft budget for Fire Protection Services and furnish that draft budget to District on or before June 1<sup>st</sup> of each year. The preliminary draft budget shall specify all projected revenues and expenses relating to Fire Protection Services for the next fiscal year and shall separately identify the expenses for which District is responsible for payment in accordance with the funding provisions of this Agreement.
  - ii. District shall provide initial comments and requested modifications to the preliminary draft budget to Town on or before June 30<sup>th</sup> of each year.
  - iii. After receipt of preliminary appraised value information from Denton and Tarrant Counties, but no later than June 30<sup>th</sup> of each year, District will provide to Town a preliminary estimate of the Maximum Annual Payment Amount.
  - iv. Within seven (7) days after receipt of certified appraised value information from Denton and Tarrant Counties, District will provide to Town the Maximum Annual Payment Amount. To the extent District is aware of any obligations or circumstances that would prevent District from funding the Maximum Annual Payment Amount, District shall furnish such information and the best estimate of available funding to be incorporated into the preliminary draft budget for Fire

Protection Services.

v. Representatives of Town and District shall cooperate in good faith to revise and finalize a preliminary draft budget for Fire Protection Services for subsequent consideration by the governing bodies of Town and District to adopt the final approved budget for Fire Protection Services (the "Approved Budget").

vi. The governing bodies of Town and District may, but shall not be obligated to, meet before August 1<sup>st</sup> of each year (or such other date approved by the parties) to discuss the preliminary draft budget.

vii. Each party shall adopt a fiscal year budget in accordance with their respective statutory obligations. Notwithstanding Sections 3.1.B.ii. and 3.1.B.iv., the Approved Budget may not allocate to District an annual payment obligation that exceeds the Maximum Annual Payment Amount as furnished by District to Town based on final certified appraised values in District, or that includes any costs for which Town is responsible for payment under this Agreement.

viii. In order to facilitate the emergency services assessment for the PID pursuant to the annual Service and Assessment Plan ("SAP"), District shall provide information to Town concerning outstanding District debt, lease, and reserves related to Fire Protection Services as reasonably requested by Town.

ix. The Parties agree that any amendments to the Approved Budget must be made using the same process described herein, and no amendment to the Approved Budget may be made unless each party's respective governing bodies agree and approve such amendment.

**B. Funding Obligations:** District and Town shall share the funding of costs associated with Fire Protection Services provided to Eligible Persons as defined herein, pursuant to the Approved Budget and in accordance with the terms of this Agreement; and, under no circumstance shall District's share of funding costs during any fiscal year exceed the Maximum Annual Payment Amount or the budgeted expenses approved by District, unless approved in writing by District. Such funding shall be accomplished in accordance with the following terms and conditions:

i. District shall continue to pay all debt service for debt previously incurred by District for Fire Protection Services for as long as the debt remains outstanding.

ii. District shall **fund 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons.

iii. Town shall **fund the remaining 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons. During the term of this Agreement, Town will not increase the number of current personnel providing Fire Protection Services to Eligible Persons, unless otherwise required by law, and District shall not be responsible for Town's

increase, if any, in the number of current personnel providing Fire Protection Services to Eligible Persons.

iv. District shall fund **100% of budgeted and amended budgeted costs of services and supplies** associated with Fire Protection Services.

v. In recognition that Fire Protection Services shall be provided to persons and properties located within Town and the PID, but not within District, the Town, acting through the PID, may levy and collect an annual assessment on and collect from the owners of real property and taxable improvements thereon located within the PID, but not within District, in accordance with the PID Act, as amended. Such assessment may be considered for adoption by Town Council, after recommendation by the PID, through the approval of the **SAP** for the PID. If the PID fails to levy an annual assessment, or fails to levy an annual assessment that would produce revenues equal to the revenues that would be generated based on the fire tax rate of District, the Parties agree that District is not obligated to provide Fire Protection Services within the PID and the Parties shall prepare a new annual budget for funding of Fire Protection Services in accordance with the provisions in Section 3.1.A. If the annual assessment collected by the PID is less than amount included in the Approved Budget, Town agrees to work in good faith with the PID to collect unpaid annual assessments.

vi. Town shall pay for all Town imposed expenditures associated with Fire Protection Services that are not part of the Approved Budget unless District pre-approves the expenditure in writing. By way of example, if Town approves salary increases or purchases equipment for Fire Protection Services (without District approval) outside of the Approved Budget, Town shall be solely responsible for funding such costs.

vii. District agrees in good faith to communicate to Town the intent to use District's operating reserve funds not part of the Approved Budget that would reduce the District's operating reserve fund balance below twenty-five percent (25%).

viii. District agrees to communicate the intent to create new debt related to Fire Protection Services allowing Town the option to fund the expenditure prior to the debt being issued.

ix. By the 10<sup>th</sup> of each month the Town shall provide to District a report on the Approved Budget that compares budgeted costs to actual costs and explains the reasons for any differences between budgeted and actual costs.

**C. Payment:** Payments from District for the purpose of Fire Protection Services shall be paid to the Town on a monthly basis. The monthly payments shall constitute the entirety of the Approved Budget for District's payment divided by twelve (12) months, minus total PID assessments actually collected for Fire Protection Services, beginning on October 1<sup>st</sup> and concluding on September 30<sup>th</sup> of each



fiscal year of the term of this Agreement. Payments will become past due fifteen (15) business days after the invoice is received by the District.

It is the intent of District that the sole source of revenues for payment of District's funding obligations under this Agreement be District's fire tax; however, in the event the fire tax received by District is insufficient to pay District's funding obligations under this Agreement, District may use other available funding sources. Under no circumstances shall District be obligated to pay an amount to Town during a fiscal year that exceeds the Maximum Annual Payment Amount, or the amount of the Approved Budget for Fire Protection Services approved by Board of Directors of District, except as otherwise provided in this Agreement.

### **3.2 Audit, Revenues and Expenses:**

- A. Annual Audit and Revenues:** Town shall conduct an annual audit at its sole cost by an independent auditor that identifies the actual fiscal year expenses and revenues for Fire Protection Services. The annual audit shall be furnished to District on or prior to May 1<sup>st</sup> of the subsequent year. By May 1<sup>st</sup> of each year, Town shall also identify and furnish to District a listing of all revenues, if any, related to Fire Protection Services (whether or not budgeted) for the prior year.
- B. Expense Detail:** Town shall furnish to District evidence of all expenses and costs relating to Fire Protection Services funded by District (in whole or in part) within fifteen (15) days after receipt of a request from District.
- C. Reconciliation Payment:** Overpayment. Any overpayment by District for a fiscal year period as informed by the annual audit conducted pursuant to Section 3.2 (A) and other documentation shall be reimbursed by Town within thirty (30) days after receipt of a written invoice for payment from District.

Underpayment. Any underpayment by District for a fiscal year period as informed by the annual audit conducted pursuant to Section 3.2 (A) and other documentation shall be paid to Town within thirty (30) days after receipt of a written invoice for payment from Town.

## **IV.**

### **Operational Obligations and Rights of the Parties**

**4.1 District and Town Obligations and Rights:** District and Town shall perform all of their respective duties and obligations as herein stated and shall devote sufficient time and attention to the execution of such duties in full compliance with the terms and conditions of this Agreement.

### **4.2 Town Obligations and Rights:**

- A.** Upon the Effective Date of this Agreement, Town shall be responsible for providing

Fire Protection Services to Eligible Persons, including but not limited to assuming full responsibility for the operational control and management of Fire Protection Services. Town's responsibilities hereunder shall include, without limitation, the control, and management of all personnel as more specifically set forth in **Section VI** and all policy and personnel matters related to and arising out of providing Fire Protection Services and the obligations specifically assumed hereunder.

- B. Town, acting through its Town Manager or designees, shall oversee the daily operations of Fire Protection Services.
- C. The officers and employees of Town shall perform all duties and responsibilities necessary to render Fire Protection Services to all Eligible Persons.
- D. It shall be the responsibility and duty of Town, its officers, and employees, within the sole discretion of such officers and employees, to determine priorities in the dispatching and use of such equipment and personnel to perform Fire Protection Services under this Agreement.
- E. Town shall have the authority to enter into automatic and mutual aid agreements on behalf of District and Town to provide Fire Protection Services as deemed appropriate by Town.
- F. Town shall perform all of its duties and obligations as herein stated and shall devote sufficient time and attention to the execution of such duties provided on behalf of District in full compliance with the terms and conditions of this Agreement and shall provide immediate and direct supervision of employees, agents, contractors, sub-contractors and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of Town and District.
- G. District may hire Fire Auditors of their choice to review physical Fire Department assets and operator practices on an annual basis for benefit of District and Town. All auditors' fees for such audits (excluding fiscal year financing audits) will be paid by the District.
- H. The Town shall provide the District timely notice of any accident, damage, dangerous or defective condition relating to District assets under this Agreement.

## V.

### Assets

**5.1 Ownership:** Prior to the commencement of this Agreement, all assets owned or directly purchased by District utilized for Fire Protection Services shall remain the property of District. This Agreement does not affect right, title, or interest to such property. All assets owned or directly purchased by Town utilized for Fire Protection Services shall

remain the property of Town. This Agreement does not affect right, title, or interest to such property.

**5.2 Ownership Upon Termination:** Upon termination of this Agreement, each party shall retain ownership of assets purchased with its respective funds unless both Town and District elect to negotiate terms to transfer ownership to the other party.

## VI.

### Employee Supervision and Organization

**6.1 Control and Oversight:** Town shall have control and oversight over Fire Protection Services and control and oversight over Emergency Medical Services. Town shall have exclusive authority to establish Standard Operating Procedures for Fire Protection Services and Emergency Medical Services (hereinafter collectively referred to as "SOPs").

**6.2 Benefits and Human Resources Services:** In accordance with Town personnel policies, Town shall provide benefits and human resources services to all eligible employees providing Fire Protection Services. District shall provide funding as set forth in this Agreement. The parties understand and agree that on and after the Effective Date of this Agreement, all employees providing Fire Protection Services shall be Town employees and shall be solely subject to Town personnel policies and SOPs.

## VII.

### Consideration

The parties agree that sufficient consideration for this Agreement exists and is found in the payments made pursuant to **Section III** of this Agreement and in the cross promises set forth above and other good and valuable consideration. District's agreement to fund Fire Protection Services as provided in **Section III** above in exchange for Town's agreement to oversee and manage Fire Protection Services for Eligible Persons as provided in **Section IV** above, shall serve as sufficient consideration under this Agreement. In accordance with the Act, each party hereto paying for the performance of governmental functions or services shall make such payments from current revenues legally available to the paying party. Each party further agrees that it is fairly compensated for the services or functions performed under the terms of this Agreement.

## VIII.

### Negligence of Parties/Insurance

**8.1 Town Negligence/Insurance:** Without waiving any governmental immunity of Town, Town shall be responsible for its sole negligence and Town agrees to and accepts full responsibility for the acts, negligence, and/or omissions of all Town's officers, employees, and agents acting under its direction. Town shall provide liability insurance to cover the acts and omissions of Town, its officers, employees, and agents performing obligations under this Agreement, including but not limited to all personnel providing Fire Protection Services. Town shall maintain general liability insurance to cover Town owned

or leased assets.

**8.2 District Negligence/Insurance:** Without waiving any governmental immunity of District, District shall be responsible for its sole negligence and District agrees to and accepts full responsibility for the acts, negligence, and/or omissions of all District's officers, employees, and agents acting under its direction. District shall maintain general liability insurance to cover District owned or leased assets. District shall provide liability insurance to cover the acts and omissions of District, its officers, employees, and agents performing obligations under this Agreement.

**8.3 Texas Government Code Section 791.006:** The assignment of liability under this Agreement is made pursuant to Section 791.006 of the Texas Government Code, as amended, and the assignment of liability under this Agreement is intended to be different than liability otherwise assigned under Section 791.006(a) of the Texas Government Code.

## IX. Immunity

The fact that Town and District accept certain responsibilities relating to the rendering of Fire Protection Services under this Agreement as part of their responsibility for providing protection for the public health makes it imperative that the performance of these vital services be recognized as a governmental function and that the doctrine of governmental immunity shall be, and it is hereby, invoked to the extent possible under the law. Neither Town nor District waives any immunity or defense that would otherwise be available to it against claims arising from the exercise of governmental powers and functions.

## X. Default and Termination

In the event that either party hereto breaches any term or condition of this Agreement, this Agreement may be terminated by the aggrieved party if such default is not cured within a period of one hundred eighty (180) days after receipt of written notice of default by the party allegedly in breach of its obligations hereunder. At the option of the aggrieved party, if such default is not cured within the one hundred eighty (180) day period, this Agreement shall immediately terminate without further notice, unless an extension is mutually agreed and approved by both Town and District.

## XI. Entire Agreement

This Agreement represents the entire and integrated agreement between Town and District and supersedes all prior negotiations, representations, and/or agreements, either written or oral, including the Prior ILA. This Agreement may be amended only by written instrument signed by both parties.

**XII.  
Venue**

The laws of the State of Texas shall govern this Agreement and each of its terms and provisions, including but not limited to the rights and duties of the parties hereto, without regard for conflict of laws principles, and exclusive venue shall be in state district court in Denton County, Texas.

**XIII.  
Severability**

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

**XIV.  
Non-Waiver**

All rights, remedies, and privileges permitted or available to either party under this Agreement or at law or equity shall be cumulative and not alternative, and election of any such right, remedy, or privilege shall not constitute a waiver or exclusive election of rights, remedies or privileges with respect to any other permitted or available right, remedy or privilege. Additionally, one instance of forbearance by either party in the enforcement of any such right, remedy or privilege against the other party, shall not constitute a waiver of such right, remedy or privilege by the forbearing party. A default by either party under this Agreement shall not result in a forfeiture of any rights, remedies, or privileges under this Agreement by such defaulting party.

**XV.  
Annual District Financial Audit**

Town shall provide any documents requested by auditors of District no later than November 30<sup>th</sup> of each year.

**XVI.  
Annual Appropriations**

Under no circumstances shall the obligations of the parties hereunder be deemed or construed to create any debt within the meaning of any constitutional or statutory provision, or to unlawfully approve the expenditure of funding beyond the applicable fiscal year; provided, however, without abrogating any police or legislative powers of the respective parties, the parties agree during the term of this Agreement to make a good faith effort to appropriate funds necessary to pay for governmental functions and services under this Agreement as authorized by Texas law.



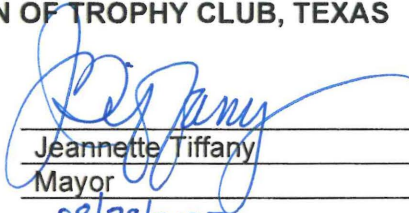
**[The remainder of this page intentionally left blank.]**

### Signature Authority

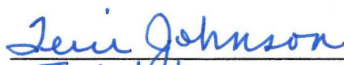
The undersigned officer and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

**EXECUTED in duplicate originals.** The effective date of this Agreement shall be October 1, 2023.


#### TOWN OF TROPHY CLUB, TEXAS

By:   
 Name: Jeannette Tiffany  
 Title: Mayor  
 Date: 08/29/2023

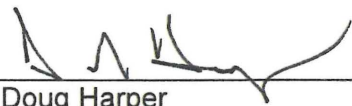
#### ATTEST:

By:   
 Name: Terri Johnson  
 Title: Town Secretary / RMO (Interim)

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

By:   
 Name: Kevin R. Carr  
 Title: President  
 Date: 8/23/23

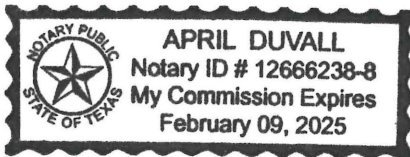
#### ATTEST:

By:   
 Name: Doug Harper  
 Title: Secretary/Treasurer

ACKNOWLEDGEMENTS

STATE OF TEXAS       §  
                                     §  
COUNTY OF DENTON   §  
COUNTY OF TARRANT §

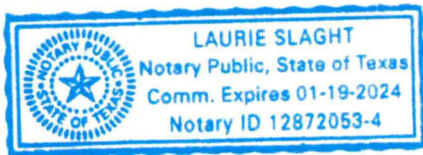
This instrument was acknowledged before me on the 30<sup>th</sup> day of August, 2023 by Jeannette Tiffany, **Mayor** of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation



April Duvall  
Notary Public in and for the State of  
Texas

STATE OF TEXAS       §  
                                     §  
COUNTY OF DENTON   §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 23<sup>rd</sup> day of August, 2023 by Kevin R. Carr, **President** of **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a conservation and reclamation district of the State of Texas, on behalf of said district.



Laurie Slaght  
Notary Public in and for the State of  
Texas

April 2025