



**BOARD OF DIRECTORS
REGULAR MEETING**

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

Wednesday, April 15, 2026

6:30 P.M.

Svore Municipal Boardroom

REGULAR MEETING AGENDA PACKET

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
 - Quarterly Tax Collections – 2nd Quarter
 - Quarterly Investment Report – 2nd Quarter

[Attachments: Monthly Staff Reports](#)

CONSENT AGENDA

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

2. Consider and act to approve the Consent Agenda.
 - a. March 18, 2026, Regular Meeting Minutes

[Attachment: March Meeting Minutes](#)

REGULAR SESSION

3. Consider and act to approve Resolution No. 2026-0415 amending the Fiscal Year 2026 Budget.

[Attachment: Staff Report - Resolution No. 2026-0415 Amending FY2026 Budget](#)

4. Consider and act regarding approval of task order agreement with Halff Associates for professional engineering services for the review, update, and recertification of the Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) in accordance with the America’s Water Infrastructure Act (AWIA).

[Attachment: Staff Report - Halff RRA-ERP Update](#)

5. Consider and act to approve belt press repairs from Andritz Separation, Inc. for parts, repairs and installation for an amount not to exceed \$33,562.76.

[Attachment: Staff Report - Belt Press Maintenance](#)

6. Discussion and possible action regarding Commercial Lease Agreement with the Town of Trophy Club related to 1501 Junction Way and request for written approval to perform improvements.

[Attachment: Town Request – 1501 Junction Way](#)

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

7. Items for future agendas:
8. Set next meeting date: May 13, 2026

[Attachment: May 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

Capital Improvement Projects

April 2026



DESIGN



FY26 Water Line Replacement

Palmetto Ct | Paint Rock Ct | Oakmont Dr | Creekmere Dr/Ct | Edgemere Dr/Ct



● IN PROGRESS ● NEAR COMPLETION ● COMPLETED

- A pre-construction meeting is scheduled with Trinity Miller Utility & Construction
- Expedited work on Palmetto Ct and Paint Rock Ct is finished
- A community meeting is scheduled for April 14, 6:30 p.m.
- Construction is anticipated to begin in early summer



Wastewater Line Rehabilitation Project

- The project is being advertised for bid for:
 - Rehabilitation of 900 L.F. of wastewater line
 - Rehabilitation of seven manholes
 - Abandon 350 L.F. of WW line and manholes
- Repairs identified in the FY25 WW System Analysis
- We anticipate bid award in May



PLAN

DESIGN

BUILD

COMPLETE

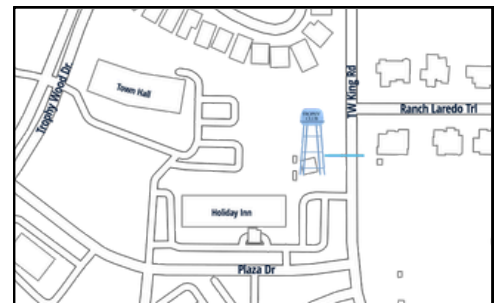


DESIGN



Emergency Connection

- District and Southlake water system connection
- District met with Southlake staff to discuss next steps
- Pending proper approvals, the Interlocal Agreement is forthcoming



BUILD



FY26 Wastewater Line Repairs - Basin 13

- Repairs identified in the FY25 WW System Analysis
- The final few point repairs will take place in April
- Manhole repairs are complete

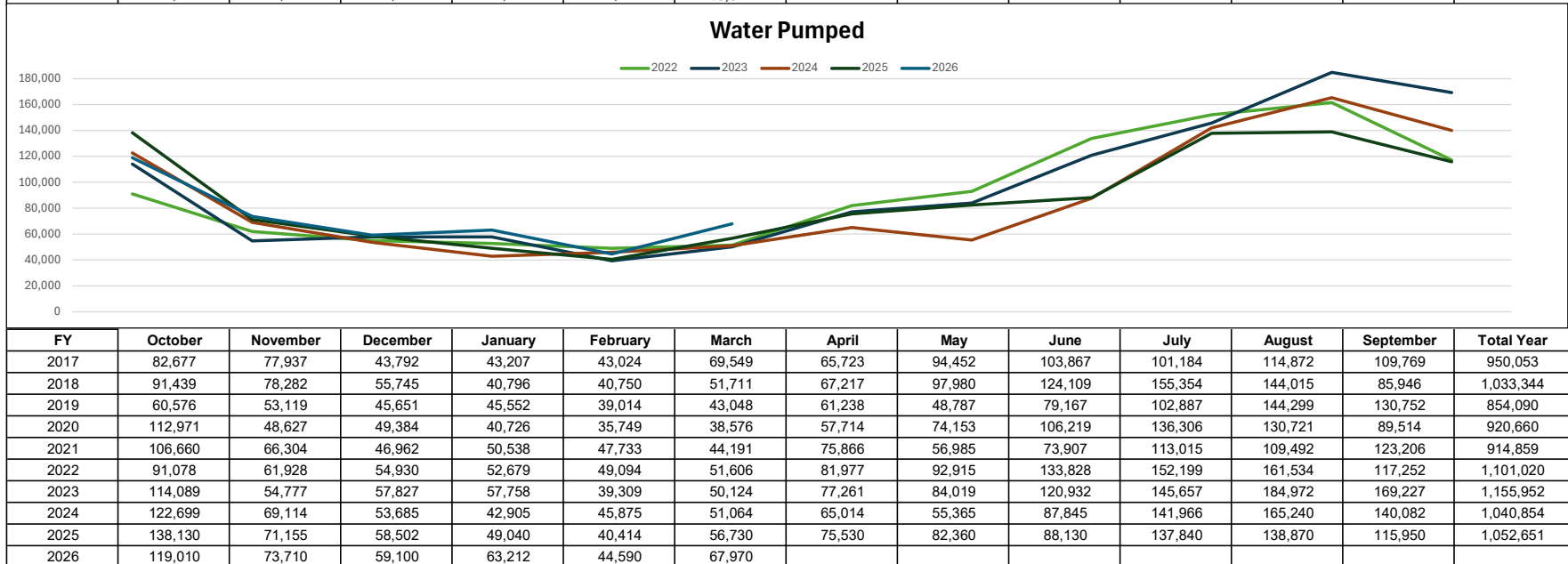
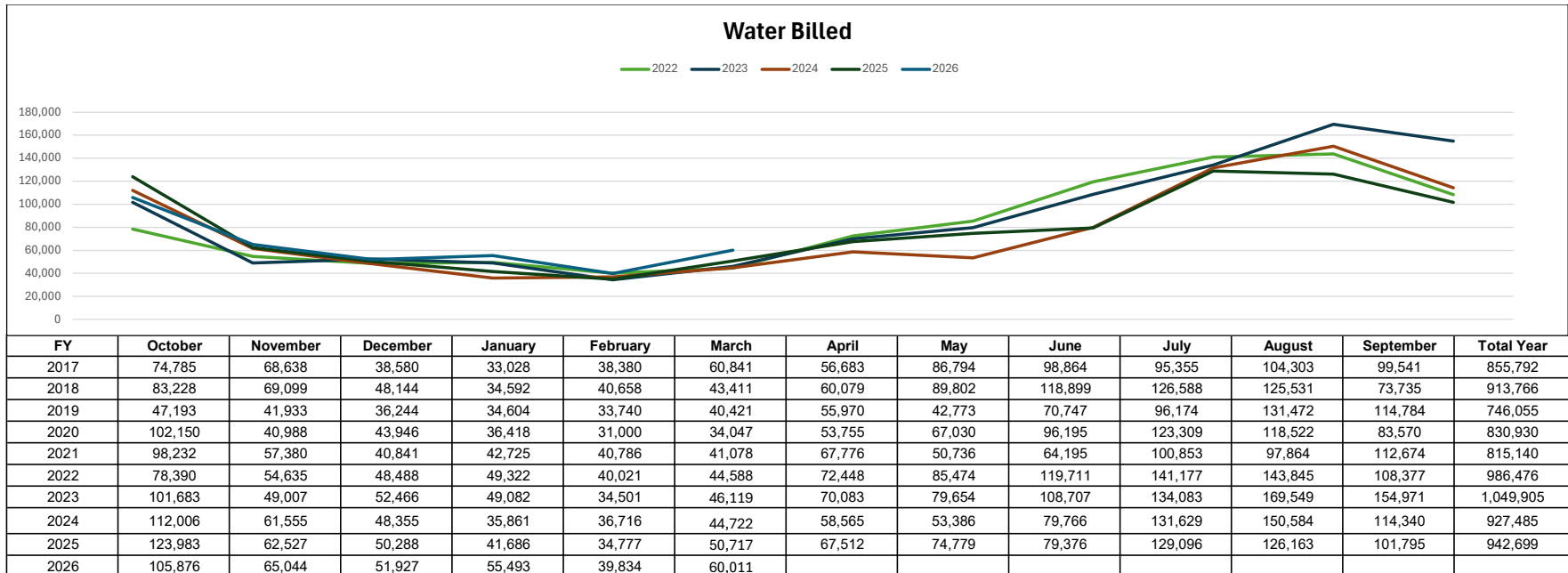


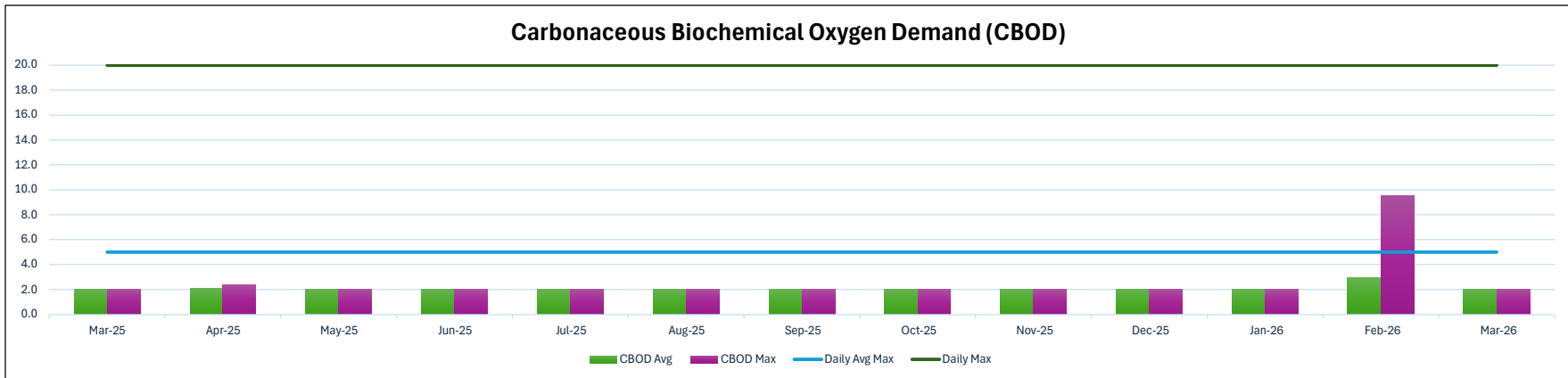
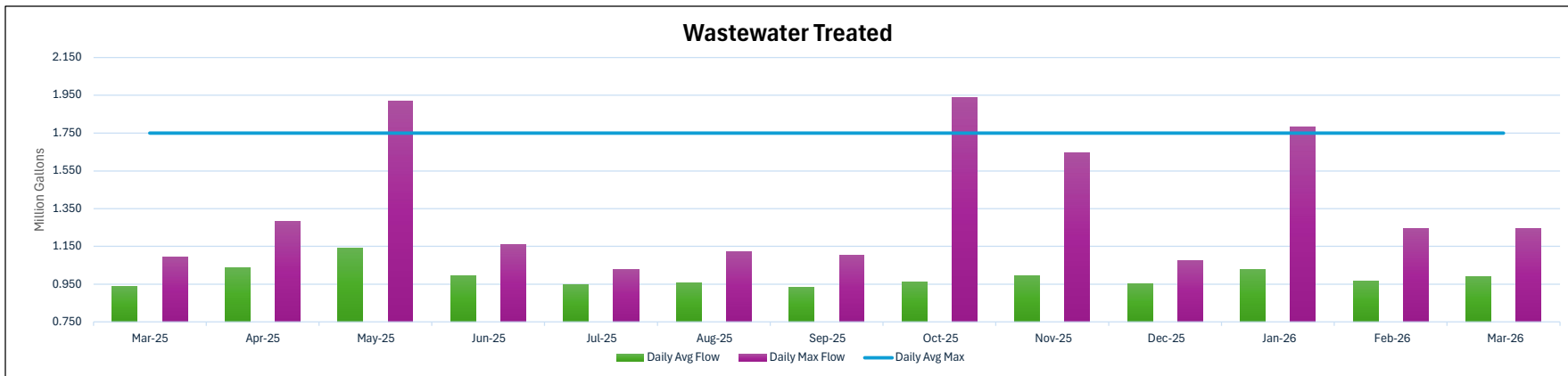
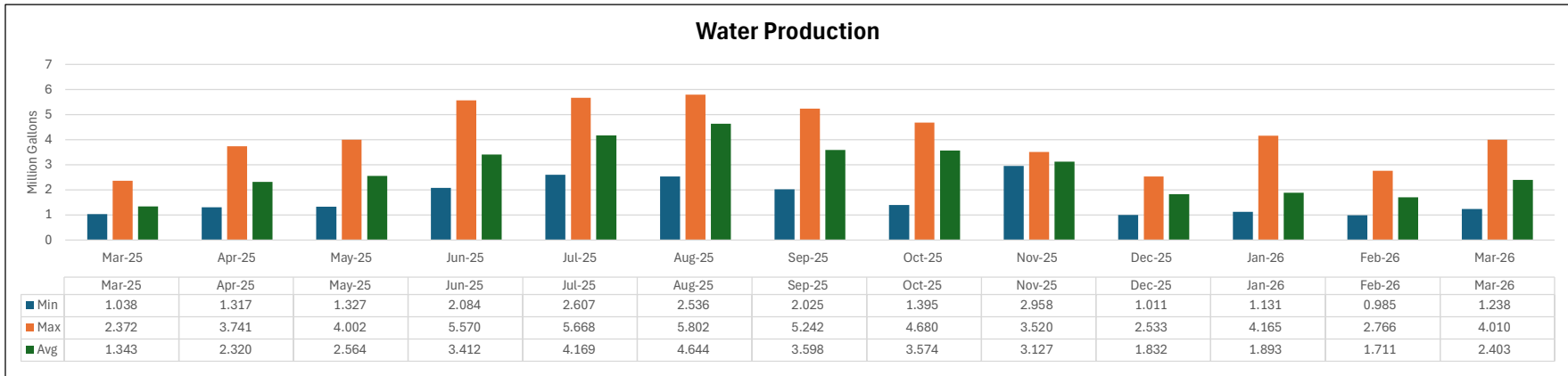
PLAN

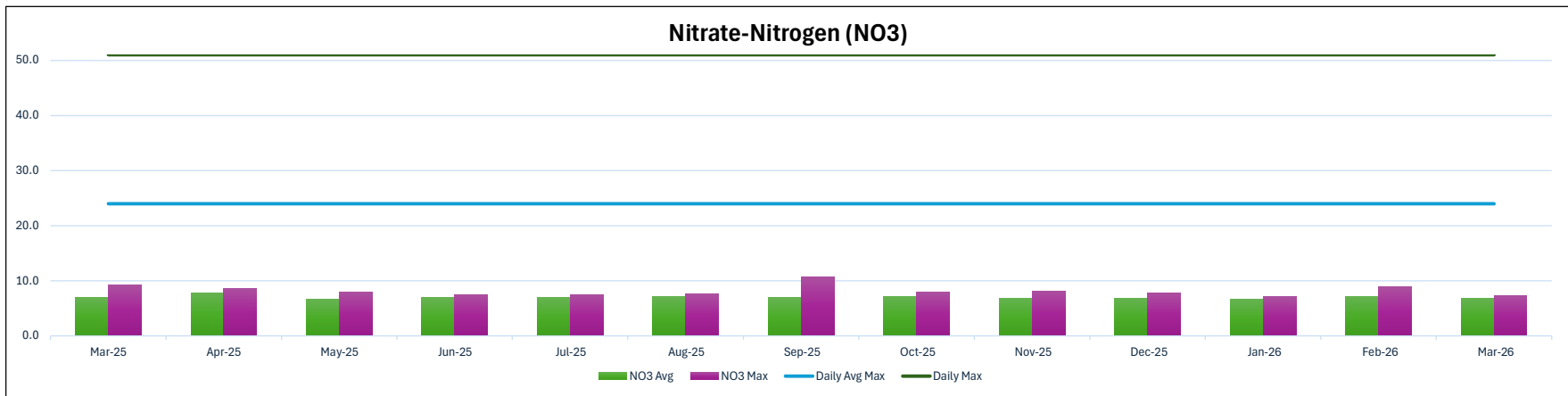
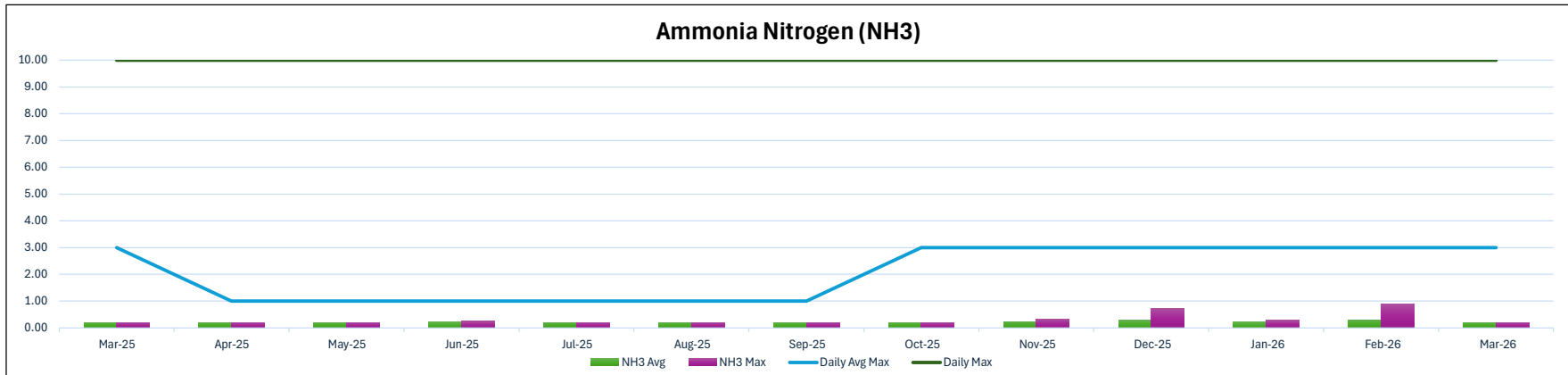
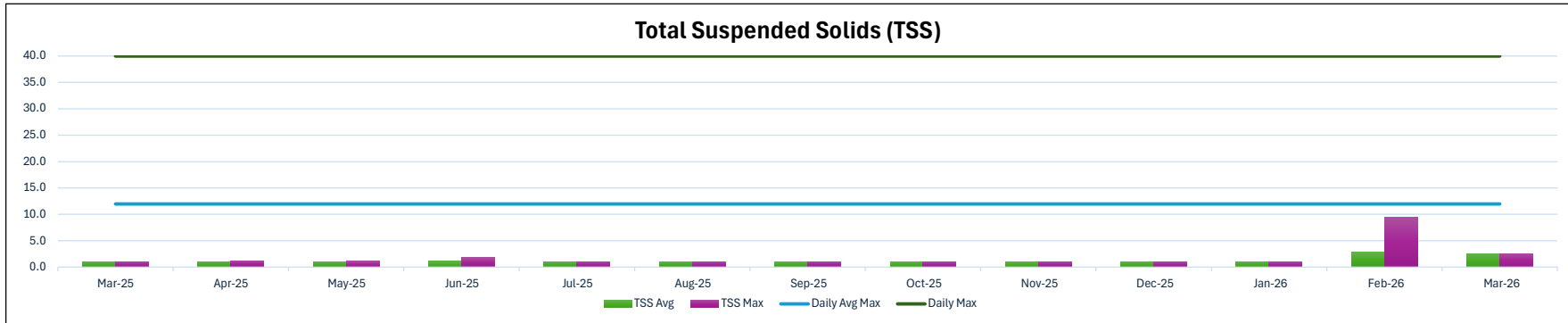
DESIGN

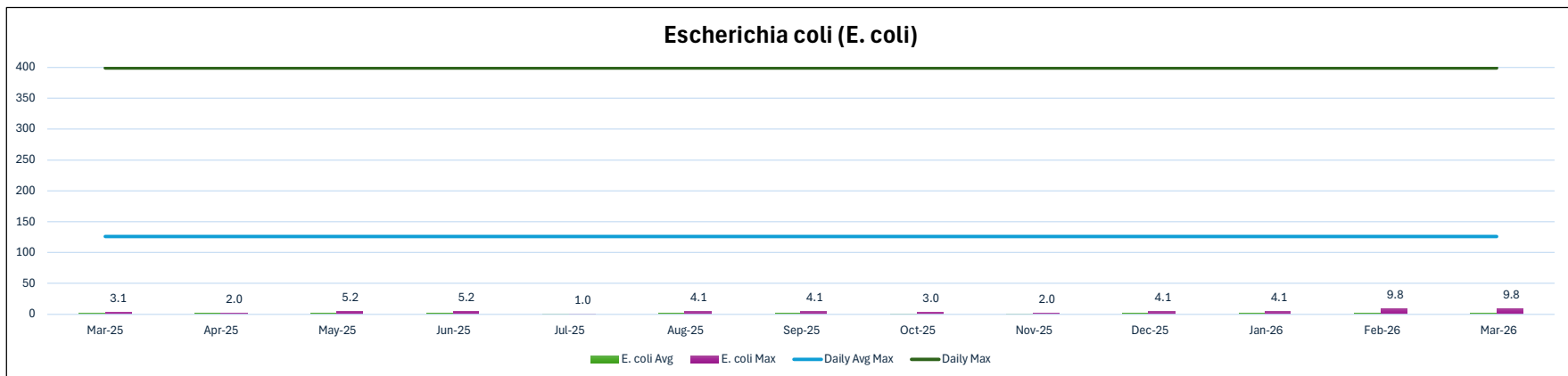
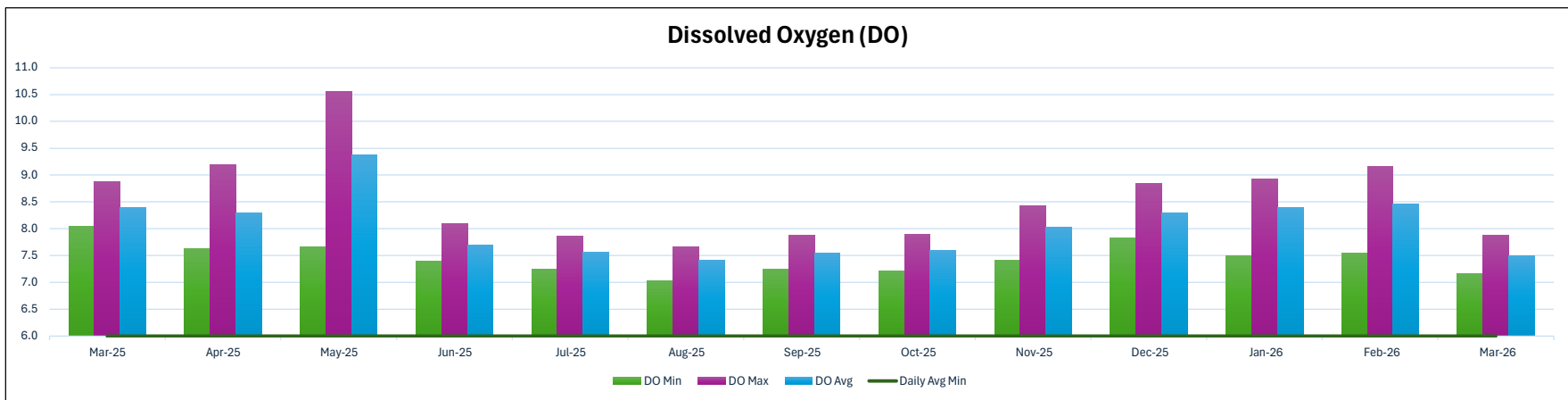
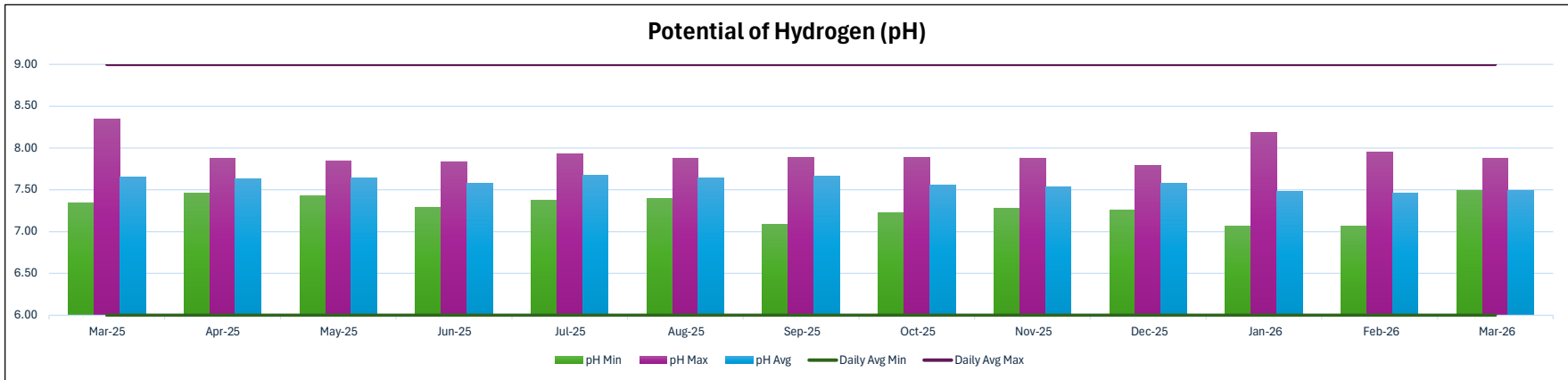
BUILD

COMPLETE









Check Report

By Check Number

Date Range: 03/01/2026 - 03/31/2026



Trophy Club Municipal Utility District No. 1

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Prosperity Bank-Prosperity Bank						
Payment Type: Regular						
2631	Ace Pipe Cleaning, Inc.	03/04/2026	Regular	0.00	2,627.00	11837
2222	Aflac	03/04/2026	Regular	0.00	272.39	11838
2772	Allied Waste Industries	03/04/2026	Regular	0.00	6,009.18	11839
4018	BP Energy Holding Company LLC	03/04/2026	Regular	0.00	43,083.06	11840
2655	Core & Main LP	03/04/2026	Regular	0.00	343.97	11841
4003	CW Janitorial Services	03/04/2026	Regular	0.00	2,200.00	11842
2811	Eurofins Environment Testing Ecotoxicology, LL	03/04/2026	Regular	0.00	1,730.00	11843
2606	Fiserv Solutions LLC	03/04/2026	Regular	0.00	50.00	11844
1372	Hach Company	03/04/2026	Regular	0.00	1,121.53	11845
4033	Health Care Service Corporation	03/04/2026	Regular	0.00	25,090.85	11846
4004	Insituform Technologies LLC	03/04/2026	Regular	0.00	306,965.00	11847
2943	JP Morgan Chase Bank NA	03/04/2026	Regular	0.00	16,079.37	11848
3216	M3 Networks	03/04/2026	Regular	0.00	450.00	11849
4089	Mas Talent LLC	03/04/2026	Regular	0.00	1,050.00	11850
4104	Med Air Services Association, Inc	03/04/2026	Regular	0.00	151.00	11851
4103	Pacific Life & Annuity Company	03/04/2026	Regular	0.00	1,997.03	11852
4019	Peterson Pump & Motor Service LLC	03/04/2026	Regular	0.00	8,045.00	11853
3134	Prime Controls LP	03/04/2026	Regular	0.00	12,130.75	11854
1578	Smith Pump Company, Inc.	03/04/2026	Regular	0.00	51,315.00	11855
3156	Southern Petroleum Lab Inc	03/04/2026	Regular	0.00	5,001.60	11856
2440	Tarrant County Public Health Laboratory	03/04/2026	Regular	0.00	270.00	11857
2696	Texas Excavation Safety System	03/04/2026	Regular	0.00	243.80	11858
1001	Town of Trophy Club	03/04/2026	Regular	0.00	164,767.66	11859
3225	US Bank Voyager Fleet Systems	03/04/2026	Regular	0.00	1,396.78	11860
2222	Aflac	03/18/2026	Regular	0.00	30.00	11861
1926	Badger Meter, Inc	03/18/2026	Regular	0.00	258.35	11862
2683	Charter Communications	03/18/2026	Regular	0.00	903.74	11863
1030	City of Fort Worth	03/18/2026	Regular	0.00	136,748.10	11864
3184	Dataprose LLC	03/18/2026	Regular	0.00	3,180.76	11865
2606	Fiserv Solutions LLC	03/18/2026	Regular	0.00	50.00	11866
1372	Hach Company	03/18/2026	Regular	0.00	570.00	11867
2635	Half Associates Inc.	03/18/2026	Regular	0.00	27,735.30	11868
2754	Lower Colorado River Authority	03/18/2026	Regular	0.00	976.00	11869
4096	Mather & Strohl Administrative Services	03/18/2026	Regular	0.00	180.00	11870
4104	Med Air Services Association, Inc	03/18/2026	Regular	0.00	158.00	11871
1051	Millican Well Service LLC	03/18/2026	Regular	0.00	50,024.41	11872
4101	Network Cabling Services, Inc	03/18/2026	Regular	0.00	5,504.35	11873
3176	Rey-Mar Construction	03/18/2026	Regular	0.00	6,378.19	11874
2633	Sluder Emergency Power Service	03/18/2026	Regular	0.00	2,466.00	11875
3156	Southern Petroleum Lab Inc	03/18/2026	Regular	0.00	5,001.60	11876
4100	Standley Systems	03/18/2026	Regular	0.00	287.01	11877
2440	Tarrant County Public Health Laboratory	03/18/2026	Regular	0.00	450.00	11878
3118	Toby Wayne Zachary	03/18/2026	Regular	0.00	690.00	11879
1081	Tri County Electric	03/18/2026	Regular	0.00	926.84	11880
1058	Verizon Wireless	03/18/2026	Regular	0.00	592.61	11881
Total Regular:				0.00	895,502.23	

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
1002	MissionSquare Plan Services	03/13/2026	Bank Draft	0.00	150.00	DFT0000390
3197	BenefitMall	03/13/2026	Bank Draft	0.00	487.68	DFT0000391
3113	TCDRS	03/31/2026	Bank Draft	0.00	9,795.88	DFT0000392
3124	IRS Tax Payment	03/13/2026	Bank Draft	0.00	13,154.11	DFT0000393
1002	MissionSquare Plan Services	03/27/2026	Bank Draft	0.00	150.00	DFT0000394
3197	BenefitMall	03/27/2026	Bank Draft	0.00	487.68	DFT0000395
3113	TCDRS	03/31/2026	Bank Draft	0.00	9,947.01	DFT0000396
3124	IRS Tax Payment	03/27/2026	Bank Draft	0.00	13,265.99	DFT0000397
Total Bank Draft:				0.00	47,438.35	

Bank Code Prosperity Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	76	45	0.00	895,502.23
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	47,438.35
EFT's	0	0	0.00	0.00
	84	53	0.00	942,940.58

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	76	45	0.00	895,502.23
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	47,438.35
EFT's	0	0	0.00	0.00
	84	53	0.00	942,940.58

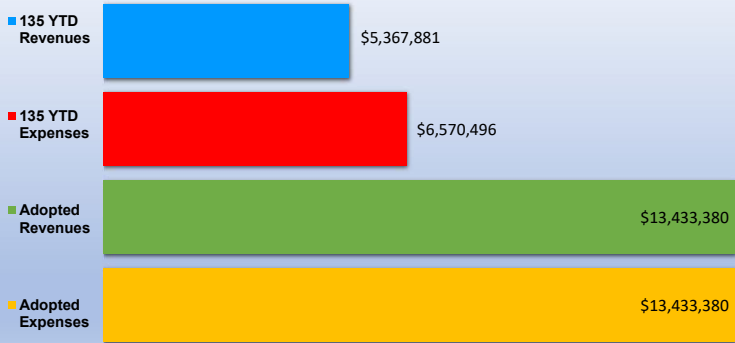
Fund Summary

Fund	Name	Period	Amount
996	Consolidated Cash	3/2026	942,940.58
			942,940.58

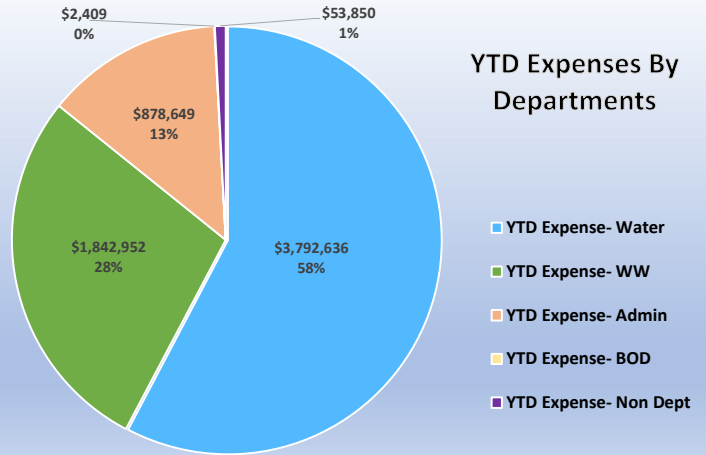
FY 2026 Combined Financials

March 31, 2026

Adopted Budget vs YTD Actuals Revenues & Expenses

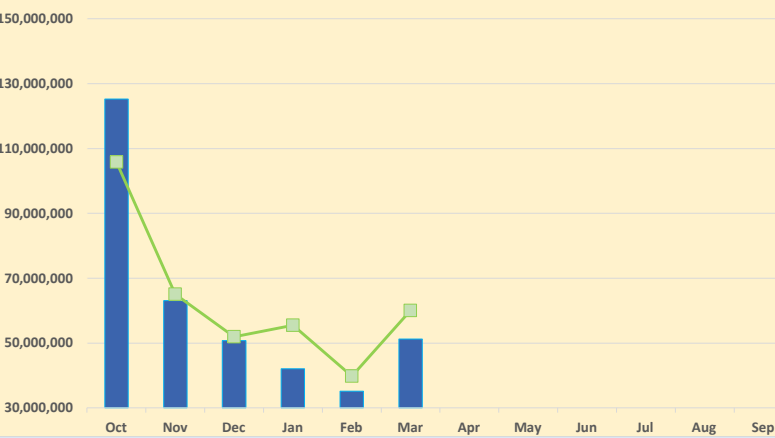


YTD Expenses By Departments

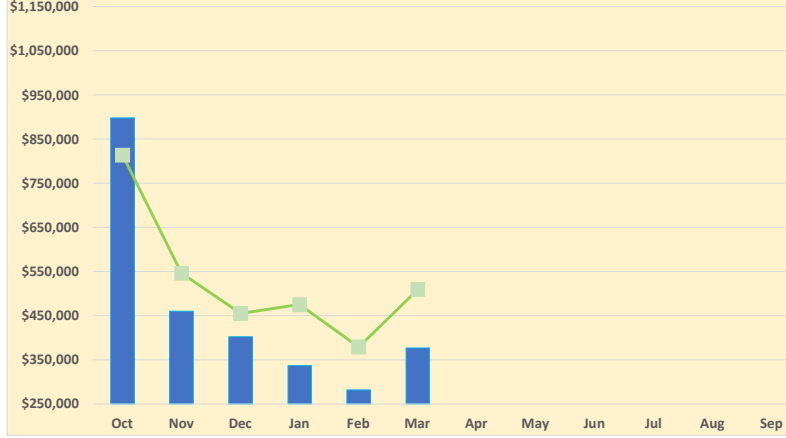


Water Budget vs Actual

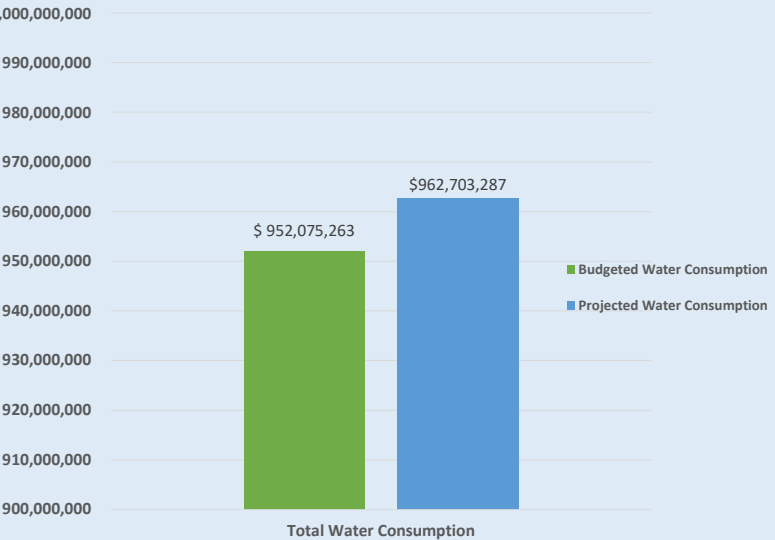
Water Consumption Budget vs Actual



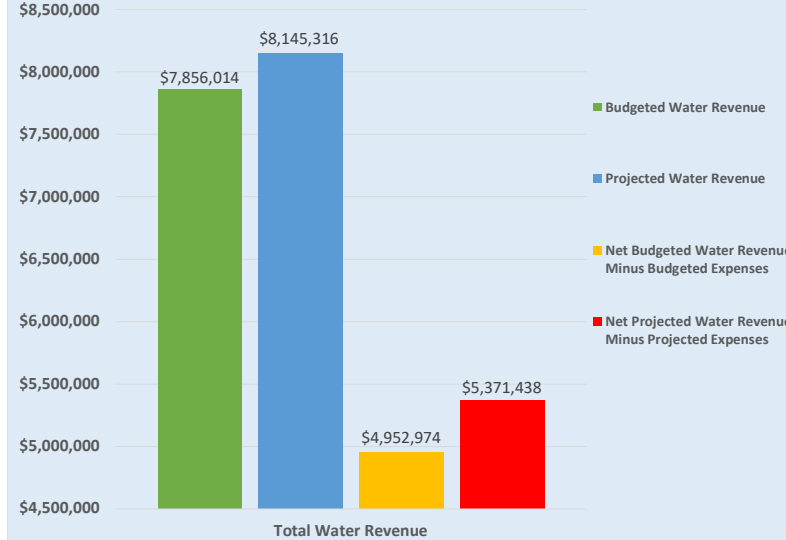
Water Revenue Budget vs Actual



Adopted Budget Water Consumption Vs Actual Water Consumption



Adopted Budget Water Revenue Vs Projected Water Revenue



Budget Report

Account Summary

For Fiscal: 2025-2026 Period Ending: 03/31/2026



Trophy Club Municipal Utility District No. 1

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance (Unfavorable)	Percent Remaining
Fund: 135 - General Fund						
Revenue						
Department: 000 - Revenue, Asset, Liability, & Equity						
135-000-40000-000	Property Taxes	118,420.00	118,420.00	1,257.33	113,862.51	-4,557.49 3.85 %
135-000-40002-000	Property Taxes/Delinquent	550.00	550.00	-2.03	118.08	-431.92 78.53 %
135-000-40015-000	Property Taxes/P & I	500.00	500.00	70.35	233.61	-266.39 53.28 %
135-000-47000-000	Water	7,856,015.00	7,856,015.00	509,617.35	3,044,956.33	-4,811,058.67 61.24 %
135-000-47005-000	Sewer	3,851,440.00	3,851,440.00	318,730.99	1,850,681.23	-2,000,758.77 51.95 %
135-000-47025-000	Penalties	115,800.00	115,800.00	8,070.21	53,197.29	-62,602.71 54.06 %
135-000-47030-000	Service Charges	3,350.00	3,350.00	225.00	1,876.90	-1,473.10 43.97 %
135-000-47035-000	Plumbing Inspections	1,950.00	1,950.00	0.00	0.00	-1,950.00 100.00 %
135-000-47045-000	Sewer Inspections	650.00	650.00	0.00	0.00	-650.00 100.00 %
135-000-47070-000	TCCC Effluent Charges	132,156.00	132,156.00	6,400.06	26,263.72	-105,892.28 80.13 %
135-000-49011-000	Interest Income	525,000.00	525,000.00	36,014.18	208,560.21	-316,439.79 60.27 %
135-000-49015-000	Lease/Rental Income	0.00	0.00	800.00	3,200.00	3,200.00 0.00 %
135-000-49016-000	Cell Tower Revenue	52,450.00	52,450.00	8,741.82	21,854.55	-30,595.45 58.33 %
135-000-49026-000	Proceeds from Sale of Assets	15,000.00	15,000.00	0.00	23,270.00	8,270.00 155.13 %
135-000-49036-000	GASB Reserves	45,000.00	45,000.00	0.00	0.00	-45,000.00 100.00 %
135-000-49075-000	Meter Fees	7,670.00	7,670.00	0.00	0.00	-7,670.00 100.00 %
135-000-49141-000	Interfund Transfer In	700,429.00	700,429.00	0.00	0.00	-700,429.00 100.00 %
135-000-49900-000	Miscellaneous Income	7,000.00	7,000.00	5,000.00	19,806.43	12,806.43 282.95 %
Department: 000 - Revenue, Asset, Liability, & Equity Total:		13,433,380.00	13,433,380.00	894,925.26	5,367,880.86	-8,065,499.14 60.04%
Revenue Total:		13,433,380.00	13,433,380.00	894,925.26	5,367,880.86	-8,065,499.14 60.04%
Expense						
Department: 010 - Water						
135-010-50005-000	Salaries & Wages	408,810.00	408,810.00	31,172.42	197,273.09	211,536.91 51.74 %
135-010-50010-000	Overtime	17,000.00	17,000.00	681.68	8,395.55	8,604.45 50.61 %
135-010-50016-000	Longevity	4,790.00	4,790.00	0.00	6,770.00	-1,980.00 -41.34 %
135-010-50017-000	Certification	3,000.00	3,000.00	125.00	925.00	2,075.00 69.17 %
135-010-50020-000	Retirement	52,030.00	52,030.00	3,834.49	26,803.82	25,226.18 48.48 %
135-010-50026-000	Medical Insurance	123,030.00	123,030.00	7,514.11	51,669.10	71,360.90 58.00 %
135-010-50027-000	Dental Insurance	7,990.00	7,990.00	386.70	3,218.13	4,771.87 59.72 %
135-010-50028-000	Vision Insurance	1,240.00	1,240.00	64.08	507.39	732.61 59.08 %
135-010-50029-000	Life Insurance & Other	5,300.00	5,300.00	389.40	2,337.74	2,962.26 55.89 %
135-010-50030-000	Social Security Taxes	26,880.00	26,880.00	1,942.20	12,913.48	13,966.52 51.96 %
135-010-50035-000	Medicare Taxes	6,300.00	6,300.00	454.24	3,020.05	3,279.95 52.06 %
135-010-50040-000	Unemployment Taxes	320.00	320.00	534.06	1,007.49	-687.49 -214.84 %
135-010-50045-000	Workers' Compensation	13,650.00	13,650.00	1,438.94	8,633.64	5,016.36 36.75 %
135-010-50060-000	Pre-employment Physicals/Testing	400.00	400.00	0.00	0.00	400.00 100.00 %
135-010-50070-000	Employee Relations	300.00	300.00	0.00	0.00	300.00 100.00 %
135-010-55030-000	Software & Support	18,470.00	18,470.00	790.93	11,917.72	6,552.28 35.48 %
135-010-55080-000	Maintenance & Repairs	184,000.00	184,000.00	52,578.56	101,103.58	82,896.42 45.05 %
135-010-55085-000	Generator Maintenance & Repair	1,500.00	1,500.00	0.00	0.00	1,500.00 100.00 %
135-010-55090-000	Vehicle Maintenance & Repairs	5,620.00	5,620.00	307.68	1,982.98	3,637.02 64.72 %
135-010-55105-000	Equipment Maintenance & Repairs	1,000.00	1,000.00	0.00	358.99	641.01 64.10 %
135-010-55135-000	Lab Analysis- District	12,500.00	12,500.00	855.00	12,985.67	-485.67 -3.89 %
135-010-60010-000	Communications	5,460.00	5,460.00	340.17	1,871.03	3,588.97 65.73 %
135-010-60020-000	Electricity	214,750.00	214,750.00	11,678.79	92,280.74	122,469.26 57.03 %
135-010-60080-000	Schools & Training	3,335.00	3,335.00	0.00	854.99	2,480.01 74.36 %
135-010-60100-000	Travel & per diem	3,850.00	3,850.00	0.00	0.00	3,850.00 100.00 %
135-010-60135-000	TCEQ Fees & Permits	30,000.00	30,000.00	0.00	20,631.73	9,368.27 31.23 %
135-010-60150-000	Wholesale Water	2,903,040.00	2,903,040.00	0.00	880,509.01	2,022,530.99 69.67 %

Budget Report

For Fiscal: 2025-2026 Period Ending: 03/31/2026

		Original	Current	Period	Fiscal	Variance	Percent
		Total Budget	Total Budget	Activity	Activity	(Unfavorable)	Remaining
135-010-60285-000	Lawn Services	10,500.00	10,500.00	600.00	1,800.00	8,700.00	82.86 %
135-010-60332-000	Interfund Transfer Out-Rev I&S	565,880.00	565,880.00	0.00	257,216.10	308,663.90	54.55 %
135-010-65005-000	Fuel & Lube	20,000.00	20,000.00	929.62	5,207.94	14,792.06	73.96 %
135-010-65010-000	Uniforms	4,360.00	4,360.00	0.00	2,495.59	1,864.41	42.76 %
135-010-65030-000	Chemicals	28,100.00	28,100.00	0.00	14,025.24	14,074.76	50.09 %
135-010-65053-000	Meter Change Out	215,000.00	215,000.00	0.00	208,445.00	6,555.00	3.05 %
135-010-69005-000	Capital Outlays	2,695,000.00	2,695,000.00	-16,068.15	1,855,475.33	839,524.67	31.15 %
135-010-69195-000	GASB34 Reserves	382,350.00	382,350.00	0.00	0.00	382,350.00	100.00 %
Department: 010 - Water Total:		7,975,755.00	7,975,755.00	100,549.92	3,792,636.12	4,183,118.88	52.45%

Department: 020 - Wastewater

135-020-50005-000	Salaries & Wages	216,270.00	216,270.00	16,792.22	103,975.50	112,294.50	51.92 %
135-020-50010-000	Overtime	15,000.00	15,000.00	388.20	2,725.10	12,274.90	81.83 %
135-020-50016-000	Longevity	2,270.00	2,270.00	0.00	2,230.00	40.00	1.76 %
135-020-50017-000	Certification	3,900.00	3,900.00	250.00	1,300.00	2,600.00	66.67 %
135-020-50020-000	Retirement	28,490.00	28,490.00	2,091.66	13,914.89	14,575.11	51.16 %
135-020-50026-000	Medical Insurance	87,880.00	87,880.00	8,005.16	40,330.75	47,549.25	54.11 %
135-020-50027-000	Dental Insurance	4,260.00	4,260.00	348.52	1,678.87	2,581.13	60.59 %
135-020-50028-000	Vision Insurance	740.00	740.00	43.40	282.45	457.55	61.83 %
135-020-50029-000	Life Insurance & Other	4,100.00	4,100.00	541.75	1,319.34	2,780.66	67.82 %
135-020-50030-000	Social Security Taxes	14,720.00	14,720.00	1,064.90	6,758.68	7,961.32	54.09 %
135-020-50035-000	Medicare Taxes	3,450.00	3,450.00	249.04	1,580.64	1,869.36	54.18 %
135-020-50040-000	Unemployment Taxes	190.00	190.00	324.00	453.00	-263.00	-138.42 %
135-020-50045-000	Workers' Compensation	8,730.00	8,730.00	787.97	4,727.82	4,002.18	45.84 %
135-020-50060-000	Pre-employment Physicals/Testing	400.00	400.00	0.00	0.00	400.00	100.00 %
135-020-50070-000	Employee Relations	300.00	300.00	0.00	0.00	300.00	100.00 %
135-020-55030-000	Software & Support	23,470.00	23,470.00	790.93	14,516.22	8,953.78	38.15 %
135-020-55080-000	Maintenance & Repairs- WWTP	132,970.00	132,970.00	8,787.94	66,563.23	66,406.77	49.94 %
135-020-55081-000	Maintenance & Repairs- Collections	300,000.00	300,000.00	0.00	17,234.98	282,765.02	94.26 %
135-020-55085-000	Generator Maintenance & Repairs	11,000.00	11,000.00	8,798.98	13,289.98	-2,289.98	-20.82 %
135-020-55090-000	Vehicle Maintenance- WWTP	3,630.00	3,630.00	0.00	119.92	3,510.08	96.70 %
135-020-55105-000	Equipment Maintenance & Repairs	3,000.00	3,000.00	0.00	714.11	2,285.89	76.20 %
135-020-55125-000	Dumpster Services	103,000.00	103,000.00	0.00	43,044.61	59,955.39	58.21 %
135-020-55135-000	Lab Analysis	60,000.00	60,000.00	8,333.40	42,628.00	17,372.00	28.95 %
135-020-60010-000	Communications	4,700.00	4,700.00	202.63	1,140.77	3,559.23	75.73 %
135-020-60020-000	Electricity	274,500.00	274,500.00	24,407.25	134,781.03	139,718.97	50.90 %
135-020-60080-000	Schools & Training	1,040.00	1,040.00	0.00	113.75	926.25	89.06 %
135-020-60100-000	Travel & per diem	850.00	850.00	0.00	0.00	850.00	100.00 %
135-020-60135-000	TCEQ Fees & Permits	12,000.00	12,000.00	0.00	10,088.02	1,911.98	15.93 %
135-020-60285-000	Lawn Services	16,000.00	16,000.00	710.00	2,130.00	13,870.00	86.69 %
135-020-60332-000	Interfund Transfer Out-Rev I&S	704,640.00	704,640.00	0.00	320,289.60	384,350.40	54.55 %
135-020-65005-000	Fuel & Lube	13,000.00	13,000.00	538.14	5,368.15	7,631.85	58.71 %
135-020-65010-000	Uniforms	3,520.00	3,520.00	0.00	1,764.01	1,755.99	49.89 %
135-020-65030-000	Chemicals- WWTP	42,500.00	42,500.00	3,007.90	21,784.31	20,715.69	48.74 %
135-020-65045-000	Lab Supplies	33,000.00	33,000.00	49.87	23,313.78	9,686.22	29.35 %
135-020-69005-000	Capital Outlays	1,140,000.00	1,140,000.00	169,710.18	942,790.44	197,209.56	17.30 %
135-020-69195-000	GASB Reserve for Replacement	264,750.00	264,750.00	0.00	0.00	264,750.00	100.00 %
Department: 020 - Wastewater Total:		3,538,270.00	3,538,270.00	256,224.04	1,842,951.95	1,695,318.05	47.91%

Department: 026 - Board of Directors

135-026-50045-000	Workman's Compensation	20.00	20.00	0.90	5.40	14.60	73.00 %
135-026-60070-000	Dues & Memberships	750.00	750.00	0.00	750.00	0.00	0.00 %
135-026-60075-000	Meetings	1,500.00	1,500.00	116.99	701.94	798.06	53.20 %
135-026-60080-000	Schools & Training	2,000.00	2,000.00	0.00	915.00	1,085.00	54.25 %
135-026-60100-000	Travel & per diem	3,000.00	3,000.00	0.00	0.00	3,000.00	100.00 %
135-026-60245-000	Miscellaneous Expenses	6,000.00	6,000.00	0.00	36.98	5,963.02	99.38 %
Department: 026 - Board of Directors Total:		13,270.00	13,270.00	117.89	2,409.32	10,860.68	81.84%

Department: 030 - Administration

135-030-50005-000	Salaries & Wages	715,050.00	715,050.00	55,176.91	335,523.54	379,526.46	53.08 %
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Budget Report

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
135-030-50010-000	Overtime	2,000.00	2,000.00	269.13	709.28	1,290.72	64.54 %
135-030-50016-000	Longevity	2,800.00	2,800.00	0.00	2,797.50	2.50	0.09 %
135-030-50020-000	Retirement	86,390.00	86,390.00	6,543.05	42,562.17	43,827.83	50.73 %
135-030-50026-000	Medical Insurance	105,450.00	105,450.00	11,647.34	55,443.02	50,006.98	47.42 %
135-030-50027-000	Dental Insurance	4,000.00	4,000.00	335.92	1,871.56	2,128.44	53.21 %
135-030-50028-000	Vision Insurance	760.00	760.00	83.67	366.87	393.13	51.73 %
135-030-50029-000	Life Insurance & Other	6,930.00	6,930.00	472.07	3,007.27	3,922.73	56.61 %
135-030-50030-000	Social Security Taxes	44,630.00	44,630.00	3,336.17	19,404.57	25,225.43	56.52 %
135-030-50035-000	Medicare Taxes	10,440.00	10,440.00	780.24	4,798.93	5,641.07	54.03 %
135-030-50040-000	Unemployment Taxes	440.00	440.00	633.44	1,072.52	-632.52	-143.75 %
135-030-50045-000	Workers' Compensation	1,840.00	1,840.00	203.81	1,222.86	617.14	33.54 %
135-030-50060-000	Pre-emp Physicals/Testing	400.00	400.00	75.00	75.00	325.00	81.25 %
135-030-50070-000	Employee Relations	4,000.00	4,000.00	325.00	3,179.68	820.32	20.51 %
135-030-55030-000	Software & Support	91,190.00	91,190.00	5,749.80	84,602.79	6,587.21	7.22 %
135-030-55080-000	Maintenance & Repairs	25,000.00	25,000.00	1,269.50	5,686.50	19,313.50	77.25 %
135-030-55085-000	Generator Maintenance & Repairs	1,000.00	1,000.00	716.79	2,076.79	-1,076.79	-107.68 %
135-030-55120-000	Cleaning Services	20,000.00	20,000.00	1,600.00	11,200.00	8,800.00	44.00 %
135-030-55160-000	Professional Outside Services	125,080.00	125,080.00	15,085.92	66,246.70	58,833.30	47.04 %
135-030-55205-000	Utility Billing Contract	9,000.00	9,000.00	0.00	3,536.03	5,463.97	60.71 %
135-030-60010-000	Communications	19,240.00	19,240.00	1,992.13	10,697.65	8,542.35	44.40 %
135-030-60020-000	Electricity	23,000.00	23,000.00	1,494.79	12,099.63	10,900.37	47.39 %
135-030-60035-000	Postage	30,000.00	30,000.00	517.50	13,591.32	16,408.68	54.70 %
135-030-60040-000	Bank Service Charges & Fees	179,240.00	179,240.00	9,469.08	74,221.33	105,018.67	58.59 %
135-030-60050-000	Bad Debt Expense	13,000.00	13,000.00	0.00	0.00	13,000.00	100.00 %
135-030-60055-000	Insurance	170,450.00	170,450.00	13,285.65	79,713.90	90,736.10	53.23 %
135-030-60070-000	Dues & Memberships	2,560.00	2,560.00	75.00	2,046.00	514.00	20.08 %
135-030-60080-000	Schools & Training	3,850.00	3,850.00	120.00	590.00	3,260.00	84.68 %
135-030-60100-000	Travel & per diem	4,725.00	4,725.00	1,414.85	1,547.31	3,177.69	67.25 %
135-030-60115-000	Elections	17,000.00	17,000.00	0.00	0.00	17,000.00	100.00 %
135-030-60285-000	Lawn Services	6,000.00	6,000.00	0.00	469.67	5,530.33	92.17 %
135-030-65055-000	Hardware IT	22,000.00	22,000.00	0.00	1,653.44	20,346.56	92.48 %
135-030-65085-000	Office Supplies	7,500.00	7,500.00	336.12	3,465.63	4,034.37	53.79 %
135-030-65095-000	Maintenance Supplies	6,000.00	6,000.00	322.50	1,498.61	4,501.39	75.02 %
135-030-69005-000	Capital Outlays	0.00	0.00	0.00	29,928.87	-29,928.87	0.00 %
135-030-69170-000	Copier Lease	4,000.00	4,000.00	287.01	1,742.02	2,257.98	56.45 %
135-030-69195-000	GASB Reserve for Replacement	22,700.00	22,700.00	0.00	0.00	22,700.00	100.00 %
Department: 030 - Administration Total:		1,787,665.00	1,787,665.00	133,618.39	878,648.96	909,016.04	50.85%
Department: 039 - Non Departmental							
135-039-55045-000	Legal	65,000.00	65,000.00	0.00	6,497.75	58,502.25	90.00 %
135-039-55055-000	Auditing	30,000.00	30,000.00	0.00	23,006.68	6,993.32	23.31 %
135-039-55060-000	Appraisal	14,570.00	14,570.00	0.00	18,746.34	-4,176.34	-28.66 %
135-039-55065-000	Tax Admin Fees	8,850.00	8,850.00	0.00	5,599.11	3,250.89	36.73 %
Department: 039 - Non Departmental Total:		118,420.00	118,420.00	0.00	53,849.88	64,570.12	54.53%
Expense Total:		13,433,380.00	13,433,380.00	490,510.24	6,570,496.23	6,862,883.77	51.09%
Fund: 135 - General Fund Surplus (Deficit):		0.00	0.00	404,415.02	-1,202,615.37	-1,202,615.37	0.00%
Report Surplus (Deficit):		0.00	0.00	404,415.02	-1,202,615.37	-1,202,615.37	0.00%

Budget Report

Group Summary

Departmen...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 135 - General Fund						
Revenue						
000 - Revenue, Asset, Liability, & Equity	13,433,380.00	13,433,380.00	894,925.26	5,367,880.86	-8,065,499.14	60.04%
Revenue Total:	13,433,380.00	13,433,380.00	894,925.26	5,367,880.86	-8,065,499.14	60.04%
Expense						
010 - Water	7,975,755.00	7,975,755.00	100,549.92	3,792,636.12	4,183,118.88	52.45%
020 - Wastewater	3,538,270.00	3,538,270.00	256,224.04	1,842,951.95	1,695,318.05	47.91%
026 - Board of Directors	13,270.00	13,270.00	117.89	2,409.32	10,860.68	81.84%
030 - Administration	1,787,665.00	1,787,665.00	133,618.39	878,648.96	909,016.04	50.85%
039 - Non Departmental	118,420.00	118,420.00	0.00	53,849.88	64,570.12	54.53%
Expense Total:	13,433,380.00	13,433,380.00	490,510.24	6,570,496.23	6,862,883.77	51.09%
Fund: 135 - General Fund Surplus (Deficit):	0.00	0.00	404,415.02	-1,202,615.37	-1,202,615.37	0.00%
Report Surplus (Deficit):	0.00	0.00	404,415.02	-1,202,615.37	-1,202,615.37	0.00%

CASH STATUS AS OF MARCH 2026		Restricted - Unable to be spent	Unrestricted- Available for spending	Total in Accounts (Restricted & Unrestricted)
135-10250	TexPool Operating Reserve (XXXXX0002)	\$167,686	\$5,365,391	\$5,533,077
135-10251	TexPool Rehab & Replacement Reserve (XXXXX0022)	2,563,700	0	2,563,700
135-10300	Prosperity Bank General Fund Operating (XXXXX2660)	0	612,554	612,554
135-11150	Petty Cash Utility Billing	0	400	400
137-10253	TexPool Equip Replacement Reserve (XXXXX0023)	6,578,657	0	6,578,657
519-10300	Prosperity Bank (XXXXX7724) SWIFT	85,052	0	85,052
519-11155	Cash-Bond Escrow Bank of Texas (SWIFT)	897,556	0	897,556
528-10250	TexPool Revenue Bond Reserve WWTP (XXXXX0014)	852,083	0	852,083
533-10250	TexPool Tax Bond 2014 & 2020 (XXXXX0003)	581,696	0	581,696
534-10250	TexPool Revenue Bond WWTP 2015 (XXXXX0013)	270,839	0	270,839
535-10250	TexPool Revenue Bond SWIFT 2016 (XXXXX0017)	125,268	0	125,268
536-10250	TexPool Revenue Bond W&WW 2019 (XXXXX0020)	92,841	0	92,841
	Balance - General Fund	\$12,215,377	\$5,978,345	\$18,193,722
122-10252	TexPool Fire Fund (XXXXX0021)	\$0	\$2,423,112	\$2,423,112
122-10300	Prosperity Bank Fire Operating (XXXXX2660)	0	0	0
	Balance - Fire	\$0	\$2,423,112	\$2,423,112

**REGULAR MEETING MINUTES
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BOARD OF DIRECTORS
March 18, 2026, at 6:30 p.m.**

Trophy Club Municipal Utility District No. 1 Board of Directors, of Denton and Tarrant Counties, met in a regular meeting on March 18, 2026, 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
Jim Thomas Director
Neil Twomey Director

BOARD MEMBERS ABSENT:

Doug Harper Secretary/Treasurer

STAFF PRESENT:

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

GUESTS PRESENT:

Chris Ekrut NewGen Strategies Solutions

CALL TO ORDER AND ANNOUNCE A QUORUM

President Carr announced the date of March 18, 2026, called the meeting to order and announced a quorum present at 6:30 p.m.

CITIZEN COMMENTS

There were no citizen comments

REPORTS & UPDATES

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

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

CONSENT AGENDA

2. Consider and act to approve the Consent Agenda.
 - a. February 13, 2026, Meeting Minutes
 - b. March 3, 2026, Meeting Minutes

Motion made by Director Twomey and seconded by Director Rose to approve the February 13, 2026, meeting minutes and the March 3, 2026, meeting minutes.

Motion carried unanimously

REGULAR SESSION

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

Chris Ekrut, District Rate Consultant, provided the results of the Winter Average Analysis and recommended a decrease in sewer rates and offered different options for the Board to consider.

4. Consider and act to adopt Rate Order No. 2026-0318 amending water and sewer rates and setting an effective date of April 1, 2026.

Motion made by Director Rose and seconded by Director Thomas to adopt Rate Order No. 2026-0318, amending water and sewer rates with an effective date of April 1, 2026, and using option 2 for residential rates and \$7.10 for the commercial sewer rate.

Motion carried unanimously

5. Consider and act to award bid and approve Contract No. 2026031801 for replacement of water lines as part of FY 2026 Capital Improvement Projects to Trinity Miller Utility and Construction, LLC for an amount not to exceed \$1,180,955.00 and authorize the General Manger to execute any necessary documents.

Motion made by Director Rose and seconded by Director Twomey to award bid and approve Contract No. 2026031801 for replacement of water lines as part of FY 2026 Capital Improvement Projects to Trinity Miller Utility and Construction, LLC., for an amount not to exceed \$1,180,955.00 and authorize the General Manger to execute any necessary documents

Motion carried unanimously

6. Consider and act to approve Resolution No. 2026-0318 amending the Fiscal Year 2025 Budget.

Motion made by Director Rose and seconded by Director Twomey to table until the true up information is received

FUTURE AGENDA ITEMS

7. Items for future agendas:

8. Set next meeting date: April 15, 2026

ADJOURN

President Carr called the meeting adjourned at 7:28 p.m.

Kevin R. Carr, President

William C. Rose, Vice President

(SEAL)

Laurie Slaght, District Secretary



STAFF REPORT

April 15, 2026

AGENDA ITEM: Consider and act to approve Resolution No. 2026-0415 amending the Fiscal Year 2026 Budget.

DESCRIPTION: The Town of Trophy Club (Town) has requested a \$12,500 increase to the District’s Fire Fund Part-Time line item. This request is based on the results of the attached pilot program conducted by the Town in September and November 2025. This resolution will amend the District’s FY 2026 Budget resulting in no net change to the total FY 2026 Fire Fund; however, the proposed change will result in decreasing budgeted Capital Outlay reserves.

Description	FY2026 Adopted	FY2026 Amended
Expenses -Town/District Split		
Salaries – Part Time	50,000	62,500
Expenses – District		
Capital Outlays	119,500	107,000
Total Expenses	\$ 169,500	\$ 169,500
Net Change		\$ -

ATTACHMENTS:

Letter from Town

Resolution No. 2026-0415

RECOMMENDATION: Consider Resolution No. 2026-0415 amending the District’s Fiscal Year 2026 Fire Budget.



1 Trophy Wood Drive, Trophy Club, TX 76262 | 682.237.2900 | info@trophyclub.org | trophyclub.org

MEMORANDUM

DATE: February 19, 2025
TO: Trophy Club Municipal Utility District No. 1 Board
CC: Alan Fourmentin, District General Manager
 Jason Wise, Fire Chief
 April Duvall, Director of Finance
 Trophy Club Mayor & Town Council
FROM: Brandon Wright, Town Manager *BW*
SUBJECT: **REQUEST FOR APPROVAL OF FY 2026 BUDGET TRANSFER TO SUPPORT PART-TIME FIREFIGHTER STAFFING**

On behalf of the Town of Trophy Club, I respectfully request that the Trophy Club Municipal Utility District No. 1 ("District") Board of Directors approve a FY 2026 budget transfer in the amount of \$12,500 from District Fire Capital Outlays (FY 2026 Budget amount of \$119,500) to the Part-Time Salaries line item at your March 18, 2026 meeting. This request is budget neutral as a transfer from your Fire Capital Outlays account and is intended to support a more proactive staffing strategy for the remainder of FY 2026.

In September 2025, the Fire Department developed and conducted a pilot program to achieve a scheduled staffing level of six on-duty personnel by proactively scheduling a part-time firefighter on every B and C shift. Shift A already has a six-person scheduled staffing level. The objective of the pilot program was to reduce overtime reliance, improve staffing consistency, and enhance operational effectiveness while maintaining the five-person minimum staffing requirement.

The results of the September pilot program were significant:

- Overtime usage was reduced by approximately 77% (52 hours in September compared to a monthly average of 227 hours) .
- The proactive model saved an estimated \$1,120 compared to traditional reactive staffing methods. While an estimated cost savings was achieved in September, this is not expected to be typical when increasing the scheduled staffing level to six.
- On-duty staffing levels exceeded the five-person minimum on 40% of shifts.
- Operational benefits included improved training coverage, increased part-time participation, and reduced administrative workload for Fire Captains in filling last-minute vacancies.

The average hourly rate for a part-time firefighter is \$24.85, compared to \$55.98 for a full-time firefighter working overtime, which provides a significant opportunity to achieve the Town's operational goals with minimal impact on the budget. September demonstrated a modest cost savings, while most months are anticipated to cost approximately \$1,000 to \$2,000 more than reactive overtime staffing. However, the observed operational stability and reduced overtime dependency provide substantial long-term value to the Trophy Club Fire Department.

For the remainder of FY 2026, the estimated cost to staff a sixth firefighter using part-time coverage is approximately \$12,922 per month, totaling an estimated \$90,500 over the remaining seven months. After accounting for expenditures to date, the current projected balance in the part-time staffing line is approximately \$58,000, resulting in a projected shortfall of \$32,500. However, based on current overtime trends, the Town anticipates that total overtime hours will end the fiscal year approximately \$10,000 under budget leaving a combined budget gap of \$22,500. Consistent with the cost-sharing model, the Town is seeking an additional \$25,000 in the Part Time Staffing line item with equal contributions of \$12,500 from the District and \$12,500 from the Town. The District has a budgeted amount of \$119,500 in its FY 2026 Budget for Fire Capital Outlays that is not associated with any current projects. A transfer from the Fire Capital Outlays account to the Part Time Staffing account in the amount of \$12,500 would accomplish the Town's objectives without any impact on current projects or operational needs. Please note that a full year estimate for this staffing model is predicted to cost an additional \$20,000 to \$25,000 annually with the District and Town sharing half that amount up to \$12,500 each in FY 2027 and beyond.

The Fire Department's proactive initiative is a low-cost solution to achieve several critical operational successes. It is a holistic staffing strategy to better manage time off, reduce mandatory overtime, enhance training flexibility, and improve overall operational readiness. This solution also addresses the recent audit conducted by ESCI, funded by the District, that identified the fire department's lack of scheduled relief factor as a deficiency. The September pilot demonstrated measurable improvements in staffing efficiency and service delivery. For these reasons, I request that the District Board approve the proposed FY 2026 Budget transfer in the amount of \$12,500 to support continuation of the proactive part-time staffing model.

Provided below is the requested data for staffing levels at area fire department agencies as well as the financial analysis for the program. Thank you for your consideration and continued partnership in supporting fire services for the Trophy Club community.

SCHEDULED STAFFING VS. MINIMUM STAFFING

Below is a chart detailing scheduled staffing vs. minimum staffing levels for area fire departments. Trophy Club is the only fire department in the NEFDA region with a relief factor of zero.

NEFDA STAFFING LEVELS PER SHIFT (Single Station Department Highlighted)

City	Authorized Staffing	Minimum Staffing	Relief Factor
Bedford	21	17	4
Colleyville	14	11	3
Eules	23	18	5
Grapevine	33	26	7
Haltom City	17	13	4
Hurst	17	14	3
Keller	17	14	3
North Richland Hills	29	24	5
Richland Hills	4	3	1
Roanoke	8	7	1
Southlake	21	17	4
Trophy Club	5	5	0
Watauga	8	7	1
Westlake	6	5	1

FINANCIAL ANALYSIS

Current Average Monthly Data

	Hours	Rate	Estimated Cost
Part Time Salaries	331	\$24.85	\$8,225
Overtime Salaries	227	\$55.98	\$12,707
Total	558		\$20,932

“Break Even” Monthly Target with Increased Part Time Staffing

	Hours	Rate	Estimated Cost
Part Time Salaries	520	\$24.85	\$12,922
Overtime Salaries	143	\$55.98	\$8,005
Total	663		\$20,927

Break Even Analysis requires an average overtime reduction of 37% from 227 to 143 overtime hours per month based on an average of 520 part time hours per month.

The minimum overtime reduction is expected to be 25%, which would increase the average monthly estimated cost to \$22,439, and increase of \$1,507 per month or \$18,084 per year.

Below are the results from the Pilot Program conducted in September and November for context:

September 2025 Pilot Program Results

	Hours	Rate	Estimated Cost
Part Time Salaries	524	\$24.85	\$13,021
Overtime Salaries	52*	\$55.98	\$2,911
Total	576		\$15,932

**77% reduction in average overtime*

November 2025 Pilot Program Results

	Hours	Rate	Estimated Cost
Part Time Salaries	540	\$24.85	\$13,419
Overtime Salaries	204*	\$55.98	\$11,420
Total	744		\$24,839

**10% reduction in average overtime*

Overtime hours are expected to constantly fluctuate month to month based on specific ranks being backfilled by either part time or overtime hours as well as the number of positions being backfilled per shift.

RESOLUTION NO. 2026-0415

**A RESOLUTION OF TROPHY CLUB MUNICIPAL UTILITY
DISTRICT NO. 1 TO AMEND FISCAL YEAR 2026 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 2026 fiscal year budget for the District on September 17, 2025; and

WHEREAS, The Board of Directors now desires to amend its 2026 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 2026 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 2026 budget shall be attached to the meeting minutes of April 15, 2026.

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 this 15th day of April 2026.

Kevin R. Carr, President
Board of Directors

ATTEST:

William C. Rose, Vice President
Board of Directors

EXHIBIT “A”

(Amended Budget)

FY 2026 AMENDED FIRE FUND

Description	FY 2024 Actual	FY 2025 Actuals	FY 2026 Adopted	FY 2026 Amended	Amended Change
Revenues - Town					
Assessment - Emergency Services	\$ 535,402	\$ 567,920	\$ -	\$ -	\$ -
Fire Permits/Sprinkler & Plan Review	13,942	23,385	5,000	5,000	-
Denton/Tarrant County Pledge - Fire	10,700	17,839	10,000	10,000	-
Revenues - District					
Property Taxes/District Fire	1,317,014	1,383,539	2,354,855	2,354,855	-
Property Taxes/Fire - Delinquent	(3,025)	(2,378)	-	-	-
Property Taxes/Fire P&I	6,531	6,739	-	-	-
Prior Year Reserves			-	-	-
Total Revenue	\$ 1,935,927	\$ 1,997,045	\$ 2,369,855	\$ 2,369,855	\$ -

Expenses - Town /District Split					
Salaries - Regular	\$ 953,865	\$ 962,704	\$ 1,005,696	\$ 1,005,696	\$ -
Salaries - Part Time	35,275	41,505	50,000	62,500	12,500
Salaries - Overtime	141,629	130,465	125,135	125,135	-
Salaries - Longevity	7,503	7,634	7,406	7,406	-
Certification Pay	10,449	10,637	10,650	10,650	-
Salaries - Cell Phone Stipend	1,366	1,460	1,350	1,350	-
Salaries - Payout/Separations	-	6,087	10,000	10,000	-
Retirement	148,600	152,159	153,999	153,999	-
457 Contributions	-	5,000	2,000	2,000	-
Medical Insurance	85,995	88,422	93,015	93,015	-
Dental Insurance	7,999	8,167	9,547	9,547	-
Vision Insurance	1,761	1,695	1,763	1,763	-
Life Insurance & Other	5,637	5,551	8,201	8,201	-
Social Security Taxes	69,908	69,818	69,451	69,451	-
Medicare Taxes	16,343	16,305	16,243	16,243	-
Unemployment Taxes	223	1,139	2,520	2,520	-
Workman's Compensation	21,494	25,847	57,237	57,237	-
Recruitment	-	4,300	5,000	5,000	-
Pre-Employment Physicals/Testing	-	1,096	1,000	1,000	-
Tuition Reimbursement	4,651	5,576	7,875	7,875	-
Professional Outside Services	-	-	1,850	1,850	-
Physicals/Testing	5,210	5,494	6,250	6,250	-
Software & Support	11,283	10,569	10,915	10,915	-
Tax Administration	1,520	-	-	-	-
Advertising	-	-	100	100	-
Printing	747	483	1,100	1,100	-
Schools & Training	9,757	9,305	19,900	19,900	-
Electricity	8,889	7,886	9,000	9,000	-
Water	4,288	4,089	4,500	4,500	-
Communications/Mobiles	15,851	16,838	17,191	17,191	-
Building Maintenance	23,373	26,157	31,000	31,000	-

FY 2026 AMENDED FIRE FUND

Description	FY 2024 Actual	FY 2025 Actuals	FY 2026 Adopted	FY 2026 Amended	Amended Change
Vehicle Maintenance	57,823	17,226	51,500	51,500	-
Equipment Maintenance	11,313	8,569	19,500	19,500	-
Kitchen/Janitorial Supplies	-	2,997	7,200	7,200	-
Emergency Management	1,000	1,000	1,000	1,000	-
Dispatch - Denton County	5,622	5,224	4,953	4,953	-
Copier Rental/Lease	1,471	1,914	2,000	2,000	-
Dues & Memberships	26,647	32,190	39,928	39,928	-
Travel & per diem	11,000	9,999	14,510	14,510	-
Office Supplies	458	259	500	500	-
Printer Supplies	120	277	500	500	-
Postage	196	261	100	100	-
Publications/Books/Subscrip	105	707	350	350	-
Fuel	8,928	7,585	10,000	10,000	-
Uniforms	6,302	6,828	9,250	9,250	-
Safety Equipment/Protective Clothing	39,563	38,268	40,000	40,000	-
Small Equipment	3,364	2,593	4,000	4,000	-
Hardware	54	136	3,500	3,500	-
Maintenance & Supplies	1,075	588	1,500	1,500	-
Miscellaneous Expense	763	1,299	2,500	2,500	-
Programs & Special Projects	10,293	15,822	16,000	16,000	-
Capital Outlays	6,332	-	61,500	61,500	-
Expenses - District					
Maintenance & Repairs	-	22,600	-	-	-
Rent And/or Usage	200,771	199,211	192,650	192,650	-
Insurance	24,560	27,888	27,520	27,520	-
Capital Outlays	81,420	29,766	119,500	107,000	(12,500)
Total Expense	\$ 2,092,793	\$ 2,059,595	\$ 2,369,855	\$ 2,369,855	\$ -

Total Fire Revenues	\$ 1,935,927	\$ 1,997,045	\$ 2,369,855	\$ 2,369,855	\$ -
Total Fire Expenses	\$ 2,092,793	\$ 2,059,595	\$ 2,369,855	\$ 2,369,855	\$ -
Net Budget Surplus (Deficit)	\$ (156,866)	\$ (62,550)	\$ -	\$ -	\$ -



STAFF REPORT

April 15, 2026

AGENDA ITEM: Consider and act regarding approval of task order agreement with Halff Associates for professional engineering services for the review, update, and recertification of the Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) in accordance with the America’s Water Infrastructure Act (AWIA).

DESCRIPTION: On October 23, 2018, America's Water Infrastructure Act (AWIA) was signed into law, which amended section 1433 of the Safe Drinking Water Act (SDWA), requiring community water systems serving more than 3,300 people to develop or update risk and resilience assessments (RRAs) and emergency response plans (ERPs). The law specified the components that the RRAs and ERPs must address and establish deadlines by which systems must certify to EPA completion of the RRA and ERP.

The District RRA and ERP were originally completed in 2021; however, the AWIA requires a review of the RRA and revise the ERP, if necessary, at least once every five years. The recertification of the RRA is due by June 30, 2026, and ERP by December 31, 2026. The update must address natural hazards, malevolent acts, operational risks, cybersecurity, and confirm consistency with current utility operations, infrastructure, and interagency coordination. Halff will support the District by providing a turnkey, AWIA-compliant update that reflects EPA’s latest guidance while remaining practical, confidential, and implementable.

ATTACHMENTS:

Halff Task Order Proposal

RECOMMENDATION: Staff recommends approval of task order agreement with Halff Associates for professional engineering services for the review, update, and recertification of the Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) at a total cost not to exceed \$29,000 and authorize the General Manager to execute the necessary documents to implement Board action.



March 25, 2026
P64127.000

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

RE: Proposal for RRA and ERP 2026 Update

Dear Mr. Fourmentin,

We are pleased to present the following professional services proposal to support the Trophy Club MUD No. 1 (District) in the review, update, and recertification of its Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) in accordance with the America's Water Infrastructure Act (AWIA).

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

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

Sincerely,

HALFF ASSOCIATES, INC.

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

Leah M. Hodge, PE, CFM
Project Manager

C: Ronald King, PE - Halff

ATTACHMENT ‘A’

Scope of Services

Overview

Halff will support the Trophy Club MUD No. 1 (District) in the review, update, and recertification of its Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) in accordance with the America’s Water Infrastructure Act (AWIA).

The District is required to review, update, and recertify its RRA by June 30, 2026 and its ERP by December 31, 2026. The update must address natural hazards, malevolent acts, operational risks, and cybersecurity, and confirm consistency with current utility operations, infrastructure, and interagency coordination. Halff will support the District by providing a turn-key, AWIA-compliant update that reflects EPA’s latest guidance while remaining practical, confidential, and implementable. The following tasks are proposed as part of the project:

Project Management & Kickoff

- Halff will conduct a project kickoff meeting with staff, confirm system boundaries, facilities, service population, data needs, project schedule, and points of contact.
- Halff will provide regular updates and check in meetings with staff throughout the process.
- Halff will support the District’s certification and internal preparedness activities, including assistance with EPA self-certification of the updated RRA and ERP in accordance with EPA’s compliance process.

Deliverables

- 1) Halff will prepare a kickoff meeting summary.
- 2) Halff will provide a project management plan and final schedule

Review and Update Risk and Resilience Assessment (RRA)

- Halff will review existing documents and supporting data, including the current RRA and ERP (if available), system mapping, asset inventories, SCADA overview, emergency contact lists, mutual aid agreements, and any changes since the last certification (e.g., facilities, staffing, source water, treatment, storage, and cybersecurity posture).
- Halff will identify gaps between existing documentation and AWIA/SDWA Section 1433 requirements. Halff will update the RRA in accordance with SDWA Section 1433(a)(1) and applicable EPA guidance, including asset characterization (e.g., source water, treatment, storage, pumping, transmission, SCADA, financial infrastructure, monitoring practices, and other critical support systems).
- Halff will assess any new risks from natural hazards and malevolent acts and evaluate cybersecurity threats and resilience.

- Halff will review vulnerability and risk analyses, including likelihood/consequence evaluations, risk ranking matrix development, and identification of single points of failure.
- Halff will update existing resilience measures and identify recommended capital and operational mitigation strategies, with a prioritization framework.

Deliverables

- 1) Halff will prepare and submit to EPA an updated, AWIA-compliant RRA document.
- 2) Halff will prepare an executive summary suitable for internal leadership use.
- 3) Halff will confirm confidential handling of all RRA materials in accordance with AWIA requirements.

Updated Emergency Response Plan (ERP)

- Halff will update the ERP in accordance with SDWA Section 1433(b) and best practices, incorporating findings from the updated RRA.
- Halff will update response strategies and procedures for natural disasters, water quality incidents, infrastructure failures, cyber incidents, loss of SCADA, power outages, and fuel disruptions, including strategies and resources to improve physical security and cybersecurity resilience.
- Halff will update roles, responsibilities, incident command structure, staff redundancies, internal/external communication protocols, and coordination with County, State, and mutual aid partners (including WARN).
- Halff will update service restoration priorities, alternative water supply strategies, and post-incident evaluation procedures.
- Halff will add wastewater treatment plant and lift station sites to the ERP.

Deliverables

- 1) Halff will prepare and submit to EPA an updated ERP document.
- 2) Halff will prepare quick-reference response checklists.
- 3) Halff will confirm consistency between the updated ERP and RRA.

Schedule

- Complete RRA by June 30, 2026
- Complete ERP by December 31, 2026

Additional services not included in the Scope of Services:

- Boundary Survey
- Topography Survey
- Soil Boring Location and Elevation Survey
- Monumentation of Wetlands for Conservation Easement
- Platting
- Sketch and Descriptions for Conservation Easements

- Recording of Easements
- Offsite Right-of-Way survey for utilities.
- Tree Survey
- As-built Survey
- Post-construction Improvement Survey
- Construction Staking
- Off-site Utilities Design
- Off-site Roadway or Transportation Improvements
- Pre/Post-development stormwater modeling
- Offsite Roadway Design, Access, and Right-of-Way Permitting Services
- Offsite Water and Sewer Extensions
- Offsite Infrastructure Capacity Studies/Assessments/Analysis/Designs
- Offsite Stormwater Design
- Revisions to the plans requested by the Client/Contractor/Landowner after the plans are approved unless necessitated by discrepancy in the plans
- Revisions to the plans due to scope changes, value engineering, budget overruns, or other reasons
- LEED Services
- Sign Design and Permitting
- Gas, Electric, Telephone, and/or Cable Design
- Boat Dock and Ramp Design/Permitting
- CADD Support for Environmentalist
- FEMA CLOMR
- FEMA Letter of Map Revision (LOMR)
- Flood Studies
- NPDES Permitting
- Bid Documents and Bidding
- Conditional Use Permit
- Earthwork Calculations
- Construction Administration
- Reoccurring Scheduled Progress Meetings During Permitting and Construction
- Quality Control and Construction Material Testing Services
- Rezoning
- Land Use Changes
- Franchise Utility Coordination
- Conversion of AutoCad Files to any other format
- Signing and Pavement Marking Plans
- Written Specifications
- Cost Estimating/Quantity Take-offs and/or Engineer's Opinion of Probable Construction Cost
- Subsurface Utility Engineering
- Environmental Assessment (Threatened and Endangered Assessment)/Biological Services

- Environmental Impact and Cultural Statements and Assessments, Jurisdictional Waters of the US Determination
- Architectural, Structural, Mechanical, Fire Protection, or Electrical Services
- Army Corp. of Engineers Dredge and Fill
- Florida Fish and Wildlife Conservation Commission Permit
- Wetland Flagging/Delineation
- Landscape/Irrigation Plans
- Hardscape, Walls, Entry Features
- Lighting/Photometric Design/Site Electrical Design
- Electrical Controls for Lift Stations
- Geotechnical Investigations
- Traffic Study/Impact Analysis
- Structural Design of Retaining Walls and Pond Walls
- Noise Study
- RGB Submittals
- Advance of permit fees, impact fees, title search fees, recording or advertising fees (all fees by District)
- The above prices allow for up to two (2) response submittals for any request for additional information letters from referenced agencies. Any additional requests will be billed on an hourly basis based on the attached hourly rate schedule.

ATTACHMENT ‘B’

Fee Summary

PROPOSED FEE SCHEDULE

- I. Project Management & Kickoff..... \$5,000 (Lump Sum)
- II. Review and Update Risk and Resilience Assessment (RRA).....\$14,000 (Lump Sum)
- III. Updated Emergency Response Plan (ERP)\$10,000 (Lump Sum)

TOTAL FEE \$29,000

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

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

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

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

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

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



Submitted:

HALFF ASSOCIATES, INC.

Approved:

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

By: _____

Signature

Ronald King _____

Printed Name

Director, Water/Wastewater _____

Title

Date

By: _____

Signature

Printed Name

Title

Date



STAFF REPORT

April 15, 2026

AGENDA ITEM: Consider and act to approve belt press repairs from Andritz Separation, Inc. for parts, repairs and installation for an amount not to exceed \$33,562.76.

DESCRIPTION: The belt press was purchased in 2003 and is a critical component of the wastewater treatment plant. It removes water from waste sludge, reducing moisture content and lowering landfill hauling costs. The proposed maintenance includes replacement of the upper and lower belts, scraper blades, spray nozzles, and plows that aid in sludge and water separation. All quotes include parts and labor and are accounted for in the FY 2026 budget.

Quotes received:

1. Andritz Separation Inc.-\$33,850.76
2. Alfa Laval Inc.-\$48,819.94
3. Control Specialists- No Response

ATTACHMENT: Andritz Separation Inc. Quote

RECOMMENDATION: Staff recommends approval of parts and installation for belt press maintenance from Andritz Separation Inc., for an amount not to exceed \$33,850.76 and authorize the General Manager to execute the necessary documents.



QUOTATION

Customer: 120830
Trophy Club WWTP
 MAIN OFFICE
 100 Municipal Dr.
 TROPHY CLUB TX 76262

Contact: **Clayton Roberts**
 Fax: **+18174919312**
 Copy to:
 Your inquiry: **VIA EMAIL**

Our quote no: **21204023**

Supplier: **Andritz Separation Inc.**
 Contact: **Stormi L Abbott**
 Phone: **+1 817 375 4444**
 Fax:
 E-mail: **stormi.abbott@andritz.com**
 Date: **02/20/2026**

Sales Responsible: **MR. BARRY HUFFMAN**

Dear Clayton Roberts,

We thank you for your inquiry and are pleased to quote as follows:

1. Scope of supply

Should you choose to place an order, please provide the following information:

1. Shipping Address for Delivery
2. Billing Address for Invoice
3. Shipping Terms: If a specific carrier is preferred, please list as FCA, Origin Collect with preferred carrier. Otherwise, list as FCA, Origin Prepaid & Add.
4. Reference this quote number.

Freight for material is not included in pricing.

Please note currency is in US Dollars
 Andritz Inc Standard Terms & Conditions apply
 Returned goods require pre approval and are subject to restocking and inspection fees.

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
10	FIELD SERVICE	100031977		1	EA	13,672.00	13,672.00
	Please be advised this is an estimate only. Actual costs will be adjusted, based on the service tech's time sheet and expenses, and invoiced upon completion of the service trip. It will be necessary to receive your purchase order before we can confirm this trip in our service schedule.						



Our quote no: **21204023**

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
Labor: 16 Travel Hours @ \$195.00/hr. = \$3,120.00 24 Service Hours @ \$273.00/hr. = \$6,552.00 Estimated Expenses = \$4,000.00							
Please see attached rate sheet.							
Freight is not included in this price.							
Explanation of Services: Installing spare parts on a BFP Klampress KP-94, SN KP12842559							
Customer Responsibilities **Please have machine cleared and prepared for service.** >Customer to provide mechanical personnel to assist our technician for the duration of the service. >Customer shall have all new parts staged in close proximity of the machine. >ANDRITZ will make every effort to control travel cost, but cannot control flight cancellations **ANDRITZ is responsible for proper cleaning and gathering of all trash, replacement parts, used oil and grease as it pertains to the work being performed by ANDRITZ personnel and placing it in a customer designated area or dumpster. Customer is responsible for coordinating all disposal. All exceptions must be in writing and confirmed by ANDRITZ prior to the start of a service.** **Any additional work/customer-requested services, including overtime and extra trips needed, will incur additional charges according to the Andritz standard rate sheet.**							
20	GRID WEAR STRIP L 100 W 0.37 H 1 MM 3/8" X 1" X 100"	300006381		120	PC	40.83	4,899.60
30	GRID WEAR STRIP 3/4" X 1-1/2" X 93-1/2"	301278145		14	PC	57.00	798.00
40	GASKET SRWB SEAL MATERIAL. CLIP ON TYPE	301114498		300	FT	4.86	1,458.00



Our quote no: **21204023**

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
50	SCRAPER BLADE WINKLEPRESS 97. 2.0M	300857078		2	PC	232.56	465.12
60	SPRAY NOZZLE	131410772		48	PC	23.24	1,115.52
70	FLAT GASKET	131410782		48	PC	1.25	60.00
80	BRUSH	131410779		2	PC	1,387.71	2,775.42
90	SPRAY NOZZLE	131524224		48	PC	7.21	346.08
100	SEAL KIT	131684784		2	PC	68.37	136.74
110	PLOW UHMW WHITE "V" TYPE L 3.5 W 2.625 H 6.75 IN DMM18580 #F#	131405955		85	PC	14.18	1,205.30
120	SPRING PIN	131457046		85	PC	4.22	358.70
130	PRESS BELT FOR ASHBROOK KLAM PRESS ONLY, 87" W X 638" L (ASHBROOK PN. 038853) WITH SEALED EDGING, IN , # 8 CLIPPER SEAM, E9-0599	301793730		1	PC	3,121.32	3,121.32
140	PRESS BELT FOR ASHBROOK KLAM PRESS ONLY, 87" W X 644" L (ASHBROOK PN. 038824) WITH SEALED EDGING, IN , # 8 CLIPPER SEAM, E9-0599	301793731		1	PC	3,150.96	3,150.96

Total Amount USD 33,562.76

* S = Spare Parts, W = Wear Parts

Technical contact: Larry Conley / **Phone:** +1 817 239 5688 / larry.conley@andritz.com

Terms and Conditions

Delivery address:

Trophy Club WWTP
MAIN OFFICE
100 Municipal Dr.
TROPHY CLUB TX 76262

Invoice address:

Trophy Club WWTP
MAIN OFFICE
100 Municipal Dr.
TROPHY CLUB TX 76262



Our quote no: 21204023

- 2. **Delivery Time:**
after receipt of order and any clarifications.
- 3. **Terms of delivery:**
Our terms of delivery are FCA ORIGIN PREPAID & ADD, according to INCOTERMS 2020.
- 4. **Terms of Payment:**
Within 30 days Due net
(1% default interest per month for delayed payment).
- 5. **Validity of quotation:**
This quotation is valid to 03/22/2026.

Other Terms:

- 6. *****
COVID-19 pandemic delays, disrupts, or prevents Andritz’s performance, or increases shipping or freight costs, Andritz shall be entitled to change order containing an appropriate adjustment in the contract price and/or delivery schedule. Furthermore, in the event that developments related to the pandemic, whether initiated prior to or after the date of this proposal, quotation, or order, including but not limited to travel advisories, steps taken to protect the health and safety of employees, Government orders, and temporary facility shutdowns, increase the cost or time for delivery, Andritz shall be entitled to adjust the price and delivery dates herein to reflect these impacts. Andritz’s delivery date and prices (including freight) are estimates only based on Andritz’s standard delivery dates and prices and do not account for the present and future schedule impacts of the COVID-19 pandemic. Nothing in this proposal, quotation, or order, or any contract based hereon, shall be construed as a waiver of these rights.

The crisis in Russia/Ukraine is impacting the complete global supply chain, including but not limited to, raw material shortages, extended delivery times, unavailability/restricted availability of transport as well as unforeseeable price increases. The Parties therefore agree that the price and delivery times in this order confirmation are indicative only. In case the crisis leads to any impacts on the delivery time or to a price increase of more than 5% of the order value after the date of the order confirmation, we reserve our right to adapt the prices and/or the delivery times accordingly. Nothing in this order confirmation can be construed as a waiver of such right. Of course, we will stay in close contact with you, being stipulated that we are doing our best effort to overcome this significant cost pressure and hurdles in the supply chain.

TERMS APPLICABLE

(a) These Terms and Conditions of Sale and/or Service are the only terms which govern the sale of the products, equipment, or parts and/or the provision of services ("Products" and "Services") and/or the license of certain Software (as defined herein) pursuant to the quotation or acknowledgement of the Andritz entity



Our quote no: 21204023

supplying the same ("Seller") or Buyer's purchase order or other written document issued by Buyer. These Terms and Conditions of Sale and/or Service control, supersede and replace any and all other additional and/or different terms and conditions of Buyer, and Seller hereby objects to and rejects all such terms and conditions of Buyer without further notification, except to the extent Seller expressly agrees to such conditions in writing. Buyer's authorization for Seller to commence work under the Agreement or Buyer's acceptance of delivery of or payment for any Products, Services or Software covered by this Agreement, in whole or in part, shall be deemed Buyer's acceptance of these Terms and Conditions of Sale and/or Service. The term "Agreement" as used herein means (1) these Terms and Conditions of Sale and/or Service, (2) Seller's quotation or acknowledgment together with any attachment thereto and any documents expressly incorporated by reference, and (3) Buyer's purchase order or other written document issued by Buyer, together with any attachment thereto and any documents expressly incorporated by reference (but excluding any Buyer terms and conditions attached thereto or incorporated therein by reference). In the event of a conflict between any documents forming the Agreement, such documents shall be construed in the above-listed order of precedence.

(b) Prior to Buyer's acceptance of any Seller quotation in which these Terms and Conditions of Sale and/or Service are incorporated, in the event that the introduction of new tariffs, levies, duties, taxes, regulation, or any type of legislation by a domestic or foreign government has the effect of increasing the price of the quoted Products, Services, and/or Software, Seller reserves its right to adjust its quoted price in order to reflect these increases in cost. Nothing in this document, or any of the applicable contractual documentation shall be construed as a waiver of this right.

7. DELIVERY OR PERFORMANCE; RISK OF LOSS AND TITLE

(a) Delivery or performance dates are good faith estimates and do not mean that "time is of the essence." Buyer's failure to promptly make advance or interim payments, supply technical information, drawings and approvals will result in a commensurate delay in delivery or performance. If the parties have agreed to liquidated damages in this Agreement for Seller's delay in achieving certain milestones, (i) the parties acknowledge and agree that Buyer's damages for Seller's delay are difficult to predict with any certainty, and such liquidated damages are not a penalty but a reasonable estimate of Buyer's delay damages; (ii) such liquidated damages shall not exceed an aggregate value of five percent (5%) of the Agreement price and shall be Buyer's exclusive remedy for any delay by Seller in performing any of its obligations under this Agreement; and (iii) Buyer agrees Seller shall not be liable for liquidated damages if Seller's delay in achieving a milestone subject to liquidated damages has not delayed Buyer's ability to use the applicable Products, Software and/or Services.

(b) Upon and after delivery, risk of loss or damage to the Products shall be Buyer's. Delivery of the Products hereunder will be made on the terms agreed to by the parties as set forth in this Agreement, according to INCOTERMS 2020. If no delivery term is agreed elsewhere in the Agreement, delivery of the Products will be made FCA shipping point (INCOTERMS 2020). Title to the Products shall transfer to Buyer upon final payment therefor.

8. WARRANTY

(a) **Product Warranty.** Seller warrants to Buyer that the Products manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the Products and shall expire on the earlier to occur of 12 months from initial operation of the Products and 18 months from delivery thereof (the "Warranty Period"). If during the Warranty Period Buyer discovers a defect in material or workmanship of a Product and gives Seller written notice thereof within 10 days of such discovery, Seller will, at its option, either deliver to Buyer, on the same terms as the original delivery was made, according to INCOTERMS 2020, a replacement part or repair the defect in place. Any repair or replacement part furnished pursuant to this warranty is warranted against defects in material and workmanship for one period of 12 months from completion of such repair or replacement, with no further extension. Seller will have no warranty obligations for the Products under this Paragraph 3(a): (i) if the Products have not been stored, installed, operated and maintained in accordance with generally approved industry practice and with Seller's specific written instructions; (ii) if the Products are used in connection with any mixture or substance, operating condition or operating environment other than that for which they were designed; (iii) if Buyer fails to give Seller such written 10 day notice; (iv) if the Products are repaired or modified by someone other than Seller or have been intentionally or accidentally damaged; (v) for corrosion, erosion, ordinary wear and tear or in respect of any parts which by their nature are exposed to severe wear and tear or are considered expendable; or (vi) for expenses incurred for work in connection with the removal of the defective articles and reinstallation following repair or replacement. With respect to any Product or part thereof not manufactured by Seller, Seller shall pass on to Buyer only those warranties made to Seller by the manufacturer of such Product or part which are capable of being so passed on.

(b) **Services Warranty.** Seller warrants to Buyer that the Services performed will be free from defects in workmanship and will conform to any mutually agreed upon specifications. If any failure to meet this warranty appears within 12 months from the date of completion of the Services, on the condition that Seller be promptly notified in writing thereof, Seller as its sole obligation for breach of this warranty will correct the failure by re-performing any defective portion of the Services furnished. Seller does not warrant the accuracy of, or performance results of, any conclusions or recommendations provided, nor that any desired objective will result from the Services provided and Seller shall not be liable for any loss of use or any production losses whatsoever.

(c) **THE EXPRESS WARRANTIES SELLER MAKES IN THIS PARAGRAPH 3 ARE THE ONLY WARRANTIES IT WILL MAKE. THERE ARE NO OTHER WARRANTIES, WHETHER STATUTORY, ORAL, EXPRESS OR IMPLIED. IN PARTICULAR, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

(d) The remedies provided in Paragraphs 3(a) and 3(b) are Buyer's exclusive remedy for breach of warranty.

9. LIMITATION OF LIABILITY

Notwithstanding any other provision in this Agreement, the following limitations of liability shall apply to the maximum extent permitted by applicable law:

(a) In no event shall Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies be liable for loss of profits, revenue or business opportunity, loss by reason of shutdown of facilities or inability to operate any facility at full capacity, or cost of obtaining other means for performing the functions performed by the Products or Software, loss of future contracts, claims of customers, cost of money or loss of use of capital, in each case whether or not foreseeable, or for any indirect, special, incidental or consequential damages of any nature resulting from, arising out of or connected with the Products, Services, Software or this Agreement or from the performance or breach hereof.



Our quote no: 21204023

- (b) The aggregate liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, for all claims of any kind for any loss, damage, or expense resulting from, arising out of or connected with the Products, Services, Software or this Agreement or from the performance or breach hereof, together with the cost of performing make good obligations to pass performance tests, if applicable, shall in no event exceed the Agreement price.
- (c) The limitations and exclusions of liability set forth in this Paragraph 4 shall take precedence over any other provision of this Agreement and shall apply whether the claim of liability is based on contract, warranty, tort (including negligence), strict liability, indemnity, or otherwise. The remedies provided in this Agreement are Buyer's exclusive remedies.
- (d) All liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, resulting from, arising out of or connected with the Products, Services or this Agreement or from the performance or breach hereof shall terminate on the third anniversary of the date of this Agreement.
- (e) In no event shall Seller be liable for any loss or damage whatsoever arising from its failure to discover or repair latent defects or defects inherent in the design of goods serviced (unless such discovery or repair is normally discoverable by tests expressly specified in the scope of work under this Agreement) or caused by the use of goods by the Buyer against the advice of Seller. If Seller furnishes Buyer with advice or assistance concerning any products or systems that is not required pursuant to this Agreement, the furnishing of such advice or assistance will not subject Seller to any liability whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise.

10 . CHANGES, DELETIONS AND EXTRA WORK.

Seller will not be required to make changes in the Products, Services or Software unless Buyer and Seller have executed a written change order for such change. Any such change order will include an appropriate adjustment to the Agreement price and/or schedule. If the change impairs Seller's ability to satisfy any of its obligations to Buyer, the change order will include appropriate modifications to this Agreement. Seller shall be entitled to a change order adjusting the Agreement price, schedule and/or any affected obligations of Seller if after the effective date of this Agreement (a) a change in applicable law, tariffs, levies, duties, taxes, regulations or ordinances; (b) any act or omission of Buyer, any other party for whom Buyer is responsible, or any third party or any error or change in Buyer-provided information should require a change in the Products, Services or Software or (c) a transport disruption involving the intercontinental shipment of goods or sea freight causes an increase in the cost (including, in the case of a transportation disruption, costs incurred to avoid or mitigate such disruption) or change in the schedule to supply the Products, Services or Software.

11 . PAYMENT AND TAXES

Unless otherwise agreed by Seller in writing, payment terms are net 30 days from the date of Seller's invoice. All invoices are payable without deductions. Any payments which are overdue will accrue interest at the rate of 1% for each month or any portion thereafter the balance remains due. Seller's prices do not include any sales, use, excise or other taxes or customs duties, tariffs, levies, or fees unless expressly agreed in writing by Seller. In addition to the price specified herein, the amount of any present or future sales, use, excise or other tax applicable to the sale or use of the Products, Software or Services and customs duties, tariffs, levies, or fees shall be billed to and paid by Buyer unless Buyer provides to Seller a tax-exemption certificate acceptable to the relevant taxing authorities.

12 . SECURITY INTEREST

Seller shall retain a purchase money security interest and Buyer hereby grants Seller a lien upon and security interest in the Products until all payments hereunder have been made in full. Buyer acknowledges that Seller may file a financing statement or comparable document as required by applicable law and may take all other action it deems reasonably necessary to perfect and maintain such security interest in Seller and to protect Seller's interest in the Products.

13 . SET OFF

Neither Buyer nor any of its affiliates shall have any right to set off claims against Seller or any of its affiliates for amounts owed under this Agreement or otherwise.

14 . INFRINGEMENT

Unless the Products or any part thereof are designed to Buyer's specifications or instructions and provided the Products or any part thereof is not used in any manner other than as specified or approved by Seller in writing or modified by Buyer without the written consent of Seller, (i) Seller shall defend against claims made in a suit or proceeding brought against Buyer by an unaffiliated third party that any Product infringes a registered copyright or device claim of a patent issued as of the effective date of this Agreement in the country in which the Product will be operated, provided Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense of such claims; (ii) Seller shall satisfy any judgment (after all appeals) for damages entered against Buyer on such claims; and (iii) if such judgment enjoins Buyer from using any Product or a part thereof, then Seller will, at its option: (a) obtain for Buyer the right to continue using such Product or part; (b) eliminate the infringement by replacing or modifying all or part of the Products; or (c) take back such Product or part and refund to Buyer all payments on the Agreement price that Seller has received for such Product or part. THE FOREGOING STATES THE ENTIRE LIABILITY AND OBLIGATIONS OF SELLER AND THE EXCLUSIVE REMEDY OF BUYER WITH RESPECT TO ANY VIOLATION OR INFRINGEMENT OF ANY PROPRIETARY RIGHTS BY THE PRODUCTS.

15 . SOFTWARE LICENSE AND WARRANTY

If Buyer and Seller have not entered into a separate license agreement, the following Software Terms and Conditions apply to any embedded software produced by Seller and furnished by Seller hereunder:

The Software, as described in the Agreement ("Software"), and all written materials or graphic files that are fixed in any tangible medium and that relate to and support the Software ("Documentation"), and all present and future worldwide copyrights, trademarks, trade secrets, patents, patent applications, mask work rights, moral rights, contract rights, and other proprietary rights recognized by the laws of any country inherent therein, including all changes and improvements requested or suggested by Buyer in the support and maintenance of the Software are the exclusive property of Seller ("Seller's Intellectual Property Rights"). All rights in and to the Software not expressly granted to Buyer in the Agreement are reserved by Seller. Nothing in this Agreement will be deemed to grant, by implication, estoppel, or otherwise, a license under any of Seller's existing or future patents. Software will not include any upgrades, new versions, releases,



Our quote no: **21204023**

enhancements, or updates to the Software, unless agreed to by Seller in writing and at its sole discretion. To the extent any upgrades, new versions, releases, enhancements, or updates to the Software are provided by Seller, the term "Software" shall be deemed to include such upgrades, new versions or releases, enhancements, or updates. To the extent any ownership right arises in Buyer with respect to the above, Buyer hereby assigns all of its right, title, and interest in and to any intellectual property embodied in the Seller's Intellectual Property Rights, including enforcement rights, to Seller without the payment of any additional consideration thereof either to Buyer, or its employees, agents, or customers and agrees to execute any documents Seller deems necessary to effect such assignment.

Seller hereby grants to Buyer a non-exclusive, non-transferable, non-sub-licensable, revocable license to install, run, and use the Software only in connection with configuration of the Products and operating system for which the Software is ordered hereunder, and for the end-use purpose stated in this Agreement. Buyer agrees that neither it nor any third party shall modify, reverse engineer, decompile or reproduce the Software, except Buyer may create a single copy for backup or archival purposes in accordance with the Documentation (the "Copy"). Buyer's license to use the Software and the Copy of such Software shall terminate upon any breach of this Agreement by Buyer. All copies of the Software, including the Copy, are the property of Seller, and all copies for which the license is terminated shall be returned to Seller, or deleted from Buyer's computer systems, with written confirmation after termination.

Seller warrants that, on the date of shipment of the Software or the Products containing the Software to Buyer: (1) the Software media contain a true and correct copy of the Software and are free from material defects; (2) Seller has the right to grant the license hereunder; and (3) the Software will function substantially in accordance with the related Seller operating documentation. In no event does Seller warrant that the Software is error free or that Buyer will be able to operate the Software without impairments or interruptions. In addition, due to the continual development of new techniques for intruding upon and attacking networks, Seller does not warrant that the Software or any equipment, system, or network on which the Software is used will be free of vulnerability to intrusion or attack.

If within 12 months from the date of delivery of the Software or Products containing the Software, Buyer discovers that the Software is not as warranted above and notifies Seller in writing prior to the end of such 12 month period, and if Seller determines that it cannot or will not correct the nonconformity, Buyer's and Buyer's Seller-authorized transferee's exclusive remedies, at Seller's option, are: (1) replacement of the nonconforming Software; or (2) termination of this license and a refund of a pro rata share of the Agreement price or license fee paid.

If any infringement claims are made against Buyer arising out of Buyer's use of the Software in a manner specified by Seller, Seller shall: (i) defend against any claim in a suit or proceeding brought by an unaffiliated third party against Buyer that the Software violates a registered copyright or a confidentiality agreement to which Seller was a party, provided that Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense and settlement of such claims (including the sole authority to select counsel and remove the Software or stop accused infringing usage); (ii) Seller shall satisfy a final judgment (after all appeals) for damages entered against Buyer for such claims, so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using the Software, Seller may at its option: (a) obtain for Buyer the right to continue using such Software; (b) eliminate the infringement by modifying the Software or replacing it with a functional equivalent (in which case, Buyer shall immediately stop use of the allegedly infringing Software); or (c) take back such Software and refund to Buyer all payments on the Agreement price that Seller has received. However, Seller's obligations under this Paragraph 10 shall not apply to the extent that the claim or adverse final judgment relates to: (1) Buyer's running of the Software after being notified to discontinue; (2) non-Seller software, products, data or processes; (3) Buyer's alteration of the Software; (4) Buyer's distribution of the Software to, or its use for the benefit of, any third party not approved in writing by Seller; or (5) Buyer's acquisition of confidential information (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a third party who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the confidential information. Buyer will reimburse Seller for any costs or damages that result from actions 1 to 5. THE FOREGOING PROVISIONS OF THIS SECTION 10(e) STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF SELLER AND THE EXCLUSIVE REMEDY OF BUYER, WITH RESPECT TO ANY VIOLATION OR INFRINGEMENT OF ANY PROPRIETARY RIGHTS UNDER SECTION 10, INCLUDING BUT NOT LIMITED TO PATENTS AND COPYRIGHTS, BY THE SOFTWARE OR ANY PART THEREOF.

This warranty set forth in subparagraph (c) above shall only apply when: (1) the Software is not modified by anyone other than Seller or its agents authorized in writing; (2) there is no modification in the Products in which the Software is installed by anyone other than Seller or its agents authorized in writing; (3) the Products are in good operating order and installed in a suitable operating environment; (4) the nonconformity is not caused by Buyer or a third party; (5) Buyer promptly notifies Seller in writing, within the period of time set forth in subparagraph (c) above, of the nonconformity; and (6) all fees for the Software due to Seller have been timely paid. SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD TO THE SOFTWARE, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE. Buyer and its successors are limited to the remedies specified in this Paragraph 10.

Any subsequent modifications or enhancements to the Software made by Seller are, at Seller's option, subject to a fee.

16 . SITE RISKS

(a) **Site Conditions.** The parties acknowledge and agree that as to conditions at the project site, Seller is relying upon information provided by Buyer. If Seller becomes aware of any subsurface, concealed, or differing condition, environmental hazard or violation of any environmental law or regulation, Seller will immediately suspend performance of the work in the affected area and notify Buyer. Buyer acknowledges that it will assume the risk of any increased costs and changes to the schedule that may result from such conditions. If Buyer does not immediately remediate such conditions, Seller may either suspend performance of all work or terminate this Agreement.

(b) **Environmental Remediation.** Buyer acknowledges that Seller is not an expert in environmental remediation and shall not be directed by change order or otherwise to perform any environmental remediation as part of the Services, including but not limited to asbestos and lead paint removal. If any environmental remediation becomes necessary, Buyer will contract directly with a qualified third party to perform such work.

17 . TERMINATION



Our quote no: 21204023

- (a) Either party may terminate this Agreement upon breach by the other party of a material obligation hereunder and such party's failure to cure, or to commence a cure of, such breach within a reasonable period of time (but not less than 30 days) following written receipt of notice of the same.
- (b) Buyer may only terminate this Agreement for Buyer's convenience only if Buyer elects not to proceed with the project for which the Products and /or Services are purchased and upon written notice to Seller and payment to Seller of Seller's termination charges, which shall be specified to Buyer and shall take into account among other things expenses (direct and indirect) incurred and commitments already made by Seller, overhead, and an appropriate profit. In case of such termination, the licenses granted in Paragraphs 10 and 13 hereof shall terminate.
- (c) Seller shall have the right to suspend its obligations under this Agreement if payment is not received within 30 days of due date. In the event of the bankruptcy or insolvency of Buyer or in the event of any bankruptcy or insolvency proceeding brought by or against Buyer, Seller shall be entitled to terminate any order outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its cancellation charges.

18 . INTELLECTUAL PROPERTY; CONFIDENTIALITY

- (a) All intellectual property embodied in the Products, Services and Software provided to Buyer is the property of Seller, and any intellectual property developed, at least in part, by Seller under this Agreement is and remains the sole and exclusive property of Seller. Further, Seller shall have the right to collect and use data generated by the Products, Software or Services supplied hereunder.
- (b) Buyer acknowledges that the information that Seller submits to Buyer in connection with this Agreement and the performance hereof is Seller's confidential and proprietary information. Buyer agrees not to disclose such information to third parties without Seller's prior written consent. Seller grants to Buyer a non-exclusive, royalty-free, non-transferrable license to use Seller's confidential and proprietary information disclosed hereunder for the purpose of the installation, operation, maintenance and repair of the Products that are the subject of this Agreement only; provided, however, that Buyer further agrees not to, and not to permit any third party to, analyze, measure the properties of, or otherwise reverse engineer the Products or any parts thereof, fabricate the Products or any parts thereof from Seller's drawings or to use the drawings other than in connection with this Agreement. Buyer will defend and indemnify Seller from any claim, suit or liability based on personal injury (including death) or property damage related to any Product or part thereof which is fabricated by a third party without Seller's prior written consent and from and against related costs, charges and expenses (including attorneys' fees). All copies of Seller's confidential and proprietary information shall remain Seller's property and may be reclaimed by Seller at any time in the event Buyer is in breach of its obligations under this Paragraph 13, or in case of Buyer's termination pursuant to Paragraph 12(b).

19 . END USER

If Buyer is not the end user of the Products sold hereunder (the "End User"), then Buyer will use its best efforts to obtain the End User's written consent to be bound to Seller by the provisions hereof. If Buyer does not obtain such End User's consent, Buyer shall defend and indemnify Seller and Seller's agents, employees, subcontractors and suppliers from any action, liability, cost, loss, or expense for which Seller would not have been liable or from which Seller would have been indemnified if Buyer had obtained such End User's consent.

20 . FORCE MAJEURE

- (a) Force Majeure Defined. For the purpose of this Agreement "Force Majeure" will mean all events, whether or not foreseeable, beyond the reasonable control of either party which affect the performance of this Agreement, including, without limitation, acts of God, acts or advisories of governmental or quasi-governmental authorities, laws or regulations, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, insurrections, riots, epidemics, pandemics, outbreaks of infectious disease or other threats to public health, lightning, earthquakes, fires, storms, severe weather, floods, sabotage, delays in transportation, rejection of main forgings and castings, lack of available shipping by land, sea or air, lack of dock lighterage or loading or unloading facilities, inability to obtain labor or materials from usual sources, serious accidents involving the work of suppliers or sub-suppliers, thefts and explosions.
- (b) Suspension of Obligations. If either Buyer or Seller is unable to carry out its obligations under this Agreement due to Force Majeure, other than the obligation to make payments due hereunder, and the party affected promptly notifies the other of such delay, then all obligations that are affected by Force Majeure will be suspended or reduced for the period of Force Majeure and for such additional time as is required to resume the performance of its obligations, and the delivery schedule will be adjusted to account for the delay.
- (c) Option to Terminate. If the period of suspension or reduction of operations will extend for more than four (4) consecutive months or periods of suspension or reduction total more than 6 months in any 12 month period, then either Buyer or Seller may terminate this Agreement, and Buyer shall pay to Seller all costs, including overhead and profit thereon, incurred to the date of termination and costs incurred arising out of the termination.
- (c) Strikes On-Site. Notwithstanding anything herein to the contrary, in the event a strike, lockout, blockage, slowdown, labor, union or other industrial disturbance at Buyer's site affects, delays, disrupts or prevents Seller's performance of this Agreement, Seller shall be entitled to a change order containing an appropriate adjustment in the Agreement price and delivery schedule.

21 . INDEMNIFICATION AND INSURANCE

- (a) Indemnification. Seller agrees to defend and indemnify Buyer from and against any third-party claim for bodily injury or damage to tangible property ("Loss") arising in connection with the Products or the Services provided by Seller hereunder, but only to the extent such Loss has been caused by the negligence, willful misconduct or other legal fault ("Fault") of Seller. Buyer shall promptly tender the defense of any such third-party claim to Seller. Seller shall be entitled to control the defense and resolution of such claim, provided that Buyer shall be entitled to be represented in the matter by counsel of its choosing at Buyer's sole expense. Where such Loss results from the Fault of both Seller and Buyer or a third party, then Seller's defense and indemnity obligation shall be limited to the proportion of the Loss that Seller's Fault bears to the total Fault.
- (b) Insurance. Seller shall maintain commercial general liability insurance with limits of \$2,000,000 per occurrence and in the aggregate covering claims for bodily injury (including death) and physical property damage arising out of the Products or Services. Seller shall also provide workers' compensation insurance or the like as required by the laws of the jurisdiction where the Services will be performed, and owned and non-owned auto liability insurance with limits of



Our quote no: 21204023

\$1,000,000 combined single limit. Seller will provide a Certificate of Insurance certifying the existence of such coverages upon request.

22 . EXPORT CONTROL AND ECONOMIC SANCTIONS COMPLIANCE

- (a) Buyer recognizes that any Products and Software that are the subject of this Agreement and originate in the U.S. remain subject to U.S. export control and economic sanctions laws and regulations even after such Products are exported from the U.S. (if applicable), and even though such Products and Software have been purchased in and, if applicable, exported from Canada. Buyer certifies that such Products and Software will not be diverted, transshipped, re-exported, or otherwise transferred in contravention of any applicable export control and economic sanctions laws and regulations, nor will it allow the Products or Software to be incorporated into other products or used to make direct products thereof that are exported, re-exported, used, or transferred in violation of U.S. export control and economic sanctions laws and regulations. Buyer further affirms that such Products and Software will not be used, directly or indirectly, in any application involving missile technology, nuclear proliferation, or chemical and biological weapons proliferation. Without limiting the foregoing, Buyer will not, nor will it allow third parties to, export, re-export, or transfer any Products or Software to any person or entity that is the target of U.S. sanctions or is in Belarus, Crimea, Cuba, Iran, North Korea, Russia, Syria, the prohibited areas in Ukraine including Donetsk, Kherson, Luhansk, and Zaporizhzhia, or any other country or territory in violation of U.S. sanctions.
- (b) Buyer shall be responsible for any breach of this provision by it, and its successors and permitted assigns, as well as its parents, affiliates, employees, officers, directors, partners, members, shareholders, customers, agents, distributors, resellers, or vendors ("Buyer Parties") and shall indemnify and hold harmless Seller from and against any claim, proceeding, action, fine, loss, cost, expense (including attorneys' fees), damages, and penalties arising out of or relating to any non-compliance with U.S. export control and economic sanctions laws and regulations by any Buyer Party.
- (c) Buyer shall, upon request of Seller, promptly provide all information necessary for Seller to ensure compliance with U.S. export control and economic sanctions laws and regulations, including but not limited to information related to end-users, end-uses, and destination countries.

23 . SPECIAL CONDITIONS FOR PRESSURE VESSELS

For installation, repair, or maintenance Services on existing pressure vessels, piping and equipment, the following shall apply:

- (a) Unless otherwise agreed and stated in the Agreement, Buyer shall be responsible for: (i) physically disconnecting and isolating vessels and equipment being repaired from existing piping and electrical power before Seller or any of its subcontractors start the Services, and take adequate precautions that re-connection and resumption of use does not take place until the Services are completed, and (ii) emptying the vessels and piping and freeing them from any toxic or harmful substances before the Services begin so that the vessels and piping are safe for Services to begin. Buyer shall maintain the area entirely free of combustible, toxic and asphyxiant substances and provide fire protection service until the Services are completed;
- (b) If the Services are on an existing vessel or existing piping, the Buyer is responsible for determining the prior condition of the portion of the vessel or piping not involved in the Services, and its ability to withstand the Services and any tests that may be necessary;
- (c) Buyer shall also be responsible for evaluating the effects of prior use of the vessel or piping upon structural adequacy, and the suitability of the vessel or piping for the service intended when the Services are completed;
- (d) Seller has no obligation to provide any inspections or tests, and Buyer takes full responsibility for all necessary inspections and tests, including but not limited to, selection of testing personnel, type, location, frequency, and severity of any inspections and tests and all test results at any stage of the Services;
- (e) Upon request of Seller, Buyer shall provide Seller with the history of the vessel, a statement of the tests to be performed and a statement of the proposed use of the vessel after completion of the Services, and
- (f) If repairs are required: (i) Buyer will provide an Authorized Inspector ("AI") who will determine the scope of the Services to be done; (ii) Seller will provide Buyer with a proposed Quality Control ("QC") package specifying the methods and procedures that Seller will follow in performing the Services specified by the Buyer; (iii) the proposed QC package is subject to approval by the Buyer, and such approval must be provided before Services commence; (iv) after approval of the QC package, the Services shall be done in accordance with the QC package. At the option of the AI, hold points may be established for inspection during the course of the Services; and (v) upon completion of the Services, the AI shall inspect the Services and provide a signed acceptance that they have been completed in accordance with the QC package. Such acceptance by the AI shall establish completion of the Services.

24 . TECHNICAL ASSISTANCE

Technical Assistance means that Seller's technician(s) and or engineer(s) will assist Buyer during the performance of Buyer's site work in the interpretation of the related procedures provided by Seller. When providing Technical Assistance, Seller will not be required to supervise or coordinate Buyer's labor force, perform measurements, complete or ensure the accuracy of quality control documents, or ensure the orderly sequencing of the site work, but Seller will advise Buyer of any non-conformances as recorded on the quality control documentation completed by Buyer, and counter sign such quality control documentation to confirm correction of such non-conformances. Notwithstanding the above or any other provision of the applicable Purchase Order, Seller shall have no authority, responsibility, liability or control over Buyer's or its suppliers' activities (and performance thereof), schedule and labor force, including for the execution, quality and/or workmanship of any installation services or site work. Therefore, Seller will not be responsible for the installation labor and Seller will not be liable for the quality and/or workmanship of the site work.

25 . GENERAL

- (a) Seller represents that any Products or parts thereof manufactured by Seller will be produced in compliance with all applicable federal, state and local laws applicable to their manufacture and in accordance with Seller's engineering standards. Seller shall not be liable for failure of the Products to comply with any other specifications, standards, laws or regulations.



Our quote no: 21204023

- (b) This Agreement shall inure only to the benefit of Buyer and Seller and their respective successors and assigns. Any assignment of this Agreement or any of the rights or obligations hereunder, by either party without the written consent of the other party shall be void.
- (c) This Agreement contains the entire and only agreement between the parties with respect to the subject matter hereof and supersedes all prior oral and written understandings between Buyer and Seller concerning the Products and/or Services and any prior course of dealings or usage of the trade not expressly incorporated herein.
- (d) This Agreement may be modified, supplemented or amended only by a writing signed by an authorized representative of Seller. Seller's waiver of any breach by Buyer of any terms of this Agreement must also be in writing and any waiver by Seller or failure by Seller to enforce any of the terms and conditions of this Agreement at any time, shall not affect, limit or waive Seller's right thereafter to enforce and compel strict compliance with every term and condition hereof.
- (e) The invalidity or unenforceability of any provision of this Agreement pursuant to applicable law shall not affect the validity or enforceability of the remaining provisions and this Agreement shall be construed as if it did not contain the provision held invalid or unenforceable.
- (f) All terms of this Agreement which by their nature should apply after the cancellation, completion or termination of this Agreement, including, but not limited to, Paragraphs 4, 13, 17 and 20, shall survive and remain fully enforceable after any cancellation, completion or termination hereof.
- (g) (i) If Seller's office is located in the United States, this Agreement and the performance hereof will be governed by and construed according to the laws of the State of Georgia.
 (ii) If Seller's office is located in Canada, this Agreement and the performance hereof will be governed by and construed according to the laws of the Province of New Brunswick.
- (h) (i) In the circumstances of g(i) above, any controversy or claim arising out of or relating to this Agreement, or the breach hereof, or to the Products or the Services provided pursuant hereto, shall be definitively settled by arbitration, to the exclusion of courts of law, administered by the American Arbitration Association ("AAA") in accordance with its Construction Industry Arbitration Rules in force at the time this Agreement is signed and to which the parties declare they will adhere (the "AAA Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Atlanta, Georgia by a panel of three members, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the panel and will be appointed by mutual agreement of the two party appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party appointed arbitrators to agree within 45 days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the AAA in accordance with the AAA Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within 30 days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the AAA in accordance with the AAA Rules.
 (ii) In the circumstances of g(ii) above, any controversy or claim arising out of or relating to this Agreement, or the breach hereof, or to the Products or the Services provided pursuant hereto, shall be definitively settled under the auspices of the Canadian Commercial Arbitration Centre ("CCAC"), by means of arbitration and to the exclusion of courts of law, in accordance with its General Commercial Arbitration Rules in force at the time the Agreement is signed and to which the parties declare they will adhere (the "CCAC Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Saint John, New Brunswick by a panel of three arbitrators, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the arbitral tribunal and will be appointed by mutual agreement of the two partyappointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two partyappointed arbitrators to agree within 45 days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the CCAC in accordance with the CCAC Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within 30 days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the CCAC in accordance with the CCAC Rules.
- (i) In the event this Agreement pertains to the sale of any goods outside the United States or Canada, the parties agree that the United Nations Convention for the International Sale of Goods shall not apply to this Agreement.
- (j) The parties hereto acknowledge that a French copy of this Agreement was available and have expressly required that this Agreement be drawn up in English. Les parties aux présentes reconnaissent qu'une copie en français de la présente convention était disponible et ont expressément exigé que la présente convention soit rédigée en anglais.(k) If Seller's office is located in Canada, the following shall apply: Personal information means information that can directly or indirectly identify a natural person ("Personal Information"). With respect to any Personal Information disclosed by the Seller to the Buyer, the Buyer shall exercise diligence, shall use the Personal Information exclusively for the purpose disclosed, and shall at all times be in compliance with all applicable laws and regulations related to privacy, data security and/or otherwise related to the processing, storage, protection, transmission, use, destruction, and/or disclosure of data. If the Buyer identifies or is made aware of a cybersecurity or data privacy breach (each a "Privacy Incident") involving Personal Information disclosed by the Seller under this Agreement, the Buyer shall notify the Seller by emailing LegalServices_Canada@andritz.com no later than ten (10) business days after learning of the Privacy Incident. The Buyer shall, within reason, provide a clear and concise description of the incident to the Seller and take the appropriate precautions consistent with applicable law and industry practice available to minimize any potential impacts to the Seller. The Buyer also agrees that it will cooperate with the Seller's investigation or questioning of the breach or incident. Upon the earlier of the Seller's written request or upon termination or expiration of the Agreement, the Buyer shall either return to the Seller or irretrievably delete (if possible) the Personal Information provided by the Seller.

Please do not hesitate to contact us if you require further information.

Yours sincerely



Our quote no: 21204023

Andritz Separation Inc.

This document is issued electronically and valid without signature.

Acknowledgement of order

Date/ Signature



1 Trophy Wood Drive, Trophy Club, TX 76262 | 682.237.2900 | info@trophyclub.org | trophyclub.org

MEMORANDUM

DATE: April 7, 2026

TO: Trophy Club Municipal Utility District No. 1 Board

CC: Alan Fourmentin, District General Manager
 Chase Ellis, Director of Parks & Recreation
 Matt Cox, Director of Community Development
 Trophy Club Mayor & Town Council

FROM: Brandon Wright, Town Manager *BW*

SUBJECT: REQUEST FOR WRITTEN APPROVAL FOR IMPROVEMENTS TO STREETS & PARKS MAINTENANCE BUILDING

On behalf of the Town of Trophy Club, I respectfully request the District’s approval to make improvements to the maintenance building currently leased by the Town from Trophy Club Municipal Utility District No. 1 (“District”). As outlined in the Commercial Lease Agreement, the Town is required to obtain District’s written approval prior to making any alterations or improvements to the premises.

The Town is planning to make the following improvements to better support operational needs and long-term service delivery:

- Installation of an electric vehicle (EV) charging station
- Renovations to improve storage capacity, office conditions, and restroom facilities
- Potential expansion of the existing building or construction of an additional structure on the property along with additional parking areas
- Repairs and improvements to the structure, roof, bay doors, HVAC, electrical, mechanical, plumbing, and lighting systems

These improvements are intended to enhance the functionality, efficiency, and longevity of the facility while supporting the Town’s ongoing commitment to maintaining high-quality municipal services.

In addition to requesting approval for these improvements, the Town would like to initiate a discussion regarding the transfer of ownership of the property from the District to the Town. Given the level of investment required to complete these improvements and the Town’s long-term use of the facility, it is appropriate to consider transitioning ownership to align responsibility, investment, and operational control.

The Town values its longstanding partnership with the District and appreciates your continued support of Town operations and infrastructure. I welcome the opportunity to discuss this request further and provide any additional information needed to assist in your consideration.

Thank you for your time and consideration.

AGREEMENT REGARDING REAL PROPERTY MATTERS

STATE OF TEXAS §
 §
COUNTIES OF TARRANT §
AND DENTON §

This **Agreement Regarding Real Property Matters** (“*Agreement*”) is made and entered into as of the date set forth on the signature page below (the “*Effective Date*”) by and between **Trophy Club Municipal Utility District No. 1**, a conservation and reclamation district of the State of Texas created and operating under Chapters 49 and 54 of the Texas Water Code (the “*District*”) and **Town of Trophy Club, Texas**, a Texas home rule municipality (the “*Town*”). The District and the Town are individually referred to herein as a “*Party*” and collectively referred to herein as the “*Parties.*”

RECITALS

1. WHEREAS, the District and Town have previously entered certain leases and agreements relating to the lease, occupancy and use of real property;

2. WHEREAS, the needs and priorities of the Parties have changed since such agreements were entered into, and the Parties desire to terminate such agreements and enter into new agreements to reflect their current needs and priorities;

3. WHEREAS, Section 49.225 of the Texas Water Code authorizes a water district to lease any of its property, real or personal, to any person under terms and provisions that the board determines to be advantageous to the district;

4. WHEREAS, Section 49.226(b) of the Texas Water Code authorizes property owned by a water district to be released, exchanged or transferred to a municipality upon terms and conditions deemed necessary or advantageous to the district; and

5. WHEREAS, pursuant to the foregoing statutory authority, the Parties desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE I.
DEFINITIONS**

Section 1.01 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms and phrases used in this Agreement have the meanings set out below:

- (a) “*Agreement*” means this Agreement Regarding Real Property Matters and all exhibits hereto.
- (b) “*Annex Building*” means the building constructed by the Town on the District Tract is identified on **Exhibit “A”**.

- (c) “Annex Building Debt” means debt of any kind issued or incurred by the Town to fund construction of, or otherwise related to, the Annex Building, including without limitation, any bonds, notes, certificates of obligation or other evidence of indebtedness.
- (d) “District Access Corridor” means the 30-foot wide area of the Wastewater Facility Tract on which the District contemplates the construction of roadway improvements to facilitate access to the rear of the Wastewater Facility Tract, said corridor being identified on **Exhibit “B”**.
- (e) “District Tract” means Lot 2, Block 1, MUNICIPAL UTILITY DISTRICT NO. 1 COMPLEX, an addition to the Town of Trophy Club, Denton County, Texas, by a plat filed February 12, 2010, and recorded as Instrument Number 2010-22, of the Plat Records of Denton County, Texas.
- (f) “Junction Way Extension” means the public road to be funded by the Parties and constructed by the Town to improve access to the Maintenance Building and Wastewater Facility Tract. The location of the Junction Way Extension is identified on **Exhibit “D”** and shall be an extension of “Junction Way.”
- (g) “Maintenance Building” means the existing storage and maintenance building constructed by the District and located on the Wastewater Facility Tract, as identified on **Exhibit “C”**.
- (h) “Maintenance Building Agreement” means that certain “Interlocal Cooperation Agreement Payment Contribution Agreement” dated October 16, 2006 entered into between the Town and the District setting forth the terms and conditions pursuant to which the Parties agreed the Town would be entitled to fifty percent (50%) of the use and occupancy of the Maintenance Building.
- (i) “Maintenance Building Lease Tract” means the real property that is the subject of, and more particularly described in, the Maintenance Building Lease.
- (j) “Maintenance Building Lease” means the Lease Agreement substantially in the form attached hereto as **Exhibit “E”** pursuant to which the District shall lease the Maintenance Building Lease Tract and Maintenance Building to the Town.
- (k) “Police Building Lease” means that certain “Lease Agreement” dated September 26, 1995 entered into between the Town and the District setting forth the terms and conditions pursuant to which the District leased to the Town the Police Building for a period of 99 years for the purposes of police administration and services, court services, jail and detention, parking and other uses consistent with the foregoing.
- (l) “Police Building” means the building that is the subject of the Police Building Lease and was located on the District Tract.
- (m) “Wastewater Facility Tract” means the tract of land owned by the District on which the District’s wastewater treatment plant facility is located, as more particularly identified in **Exhibit “F”**.

**ARTICLE II.
POLICE BUILDING MATTERS**

Section 2.01 Demolition of Police Building. The Parties acknowledge that as of the Effective Date of this Agreement, the Town has demolished the Police Building and removed all associated waste materials from the District Tract. The Parties approve such demolition and removal for all purposes.

Section 2.02 Soil Importation. Within sixty (60) days after the Effective Date, the Town shall import and deposit soil to level the surface of the District Tract in the area where the Police Building was located. All such soil shall be nonhazardous and shall comply with all applicable regulatory requirements.

Section 2.03 Termination of Police Building Lease. The Police Building Lease is hereby terminated for all purposes.

**ARTICLE III.
ANNEX BUILDING MATTERS**

Section 3.01 Release of Claim to Annex Building. The Town hereby releases any claim or interest of any kind or nature in and to the Annex Building. The Town acknowledges and agrees that the Annex Building is a permanent improvement to the District Tract and is therefore owned by the District. Upon receipt of written request by the District, the Town agrees to promptly execute any instrument requested by the District to evidence its release of any ownership or claim in and to the Annex Building.

Section 3.02 Annex Building Debt. The Town shall remain responsible for the Annex Building Debt, if any, and nothing herein shall be construed to transfer responsibility for payment of any Annex Building Debt from the Town to the District.

Section 3.03 Removal of Property from Annex Building. The Town shall remove its personal property from the Annex Building within sixty (60) days after the Effective Date of this Agreement.

**ARTICLE IV.
MAINTENANCE BUILDING AND WASTEWATER FACILITY TRACT MATTERS**

Section 4.01 Termination of Maintenance Building Agreement. The Maintenance Building Agreement is hereby terminated.

Section 4.02 Maintenance Building Lease. Simultaneously with the execution of this Agreement, the Parties shall execute the Maintenance Building Lease substantially in the form attached hereto.

Section 4.03 Design of Junction Way Extension. Promptly after execution of this Agreement by the Parties, the Town will authorize its engineering consultants to prepare the plans and specifications for the Junction Way Extension. The road improvements shall be prepared in accordance with all applicable local, state and federal regulatory requirements for a public road.

Section 4.04 Construction of Junction Way Extension. The Town shall design and complete construction of the Junction Way Extension within twelve (12) months after the Effective Date.

Section 4.05 Ownership, Operation and Maintenance of Road. Upon final completion of construction, the Junction Way Extension, the Town shall be responsible for ownership, operation, maintenance and repair of the Junction Way Extension.

Section 4.06 District Use and Access. The District, together with its employees, representatives, agents and contractors shall have full and complete use of the Junction Way Extension at all times.

Section 4.07 Cost of Design. The Town will advance and pay the cost of the design and construction of the Junction Way Extension, subject to its right to reimbursement from the District in accordance with the terms of this Agreement.

Section 4.08 Reimbursement of Junction Way Extension Costs. Upon final completion of construction of the Junction Way Extension, the Town will prepare and send to the District an invoice identifying the total out-of-pocket costs incurred by the Town for design and construction of the Junction Way Extension. The invoice shall include copies of all pay applications and invoices for which payment was made by the Town to third parties for design and construction of the Junction Way Extension and for which reimbursement is sought from the District. The District shall be responsible for payment of one-half of the total out-of-pocket costs funded by the Town for design and construction of the Junction Way Extension, less any funding or reimbursement received by the Town from Trophy Club Country Club or other third party (such that the total net cost to the Town and the District shall be equal). The District shall provide reimbursement for its share of costs within thirty (30) days after receipt of the complete invoice for payment and supporting detail.

Section 4.09 District Access Corridor. The Town agrees to fully cooperate with the District to facilitate the dedication of right-of-way by the District and construction of a public road within the District Access Corridor. The District shall be responsible for all costs and expenses related to design and construction of any road within the District Access Corridor. The timing for construction of the road shall be within the sole and absolute discretion of the District. The Town shall fully cooperate with, and shall grant, all approvals sought by the District for construction of the roadway as long as the road improvements are prepared in accordance with all applicable local, state and federal regulatory requirements for a public road. The Town specifically agrees that the final roadway width shall not exceed thirty (30) feet in width. The Parties hereby agree that in the event the Maintenance Building Lease includes any portion of the District Access Corridor, such lease shall automatically be revised to exclude the District Access Corridor at such time as the District proceeds with construction of the road.

Section 4.10 Tree Mitigation. The Town releases the District and its contractors, agents and representatives of any and all tree mitigation requirements and tree removal restrictions otherwise applicable to the Wastewater Facility Tract (including tree replacement and payment obligations of any kind). The provisions of this Section 4.10 shall continue for so long as the District retains ownership of the Wastewater Facility Tract and shall survive expiration or termination of this Agreement.

Section 4.11 Maintenance Building Insurance. The District will be responsible for all insuring the Maintenance Building and all authorized improvements constructed thereon.

Section 4.12 Maintenance Building Improvements and Repairs. As more fully set forth in the Maintenance Building Lease, the Town shall not modify or improve the Maintenance Building or Maintenance Building Lease Tract without the prior written consent of the District. Any improvements to the Maintenance Building or Maintenance Building Lease Tract constructed by the Town that are approved by the District shall be owned by the District for all purposes. The Town will be responsible for maintenance of the Maintenance Building and Maintenance Building Lease Tract and shall maintain such properties in a state of good repair. Without limitation, the Town shall maintain in proper condition the air conditioning and heating systems, wiring, lighting and landscaping. The Town shall not undertake any improvements on, or modifications to, the Maintenance Building Lease Tract that would impair the District's ability to construct a public roadway within the District Access Corridor.

Tract without the consent of the District, then this Agreement and the Maintenance Building Lease shall terminate for all purposes.

**ARTICLE V.
NOTICES**

Section 5.01 Notice. With respect to any notices, submissions or any other communication required hereunder (in any case, a “*Notice*”), to either Party, such Notice shall be delivered in one of the following ways: (i) by hand delivery, marked for same day delivery, to the address of the recipient party specified below; (ii) by deposit of the Notice, marked for next day delivery, with Federal Express, Airborne or other overnight courier acceptable to the recipient party, to the address of the recipient party specified below; (iii) by deposit of the Notice, sent certified mail, return receipt requested, in an official depository for the United States Mail, to the address of the recipient party specified below or (iv) by telecopy transmission sent to the facsimile number listed below, receipt of which is verified electronically or otherwise.

Notices properly sent by telecopy are deemed delivered upon verified receipt. Hand-delivered Notices shall be deemed delivered when received at the specified address. Notices sent by overnight courier shall be deemed delivered the day following deposit with such overnight courier (when deposited in time for next day delivery), unless actual receipt is required by the terms of this Agreement. Notices sent by the United States certified mail, return receipt requested, shall be deemed delivered two (2) days following such deposit, unless actual receipt is required by the terms of this Agreement. Notices shall be sent to the party to whom intended to be given at the address or number set forth below, with a copy of such Notice given to such party's attorney at the address or number set forth below:

If to District:

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

If to Town:

Town of Trophy Club
1 Trophy Wood Drive
Trophy Club, TX 76262-9700

Each of the above-listed addressees may change its address and number for notice purposes, or change notice addresses to their respective successors and assigns, by delivering to the other addressees a written notice of change of address and number, in a manner specified in this paragraph for delivery of Notices. However, no such change of address or number shall be effective against another addressee until written notice of such change is actually received by such addressee.

**ARTICLE VI.
DEFAULT AND REMEDIES**

Section 6.01 Notice and Opportunity to Cure. If either Party (referred to herein as the “*Defaulting*”

Party”) fails to comply with its obligations under this Agreement or is otherwise in breach or default under this Agreement (collectively, a “*Default*”) then the other Party (referred to herein as the “*Non-Defaulting Party*”) may not invoke any rights or remedies with respect to the Default until and unless: (i) the Non-Defaulting Party delivers to the Defaulting Party a written notice (the “*Default Notice*”) which specifies all of the particulars of the Default and specifies the actions necessary to cure the Default; and (ii) the Defaulting Party fails to cure, within ten (10) days after the Defaulting Party's receipt of the Default Notice, any matters specified in the Default Notice which may be cured solely by the payment of money or the Defaulting Party fails to commence the cure of any matters specified in the Default Notice which cannot be cured solely by the payment of money within a reasonable period of time after the Defaulting Party's receipt of the Default Notice or fails to thereafter pursue curative action with reasonable diligence to completion.

Section 6.02 Remedies. If the Defaulting Party fails or refuses to timely comply with any of its respective obligations hereunder, the Non-Defaulting Party will have the option, after providing the Default Notice and opportunity to cure, to enforce this Agreement by any remedy at law or in equity to which it may be entitled; or to terminate this Agreement.

Section 6.03 Cross Default. Any default under this Agreement that is not timely cured after the Default Notice shall constitute a default under the Maintenance Building Lease and in addition to any other remedies available at law or in equity, the Non-Defaulting Party may terminate the Maintenance Building Lease.

ARTICLE VII. GENERAL PROVISIONS

Section 7.01 Attorneys’ Fees. If any Party initiates legal proceedings to seek adjudication of an alleged Default under or breach of this Agreement, the prevailing Party will be entitled to recover reasonable and necessary attorneys’ fees from the non-prevailing Party.

Section 7.02 Term. The term of this Agreement begins on the Effective Date and, unless earlier terminated, will continue until the expiration of the Maintenance Building Lease.

Section 7.03 Assignment. This Agreement may not be assigned without the prior written consent of the other Party, and any assignment without such consent shall be void.

Section 7.04 Headings. Article and section headings used in this Agreement are for reference and identification only and are not intended to in any way limit or amplify the terms and provisions of this Agreement. The words “herein,” “hereunder,” “hereto,” “hereof,” or “herewith” as used in this Agreement shall refer to this entire Agreement and not just to the sentence, paragraph or section in which such word is used.

Section 7.05 Entire Agreement. This Agreement, together with the exhibits, contains the entire agreement of the Parties with respect to the subject matter hereof, and may not be varied, amended, or superseded except by written agreement between the Parties hereto.

Section 7.06 Invalid Provision. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of this Agreement, the legality, validity, and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement a provision as close in meaning to such illegal, invalid or unenforceable provision as may be possible and be legal, valid, and enforceable.

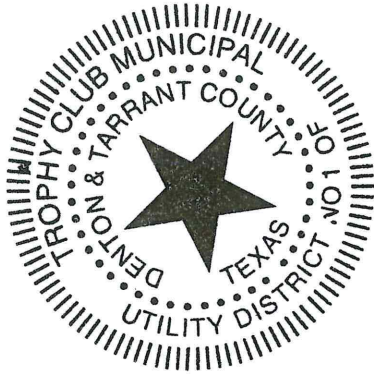
Section 7.07 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 7.08 Counterpart Execution. This Agreement may be executed in multiple counterparts, including, without limitation, facsimile counterparts, each of which shall constitute an original, and all of which, taken together shall constitute one and the same agreement.

Section 7.09 Day, Business Day. Any reference to “day” or “days” in this Agreement shall, unless the context clearly requires otherwise, mean calendar days. Any reference to “business days” shall mean calendar days excluding Saturdays, Sundays and federally-recognized holidays.

[The remainder of this page intentionally left blank.-

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original effective as of the last date of execution below ("Effective Date").



DISTRICT:

Trophy Club Municipal Utility District No. 1

By: Steve Flynn

Name: Steve Flynn

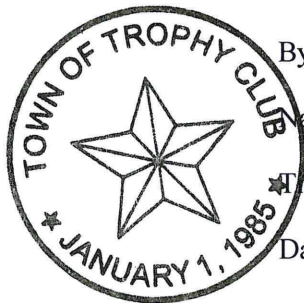
Title: President, Board of Directors

Date: August 4, 2020

Cheresa Segler
District Secretary

TOWN:

Town of Trophy Club, Texas



By: C. Nick Sanders

Name: C. Nick Sanders

Title: Mayor of Trophy Club, TX

Date: July 31, 2020

Leticia Vaca
Town Secretary


Exhibit "A"
Aerial Depicting Annex Building



Exhibit A

Legend

drawGraphics_poly

 User drawn polygons

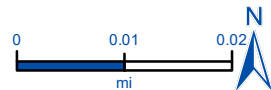


Exhibit “B”
Drawing Depicting District Access Corridor

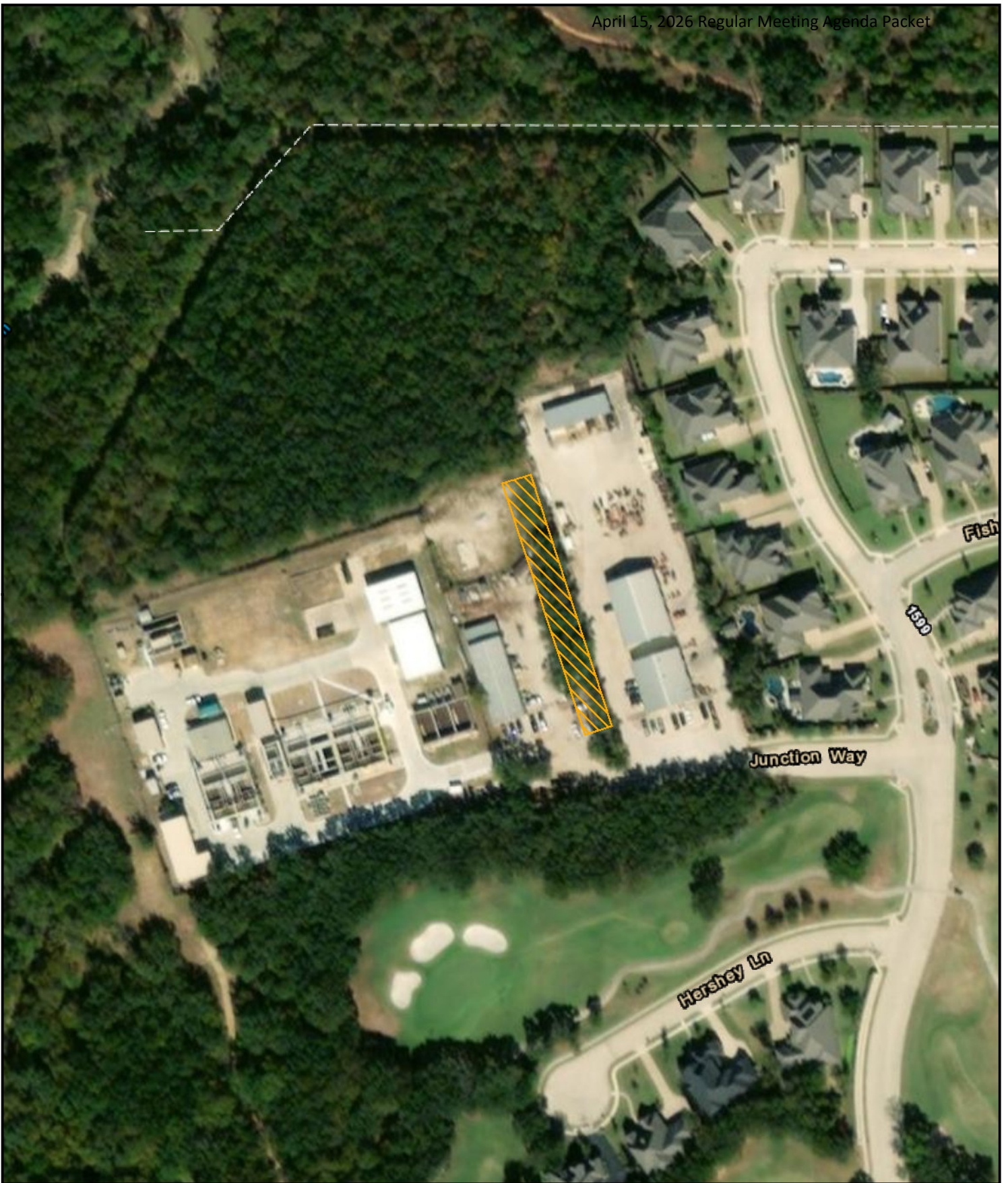



Exhibit B

Legend

drawGraphics_poly

 User drawn polygons

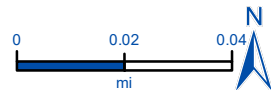


Exhibit “C”
Aerial Identifying Maintenance Building

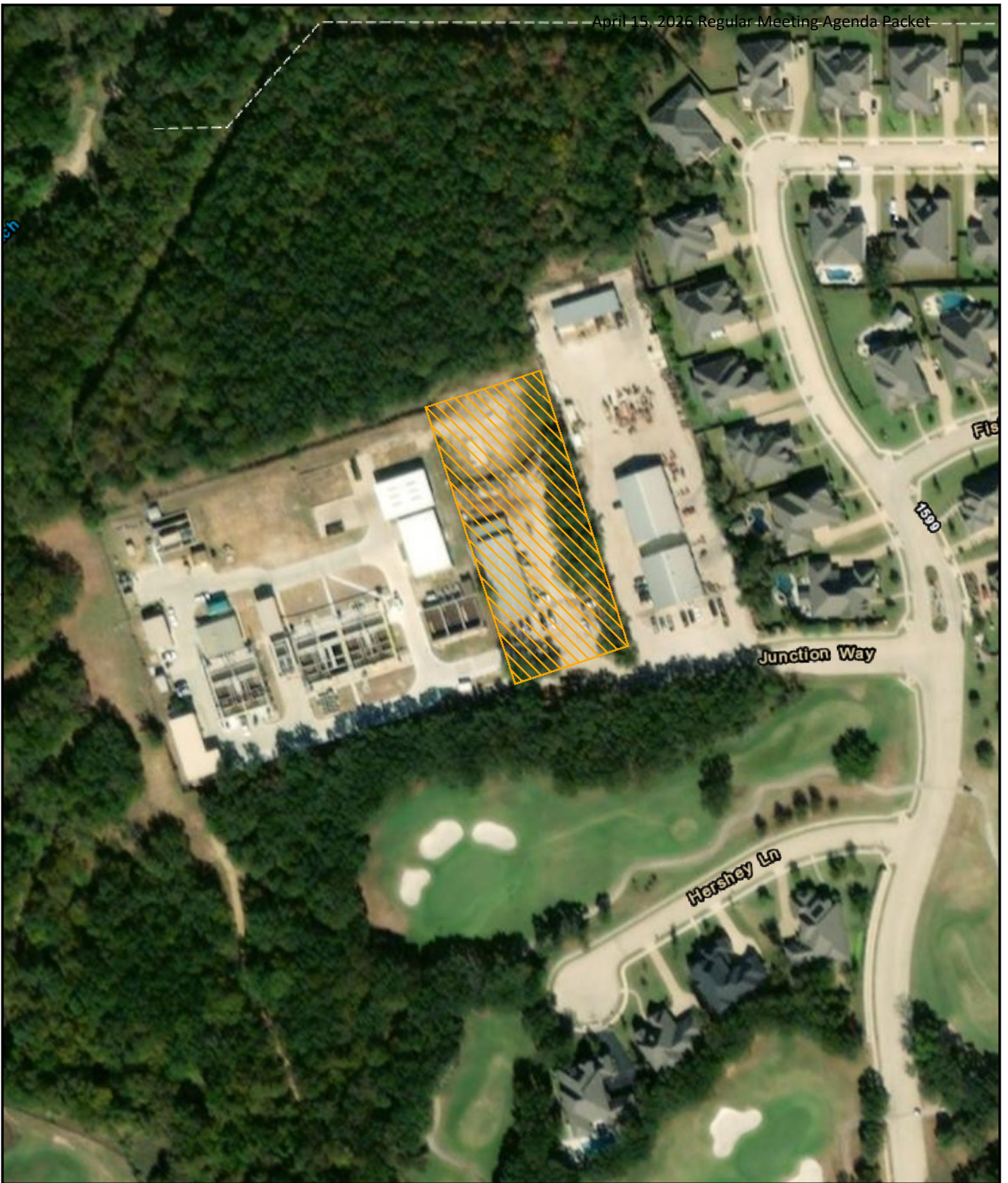



Exhibit C

Legend

drawGraphics_poly

 User drawn polygons

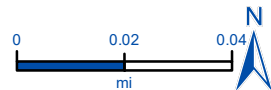


Exhibit “D”
Map Identifying Location of Junction Way Extension

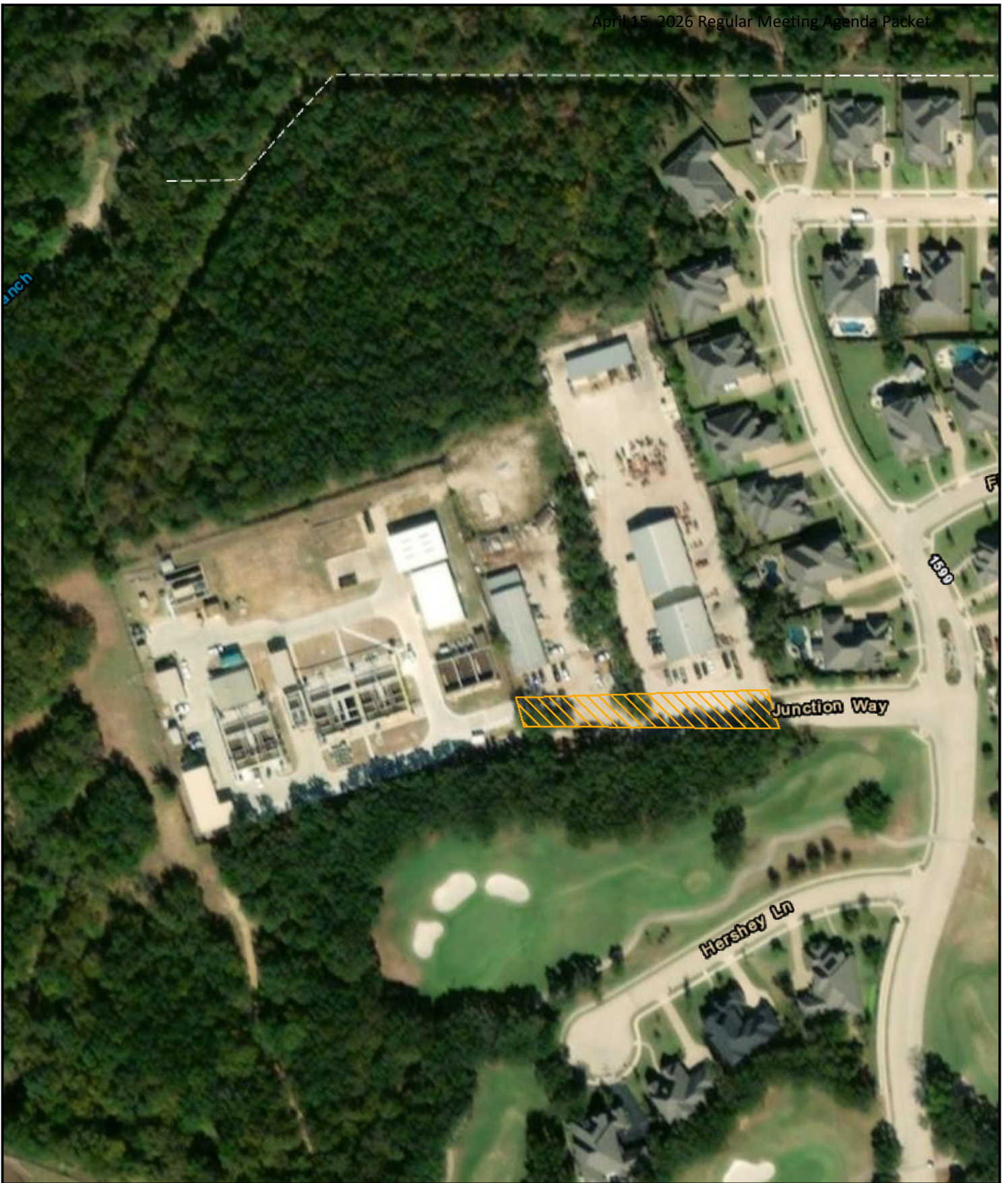



Exhibit D

Legend

drawGraphics_poly

 User drawn polygons

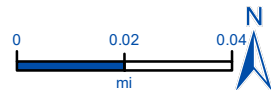


Exhibit “E”
Form of Maintenance Building Lease

**COMMERCIAL LEASE
(Maintenance Building)**

This Commercial Lease (this "Lease") made and entered into as of the last date of execution below (the "Effective Date") by and between **Trophy Club Municipal Utility District No. 1**, a conservation and reclamation district and political subdivision of the State of Texas created and operating in accordance with Chapters 49 and 54 of the Texas Water Code, as Landlord ("Landlord"), and **Town of Trophy Club, Texas**, a Texas home rule municipality, as Tenant ("Tenant").

1. **PREMISES.** Landlord hereby leases to Tenant the real property and building more particularly described on **Exhibit "A"** attached hereto (the "Premises"). The parties acknowledge that the Premises may include all or a portion of an area identified as the "District Access Corridor" in that certain "Agreement Regarding Real Property Matters" executed simultaneously herewith by Landlord and Tenant. At such time as Landlord elects to proceed with construction of the District Access Corridor, the Premises shall automatically be revised to exclude the District Access Corridor in its entirety.

2. **TERM.** The term of this Lease shall commence the first day of the month subsequent to the Effective Date (the "Commencement Date"), and shall continue thereafter for a term of ninety-nine (99) years (the "Term") unless terminated prior thereto under the terms and conditions set forth in this Lease.

3. **RENT.** Except as provided below with respect to the first payment, Tenant shall pay Landlord rent for the Premises equal to \$1 per annum for each year that this Lease remains in effect. Tenant shall pay the first rent payment of \$1 to Landlord on or before the first day of the month subsequent to the Effective Date as rent for the remainder of calendar year 2020, and each subsequent annual rental payment shall be due and paid by Tenant to Landlord in full on or before January 1 of each subsequent year that this Lease remains in effect.

4. **SECURITY DEPOSIT.** Tenant will not pay a security deposit to Landlord under this Lease.

5. **UTILITIES.** Tenant will pay for all utility charges applicable to the Premises. Landlord shall not be liable for any unavailability, stoppage, interruption or failure of any such services or any damages to persons, property or business resulting therefrom.

6. **INSURANCE.** Landlord shall maintain insurance for the Premises for the duration of this Lease. Tenant may, but shall have no obligation to, secure insurance for the Premises or any personal property located therein.

7. **IMPROVEMENT OR ALTERATION OF PREMISES.**

7.1 Tenant may not alter any locks or any security devices on the Premises without Landlord's prior written consent. If Landlord authorizes the changing, addition, or re-keying of any locks or other security devices at Tenant's expense, Tenant must immediately delivery the new keys and access devices to Landlord.

7.2 Tenant may not alter, improve, or add to the Premises without the prior written authorization of Landlord. Any such alternations, improvements or additions authorized by Landlord shall be owned by Landlord.

7.3 Tenant shall undertake no action within the Premises that would impair the ability of Landlord to construct a public roadway within the “District Access Corridor” as identified in that certain “Agreement Regarding Real Property Matters” executed simultaneously herewith by Landlord and Tenant.

8. **REPAIRS AND MAINTENANCE.**

8.1 Tenant agrees to maintain in proper condition and make all necessary incidental repairs to the interior of the Premises, including, but not limited to, air conditioning, lighting, wiring, plumbing and the interiors of the walls, floors, ceilings, doors, windows, window glass, fittings, fixtures and furnishings. Tenant is solely responsible for the repair and maintenance of its personal property. Tenant shall also be responsible for maintaining the real property that constituting the Premises in a state of condition and repair.

8.2 Tenant has inspected the Premises and accepts it in its present (as-is) condition. Landlord has made no express or implied warranties as to the condition of the Premises.

9. **USE OF PREMISES BY LANDLORD AND TENANT.**

9.1 The Premises may be used by Tenant only for storage of materials and equipment by Tenant related to Tenant’s municipal functions. The Premises may not be used by any third party for any purposes.

9.2 Tenant may not use or permit any part of the Premises to be used for any activity that is a nuisance or is offensive, noisy, or dangerous, or that interferes with the use and enjoyment of neighboring properties including Landlord’s access to, use and operation of its wastewater treatment plant facility. Tenant shall not use, allow or permit any hazardous materials or environmental contaminants to be in the Premises.

9.3 Until such time as Landlord constructs a new maintenance and storage building, Landlord and its employees and agents shall have the right to enter, use and occupy any portion of the Premises located outside of the existing building for the storage of materials, vehicles and equipment.

10. **ACCESS AND INSPECTION.** Landlord, and its servants and agents shall have the right to enter the Premises during normal business hours in which a representative of Tenant is present for the purpose of examining or inspecting the Premises to see that Tenant is complying with all of its obligations hereunder or making required repairs thereto.

11. **MOVE-OUT CONDITION.** At the time of termination of this Lease, Tenant will return all keys and access devices to Landlord, and shall surrender the Premises in the same condition as when received, except for normal wear and tear. Tenant will leave the Premises in clean condition, free of trash, debris and personal property. If Tenant leaves any personal property in the Premises after Tenant surrenders possession of the Premises, Landlord may: (i) require Tenant, at Tenant’s expense, to remove the personal property by providing written notice to Tenant; or (ii) retain such personal property as forfeited property to Landlord. Any permitted leasehold improvements shall become part of the Building and shall remain upon and be surrendered with the Premises, unless otherwise provided by this Lease.

12. **SECURITY, INDEMNITY AND WAIVER.** Tenant acknowledges and agrees that Landlord will not, and is not required to, provide security for Tenant and Tenant’s personal property, or for Tenant’s employees, guests, invitees or representatives that may be present on or within the Premises. To the extent authorized under applicable laws, Tenant waives any and all claims against Landlord for injury

or damage to persons or property arising out of any event, occurrence or condition on or around the Premises. TO THE MAXIMUM EXTENT AUTHORIZED BY LAW, TENANT AGREES TO DEFEND, INDEMNIFY, AND HOLD LANDLORD, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "LANDLORD RELEASED PARTIES") HARMLESS FROM AND AGAINST ANY CLAIMS, COSTS, DAMAGES, LIABILITY, OR OTHER EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, FOR ANY INJURIES OR DAMAGE OCCURRING ON THE PREMISES TO TENANT, ITS AGENTS, EMPLOYEES, CUSTOMERS, INVITEES, GUESTS, CONTRACTORS, AND ANY OTHERS WHO ENTER UPON THE PREMISES IN CONNECTION WITH TENANT'S USE AND OCCUPANCY OF THE PREMISES. TENANT FURTHER AGREES TO WAIVE ALL CLAIMS AGAINST THE LANDLORD RELEASED PARTIES FOR DAMAGES TO OR LOSS OF GOODS, WARES, INVENTORY, AND MERCHANDISE IN AND UPON THE PREMISES AND FOR ANY INJURY OR DAMAGE TO ANY PERSON OR PROPERTY CLAIMED BY TENANT, OR TENANT'S AGENTS, REPRESENTATIVES, SERVANTS, EMPLOYEES AND THIRD PERSONS ARISING OUT OF, RELATED TO, OR IN CONNECTION WITH TENANT'S USE AND OCCUPANCY OF THE PREMISES.

13. **ASSIGNMENT AND SUBLETTING.** Tenant, for itself, its successors, legal representatives and assigns, expressly covenants that Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage or otherwise encumber this Lease or sublet the Premises without the prior written consent of Landlord.

14. **DESTRUCTION OF PREMISES.** In case of the total destruction of the Premises by any cause whatsoever, so as to render the Premises untenable or unfit for Tenant's occupancy, then in any such event, the lease of the Premises hereunder shall cease and terminate as of the date of such damage or destruction, unless Tenant chooses to repair all or a portion of such destruction, in which case all rights and obligations of the Parties shall continue unaffected.

15. **RISK OF LOSS.** All property placed in the Premises by Tenant, or Tenant's agents, servants, employees, invitees, licensees and guests, shall be at the sole and only risk of Tenant, and Landlord shall not be responsible to Tenant, nor Tenant's agents, servants, employees, invitees, licensees and guests for any damage or loss thereof, or for any fire, theft, burglary or other damages thereof.

16. **COMPLIANCE WITH LAWS.** Landlord and Tenant shall comply with all laws, orders, ordinances, regulations and rules of all governmental authorities having jurisdiction with respect to the occupancy, use or manner of use of the Premises.

17. **QUIET ENJOYMENT.** Subject to the terms and conditions of this Lease, if Tenant observes and performs all of the covenants, conditions and provisions on Tenant's part to be observed and performed under this Lease, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the entire term hereof.

18. **DEFAULT AND TERMINATION.**

18.1 If Landlord fails to comply with this Lease within thirty (30) days after Tenant notifies Landlord in writing of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.

18.2 If Tenant fails to correct any default under this Lease within 30 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default. In the event of such default that is not cured, Landlord may terminate this Lease or exercise any of the rights set forth in Section 18.3 below.

18.3 If Tenant is in default, Landlord may after not less than 30 days' prior written notice and opportunity to cure: (i) re-enter the Premises, without demand or notice, and resume possession by an action in law or equity or by force or otherwise and without being liable in trespass or for any damages. Under such circumstances, Landlord may remove all persons and personal property from the Premises and Premises and such property may be removed and stored at the cost of Tenant. The taking of possession by Landlord shall not constitute an eviction or terminate this Lease, unless Landlord so elects; (ii) terminate Tenant's right to occupy the Premises by providing Tenant with at least three (3) days written notice; and/or (iii) accelerate all rents which are payable during the remainder of this Lease or any renewal period without notice or demand. If Tenant is in default, Tenant will be liable for:

- (i) Any lost rent;
- (ii) Repairs to the Premises for use beyond normal wear and tear;
- (iii) All Landlord's costs associated with collection of rent;
- (iv) Cost of removing Tenant's equipment or fixtures left on the Premises;
- (v) Cost to remove any trash, debris, personal property, or materials left by Tenant in the Premises;
- (vi) Cost to replace any unreturned keys or access devices; and
- (vii) Any other recovery to which Landlord may be entitled under this Lease or under the laws of the State of Texas.

18.4 Except for any termination arising out of a default by Tenant that is not cured after not less than 30 day's prior written notice and opportunity to cure; a total destruction of the Premises in accordance with Section 14; a cross-default under Section 19 below; or as provided in that certain "Agreement Regarding Real Property Matters" executed by the parties simultaneously herewith, this Lease may not be terminated except by written agreement of both parties.

18.5 This Lease may be terminated at any time by Tenant upon sixty (60) days prior written notice to Landlord; provided, however, that no rent shall be refunded in the event of such termination.

19. **CROSS-DEFAULT.** Any default by Tenant of that certain "Agreement Regarding Real Property Matters" executed by the parties simultaneously herewith that is not timely cured in accordance with the provisions of said agreement shall constitute a default under this Lease for which Landlord may exercise any remedies set forth herein, including termination of this Lease and repossession of the Premises.

20. **HOLDOVER.** If Tenant fails to vacate the Premises and Premises at the time this Lease ends, Tenant will become a tenant-at-will and must vacate the Premises and Premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this Lease. Rent for any holdover period will be \$1000 per month, as calculated on a daily basis, and will be immediately due and payable without notice or demand.

21. **COST OF LITIGATION.** In the event of any litigation between the parties hereto involving this Lease or the respective rights of the parties hereunder, the party who is unsuccessful in such litigation shall pay to the successful party reasonable attorney’s fees, court costs and expenses of such litigation incurred by such successful party.

22. **NOTICES.** All notices, demands, requests or other communications that may be or are required to be given, served or sent by either party to the other party pursuant to this Lease will be in writing and will be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by any recognized over-night courier, or hand delivery addressed as follows:

If to Landlord: Trophy Club Municipal Utility District No. 1
100 Municipal Drive
Trophy Club, Texas 76262

If to Tenant: Town of Trophy Club
1 Trophy Wood Drive
Trophy Club, Texas 76262-9700

Either party may designate by written notice a new address to which any notice, demand, request or communication may thereafter be given, served or sent. Each notice, demand, request or communication that is mailed, delivered or transmitted in the manner described above will be deemed sufficiently given, served, sent and received for all purposes at such time as it is delivered to the addressee with the return receipt, the delivery receipt, the affidavit of messenger or (with respect to a facsimile transmission) the answer back being deemed conclusive evidence of such delivery or at such time as delivery is refused by the addressee upon presentation.

23. **ENTIRE AGREEMENT.** This Lease and the agreements, instruments and documents contemplated by this Lease represent the parties’ entire agreement with respect to the subject matter of this Lease and such other agreements, instruments and documents and supersede and replace any prior agreement or understanding with respect to that subject matter. This Lease may not be amended or supplemented except pursuant to a written instrument signed by the party against whom such amendment or supplement is to be enforced. Nothing contained in this Lease will be deemed to create any agency, joint venture, partnership or similar relationship between the parties to this Lease.

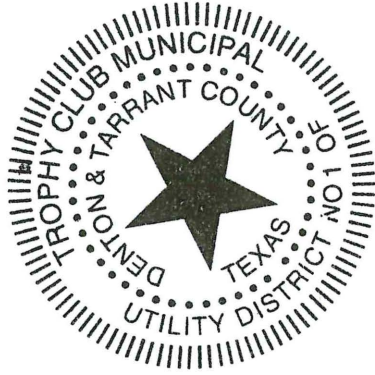
24. **COUNTERPARTS.** This Lease may be executed in multiple counterparts, each of which will be deemed to be an original and all of which will be deemed to be a single agreement. This Lease will be considered fully executed when all parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

25. **SEVERABILITY.** If any of the provisions of this Lease are determined to be invalid or unenforceable, such invalidity or unenforceability will not invalidate or render unenforceable the remainder of this Lease, but rather the entire Agreement will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the parties will be construed and enforced accordingly. The parties acknowledge that if any provision of this Lease is determined to be invalid or unenforceable, it is their desire and intention that such provision be reformed and construed in such manner that it will, to the maximum extent practicable, be deemed to be valid and enforceable. Notwithstanding the foregoing or any other provision of this Lease to the contrary, in the event that Tenant’s obligation to pay rent (as adjusted from time to time under the terms of this Lease) is deemed invalid or unenforceable, then this Lease shall terminate for all purposes.

26. **THIRD PARTIES.** Except as expressly set forth or referred to in this, nothing in this Lease is intended or will be construed to confer upon or give to any party other than the parties to this Lease and their successors and assigns, if any, any rights or remedies under or by reason of this Lease.

27. **WAIVER.** No failure or delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise or the exercise of any other rights.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original effective as of the last date of execution below ("Effective Date").



DISTRICT:

Trophy Club Municipal Utility District No. 1

By: Steve Flynn

Name: Steve Flynn

Title: President, Board of Directors

Date: August 4, 2020

James Skight
District Secretary

TOWN:

Town of Trophy Club, Texas



By: C. Nick Sanders

Name: C. Nick Sanders

Title: Mayor of Trophy Club, TX

Date: July 31, 2020

Linnia Vach
Town Secretary

Exhibit “A”

Description of Premises

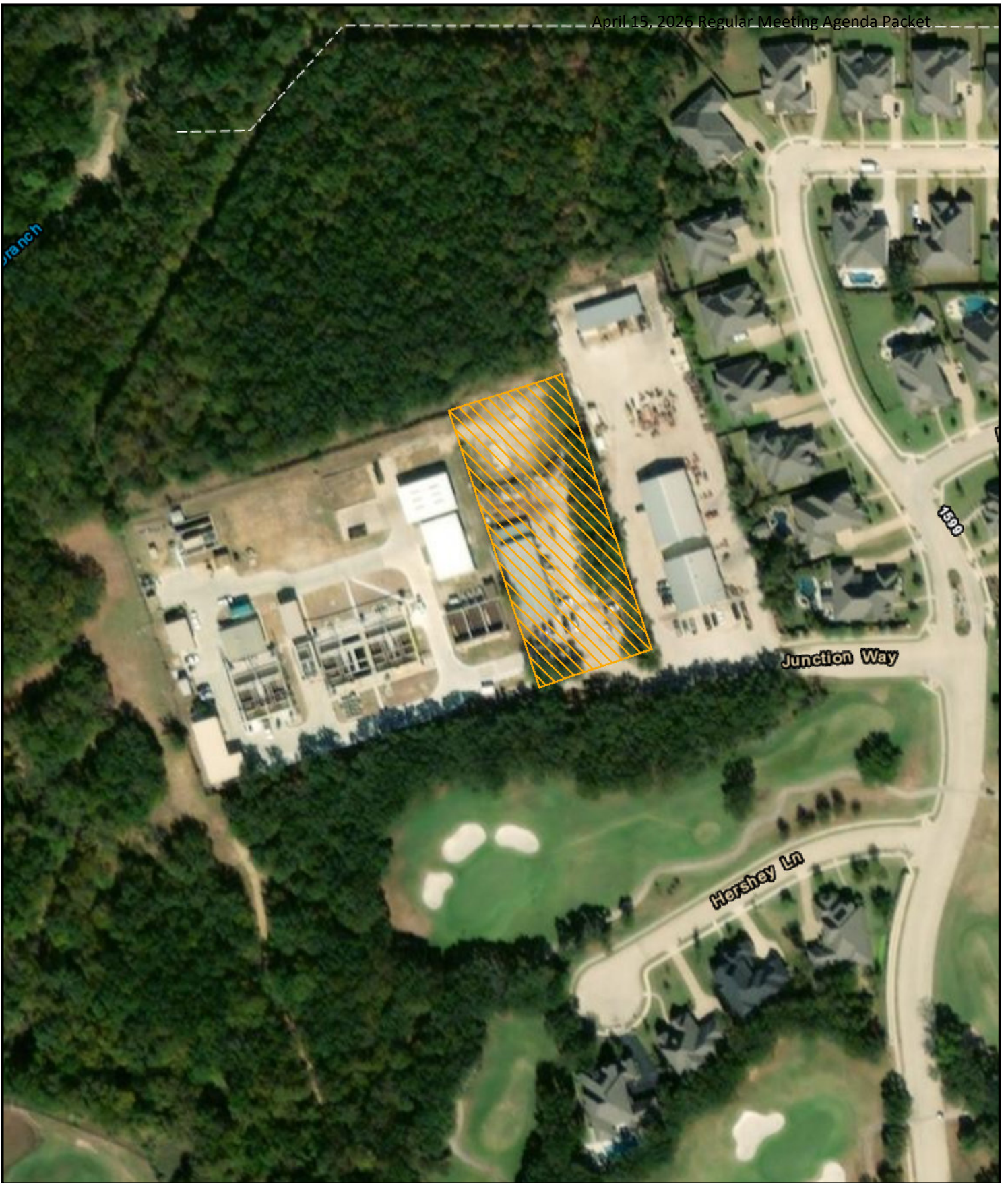



Exhibit A - Commercial Lease

Legend

drawGraphics_poly

 User drawn polygons

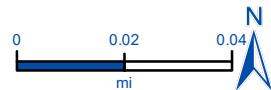


Exhibit “F”
Depiction of Wastewater Facility Tract

Marshall Branch

Junction Way


Hershey Ln

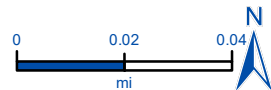


Exhibit F

Legend

drawGraphics_poly

 User drawn polygons



May 2026

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
18	Apr 26, 2026 EV May 2, 2026, General	27	28	29	30	May 1	2 Election Day
19	3	4	5	6	7	8	9
20	10	11	12	13 Board of Directors Regular	14	15	16
21	17	18	19	20	21	22	23
22	24	25 Memorial Day - Office Closed	26 Republican Party Run off	27	28	29	30
23	31	Jun 1	2	3	4	5	6