



# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

<b>DATES</b>	<b>Assigned</b>	18-Sep-2017	<b>Screening</b>	18-Sep-2017	<b>EPA Due</b>	
	<b>PCW</b>	22-Sep-2017				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	City of Fort Worth		
<b>Reg. Ent. Ref. No.</b>	RN101424687		
<b>Facility/Site Region</b>	4-Dallas/Fort Worth	<b>Major/Minor Source</b>	Minor

## CASE INFORMATION

<b>Enf./Case ID No.</b>	55145	<b>No. of Violations</b>	1
<b>Docket No.</b>	2017-1438-WQ-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Water Quality	<b>Government/Non-Profit</b>	Yes
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Ariel Ramirez
		<b>EC's Team</b>	Enforcement Team 1
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$7,500**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **25.0%** **Adjustment** **Subtotals 2, 3, & 7** **\$1,875**

**Notes** Enhancement for one order without denial of liability.

**Culpability** **No** **0.0%** **Enhancement** **Subtotal 4** **\$0**

**Notes** The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$1,875**

**Economic Benefit** **0.0%** **Enhancement\*** **Subtotal 6** **\$0**

Total EB Amounts \$3  
Estimated Cost of Compliance \$6,130  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$7,500**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount** **\$7,500**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$7,500**

**DEFERRAL** **0.0%** **Reduction** **Adjustment** **\$0**

Reduces the Final Assessed Penalty by the indicated percentage.

**Notes**

No deferral is recommended for Findings Orders.

**PAYABLE PENALTY** **\$7,500**

Screening Date 18-Sep-2017

Docket No. 2017-1438-WQ-E

PCW

Respondent City of Fort Worth

Case ID No. 55145

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101424687

Media [Statute] Water Quality

Enf. Coordinator Ariel Ramirez

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for one order without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 25%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 25%

<b>Screening Date</b> 18-Sep-2017 <b>Respondent</b> City of Fort Worth <b>Case ID No.</b> 55145 <b>Reg. Ent. Reference No.</b> RN101424687 <b>Media [Statute]</b> Water Quality <b>Enf. Coordinator</b> Ariel Ramirez <b>Violation Number</b> 1 <b>Rule Cite(s)</b>	<b>Docket No.</b> 2017-1438-WQ-E	<b>PCW</b> <small>Policy Revision 4 (April 2014)          PCW Revision March 26, 2014</small>														
<b>Violation Description</b> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">         Tex. Water Code § 26.121(a)(2)           Failed to prevent an unauthorized discharge of pollutants into or adjacent to any water in the state. Specifically, on July 27, 2017, 1,039,000 gallons of chlorinated water discharged from an overflowed storage tank through a storm drain into a pond located on an unnamed tributary of Henrietta Creek which is part of the Grapevine Lake watershed, killing approximately 832 fish.       </div>																
<b>Base Penalty</b>		\$25,000														
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>																
<b>OR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%;">Major</th> <th style="width: 10%;">Moderate</th> <th style="width: 10%;">Minor</th> </tr> </thead> <tbody> <tr> <td>Release Actual</td> <td style="text-align: center;">x</td> <td></td> <td></td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Major	Moderate	Minor	Release Actual	x			Potential				<b>Percent</b> 30.0%		
	Major	Moderate	Minor													
Release Actual	x															
Potential																
<b>&gt;&gt; Programmatic Matrix</b>																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Falsification</th> <th style="width: 10%;">Major</th> <th style="width: 10%;">Moderate</th> <th style="width: 10%;">Minor</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Falsification	Major	Moderate	Minor					<b>Percent</b> 0.0%						
Falsification	Major	Moderate	Minor													
<b>Matrix Notes</b>	<div style="border: 1px solid black; padding: 5px;">         Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or the environment.       </div>															
<b>Adjustment</b>		\$17,500														
		\$7,500														
<b>Violation Events</b>																
<b>Number of Violation Events</b>	1	<b>Number of violation days</b>														
	4															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td>daily</td><td></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td style="text-align: center;">x</td></tr> <tr><td>quarterly</td><td></td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td></td></tr> </tbody> </table>	daily		weekly		monthly	x	quarterly		semiannual		annual		single event		<b>Violation Base Penalty</b>	
daily																
weekly																
monthly	x															
quarterly																
semiannual																
annual																
single event																
		\$7,500														
<div style="border: 1px solid black; padding: 5px; margin-top: 10px;">         One monthly event is recommended from the date the discharge began (July 27, 2017) to the date corrective actions were completed (July 31, 2017).       </div>																
<b>Good Faith Efforts to Comply</b>		<b>Reduction</b>														
25.0%		\$1,875														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%;">Before NOE/NOV</th> <th style="width: 35%;">NOE/NOV to EDPRP/Settlement Offer</th> </tr> </thead> <tbody> <tr> <td>Extraordinary</td> <td></td> <td></td> </tr> <tr> <td>Ordinary</td> <td style="text-align: center;">x</td> <td></td> </tr> <tr> <td>N/A</td> <td></td> <td></td> </tr> </tbody> </table>				Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer	Extraordinary			Ordinary	x		N/A				
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer														
Extraordinary																
Ordinary	x															
N/A																
<b>Notes</b> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">         The Respondent achieved compliance on July 31, 2017.       </div>																
<b>Violation Subtotal</b>		\$5,625														
<table style="width: 100%;"> <tr> <td style="width: 50%;"><b>Economic Benefit (EB) for this violation</b></td> <td style="width: 50%;"><b>Statutory Limit Test</b></td> </tr> <tr> <td> <b>Estimated EB Amount</b> </td> <td> <b>Violation Final Penalty Total</b> </td> </tr> <tr> <td style="text-align: right;">\$3</td> <td style="text-align: right;">\$7,500</td> </tr> <tr> <td colspan="2" style="text-align: right;"> <b>This violation Final Assessed Penalty (adjusted for limits)</b> </td> </tr> <tr> <td colspan="2" style="text-align: right;">\$7,500</td> </tr> </table>			<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>	<b>Estimated EB Amount</b>	<b>Violation Final Penalty Total</b>	\$3	\$7,500	<b>This violation Final Assessed Penalty (adjusted for limits)</b>		\$7,500					
<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>															
<b>Estimated EB Amount</b>	<b>Violation Final Penalty Total</b>															
\$3	\$7,500															
<b>This violation Final Assessed Penalty (adjusted for limits)</b>																
\$7,500																

## Economic Benefit Worksheet

**Respondent** City of Fort Worth  
**Case ID No.** 55145  
**Reg. Ent. Reference No.** RN101424687  
**Media** Water Quality  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$6,130	27-Jul-2017	31-Jul-2017	0.01	\$3	n/a	\$3

Notes for DELAYED costs

Estimated cost to upgrade Remote Transmitting Unit communications equipment; analyze dissolved oxygen levels and water quality field parameters at the pond; monitor aquatic wildlife; remove and properly dispose of the dead fish; and clean the area around the pond. Date required is the date the unauthorized discharge began and the final date is the date all of the corrective actions were completed.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$6,130

TOTAL

\$3

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



## TCEQ Compliance History Report

Compliance History Report for CN600128862, RN101424687, Rating Year 2017 which includes Compliance History (CH) components from September 1, 2012, through August 31, 2017.

**Customer, Respondent, or Owner/Operator:** CN600128862, City of Fort Worth  
**Classification:** SATISFACTORY **Rating:** 6.33

**Regulated Entity:** RN101424687, City of Fort Worth PWS  
**Classification:** SATISFACTORY **Rating:** 50.00

**Complexity Points:** 1  
**Repeat Violator:** NO

**CH Group:** 14 - Other

**Location:** the 4600 Block of Hillside Avenue with an associated ground storage tank located at 1300 North Caylor Road in Fort Worth, Tarrant County, Texas

**TCEQ Region:** REGION 04 - DFW METROPLEX

**ID Number(s):** PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 2200012

**Compliance History Period:** September 01, 2012 to August 31, 2017 **Rating Year:** 2017 **Rating Date:** 09/01/2017

**Date Compliance History Report Prepared:** September 18, 2017

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** September 18, 2012 to September 18, 2017

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**  
**Name:** Ariel Ramirez **Phone:** (512) 239-4935

### Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

### Components (Multimedia) for the Site Are Listed in Sections A - J

#### **A. Final Orders, court judgments, and consent decrees:**

- 1 Effective Date: 07/12/2017 ADMINORDER 2016-1892-WQ-E (Findings Order-Agreed Order Without Denial)
- Classification: Major
- Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(2)
- Description: Failure to prevent the unauthorized discharge of pollutants into or adjacent to any waters of the State resulting in a documented serious impact to the environment. Between July 20 and July 21, 2016, an unknown amount of chlorinated water was discharged into a pond located on an unnamed tributary to Henrietta Creek, resulting in a fish kill totaling 1,124 fish.

#### **3. Criminal convictions:**

N/A

#### **2. Chronic excessive emissions events:**

#### **2. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	January 14, 2013	(1050372)	Item 3	July 06, 2017	(1423351)
Item 2	June 23, 2017	(1421749)	Item 4	August 25, 2017	(1423309)

#### **2. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

#### **2. Environmental audits:**

N/A

#### **3. Type of environmental management systems (EMSs):**

N/A

#### **1. Voluntary on-site compliance assessment dates:**

N/A

#### **1. Participation in a voluntary pollution reduction program:**

N/A

#### **1. Early compliance:**

N/A

#### **Sites Outside of Texas:**

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Stephanie Bergeron Perdue, *Interim Executive Director*

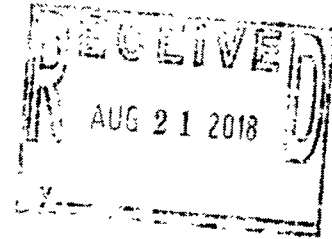


## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

August 10, 2018

The Honorable Betsy Price  
Mayor of Fort Worth  
200 Texas Street  
Fort Worth, Texas 76102



Re: Proposed Agreed Order  
City of Fort Worth; RN101424687  
Docket No. 2018-0838-WQ-E; Enforcement Case No. 56283  
**FOR SETTLEMENT PURPOSES ONLY**

Dear Mayor Price:

The Executive Director of the Texas Commission on Environmental Quality ("Commission" or "TCEQ") is pursuing an enforcement action against the City of Fort Worth for violations of the Texas Water Code and Commission Rules. These violations were discovered during an investigation conducted on May 23, 2018, and documented in a letter dated May 31, 2018, from the TCEQ Dallas/Fort Worth Regional Office.

Please find enclosed a proposed agreed order which we have prepared in an attempt to expedite this enforcement action. The order assesses an administrative penalty of \$9,375 and identifies the violations that we are addressing.

If you have any questions regarding this matter, we are available to discuss them in a conference in Austin or over the telephone. If we reach agreement in a timely manner, the TCEQ will then proceed with the remaining procedural steps to settle this matter. These steps include publishing notice of the proposed order in the *Texas Register*, and scheduling the matter for approval by the Commission. We believe that handling this matter expeditiously could save the City of Fort Worth and the TCEQ a significant amount of time, as well as the expense associated with litigation.

Enclosed for your convenience is a return envelope. If you agree with the order as proposed, please sign and return the original order **and** the penalty payment (check payable to "TCEQ" and referencing City of Fort Worth, Docket No. 2018-0838-WQ-E) to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

Should you believe you are unable to pay the proposed administrative penalty, you may claim financial inability to pay part or all of the penalty amount. In order to qualify for financial inability to pay, the penalty must exceed \$3,600 and be greater than 1% of annual gross revenues. If this is the case, please contact us immediately to obtain a list of financial disclosure documents that must be submitted within 30 days of the receipt of this letter. These documents, once properly completed and submitted, will be thoroughly reviewed to determine if we agree with the claim of financial inability. Please be aware that if financial inability is proven to the satisfaction of staff, discussions pertaining to the penalty amount adjustment will focus only on deferral and not on waiver of the penalty amount.

You may be able to perform or contribute to a Supplemental Environmental Project ("SEP"), which is a project that benefits the environment, to offset a portion of your penalty. **If you are interested in performing an SEP, you must agree to the penalty amount and submit an SEP proposal within 30 days of receipt of this proposed order.** If you are a local government you may have additional SEP options available to assist you with coming into compliance or remediating the harm caused by the violations. A local government is defined as a school district, county, municipality, junior college district, river authority, water district or other special district or other political subdivision created under the constitution or a statute of this state.

**For additional information about the types of SEPs available and eligibility criteria, please go to the TCEQ's web site link at <http://www.tceq.texas.gov/legal/sep/> or contact the Enforcement Coordinator listed below.**

Please note that any agreements we reach are subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).

**If we cannot reach a settlement of this enforcement action or you do not wish to participate in this expedited process, we will proceed with enforcement under the Commission's Enforcement Rules, 30 TEX. ADMIN. CODE ch. 70. Specifically, if the signed order and penalty are not mailed and postmarked within 60 days from the date of this letter, your case will be forwarded to the Litigation Division and this settlement offer will no longer be available.** The enforcement process described in 30 TEX. ADMIN. CODE ch. 70 requires the staff to prepare and issue an Executive Director's Preliminary Report and Petition to the Commission. If you would like to obtain a copy of 30 TEX. ADMIN. CODE ch. 70, or any other TCEQ rules, the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI-032) are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from the Central Office Publications Ordering Team at (512) 239-0028.

The Honorable Betsy Price  
Page 3  
August 10, 2018

For any questions or comments about this matter or to arrange a meeting, please contact Mr. Steven Van Landingham of my staff at (512) 239-5717.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandy Van Cleave". The signature is fluid and cursive, with the first name "Sandy" and last name "Cleave" being more prominent than the middle name "Van".

Sandy Van Cleave, Manager  
Enforcement Division  
Texas Commission on Environmental Quality

SV/sv

Enclosures: Proposed Agreed Order, Return Envelope, Penalty Calculation Worksheet, Site Compliance History

cc: Ms. Stacy Walters, Regulatory Environmental Coordinator, City of Fort Worth, 1000 Throckmorton Street, Fort Worth, Texas 76102

2018-08-10 11:13:13



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CITY OF FORT WORTH  
RN101424687**

**§ BEFORE THE  
§ TEXAS COMMISSION ON  
§ ENVIRONMENTAL QUALITY  
§**

## **AGREED ORDER DOCKET NO. 2018-0838-WQ-E**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Fort Worth (the "Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this Order to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

### **I. FINDINGS OF FACT**

1. The Respondent owns and operates a public water supply located at the 4600 block of Hillside Avenue with the associated Caylor Ground Storage Reservoir located at 1300 North Caylor Road in Fort Worth, Tarrant County, Texas (the "Site"). The Site is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5).
2. During an investigation conducted on May 23, 2018, an investigator documented that on February 26, 2018, 600,000 gallons of chlorinated water discharged from the Site, entered a storm drain, and discharged into Harvest Ridge Pond, which killed approximately 17 fish.
3. The Executive Director recognizes that the Respondent closed the reservoir valve, dechlorinated the discharge point and receiving waters, and removed and properly disposed of the dead fish by February 27, 2018.

## II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE ch. 26 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to prevent an unauthorized discharge of other waste into or adjacent to any water in the state, in violation of TEX. WATER CODE § 26.121(a)(1).
3. Pursuant to TEX. WATER CODE § 7.051, the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of \$9,375 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid the \$9,375 penalty.

## III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Fort Worth, Docket No. 2018-0838-WQ-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. All relief not expressly granted in this Order is denied.
3. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Site operations referenced in this Order.
4. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the

Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

5. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms in this Order.
6. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
7. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
For the Executive Director

\_\_\_\_\_  
Date


I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

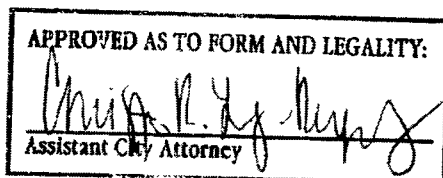
Jesus Chapa

Assistant City Manager

\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
City of Fort Worth

\_\_\_\_\_  
Title

☐ If mailing address has changed, please check this box and provide the new address below:



**Instructions:** Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.

08-21-18A11:53 RCVD



# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned</b>	4-Jun-2018	<b>Screening</b>	5-Jun-2018	<b>EPA Due</b>	
	<b>PCW</b>	7-Aug-2018				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	City of Fort Worth		
<b>Reg. Ent. Ref. No.</b>	RN101424687		
<b>Facility/Site Region</b>	4-Dallas/Fort Worth	<b>Major/Minor Source</b>	Minor

## CASE INFORMATION

<b>Enf./Case ID No.</b>	56283	<b>No. of Violations</b>	1
<b>Docket No.</b>	2018-0838-WQ-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Water Quality	<b>Government/Non-Profit</b>	Yes
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Steven Van Landingham
		<b>EC's Team</b>	Enforcement Team 3
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$7,500
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	50.0%	<b>Adjustment</b>	<b>Subtotals 2, 3, &amp; 7</b>	\$3,750
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Notes: Enhancement for two orders without denial of liability.

<b>Culpability</b>	No	0.0%	<b>Enhancement</b>	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$1,875
--	-------------------	----------

<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
Total EB Amounts	\$0		
Estimated Cost of Compliance	\$3,500		
	*Capped at the Total EB \$ Amount		

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$9,375
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	\$9,375
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$9,375
-----------------------------------	-------------------------------	---------

<b>DEFERRAL</b>	0.0%	<b>Reduction</b>	<b>Adjustment</b>	\$0
-----------------	------	------------------	-------------------	-----

Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

No deferral is recommended for Findings Orders.

<b>PAYABLE PENALTY</b>	\$9,375
------------------------	---------

Screening Date 5-Jun-2018

Docket No. 2018-0838-WQ-E

PCW

Respondent City of Fort Worth

Policy Revision 4 (April 2014)

Case ID No. 56283

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101424687

Media [Statute] Water Quality

Enf. Coordinator Steven Van Landingham

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	2	50%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 50%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for two orders without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 50%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 50%

Screening Date 5-Jun-2018

Docket No. 2018-0838-WQ-E

PCW

Respondent City of Fort Worth

Policy Revision 4 (April 2014)

Case ID No. 56283

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101424687

Media [Statute] Water Quality

Enf. Coordinator Steven Van Landingham

Violation Number 1

Rule Cite(s)

Tex. Water Code § 26.121(a)(1)

Violation Description

Failed to prevent an unauthorized discharge of other waste into or adjacent to any water in the state. Specifically, on February 26, 2018, 600,000 gallons of chlorinated water discharged from the Caylor Ground Storage Reservoir, entered a storm drain, and discharged into Harvest Ridge Pond, which killed approximately 17 fish.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 30.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

## Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

One monthly event is recommended from the February 26, 2018 date the discharge began to the February 27, 2018 date of compliance.

## Good Faith Efforts to Comply

25.0%

Reduction \$1,875

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

Notes

The Respondent achieved compliance on February 27, 2018.

Violation Subtotal \$5,625

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$9,375

This violation Final Assessed Penalty (adjusted for limits) \$9,375

# Economic Benefit Worksheet

**Respondent** City of Fort Worth  
**Case ID No.** 56283  
**Reg. Ent. Reference No.** RN101424687  
**Media** Water Quality  
**Violation No.** 1

**Percent Interest** 5.0  
**Years of Depreciation** 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$3,500	26-Feb-2018	27-Feb-2018	0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated cost to close the reservoir valve, dechlorinate the discharge point and receiving waters, and remove and properly dispose of the dead fish. Date required is the date the unauthorized discharge began and the final date is the date of compliance.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

**Approx. Cost of Compliance**

\$3,500

**TOTAL**

\$0



The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



# Compliance History Report

Compliance History Report for CN600128862, RN101424687, Rating Year 2017 which includes Compliance History (CH) components from September 1, 2012, through August 31, 2017.

**Customer, Respondent, or Owner/Operator:** CN600128862, City of Fort Worth

**Classification:** SATISFACTORY

**Rating:** 6.33

**Regulated Entity:** RN101424687, City of Fort Worth  
PWS

**Classification:** SATISFACTORY

**Rating:** 50.00

**Complexity Points:** 1

**Repeat Violator:** NO

**CH Group:** 14 - Other

**Location:** 4600 BLOCK OF HILLSIDE DRIVE IN FORT WORTH, TARRANT COUNTY, TEXAS

**TCEQ Region:** REGION 04 - DFW METROPLEX

**ID Number(s):** PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 2200012

**Compliance History Period:** September 01, 2012 to August 31, 2017

**Rating Year:** 2017

**Rating Date:** 09/01/2017

**Date Compliance History Report Prepared:** July 03, 2018

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** July 03, 2013 to July 03, 2018

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** Steven Van Landingham

**Phone:** (512) 239-5717

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES  
2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

## Components (Multimedia) for the Site Are Listed in Sections A - J

### **A. Final Orders, court judgments, and consent decrees:**

- 1 Effective Date: 07/12/2017 ADMINORDER 2016-1892-WQ-E (Findings Order-Agreed Order Without Denial)  
Classification: Major  
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(2)  
Description: Failure to prevent the unauthorized discharge of pollutants into or adjacent to any waters of the State resulting in a documented serious impact to the environment. Between July 20 and July 21, 2016, an unknown amount of chlorinated water was discharged into a pond located on an unnamed tributary to Henrietta Creek, resulting in a fish kill totaling 1,124 fish.
- 2 Effective Date: 06/27/2018 ADMINORDER 2017-1438-WQ-E (Findings Order-Agreed Order Without Denial)  
Classification: Major  
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(2)  
Description: Failed to prevent an unauthorized discharge of pollutants into or adjacent to any water in the state.

### **B. Criminal convictions:**

N/A

### **C. Chronic excessive emissions events:**

### **D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	June 23, 2017	(1421749)	Item 4	February 09, 2018	(1467650)
Item 2	July 06, 2017	(1423351)	Item 5	June 08, 2018	(1493492)
Item 3	August 25, 2017	(1423309)			

### **E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

### **F. Environmental audits:**

N/A

### **G. Type of environmental management systems (EMSs):**

N/A

### **H. Voluntary on-site compliance assessment dates:**

N/A

### **I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

**Part C Question 19 – Water Utilities and Governing Entities within 2 Miles**

Item #	Legal Description	CCN/District #	Address
1	Alpha Ranch WCID	990500	300 THROCKMORTON ST STE 1700, FORT WORTH , TEXAS 76102
2	South Denton County WCID 1	7579300	300 THROCKMORTON ST STE 1700, FORT WORTH , TEXAS 76102
3	Tradition MUD 1 of Denton County	7809500	5420 LBJ FWY STE 1300, DALLAS , TEXAS 75240
4	Tradition MUD 2 of Denton County	7810250	14755 PRESTON RD STE 600, DALLAS , TEXAS 75254
5	Upper Trinity Groundwater Conservation District		1859 W HWY 199, SPRINGTOWN, TX 76082
6	Upper Trinity Regional Water District	8149000	PO BOX 305, LEWISVILLE , TEXAS 75067
7	AQUA TEXAS INC	13201	1106 CLAYTON LN STE 400W, AUSTIN, TX 78723
8	CITY OF JUSTIN	10167	PO BOX 578, JUSTIN, TX 76247
9	SUETRAK USA CO INC	11916	PO BOX 557, LEWISVILLE, TX 75057
10	TOWN OF NORTHLAKE	12915	PO BOX 729, JUSTIN, TX 76247
11	Honorable Julie Luke, County Clerk	121	1450 E. McKinney, Ste 1103, Denton, TX 76209
12	City of Justin Public Works Department	38332	415 N College Ave, Justin, TX 76247
13	114 LAND INVESTMENTS LLC		1038 TEXAN TRL, GRAPEVINE, TX 76051
14	ADAMS, CORINNE TR ETAL		1801 S COLLEGE AVE, DECATUR, TX 76234
15	AIL INVESTMENT LP		13600 HERITAGE PKWY STE 2 FORT WORTH, TX 76177
16	ALLIANCE-156 PARTNERS LP		5408 S HIGHWAY 377, AUBREY, TX 76227
17	ATCHLEY, DEBORAH M TRUSTEE DE		2732 NEWCASTLE DR, GRAPEVINE, TX 76051
18	AVONDALE RANCH LTD		15110 N DALLAS PKWY STE 610, DALLAS, TX 75248
19	BLUESTONE NATURAL RESOURCES II		5440 HARVEST HILL RD STE 232, DALLAS, TX 75230
20	BNSF RAILWAY CO		PO BOX 961089, FORT WORTH, TX 76161
21	BROOKFIELD ACQUISITIONS LP		1800 VALLEY VIEW LN STE 300, FARMERS BRANCH, TX 75234
22	CNR TALLY/TRAIL CREEK ACRES		28 EATON SQ, HOUSTON, TX 77027
23	COPE, ONETA LEE TRUSTEE COPE,		2125 BOSS RANGE RD, JUSTIN, TX 76247
24	COWTOWN PIPELINE PARTNERS LP (		801 CHERRY ST STE 3400, FORT WORTH, TX 76102
25	CROSS, BOBBY GENE		3216 RUSTIC MEADOW TRL, MANSFIELD, TX 76063
26	CTMGT ALPHA RANCH LLC		1800 VALLEY VIEW LN STE 300, FARMERS BRANCH, TX 75234
27	DALRYMPLE, DONALD G		10541 DALRYMPLE LN, JUSTIN, TX 76247
28	DALRYMPLE, ELOISE		10540 DALRYMPLE LN, JUSTIN, TX 76247
29	DALRYMPLE, RONALD & BRENDA		10521 DALRYMPLE LN, JUSTIN, TX 76247
30	DEBLOCK LTD		4704 BARKRIDGE TRL, FORT WORTH, TX 76109
31	DI NAPOLI, MARGARET T & TURNER		8902 RANCH ROAD 1888, BLANCO, TX 78606
32	DOBSON, SUSAN L TRUST ETAL		PO BOX 28, HASLET, TX 76052
33	DOUBLE B LAND LP		8200 BOAT CLUB RD, FORT WORTH, TX 76179
34	DR HORTON TEXAS LTD PS		6751 NORTH FWY, FORT WORTH, TX 76131
35	EISEN, WERNER J		1537 COUNTY ROAD NE 2210, MOUNT VERNON, TX 75457
36	ENTERPRISE TEXAS PIPELINE LLC		PO BOX 4018, HOUSTON, TX 77210
37	EXCEL INC		570 POLARIS PKWY DEPT 275, WESTERVILLE, TX 43082
38	FORESTAR REAL ESTATE GROUP INC		10700 PECAN PARK BLVD STE 150, AUSTIN, TX 78750
39	FRAZIER ASSET MGMT INC		PO BOX 241, BEDFORD, TX 76095
40	FW SPORTS AUTH INC		1000 THROCKMORTON ST, FORT WORTH, TX 76102
41	GE MANUFACTURING SOLUTIONS LLC		16301 THREE WIDE DR, FORT WORTH, TX 76177
42	GEBERT FAMILY P/S LP		529 N COWAN AVE, LEWISVILLE, TX 75057
43	GREEN, JAMES M ETAL		14321 FM 407, JUSTIN, TX 76247
44	HADDOCK, ELSIE LOU		3605 ALMOND LN, MCKINNEY, TX 75070
45	HADDOCK, RAYMOND A & ELSIE LOU		3605 ALMOND LN, MCKINNEY, TX 75070
46	HVP INVESTMENTS LTD		301 SHADOW WOOD DR, ARGYLE, TX 76226
47	JACKSON, SALLIE C ESTATE, TURN		954 BLACKJACK RD E, PILOT POINT, TX 76258
48	JNJDF LTD		608 N CASA GRANDE CIR, DUNCANVILLE, TX 75116
49	JUSTIN TIMBERBROOK LLC		1050 E STATE HIGHWAY 114 STE 210, SOUTHLAKE, TX 76092
50	LAKELAND CAPITAL LTD		7300 CONTINENTAL TRL, NORTH RICHLAND HILLS, TX 76182
51	LOCUST THORN LP		PO BOX 67, JUSTIN, TX 76247
52	LOGAN, ROBERT B & BERTIE L W/L		13194 S COUNTY LINE RD, JUSTIN, TX 76247
53	M T COLE FAMILY PARTNERSHIP #2		400 W OAK ST STE 300, DENTON, TX 76201
54	MANN, GARY W		13376 JOHN DAY RD, HASLET, TX 76052
55	MARKS LIVING TRUST MARKS, GORD		114 STABLE OAKS, LIBERTY HILL, TX 78642
56	MARTIN JUSTIN PROPERTIES LLC		PO BOX 301329, AUSTIN, TX 78703
57	MCINTYRE, BETTY MARIE ADAMS &		1801 S COLLEGE AVE, DECATUR, TX 76234
58	MCKELVEY-COLE, LP		2808 FAIRMOUNT ST STE 100, DALLAS, TX 75201
59	NORTHWEST ISD		PO BOX 77070, FORT WORTH, TX 76177
60	O'REILLY HOTEL PARTNERS - CHAM		4045 E SUNSHINE ST STE 200, SPRINGFIELD, TX 65809
61	PATE, MARJORIE ANN		PO BOX 31, HASLET, TX 76052
62	PATEL, RAJANIKANT V & ILA R, T		4028 ENGLEMAN ST, FORT WORTH, TX 76137
63	PENNINGTON PAULINE & GINA HICK		4536 BIRCHMAN AVE, FORT WORTH, TX 76107
64	PETRUS INVESTMENT LP		9800 HILLWOOD PKWY STE 300, FORT WORTH, TX 76177

**Part D Question 20A – TCEQ Public Water System Permits**

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

June 27, 2017

The Honorable Betsy Price  
Mayor of Fort Worth  
200 Texas St  
Fort Worth, Texas 76102-6312

JUL 05 2017

Re: Public Water Supply Comprehensive Compliance Investigation at:  
City of Fort Worth PWS, Fort Worth, Tarrant County, Texas  
RN 101424687, PWS ID No. 2200012, Investigation No. 1421749

Dear Mayor Price:

On August 15-18, 2016, Ms. Merissa Green of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. At this time, your public water system continues to merit recognition as a "Superior" public water system.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Green in the D/FW Regional Office at (817) 588-5846.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Marshall".

Charles Marshall  
Team Leader, Public Water Supply Program  
D/FW Regional Office

CM/mg

Cc: Stacy Walters, City of Fort Worth, PO Box 870, Fort Worth, TX 76101-0870

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



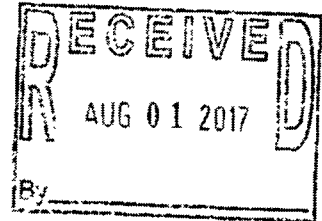
PWS\_2200370\_CO\_20170613\_New Owner  
CN 600128862  
RN 109813261

**Texas Commission on Environmental Quality**  
*Protecting Texas by Reducing and Preventing Pollution*

June 13, 2017

**CERTIFIED MAIL**

CITY OF FORT WORTH WATER HAULERS  
BETSY PRICE  
1000 THROCKMORTON ST  
FORT WORTH, TX 76102-6312



Subject: **Information for an Active Public Water System (PWS)**  
CITY OF FORT WORTH WATER HAULERS - PWS ID 2200370  
TARRANT County, Texas

Dear Water System Official:

The Texas Commission on Environmental Quality (TCEQ) Public Drinking Water Section has received documentation which indicates that the above-referenced facility now meets the definition of a public water system (PWS) in accordance with 30 Texas Administrative Code (TAC) §290.38(71). Specifically, this facility has been determined to be an ACTIVE public water system which has at least 15 service connections or serves at least 25 individuals at least 60 days out of the year as described in 30 TAC §290.38(71). Also, you have provided information to the TCEQ which documents that you are the owner of this public water system. As of the date of this letter, you are required to comply with the Title 30 TAC, Chapter 290 *Subchapter D: Rules and Regulations for Public Water Systems* and *Subchapter F: Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems*.

All PWSs are required to submit monthly bacteriological samples from the distribution portion of the system. The number of samples required to be submitted is based on the number of customers your system serves. Additionally, all PWSs must report disinfectant residual levels on a monthly or quarterly basis depending on the source and treatment.

To ensure that you are aware of requirements for a PWS, we have prepared this packet which provides information on design, operation, maintenance, monitoring, reporting, and public notice protocols for public water supplies. Included are the following guidance links and documents:

**Guidance links:**

- TCEQ Drinking Water Watch, used to view data currently stored by TCEQ for a PWS and send corrections as needed - <http://dww2.tceq.texas.gov/DWW/>
- TCEQ Central Registry, used to search your customer and regulated entity as well as any permits you may have - <http://www15.tceq.texas.gov/crpub/>
- Core Data Forms, used to update your PWS ownership or regulated entity information - [http://www.tceq.texas.gov/permitting/central\\_registry/](http://www.tceq.texas.gov/permitting/central_registry/)
- New Public Water System - [http://www.tceq.texas.gov/nav/util\\_water/newsystems.html](http://www.tceq.texas.gov/nav/util_water/newsystems.html)
- Operating a Public Water System - <http://www.tceq.texas.gov/drinkingwater/index.html>
- Environmental Laboratory Accreditation - [http://www.tceq.texas.gov/field/qa/env\\_lab\\_accreditation.html](http://www.tceq.texas.gov/field/qa/env_lab_accreditation.html)
- Public Notice Language for Drinking Water Contaminants - [http://www.tceq.texas.gov/drinkingwater/public\\_notice.html](http://www.tceq.texas.gov/drinkingwater/public_notice.html)

P.O. Box 13087 · Austin, Texas 78711-3087 · 512-239-1000 · [www.tceq.texas.gov](http://www.tceq.texas.gov)

How is our customer service? [www.tceq.texas.gov/goto/customersurvey](http://www.tceq.texas.gov/goto/customersurvey)

**RECEIVED**  
JUL - 5 2017  
**DFW REGION-4**

BETSY PRICE  
Page 2  
June 13, 2017

Documents:

- RG-195 *Rules and Regulations for Public Water Systems - Subchapter D*
- RG-346 *Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems - Subchapter F*
- RG-407 *Disinfectant Residual Reporting for Public Water Systems*
- RG-421 *Coliform Sampling for Public Water Systems*
- Boil Water Notice template
- Location map/contact information for TCEQ Regional offices
- RG-478 *Establishing and Managing an Effective Cross-Connection Control Program*
- A Consumer's Guide to Backflow Prevention in Texas
- Public Water System Water Hauler Rules - Guidance Document

Public water systems in Texas can receive free, on-site help with financial, managerial, and technical topics. The TCEQ's Financial, Managerial, and Technical (FMT) Assistance Program utilizes qualified contractors to assist newly-activated public water systems with understanding TCEQ rules, avoiding rule compliance violations, achieving adequate disinfection, and submitting monthly operating reports. Additional or follow up on site FMT assistance may be requested at any time and at no cost to the system. Please email [FMT@tceq.texas.gov](mailto:FMT@tceq.texas.gov) or call Mr. Alex Latham at (512) 239 6908 for more information, including a list of available assistance topics, or to request FMT assistance.

If your water system inventory or ownership information is incorrect, documentation concerning data or legal ownership must be submitted to the Public Drinking Water Inventory and Enforcement Team by email address at [PWSInven@tceq.texas.gov](mailto:PWSInven@tceq.texas.gov). Failure to do so is a violation of 30 TAC §290.46(p).

Please review this information carefully since failure to monitor your system in accordance with 30 TAC Chapter 290 requirements may result in violations. If you would like assistance regarding the requirements for your system, please contact the Public Drinking Water Inventory and Enforcement Team at (512) 239-4691, or by email at [PWSInven@tceq.texas.gov](mailto:PWSInven@tceq.texas.gov).

Sincerely,



Michele Risko, Manager  
Drinking Water Special Functions Section  
Water Supply Division  
Texas Commission on Environmental Quality

MR/CW/av

Enclosures

cc: TCEQ Field Operations Division, Region 4  
TCEQ FMT, Response and Capacity Development Team, MC 159



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*

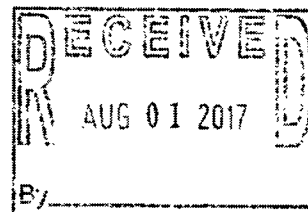


PWS\_2200370\_CO\_20170725\_Plan Ltr

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 25, 2017



Mr. David Townsend, P.E.  
City of Fort Worth  
1000 Throckmorton Street  
Fort Worth, Texas 76102

Re: City of Fort Worth Water Haulers - Public Water System ID No. 2200370  
As-built Water Haulers - Tanker Truck Nos. 242-0231 and 380-0013  
Engineer Contact Telephone: (817) 392-8430  
Plan Review Log No. P-06012017-010  
Tarrant County, Texas

CN600128862; RN109813261

Dear Mr. Townsend:

On June 1, 2017, the Texas Commission on Environmental Quality (TCEQ) received planning material with your letter dated May 26, 2017 for the as-built water haulers for the above referenced public water system. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **authorized for use**.

*All the conditions stated in TCEQ letter dated November 28, 2016 issued by the Technical Review and Oversight Team granting exception to the manhole cover rule to these tanks must still be met.*

The submittal consisted of as-built engineering report with photographs of the existing tanker trucks, manufacturer's documents and other related documents. The approved project consists of:

- One 1,610 gallons National Sanitation Foundation (NSF) Standard 61 polyethylene Norwesco tanker-trailer with associated pump and NSF Standard 61 potable water hose, designated by the City of Fort Worth with Water Trailer Equipment Number 242-0231, and Texas license plate number 131-0067; and
- One 6,200 gallons stainless steel tanker-trailer with associated pump and NSF Standard 61 potable water hose, designated by the City of Fort Worth with Water Trailer Equipment Number 380-0013, and Texas license plate number 901-9817.

This approval is for the above listed items only.

The City of Fort Worth Water Haulers public water supply system provides water treatment.

The project is located in Tarrant County, Texas.

Mr. David Townsend, P.E.  
Page 2  
July 25, 2017

Please refer to the Plan Review Team's Log No. P-06012017-010 in all correspondence for this project.

**Please note for future submittal:** In order to determine if a new source of water or a new treatment process results in corrosive or aggressive finished water that may endanger human health, we are requesting additional sampling and analysis of lead, alkalinity (as calcium carbonate), calcium (as calcium carbonate) and sodium in addition to the required chemical test results for public water system new sources. We are requiring these additional sampling results as listed in our currently revised checklists (Public Well Completion Data Checklist for Interim Use - Step 2 and Membrane Use Checklist - Step 2) which can be found on TCEQ's website at the following address:

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

Please include these additional sampling results in well completion submittals, membrane use submittals, and other treatment process submittals.

New surface water sources will need to also include lead, total dissolved solids, pH, alkalinity (as calcium carbonate), chloride, sulfate, calcium (as calcium carbonate) and sodium with the analysis required in 30 TAC Section 290.41(e)(1)(F).

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on TCEQ's website at the following address:

<https://www.tceq.texas.gov/drinkingwater/planrev.html/#status>

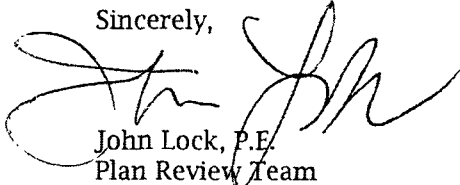
You can download the latest revision of 30 TAC Chapter 290 - [Rules and Regulations for Public Water Systems](#) from this site.

Mr. David Townsend, P.E.  
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July 25, 2017

If you have any questions concerning this letter or need further assistance, please contact Kamal Adhikari at (512)239-0680 or by email at [kamal.adhikari@tceq.texas.gov](mailto:kamal.adhikari@tceq.texas.gov) or by correspondence at the following address:

Plan Review Team, MC-159  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

Sincerely,



John Lock, P.E.  
Plan Review Team  
Plan and Technical Review Section  
Water Supply Division  
Texas Commission on Environmental Quality



for Vera Poe, P.E., Team Leader  
Plan Review Team  
Plan and Technical Review Section  
Water Supply Division  
Texas Commission on Environmental Quality

VP/JL/KA/kp

cc: City of Fort Worth Water Haulers - Attn: Water Utilities Official, 1000 Throckmorton Street, Fort Worth, Texas 76102

**Part D Question 23A – Purchased Water Capacity Contracts**

TARRANT COUNTY REGIONAL WATER SUPPLY FACILITIES  
AMENDATORY CONTRACT

THE STATE OF TEXAS : CITY SECRETARY  
COUNTY OF TARRANT : CONTRACT No. 12720

THIS AMENDATORY CONTRACT (the "Contract") made and entered into as of the 1st day of September, 1982 (the "Contract Date"), by and among TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE (the "District"), a water control and improvement district (and a conservation and reclamation district) and political subdivision of the State of Texas, created and functioning under Article 16, Section 59, of the Texas Constitution, pursuant to the general laws of the State of Texas, including Chapter 51, Texas Water Code, and which is authorized to issue bonds under the provisions of Chapter 268, Acts of the 55th Legislature, Regular Session, 1957, as amended (collectively the "District Act"), and the following:

CITY OF FORT WORTH, IN TARRANT COUNTY, TEXAS,  
CITY OF ARLINGTON, IN TARRANT COUNTY, TEXAS,  
CITY OF MANSFIELD, IN TARRANT AND JOHNSON COUNTIES,  
TEXAS, and TRINITY RIVER AUTHORITY OF TEXAS

(collectively the "Initial Contracting Parties").

W I T N E S S E T H

WHEREAS, the Cities of Fort Worth, Arlington, and Mansfield are duly created cities and political subdivisions of the State of Texas operating under the Constitution and laws of the State of Texas, including their respective Home Rule Charters; and

WHEREAS, Trinity River Authority of Texas is an agency and political subdivision of the State of Texas, being a conservation and reclamation district created and operating under Chapter 568, Acts of the 54th Legislature, Regular Session, 1955, as amended (the "Authority Act"), pursuant to Article 16, Section 59, of the Texas Constitution; and

WHEREAS, the District and the Initial Contracting Parties are authorized to enter into this Contract pursuant to the District Act, Vernon's Ann. Tex. Civ. St. Article 4413(32c) (the "Interlocal Cooperation Act"), the Authority Act, and other applicable laws; and

OFFICIAL RECORD  
CITY SECRETARY  
FT. WORTH, TEX.

WHEREAS, the District presently owns and operates surface raw water supply facilities which consist primarily of Eagle Mountain Dam and Reservoir and Bridgeport Dam and Reservoir, on the West Fork of the Trinity River, and Cedar Creek Dam and Reservoir on Cedar Creek in Henderson and Kaufman Counties (the "Existing System"); and

WHEREAS, the District duly issued the following described bonds which were issued to acquire and construct, or to refund bonds issued to acquire and construct, the Cedar Creek Dam and Reservoir and related facilities:

Tarrant County Water Control and Improvement District Number One Combined Water Revenue and Unlimited Tax Refunding Bonds, Series 1977, dated December 1, 1977, now outstanding in the aggregate principal amount of \$44,205,000 (the "Series 1977 Bonds"), and

Tarrant County Water Control and Improvement District Number One Water Revenue Bonds, Series 1979, dated March 1, 1979, in the original principal amount of \$7,750,000 (the "Series 1979 Bonds"), all of which Series 1979 Bonds were refunded by part of the Series 1979-A Bonds hereinafter described; and

WHEREAS, the District presently supplies and sells raw water from the Existing System to the Initial Contracting Parties under various contracts now in effect; and it is acknowledged and agreed that the Existing System is inadequate to provide known future raw water requirements, thus making contracts similar to this Contract necessary to enable the District to acquire and construct additional raw water supply facilities and make it possible for the District to supply such requirements; and

WHEREAS, the existing water supply contracts with the Initial Contracting Parties recognize that the District has assumed the responsibility for providing additional water supply sources as needed by the Initial Contracting Parties, subject to suitable feasibility and financing, and that the payments to be made by the Initial Contracting Parties would be increased in amounts sufficient to pay such parties' pro rata share of the necessary costs of such additional sources; and

WHEREAS the District proposes to acquire, construct, and complete additional surface raw water supply facilities, including a dam and reservoir on Richland and Chambers Creeks

in Navarro and Freestone Counties and an adjacent dam and reservoir on Tehaucana Creek in Freestone County, and all related pipelines, pumps, and other facilities to enable the District to supply raw water from such sources to Contracting Parties and to others (the "Project"); and

WHEREAS, the Project is described in a report of Freese and Nichols, Inc., Consulting Engineers, Fort Worth, Texas, entitled "Tarrant County Water Control and Improvement District Number One Report on Sources of Additional Water Supply, March, 1979"; and

WHEREAS, such report, including all amendments and supplements thereto made prior to the execution of acquisition and construction contracts for the Project and as changed by change orders entered after acquisition and construction contracts for the Project have been executed, is hereinafter called the "Engineering Report"; and

WHEREAS, the Existing Facilities and the Project hereinafter are referred to collectively as the "System"; and

WHEREAS, the District duly entered into a "Tarrant County Regional Water Supply Facilities Contract", dated as of August 29, 1979, with the Cities of Fort Worth and Mansfield (the "Base Contract"), which Base Contract is hereby adopted by reference with the same effect as if set forth in its entirety in this Contract; and

WHEREAS, pursuant to the Base Contract, and in connection with the Project and the refunding of the Series 1979 Bonds, on October 10, 1979, the District duly issued and presently has outstanding the following described bonds:

Tarrant County Water Control and Improvement District Number One Water Revenue Bonds, Series 1979-A, dated October 1, 1979, now outstanding in the principal amount of \$342,750,000 (the "Series 1979-A Bonds"); and

WHEREAS, the Base Contract provides that the District is authorized to enter into similar contracts with additional contracting parties, prescribed the procedures therefor, and specifically recognized that Trinity River Authority of Texas and the City of Arlington were expected to become such

additional contracting parties and execute contracts similar to the Base Contract; and

WHEREAS, the District and Trinity River Authority of Texas duly executed a "Tarrant County Regional Water Supply Facilities Supplemental Contract for Trinity River Authority of Texas", dated as of December 12, 1979 (the "Trinity River Authority Contract") which was similar to the Base Contract and complied with all requirements prescribed thereby, which Trinity River Authority Contract is hereby adopted by reference with the same effect as if set forth in its entirety in this Contract; and

WHEREAS, on or about July 13, 1971, the District and the City of Arlington executed a water supply contract (the "Arlington Contract"), which Arlington Contract is hereby adopted by reference with the same effect as if set forth in its entirety in this Contract; and

WHEREAS, the District and the City of Arlington now wish to enter into a contract similar to the Base Contract and the Trinity River Authority Contract, but due to the expiration of certain time limits set in such contracts for the City of Arlington to execute a similar contract so as to be on a parity with the Cities of Fort Worth and Mansfield and Trinity River Authority of Texas with respect to priority of water supply rights, it is necessary to obtain the approval of the Cities of Fort Worth and Mansfield and Trinity River Authority of Texas to enable the City of Arlington to have the status of an Initial Contracting Party under the Base Contract on a parity with the others; and

WHEREAS, it is deemed necessary and advisable by the parties hereto to make certain modifications and amendments to the Base Contract and the Trinity River Authority Contract with respect to billing procedures and other matters, and to modify and amend the Arlington Contract to set forth additional rights, duties, and obligations of the City of Arlington with respect to the System and the Bonds; and it is deemed convenient and advisable by the parties hereto that all of the



aforesaid existing water supply contracts between the parties hereto be modified and amended so that the entire relationship between the District and all of the Initial Contracting Parties with respect to the System and the Bonds will be set forth in this Contract; and

WHEREAS, it is specifically represented, certified, and covenanted by the parties hereto that none of the modifications or amendments to the Base Contract, the Trinity River Authority Contract, or the Arlington Contract which will occur as a result of entering into this Contract will in any way have an adverse effect on the operation of the System or the rights of the owners of the Bonds; and that this Contract will provide additional security for the owners of the Bonds by obligating the City of Arlington to make unconditional and specific additional payments with respect to the System and the Bonds; and

WHEREAS, the provisions of this Contract are in substance essentially the same as the provisions of the Base Contract and the Trinity River Authority Contract, and basically restate and follow the form and substance thereof except for adding the City of Arlington as an Initial Contracting Party, for certain updating, and for establishing certain billing procedures and adjustments between the parties with respect to the use of and payments with respect to certain water from the System, which billing procedures and adjustments are solely between the Initial Contracting Parties and do not affect the unconditional obligations of such parties with respect to the System and the Bonds.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District agrees to use its best efforts to acquire, construct, and complete the Project in general accordance with the Engineering Report, and to supply raw water to the Contracting Parties and others from the System (which includes the Existing System and the Project), upon and subject to the terms and conditions hereinafter set forth; and subject to the provisions of Section 8(d) hereof, the District and the Initial Contracting Parties agree that the Base

Contract, the Trinity River Authority Contract, and the Arlington Contract are hereby modified, amended, combined, and consolidated so as henceforth to be in their entirety and for all purposes, as follows, to-wit:

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

A. "Additional Contracting Party" means any party not defined as one of the Initial Contracting Parties with which the District makes a contract similar to this Contract for supplying raw water from the System, provided that after execution of any such contract such party shall become one of the Contracting Parties for all purposes of this Contract, unless otherwise provided herein.

B. "Adjusted Annual Payment" means the Annual Payment, as adjusted during or after each Annual Payment Period, as provided by this Contract.

C. "Advisory Committee" means the committee to be created to consult with and advise the District with respect to the System as provided in Section 10 of this Contract.

D. "Annual Payment" means the amount of money to be paid to the District by each of the Contracting Parties during each Annual Payment Period as its proportionate share of the Annual Requirement.

E. "Annual Payment Period" means the period beginning on October 1 of each calendar year and ending on the last day of September of the next calendar year; provided, however, that the first Annual Payment Period under this Contract shall be the period of March 1, 1980, through February 28, 1981, and the second Annual Payment Period under this Contract shall be March 1, 1981, through September 30, 1981, and all payments heretofore made by all Initial Contracting Parties, including the City of Arlington, shall be revised and adjusted as if this Contract had been in effect as of March 1, 1980, subject to the provisions of Section 4C(b) hereof.

F. "Annual Requirement" means the total amount of money required for District to pay all Operation and Maintenance Expenses of the System, to pay the debt service on its Bonds, to pay or restore any amounts required to be deposited in any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolutions.

G. "Bond Resolution" means any resolution of the District which authorizes any Bonds.

H. "Bonds" means the Series 1977 Bonds, the Series 1979-A Bonds, and all bonds hereafter issued by the District, whether in one or more series or issues, and the interest coupons appertaining thereto, to acquire, construct, complete, improve, or extend the Project, and/or to improve or extend the Existing System, and any bonds issued to refund any Bonds or to refund any such refunding bonds.

I. "Contracting Parties" means the "Initial Contracting Parties", as defined in the first paragraph of this Contract, together with any other party or parties which hereafter becomes one of the Contracting Parties by becoming an Additional Contracting Party.

J. "Contracting Party" means any one of the Contracting Parties.

K. "District" means the "District" as defined in the preamble to this Contract.

L. "Engineering Report" means the "Engineering Report" as defined in the preamble to this Contract.

M. "Existing System" means the "Existing System" as defined in the preamble to this Contract.

N. "MGD" is an abbreviation for "million gallons of water per day" and means a quantity of water during a period of time expressed for convenience in terms of an average annual daily quantity during an Annual Payment Period. The value of two MGD, for example, is calculated as follows: two million gallons multiplied by the number of days in an Annual Payment Period.

O. "Operation and Maintenance Expenses" means all costs and expenses of operation and maintenance of the System, including (for greater certainty but without limiting the generality of the foregoing) repairs and replacements for which no special fund is created in the Bond Resolutions, operating personnel, the cost of utilities, the amounts required to pay the U.S. Army Corps of Engineers for water storage rights in Benbrook Reservoir used by Fort Worth as permitted by Section 3A(a) and 4C(b) hereof, the costs of supervision, engineering, accounting, auditing, legal services, supplies, services, administration of the System, and equipment necessary for proper operation and maintenance of the System, and payments made by District in satisfaction of judgments resulting from claims not covered by District's insurance arising in connection with the operation and maintenance of the System. The term also includes the charges of the bank or banks where the Bonds are payable. The term does not include depreciation.

P. "Project" means the "Project" as defined in the preamble to this Contract, and as provided in the Engineering Report.

Q. "Series 1977 Bonds" means the "Series 1977 Bonds" as defined in the preamble to this Contract.

R. "Series 1979 Bonds" means the "Series 1979 Bonds" as defined in the preamble to this Contract.

S. "Series 1979-A Bonds" means the "Series 1979-A Bonds" as defined in the preamble to this Contract.

T. "System" means collectively the Existing System and the Project; and the term System now means and includes and in the future shall mean and include only the water supply facilities of the District, and such term specifically does not mean or include and will not mean or include any flood control facilities or other non-water supply facilities of the District.

Section 2. CONSULTING ENGINEERS; CONSTRUCTION OF PROJECT.  
The District and the Contracting Parties agree that Freese and Nichols, Inc. shall be the Consulting Engineers for the

Project, provided that the Consulting Engineers may be changed at the option of the District. The District agrees to use its best efforts to acquire and construct the Project, and agrees that the Project will be acquired and constructed in general accordance with the Engineering Report. It is anticipated that such acquisition and construction will be in phases and that each phase will be financed by the District through the issuance of one or more series or issues of its Bonds; and the District agrees to use its best efforts to issue its Bonds for such purpose. The proceeds from the sale and delivery of the Bonds will be used for the payment of all of the District's expenses and costs in connection with the Project and the Bonds, including, without limitation, all financing, legal, printing, and other expenses and costs incurred in issuing its Bonds.

Section 3. QUANTITY, QUALITY, AND UNIT OF MEASUREMENT.

A. QUANTITY. (a) The District agrees to sell and to deliver to each Initial Contracting Party, respectively, at the applicable Point or Points of Delivery for each Initial Contracting Party, as provided in Section 9 hereof, or at any other Point or Points of Delivery as may be agreed upon between the District and any Contracting Party. However, it is covenanted and agreed that in the future each Contracting Party shall have the sole responsibility, at its own cost and expense, for providing any additional pipelines and other facilities required for transporting water from the System facilities to new or additional Points of Delivery. Each Contracting Party agrees to take at its Point or Points of Delivery, except as otherwise specifically provided in this Contract, all water required for use by such Contracting Party during the entire term of this Contract, for such Contracting Party's own use and for distribution to all customers served by such Contracting Party's distribution system, whether inside or outside its boundaries. It is specifically provided, however, that after the Contract Date, no Contracting Party shall enter into any agreement to supply any water for use outside the boundaries of

any city or other political subdivision which has entered into a written water supply contract which was in force and effect with such Contracting Party on February 28, 1980, unless each such agreement is made subject and subordinate in all respects to the water requirements of all of the Contracting Parties collectively under this Contract. For the purposes of this Section, the Cities of Lake Worth and Everman shall be deemed to have had such a contract with the City of Fort Worth in effect prior to February 28, 1980. No Contracting Party shall become a party to any contract for the sale of water which would violate or be inconsistent with the provisions of this Contract, and all such contracts shall recognize the priority of water use as provided in this Contract. It is the intention of the parties hereto that, except for the City of Mansfield's use of ground water produced from wells within its city limits as said city limits existed on the Contract Date, which it is hereby authorized to use without payment hereunder, and except for the City of Arlington's use of water from Lake Arlington and ground water produced from wells to which it is entitled, but for all of which it must pay in accordance with Section 4(C) of this Contract, and except for the City of Fort Worth's use of water from the Benbrook Reservoir on the Clear Fork of the Trinity River, Lake Worth on the West Fork of the Trinity River, and ground water produced from wells to which it is entitled, but for all of which it must pay in accordance with Section 4(C) of this Contract, the System shall be the sole and exclusive source of all raw water supply for each of the Contracting Parties; provided, however, that as to Trinity River Authority of Texas the aforesaid provisions shall apply only to its Tarrant County Water Project, which supplies treated water to the Cities of Bedford, Euless, Grapevine, North Richland Hills, Colleyville, and others. It is specifically recognized that the City of Fort Worth is located wholly within the boundaries of the District, but sells water to customers outside of the boundaries of the District. The District will use its best efforts to remain in position to furnish raw water sufficient for the reasonable demands of each Contracting

Party, but its obligation shall be limited to the amount of water available to it from the System. The District agrees to use its best efforts to issue its Bonds in amounts necessary to acquire, construct, maintain, improve, and extend the entire System, including the Project, so as to enable the District to furnish such water. However, in the event it becomes necessary to ration water from the System, the Initial Contracting Parties shall, within the limits permitted by law, have absolute priority to the use of all System water over all other Additional Contracting Parties which later become Contracting Parties; and all contracts with such later Contracting Parties shall recognize such priority and be made subordinate thereto. As between the Initial Contracting Parties, if water from the System must be rationed such rationing shall, within the limits permitted by law, be done by the District on the basis of the relative actual total amount of all water from the entire System taken by each such Contracting Party, respectively, during the last preceding Annual Payment Period in which rationing among said parties was not necessary.

(b) If the District is at any time during the term of this Contract unable to supply all the raw water requirements of the Contracting Parties for any reason, or if it should become apparent that the District will become unable to supply the Contracting Parties with their raw water requirements, and any Contracting Party determines that it is necessary to procure or use raw water from sources other than the District, then such Contracting Party shall give written notice to the District of its intention and desire to procure raw water from sources other than the District. Within thirty (30) days from the receipt by the District of such written notice, the District shall advise the Contracting Party in writing of whether it agrees that such Contracting Party should procure raw water from sources other than the District. In the event that the District agrees that it is necessary for such Contracting Party to procure raw water from other sources, such Contracting Party may proceed to procure such raw water from other sources at its

sole cost, and without any liability for damages accruing in favor of or against the District by reason thereof. If such Contracting Party procures water additional to that supplied by the District under this Contract, then such Contracting Party shall nevertheless continue to take from the District and pay for all raw water thereafter available to such Contracting Party from the District's System up to the full raw water requirements of such Contracting Party. If the District disagrees with such Contracting Party's written notice concerning the adequacy of the supply of raw water to be furnished by the District, then the District within said thirty-day period shall so advise such Contracting Party and the Advisory Committee, and thereafter the Advisory Committee shall make its recommendations to the parties within sixty (60) days after receipt of such notice. All Contracting Parties shall at all times have the right to secure water from any possible source in any emergency when the District is unable to deliver water from the System because of any "Force Majeure" as defined in this Contract.

B. OTHER CONTRACTS. (a) The District reserves the right to supply water from the System to Additional Contracting Parties under contracts similar to this Contract, subject to the requirements concerning "minimums" and "premiums" as provided in Section 4C. hereof, and the priority of use of water as provided in Section 3A. hereof. Each contract with any Additional Contracting Party shall comply with the requirements of this Contract, shall substantially restate the essential provisions of this Contract, and shall be structured to be similar hereto to the fullest extent applicable and practicable, with such additions or changes as are necessary to meet the actual circumstances, with the effect that each Additional Contracting Party will adopt the provisions of this Contract, as supplemented and necessarily changed by its contract. However, after the date of this Contract the District shall not obligate itself to deliver raw water from the System to any future Additional Contracting Party if such obligation would



jeopardize the District's ability to meet its obligation to deliver the amounts of water from the System required by prior Contracting Parties as provided in this Contract; and any such contract with a future Additional Contracting Party shall recognize, and be made subordinate to, the prior rights to water from the System of the Initial Contracting Parties.

(b) It is recognized and agreed that the District now has System raw water supply contracts which will remain in full force and effect, in accordance with their terms and provisions, with the parties listed as follows:

CUSTOMER & SOURCE

LAKE BRIDGE PORT

Wise County Water Supply Dist.  
Texas Industries  
City of Bridgeport  
Lake Bridgeport Properties

EAGLE MOUNTAIN

Tarrant Utility Co.  
Community Water Supply Corp.  
City of Azle  
City of River Oaks  
City of Springtown  
Tarrant County M.U.D. #1  
Texas Electric Service Co.

CEDAR CREEK LAKE

Ellis Water Co.  
City of Mabank  
City of Trinidad  
Cedar Creek Country Club  
SW Water Service, Inc. (Beachwood Estates)  
Tamarak (Cross/Tam Venture)  
City of Kemp  
Community Water Co. (Tool Plant)  
Community Water Co. (Woodcanyon Plant)  
Community Water Co. (Southwood Plant)  
Community Water Co. (Eastwood Plant)  
Community Water Co. (Cedarcrest Plant)  
Engel Utility Co.  
C-T Water Supply Co. (Carolynn Estates)  
Johnson Engineering Co. (Country Club)  
C-T Water Supply Co. (Deep Water Plant)  
C-T Water Supply Co. (Oak Shores)  
Southwest Water Service, Inc.  
Texas Electric Service Co.  
West Cedar Creek Municipal Utility District

The District shall enforce the aforesaid existing raw water supply contracts and charge the maximum rates, including interest for late payment, permitted thereunder during the terms thereof. Upon the expiration of each such contract with any party the District thereafter may sell water to such party

only on the basis that it is a new customer with respect to System water.

It is further recognized and agreed that in the future the District may sell raw water from the System to parties which are not Additional Contracting Parties, provided that all such future sales of raw water from the System to parties which are not Additional Contracting Parties shall in all respects be subordinate to the prior rights of the Contracting Parties to raw water from the System, and all such sales and contracts relating thereto shall recognize, and be made subordinate to, such prior rights.

C. QUALITY. The water to be delivered by the District and received by each Contracting Party shall be raw, untreated water from the System. Each Contracting Party has satisfied itself that such water will be suitable for its needs. The District and the Contracting Parties shall cooperate, each within its legal powers, in preventing all possible pollution and contamination of the reservoirs and watersheds from which System water is obtained. To the extent practical the District shall operate the Cedar Creek and Project components of the System so as to provide approximately equal chemical raw water quality from such sources to each Contracting Party.

D. UNIT OF MEASUREMENT. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

#### Section 4. FISCAL PROVISIONS.

A. FINANCING THE SYSTEM. Subject to the terms and provisions of this Contract, the District will provide and pay for the cost of the acquisition and construction of the Project and all System facilities, by using its best efforts to issue its Bonds in amounts which will be sufficient to accomplish such purposes, and the District will own and operate the System.

B. ANNUAL REQUIREMENT. It is acknowledged and agreed that payments to be made under this Contract and similar con-

tracts with Additional Contracting Parties will be the primary source available to the District to provide the Annual Requirement, and that, in compliance with the District's statutory duty to fix and from time to time revise the rates of compensation or charges for water sold and services rendered and made available by the District, the Annual Requirement will change from time to time, and that each such Annual Requirement shall be allocated among the Contracting Parties as hereinafter provided, and that the Annual Requirement for each Annual Payment Period shall at all times be not less than an amount sufficient to pay or provide for the payment of:

- (a) An "Operation and Maintenance Component" equal to the amount paid or payable for all Operation and Maintenance Expenses of the System; and
- (b) A "Bond Service Component" equal to:
  - (1) the principal of, redemption premium, if any, and interest on, its Bonds, as such principal, redemption premium, if any, and interest become due, less interest to be paid out of Bond proceeds or from other sources if permitted by any Bond Resolution, and all amounts required to redeem any Bonds prior to maturity when and as provided in any Bond Resolution; and
  - (2) the proportionate amount of any special or reserve funds required to be accumulated and maintained by the provisions of any Bond Resolution; and
  - (3) any amount in addition thereto sufficient to restore any deficiency in any of such funds required to be accumulated and maintained by the provisions of any Bond Resolution.

C. PAYMENTS FOR SERVICES. (a) For the water supply to be provided to the Contracting Parties under this Contract, each of the Contracting Parties agrees to pay, at the time and

in the manner hereinafter provided, its proportionate share of the Annual Requirement, which shall be determined as hereafter described and shall constitute a Contracting Party's Annual Payment. Each of the Contracting Parties shall pay its part of the Annual Requirement for each Annual Payment Period directly to the District, in approximately equal monthly installments to the extent that equal installments are practicable, on or before the 10th day of each month.

(b) For each Annual Payment Period each Contracting Party's proportionate share of the Annual Requirement shall be the amount calculated by estimating each Contracting Party's total annual water use during such period (and, for Fort Worth, the estimated portion of such total usage that will be attributable to its sale of water to its customers outside the boundaries of the District), all as determined by the District in consultation with each of the Contracting Parties, and by multiplying the number of thousands of gallons so estimated to be used by each Contracting Party times the sum of the rate of x and the applicable premium per thousand gallons, with x and the applicable premium per thousand gallons to be calculated for such Contracting Party in accordance with paragraph (d), below. Fort Worth's use of Benbrook Reservoir water, Lake Worth water, and ground water produced from wells and Arlington's use of all Lake Arlington water and ground water produced from wells shall be included and deemed to be the use of System water for all purposes of this Contract, but Mansfield's use of ground water produced from wells within its city limits as said city limits existed on the Contract Date shall be excluded and shall not be paid for. All such payments for each Annual Payment Period shall be made in accordance with a schedule of payments for the appropriate Annual Payment Period which will be supplied to each of the Contracting Parties by the District. At the close of each Annual Payment Period the District shall determine the actual measured number of thousands of gallons of raw water taken by each Contracting Party during said period; and each Contracting Party's Adjusted

Annual Payment shall be the amount calculated by multiplying the number of thousands of gallons so taken by such Contracting Party times the sum of the rate of x and the applicable premium per thousand gallons, with x and the applicable premium to be calculated in accordance with paragraph (d), below. The difference between each estimated Annual Payment pursuant to which each Contracting Party has made payments and the actual Annual Payment, if any, when determined, shall be applied as a credit or a debit to each Contracting Party's account with the District and shall be credited or debited in one-twelfth increments to each Contracting Party's next twelve monthly payments, or as otherwise agreed between the District and the affected Contracting Party, provided that all such credits and debits shall be made in a timely manner within the next Annual Payment Period. It is recognized, however, that the Contract Date is within the third Annual Payment Period, and that the payments which would have been due prior to the Contract Date must be adjusted among the Initial Contracting Parties as if it had been in full force in effect on March 1, 1980. Therefore, notwithstanding the other provisions of this Contract, any adjusted amounts due by any Initial Contracting Party with respect to the first two Annual Payment Periods, and for that part of the third Annual Payment Period to the Contract Date, shall be paid, in addition to the monthly payments required for the remainder of the third Annual Payment Period and each Annual Payment Period thereafter, in approximately equal monthly installments over the five year period following the Contract Date, and any party to this Contract entitled to a credit because of such adjustments shall be credited in approximately equal monthly installments during such five-year period.

(c) Notwithstanding the provisions of paragraph (b), above, and as an exception thereto, it is agreed that if, during any Annual Payment Period, any Contracting Party, for any reason whatsoever, actually takes or uses less than the minimum amount prescribed for it as hereinafter provided in this paragraph (c), such Contracting Party nevertheless shall

pay its share of each Annual Requirement as if it had actually taken and used such minimum amount; provided that if any such party takes and uses an amount equal to or in excess of such minimum amount, its share of each Annual Requirement shall be calculated on the basis of estimated and actual use as provided in paragraph (b), above. All contracts with Additional Contracting Parties shall provide for equitable minimums similar to those provided for below. Such minimums shall be fixed in amounts at least sufficient, as determined by the District, to assure an initial annual payment by such Additional Contracting Party for not less than the amount of its estimated use of raw water during the first year of service under such contract. All such contracts further shall provide for an equitable premium or surcharge to be paid by each Additional Contracting Party (using methodology similar to that expressed in paragraph (d), below, to the extent applicable and practical) so as to cause equitable treatment of all Contracting Parties to the end that each Additional Contracting Party will pay a fair share of previous capital expenditures with respect to the System as it then exists, including a fair share of the Bond Service Component previously paid by the Contracting Parties, all as determined by the District. For the purpose of calculating the minimum amount of each Annual Requirement for which each Contracting Party is unconditionally liable, without offset or counterclaim (also see Section 7), each Contracting Party, during each Annual Payment Period, shall be deemed to have taken and used the minimum annual average daily amount of System water (regardless of whether or not such amount is or was actually taken or used) specified for such Contracting Party above and as follows:

- (1) for each of the Initial Contracting Parties,  
as an initial minimum amount during each of the  
Annual Payment Periods within the period commencing March 1, 1980, and ending September 30, 1984:

City of Fort Worth:      43.28 MGD

City of Arlington:      30.00 MGD

City of Mansfield: 1.3 MGD

Trinity River Author-

ity of Texas: 5.5 MGD; and

- (2) during the Annual Payment Period commencing October 1, 1984, and during each Annual Payment Period thereafter, an amount for each Contracting Party, expressed in MGD, equal to the greater of: (i) the initial minimum amount fixed for such Contracting Party (being for each of the Initial Contracting Parties the amount fixed for it in clause (1), above), or (ii) the average annual MGD actually taken from the System by such Contracting Party during the period of the immediately preceding five consecutive Annual Payment Periods; provided, however, that for the purposes of this clause (ii) all System water up to (but not in excess of) 61.6 MGD taken by Fort Worth for sale to its out-of-District customers during each Annual Payment Period shall be deducted from the amount actually taken by Fort Worth during such Annual Payment Period and shall be disregarded in calculating the average annual MGD taken from the System by Fort Worth under this clause (ii).

The Operation and Maintenance Component and the Bond Service Component of each Annual Requirement shall be calculated on the basis of estimated and actual use, as provided in paragraph (b), above, except for, and subject to, the foregoing minimums, which shall be applicable as provided herein.

(d) Each Contracting Party's share of each Annual Requirement shall be calculated as provided in paragraphs (a), (b), and (c), above. The applicable rate of x cents per thousand gallons of raw water shall be calculated as provided in this paragraph (d), which rate includes certain premiums prescribed below, for each Initial Contracting Party. In

calculating the rate of x cents per thousand gallons, the term x shall be determined by the following formula:

$$\begin{aligned} & F_1 (x) + F_o (x + P_{fo}) + A (x + P_a) \\ & + T (x + P_t) + M (x + P_m) + C (x \\ & + P_c) = E - R \end{aligned}$$

Where:

- $F_1$  = Fort Worth's total water taken for use within the District expressed in thousands of gallons
- $F_o$  = Fort Worth's total water taken for sale to its out-of-District customers expressed in thousands of gallons
- $A$  = Arlington's total usage of water expressed in thousands of gallons
- $T$  = Trinity River Authority's total usage of water expressed in thousands of gallons
- $M$  = Mansfield's total usage of water (other than ground water produced from wells within its city limits) expressed in thousands of gallons
- $C$  = Total usage of water by each Additional Contracting Party expressed in thousands of gallons (there may be more than one  $C (x + P_c)$  terms in the equation depending upon the number of Additional Contracting Parties)
- $P_{fo}$  = Premium per 1000 gallons applicable to water taken by the City of Fort Worth for sale outside of the District as specified below
- $P_a$  = Premium per 1000 gallons applicable to City of Arlington as specified below
- $P_t$  = Premium per 1000 gallons applicable to the Trinity River Authority as specified below
- $P_m$  = Premium per 1000 gallons applicable to the City of Mansfield as specified below
- $P_c$  = Premium per 1000 gallons applicable to each Additional Contracting Party as specified below
- $E$  = Annual Requirement
- $R$  = All revenues of the System excluding (i) revenues derived by the District from the Contracting Parties, (ii) revenues derived by the District from the production of oil, gas, and other minerals owned by the District, and the revenues derived from the granting, sale, or lease of the right to explore for and produce same, and (iii) the royalties, rentals, license fees, and other income (other than from water sales) derived by the District from (a) lands and assets owned by the District as flood control facilities and (b) property of the District at Eagle Mountain Dam and Reservoir and Bridgeport Dam and Reservoir on the West Fork of the Trinity River.

The premiums referred to in the preceding portion of this paragraph (d) shall be, respectively, as follows:



(i) For the City of Arlington, 7.00 cents per thousand gallons for the period March 1, 1980 - February 28, 1981; 6.825 cents per thousand gallons for the period March 1, 1981 - September 30, 1981; 6.65 cents per thousand gallons for the period October 1, 1981 - September 30, 1982, and shall be reduced for each successive twelve-month period by an additional 0.175 cents per thousand gallons.

(ii) For Trinity River Authority and the City of Mansfield, and for raw water taken by Fort Worth and sold to its out-of-District customers, 12.00 cents per thousand gallons for the period March 1, 1980 - February 28, 1981; 11.70 cents per thousand gallons for the period March 1, 1981 - September 30, 1981; 11.40 cents per thousand gallons for the period October 1, 1981 - September 30, 1982, and shall be reduced for each successive twelve-month period by an additional 0.30 cents per thousand gallons. Fort Worth shall keep records, which shall be available for inspection during all reasonable business hours to the District and each Contracting Party, showing its sales of water to its out-of-District customers.

After each Initial Contracting Party's premium specified above shall have been reduced to zero by the application of the reductions as so provided, each Initial Contracting Party shall make the foregoing payments due under this Contract calculated with a premium of zero.

(e) It is further specifically provided, however, notwithstanding the foregoing provisions of this Contract, that during each Annual Payment Period from October 1, 1982, through September 30, 1995, each Contracting Party's share of each Annual Requirement shall be further adjusted as follows: the District shall make a surcharge per thousand gallons for raw water taken by the City of Arlington, Trinity River Authority, the City of Mansfield, any Additional Contracting Parties, and for raw water taken by the City of Fort Worth and sold to its out-of-District customers, with such surcharge to be equal to the number of cents which, when multiplied by the aggregate number of thousands of gallons of water so taken, will produce

the sum of \$282,000, and said sum shall be applied to the payment of each such Annual Requirement, and the amount which otherwise would be due from the City of Fort Worth under this Contract in payment of its share of each such Annual Requirement shall be reduced by said sum.

(f) It is specifically covenanted among the parties to this Contract that the payment of the premiums and surcharges set forth above will constitute an agreed method of adjusting the equities of the Initial Contracting Parties with respect to the Existing Facilities, and will result in placing such Initial Contracting Parties on a substantial parity in connection therewith.

(g) Each Contracting Party's share of the Annual Requirement shall be redetermined, after consultation with each of the Contracting Parties, at any time during any Annual Payment Period, to the extent deemed necessary or advisable by the District, if:

- (i) The District commences supplying System water to an Additional Contracting Party or Parties;
- (ii) Unusual, extraordinary, or unexpected expenditures for Operation and Maintenance Expenses are required which are not provided for in the District's Annual Budget for the System or in any Bond Resolution;
- (iii) Operation and Maintenance Expenses are substantially less than estimated;
- (iv) The District issues Bonds which require an increase in the Bond Service Component of the Annual Payment; or
- (v) The District receives either significantly more or significantly less revenues or other amounts than those anticipated.

(h) During each Annual Payment Period the revenues of the System described and defined as constituting "R" under the formula set forth in paragraph (d), above, shall be credited to, and be used for paying part of the Annual Requirement, with

the result that such credits shall reduce, to the extent of such credits, the amounts which otherwise would be payable by the Contracting Parties pursuant to the methods prescribed in paragraphs (b), (c), and (d), above. The District shall estimate all such credits which it expects to make during each Annual Payment Period in calculating each Annual Payment.

(i) As soon as practicable after the execution of this Contract, and on or before June 15 of each calendar year thereafter, the District shall furnish each Contracting Party with a tentative schedule of the aggregate monthly payments to be made by such party to the District for the ensuing Annual Payment Period. As soon as practicable after the date of this Contract, and on or before October 1 of each calendar year thereafter the District shall furnish each Contracting Party with a final estimated schedule of the monthly payments to be made by such party to the District for the ensuing Annual Payment Period, together with supporting budgetary or proposed budgetary data showing the basis for arriving at such schedule. Each Contracting Party hereby agrees that it will make such payments to the District on or before the 10th day of each month of such Annual Payment Period. If any Contracting Party at any time disputes the amount to be paid by it to the District, such complaining party shall nevertheless promptly make such payment or payments, but if it is subsequently determined by agreement or court decision that such disputed payments made by such complaining party should have been less, or more, the District shall promptly revise and reallocate the charges among all Contracting Parties in such manner that such complaining party will recover its overpayment or the District will recover the amount due it. All amounts due and owing to the District by each Contracting Party or due and owing to any Contracting Party by the District shall, if not paid when due, bear interest at the rate of ten (10) percent per annum from the date when due until paid. The District shall, to the extent permitted by law, suspend delivery of water from the System to any Contracting Party which remains delinquent in any payments

due hereunder for a period of sixty days, and shall not resume delivery of water while such Contracting Party is so delinquent. It is further provided and agreed that if any Contracting Party should remain delinquent in any payments due hereunder for a period of one hundred twenty days, and if such delinquency continues during any period thereafter, such Contracting Party's minimum amount of MGD as described in (c) above, shall be deemed to have been zero MGD during all periods of such delinquency, for the purpose of calculating and redetermining the percentage of each Annual Payment to be paid by the non-delinquent contracting Parties. However, the District shall pursue all legal remedies against any such delinquent Contracting Party to enforce and protect the rights of the District, the other Contracting Parties, and the holders of the Bonds, and such delinquent Contracting Party shall not be relieved of the liability to the District for the payment of all amounts which would have been due hereunder, in the absence of the next preceding sentence. It is understood that the foregoing provisions are for the benefit of the holders of the Bonds so as to insure that all of the Bond Service Component of each Annual Requirement will be paid by the non-delinquent Contracting Parties during each Annual Payment Period regardless of the delinquency of a Contracting Party. If any amount due and owing by any Contracting Party to the District is placed with an attorney for collection, such Contracting Party shall pay to the District all attorneys fees, in addition to all other payments provided for herein, including interest.

(j) If, during any Annual Payment Period, any Contracting Party's Annual Payment is redetermined as provided in (g), above, the District will promptly furnish such Contracting Party with an updated schedule of monthly payments reflecting such redetermination.

#### Section 5. SPECIAL PROVISIONS.

A. The District will continuously operate and maintain the System in an efficient manner and in accordance with good business and engineering practices, and at reasonable cost and

expense. By executing this Contract the Contracting Parties waive any and all claims, as against each other, to any preferential right or entitlement to the capacity or use of specific water sources of the District. The District recognizes its right and duty to operate the various facilities of the System in the most prudent and economical manner for the benefit of all the Contracting Parties.

B. The District agrees to carry fire, casualty, public liability, and other insurance on the System for purposes and in amounts which ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the District shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the District's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute an Operation and Maintenance Expense of the System.

C. It is estimated that the Project will be placed in operation in 1990. It is expressly understood and agreed, however, that any obligations on the part of the District to acquire, construct, and complete the Project and to provide raw water from the Project to the Contracting Parties shall be (i) conditioned upon the District's ability to obtain all necessary permits, material, labor, and equipment, and upon the ability of the District to finance the cost of the Project through the actual sale of the District's Bonds and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State of Texas, and any regulatory body having jurisdiction.

D. Title to all water supplied hereunder to each Contracting Party shall be in the District up to each Point of Delivery, at which point title shall pass to the receiving

Contracting Party. Each of the parties hereto hereby agrees to save and hold each other party hereto harmless from all claims, demands, and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party.

E. The District shall never have the right to demand payment by any Contracting Party of any obligations assumed by it or imposed on it under and by virtue of this Contract from funds raised or to be raised by taxes, and the obligations under this Contract shall never be construed to be a debt of such kind as to require any of the Contracting Parties to levy and collect a tax to discharge such obligation.

F. Each of the Cities of Fort Worth, Arlington, and Mansfield, respectively, represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its combined waterworks and sewer system, as defined in Vernon's Ann. Tex. Civ. St. Article 1113, and that all such payments will be made from the revenues of its combined waterworks and sewer System. The obligation of Trinity River Authority of Texas to make payments under this Contract shall constitute reasonable and necessary "operating expenses" of its Tarrant County Water Project, which supplies treated water to the Cities of Bedford, Euless, Grapevine, North Richland Hills, Colleyville, and others, and such payments shall be made from the revenues received by Trinity River Authority of Texas from said Tarrant County Water Project. Each of the Contracting Parties, respectively, represents and has determined that the water supply to be obtained from the System, including the Project, is absolutely necessary and essential to the present and future operation of its water system and is the only available and adequate source of supply of water therefor, and, accordingly, all payments required by this Contract to be made by each Contracting Party shall constitute reasonable and necessary operating expenses of its respective system or systems as described above with the effect that the obligation to make

such payments from revenues of such system or systems shall have priority over any obligation to make any payments from such revenues, whether of principal, interest, or otherwise, with respect to all bonds heretofore or hereafter issued by such Contracting Party.

G. Each of the Contracting Parties agrees throughout the term of this Contract to continuously operate and maintain its combined waterworks and sewer system or water system, as the case may be, and to fix and collect such rates and charges for water and sewer services or water services to be supplied by its combined waterworks and sewer system or water system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract and (ii) all other amounts as required by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding.

Section 6. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of each Contracting Party to make the payments required under Section 4C. of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other parties within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any Civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions,

breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and inability on the part of the District to deliver water hereunder for any reason, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 7. UNCONDITIONAL OBLIGATION TO MAKE PAYMENTS.

Recognizing the fact that the Contracting Parties urgently require the facilities and services of the System, and that such facilities and services are essential and necessary for actual use and for standby purposes, and recognizing the fact that the District will use payments received from the Contracting Parties to pay and secure the Bonds, it is hereby agreed that each of the Contracting Parties shall be unconditionally obligated to pay, without offset or counterclaim, its proportionate share of each Annual Requirement, as provided and determined by this Contract (including the obligations for paying for "minimums" as described in Section 4C. hereof), regardless of whether or not the District actually acquires, constructs, or completes the Project or is actually delivering water from the System to any Contracting Party hereunder, or whether or not any Contracting Party actually receives or uses water from the System whether due to Force Majeure or otherwise, regardless of any other provisions of this or any other contract or agreement between any of the parties hereto. This covenant by the Contracting Parties shall be for the benefit of the holders of the Bonds.

Section 8. TERM OF CONTRACT; MODIFICATION; NOTICES; STATE OR FEDERAL LAWS, RULES, ORDERS, OR REGULATIONS.

A. TERM OF CONTRACT. (a) This Contract shall be effective as of March 1, 1980, and this Contract shall continue in force and effect until all Bonds and all interest coupons appertaining thereto shall have been paid, and thereafter shall continue in force and effect during the entire useful life of the System. The requirement for making the Annual Payments as prescribed in Section 4 of this Contract shall commence on March 1, 1980.



(b) It is recognized that the District issued the Series 1979-A Bonds after the date of the Base Contract and before the first Annual Payment Period, but that no payments of principal of or interest on such Bonds were required prior to the first Annual Payment Period under the Base Contract.

(c) It is specifically agreed and understood that this Contract, as of its date, will supersede all of the contracts, agreements, and arrangements between each of the parties hereto with respect to the System and the water therefrom and the Bonds, and that this Contract, as of March 1, 1980, will completely amend and supersede all such contracts, agreements, and arrangements with respect to the System and the water therefrom and the Bonds, and will constitute the sole agreement between the parties hereto or any of them with respect to the System and the water therefrom and the Bonds; and all such previous contracts, agreements, and arrangements shall be void and shall be of no force or effect, except for liabilities accrued thereunder prior to March 1, 1980, and except as provided in subsection (d), below. Notwithstanding and regardless of the foregoing provisions of this subsection (c) it is specifically agreed and understood that all rights of the District and of each of the Initial Contracting Parties which existed and accrued under any contract or agreement described in this Contract shall continue to exist, be preserved, and be fully enforceable with respect to and against any entity which is not an Additional Contracting Party or a party to this Contract, the same as if such contract or agreement were in full force and effect for all purposes, and all legal and equitable remedies with respect to such rights shall be available and may be pursued against any entity which is not an Additional Contracting Party or a party to this Contract.

(d) It is recognized by the parties to this Contract that an executed copy of the Base Contract and the proceedings relating thereto were submitted to the Honorable Mark White, Attorney General of Texas, along with the Series 1979-A Bonds, as provided by the District Act, and that the Attorney General,

in his certificate and opinion dated October 9, 1979, found specifically that the Base Contract had been made in accordance with the Constitution and laws of the State of Texas and that the Base Contract was valid and enforceable in accordance with its terms and provisions; and further the Attorney General approved the 1979-A Bonds and the Base Contract, with the effect that pursuant to the provisions of the District Act the Base Contract "shall be valid and binding and shall be incontestable for any cause". In order to protect the rights of the owners of the Bonds and the parties to this Contract, it is specifically agreed and understood by the parties to this Contract that, any provisions of this Contract to the contrary notwithstanding, if for any reason whatsoever this Contract, or any part of this Contract significantly affecting the rights of the owners of the Bonds, should be held to be invalid or unconstitutional, or in contravention of any law or any constitutional provisions, then the Base Contract, the Trinity River Authority Contract, and the Arlington Contract shall be construed and deemed to be and to have been in full force and effect at all times to the extent required to protect the rights of the owners of the Bonds and the parties to such contracts, with the Base Contract at the time of execution thereof constituting the underlying security for the Series 1979-A Bonds. It is further agreed and understood by the parties to this Contract that this Contract is amendatory in nature and is not intended to abrogate the rights of the owners of the Bonds or to affect adversely in any way the security therefor, but is intended to increase the security therefor, substantially restate, carry forward, and update the provisions of the Base Contract, and add additional parties thereto as permitted thereby.

B. MODIFICATION. No change or modification of this Contract shall be made which will affect adversely the prompt payment when due of all moneys required to be paid by each Contracting Party under the terms of this Contract and no such

change shall be effective which would cause a violation of any provisions of any Bond Resolution.

C. ADDRESS AND NOTICE. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the District, to:

Tarrant County Water Control and  
Improvement District Number One  
P. O. Box 4508  
Fort Worth, Texas 76106

If to the Initial Contracting Parties, as follows:

City of Fort Worth  
1000 Throckmorton  
Fort Worth, Texas 76102

City of Arlington  
200 West Abram  
P. O. Box 231  
Arlington, Texas 76010

City of Mansfield  
100 E. Broad Street  
Mansfield, Texas 76063

Trinity River Authority of Texas  
P. O. Box 10  
Arlington, Texas 76010

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by

at least fifteen (15) days' written notice to the other parties hereto.

D. STATE OR FEDERAL LAWS, RULES, ORDERS, OR REGULATIONS.

This Contract is subject to all applicable Federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction.

Section 9. POINTS OF DELIVERY; MEASUREMENT; OPERATION OF FACILITIES.

A. CITY OF FORT WORTH FACILITIES. (a) The City of Fort Worth, hereinafter in this Section 9A called the "City", receives raw water from the District at three points of delivery. Water from Lake Bridgeport and Eagle Mountain Lake (the "West Fork System") is delivered to the City by releases from Eagle Mountain Lake into Lake Worth, and the City withdraws water from Lake Worth as needed through pipelines leading to the City's Holly Filtration Plants. Water from Cedar Creek Reservoir and Richland-Tehuacana Reservoir will be delivered to the City at the Rolling Hills Filtration Plant. Water is also delivered to the City by deliveries from Lake Benbrook into the Clear Fork of the Trinity River. For purposes of Section 9A of this agreement, the point of discharge of the Eagle Mountain Dam outlets into the upper end of Lake Worth shall be known as the "Northwest Point of Delivery", the point of entry of raw water into the Rolling Hills Filtration Plant shall be known as the "Southeast Point of Delivery", and the point of discharge at the Benbrook Dam outlet shall be known as the "Benbrook Dam Point of Delivery."

(b) The City, at its sole cost, and without credits or reimbursements from the District or other Contracting Parties, shall maintain and operate the Lake Worth reservoir, dam, spillway, and appurtenances and all operations and facilities, including pipelines, used to transport and deliver water from

the Clear Fork of the Trinity River to the Fort Worth Holly water treatment plant. The District shall have the right, but not the obligation, to notify the City of maintenance or repair work deemed necessary by District, and the City agrees to take appropriate steps to effect that identified maintenance and repair work, and in the event that such work is not done and performed by the City, to diminish or withhold deliveries of water at the Point of Delivery until such work is accomplished. In the event of measurable and preventable leakage of raw water from any of the facilities to be maintained by the City, the City shall pay the District for such raw water losses as if it had taken and used same from the System. The District shall make releases from Eagle Mountain Dam sufficient to maintain the water surface of Lake Worth at or above elevation 590.0. The City agrees to limit its annual diversions from the existing System facilities on the West Fork of the Trinity River to not more than 100,000 acre-feet per year whenever the combined contents of Lake Bridgeport and Eagle Mountain Lake total 250,000 acre-feet or more. At such times as the combined contents of Lake Bridgeport and Eagle Mountain Lake total less than 250,000 acre-feet, the City agrees to limit its annual diversions from Lake Worth to not more than 46,000 acre-feet, beginning with the next Annual Payment Period. For purposes of determining the volume of water available for diversion by the City from Lake Worth in any given month, the contents of Lake Bridgeport and Eagle Mountain Lake as of the first day of the month shall be considered to apply for the full month. It is recognized that the City's requirements vary seasonally, and the City shall be entitled to vary the monthly diversions from Lake Worth in accordance with the normal pattern of its seasonal requirements provided the annual rate of diversion is kept within the above stated limits. The District shall have the right to pass water through Lake Worth for District's use or sale to the City of River Oaks and to Texas Electric Service Company, and other water customers of the District.

(c) The City shall be entitled to receive, and the District shall be obligated to deliver, raw water at the Northwest, Benbrook, and Southeast Points of Delivery as necessary to supply the City's raw water needs, subject to limitations as set out elsewhere herein.

(d) (i) The City shall provide, operate, maintain and read meters which shall record water taken by the City to the extent such metering is practicable. The principal points of measurement for water taken by the City under this Contract shall be at the City's water treatment plants by standard totalizing-indicating-recording meters which shall measure the volume of water with an accuracy between the limits of 98 percent and 102 percent of true volume. Other raw water taken by the City shall be measured through a conventional type of approved meter wherever practicable or by other approved method of measurement or estimate where the use of conventional meters is not practicable. In general, the City shall measure the water supplied under this Contract by the most accurate devices and methods practicable for use by the City.

(ii) The City shall keep accurate records of all the measurements of water required under this Contract, and the measuring devices and such records shall be open to inspection of the District at all times. The District shall have access to the metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by employees or agents of the City. For the purpose of this Contract the original record or reading of the meter or meters shall be the journal or other record book of the City in its office in which the records of the employees or agents of the City who take the readings are or may be transcribed. Upon written request of the District, the City will give the District a copy of such journal or record book, or permit the District to have access to the same in the office of the City during reasonable business hours.

(iii) Not more than once in each calendar month, on a date as near the end of such calendar month as practical, the

City shall calibrate its raw water meters at the City's water treatment plants if requested in writing by the District to do so, in the presence of a representative of the District, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary. If the District shall in writing request the City to calibrate its raw water meters at the City's water treatment plants, the City shall give the District notice of the time when any such calibration is to be made and if a representative of the District is not present at the time set, the City may proceed with the calibration and adjustment in the absence of any representative of the District.

(iv) If upon any test of the raw water meters at the City's treatment plants, the percentage of inaccuracy of such metering equipment is found to be in excess of two (2) percent, registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable, then for a period extending back one half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purposes, the best data available shall be deemed to be the registration of high service pump station meter or meters at the City's water treatment plants, if the same have been installed and are accurately registering, to which registration the filter plant losses between the raw water meters and the high service meters shall be added based on a mutually agreed estimate of such losses. Otherwise, the amount of water delivered during such period may be estimated by:

- (a) Correcting the error if the percentage of the error is ascertainable by calibration tests or

mathematical calculation, or

- (b) Estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Similarly, the District shall have the right to make checks, at its expense but with the cooperation of the City of all other measuring devices required under this Contract and to check the computations or estimates of unmetered raw water used to meet the requirements of the City under this Contract. Any necessary corrections of such meter readings, estimates, or determination of use shall comply as far as practicable with the methods set forth in the foregoing paragraph. Monthly readings of the totalizing meters at the City's treatment plants shall be made by the City, and by the District if it so elects, at a regular hour on the morning of the 1st day of each month. Other meter readings and determinations of water used during a monthly period shall be made in accordance with the customary practice of the City, but in no case later than the 15th day of each month.

B. CITY OF ARLINGTON FACILITIES. (a) The City of Arlington, hereinafter in this Section 9B. called the "City", uses Lake Arlington (the "Lake") as a source of raw water supply and as a storage reservoir, and owns 56 per cent of the conservation capacity and safe yield of the Lake, with the remaining 44 per cent being owned by the Texas Electric Service Company under the terms of an Agreement with the City dated June 29, 1955. The City presently receives delivery of water from the District at the Lake (the "Lake Arlington Point of Delivery"). Deliveries at the Lake Arlington Point of Delivery shall be sufficient to permit all of the raw water requirements of the City to be diverted from the lake until the new Southwest Arlington treatment plant is operational. The District shall provide an additional Point of Delivery at a connection on the Cedar Creek pipeline, or, at the City's option, at the District's balancing reservoir on such pipeline, to supply the



new Southwest Arlington water treatment plant to be located at Eden Road and U.S. Highway 287 ("Southwest Arlington Point of Delivery"), such connection at the Southwest Arlington Point of Delivery to be completed and ready to deliver water when that plant is operational, and the District shall thereafter make available from its System at the Lake Arlington Point of Delivery and at the connection at the Southwest Arlington Point of Delivery all of the raw water requirements of the City. All facilities required to transport water from the connection on the Cedar Creek pipeline to the Southwest Arlington treatment plant shall be acquired, constructed, owned, and maintained by the City at its sole cost.

(b) The District shall release water from the Cedar Creek and/or Richland Chambers pipelines into Village Creek, or shall otherwise deliver water into the Lake, in amounts which will maintain the Lake water surface at or above Elevation 531. All water taken by the City from the Lake shall be deemed to be System water, and shall be paid for as such in accordance with the provisions of this Contract, regardless of the actual source of such water.

(c) The District shall have the right to utilize the Lake for the storage of water up to its full capacity and shall have the right to divert water from the Lake for District's use or sale to others when the Lake level is above Elevation 545, or when the Lake level is below Elevation 545 provided the District replaces an amount of water equal to the diversion as soon as feasible.

(d) The City, at its sole cost, and without credits or reimbursements from the District, shall maintain and operate the Lake reservoir, dam, spillways and appurtenances. The District shall have the right, but not the obligation, to notify the City of maintenance or repair work deemed necessary by District, and in the event that such work is not done and performed by the City, to diminish or withhold deliveries of water at the Point of Delivery until such work is accomplished. In the event of measurable and preventable leakage of raw water

so, in the presence of a representative of the District, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary. If the District shall in writing request the City to calibrate its raw water meters at the City's water treatment plants, the City shall give the District notice of the time when any such calibration is to be made and if a representative of the District is not present at the time set, the City may proceed with the calibration and adjustment in the absence of any representative of the District.

(iv) If upon any test of the raw water meters at the City's treatment plants, the percentage of inaccuracy of such metering equipment is found to be in excess of two (2) per cent, registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable, then for a period extending back one half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purposes, the best data available shall be deemed to be the registration of high service pump station meter or meters at the City's water treatment plants, if the same have been installed and are accurately registering, to which registration the filter plant losses between the raw water meters and the high service meters shall be added based on a mutually agreed estimate of such losses. Otherwise, the amount of water delivered during such period may be estimated by:

- (a) Correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or

from any of the facilities to be maintained by the City, the City shall pay District for such raw water losses as if it had taken and used same from the System.

(e) (i) The City shall provide, operate, maintain, and read meters which shall record water taken by the City to the extent such metering is practicable. The principal points of measurement for water taken by the City under this Contract shall be at the City's water treatment plants by standard totalizing-indicating-recording meters which shall measure the volume of water with an accuracy between the limits of 98 per cent and 102 per cent of true volume. Other raw water taken by the City shall be measured through a conventional type of approved meter wherever practicable or by other method of measurement or estimate where the use of conventional meters is not practicable. In general, the City shall measure the water supplied under this Contract by the most accurate devices and methods practicable for use by the City.

(ii) The City shall keep accurate records of all the measurements of water required under this Contract, and the measuring devices and such records shall be open to inspection of the District at all times. The District shall have access to the metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by employees or agents of the City. For the purpose of this Contract the original record or reading of the meter or meters shall be the journal or other record book of the City in its office in which the records of the employees or agents of the City who take the readings are or may be transcribed. Upon written request of the District, the City will give the District a copy of such journal or record book, or permit the District to have access to the same in the office of the City during reasonable business hours.

(iii) Not more than once in each calendar month, on a date as near the end of such calendar month as practical, the City shall calibrate its raw water meters at the City's water treatment plants if requested in writing by the District to do

- (b) Estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Similarly, the District shall have the right to make checks, at its expense but with the cooperation of the City of all other measuring devices required under this Contract and to check the computations or estimates of unmetered raw water used to meet the requirements of the City under this Contract. Any necessary corrections of such meter readings, estimates, or determination of use shall comply as far as practicable with the methods set forth in the foregoing paragraph. Monthly readings of the totalizing meters at the City's treatment plants shall be made by the City, and by the District if it so elects, at a regular hour on the morning of the 1st day of each month. Other meter readings and determinations of water used during a monthly period shall be made in accordance with the customary practice of the City, but in no case later than the 15th day of each month.

C. CITY OF MANSFIELD FACILITIES. (a) Subject to the following provisions hereof, the District shall release water from the existing System pipeline into a Point of Delivery at the existing pipeline constructed by the City of Mansfield, hereinafter in this Section 9C. called the "City", in amounts which shall be sufficient to permit City to divert all of its raw water requirements from the System under this Contract. The City at its sole cost shall maintain and operate the connecting pipeline and appurtenances. The District shall have the right, but not the obligation, to notify City of maintenance or repair work deemed necessary by District, and in the event that such work is not done and performed by City, to diminish or withhold deliveries of water to City until such work is accomplished. In the event of measurable and preventable leakage of raw water from any of the facilities to be maintained by the City, the City shall pay District for such raw water losses as if it had taken and used same from the System.

(b) (i) The City shall provide, operate, maintain, and read meters which shall record water taken by the City to the extent such metering is practicable. The principal points of measurement for water taken by the City under this Contract shall be at the City's water treatment plants by standard totalizing-indicating-recording meters which shall measure the volume of water with an accuracy between the limits of 98 per cent and 102 per cent of true volume. Other raw water taken by the City shall be measured through a conventional type of approved meter wherever practicable or by other approved method of measurement or estimate where the use of conventional meters is not practicable. In general, the City shall measure the water supplied under this Contract by the most accurate devices and methods practicable for use by the City.

(ii) The City shall keep accurate records of all the measurements of water required under this Contract and the measuring devices and such records shall be open to inspection of the District at all times. The District shall have access to the metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by employees or agents of the City. For the purpose of this Contract the original record or reading of the meter or meters shall be the journal or other record book of the City in its office in which the records of the employees or agents of the City who take the readings are or may be transcribed. Upon written request of the District, the City will give the District a copy of such journal or record book, or permit the District to have access to the same in the office of the City during reasonable business hours.

(iii) Not more than once in each calendar month, on a date as near the end of such calendar month as practical, the City shall calibrate its raw water meters at the City's water treatment plants if requested in writing by the District to do so, in the presence of a representative of the District, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary.

If the District shall in writing request the City to calibrate its raw water meters at the City's water treatment plants, the City shall give the District notice of the time when any such calibration is to be made and if a representative of the District is not present at the time set, the City may proceed with the calibration and adjustment in the absence of any representative of the District.

(iv) If upon any test of the raw water meters at the City's treatment plants, the percentage of inaccuracy of such metering equipment is found to be in excess of two (2) per cent, registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable, then for a period extending back one half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purposes, the best data available shall be deemed to be the registration of high service pump station meter or meters at the City's water treatment plants, if the same have been installed and are accurately registering, to which registration the filter plant losses between the raw water meters and the high service meters shall be added based on a mutually agreed estimate of such losses. Otherwise, the amount of water delivered during such period may be estimated by:

- (a) Correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or
- (b) Estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Similarly, the District shall have the right to make checks, at its expense but with the cooperation of the City of all other measuring devices required under this Agreement and to check the computations or estimates of unmetered raw water used to meet the requirements of the City under this Contract. Any necessary corrections of such meter readings, estimates, or determination of use shall comply as far as practicable with the methods set forth in the foregoing paragraph. Monthly readings of the totalizing meters at the City's treatment plants shall be made by the City, and by the District if it so elects, at a regular hour on the morning of the 1st day of each month. Other meter readings and determinations of water used during a monthly period shall be made in accordance with the customary practice of the City, but in no case later than the 15th day of each month.

D. TRINITY RIVER AUTHORITY OF TEXAS FACILITIES.

(a) Trinity River Authority of Texas (the "Authority") is entitled to receive raw water from the System for the sole purpose of treating such water to provide potable water from its facilities known as the "Tarrant County Water Project", to serve areas described as "Potential Service Areas" of the District or the Authority in the North Central Regional Water Supply Study dated November, 1974. The Authority agrees that it will not serve any other areas with water derived from the System.

(b) The District will release raw water from the System into Village Creek (which shall be the Point of Delivery to the Authority) in such amounts as are required by the Authority under this Contract. The Authority at its sole cost shall make such arrangements and provide such facilities as are necessary to divert its System water from Lake Arlington and transport same to its treatment plant. The District shall have the right, but not the obligation, to notify the Authority of reasonable maintenance or repair work deemed necessary by the District to the Authority's intake facilities, and in the event such work is not done and performed by the Authority, to

diminish or withhold deliveries of water to the Authority until such work is accomplished. In the event of measurable and preventable raw water leakages from the intake facilities, the Authority shall pay the District for such raw water losses as if it had taken and used same from the System.

(c) (i) The Authority shall provide, operate, maintain, and read meters which shall record water delivered to the Authority. The principal measurement points for water taken by the Authority under this Contract shall be the Authority's intake facilities at Lake Arlington and the water treatment plant of its Tarrant County Water Project. Measurement will be by standard totalizing-indicating- recording meters which shall measure the water volume with an accuracy between the limits of 98 per cent and 102 per cent of true volume, with a type mutually agreed upon by Authority and District. Authority shall measure the water supplied under this Contract by the most accurate devices and methods practicable for use by the Authority.

(ii) The Authority shall keep accurate records of all measurement of water required under this Contract and the measuring devices and such records shall be open to inspection of District during reasonable business hours. The District shall have access to the metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by employees or agents of the Authority. The original record or reading of meter(s) shall be the journal or other record book of the Authority in its office in which the records of the employees or agents of the Authority who take the readings are transcribed. Upon written request of the District, the Authority will give the District a copy of such journal or record book, or permit the District to have access to same in the Authority's office during reasonable business hours.

(iii) Not more than once each calendar month, on a date as near the end of such calendar month as practical, the Authority shall calibrate its raw water meters in the presence



of a District representative, if requested in writing by the District to do so. The parties shall jointly observe any adjustments which are made to the meters at the Authority's intake facilities and water treatment plant. The Authority shall give the District notice of the time when any such calibration is to be made and if a District representative is not present at the time set, the Authority may proceed with the calibration and adjustment.

(iv) If upon any test of the raw water meters, the percentage of inaccuracy is found to be in excess of two (2) per cent, registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable then back one half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purposes, the best data available shall be deemed to be the registration of high service pump station meter(s) at the Authority's water treatment plant, if same have been installed and are accurately registering, to which registration of treatment plant losses between the raw water meters and the high service meters shall be added based on a mutually agreed estimate of such losses. Otherwise, the amount of water delivered during such period may be estimated by:

- (a) Correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or
- (b) Estimating the quantity delivered during preceding periods under similar conditions when meter(s) were registering accurately.

Similarly, the District shall have the right to make checks, at its own expense but with the cooperation of the Authority, of all other measuring devices required under this Contract and to check the computation or estimates of unmetered raw water used to meet the requirements of the Authority under this Contract. Any necessary corrections of such meter readings, estimates, or determination of use shall comply as far as practicable with the methods set forth in the foregoing paragraph. Monthly readings of the totalizing meters at the Authority's treatment plants shall be made by the Authority, and by the District if it so elects, at a regular hour on the morning of the first day of each month. Other meter readings and determinations of water used during a monthly period shall be in accordance with the Authority's customary practice, but in no case later than the 15th day of each month.

Section 10. A. ADVISORY COMMITTEE: The governing body of each of the Initial Contracting Parties (but no other Contracting Party) annually shall appoint one of the members of its governing body or one of its officers as a voting member of the Advisory Committee for the System, which Advisory Committee is hereby created and established. Additionally, the Board of Directors of the District annually shall appoint to serve as a voting member of the Advisory Committee one of the members of said Board of Directors or one of the officers of the District. The Advisory Committee, at its first meeting, shall elect a Chairman, a Vice Chairman, and a Secretary. The Advisory Committee may establish bylaws governing the election of officers, meeting dates, and other matters pertinent to the functioning of the Advisory Committee. The Advisory Committee shall consult with and advise the District, through its General Manager, with regard to the following matters pertaining to the System:

- (i) The issuance of Bonds;
- (ii) The operation and maintenance of the System;
- (iii) Additional Contracting Parties and the terms and conditions of the contracts with such

parties, consistent with the provisions of this Contract;

- (iv) Sales of water to entities which are not Additional Contracting Parties, and the prices, terms, and conditions of such sales, consistent with the provisions of this Contract;
- (v) The District's Annual Budget, prior to its submission by the District's General Manager to the District's Board;
- (vi) Review of the District's Annual Audit;
- (vii) All other pertinent matters relating to the management of the System; and
- (viii) Improvements and extensions of the System and the providing of any additional source of water supply.

Said Committee shall have access to and may inspect at any reasonable times all physical elements of the System and all records and accounts of the District pertaining to the System. A copy of the minutes of the meetings of the Advisory Committee and all other pertinent data, shall be provided to the District's President.

B. The term of membership on the Advisory Committee shall be for twelve (12) months, beginning on March 1 of each year. A member may serve more than one (1) term if so appointed by the governing body represented. All expenses of the Advisory Committee in discharging its duties under this Section shall be considered as an Operation and Maintenance Expense of the System.

Section 11. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the

United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 12. REMEDIES UPON DEFAULT. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination) existing at law or in equity may be availed of by any party hereto and shall be cumulative. Recognizing however, that the District's undertaking to provide and maintain a supply of water hereunder is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, the District agrees, in the event of any default on its part, that each Contracting Party shall have available to it the equitable remedy of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available. Recognizing that failure in the performance of any Contracting Party's obligations hereunder could not be adequately compensated in money damages alone, each Contracting Party agrees in the event of any default on its part that the District shall have available to it the equitable remedy of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available to the District. Notwithstanding anything to the contrary contained in this Contract, any right or remedy or any default hereunder, except the right of the District to receive the Annual Payment which

shall never be determined to be waived, shall be deemed to be conclusively waived unless asserted by a proper proceeding at law or in equity within two (2) years plus one (1) day after the occurrence of such default. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstances.

Section 13. VENUE. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Tarrant County, Texas, which is the County in which the principal administrative offices of the District and of each of the Initial Contracting Parties are located. It is specifically agreed among the parties to this Contract that Tarrant County, Texas, is the place of performance of this Contract; and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Tarrant County, Texas.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the date of this Contract.

TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE

BY Wayne E. Newton  
President, Board of Directors

ATTEST:

Robert E. Newton  
Secretary, Board of Directors

APPROVED AS TO FORM AND LEGALITY:

Leo H. Hunt  
Attorneys for the District

(DISTRICT SEAL)

CITY OF ARLINGTON, TEXAS

BY *A. H. Howell*  
Mayor

ATTEST:

*Bobbie Ray*  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

*Tom Todd*  
City Attorney

(CITY SEAL)

CITY OF FORT WORTH, TEXAS

*Robert L. Heubert*  
City Manager

ATTEST:

*Lush Alexander*  
not at City Secretary

APPROVED BY CITY COUNCIL

*C-6457*  
City Secretary  
*8-24-82*  
Date

APPROVED AS TO FORM AND LEGALITY:

*David A. Rine*  
City Attorney  
*8-27-82*

(CITY SEAL)

CITY OF MANSFIELD, TEXAS

BY *Tom Cochran*  
Mayor

ATTEST:

*Kathleen Howard*  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

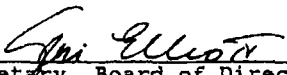
*Frederick W. Dancer*  
City Attorney

(CITY SEAL)

TRINITY RIVER AUTHORITY OF TEXAS

BY *Frederick W. Dancer*  
General Manager

ATTESTED AND APPROVED AS TO FORM AND LEGALITY:

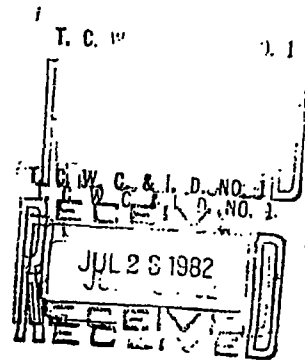
  
Secretary, Board of Directors, and  
Staff Attorney for the Authority

(AUTHORITY SEAL)

LAW OFFICES  
BOOTH, LLOYD AND SIMMONS  
A PROFESSIONAL CORPORATION  
302 SAN JACINTO BUILDING  
9TH & SAN JACINTO  
AUSTIN, TEXAS 78701-2554  
512-478-8506

BOOTH  
L. LLOYD  
B. SIMMONS  
SOSSELINK  
SOM  
W. LINDNER  
J. RYAN  
G. CAROOM  
N. WALKER

July 21, 1982



Mr. Ben Hickey  
General Manager  
Tarrant County Water Control  
and Improvement District No. 1  
Box 4508  
Fort Worth, Texas 76106

RE: Arlington Rate Case

Dear Ben:

Enclosed for your file are certified copies of the following:

1. Settlement Agreement;
2. Trinity River Authority Intervention Petition with Commission Order designating TRA as a party; and
3. Final Order of Dismissal.

Pursuant to Texas Water Code §5.351, an appeal from a final order of the Texas Water Commission must be filed in a district court of Travis County within 30 days after the effective date of the order appealed. Our courts have held the 30 day requirement to be jurisdictional. Therefore, in our opinion, the effective date of the Final Order of Dismissal is June 25, 1982, and in accordance with the Texas Rules of Civil Procedure, the Order will become final and non-appealable after July 26, 1982, unless an appeal is filed.

Pursuant to TEX. REV. CIV. STAT. ANN. art. 6252-13a (Administrative Procedure and Texas Register Act), §16 (Vernon 1976), the parties to the case were required to file a motion for rehearing on or before July 12, 1982, as a prerequisite to an appeal. Our courts have held this provision to be mandatory. Therefore, it is our further opinion that no party to the case can successfully appeal at this date.

In accordance with Article II of the Settlement Agreement, each party to the agreement is obligated to execute the Amendatory Contract within 30 days from July 26, 1982, providing



July 21, 1982  
page two

no appeal is filed. Since the Amendatory Contract relates to the issuance of bonds, we recommend that you consult with Paul Horton concerning the formalities needed for each party's signing the Amendatory Contract.

You should consider the Settlement Agreement as well as the Amendatory Contract, since the Settlement Agreement contains representations and actions required of the district and other parties as a part of the settlement. We shall advise you on July 27, 1982, whether any appeals were filed.

Kindest personal regards.

Very truly yours,

  
Frank R. Booth

FRB/ckk

Enclosures

cc w/encls: Warren Brewer  
James Strawn  
George Christie  
Paul Horton

### SETTLEMENT AGREEMENT

This settlement agreement ("the Settlement Agreement") by and among the Tarrant County Water Control and Improvement District No. 1 (the "District"), the City of Arlington ("Arlington"), the City of Fort Worth ("Fort Worth"), the City of Mansfield ("Mansfield") and the Trinity River Authority ("TRA") (hereinafter sometimes collectively referred to as "the Parties"), witnesseth:

WHEREAS, the District presently owns and operates surface raw water supply facilities which consist primarily of Eagle Mountain Dam and Reservoir, Bridgeport Dam and Reservoir, and Cedar Creek Dam, Reservoir and Pipeline (the "Existing System"); and

WHEREAS, the District proposes to acquire, construct and complete certain additional surface raw water supply facilities, including a dam and reservoir on Richland and Chambers Creeks in Navarro and Freestone Counties and an adjacent dam and reservoir on Tehuacana Creek in Freestone County and related facilities to enable the District to supply raw water from such sources to its customers (the "Project"); and

WHEREAS, the Existing System and the Project hereinafter are referred to collectively as the "System"; and

WHEREAS, the District has under study the question of whether it would be prudent and economical for the benefit of all its customers to build, as a part of the Project, a pipeline between Benbrook Reservoir and the Cedar Creek pipeline (the "Benbrook Project") to provide terminal storage.

WHEREAS, Arlington, Fort Worth, Mansfield and TRA obtain raw water from the System under separate contracts

with the District, specifically, under the Tarrant County Regional Water Supply Facilities Contract entered into August 29, 1979 for the Cities of Fort Worth and Mansfield, a similar contract entered into December 12, 1979 with the the Trinity River Authority (both hereinafter referred to as the "1979 Contract"), and under a contract dated July 1, 1971 for the City of Arlington (the "1971 Arlington Contract"); and

WHEREAS, a dispute has arisen and resulted in litigation before the Texas Water Commission over the desires of the District, Fort Worth, Mansfield and TRA that Arlington sign a contract similar to the 1979 Contract, over the District's obligation to supply water to Arlington under the 1971 Arlington Contract, and over the allocation of the operations and maintenance and debt service costs incurred to perform the water supply functions of the Existing System and to be incurred in connection with the Project; and

WHEREAS, the Parties have reached a compromise and settlement of their dispute whereby they have agreed to a single contract specifying a uniform rate computed by prorating such costs over all water delivered by the District and applicable to all water delivered by the District, adjusted through (1) payment of certain equitable premiums in addition to such rate for water used outside the boundaries of the District and a schedule of elimination of such premiums, and (2) surcharges and reductions related to taxes levied for System water supply purposes, all of which the Parties agree operate together to fully compensate all equities and which the Parties further agree operate together to fully reflect the costs of providing raw water service thereby fairly and properly apportioning the District's water supply costs among its customers over the life of the System;

WHEREAS, the Parties desire to implement such agreement upon appropriate approval by the Water Commission of the State of Texas ("the Commission");

NOW, THEREFORE, the Parties mutually agree and covenant as follows:

I.

Scope of the Settlement Agreement

The Settlement Agreement involves three elements:

(1) The Parties agree upon a contract among them, in the form of an amended version of the 1979 Contract, fixing terms of raw water service by the District, including terms for the calculation of rates to be charged for such service, effective March 1, 1980 (the "Amendatory Contract");

(2) the Parties agree upon the amounts owed by each, pursuant to the terms of the Settlement, for service rendered from March 1, 1980 to the present, and for repayment of such amounts over a five-year period; and

(3) the Parties' agreement is conditional upon and subject to entry by the Commission of an appropriate final, non-appealable order (the "Commission Order") on or before October 1, 1982.

II.

The Amendatory Contract

The Amendatory Contract is attached hereto as Exhibit A. Each of the Parties agrees to execute the Amendatory Contract within thirty days following the date that the Commission Order becomes final and non-appealable. The

Parties agree and represent the following concerning the Amendatory Contract:

(1) The District intends, to the maximum extent feasible, to pay System expenses itself and to do so out of revenues from sources other than taxes. However, in some instances it may be necessary for the District to rely on payment by a particular customer of a System expense or to rely on tax revenues to pay certain System expenses. Whenever this happens, suitable adjustments will be made for the sharing of such System expenses among all of the customers who are parties to the Amendatory Contract, in a manner consistent with the rights of the owners of the District's bonds. Section 4,C,(e) of the Amendatory Contract provides for such an adjustment with respect to taxes used to pay the water supply portion of the debt service on the District's 1965 and 1965 Second Series bonds until such bonds are paid off in 1995. In the event that payment of such debt service by taxes shall reduce or cease, the surcharge provided in Section 4,C,(e) of the Amendatory Contract shall be adjusted accordingly.

(2) The District undertakes to make a prompt decision on the prudence and economics of the Benbrook Project. If the District determines that the Benbrook Project would be prudent and economical for the benefit of all its customers, the District will undertake the Benbrook Project as a part of the Project, by securing an appropriate and timely amendment or supplement to the Engineering Report on the Project, and the Benbrook Project will become a part of the System for all purposes under the Amendatory Contract.

(3) Exhibit B illustrates the intended application of the terms of the Amendatory Contract for the period October 1, 1982 - September 30, 1983 and thereafter, using hypothetical expenses and volumes of water.

III.

Settle-up Payments and Contract Rate Illustration

Calculations of adjustments to reflect the amounts that each of Arlington, Fort Worth, Mansfield and Trinity River Authority would have paid through September 30, 1982, pursuant to the terms of the settlement, but did not pay, are attached as Exhibit C ("Settle-up Amounts"). Settle-up Amounts shown for the periods March 1, 1980 - February 28, 1981 and March 1, 1981 - September 30, 1981 are as shown on Exhibit C. For the period October 1, 1981 - September 30, 1982, Settle-up Amounts will be calculated following the close of that period using the same method used in Exhibit C for the two prior periods. The Parties agree that each such customer will pay the District or receive from the District its Settle-up Amounts in equal monthly installments over a five-year period commencing on the first billing date following the Contract Date as that term is defined in the Amendatory Contract.

IV.

The Commission Order

This Settlement Agreement is contingent upon the entry by the Commission of the Commission Order substantially in the form attached hereto as Exhibit D. No Party to the Settlement Agreement is bound by the terms of this Settlement Agreement unless the Commission Order becomes final and non-appealable as provided in Part I, (3).

V.

Undertakings of the Parties

A. Each Party to this Settlement Agreement undertakes to support and defend the Settlement Agreement, the Amendatory Contract and the Commission Order at all times and in

all forums as necessary to implement and enforce the Settlement Agreement, the Amendatory Contract or the Commission Order. In particular, without limitation, each Party to this Settlement Agreement agrees to permit the entire record, including the prefiled exhibits filed by each party to the proceeding (including the Commission Staff) and including the Settlement Agreement, to be admitted in evidence by stipulation and waives its right to cross-examine the sponsoring witnesses of those exhibits.

B. Each Party expressly agrees and represents that the Settlement Agreement, the Amendatory Contract and the Commission Order together provide a reasonable, comprehensive and final compromise resolution of all claims that have heretofore been made, or that might have been made, by any party to this Settlement Agreement concerning the provision of raw water by the District to the other Parties and the rates charged to the Parties by the District for raw water, including without limitation the claims of Fort Worth and Arlington to equity investments in certain District facilities, the claim of Arlington concerning responsibility for the costs of delivering raw water to its treatment plant, and the claims of the District, Fort Worth and Arlington concerning the extent of their respective rights and duties under all prior contractual agreements.

C. This Settlement Agreement is a negotiated compromise. The Parties hereto do not agree that any rate-making principles underlying this Settlement Agreement, or believed to underlie it, would be reasonable or appropriate for any other set of facts and circumstances.

#### VI.

##### Effective Date and Term

Subject to the provisions of Part IV, this Settlement Agreement becomes binding as soon as it has been approved by

the City Councils of Arlington, Fort Worth and Mansfield and the Boards of the District and TRA. Its effective date will be March 1, 1980, and its term will extend through the life of the System.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Settlement Agreement to be duly executed in several counterparts, each of which shall constitute an original.

TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. ONE

By Wayne E. Newton  
President, Board of Directors

ATTEST:

R. J. Alexander  
Secretary, Board of Directors

APPROVED AS TO FORM AND LEGALITY:

Frank R. Smith  
Attorneys for the District

(DISTRICT SEAL)



THE CITY OF ARLINGTON, TEXAS

By Ross B. Callion  
City Manager

ATTEST:

Robblynn Rapp  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Tom Todd  
City Attorney

(CITY SEAL)

CITY OF FORT WORTH, TEXAS

By

*Bruce Swartz*  
City Manager

TEST:

*Joel W. Hines*  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

*Andre A. Rios*  
City Attorney  
6-22-12

CITY SEAL)

CITY OF MANSFIELD, TEXAS

By Tom Corbin  
Mayor

ATTEST:

Vicki Cox  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

(CITY SEAL)

David D. ...  
City Attorney

TRINITY RIVER AUTHORITY

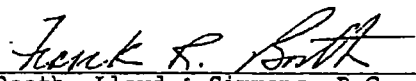
By   
General Manager

ATTEST:

  
Secretary, Board of Directors

APPROVED AS TO FORM AND LEGALITY:

(CORPORATE SEAL)

  
Booth, Lloyd & Simmons, P.C.  
by Frank R. Booth  
General Counsel for the Authority

TEXAS DEPARTMENT OF WATER RESOURCES  
TEXAS WATER COMMISSION

In The Matter of  
The Complaint Filed by  
The City of Arlington  
v. The Tarrant County  
Water Control and Improvement  
District No. 1

FINAL ORDER OF DISMISSAL

It appears to the Commission, and the Commission so finds, that a Settlement Agreement has been entered into between the Tarrant County Water Control and Improvement District No. 1, the Cities of Arlington, Fort Worth and Mansfield, and the Trinity River Authority ("the parties") resolving this entire matter upon reasonable terms and conditions, and copies of the Settlement Agreement and its attachments and of the prefiled exhibits of the parties having been filed with the Commission, it appears to the Commission and the Commission so finds that this matter should be dismissed in its entirety, with prejudice, upon the terms and subject to the conditions agreed to by the parties.

It is therefore ordered that this matter be dismissed in its entirety, with prejudice, upon the terms and subject to the conditions agreed to by the parties.

Signed and entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
1982.

TEXAS WATER COMMISSION

\_\_\_\_\_  
Lee B. M. Biggart, Chairman

\_\_\_\_\_  
Felix McDonald, Commissioner

TEST:

\_\_\_\_\_  
Mary Ann Hefner  
Chief Clerk

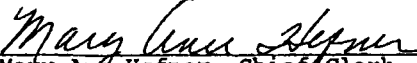
\_\_\_\_\_  
John D. Stover, Commissioner

EXHIBIT D TO SETTLEMENT AGREEMENT

STATE OF TEXAS       X  
                          X  
COUNTY OF TRAVIS    X

I, Mary Ann Hefner, Chief Clerk of the Texas Water Commission of the Department of Water Resources, do hereby certify that the attached and foregoing is a true and correct copy of a Settlement Agreement between Tarrant County Water Control and Improvement District No. One, Fort Worth, Arlington, Mansfield and Trinity River Authority filed with the Commission in the case entitled IN RE: CITY OF ARLINGTON, TEXAS VS. TARRANT COUNTY WCID NO. 1 CONCERNING THE RATES TO BE CHARGED ARLINGTON FOR RAW WATER FURNISHED BY THE DISTRICT, the original of which was filed with the Commission on June 25, 1982, and is now in the permanent records of the Department.

Given under my hand and the seal of the Texas Water Commission, this the 25th day of June, 1982.

  
\_\_\_\_\_  
Mary Ann Hefner, Chief Clerk  
Texas Water Commission

IN RE: CITY OF ARLINGTON, § BEFORE THE  
TEXAS VS. TARRANT COUNTY §  
WCID NO. 1, CONCERNING THE § TEXAS WATER COMMISSION  
RATES TO BE CHARGED ARLINGTON §  
FOR RAW WATER FURNISHED BY IN AUSTIN, TEXAS  
THE DISTRICT

INTERVENTION PETITION OF THE  
TRINITY RIVER AUTHORITY OF TEXAS

TO THE HONORABLE TEXAS WATER COMMISSION:

NOW COMES petitioner Trinity River Authority of Texas requesting leave to intervene in the above-entitled proceeding and for designation as a party for the limited purpose of joining the Settlement Agreement pending before the Commission for reasons as follows:

1.

Trinity River Authority has obtained a raw water supply from Tarrant County WCID No. 1 since 1973 in accordance with a 1971 and, later, a 1979 contract.

2.

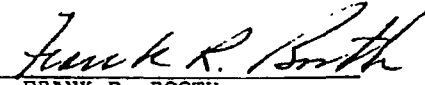
Trinity River Authority has reviewed the proposed amended 1979 contract between the district, Fort Worth, Arlington, and Mansfield and desires to amend its 1979 contract with the district by signing the amended contract.

WHEREFORE, PREMISES CONSIDERED, petitioner Trinity River Authority prays that the Commission grant its petition for leave to intervene and designate petitioner a party to the hearing.

Respectfully submitted,

BOOTH, LLOYD AND SIMMONS, P.C.  
302 San Jacinto Building  
Austin, Texas 78701

BY:

  
FRANK R. BOOTH  
General Counsel  
Attorneys for Petitioner  
Trinity River Authority  
of Texas

Date: June 25, 1982

ORDER

On this the 25th day of June, 1982, petitioner

Trinity River Authority of Texas appeared before the Texas Water Commission in open hearing and filed the above-entitled Intervention Petition. After considering the petition and no objection to granting the same being made by any party,

IT IS ORDERED that Trinity River Authority of Texas is hereby granted leave to intervene for the limited purpose of joining the Settlement Agreement proposed by some of the parties and Trinity River Authority of Texas is hereby designated a party to these proceedings.

Lee B.M. Biggart  
Chairman Lee B. M. Biggart

John D. Stover  
Commissioner John D. Stover

Attest:


Mary Ann Zepher  
Chief Clerk



STATE OF TEXAS       X  
                          X  
COUNTY OF TRAVIS    X

I, Mary Ann Hefner, Chief Clerk of the Texas Water Commission of the Department of Water Resources, do hereby certify that the attached and foregoing is a true and correct copy of the Intervention Petition of the Trinity River Authority of Texas in the proceeding styled City of Arlington, Texas Vs. Tarrant County Water Control and Improvement District No. 1, concerning the rates to be charged Arlington for raw water furnished by the District, together with the Order of the Commission entered June 25, 1982, designating Trinity River Authority as a party to the proceedings, the original of which is on file in the office of the Commission.

Given under my hand and the seal of the Texas Water Commission, this the 30th day of June, 1982.

  
\_\_\_\_\_  
Mary Ann Hefner, Chief Clerk  
Texas Water Commission

TEXAS DEPARTMENT OF WATER RESOURCES

TEXAS WATER COMMISSION



COUNTY OF TRAVIS

STATE OF TEXAS

X IN THE MATTER OF THE  
X COMPLAINT FILED BY THE  
X CITY OF ARLINGTON V. THE  
X TARRANT COUNTY WATER  
X CONTROL AND IMPROVEMENT  
X DISTRICT NO. 1

FINAL ORDER OF DISMISSAL

On June 25, 1982 came on to be considered before the Texas Water Commission the Motion to Dismiss the rate complaint action filed by the City of Arlington on March 26, 1980 with the Texas Department of Water Resources. All parties to this matter appeared and stated that all matters in controversy relating to this complaint had been settled, compromised and agreed upon.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS WATER COMMISSION THAT the rate complaint filed by the City of Arlington is in all things dismissed, with prejudice.

Entered and ordered this the 25th day of June, 1982.

TEXAS WATER COMMISSION

Lee B. M. Biggart  
Lee B. M. Biggart, Chairman

John D. Stover  
John D. Stover, Commissioner

ATTEST:

Mary Ann Hefner  
Mary Ann Hefner, Chief Clerk

STATE OF TEXAS       X  
                          X  
COUNTY OF TRAVIS    X

I, Mary Ann Hefner, Chief Clerk of the Texas Water Commission of the Department of Water Resources, do hereby certify that the attached and foregoing is a true and correct copy of the Final Order of Dismissal in the matter of the complaint filed by the City of Arlington v. the Tarrant County Water Control and Improvement District No. 1 dated June 25, 1982, the original of which is on file in the office of the Commission.

Given under my hand and the seal of the Texas Water Commission, this the 30th day of June, 1982.

  
\_\_\_\_\_  
Mary Ann Hefner, Chief Clerk  
Texas Water Commission

# City of Fort Worth, Texas

## Mayor and Council Communication

DATE 8/24/82	REFERENCE NUMBER **C- 6457	SUBJECT: Raw Water Settlement Contract	PAGE 1 1 of _____
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On June 22, 1982 (M&C C-6389), the City Council authorized the City Manager to execute a Settlement Agreement to end the dispute concerning raw water rates charged by the Tarrant County Water Control and Improvement District No. 1 ("District").

By executing the Settlement Agreement, the City of Fort Worth agreed to the terms of a proposed raw water contract with the District, which will replace the existing 1979 water contract with the District (City Secretary Contract No. 10631). Final execution of the new contract document was contingent on acceptance of the terms by the other parties to the contract (Mansfield, Arlington, the District and the Trinity River Authority) in order that a pending suit before the Texas Water Rights Commission ("Commission") be dismissed.

The Commission received the proposed Settlement Agreement, contract and other documents on June 27, 1982, and provided a 30-day review and comment period prior to the settlement suit being dismissed. The 30-day period has passed with no adverse comments and the suit before the Commission has been dismissed. It is now appropriate for the contracting parties to adopt ordinances approving the new contract.

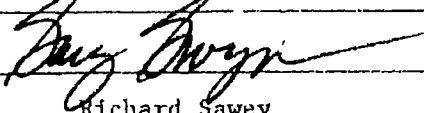
The law firm of McCall, Parkhurst and Horton, bond counsel for the District, has prepared an ordinance for adoption by the contracting parties which will protect future bond issues of the District.

After each of the contracting parties have adopted ordinances or resolutions authorizing execution of the new contract, each contracting party will execute the contract.

### Recommendation

It is recommended that the City Council adopt the attached ordinance authorizing and directing the City Manager to execute the "Tarrant County Regional Water Supply Facilities Amendatory Contract," which replaces City Secretary Contract No. 10631.

GG:jc  
Attachment

SUBMITTED FOR THE CITY MANAGER'S OFFICE BY:		DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED	PROCESSED BY  CITY SECRETARY
ORIGINATING DEPARTMENT HEAD:	Richard Sawey	<input type="checkbox"/> OTHER (DESCRIBE)	
FOR ADDITIONAL INFORMATION CONTACT: Richard Sawey Ext. 8220			DATE