



Town of Trophy Club
Meeting Agenda Packet
Town Council

1 Trophy Wood Drive
Trophy Club, Texas
76262

December 11, 2023

6:00 PM

Council Chambers

CALL WORK SESSION TO ORDER AND ANNOUNCE QUORUM

WORK SESSION ITEM

Discussion on the Town of Trophy Club Intersection Traffic Study and traffic issues within the Town of Trophy Club. (Mayor Tiffany)

ADJOURN WORK SESSION

CALL REGULAR MEETING TO ORDER (IMMEDIATELY FOLLOWING WORK SESSION OR 7:00 P.M. WHICHEVER IS LATER)

INVOCATION

PLEDGES led by Council Member

Pledge of Allegiance to the American Flag

Pledge of Allegiance to the Texas Flag

PUBLIC COMMENT(S)

This is an opportunity for citizens to address the Council on any matter pursuant to Texas Government Code Sec. 551.007. The Council is not permitted to discuss or take action on any presentations made concerning matters that are not listed on the agenda. Presentations are limited to matters over which the Council has authority. Speakers have up to four (4) minutes or the time limit determined by the Presiding Officer. Each speaker must have submitted their request to speak by completing the Speaker's Form or may email mayorandcouncil@trophyclub.org

PRESENTATIONS

1. Administer Oath of Office to new Town Manager Brandon Wright. (Mayor Tiffany)
2. Badge Pinning Ceremony – Police Department. (Patric Arata, Police Chief)

COMMUNITY SPOTLIGHT

1. Vicki Hardy, Lakeview Elementary 40-Year Anniversary Update
2. **Working for You...Trophy Club**
 - a) Trophy Club Meet and Greet Open House (Mayor Tiffany)
 - b) Update from Town Council Members
 - c) Update from Town Manager (Brandon Wright, Town Manager)
 - d) Quick Civic Tip (Dean Roggia, Town Attorney)

CONSENT AGENDA

3. Consider approval of the November 13, 2023, Town Council Work Session and Regular Meeting Minutes. (Tammy Dixon, Town Secretary)
4. Consider approval of an agreement with SHI Government Solutions, Inc. for Microsoft Office 365 licenses in the amount of \$54,807.24; and authorization for the Town Manager to execute same on behalf of the Town.

INDIVIDUAL ITEMS

5. **Case SUP-23-003 Hutchins BBQ Alcohol On-Premises**

Conduct a Public Hearing and consider approval of an ordinance for a request made by Hutchins BBQ Restaurant for a Specific Use Permit for alcoholic beverage sales for on-premises consumption in conjunction with a restaurant use, located at 3000 E. Highway 114, Trophy Club, Texas (Matt Cox, Director of Community Development).
6. **Case RP-23-001 Replat NISD High School No. 2, for Block 1, Lot 2R**

Conduct a Public Hearing and consider a request made by the Town of Trophy Club for a replat for Block 1, Lot 2R, NISD High School No. 2, to accommodate right-of-way and access on a lot legally described as Block 1, Lot 2, NISD High School No. 2, approximately 1.725 acres. The property is generally located east of Bobcat Boulevard and south of Middleton Drive, in the Town of Trophy Club, Denton County, Texas (Matt Cox, Director of Community Development).

7. Case FP-23-005 Bobcat Village Phase 1 Final Plat, formerly Well Site 1H

Discuss, consider and take action on a Final Plat for Bobcat Village Phase 1 (formerly Well Site 1H) containing ± 2.7886 acres of land located east of Bobcat Boulevard, south and east of Halifax Street, and north of Byron Nelson High School. (Matt Cox, Director of Community Development)

8. Case FP-23-006 Bobcat Village Phase 2 Final Plat, formerly Well Site 1HB

Discuss, consider and take action on a Final Plat for Bobcat Village Phase 2 (formerly Well Site 1HB) containing ± 2.106 acres of land located east of Bobcat Boulevard, east of Halifax Street, and north of Byron Nelson High School. (Matt Cox, Director of Community Development)

9. Presentation of MUD Feasibility Study by Chris Ekrut of NewGen; and discussion and consideration of same. (Brandon Wright, Town Manager)

10. Discuss and consider approval of a public drainage easement agreement with the Homeowners Association of Hogan's Glen, Inc.; and authorization for the Mayor to execute same on behalf of the Town. (Dean Roggia, Town Attorney)

11. Discussion on Town Council Retreat to be held in January 2024. (Brandon Wright, Town Manager)

12. Discuss and consider approval of the 2024 Town Council meeting dates. (Brandon Wright, Town Manager)

13. Future Agenda Items

EXECUTIVE SESSION

14. Pursuant to the following designated sections of the Texas Government Code, Annotated, Chapter 551 (Texas Open Meetings Act), the Town will recess into executive session to discuss the following:

a. Section 551.071, Consultation with Town Attorney to seek legal advice regarding the parking agreement with HG SPLY Trophy Club, a Texas Corporation.

b. Section 551.071, Consultation with Town Attorney to seek legal advice regarding Article 1.09 "Special Events" of the Town Code of Ordinances.

RECONVENE INTO REGULAR SESSION

ADJOURN

The Town Council may convene into executive session to discuss posted items as allowed by the Texas Open Meeting Act, LGC.551.071

CERTIFICATION

I certify that the above notice was posted on the bulletin board at Trophy Club Town Hall, 1 Trophy Wood Drive, Trophy Club, Texas, on December 8, 2023, by 5:00 p.m. in accordance with Chapter 551, Texas Government Code.

/s/ Tammy Dixon
Tammy Dixon, Town Secretary

If you plan to attend this public meeting and have a disability that requires special needs, please contact the Town Secretary's Office at 682-237-2900, 48 hours in advance, and reasonable accommodations will be made to assist you.



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: Tammy Dixon, Town Secretary

AGENDA ITEM: Consider approval of the November 13, 2023, work session and regular meeting minutes.

BACKGROUND/SUMMARY:

The Town Council held a work session and regular meeting on November 13, 2023.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT: N/A

LEGAL REVIEW: N/A

ATTACHMENTS:

Draft Meeting Minutes – November 13, 2023, Town Council Work Session and Regular Meeting

ACTION/OPTIONS:

Move to approve the November 13, 2023, Town Council work session and regular meeting minutes.

**Town of Trophy Club
Work Session and Regular Meeting Minutes
November 13, 2023**

The Trophy Club Town Council met in a Work Session and Regular Meeting on November 13, 2023, at 6:00 p.m. The meeting was held at Town Hall, 1 Trophy Wood Dr, Trophy Club, TX 76262.

CALL WORK SESSION TO ORDER AND ANNOUNCE A QUORUM

Mayor Tiffany called the Town Council work session to order at 6:00 p.m. with the following members present:

Jeannette Tiffany, Mayor
Dennis Sheridan, Mayor Pro Tem
Stacey Bauer, Councilmember Place 1
Steve Flynn, Councilmember Place 6
LuAnne Oldham, Councilmember Place 5
Jeff Beach, Councilmember Place 2
Karl Monger, Councilmember Place 4

with the following members absent:

constituting a quorum with the following members of the Town Staff participating:

Tammy Dixon, Town Secretary
Dean Roggia, Town Attorney
Jason Wise, Fire Chief
Bobby Tillman, Interim Police Chief
Matt Cox, Community Development Director
April Duvall, Finance Director
Denise Deprato, Human Resources Director
Jill Lind, Communications and Marketing Director
Tamara Smith, Assistant to the Town Manager

WORK SESSION ITEMS

PUBLIC COMMENTS

Mayor Tiffany invited the audience to participate in Public Participation on the Work Session Items.

The following individuals spoke in reference to Agenda Item #1:
Mark Williams, 2516 Trophy Club Drive
Marci Miller, 2514 Trophy Club Drive

1. Discussion on the Town of Trophy Club Intersection Traffic Study and traffic issues within the Town of Trophy Club. (Patrick Arata, Interim Town Manager)

Interim Town Manager Arata stated the traffic issues surrounding the intersections of the schools have improved since Northwest ISD established time gaps between the school starting times. He also spoke about the County approved funding for the roundabouts which would be included in bonds to be sold in the next couple of years.

Tom Rutledge, with Teague, Nall, and Perkins, gave a presentation on the intersection improvements at Trophy Club Drive/Bobcat Boulevard & Bobcat Boulevard/Parkview Driving noting or identifying:

- Proposed Options Evaluated with the pros and cons and costs of each
 - Option 1: No Improvements to the Intersections
 - Option 2: Traffic Signals
 - Option 3: Roundabouts

A discussion ensued regarding the costs associated with traffic signals and roundabouts.

Councilmember Bauer suggested since the funding from the County was projected out up to two years, the Town should obtain feedback from the community prior to committing to an option.

Mayor Tiffany suggested the Town Council consider establishing a committee to obtain community input on this topic as well as waiting for the new Town Manager to begin. She stated the Town Council Strategic Session would be held in January which would include discussions on capital improvements.

Mayor Pro Tem Sheridan expressed his disappointment as he had expected to get the details of this item worked out during this meeting. He stated he was not in favor of a subcommittee and wanted to discuss the actual costs of the proposed projects and funding sources.

Councilmember Monger stated other projects including SH 114 needed to be completed prior to addressing this issue to evaluate any additional impact.

Councilmember Beach referenced the 2021 Community Survey rating for the services in the Town and stated Traffic and Safety was not a priority as it rated number 10 with 52% of the respondents.

Mayor Tiffany stated traffic was an issue within the Town and would be discussed during the Town Council Retreat.

2. Discussion on Code of Ethics and Conduct. (Dean Roggia, Town Attorney)

Dean Roggia, Town Attorney, gave a presentation on Code of Ethics and Conduct noting and identifying sections of State Law, the Town's Charter, and the Town's Code of Ordinances.

3. Discussion on Town Council Retreat to be held in January 2024. (Tamara Smith, Assistant to the Town Manager)

Tamar Smith, Assistant to the Town Manager, reviewed the proposed dates for the retreat. Following discussion, the consensus of the Town Council was to hold the retreat on Friday, January 19 and Saturday, January 20.

ADJOURN WORK SESSION AND CALL REGULAR MEETING TO ORDER

Mayor Tiffany adjourned the work session at 7:05 p.m.

Mayor Tiffany called the regular meeting to order at 7:13 p.m.

INVOCATION

Jeff Brooks, Senior Minister, Lake Cities Church of Christ, led the invocation.

PLEDGES

Councilmember Monger led the Pledge of Allegiances to the American and Texas Flags.

PUBLIC COMMENTS

Larry Hoover, 1118 Berkshire Court, spoke in reference to Code Enforcement relating to the fence behind his property.

COMMUNITY SPOTLIGHT

1. Presentation by Medlin Middle School Students – Care of the Air

The Medlin Students gave a presentation on their project "Care for the Air" that centers around planting trees to combat air pollution.

2. Working for You . . . Trophy Club

- a) Update from Town Council Members

Mayor Pro Tem Sheridan expressed his appreciation to everyone who planned, volunteered, and attended the annual Veterans Day Celebration.

Council Member Monger also expressed his appreciation to Parks & Recreation Board Member and longtime Trophy Club resident Patrick Schrein, who was commissioned into the U.S. Navy.

Council Member Bauer congratulated the Byron Nelson High School Bobcat Varsity Football team in the Texas High School Football 6A Division II playoffs, winning their first game against Crowley.

Mayor Tiffany stated she recently met with Westlake's Mayor Kilbride and Town Manager, Wade Carroll and noted she plans to continue to meet with regional area mayors to further discuss partnerships between our communities.

b) Update from Interim Town Manager

Interim Town Manager Arata echoed the words from Council, thanking the community for the wonderful support and showing at the annual Veterans Day Celebration. He also stated information would be coming soon regarding the annual Toys 4 Tots drive and reminded everyone of the Thanksgiving Holiday closures.

CONSENT AGENDA

Councilmember Beach requested item 6 be pulled from Consent.

3. Consider approval of the October 23, 2023, Town Council Meeting Minutes. (Tammy Dixon, Town Secretary)
4. Consider approval of a purchase order to Delta Fire & Safety, Inc. for the purchase of several Personal Protective Equipment (PPE) ensembles. (Jason Wise, Fire Chief)
5. Consider approval of an ordinance amending subsection i, annual capital improvement and maintenance charge, of Section A1.014, Water and Wastewater fees for Public Improvement District No.1, within Appendix A, Fee Schedule, of the Trophy Club Code of Ordinances, to adopt a monthly surcharge for PID residents; providing for severability; providing a penalty; and providing an effective date. (April Duvall, Director of Finance). The caption of the ordinance reads as follows:

ORDINANCE NO. 2023-20

AN ORDINANCE OF THE TOWN OF TROPHY CLUB, TEXAS AMENDING SUBSECTION (i), "ANNUAL CAPITAL IMPROVEMENTS AND MAINTENANCE CHARGE," OF SECTION A1.014, "WATER AND WASTEWATER FEES FOR PUBLIC IMPROVEMENT DISTRICT NO. 1," WITHIN APPENDIX A, "FEE SCHEDULE," OF THE CODE OF ORDINANCES, TOWN OF TROPHY CLUB, TEXAS, TO ADOPT A MONTHLY SURCHARGE APPLICABLE TO CONNECTIONS IN THE TROPHY CLUB PUBLIC IMPROVEMENT DISTRICT NO. 1 IN ORDER TO PAY THE PID PORTION OF MUD1 OPERATIONS AND MAINTENANCE BUDGET AND DEBT FOR CALENDAR YEAR 2024; PROVIDING A SAVINGS AND REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF FIVE HUNDRED DOLLARS (\$500.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

6. Consider approval of an ordinance amending Division 3, "Open Records" of Chapter 1, "General Provisions" by repealing subsection 1.07.061, "Thirty-Six Hour Time Limit"; and amending Section A1.013 of Appendix A, Fee Schedule by repealing subsection 15 entitled "Personnel charges in excess of 36 hours." (Tammy Dixon, Town Secretary) ***Pulled from Consent.***

Councilmember Beach moved to approve consent agenda items 3 - 5. Councilmember Monger seconded the motion.

VOTE ON THE MOTION

AYES: Bauer, Flynn, Sheridan, Tiffany, Beach, Monger, Oldham
NAYES: None
VOTE: 7-0

INDIVIDUAL ITEMS

6. Consider approval of an ordinance amending Division 3, "Open Records" of Chapter 1, "General Provisions" by repealing subsection 1.07.061, "Thirty-Six Hour Time Limit"; and amending Section A1.013 of Appendix A, Fee Schedule by repealing subsection 15 entitled "Personnel charges in excess of 36 hours." (Tammy Dixon, Town Secretary).

Councilmember Beach asked if the correct section number being repealed was 1.07.062 not 1.047.061 as listed on the agenda.

Town Attorney, Dean Roggia, confirmed that 1.07.062 was correct.

Councilmember Beach moved to approve Ordinance No. 2023-21 amending Division 3, "Open Records" of Chapter 1, "General Provisions" by repealing subsection 1.07.062, "Thirty-Six Hour Time Limit"; and amending Section A1.013 of Appendix A, Fee Schedule by repealing subsection 15 entitled "Personnel charges in excess of 36 hours.". Councilmember Flynn seconded the motion. The caption of the ordinance reads as follows:

ORDINANCE NO. 2023-21

AN ORDINANCE OF THE TOWN OF TROPHY CLUB, TEXAS, AMENDING DIVISION 3, "OPEN RECORDS" OF CHAPTER 1, "GENERAL PROVISIONS" BY REPEALING SUBSECTION 1.071.062, "THIRTY-SIX HOUR TIME LIMIT"; AND AMENDING APPENDIX A "FEE SCHEDULE" ARTICLE A1.000 "GENERAL PROVISIONS" SECTION A1.013 "ADMINISTRATIVE FEES" BY REPEALING SUBSECTION 15 ENTITLED "PERSONNEL CHARGES IN EXCESS OF 36 HOURS"; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

VOTE ON THE MOTION

AYES: Bauer, Flynn, Sheridan, Tiffany, Beach, Monger, Oldham

NAYES: None

VOTE: 7-0

7. Discuss, consider, and take action on the Trophy Club Community Pool Project, Phase II. (Ronnie Angel, Interim Director of Parks and Recreation)

Interim Parks and Recreation Director, Ronnie Angel provided a history summary of the Pool Project.

David McCaskill of Halff & Associates gave a presentation on the Community Pool and Splash Pad Renovation Phase 2 project noting or identifying:

- The Site Plan
- Schedule
- Budget
- Proposed Improvements

A discussion ensued regarding the size of the party room, projected cost, access to the restrooms, possible expansion of the party room to serve as a multi-purpose room/community center; and regarding moving the slide back 20 – 30'.

Interim Town Manager Arata suggested removing the party room at this time for further consideration of options.

Mayor Pro Tem Sheridan moved to approve Phase II to include the slide with the location moved out and to separate the party room for later discussion. Councilmember Monger seconded the motion.

VOTE ON THE MOTION

AYES: Bauer, Flynn, Sheridan, Tiffany, Beach, Monger, Oldham

NAYES: None

VOTE: 7-0

8. Discuss and consider approval of a resolution providing for the appointment of a member to serve on the Trophy Club Economic Development Corporation. (Tammy Dixon, Town Secretary)

Councilmember Oldham explained there was a conflict between the Town Charter and the Economic Development Corporation (EDC) Articles of Incorporation pertaining to Town Council membership on the EDC, therefore when the appointments were made in October, one position was left vacant. She stated the Town Attorney advised that the Town Charter prevails, which prevents the appointment of a Town Council member to the EDC.

She stated James Callaway was being recommended to the position due to his background with the understanding that if he was appointed, he would then resign from the Zoning Board of Adjustment.

Councilmember Oldham moved to approve Resolution No. 2023-10 providing for the appointment of James Callaway to serve on the Trophy Club Economic Development Corporation. Councilmember Bauer seconded the motion. The caption of the resolution reads as follows:

RESOLUTION NO. 2023-10

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, PROVIDING FOR THE APPOINTMENT OF A MEMBER TO SERVE ON THE ECONOMIC DEVELOPMENT CORPORATION; DESIGNATING TERMS OF SERVICE; AND PROVIDING AN EFFECTIVE DATE.

VOTE ON THE MOTION

AYES: Bauer, Flynn, Sheridan, Tiffany, Beach, Monger, Oldham

NAYES: None

VOTE: 7-0

ADJOURN

9. Future Agenda Items List

Interim Town Manager Arata reviewed the future agenda items list with the Town Council.

Following discussion, it was determined that all items were either completed or allocated to be considered at the December meeting.

EXECUTIVE SESSION/REGULAR SESSION

Pursuant to the Open Meetings Act, Chapter 551, the Town Council convened into a Closed Executive Session at 8:06 p.m. and reconvened into Regular Session at 8:52 p.m. in accordance with the Texas Government Code regarding:

Section 551.071, Consultation with Town Attorney to seek legal advice regarding the Trophy Club Community Pool Project. **No Action Taken.**

Section 551.074 Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: Interim Town Manager/Chief of Police. **No Action Taken.**

Mayor Tiffany adjourned the Town Council meeting at 8:52 p.m.

Jeannette Tiffany, Mayor

Attest:

Tammy Dixon, Town Secretary



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: April Duvall, Director of Finance

AGENDA ITEM: Consider approval of an agreement with SHI Government Solutions, Inc. for Microsoft Office 365 licenses in the amount of \$54,807.24; and authorization for the Town Manager to execute same on behalf of the Town.

BACKGROUND/SUMMARY:

Review and authorize the contract with SHI Government Solutions, Inc. for the yearly extension of Microsoft Office 365 licenses for the Town of Trophy Club, totaling \$54,807.24. This ongoing service is the communication & collaboration platform for the town. It encompasses email, real time chats through teams, secure cloud file sharing and allows 3rd party applications an identity verification for our end users (eg. Police body/dash cameras). This agreement has been endorsed by the Town's third-party IT service provider, NetGenius, Inc, and is set to continue for one additional year.

This purchase is being made through a cooperative purchasing agreement with DIR.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT:

The annual expenditure of \$54,807.24 for Microsoft Office 365 was accounted for and is available in the Fiscal Year 2023-24 Approved Budget.

LEGAL REVIEW: Town Attorney, Dean Roggia, has reviewed the contract as to form and legality.

ATTACHMENTS:

- SHI Agreement

ACTION/OPTIONS:

Consider approval of the Microsoft Office 365 renewal with SHI as presented.

**VENDER/MEMBER AGREEMENT
TOWN OF TROPHY CLUB, TEXAS**

This Vender/Member Agreement (the “Agreement”) is hereby entered into by and between SHI Government Solutions, Inc., a Value-Added Reseller (the “VAR”) for the Texas Department of Information Resources (“DIR”), and the Town of Trophy Club, a Texas home-rule municipality (the “Town”), for the purchase of Microsoft software products and related services.

RECITALS

WHEREAS, the VAR submitted **Contract No. DIR-TSO-4092** to DIR, which is a government purchasing cooperative; and

WHEREAS, the VAR and DIR have entered into agreements, whereby the VAR has agreed to sell to DIR and its members certain goods and services of a nature and quality as represented in the specifications and proposals, and at a specified price; and

WHEREAS, the Town has entered into an agreement with DIR to be a member and may purchase specified goods and services at the prices listed pursuant to the DIR agreements; and

WHEREAS, the Town is authorized pursuant to Texas Local Gov’t Code Ch. 271, and Texas Gov’t Code Ch. 791, to enter into cooperative purchasing agreements and is deemed thereby to satisfy state laws requiring competitive bidding; and

WHEREAS, the purchase of goods or services under this Agreement is authorized by the Town Council and the Town desires to purchase, and VAR desires to sell and provide, certain goods and services under the DIR agreement referenced above; and

WHEREAS, the Town and VAR desire to enter into this legally enforceable Agreement to clarify and make explicit the rights, duties, and responsibilities between the parties, and in case of any conflicts between this Agreement and the provisions of the DIR agreement, the terms of this Agreement shall prevail; and

WHEREAS, the Town and VAR recognize and agree that this Agreement does not amend or alter the rights, duties, and obligations between VAR and DIR, or between the Town and DIR under their respective contracts with DIR;

NOW, THEREFORE, the Town and VAR agree that the recitals above are true and correct, and further agree mutually agree as follows:

1. VAR agrees to furnish and deliver to the Town, the goods or services requested by the Town as further detailed on the quote attached to this Agreement as **Exhibit A**. The Town agrees to pay VAR for the goods or services at the prices shown on **Exhibit A**, which are incorporated into this Agreement by reference as if fully set forth herein.

2. If applicable, the Town shall make payment for goods or services in accordance with the Texas Prompt Payment Act, Chapter 2251, Texas Government Code. The date of any payment, whether net or gross, shall be determined by calculating the number of days after receipt of invoices from VAR.

3. This Agreement is made and shall be construed according to the laws of the State of Texas, without regard for conflicts of law principles. Venue of any court action brought directly or indirectly by reason of this Agreement shall be in Denton County, Texas. This Agreement is made and is to be performed in Denton County, Texas.

4. All written notices shall be deemed to have been duly served if delivered in person to an individual, officer, legal representative, or member of the party for whom it is intended, or if delivered at or sent by registered mail to the last business address known to the person giving the notice.

5. The waiver or failure of either party to exercise in any respect any right provided for in this agreement shall not be deemed a waiver of any further right under this agreement.

6. If any provision of this agreement is invalid, illegal, or unenforceable under any applicable statute, court decision, or rule of law, it is to that extent to be deemed omitted. The remainder of the agreement shall be valid and enforceable to the maximum extent possible.

7. Insurance. VAR shall obtain and shall continue to maintain, in full force and effect during the term of this Agreement, insurance policies with companies licensed to do business in the State of Texas and rated not less than "A" in the current Best Key Rating Guide, which shall include commercial general liability, automobile liability and worker's compensation coverage, in accordance with any Town ordinance or directive. The minimum limits for this coverage shall be \$1,000,000.00 per occurrence / \$2,000,000 aggregate for general liability, \$1,000,000 combined single limit for automobile liability and Texas statutory limits for workers' compensation, unless modified in accordance with any ordinance or directive. VAR shall also maintain cyber liability (or equivalent) insurance providing limits of no less than \$1,000,000 per occurrence (inclusive of any amounts provided by an umbrella or excess policy). Insurance obtained by VAR shall be primary and noncontributory, and Town shall be named as an additional insured under the general liability and automobile policies. The Town shall be given at least thirty (30) days prior notice of any material change in coverage or of cancellation of such policies, and VAR shall provide the Town with a copy of any such notice of material change in coverage or cancellation of any such policies, within three (3) business days of its receipt of such a notice. For purposes of this section, a material change in coverage includes, but is not limited to, a reduction in coverage below the amounts required under this agreement. VAR shall provide a waiver of subrogation in favor of the Town on all coverages where available and represents that it has taken all actions necessary under the policy or policies for the Town to have the status of additional insured and to effectuate any required waiver of subrogation. VAR shall furnish the Town with original copies of the policies or certificates evidencing such coverage prior to delivery of the goods or services under this Agreement.

8. **INDEMNIFICATION**. THE VAR (THE "INDEMNIFYING PARTY"), SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE TOWN (THE "TOWN INDEMNIFIED PARTY"), FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, DEMANDS, CAUSES OF ACTION, CLAIMS, JUDGMENTS, SUITS, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) MADE BY ANY THIRD-PARTY, TO THE EXTENT ARISING FROM OR RELATED TO THE GOODS OR SERVICES PROVIDED BY THE VAR PURSUANT TO THIS AGREEMENT (COLLECTIVELY, "INDEMNIFIED CLAIMS"), REGARDLESS OF THE LEGAL THEORY ASSERTED BY ANY THIRD PARTIES AND REGARDLESS OF WHETHER THE DAMAGES OR CLAIMS OF THIRD-PARTIES ARE KNOWN OR FULLY APPRECIATED AT THIS TIME BY VAR OR THE TOWN. VAR SHALL GIVE TO THE TOWN REASONABLE NOTICE OF ANY SUCH CLAIMS OR ACTIONS. VAR SHALL USE LEGAL COUNSEL REASONABLY ACCEPTABLE TO THE TOWN IN CARRYING OUT ITS OBLIGATIONS HEREUNDER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS AGREEMENT. THIS INDEMNIFICATION IS NOT INTENDED TO APPLY TO CLAIMS MADE AGAINST THE TOWN INDEMNIFIED PARTIES RESULTING FROM THE WRONGFUL ACT OR OMISSION OR NEGLIGENCE OF TOWN EMPLOYEES COVERED UNDER SECTION 101.021 OF THE TEXAS CIVIL PRACTICE AND REMEDIES CODE.

9. Governmental Functions/Immunities. The parties hereby acknowledge and agree that Town is entering this Agreement pursuant to its governmental functions and that nothing contained in this Agreement

shall be construed as constituting a waiver of the Town's governmental immunity from suit or liability, which is expressly reserved to the extent allowed by law. Notwithstanding anything to the contrary herein, the parties hereby acknowledge and agree that to the extent this is subject to the provisions of Subchapter I of Chapter 271, TEXAS LOCAL GOVERNMENT CODE, as amended, the Town's immunity from suit is waived only as set forth in Subchapter I of Chapter 271, TEXAS LOCAL GOVERNMENT CODE. Further, the parties agree that this Agreement is made subject to all applicable provisions of the Texas Civil Practice and Remedies Code, including, but not limited to all defenses, limitations, and exceptions to the limited waiver of immunity from liability provided in Chapter 101 and Chapter 75.

10. Warranty: All products' and manufacture's, and any other DIR agreement, or Microsoft, guarantees or warranties shall be assigned to the Town upon acceptance of delivery.

MISCELLANEOUS

1. The terms and conditions of any exculpatory or indemnity provisions in the Agreement shall construed in favor of the party being protected and shall survive the termination and completion of the Agreement. The judicial doctrine that provides that documents or exculpatory provisions are to be construed against the drafter or provider of such documents or provisions does not apply to this Agreement, as each party has had a reasonable opportunity to obtain and consult with their own legal counsel regarding this Agreement.

2. VAR shall perform its obligations under this Agreement as an independent contractor and shall not be considered an employee of the Town for any purpose whatsoever, including, but not limited to, entitlement to Town employee benefits. VAR hereby expressly waives any claim or entitlement to such benefits. Furthermore, this Agreement is not intended to create, nor should it be construed as creating, a partnership, association, joint venture, or trust.

3. The waiver or failure of either party to exercise, in any respect, any right provided for in this Agreement shall not be deemed a waiver of any further right under this Agreement.

4. If any provision of this Agreement is invalid, illegal, or unenforceable under any applicable statute, court decision, or rule of law, it is to that extent to be deemed omitted. The remainder of the Agreement shall be valid and enforceable to the maximum extent possible.

5. No right or remedy granted herein or reserved to either party is exclusive of any other right or remedy provided or permitted by law or equity, but each shall be cumulative of every other right or remedy given hereunder. The waiver or failure of either party to exercise, in any respect, any right provided for in this Agreement shall not be deemed a waiver of any further right under this Agreement.

6. This Agreement is subject to the appropriation of public funds by the Town in its budget adopted for any fiscal year for the specific purpose of making payments pursuant to this Agreement for that fiscal year. The obligation of the Town pursuant to this Agreement in any fiscal year for which this Agreement is in effect shall constitute a current expense of the Town for that fiscal year only, and shall not constitute an indebtedness of the Town of any monies other than those lawfully appropriated in any fiscal year. In the event of non-appropriation of funds in any fiscal year to make payments pursuant to this Agreement, this Agreement may be terminated without any liability to either party.

7. To the extent required by Texas law, the VAR verifies that: (1) It does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, as defined in Texas Government Code § 2274.001, and that it will not during the term of the Agreement discriminate against a firearm entity or firearm trade association; (2) It does not "boycott Israel" as that term is defined in Texas Government Code § 808.001 and 2271.001, and it will not boycott Israel during the term of the Agreement; (3) It does not "boycott energy companies," as those terms are defined in Texas Government Code §§ 809.001 and 2276.001, and it will not boycott energy companies during the term of the Agreement; (4) It does not engage in scrutinized business

operations with Sudan, Iran, or designated foreign terrorist organization as defined in Texas Government Code, Chapter 2270; and (5) It is not owned by or the majority of its stock or other ownership interest is held or controlled by i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country as defined by Texas Government Code § 2275.0101; or ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; nor is it headquartered in China, Iran, North Korea, Russia, or a designated country.

8. Waiver of Attorney's Fees. The parties expressly covenant and agree that in the event of any litigation arising between the parties to this Agreement, each party shall be solely responsible for payment of its attorneys and that in no event shall either party be responsible for the other party's attorneys' fees regardless of the outcome of the litigation.

9. This Agreement may be executed in counterparts, each of which shall be deemed an original and constitute one and the same instrument.

10. This Agreement, together with all exhibits referenced herein and the Microsoft terms and conditions and other service terms of the Microsoft products purchased pursuant to this Agreement, embody the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have accepted the terms of this Agreement and caused this Agreement, including the exhibits attached hereto and incorporated herein by reference for all purposes, to be executed as of the dates set forth below.

TOWN OF TROPHY CLUB, TEXAS

By: _____
Brandon Wright, Town Manager

ATTEST:

Tammy Dixon, Town Secretary

APPROVED AS TO FORM:

Dean Roggia, Town Attorney

**SHI Government Solutions, Inc.
(THE "VAR"):**

By: _____

Name: _____

Title: _____

Date: _____



Pricing Proposal
 Quotation #: 24224543
 Created On: 11/29/2023
 Valid Until: 11/30/2023

TX-Town of Trophy Club

April Duvall

1 Trophy Wood Drive
 Trophy Club, TX 76262
 United States
 Phone: 682.237.2914
 Fax:
 Email: aduvall@trophyclub.org

Inside Account Manager

Jeidys Noboa

290 Davidson Ave
 Somerset, NJ, 08873
 Phone: | Toll Free: 888-394-5232 ext.:
 6524741
 Fax: 888-394-5322
 Email: Jeidys_Noboa@SHI.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Office 365 E1GCC User Microsoft - Part#: AAA-11646 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: 12 month pricing	29	\$105.12	\$3,048.48
2 Office 365 E3GCC User Microsoft - Part#: AAA-11650 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: 12 month pricing	98	\$240.72	\$23,590.56
3 Defender 365P1 GCC User Microsoft - Part#: AAA-19790 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: 12 month pricing	177	\$20.28	\$3,589.56
4 AADP P1 GCC Per User Microsoft - Part#: AAA-11592 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: 12 month pricing	177	\$60.96	\$10,789.92
5 ExchOnline AEOG User Microsoft - Part#: AAA-11618 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: 12 month pricing	79	\$30.48	\$2,407.92
6 Exchange Online P1 GCC Microsoft - Part#: AAA-11624 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: 12 month pricing	53	\$41.28	\$2,187.84
7 Win Server Datcr Core 2 SftSA	24	\$383.04	\$9,192.96

Microsoft - Part#: AAA-30385
Contract Name: Microsoft Software VAR
Contract #: DIR-TSO-4092
Note: 36 month pricing

Subtotal	\$54,807.24
Shipping	\$0.00
Total	\$54,807.24

Additional Comments

Please note, if Emergency Connectivity Funds (ECF) will be used to pay for all or part of this quote, please let us know as we will need to ensure compliance with the funding program.

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: Matt Cox, Director of Community Development

AGENDA ITEM: Case SUP-23-003 Hutchins BBQ Alcohol On-Premises
Conduct a Public Hearing and consider approval of an ordinance for a request made by Hutchins BBQ Restaurant for a Specific Use Permit for alcoholic beverage sales for on-premises consumption in conjunction with a restaurant use, located at 3000 E. Highway 114, Trophy Club, Texas.

BACKGROUND/SUMMARY:

Hutchins BBQ Restaurant is requesting approval of a Specific Use Permit (SUP) for alcoholic beverage sales for on-premises consumption in conjunction with a restaurant use according to Section 14.02.252 of the Town's Code of Ordinances. The property's zoning of Planned Development District-25 (PD-25) does not restrict the sales of alcoholic beverages beyond the regulations of Town Code and State Law.

As shown in Exhibit A, Hutchins National, LLC is applying to the Texas Alcoholic Beverage Commission (TABC) to obtain a Mixed Beverage Restaurant Permit (RM) which will allow for the sale and consumption of wine, beer, and liquor on the premises. The Town Code does not restrict hours of operation beyond TABC's regulations.

Section 14.02.252(b) of the Code of Ordinances states that no alcoholic beverages may be sold within 300 feet of a church, public school or private school, or public hospital. Subsection (g) describes the methods of measurement as front door to front door and along street front property lines when measuring to churches and public hospitals, and in a direct line from nearest property line to property line when measuring to public schools and private schools. Hutchins Restaurant complies with Town and State requirements, as the closest church (Lake Cities Church of Christ) is approximately 4,000 feet away, and the closest public or private school (Walnut Grove Elementary School) is approximately 5808 feet away. The nearby Baylor Scott & White Medical Center – Trophy Club is a private hospital so there are no separation requirements.

Parking needs have been addressed by the required on-site parking spaces.

The Chief of Police has reviewed this application, as required by Code, and does not have any objections.

Notice of a public hearing was distributed as required by the Town's Zoning Ordinance and State Law. No letters in support or opposition were received at the time of agenda packet publication.

BOARD REVIEW/CITIZEN FEEDBACK:

The Planning and Zoning Commission recommended approval of the SUP application at its November 16, 2023 meeting by a vote of 5 to 0.

FISCAL IMPACT: N/A

LEGAL REVIEW: Town Attorney, Dean Roggia, has reviewed the ordinance as to form and legality.

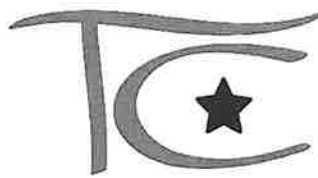
ATTACHMENTS:

- Exhibit A – Application
- Exhibit B – Location Map
- Draft Ordinance

ACTION/OPTIONS:

Conduct a public hearing and consider the Planning and Zoning Commission's recommendation and act on an ordinance for the Hutchins National, LLC, SUP application to:

- Approve the SUP ordinance;
- Approve the SUP ordinance with conditions; or
- Deny the SUP ordinance.



TOWN OF
TROPHY CLUB
1 Trophy Wood Drive | Trophy Club, TX 76262 | 682.237.2900

SITE PLAN/ZONING APPLICATION

APPLICATION TYPE – CHECK THE APPROPRIATE BOX BELOW

- ☐ Straight Zone Change ☐ Planned Development (PD) District ☒ Conditional/Specific Use Permit (CUP/SUP)
☐ Temporary Use Permit (TUP) ☐ Meritorious Exception ☐ Site Plan ☐ Amendment to PD, CUP, SUP, Site Plan

PROPERTY INFORMATION

Project Name: TABC license Application Total Lots: _____

Property Address: 3000 TX-114, Trophy Club, TX Total Acres: _____

Legal Description: _____ DCAD/TAD TAX ID: 92-1911593

Current Use of Property: Restaurant Current Zoning: PD-25

Description of Request: TABC Beer & Wine license ^{on premise} Proposed Zoning: _____

APPLICANT / OWNER INFORMATION

Applicant

Company Name: The Original Roy Hutchins BBQ

Contact Name: Wesley Hutchins

Address: 3000 TX-114

City, State, Zip: Trophy Club, TX 76262

Phone: 972-658-5604

Email: Wes.g.hutchins1969@gmail.com

Signature: _____

Owner (If Different)

Company Name: _____

Contact Name: _____

Address: _____

City, State, Zip: _____

Phone: _____

Email: _____

Signature: _____

NOTE: The property owner must sign the application or submit a notarized letter of authorization.

APPLICATION REQUIREMENTS

- DISCLAIMER: The Town of Trophy Club only enforces Town ordinances, and approval or denial of an application is based on that authority. Permit approval does not exempt the applicant from Covenants & Restrictions and/or HOA regulations.
- All required information, plans and signatures shall be completed prior to application submittal. INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.
- One (1) folded and collated 24" x 36" plan sets shall be submitted with this application in addition to a digital set in pdf format on a thumb drive or emailed to Planning staff.
- All required application fees shall be paid upon submittal of this application.
- In addition to this application form, a detailed description of the request including all relevant project information shall be attached on a separate sheet to this application.

STAFF USE ONLY

Date Received: 9-19-23

Received by: Shad

Fee Paid: \$300.00

Payment Type/Check #: 1453

Receipt #: 9829

Case #: RPR-000172-2023



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

October 27, 2023

**Re: *Specific Use Permit application regarding alcoholic beverages
Hutchins National, LLC***

Dear Property Owner:

You are receiving this notice because you own property within 200 feet of, or within, the boundaries of the subject property that is affected by the proposed changes, which are described below and shown on a location map on the reverse side.

A request made by Hutchins National, LLC for a Specific Use Permit for alcoholic beverage sales for on-premises consumption in conjunction with a restaurant use, located at 3000 E. Highway 114. The subject property is legally described as Trophy Wood Business Center, Block B, Lot 2R2, approximately 2.052 acres, and is generally located at the northeast corner of Trophy Wood Drive and SH 114 in the Town of Trophy Club, Tarrant County, Texas.

Notice is hereby given that Public Hearings will be held by the Planning & Zoning Commission on **Thursday, November 16, 2023**, and held by the Town Council **on Monday, December 11, 2023**. Both meetings will be held at 7:00 PM at 1 Trophy Wood Drive in Trophy Club, Texas and action may be taken on the request at the public hearing.

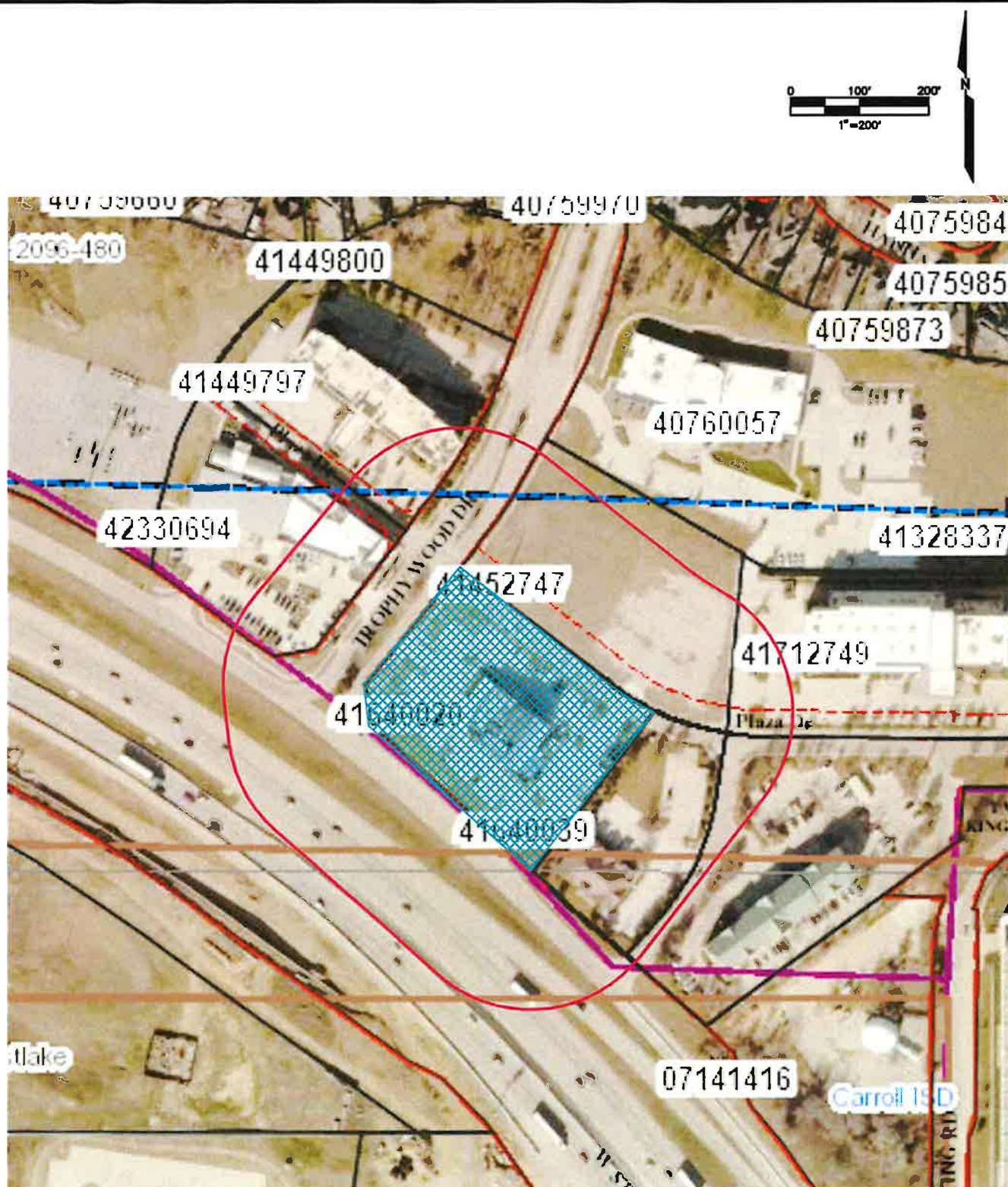
Public Hearings are scheduled for the purpose of receiving public comments. Feel free to contact me at (682) 237-2916 if you need further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Matt Cox', is written over a light blue circular stamp.

Matt Cox

Director of Community Development



**Notification Map-300 Foot
Radius SUP-23-003
Hutchins BBQ
3000 SH 114**

**TOWN OF TROPHY CLUB, TEXAS
ORDINANCE NO. 2023-XX**

AN ORDINANCE OF THE TOWN OF TROPHY CLUB, TEXAS APPROVING A SPECIFIC USE PERMIT FOR ALCOHOLIC BEVERAGE SALES FOR ON-PREMISES CONSUMPTION IN CONJUNCTION WITH A RESTAURANT USE OPERATED BY THE ORIGINAL ROY HUTCHINS BBQ, LOCATED ON LOT 2R2, BLOCK B OF TROPHY WOOD BUSINESS CENTER, WITHIN PD PLANNED DEVELOPMENT NO. 25; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING APPLICABLE REGULATIONS, DISCONTINUATION, & REVOCATION; PROVIDING A SAVINGS AND REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Trophy Club (the “Town”) is a home rule municipality acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the Town Council of the Town of Trophy Club, Texas (the “Town Council”), is authorized and empowered by law, in accordance with Chapter 211 of the Texas Local Government Code, to regulate land use, and property development within the Town for the public health, safety, and general welfare; and

WHEREAS, the applicant seeks to sell alcoholic beverages, including beer and wine, for on-premises consumption in conjunction with a restaurant use operated by The Original Roy Hutchins BBQ, located on Lot 2R2, Block B of Trophy Wood Business Center (the “Land”); and

WHEREAS, all legal requirements and conditions were complied with, the case for a specific use permit for alcoholic beverage sales for on-premises consumption came before the Planning and Zoning Commission; and

WHEREAS, after public notices were given in compliance with State law and public hearings were conducted, and after considering the information submitted at those public hearings and all other relevant information and materials, the Planning & Zoning Commission of the Town has recommended to the Town Council the adoption of this Ordinance; and

WHEREAS, after complying with all legal notices, requirements, and conditions, a public hearing was held before Town Council at which the Town Council considered, among other things, the character of the land and its suitability for particular uses, with a

view of encouraging the most appropriate use of land in the Town, and does hereby find that the specific use permit approved hereby accomplishes such objectives.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, THAT:

**SECTION 1.
INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

**SECTION 2.
APPLICABLE REGULATIONS, DISCONTINUATION, & REVOCATION**

In all respects the Land shall be subject to the applicable regulations contained in the Comprehensive Zoning Ordinance and all other applicable and pertinent ordinances and regulations of the Town, including without limitation regulations governing PD Planned Development No. 25 and all amendments thereto. The Specific Use Permit granted by this Ordinance shall control in cases of conflict between this Ordinance and/or PD Planned Development No. 25 and/or the Comprehensive Zoning Ordinance. The Specific Use Permit granted hereby shall discontinue if the use for which this Specific Use Permit is granted ceases to be operated at the permitted location for a minimum period of six (6) continuous months. Further, this Specific Use Permit shall be subject to revocation in accordance with the Code of Ordinances of the Town of Trophy Club, Texas.

**SECTION 3.
CUMULATIVE**

This Ordinance shall be cumulative of all other provisions of ordinances of the Town except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

**SECTION 4.
SAVINGS**

All rights and remedies of the Town are expressly saved as to any and all violations of the provisions of any other ordinance affecting the subject matter of this Ordinance within the Town which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 5. SEVERABILITY

The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the Town Council hereby declares that it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 6. PENALTY

It shall be unlawful for any person to violate any provision of this Ordinance, and any person violating or failing to comply with any provision hereof shall be fined, upon conviction, in an amount not less than One Dollar (\$1.00) nor more than Two Thousand Dollars (\$2,000.00), and a separate offense shall be deemed committed each day during or on which a violation occurs or continues.

SECTION 7. PUBLICATION

The Town Secretary of the Town of Trophy Club is hereby directed to publish the Caption and Penalty Clause of this Ordinance as required by Section 3.16 of the Town's Charter.

SECTION 8. EFFECTIVE DATE

This Ordinance shall become effective from and after its date of adoption and publication as provided by law, and it is so ordained.

PASSED AND APPROVED by the Town Council of the Town of Trophy Club, Texas, this 11th day of December 2023.

Jeannette Tiffany, Mayor

ATTEST:

Tammy Dixon, Town Secretary

APPROVED AS TO FORM:

Dean Roggia, Town Attorney



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: Matt Cox, Director of Community Development

AGENDA ITEM: **Case RP-23-001 Replat NISD High School No. 2, for Block 1, Lot 2R**
Conduct a Public Hearing and consider a request made by the Town of Trophy Club for a replat for Block 1, Lot 2R, NISD High School No. 2, to accommodate right-of-way and access on a lot legally described as Block 1, Lot 2, NISD High School No. 2, approximately 1.725 acres. The property is generally located east of Bobcat Boulevard and south of Middleton Drive, in the Town of Trophy Club, Denton County, Texas.

BACKGROUND/SUMMARY:

The purpose of the replat is to provide right-of-way access to the Bobcat Village Phases 1 and 2 subdivisions. The subject property is the location of a water tower and the access point to the proposed Bobcat Village Phases 1 and 2. A 60-foot right-of-way for Maddox Drive is being dedicated to the eastern boundary of the water tower lot.

There is an existing drive serving the water tower site and the roadway (Maddox Drive) on Lot 2R will be improved to Town standards by the developer during construction of the subdivision. The Town Engineer has reviewed and approved the construction plans for Maddox Drive.



SUBJECT PROPERTY

Notice of the public hearing was distributed as required by The Town of Trophy Club Zoning Ordinance and State Law. At the time of agenda packet publication Staff had not received any letters in support or in opposition to the replat request.

BOARD REVIEW/CITIZEN FEEDBACK:

The Planning and Zoning Commission recommend approval at its November 16, 2023 meeting by a vote of 5 to 0.

FISCAL IMPACT: N/A

LEGAL REVIEW: Town Attorney, Dean Roggia, has reviewed the Replat as to form and legality.

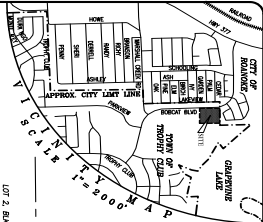
ATTACHMENTS:

- Replat NISD High School No. 2, Block 1, Lot 2R
- Aerial Overlay of Replat and existing conditions
- Maddox Drive Engineering Plan
- Vehicle turning radius exhibit at Maddox Drive and Bobcat Village Phase 1

ACTION/OPTIONS:

Consider and act on recommendation by the Planning and Zoning Commission to:

- Approve the Replat;
- Approve the Replat with conditions; or
- Deny the Replat.



NOTES

- [illegible]

CITY OF ROANOKE

SYMBOL LEGEND	
	CABLE/TV HAND HOLE
	ELECTRIC METER
	ELECTRIC TRANSFORMER
	LIGHT
	UTILITY
	POLE
	TELEPHONE HAND HOLE
	SIGN/UTILITY MARKER

OWNER'S DECLARATION

STATE OF TEXAS
COUNTY OF DENTON

WHEREAS, Tonia of Brock High School, acting by and through the undersigned, its duly authorized officer, has been duly authorized to execute this instrument, and

WHEREAS, Tonia of Brock High School No. 2, an addition to the Town of Trophy, Texas is the owner of Lot 1, Block 1, NISD High School No. 2, an addition to the Town of Trophy, Texas County, Texas, according to all the certain tract last described in plat records of Deaton County, Texas (D.C.T.), also being all of that certain tract last described in plat records of Deaton County, Texas (D.C.T.), also being all of that certain tract last described in plat records of Deaton County, Texas (D.C.T.), and being more particularly described by notes and bounds as follows:

BEGINNING at a 1/2 inch top rod with red cap, found at the southeast corner of said Lot 2, also being the most westerly north line of Lot 1, of said Block 1, NISD High School No. 2, and also being the west corner of a tract last described in plat records of Deaton County, Texas (D.C.T.) as filed in instrument #2001-00992, Dated Records of Deaton County, Texas (D.C.T.), and being

THESE N 89°42'22" W, along the south line of said Lot 2, and along the most westerly north line of said Lot 1, a distance of 257.18 feet to a 5/8 inch iron rod with cap stamped "TN", set at the southeast corner of said Lot 2, also being the most westerly northwest corner of said Lot 1, and also being in the east Right-of-Way (R-O-W) line of Botwin Boulevard (110' in width);

THEENCE N 00°15'49" E, along the west line of said Lot 2, and along the east R-O-M line of said Bobcock Boulevard, a distance of 292.14 feet to a 1 1/2 inch iron rod found at the northwest corner of said Lot 2;

corner of said Lot 2, also being the northwest corner of a tract land described in the deed to C. O. O'Connell, et al., recorded in the County of Cook, Illinois, in the Recorder's Office, under the name of said O'Connell, et al., as filed in Instrument #2003-2605073, D.R.D.C.T., from which an "X" found cut in concrete, bears N 00°21'58" W, a distance of 0.79 feet;

THEENCE S 00°21'58" E, along the east line of said Lot 2, and along the west line of said C O'Brien Investments tract (Inst. #2003-256037), also passing along the most westerly line of said C O'Brien Investments tract (Inst. #2003-26135), a distance of 295.57 feet to the POINT OF BEGINNING, containing 75,122 square feet or 1.725 acres of land.

NOW, THEREFORE KNOW ALL MEN BY THESE PRESENTS:

hereto adopt this plat designating the herein above described real property as:

LOT 2R, BLOCK 1

NISD HIGH SCHOOL NO. 2

WITNESS my hand on this the _____ day of _____, 2023.

By: _____
Signature of Owner

STATE OF TEXAS
COUNTY OF _____

32

Before me, the undersigned authority, on this day personally appeared _____, of the Town of Trophy Club, known to me to be the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he/she executed the same for the purpose and

Given under my hand and seal of office this the ____ day of _____, 2023.

Notary Public in and for the State of Texas

Printed Name _____

My commission expires _____

1000000

Revised R-C-W 10

CDOL NO. 2

county, Texas, according to the plot filed in
 1,725 acres of land total.

TR	
----	--



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

October 27, 2023

**Re: Replat request for Lot 2, Block 1, NISD High School No. 2
RP 23-001**

Dear Property Owner:

You are receiving this notice because you own property within 200 feet of, or within, the boundaries of the subject property that is affected by the proposed changes, which are described below and shown on a location map on the reverse side.

A request made by the Town of Trophy Club for a Replat for Block 1, Lot 2R, NISD High School No. 2, to accommodate right-of-way and access on a lot legally described as Block 1, Lot 2, NISD High School No. 2, approximately 1.725 acres. The property is generally located east of Bobcat Boulevard and south of Middleton Drive, in the Town of Trophy Club, Denton County, Texas.

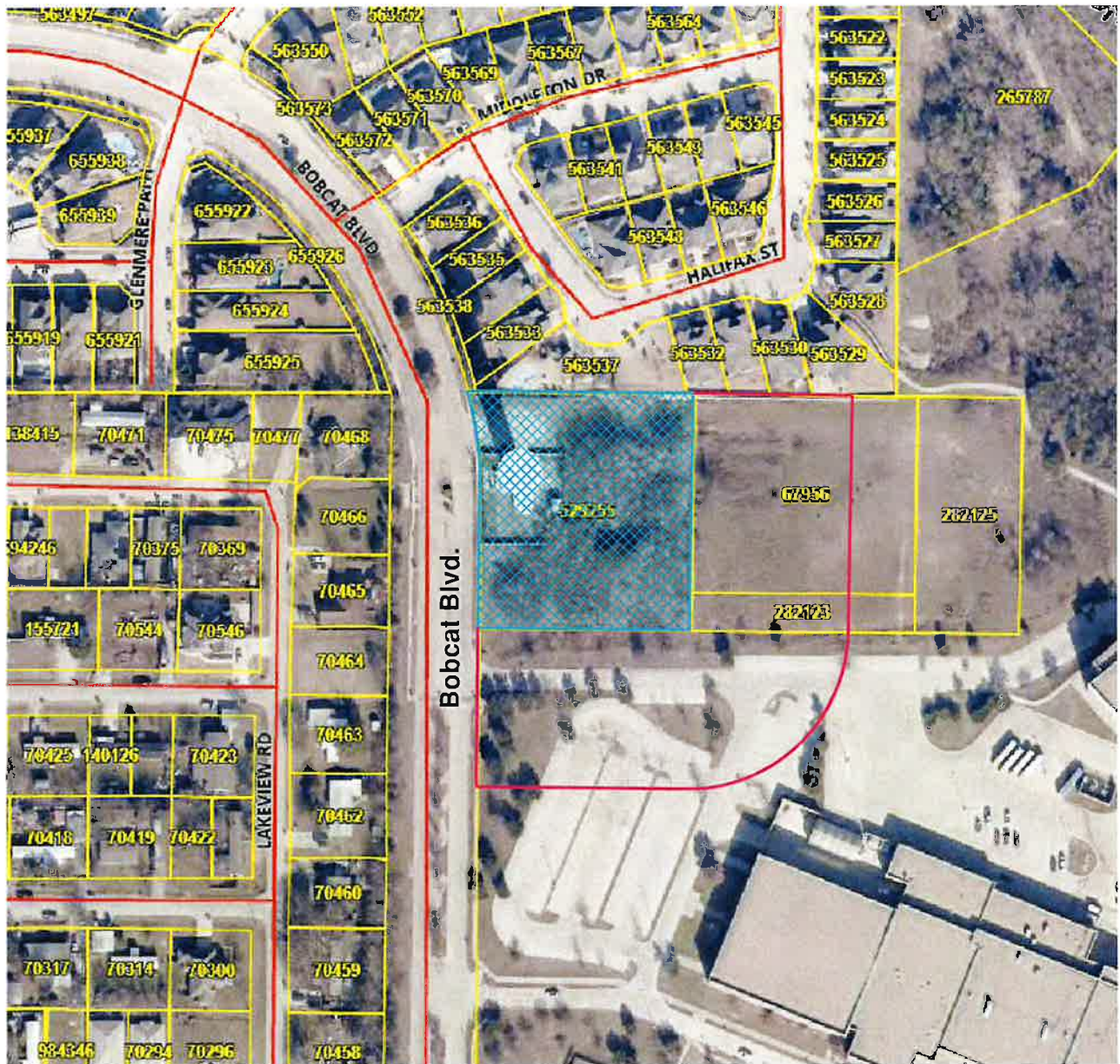
Notice is hereby given that Public Hearings will be held by the Planning & Zoning Commission on **Thursday, November 16, 2023**, and held by the Town Council on **Monday, December 11, 2023**. Both meetings will be held at 7:00 PM at 1 Trophy Wood Drive in Trophy Club, Texas and action may be taken on the request at the public hearing.

Public Hearings are scheduled for the purpose of receiving public comments. Feel free to contact me at (682) 237-2916 if you need further information.

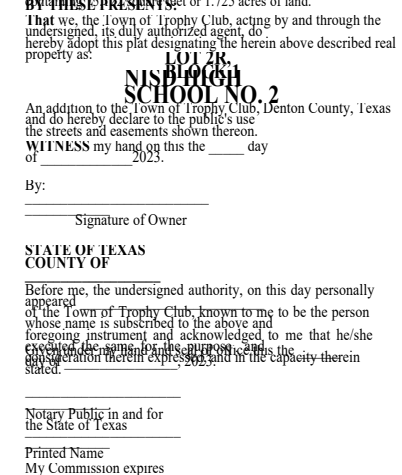
Sincerely,

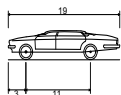
A handwritten signature in blue ink, appearing to read 'Matt Cox', is written over a light blue circular stamp.

Matt Cox
Director of Community Development



Notification Map 200 foot radius for a Replat for Block 1, Lot 2R, NISD High School No. 2, Town of Trophy Club, Denton County, Texas to accommodate right-of-way and access.
RP-23-001





19.000ft
7.000ft
4.300ft
1.115ft
6.000ft
4.00s
31.60°



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: Matt Cox, Director of Community Development

AGENDA ITEM: **Case FP-23-005 Bobcat Village Phase 1 Final Plat, formerly Well Site 1H**
Discuss, consider and take action on a Final Plat for Bobcat Village Phase 1 (formerly Well Site 1H) containing ±2.7886 acres of land located east of Bobcat Boulevard, south and east of Halifax Street, and north of Byron Nelson High School.

BACKGROUND/SUMMARY:

The Planning and Zoning Commission recommended, and the Town Council approved the Planned Development (PD-37) zoning for the subject property in December of 2021. The Planning and Zoning Commission and Town Council approved the Preliminary Plat in July of 2022. The subject property was formerly a gas well site known as 1H. The property owner has applied for a Final Plat to facilitate development of the parcel.

1. The plat consists of 21 residential lots and two (2) open space/private street lots and one (1) open space lot.
2. The lots meet or exceed the minimum standards in the adopted PD regulations.
3. The development is proposed as private streets that will be built as 26-foot-wide mutual access/fire lane easement.
4. A homeowners' association (HOA) will be created with the filing of the final plat that will own and maintain any common elements. The applicant shall submit the HOA documents for review by the Town Attorney prior to Town Council consideration of the Final Plat. The Final Plat will not be filed without approved HOA documents.
5. Prior to filing the Final Plat, the subdivider will also be required to pay a fee-in-lieu of parkland dedication and pay any impact fees.
6. The applicant is responsible for verifying that the location of the capped well is not within the buildable area of any lot. The capped well is located in Lot24X, an open space lot to be owned and maintained by the Bobcat Village Phase 1 HOA. The applicant has identified the well head by ID number on the engineering plans as recommended by the P&Z Commission.
7. The Planned Development zoning for the development requires a three (3) foot Landscape Buffer Zone with evergreen shrubs along the southern boundary adjacent to High School to the South. The applicant's engineer has stated the completion of the buffer will occur at the time of building permit.
8. The civil engineering construction plans are a part of the Final Plat submission and the applicant has updated the plans to reflect a 60 foot right-of-way (Maddox Lane) dedication to serve the site to Bobcat Boulevard through the Town's lot where a water tower and accessories are located. The Town Engineer has approved the project construction plans for this phase.

BOARD REVIEW/CITIZEN FEEDBACK:

The Planning and Zoning Commission recommend approval at its October 5, 2023 meeting by a vote of 7 to 0.

STAFF REVIEW:

Staff has reviewed the Final Plat and is recommending approval.

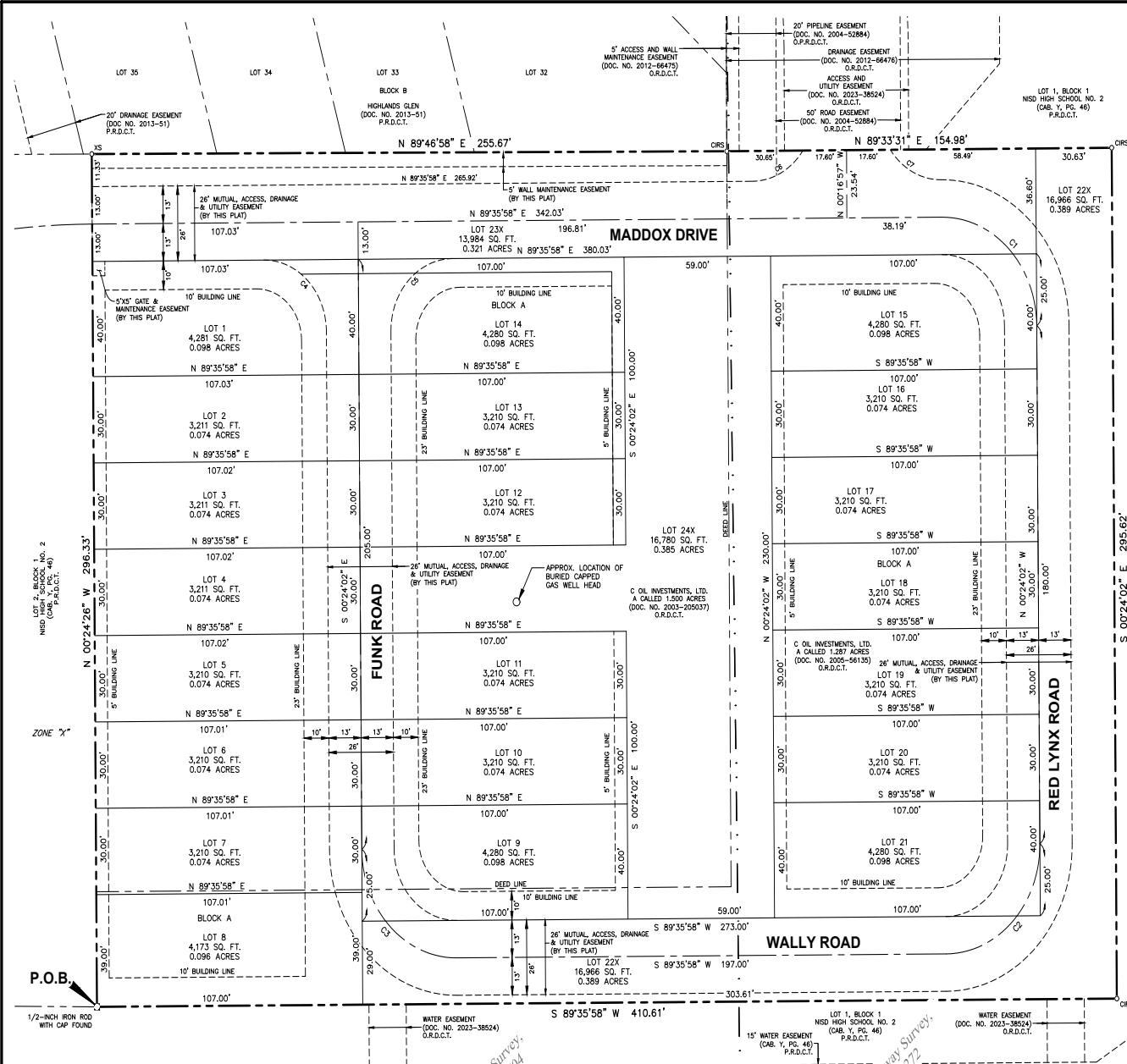
FISCAL IMPACT: N/A**LEGAL REVIEW: N/A****ATTACHMENTS:**

- Final Plat Bobcat Village Phase 1 at Trophy Club (formerly well site 1H)

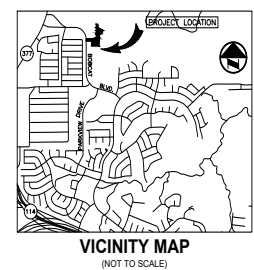
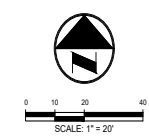
ACTION/OPTIONS:

Consider and act on recommendation by the Planning and Zoning Commission to:

- Approve the Final Plat;
- Approve the Final Plat with conditions; or
- Deny the Final Plat.



- LEGEND**
- CIRS 5/8" IRON ROD SET WITH "BGE" CAP
 - XS "X" CUT IN CONCRETE SET
 - Q M.R.D. MONUMENT OF RECORD DIGNITY
 - P.O.B. POINT OF BEGINNING
 - CAB. CABINET
 - PG. PAGE
 - DOC. NO. DOCUMENT NUMBER
 - O.R.D.C.T. OFFICIAL RECORDS DENTON COUNTY, TEXAS
 - P.R.D.C.T. PLAT RECORDS DENTON COUNTY, TEXAS
 - R.O.W. RIGHT-OF-WAY
 - SQ. FT. SQUARE FEET
 - ABSTRACT LINE
 - - - EASEMENT LINE
 - SET BACK LINE
 - LOT LINE
 - PROPERTY LINE



- GENERAL NOTES:**
- Bearing system for this survey is based on the Texas State Plane Coordinate System, Texas North Central Zone 4202, North American Datum of 1983, adjustment realization 2011.
 - The floodplain boundaries are not shown herein. The subject tract lies with Zone X as delineated on Flood Insurance Rate Map for Denton County, Texas and Incorporated Areas, Map Number 48121C0515G with Map Revised April 18, 2011.
Zone X - Areas determined to be outside the 0.2% annual chance floodplain
 - The Town or the Trophy Club Municipal Utility District NO. 1, as applicable, shall issue no permit until the completion of all dedicated improvements, and acceptance of such improvements associated with the subdivision, are approved by the Town.
 - Bobcat Village Phase 1 H.O.A. shall be established and shall be responsible for the operation and maintenance of any commonly held property and releases the Town of Trophy Club from such responsibility. Should the entity responsible for maintenance of common held property fail to perform the function, the Town has the authority to provide appropriate maintenance and repair and collect appropriate fees and reimbursements.
 - Selling a portion of this addition by metes and bounds is a violation of Town ordinance and State law and is subject to fines and withholding of utilities and building permits.
 - This plat does not alter or remove existing deed restrictions, if any, on this property.
 - Minimum finished floor elevations are at least 18 inches above the 100 year flood plain.
 - All X Lots be shall owned and maintained by Bobcat Village Phase 1 H.O.A.
 - Streets will be constructed to Town standards and maintained by Bobcat Village Phase 1 H.O.A.

Parcel Table			
Lot	Block	Sq. Ft.	
1	BLOCK A 4281		
2	BLOCK A 3211		
3	BLOCK A 3211		
4	BLOCK A 3211		
5	BLOCK A 3210		
6	BLOCK A 3210		
7	BLOCK A 3210		
8	BLOCK A 4173		
9	BLOCK A 4280		
10	BLOCK A 3210		
11	BLOCK A 3210		

Parcel Table			
Lot	Block	Sq. Ft.	
12	BLOCK A 3210		
13	BLOCK A 3210		
14	BLOCK A 4280		
15	BLOCK A 4280		
16	BLOCK A 3210		
17	BLOCK A 3210		
18	BLOCK A 3210		
19	BLOCK A 3210		
20	BLOCK A 4280		
21	BLOCK A 4280		

Parcel Table			
Lot	Block	Sq. Ft.	
22X	BLOCK A 16966		
23X	BLOCK A 13984		
24X	BLOCK A 16760		

CURVE TABLE					
NUMBER	DELTA	RADIUS	CHORD BEARING	CHORD DISTANCE	ARC LENGTH
C1	90°00'00"	38.00'	S 45°24'02" E	53.74'	59.69'
C2	90°00'00"	38.00'	S 44°35'58" W	53.74'	59.69'
C3	90°00'00"	38.00'	N 45°24'02" W	53.74'	59.69'
C4	90°00'00"	25.00'	N 45°24'02" W	35.36'	39.27'
C5	90°00'00"	25.00'	S 44°35'58" W	35.36'	39.27'
C6	54°38'16"	25.00'	N 62°16'50" E	22.95'	23.84'
C7	54°42'30"	25.00'	S 63°02'47" E	22.97'	23.87'

**FINAL PLAT
BOBCAT VILLAGE PHASE 1**

24 TOTAL LOTS
21 RESIDENTIAL LOTS
LOTS 1-21, BLOCK A

2 OPEN SPACE/PRIVATE STREET LOTS
LOTS 22X AND 23X, BLOCK A

1 OPEN SPACE LOT
LOT 24X, BLOCK A

BEING 2.788 ACRES OUT OF THE
THOMAS H. CALLAWAY SURVEY, ABSTRACT NO. 272 AND
THE THOMAS KELLY SURVEY, ABSTRACT NO. 704
TOWN OF TROPHY CLUB, DENTON COUNTY, TEXAS
AUGUST 2023

SHEET 1 OF 2

OWNER
C OIL INVESTMENTS, LTD.
13101 Preston Road, Suite 510
Dallas, TX 75240

SURVEYOR
BGE, Inc.
777 Main Street, Suite 1900, Fort Worth, TX 76102
Tel: 817-887-6130 • www.bgeinc.com
TSPS Registration No. 19194116
Copyright 2023
Contact: Rendi Silva, R.P.L.S.
Telephone: 817-752-4183 • Email: rasilva@bgeinc.com

C:\720\Projects\Scott Beck\8483-01-Trophy Club_Site_H & 118B5\Vol CAD\8483-01_H & 118B_FPL.rmg 2023-12-06 09:08 rslvs

METES & BOUNDS DESCRIPTION

BEING, all of that 2.788 acre (121,457 square foot) tract of land situated in the Thomas Kelly Survey, Abstract NO. 704 and the Thomas H. Callaway Survey, Abstract NO. 272, in the Town of Trophy Club, Denton County, Texas; being all of that called 1.500 acre tract of land described in General Warranty Deed to C Oil Investments, LTD as recorded in Document No. 2003-205037 of the Official Records of Denton County, Texas; and being part of that called 1.287 acre tract of land described in General Warranty Deed to C Oil Investments, LTD as recorded in Document No. 2005-56135 of said Official Records; said 2.788 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING, at a 1/2-iron rod with cap found at the southwest corner of said 1.287 acre tract; said point being the southeast corner of Lot 2, Block 1 and in the north line of Lot 1, Block 1, NISD High School NO. 2, an addition to the Town of Trophy Club; as recorded in Cabinet Y, Page 46 of the Plat Records of Denton County, Texas;

THENCE, North 00 degrees 24 minutes 26 seconds West, departing the north line of said Lot 1, and along the east line of said Lot 2, a distance of 296.33 feet to a "X" cut in concrete set at the northwest corner of said 1.500 acre tract; said point being in the south line of Block 5, Highlands Glen, an addition to the City of Roanoke, as recorded in Document NO. 2013-51 of said Plat Records;

THENCE, North 89 degrees 46 minutes 58 seconds East, along the north line of said 1.500 tract and the south line of said Highlands Glen, a distance of 255.67 feet to a 5/8-inch iron rod with "BGE" cap set for corner; said point being a salient corner in a west line of said Lot 1;

THENCE, North 89 degrees 33 minutes 31 seconds East, along the north line of said 1.287 acre tract, a distance of 154.98 feet to a 5/8-inch iron rod with "BGE" cap set at the northeast corner of said 1.287 acre tract; said point being a reentrant corner in the west line of said Lot 1;

THENCE, South 00 degrees 24 minutes 02 seconds East, along the east line of said 1.287 acre tract and a west line of said Lot 1, a distance of 295.62 feet to a 5/8-inch iron rod with "BGE" cap set at the southeast corner of said 1.287 acre tract; said point being a reentrant corner in a north line of said Lot 1;

THENCE, South 89 degrees 35 minutes 58 seconds West, along the south line of said 1.287 acre tract and a north line of said Lot 1, a distance of 410.61 feet to the POINT OF BEGINNING and containing an area of 2.788 acres or 121,457 square feet of land, more or less.

OWNER'S DEDICATION

That, C OIL INVESTMENTS, LTD. does hereby adopt this plat designating the hereabove described real property as BOBCAT VILLAGE PHASE 1, an addition to the Town of Trophy Club, Denton County, Texas, and do hereby dedicate to the public's use forever the streets and easements shown thereon.

WITNESS, my hand this the ____ Day of _____, 2023.

BY: _____
NAME:
TITLE:

STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned, a Notary Public in and for The State of Texas, on this day personally appeared _____ known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and considerations therein expressed and in the capacity therein stated,

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2023.

Notary Public, The State of Texas

My Commission Expires _____

SURVEYOR'S CERTIFICATE

That I, René Silvas, do hereby certify that I prepared this plat from an actual and accurate survey of the land and that the corner monuments shown therein were properly placed under my supervision in accordance with the subdivision regulations of the Town of Trophy Club.

Dated this the ____ Day of _____, 2023.

René Silvas
RPLS No. 5921

STATE OF TEXAS §

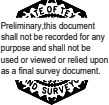
COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for The State of Texas, on this day personally appeared René Silvas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and considerations therein expressed and in the capacity therein stated,

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ Day of _____, 2023.

Notary Public, The State of Texas

My Commission Expires _____



TOWN COUNCIL & PLANNING AND ZONING COMMISSION APPROVAL

APPROVED: _____
TOWN OF TROPHY CLUB
DENTON COUNTY, TEXAS

BY: _____ MAYOR

ATTEST: _____ TOWN SECRETARY

ATTEST: _____ PLANNING AND ZONING COMMISSION CHAIRMAN

DATE: _____

FINAL PLAT
BOBCAT VILLAGE PHASE 1

24 TOTAL LOTS
21 RESIDENTIAL LOTS
LOTS 1-21, BLOCK A

2 OPEN SPACE/PRIVATE STREET LOTS
LOTS 22X AND 23X, BLOCK A

1 OPEN SPACE LOT
LOT 24X, BLOCK A

BEING 2.788 ACRES OUT OF THE
THOMAS H. CALLAWAY SURVEY, ABSTRACT NO. 272 AND
THE THOMAS KELLY SURVEY, ABSTRACT NO. 704
TOWN OF TROPHY CLUB, DENTON COUNTY, TEXAS
AUGUST 2023

SHEET 2 OF 2

OWNER
C OIL INVESTMENTS, LTD.
13101 Preston Road, Suite 510
Dallas, TX 75240

SURVEYOR
BGE, Inc.
777 Main Street, Suite 1900, Fort Worth, TX 76102
Tel: 817-487-6130 • www.bgeinc.com
TSPLS Registration No. 10194416
Copyright 2023
Contact: René Silvas, R.P.L.S.
Telephone: 817-752-4183 • Email: rsilvas@bgeinc.com

Cabinet: _____, Page: _____



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: Matt Cox, Director of Community Development

AGENDA ITEM: Case FP-23-006 Bobcat Village Phase 2 Final Plat, formerly Well Site 1HB
Discuss, consider and take action on a Final Plat for Bobcat Village Phase 2 (formerly Well Site 1HB) containing ± 2.106 acres of land located east of Bobcat Boulevard, east of Halifax Street, and north of Byron Nelson High School.

BACKGROUND/SUMMARY:

The Planning and Zoning Commission recommended and the Town Council approved the Planned Development (PD-37) zoning for the subject property in December of 2021. The Planning and Zoning Commission and Town Council approved the Preliminary Plat in July of 2022. The subject property was formerly a gas well site known as 1H. The property owner has applied for a Final Plat to facilitate development of the parcel.

1. The plat consists of 14 residential lots and two (2) open space/private street lots.
2. The lots meet or exceed the minimum standards in the adopted PD regulations.
3. The development is proposed as private streets that will be built as 26-foot-wide mutual access/fire lane easement.
4. A homeowners' association (HOA) will be created with the filing of the final plat that will own and maintain any common elements. The applicant shall submit the HOA documents for review by the Town Attorney prior to Town Council consideration of the Final Plat. The Final Plat will not be filed without approved HOA documents.
5. Prior to filing the Final Plat, the subdivider will also be required to pay a fee-in-lieu of parkland dedication and pay any impact fees.
6. This well site was never completed. Therefore, identifying a capped well head on the engineering construction plans is not required.
7. The civil engineering construction plans are a part of the Final Plat submission and the applicant has updated the plans to reflect a 60 foot right-of-way (Maddox Lane) dedication to serve the site to Bobcat Boulevard through the Town's lot where a water tower and accessories are located. The Town Engineer has approved the project construction plans for this phase.

BOARD REVIEW/CITIZEN FEEDBACK:

The Planning and Zoning Commission recommend approval at its October 5, 2023 meeting by a vote of 7 to 0.

STAFF REVIEW:

Staff has reviewed the Final Plat and is recommending approval.

FISCAL IMPACT: N/A

LEGAL REVIEW: N/A

ATTACHMENTS:

- Final Plat Bobcat Village Phase 2 at Trophy Club (formerly well site 1HB)

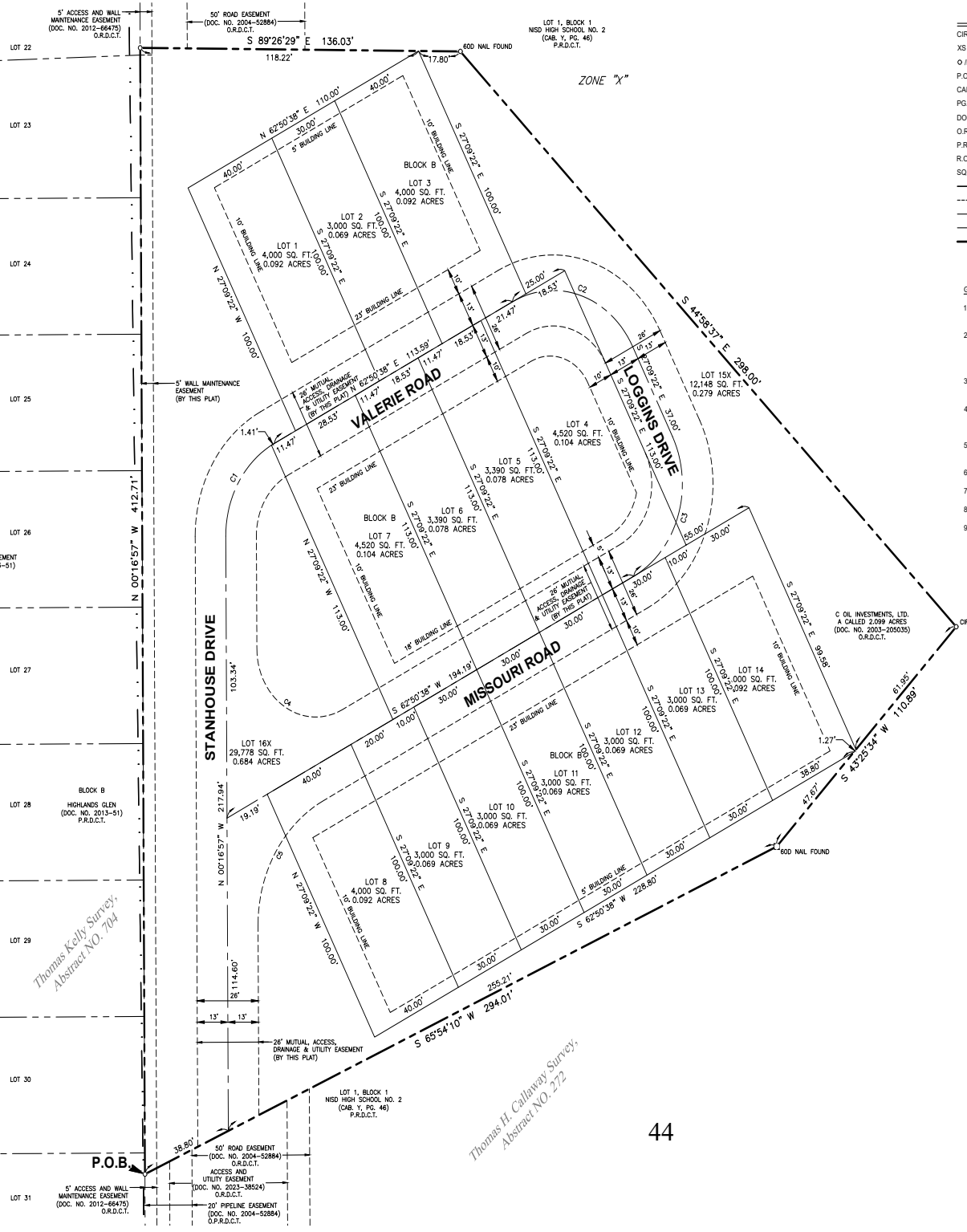
ACTION/OPTIONS:

Consider and act on recommendation by the Planning and Zoning Commission to:

- Approve the Final Plat;
- Approve the Final Plat with conditions; or
- Deny the Final Plat.

C:\72N\Projects\Scott Bess\8483-5-01\Trophy Club_Site_1H & 1H8\SV\LA CAD\8483-5-01_1H & 1H8_FPLT.dwg 2023-09-28 08:57 from

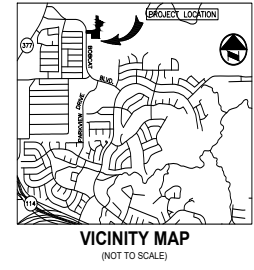
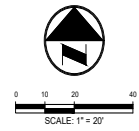
HALIFAX STREET
(50' PRIVATE R.O.W.)



Thomas Kelly Survey,
Abstract NO. 704

Thomas H. Callaway Survey,
Abstract NO. 272

- LEGEND**
- CIRS 5/8" IRON ROD SET WITH "BGE" CAP
 - XS "X" CUT IN CONCRETE SET
 - M.R.D. MONUMENT OF RECORD DIGNITY
 - P.O.B. POINT OF BEGINNING
 - CAB. CABINET
 - PG. PAGE
 - DOC. NO. DOCUMENT NUMBER
 - O.R.D.C.T. OFFICIAL RECORDS DENTON COUNTY, TEXAS
 - P.R.D.C.T. PLAT RECORDS DENTON COUNTY, TEXAS
 - R.O.W. RIGHT-OF-WAY
 - SQ. FT. SQUARE FEET
 - ABSTRACT LINE
 - - - EASEMENT LINE
 - SET BACK LINE
 - LOT LINE
 - PROPERTY LINE



- GENERAL NOTES:**
- Bearing system for this survey is based on the Texas State Plane Coordinate System, Texas North Central Zone 4202, North American Datum of 1983, adjustment realization 2011.
 - The floodplain boundaries are not shown hereon. The subject tract lies with Zone X as delineated on Flood Insurance Rate Map for Denton County, Texas and Incorporated Areas, Map Number 48121C0515G with Map Revised April 18, 2011.

Zone X - Areas determined to be outside the 0.2% annual chance floodplain
 - The Town or the Trophy Club Municipal Utility District NO. 1, as applicable, shall issue no permit until the completion of all dedicated improvements, and acceptance of such improvements associated with the subdivision, are approved by the Town.
 - Bobcat Village Phase 2 H.O.A. shall be established and shall be responsible for the operation and maintenance of any commonly held property and releases the Town of Trophy Club from such responsibility. Should the entity responsible for maintenance of common held property fail to perform the function, the Town has the authority to provide appropriate maintenance and repair and collect appropriate fees and reimbursements.
 - Selling a portion of this addition by metes and bounds is a violation of Town ordinance and State law and is subject to fines and withholding of utilities and building permits.
 - This plat does not alter or remove existing deed restrictions, if any, on this property.
 - Minimum finished floor elevations are at least 18 inches above the 100 year flood plain.
 - All X Lots shall be owned and maintained by Bobcat Village Phase 2 H.O.A.
 - Streets will be constructed to Town standards and maintained by Bobcat Village Phase 2 H.O.A.

Parcel Table		
Lot	Block	Sq. Ft.
1	BLOCK B	4000
2	BLOCK B	3000
3	BLOCK B	4000
4	BLOCK B	4520
5	BLOCK B	3390
6	BLOCK B	3390
7	BLOCK B	4520
8	BLOCK B	4000
9	BLOCK B	3000
10	BLOCK B	3000
11	BLOCK B	3000
12	BLOCK B	3000
13	BLOCK B	3000
14	BLOCK B	4000

Parcel Table		
Lot	Block	Sq. Ft.
15X	BLOCK B	12148
16X	BLOCK B	29778

CURVE TABLE				
NUMBER	DELTA	RADIUS	CHORD BEARING	ARC LENGTH
C1	63°07'35"	38.00'	N 31°16'50" E	39.78'
C2	90°00'00"	38.00'	S 72°09'22" E	53.74'
C3	90°00'00"	38.00'	S 17°50'38" W	53.74'
C4	116°52'25"	25.00'	S 58°43'10" E	42.60'
C5	63°07'35"	51.00'	S 31°16'50" W	53.39'

FINAL PLAT BOBCAT VILLAGE PHASE 2

16 TOTAL LOTS
14 RESIDENTIAL LOTS
LOTS 1-14, BLOCK B

2 OPEN SPACE/PRIVATE STREET LOTS
LOTS 15X AND 16X, BLOCK B

BEING 2.106 ACRES OUT OF THE
THOMAS H. CALLAWAY SURVEY, ABSTRACT NO. 272
TOWN OF TROPHY CLUB, DENTON COUNTY, TEXAS
AUGUST 2023

SHEET 1 OF 2

OWNER
C OIL INVESTMENTS, LTD.
13101 Preston Road, Suite 510
Dallas, TX 75240

SURVEYOR
BGE, Inc.
777 Main Street, Suite 1900, Fort Worth, TX 76102
Tel: 817-887-6130 • www.bgeinc.com
TSPS Registration No. 13194416
Contact: Rend Silva, R.P.L.S.
Telephone: 817-732-4183 • Email: rasilva@bgeinc.com

Cabinet: _____ Page: _____

G:\72N\Projects\Scott Beck\8483-01-Trophy Club_Site_1H & 1HBS\Vol CAD\8483-01_1H & 1HB_FPLT.dwg 2023-09-28:08:57 hom

METES & BOUNDS DESCRIPTION

BEING, all of that 2.106 acre (91,746 square foot) tract of land situated in the Thomas H. Callaway Survey, Abstract NO. 272, in the Town of Trophy Club, Denton County, Texas; being all of that called 2.099 acre tract of land described in General Warranty Deed to C Oil Investments, LTD., as recorded in Document NO. 2003-205035 of the Official Public Records of Denton County, Texas; said 2.106 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING, at the southwest corner of said 2.099 acre tract; said point being in the east line of Block B, Highlands Glen, an addition to the City of Romoke as recorded in Document NO. 2013-51 of the Plat Records of Denton County, Texas; said point being a salient corner in the west line of Lot 1, Block 1, NISD High School NO. 2, an addition to the Town of Trophy Club as recorded in Cabinet Y, Page 46 of the Plat Records of Denton County, Texas;

THENCE, North 00 degrees 16 minutes 57 seconds West, along the west line of said 2.099 acre tract and the east line of said Highlands Glen, a distance of 412.71 feet to a point for corner; said point being a salient corner in the west line of said Lot 1;

THENCE, South 89 degrees 26 minutes 29 seconds East, departing the east line of said Highlands Glen, along the north line of said 2.099 acre tract, a distance of 136.03 feet to a 60D nail found for corner; said point being in a west line of said Lot 1;

THENCE, South 44 degrees 58 minutes 37 seconds East, along the northeast line of said 2.099 acre tract and a southwest line of said Lot 1, a distance of 298.00 feet to a 5/8-inch iron rod with "BGE" cap set for corner;

THENCE, South 43 degrees 25 minutes 34 seconds West, along a southeast line of said 2.099 acre tract and a northeast line of said Lot 1, a distance of 110.89 feet to a 60D nail found for corner;

THENCE, South 65 degrees 54 minutes 10 seconds West, continuing along a southeast line of said 2.099 acre tract and a northeast line of said Lot 1, a distance of 294.01 feet to the POINT OF BEGINNING and containing an area of 2.106 acres or 91,746 square feet of land, more or less

OWNER'S DEDICATION

That, C OIL INVESTMENTS, LTD. does hereby adopt this plat designating the hereabove described real property as BOBCAT VILLAGE PHASE 2, an addition to the Town of Trophy Club, Denton County, Texas, and do hereby dedicate to the public's use forever the streets and easements shown thereon.

WITNESS, my hand this the ____ Day of _____, 2023.

BY: _____
NAME:
TITLE:

STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned, a Notary Public in and for The State of Texas, on this day personally appeared _____ known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and considerations therein expressed and in the capacity therein stated,

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2023.

Notary Public, The State of Texas

My Commission Expires _____

SURVEYOR'S CERTIFICATE

That I, René Silva, do hereby certify that I prepared this plat from an actual and accurate survey of the land and that the corner monuments shown therein were properly placed under my supervision in accordance with the subdivision regulations of the Town of Trophy Club.

Dated this the ____ Day of _____, 2023.

René Silva
RPLS No. 5921

STATE OF TEXAS §

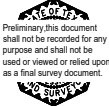
COUNTY OF TARRANT §

BEFORE ME, the undersigned, a Notary Public in and for The State of Texas, on this day personally appeared René Silva, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and considerations therein expressed and in the capacity therein stated,

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ Day of _____, 2023.

Notary Public, The State of Texas

My Commission Expires _____



TOWN COUNCIL & PLANNING AND ZONING COMMISSION APPROVAL

APPROVED: _____
TOWN OF TROPHY CLUB
DENTON COUNTY, TEXAS

BY: _____ MAYOR

ATTEST: _____ TOWN SECRETARY

ATTEST: _____ PLANNING AND ZONING COMMISSION CHAIRMAN

DATE: _____

FINAL PLAT
BOBCAT VILLAGE PHASE 2

16 TOTAL LOTS
14 RESIDENTIAL LOTS
LOTS 1-14, BLOCK B

2 OPEN SPACE/PRIVATE STREET LOTS
LOTS 15X AND 16X, BLOCK B

BEING 2.106 ACRES OUT OF THE
THOMAS H. CALLAWAY SURVEY, ABSTRACT NO. 272
TOWN OF TROPHY CLUB, DENTON COUNTY, TEXAS
AUGUST 2023

SHEET 2 OF 2

OWNER
C OIL INVESTMENTS, LTD.
13101 Preston Road, Suite 510
Dallas, TX 75240

SURVEYOR
BGE, Inc.
777 Main Street, Suite 1900, Fort Worth, TX 76102
Tel: 817-487-6130 • www.bgeinc.com
TSPLS Registration No. 10194416
Contact: René Silva, R.P.L.S.
Telephone: 817-752-4183 • Email: rsilva@bgeinc.com
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TOWN COUNCIL COMMUNICATION

REGULAR MEETING

MEETING DATE: December 11, 2023

FROM: Tamara Smith, Assistant to the Town Manager

AGENDA ITEM: Discuss and Consider the MUD Feasibility Study Final Report

BACKGROUND/SUMMARY: Town staff received letters of engagement in January of 2023 for a feasibility assessment specific to the infrastructure and service area acquisition and dissolution of Trophy Club Municipal Utility District (MUD) No. 1. On January 25, 2023, staff selected NewGen Strategies and Solutions as the firm approved for the project, and a final proposal was provided. Staff reached out to the MUD and Westlake to see if they wanted to participate in the feasibility study and share in the cost. Westlake agreed to participate, and on March 22, 2023, the MUD voted to participate, but not share in the cost of the feasibility study. On March 28, 2023, the Town Manager signed the NewGen contract.

The purpose of the feasibility study was to prove financial and legal feasibility. NewGen's project team worked with a group of key stakeholders to outline scenarios for consideration and to define and agree on a methodology and assumptions specific to the analysis to be performed. If it is in the best interest of the Town, then the Town could potentially assume the relevant assets and liabilities of the District and would become the retail service provider for both existing and future customers in the defined service area.

The Scope of work consisted of task one a kick-off meeting and workshop, which discussed goals and objective of the project and review what is known or yet to be determined relative to the legal constraints and possibilities. Task two consisted of data gathering and review, which included requesting information from the Town and District to aid in gathering of documents needed for due diligence and the feasibility assessments. The third task was financial and engineering feasibility, which documented all assets and their current state, plus proper recognition of needed capital improvements on the District's system and the planned method for funding improvements. The Fourth task was legal feasibility.

All tasks have been completed and a formal report is available from NewGen.

Assumptions for the feasibility study are:

- Study excludes the Fire Department and cost of Fire Services – Only considers water and wastewater service,
- Analysis treats the MUD as a true enterprise – All expenditures paid via utility revenues and no tax monies or payment in lieu of taxes are assumed,

- MUD debt responsibility is allocated between Trophy Club and Westlake reflective of current repayment methods,
- If dissolution occurs, it is assumed that Westlake customers will not be asked to pay for embedded infrastructure – Infrastructure has already been paid for by ratepayers;
- Only capital investment included in the analysis is reflective of current debt.

The study encompassed three scenarios. Scenario one represented the base case, maintaining the current Municipal Utility District (MUD) without any changes. In scenario two, Trophy Club and Westlake were completely dissolved, leading to the establishment of independent water and sewer services for each. In scenario three, Trophy Club and Westlake were dissolved, resulting in both municipalities managing their water services independently. However, in this scenario, Trophy Club continued to provide wholesale sewer treatment services to Westlake.

Findings and Conclusions:

- The analysis performed is based on assumptions and recent cost trends, any change in assumptions will result in a change to the analysis,
- It is the Project Team's opinion that dissolution will likely lead to higher costs to customers,
- While some operational cost savings may be realized, savings are likely not significant,
- Overall, cost differentials for Trophy Club customers are fairly small and potential qualitative benefits may, from a policy standpoint, outweigh the impacts of these increases,
- As growth occurs over time, Westlake's per unit cost of service will more closely align with the unit costs experienced by the MUD; however, in the near-term service to Westlake customers will be more expensive;
- This is particularly true if wastewater is treated through TRA as opposed to the MUD or Trophy Club.

FISCAL IMPACT: The feasibility study cost was not to exceed \$46,300. The total cost for the Town was not to exceed \$23,150. Per the purchasing policy, anything between \$10,000 and \$24,999 would only need the Town Manager's approval.

The total cost to date paid to NewGen from the Town is \$15,513.28. Services total \$14,266.87, and expenses total \$1,246.41.

The savings from the original projected amount of \$23,150 is \$7,636.72.

ATTACHMENTS:

Feasibility Study Signed Proposal
TCMUD Presentation
Feasibility Study

ACTION/OPTIONS: Provide direction to staff. 47



275 W Campbell Rd
Suite 440
Richardson, TX 75080
Phone: (972) 680-2000

February 16, 2023

Mr. Wade Carroll, Town Manager
Town of Trophy Club
1 Trophy Wood Drive
Trophy Club, TX 76262

Town of Westlake
1500 Solana Blvd Bldg 7, Suite 7200
Westlake, TX 76262

Re: Proposed Roadmap / Scope of Services and Letter of Engagement for a Feasibility Assessment Specific to Infrastructure and Service Area Acquisition/Dissolution of Trophy Club MUD No. 1

Dear Mr. Carroll:

It is our understanding that the Town of Trophy Club (Town) has entered preliminary discussions with Trophy Club Municipal Utility District (MUD) No. 1 (District) regarding a potential acquisition/dissolution (Transaction) by the Town of the District's assets serving both the Town and portions of Solana in the Town of Westlake (Westlake) and ultimate dissolution of the District. If the Transaction were to prove financially and legally feasible and determined to be in the best interests of the Town and the District, then the Town would assume the relevant assets and liabilities of the District and would become the retail service provider for both existing and future customers in the defined service area. As conversations are in the early stages, it is important to recognize that the feasibility assessment and transaction process can be a complex, multi-step exercise that can take many months to complete and involve important legal and regulatory procedures.

NewGen Strategies and Solutions, LLC (NewGen) is pleased to have the opportunity to offer our assistance to the Towns as part of this feasibility assessment and potential transaction. To facilitate a better understanding of the due diligence and transaction process, and to assist the Town in their continuing conversations, the following section outlines a potential scope of work for the Town's consideration. To provide clarity to this process, and to right-size the assistance and services to be potentially provided by NewGen, the key questions and merger process (in Phases) have been outlined below.

In order to appropriately disclose all existing relationships and potential conflicts, the Town should be aware that members of NewGen's Project Team have provided professional consulting services to the District since at least 2013. In this role, NewGen has assisted the District in the regular review and amendment to water and wastewater rates charged by the District. It is our opinion that, assuming the parties are in collective agreement about NewGen's involvement and the desired path forward, our many years of experience working with the District will be beneficial in streamlining the data gathering and analysis of the District's financial status and records. Additionally, our relationships with District officials will be invaluable as we work with the parties to achieve a successful resolution of this engagement.

Key Questions

A transaction such as this naturally lends itself to a number of key questions that will need to be satisfactorily answered to move towards a successful transaction. The list of questions provided below are some of the initial questions that should be considered by the Towns and will need to be answered as part of the process outlined in the scope of services further discussed in this letter. This list is not meant

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to be exhaustive and will no doubt expand during the assessment process. It is simply meant to spur discussion and help facilitate the exploration of the transaction process:

1. What capital improvements are needed within the District's system, both now and on a going forward basis, to ensure the provision of continuous and adequate service to customers? What are the estimated costs of said improvements?
2. Is the transaction a financially viable activity, or will it have a detrimental impact on the ratepayers of the Town? Further, what will the rate impact of the transaction be on both existing and future ratepayers?
3. Given that the District is a political subdivision of the State of Texas governed by an elected board, what legal steps must be taken to achieve dissolution and garner regulatory approval of dissolution?
4. What contractual obligations and long-term liabilities are currently applicable to the District, and can/will these obligations be transferred to the Town?
5. What public notification/public meeting requirements will be required throughout the transaction process and what steps must be taken to ensure that all legal and regulatory requirements are met?

Again, this list is not comprehensive and should simply serve as a starting point for conversations between the representatives of the parties involved.

Scope of Work

Phase I

Phase I of the Study process will largely consist of data gathering activities needed to perform the necessary due diligence and feasibility analysis of the potential transaction. During this process, many questions will need to be answered to assess the viability of the transaction, to clearly outline the elements involved in the transaction, and to ensure that the governing bodies of each organization clearly understand the implications of moving forward. We propose to target completion of Phase I within 90 days from the Kick-off meeting. Please note that this is dependent upon the timely provision of requested documentation and availability of participants for meetings. The individual tasks anticipated to be involved as part of Phase I are further outlined below.

Task 1-1 – Kick-off Meeting and Workshop

At the outset of the project, the NewGen Team proposes to meet with Town Staff, District Staff, and their respective legal counsels to discuss the goals and objectives of the project and review what is known or yet to be determined relative to the legal constraints and possibilities. We also request that each parties' respective Engineering staff or Consulting Engineers be present to discuss what information is presently known about the system and infrastructure serving the Town and Westlake. This meeting will provide an opportunity to introduce key staff members to members of NewGen, as well as to develop initial lines of communication and working relationships between the financial, engineering, and legal consultants (Consulting Team).

It should be noted that NewGen has partnered with Kimley-Horn and Associates, Inc. (Kimley-Horn) to assist NewGen as a sub-consultant to provide engineering documentation review that will be required relative to Phase I. NewGen's proposed fees include necessary payment to Kimley-Horn for these services.

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Task 1-2 – Due Diligence / Data Gathering and Review

Following the kick-off meeting, the NewGen Team will deliver an initial request for information to the Town and District to aid in gathering documents needed for due diligence and the feasibility assessments. While NewGen will endeavor to ensure this request is as comprehensive as possible, additional data needs may arise throughout the course of the engagement. The NewGen Team's ability to complete the engagement in a timely manner will be heavily dependent on the availability, and timely receipt, of requested information.

As part of the due diligence phase, the Town and its consultants will request extensive information from the District. If necessary, this phase will commence with the execution of confidentiality or non-disclosure agreements, as may be necessary and allowed for by law. Data to be exchanged will include necessary governance, regulatory, financial, contractual, and operational data. NewGen Team members will reference financial study documentation provided to the Project Team historically by the District for prior projects, as well as historical data and analysis generated by the Project Team on behalf of the District. Additionally, we will also conduct a search for publicly available data to assist in the data collection phase and potentially reduce the time and effort required by Town and District Staff. Relative to information on outstanding debt instruments, the NewGen Project Team has a working relationship with SamCo Capital (SamCo), the District's Financial Advisor. As needed, we will interface with representatives of SamCo to obtain data, gain an understanding of restrictions that may be placed on the potential transaction from outstanding debt instruments, as well as the feasibility and process of defeasing any obligations as may be required.

To fully understand the technical aspects of the District's system along with the condition of the current assets, field engineering work may be required to inventory and assess the system condition. It is anticipated that such work will be performed by engineering consultants as selected and engaged by the Town or the Town's engineers.

As part of the due diligence process, NewGen highly recommends that an online portal be established such that all documentation can be kept in a single place and accessible by key representatives of both parties. This will ensure transparency and appropriate accessibility and document control during the due diligence process.

Note on Feasibility Assessment Tasks 1-3 – "Go or No Go" Decision

If at any point, one or more of the following three feasibility assessments results in a "No Go" decision by the Town due to the realization that the potential transaction would not be in the best interests of the Town or otherwise unacceptable, then the process would be concluded at that point.

Task 1-3.1 – Financial and Engineering Feasibility

After data gathering is completed, a Financial Feasibility model will be developed which outlines the revenue stream from the Town and Westlake ratepayers in the District under current rates and compares said revenues with current and projected costs. Essential to this process will be a discovery process for an engineering assessment of the District's infrastructure, both in terms of documenting the assets as well as the current state of those assets, plus the proper recognition of needed capital improvements on the District's system and the planned method for funding said improvements. We strongly recommend that the Town's engineering consultants are involved in this effort to address necessary engineering issues and provide cost estimates that can be included in the Financial Feasibility model.

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This analysis and business plan will serve as an important document to project and assess the financial viability of the transaction, and to assist in determining any rate action that may be needed on a going-forward basis. Finally, the business plan will also serve to support any regulatory efforts that may be required specific to the PUCT or TCEQ as outlined further in Phase II.

Task 1-3.2— Legal Feasibility

Assuming the Financial Feasibility model and the Engineering assessment in Task 1-3.1 result in a viable transaction outcome, the parties will work together to outline the final terms and conditions. It is important that the parties' chosen legal counsel is involved in this effort to address necessary legal and/or regulatory issues.

Task 1-3.3 — Briefing and Discussion Meetings Prior to Go / No Go Vote with Town Council / MUD Subcommittee and District Board

Appropriate Subcommittee, Council, and Board members will be provided with a summary of assessment findings and key decision factors emanating from the due diligence process prior to any request for a formal "Go/No Go" vote. NewGen will facilitate a meeting with the Council/MUD subcommittee, a meeting with Council, and a meeting with the District Board, to present the forecast for the cost of service and impact on service rates as developed during the financial feasibility model development for the proposed acquisition/dissolution. Specifically, these meetings will present an assessment of the impact of the acquisition/dissolution on the cost of service prior to proceeding to the ILA and requesting "Go/No-Go" votes from various boards.

Task 1-3.4 — Go / No Go Vote by Town Staff and Council and District Board

Once the term sheet is developed and finalized, it will then need to be presented to each entity's governing body for a formal "Go/No-Go" vote. Assuming both parties vote to proceed, the Transaction could then move to Phase II.

Phase II — Development and Execution of Formal Agreement

Phase II of the Transaction process will consist of preparing the formal documentation to consummate the Transaction, as well as securing formal regulatory approval of the proposed Transaction. The individual tasks anticipated to be involved as part of Phase II are further outlined below.

Task 2-1 — Development and Execution of Formal Agreements

Following formal approval by the Board of the District, legal counsel for each entity will need to work together to draw up whatever formal agreements may be required to affect the transaction. Said documents would then need to be presented to each entity's governing body (Town Council / Board of Directors) for approval.

Task 2-2 — Regulatory Application Preparation and Filing

Concurrently with the development of the formal agreements in Task 2-1, regulatory approvals of the Transaction may need to be obtained. Once regulatory approvals of the Transaction have been obtained as necessary, the formal agreements can be executed, and appropriate documentation filed indicating the Transaction has been completed.

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Task 2-3 — Implementation Roadmap

At the same time as the formal documentation is being prepared and regulatory approval being sought to execute the Transaction, operational personnel from the District and the Town will need to meet and finalize the full implementation of the Transaction. A clear plan must be in place to ensure that operational responsibilities, including customer-related services such as billing and collections, are transferred in the most seamless and efficient manner.

Phase III

While every effort can be made to ensure that all aspects are considered during a transaction such as this, additional issues will arise following completion of the transaction. NewGen is well-versed in all aspects of utility management and will assist, as may be needed, as post-Transaction issues may arise.

Proposed Project Team

Chris Ekrut, Partner and Chief Financial Officer

PROJECT ROLE: Project Director | **LOCATION:** Dallas, TX | **PHONE:** (972) 232-2234 | **EMAIL:** cekrut@newgenstrategies.net



Mr. Chris Ekrut, MPA, Chief Financial Officer for NewGen, will serve as Project Manager for this engagement. Mr. Ekrut has been providing consulting services since 2004, with most projects centered in the water and wastewater industry around user/impact fees. Chris has filed expert witness testimony with regard to cost of service and rate design, as well as provided litigation support before rate regulatory agencies. He has conducted several wholesale and retail water and wastewater rate studies, developed water and wastewater rate models, storm water fee models, and assisted in the negotiation and/or litigation involving a number of wholesale water contracts. Chris also specializes in the development of Utility Business Plans and has been called on by the Texas Section of the American Water Works Association to speak on the importance of business planning for municipal and governmentally owned utilities. Chris also serves as an instructor for the national “Fundamentals of Water Cost of Service and Rate Design” class sponsored by EUCL and as a Faculty Member for the National Association of Regulatory Commissioner’s National Rate School.

As Project Manager, he will ensure the project is performed to our high standards and comports with all regulatory and industry standards as well. He will also ensure that the District’s overall goals and objectives are met during the Study.

Rebecca Schafer, Principal

PROJECT ROLE: Project Manager | **LOCATION:** Dallas, TX | **PHONE:** (972) 432-6219 | **EMAIL:** bschafer@newgenstrategies.net



Ms. Rebecca Schafer, a Principal with NewGen, has over 20`years of experience performing and managing financial analysis projects for water, wastewater, reuse, stormwater, and solid waste utilities. She specializes in cost of service rate studies and financial feasibility analysis projects including extensive usage and sensitivity analyses. A primary goal of these studies is the design and implementation of rate structures designed to achieve revenue and capital funding goals. Ms. Schafer has experience working with clients of varying sizes and complexity. She is proficient in the development of comprehensive reports and presentations designed to capture the significant facts and issues of a project and convey them in an easily understood manner to audiences with varying levels of expertise.

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Prior to joining NewGen in September 2018, Ms. Schafer held the roles of Manager and Principal Consultant at Willdan Financial Services (WFS) and Economists.com, prior to its acquisition by WFS. In addition to her work consulting with municipalities, Ms. Schafer brings extensive operational and management experience gained from her 15 years of private sector work in manufacturing and utility industries. This includes expertise in marketing, development of operations infrastructure, process and procedure development, and training for clients including General Motors, AT&T, and several start-up companies.

Andy McCartney, Principal

PROJECT ROLE: Project Principal | **LOCATION:** Dallas, TX | **PHONE:** (469) 501-5892 | **EMAIL:** amccartney@newgenstrategies.net



Mr. Andy McCartney joined NewGen as a Principal in 2022. During his tenure, he has provided financial modeling, financial analyses, and data analytics support, primarily for NewGen's Environmental Practice. Mr. McCartney is a Certified Public Accountant and obtained an MBA in Finance & Accounting from Dallas Baptist University. Before joining NewGen, Mr. McCartney acquired over 30 years of experience in utility finance, cost of service, and rate design for Water, Wastewater, Stormwater, Solid Waste, and Electric Utilities.

Megan Kirkland, Senior Consultant

PROJECT ROLE: Analyst | **LOCATION:** Houston, TX | **PHONE:** (972) 432-6218 | **EMAIL:** mkirkland@newgenstrategies.net



Ms. Megan Kirkland is a Senior Consultant with NewGen, providing financial and strategic advisory for utility clients. She leads analytical efforts for cost of service and rate design, indirect, and impact fee studies, including developing new and enhancing existing models. In addition, Megan assists in litigation support relative to cost of service and rate design proceedings before regulatory agencies. Megan holds a bachelor's degree in Petroleum Engineering (minor in Business Administration) from Texas A&M.

Timing / Budget

While the exact amount of time that will be required to fully move through the Transaction process is unknown. Based on NewGen's experience, both parties should be prepared for the process to take up to a year, with the possibility that the process could extend much longer depending on the legal and/or regulatory processes that may be required. While NewGen recognizes that time is of the essence in this process, we must also ensure that all legal and regulatory requirements are met throughout the process.

Given the uncertainty of the ultimate scope of services, compensation for this engagement is proposed on a time and expenses basis. **The Project Team anticipates that Phase I can be completed for approximately \$46,300, with this price serving as a not-to-exceed amount without written approval from the Town and Westlake.** NewGen will notify the Town and Westlake as we reach 50% and 90% of the proposed Phase I amount. To the extent time and expense for the completion of Phase I is less than anticipated above, these authorized amounts will be used to execute the scope of services in Phases II and III as needed or until funds are expended.

NewGen invoices its clients monthly for actual hours worked at our standard hourly billing rates, plus out of pocket expenses incurred at cost, with payment due within 30 (30) days from of receipt. NewGen understands that the cost of this project will be split equally between the Town and Westlake, and will bill each party for their respective portion of work completed on a monthly basis. Our standard hourly billing rates for the remainder of calendar year 2023 are as follows:

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**NewGen Strategies and Solutions
 2023 Billing Rates**

Position	Hourly Billing Rate
Partner	\$250 – \$385
Principal	\$235 – \$385
Senior Manager	\$210 – \$265
Manager	\$185 – \$210
Senior Consultant	\$160 – \$185
Consultant	\$150 – \$160
Administrative Services	\$120

Note: Billing rates are subject to change based on annual reviews and salary increases.

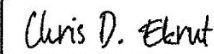
Should the parties decide to move forward with the proposed transaction, NewGen looks forward to providing its assistance to ensure a successful outcome. Should you have questions regarding any of the information presented above, or if you would like to discuss next steps in moving forward with the services outlined above, feel free to contact Chris Ekrut via email at cekrut@newgenstrategies.net or by phone at (972) 232-2234.

If this letter is in agreement with your understanding of the scope of services to be provided, and the terms and conditions are acceptable, please execute one copy and return it to our Richardson, Texas office. By executing this letter, you agree that the services rendered by NewGen will be performed in accordance with instructions or specifications provided by the Town and will be provided with the degree of skill and judgment exercised by recognized professionals performing services of similar nature and consistent with the applicable industry best practices. You further specifically agree that compensation will be provided to NewGen regardless of the final outcome or success of the proposed transaction or the result of the transaction's consideration before any regulatory authority.

Very truly yours,

NewGen Strategies and Solutions

DocuSigned by:



FB62F346CFA8440...

Chris D. Ekrut

Chief Financial Officer

Mr. Wade Carroll
February 16, 2023
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Town of Trophy Club, TX
Consulting Services for a Feasibility Assessment of a Potential Transaction

Signed Wade Carroll Printed Wade L. Carroll
Title Town Manager Date 3-28-2023

Town of Westlake, TX
Consulting Services for a Feasibility Assessment of a Potential Transaction

Signed _____ Printed _____
Title _____ Date _____



July 2023

TROPHY CLUB MUD FEASIBILITY STUDY EXECUTIVE SUMMARY

INTRODUCTION

- NewGen Strategies and Solutions was jointly engaged by the Town of Trophy Club, the Town of Westlake, and the Trophy Club Municipal Utility District to evaluate the impacts and feasibility of dissolving the District, with future service to be provided by the respective Towns
- The NewGen Project Team worked with a group of Key Stakeholders to outline scenarios for consideration and to define and agree on a methodology and assumptions specific to the analysis to be performed.
- The stakeholder group met three times and provided substantial information and input to the Project Team, resulting in the analysis contained herein.

STAKEHOLDER GROUP MEMBERS

- Town of Westlake
 - Sean Kilbride
 - Wade Carroll
- Town of Trophy Club
 - Steve Flynn
 - Jeffrey Beach
 - Patrick Arata
- Trophy Club Municipal Utility District
 - Kevin Carr
 - Doug Harper
 - Alan Fourmentin
- Consulting Project Team
 - NewGen - Chris Ekrut, Becky Schafer
 - Kimley-Horn & Associates – Chris Connolly

STUDY METHODOLOGY

- Impact of various scenarios were examined over a 10-year timeframe
- A “base case” was established to determine anticipated per meter equivalent and per 1,000 gallon of service cost to customers assuming no change in operations / continuation of the Municipal Utility District
 - For simplicity, results are presented on per meter equivalent analysis
- Scenarios were then prepared accounting for cost changes under alternative governance / operational parameters which were then compared back to the base case
- Analysis is heavily dependent on assumptions – in the event assumptions do not reflect actual circumstances, then modifications to analysis may be required

FOUNDATIONAL ASSUMPTIONS

- Study excludes the Fire Department and cost of Fire Services – Only considers water and wastewater service
- Analysis treats the MUD as a true enterprise – All expenditures paid via utility revenues and no tax monies or payment in lieu of taxes are assumed
- MUD debt responsibility is allocated between Trophy Club and Westlake reflective of current repayment methods
- If dissolution occurs, it is assumed that Westlake customers will not be asked to pay for embedded infrastructure – Infrastructure has already been paid for by ratepayers
- Only capital investment included in the analysis is reflective of current debt

SCENARIO SUMMARY

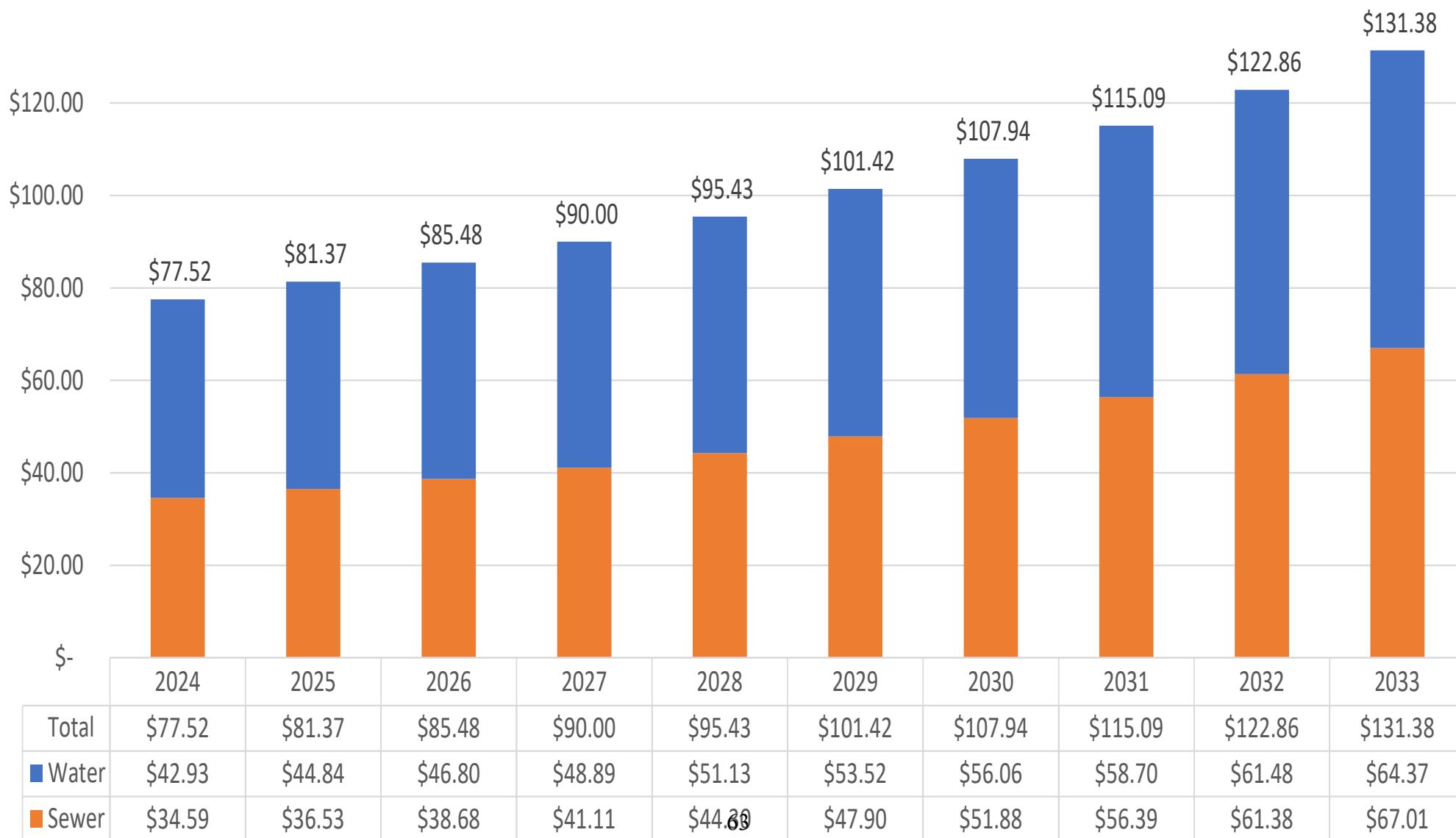
Scenario Number	Scenario Name	Scenario Description
1	Base Case	Status Quo – Continue TCMUD as is with no changes
2	Complete Dissolution	TCMUD divided between Trophy Club and Westlake – Westlake provides own water and sewer service
3	Dissolution with Continuing Wholesale Sewer Service	TCMUD divided between Trophy Club and Westlake – Westlake provides own water but contracts with Trophy Club for wholesale sewer treatment service

SCENARIO 1 RESULTS

Base Case / Status Quo

SCENARIO 1 – BASE CASE (COST PER METER EQUIVALENT)

Base Case Cost per Meter Equivalent



SCENARIO 2 RESULTS

Complete Dissolution

Westlake Provides its Own Water/Wastewater Service

TROPHY CLUB - SCENARIO 1 VS SCENARIO 2

COST PER METER EQUIVALENT



- While some limited savings to water customers may be realized, higher sewer costs lead to slightly higher long-term cost increases to customers

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WESTLAKE - SCENARIO 1 VS SCENARIO 2

COST PER METER EQUIVALENT



- Higher cost is a direct result of higher Westlake per unit cost of service and wastewater treatment cost from TRA

SCENARIO 3

Dissolution with Continuing Wholesale Sewer Service to Westlake from Trophy Club

TROPHY CLUB - SCENARIO 1 VS SCENARIO 3

COST PER METER EQUIVALENT



WESTLAKE - SCENARIO 1 VS SCENARIO 3

COST PER METER EQUIVALENT



FINDINGS AND CONCLUSIONS

- The analysis performed is based on assumptions and recent cost trends, any change in assumptions will result in a change to the analysis
- It is the Project Team's opinion that dissolution will likely lead to higher costs to customers
 - While some operational cost savings may be realized, savings are likely not significant
- Overall, cost differentials for Trophy Club customers are fairly small and potential qualitative benefits may, from a policy standpoint, outweigh the impacts of these increases
- As growth occurs over time, Westlake's per unit cost of service will more closely align with the unit costs experienced by the MUD; however, in the near-term service to Westlake customers will be more expensive
 - This is particularly true if wastewater is treated through TRA as opposed to the MUD or Trophy Club

POTENTIAL QUALITATIVE IMPACTS OF DISSOLUTION

- Less confusion for Residents and Business
- Single point of contact for service and communication
- Potentially streamlined planning
- Representation and voice for PID residents
- Potential personnel gains
- Limited, but potential, economies of scale
 - Trophy Club isn't currently making utility related purchases
- Revenue source enhancement through transfers / other payments



PROJECT TEAM CONTACT:

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

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CHRIS EKRUT, PARTNER AND CFO
(972) 232-2234
CEKRUT@NEWGENSTRATEGIES.NET

REPORT

TROPHY CLUB MUD
FEASIBILITY STUDY
FINDINGS SUMMARY
STATUS REPORT

OCTOBER 2023

Prepared for:
Town of Trophy Club, Texas
Town of Westlake, Texas

With participation from:
Trophy Club MUD

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EXECUTIVE SUMMARY

The Town of Trophy Club, TX (Trophy Club) and the Town of Westlake, TX (Westlake) jointly retained NewGen Strategies and Solutions, LLC (NewGen) to conduct a Feasibility Assessment Specific to Infrastructure and Service Area Acquisition/Dissolution of the Trophy Club Municipal Utility District No. 1 (District). The purpose of this Summary Status report (Report) is to provide an overview of the engagement from the initial kick off meeting (which took place on April 21, 2023) through the end of July 2023, as well as some of the history leading up to the endeavor.

In early 2023, the Trophy Club entered preliminary discussions with the District regarding a potential acquisition/dissolution (Transaction) by Trophy Club of the District's assets serving both Trophy Club and portions of Solana in Westlake, with the ultimate anticipated dissolution of the District. NewGen and their subcontractor, Kimley-Horn and Associates, Inc. (Kimley-Horn) (collectively, Project Team) were engaged to conduct an analysis to aid in the assessment of whether a transaction would be financially and legally feasible, and if said transaction was determined to be in the best interests of the ratepayers of the two communities and the District. A Working Group with representatives from Trophy Club, Westlake, and the District was established and assembled to meet with the Project Team at key milestones during the conduct of the Study.

This engagement represents the latest iteration of on ongoing studies and discussions between Trophy Club, Westlake, and the District on this issue. Phase 1 of the current Study was designed to embrace three areas of assessment: financial feasibility, engineering feasibility, and legal feasibility. A Financial Feasibility Model was developed to assess the impacts of various scenarios, and meetings were held with key Project Stakeholders to define and refine assumptions and to discuss the results of the analysis.

The analysis conducted by the Project Team is predicated on a number of key assumptions. A thorough understanding of these assumptions is critical to understanding the context of the analysis that has been prepared. A number of foundational assumptions were discussed and agreed on by the Study Working Group at the outset of the engagement. These included:

- The Feasibility Study excluded Fire Services.
- The Study treated Water and Sewer Services by the District as an Enterprise.
- Outstanding debt of the District is to be allocated based on current repayment methods.
- If Dissolution is to occur, customers in Westlake will not be asked to pay additional monies for embedded infrastructure.
- Wholesale costs between the District and Westlake are assumed to be the same on a per-unit basis.
- Capital Investment is only included to the extent it is reflective of currently outstanding debt.

To perform the requested Feasibility Study, the Project Team examined the cost of retail water and sewer service provision under several different governance and operational scenarios over a ten (10) year time period. This included a "base case" scenario, in which service would continue to be provided by the District as it is today. Of the scenarios considered, the working group ultimately determined that the three most applicable scenarios were as follows:

Table ES 1-1. Applicable Scenarios

Scenario Number	Scenario Name	Scenario Description
1	Base Case	Status Quo – Continue the District as is with no changes.
2	Complete Dissolution	District dissolved between Trophy Club and Westlake. Westlake provides own water and sewer service.
3	Dissolution with Continuing Wholesale Sewer Service	District dissolved between Trophy Club and Westlake. Westlake provides own water service but contracts with Trophy Club for wholesale sewer treatment service.

The cost of providing service per meter equivalent and per 1,000 gallons of service was calculated for each scenario. Then the per-unit cost of service under each scenario involving dissolution was compared back to the unit cost of service under the base case scenario to determine whether the overall cost of service was higher or lower than the cost of current service provision. In the event service provision is more cost effective than the base case, it could be concluded that the chosen scenario is feasible, as it is projected to achieve the aim of financial benefit to customers.

From the analysis, the Project Team concluded as follows:

- Dissolution at this time is likely not in the best interest of customers.
- Potential cost savings are likely de minimus.
- Future growth will benefit Westlake from a cost of service basis.
- Monetary transfers from the enterprise impact the analysis.
- Other qualitative factors should be considered.

In the end, the Project Team believes that the financial analysis, and numbers produced therein, cannot and will not be wholly useful in resolving this issue, which has been under consideration by the parties for well over a decade. No study or numerical analysis will provide the definitive answer to what is an issue of governance and policy. The Project Team is of the opinion that there will certainly not be unanimous agreement with the assumptions and methodologies employed herein; however, we also do not believe disagreement invalidates the results of this analysis or the recommendations made herein. Based on our review of past studies, our findings are consistent with the findings of prior efforts. We strongly believe that only civil discourse between the parties, and consideration of the long-term impacts of action or inaction, will be useful to addressing the issue at hand. We encourage the parties to examine the collective long-term goals and objectives which they all share in common—ensuring the efficient and cost-effective provision of public services—and take action as necessary to achieve those ends which are in the public interest.

Section 1

INTRODUCTION

The Town of Trophy Club, TX (Trophy Club) and the Town of Westlake, TX (Westlake) jointly retained NewGen Strategies and Solutions, LLC (NewGen) to conduct a Feasibility Assessment Specific to Infrastructure and Service Area Acquisition/Dissolution of the Trophy Club Municipal Utility District No. 1 (District). The purpose of this Summary Status report (Report) is to provide an overview of the engagement from the initial kick off meeting (which took place on April 21, 2023) through the end of July 2023, as well as some of the history leading up to the endeavor.

This Report will identify the objectives of the study, the meetings and presentations conducted with stakeholders, the analysis and methodology used in the study, and the findings and conclusions made to-date.

Engagement

In early 2023, the Trophy Club entered preliminary discussions with the District regarding a potential acquisition/dissolution (Transaction) by Trophy Club of the District's assets serving both Trophy Club and portions of Solana in Westlake, with the ultimate anticipated dissolution of the District. NewGen and their subcontractor, Kimley-Horn and Associates, Inc. (Kimley-Horn) (collectively, Project Team) were engaged to conduct an analysis to aid in the assessment of whether a transaction would be financially and legally feasible, and if said transaction was determined to be in the best interests of the ratepayers of the two communities and the District. A Working Group with representatives from Trophy Club, Westlake, and the District was established and assembled to meet with the Project Team at key milestones during the conduct of the Study.

The Members of the Working Group were as follows:

Clients:

- District: Mr. Alan Fourmentin, Mr. Kevin Carr, Mr. Doug Harper
- Trophy Club: Mr. Jeffrey Beach, Mr. Steven Flynn, Mr. Patrick Arata
- Westlake: Mr. Sean Kilbride, Mr. Wade Carroll

Consulting Project Team:

- NewGen: Mr. Chris Ekrut, Ms. Rebecca Schafer
- Kimley-Horn: Mr. Chris Connolly

Many of the Working Group members have been involved in previous discussions on this topic, serving in various capacities as part of prior working groups and committees to consider this issue. The Project Team wishes to express its sincere appreciation to all of the members of the working group for their time and participation in this endeavor. It is our opinion that the open and honest dialogue held by this group was insightful, instructive, and essential to the final findings and conclusions made by the Project Team and summarized herein.

Background

This engagement represents the latest iteration of on ongoing studies and discussions between Trophy Club, Westlake, and the District on this issue. As noted in the press release issued on May 24, 2023 by the Town of Trophy Club,¹ there are several questions that have spurred the parties to consider dissolution in the past and present, including:

- Is there a duplication of efforts?
- Are there redundancies in service?
- Is there a way to merge forces to operate in a more effective way, possibly saving our taxpayers money?
- Is a merger of the two government entities in the best interest of the community?

As a part of our preliminary data gathering and assessment process, we reviewed several reports from prior inquiries on this topic. These included the following sources:

- November 13, 2008, Report “Letter” by Lewis F. McLain, Jr. President, CityBase.Net, Inc. “Trophy Club Entities – Reliance on Arithmetic to Resolve a Fractured Governance Issue”
- Town of Trophy Club 2013 “Blue Ribbon Panel Final Report”
- February 2014 Trophy Club MUD “Citizens Advisory Committee Final Report”

In effort to conduct the engagement in the most cost-effective manner, the Project Team proposed completing the engagement in phases. This report details the conduct of Phase I. To the extent the parties determine that sufficient interest exists in moving forward, Phase II will be conducted and documented through separate deliverables.

Phase 1 Project Approach

Phase 1 was designed to embrace three areas of assessment: financial feasibility, engineering feasibility, and legal feasibility. As stated in the initial proposal, if at any point in this assessment, if one or more of the three feasibility assessments results in a “No Go” decision due to the realization that the potential transaction would not be in the best interests of the respective Town(s), District, or is otherwise unacceptable, then the process would be concluded at that point.

The first step in Phase I involved extensive data gathering required to perform the necessary due diligence and feasibility analysis of the potential transaction. The Towns and the District provided the data requested for the analysis, and this was followed by numerous discussions to verify and clarify data, to assess legal, engineering, and financial implications of the transaction, and to ensure that the governing bodies of each organization clearly understand the implications of moving forward.

A Financial Feasibility Model was developed which incorporates current and forecasted expenses under various operation conditions, current and forecast ratepayers for each of the involved entities, and

¹ Trophy Club, Texas Press Release Office, March 24, 2023, “Trophy Club Texas – Town and TCMUD No 1 Seek Feasibility of Merger”

projected impacts of the transaction on the per unit cost of service applicable to the separate customer groups.

Project Meetings

NewGen held three (3) meetings with the Working Group members during the study. In these meetings, potential scenario outcomes of dissolution versus maintaining the status quo were developed to provide a basis for comparative analysis.

In all meetings, the objective was to allow all members to speak freely, ask questions, participate in discussions, and achieve consensus on the many assumptions required for the analysis and to determine the appropriate next steps. Following each meeting, a concise talking point summary and applicable deliverables were distributed to all Work Group members.

A brief overview of each meeting is provided below:

First Meeting with Work Group – April 21, 2023

The kickoff meeting was a lengthy interactive discussion enabling all participants to share their thoughts on potential issues, concerns, and desired outcomes. By the end of the meeting, consensus on the potential outcome scenarios to model in the feasibility assessment were agreed upon.

The talking points memorandum as well as the agenda from this first meeting are included herein as Attachment A.

Second Meeting with Workgroup – June 1, 2023

The second meeting was also an interactive discussion focused on clarifying and coming to consensus agreement on the many assumptions to be incorporated into the analyses and scenarios to be developed and presented at the end of June. These discussions included:

- Basis for Regional Bill comparisons for average service levels.
- Growth projections for the various service areas and Equivalent Residential Unit (ERU) methodology and forecasts.
- District water and wastewater remaining principal and interest debt and explanation of application of Local Government Code (LGC) to the treatment of outstanding debt in scenario forecasts.
- Identification and discussion of key issues for determining value and allocation of values (including assets and debt).
- Explanation, discussion, and consensus on allocation factors and related key assumptions to be used in analysis.
- Assessment and review of potential avoided costs.
- Fort Worth water purchases – review of wholesale costs and breakdown of wholesale costs for Fort Worth water purchases based on the Effective Cost per 1,000 gallons and consensus to assume the same unit cost of water for each entity.

- Denton Creek Regional Wastewater System – projection of forecasted costs per thousand gallons and consensus for this wholesale treatment cost to be used in scenario development where applicable from the Trinity River Authority (TRA).
- Presentation and discussion of Operations and Maintenance (O&M) expense development and methodology to be used in scenario development.
- Preliminary observations and discussion of next steps.

The PowerPoint presentation utilized in this second meeting, along with the talking points memorandum, are included herein as Attachment B.

Third Meeting with Workgroup – June 30, 2023

The third meeting included NewGen’s presentation of the methodology, assumptions, findings, and conclusions from the feasibility modeling of five key scenarios. At the conclusion of the meeting, there was a consensus that the next step should be a joint presentation by NewGen to the governing bodies of all three participating entities to ensure that everyone received the same information at the same time and could pose questions that would be beneficial to all participants. To date, the parties have amended their positions and determined that no joint presentation is called for at this time; however, they have requested this report and formal documentation of efforts to-date.

The PowerPoint presentation utilized in the third meeting, along with the talking points memorandum, are included herein as Attachment C. The Executive Summary PowerPoint requested after the third meeting is included herein as Attachment D.

Section 2

FEASIBILITY ANALYSIS

The analysis conducted by the Project Team is predicated on a number of key assumptions. A thorough understanding of these assumptions is critical to understanding the context of the analysis that has been prepared. The following section of the report discusses those foundational assumptions and describes the tenets of the methodology employed by the Project Team.

Foundational Assumptions

To provide an appropriate framework for the context of the Study, the following foundational assumptions were discussed and agreed on by the Study Working Group at the outset of the engagement. To the extent any of these foundational assumptions prove inaccurate, then the analysis performed by the Project Team may merit revision.

1. The Feasibility Study excluded Fire Services.

At the outset of the engagement, the Project Team confirmed with the working group that the cost and impact of Fire Service provided by the District was to be excluded from the Study effort. In other words, only the provision of water and sewer service was to be considered. The Project Team understands that separate discussions are ongoing between Trophy Club and the District specific to the future of fire service.

2. The Study treated Water and Sewer Services by the District as an Enterprise.

Water and Sewer service provided by a municipality is traditionally accounted for in what is referred to as an enterprise or proprietary fund. These governmental fund types are reserved for “business-type” activities of government and are meant to be funded through user rates and fees, not taxes. To that end, in treating the District as an enterprise, the Feasibility Analysis assumes the use of user rates and fees to fund water and sewer operations, not taxes.

3. Outstanding debt of the District is to be allocated based on current repayment methods.

Were dissolution of the District to occur, the Project Team understands that the provisions of LGC § 43.076 would apply. Under this statute, any dissolution agreement must provide for the distribution among the two Towns of the assets and liabilities of the District. The distribution must be based on a determination of property value, which can include an original cost basis, a reproduction cost basis, a fair market value basis, or any other valuation method agreed on by the parties. As will be discussed later in the methodology section of this report, the working group agreed that this distribution should be based on how that debt is currently funded by the various customer groups of the District so as to not significantly deviate from current cost allocation and repayment responsibility.

4. If Dissolution is to occur, customers in Westlake will not be asked to pay additional monies for embedded infrastructure.

The Project Team understands that at times during past consideration of dissolution, consideration was given to have customers from Westlake pay for the value of the assets currently physically located within the municipal limits of Westlake. The Project Team discussed this consideration with the working group, and it was agreed that the customers in Westlake have already paid the cost of these

embedded assets through rates. As such, no additional compensation or payment of assets was considered as part of this Study effort.

5. Wholesale costs between the District and Westlake are assumed to be the same on a per-unit basis.

Both the Westlake and the District take wholesale treated water service from the City of Ft. Worth. Payments to Ft. Worth for wholesale treated water are based not only on the total quantity of water taken, but also on the peak daily and hourly demands of each wholesale customer. These peaking demands can drive differences in charges to various wholesale customers. The Project Team reviewed the last four (4) years of charges to both Westlake and the District, and the effective cost of water between the two entities varied by up to approximately \$0.11 per 1,000 gallons of service. At times the District experienced a lower effective rate for service, while at others Westlake experienced a lower rate. Given this variation, for the forward-looking analysis, the Project Team has assumed that the cost of wholesale water service provision between the District and Westlake would be the same.

6. Capital Investment is only included to the extent it is reflective of currently outstanding debt.

The cost of providing water and wastewater service is heavily dependent on the capital investment required to ensure continuous and adequate service to customers. Capital investment will vary over time between utilities and is dependent on a number of factors, including operational and regulatory requirements, growth in service demands, and historical patterns of repair and maintenance. Given the somewhat unknown nature of future capital requirements, and the potential dynamic nature of such requirements due to ongoing changes in regulatory and growth in service demands, the Project Team has excluded future capital requirements from this analysis. In other words, the only consideration of capital investment included in the Project Teams financial analysis was specific to the payment for embedded investment through outstanding debt.

General Study Methodology

To perform the requested Feasibility Study, the Project Team examined the cost of retail water and sewer service provision under several different governance and operational scenarios over a ten (10) year time period. This included a “base case” scenario, in which service would continue to be provided by the District as it is today. Of the scenarios considered, the working group ultimately determined that the three most applicable scenarios were as follows:

Table 2-1. Applicable Scenarios

Scenario Number	Scenario Name	Scenario Description
1	Base Case	Status Quo – Continue the District as is with no changes.
2	Complete Dissolution	District dissolved between Trophy Club and Westlake. Westlake provides own water and sewer service.
3	Dissolution with Continuing Wholesale Sewer Service	District dissolved between Trophy Club and Westlake. Westlake provides own water service but contracts with Trophy Club for wholesale sewer treatment service.

The cost of providing service per meter equivalent and per 1,000 gallons of service was calculated for each scenario. Then the per-unit cost of service under each scenario involving dissolution was compared back to the unit cost of service under the base case scenario to determine whether the overall cost of service was higher or lower than the cost of current service provision. In the event service provision is more cost effective than the base case, it could be concluded that the chosen scenario is feasible, as it is projected to achieve the aim of financial benefit to customers.

In developing the cost of service under each scenario, the fixed and variable cost of service was considered. This cost was developed by examining the historical cost of service provision by the District as well as by Westlake to their current retail customers. Utilizing this historical data, the Project Team calculated an historic cost of service on a per meter equivalent basis unique to each entity. This established a base unit cost of service for each entity.

Specific to fixed cost, this base unit cost of service was escalated as necessary to develop an estimated base unit cost of service as of Fiscal Year (FY) 2024. The base unit cost of service was then multiplied by the assumed number of service units in FY 2024 to derive the total fixed cost of service. This total amount specific to FY 2024 was then escalated annually by an assumed rate of inflation through the remainder of the analysis. This treatment allows for and recognizes that fixed cost can result in a reduction on a per unit basis overtime if the rate of increase in the units of service provision is greater than the rate of increase in overall cost. An example of this methodology is shown in the table below.

Table 2-2. Base Unit Cost of Service Methodology Example

	Base Year	2024	2025	2026
Fixed Cost per Meter Equivalent	\$ 100			
Base Year	2022			
Escalation Rate	5%			
Calculated 2024 Cost		\$110.25		
Assumed Meter Equivalents		100	110	120
Calculated Fixed Cost		\$ 11,025	\$ 11,576	\$ 12,155
Fixed Cost per Equivalent		\$ 110.25	\$ 105.24	\$ 101.29

Specific to variable cost, a base unit cost of service was developed per 1,000 gallons of service, but the unit cost was escalated annually by an assumed rate of inflation prior to being applied to the assumed number of service units (e.g., water consumption or billed wastewater flow) in each year.

Growth in Service Units (Customers and Water Consumption / Sewer Flow)

A key assumption impacting this analysis was consideration of future growth in service units, that being both customers and volumes. The Project Team reviewed historical changes in population in the service area as well as future projections of population growth available from the North Central Texas Council of Governments, as well as from planning documents provided by the entities. The Project Team then worked directly with each party to determine an acceptable forecast of future growth in customers. These growth projections were translated into an assumed level of water and sewer single family equivalent connections as shown in the table below.

Table 2-3. Assumed Single Family Equivalent Connections

	Current (Feb 2023)	2024	2025	2026	2027	2028	2029	2030
Trophy Club / District								
Water Equivalents	10,766	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Sewer Equivalents	8,384	8,384	8,384	8,384	8,384	8,384	8,384	8,384
Westlake								
Water Equivalents	637	753	869	985	987	987	987	987
Sewer Equivalents	233	349	465	581	583	583	583	583

To estimate future volumes of water consumed and wastewater flow, the Project Team reviewed the most recent twelve (12) months of billed usage at the time of study initiation specific to the customer groups located in Westlake versus those located within the District and the Trophy Club Public Improvement District. Based on this data, an average use of water and wastewater service was determined. This average was then applied to the forecasted meter equivalents in each year of the analysis to develop an estimated use of water and wastewater service.

See Schedule 1 in Attachment E for more detail on the development of the average water use for each respective customer group. Schedule 2 (Attachment E) provides more detail on the development of the average wastewater flow for each respective customer group.

Water and Wastewater Operations and Maintenance Expense

To develop an estimate of required ongoing O&M expense, the Project Team reviewed available historical actual expense from the District as well as from Westlake. The information was isolated between the type of service provided (water versus wastewater) as well as by cost type (fixed versus variable). Finally, cost was also considered based on the function of the cost. For example, costs unique to wholesale service, as well as general and administrative expense, including transfers to other funds, were isolated and considered separate from service specific operations and maintenance.

Once costs were appropriately isolated, they were considered over the historical number of service units applicable to each cost type. Fixed costs were considered on a per meter equivalent basis, while variable costs were considered based on water or wastewater volumes. Finally, these unit cost values were considered over the years available, and a historical rate of change was calculated to be used in forecasting cost on a going forward basis. Where the unit cost value decreased overtime, the Project Team relied on an assumed 3.0% inflation factor going forward instead of assuming costs would continue to decrease.

Specific to Westlake, the Project Team examined historical transfers to the General Fund as an overall percentage of fixed and variable O&M expense. This percentage was used to estimate future general fund transfers as changes to fixed and variable O&M occurred over the forecasted period.

The following schedules (see Attachment E) provide more details regarding the development of the O&M cost factors utilized in this analysis:

- Schedule 3 – District Water Related Fixed and Variable O&M
- Schedule 4 – District Sewer Related Fixed and Variable O&M

- Schedule 5 – District General Administrative, Board of Directors, and Non-Departmental O&M
- Schedule 6 – Westlake Water and Sewer Related Fixed and Variable O&M
- Schedule 7 – Westlake Personnel and General Fund Transfers

Allocation of Water and Wastewater Debt

As previously discussed, LGC § 43.076 requires that on dissolution, the assets and liabilities of the District be allocated between the two municipalities. This includes the outstanding, long-term debt of the District. The Project Team examined a number of methods of allocation, including considering net book value based on original cost investment, reproduction cost of existing investment, as well as how current tax and rate revenue is generated by the various customer groups to support repayment of the debt.

In examining the above approaches, a number of issues were discovered. First, the assets located in the Westlake service area were installed in approximately 1981 or earlier. Given the time that has passed since initial investment, these assets carry little to no undepreciated value on the books and records of the District. Given this, it was determined that a net book value basis would be an inappropriate method for ascribing value and allocating assets and liabilities.

Another issue that was discovered was related to wastewater treatment plant investment. Specifically, when the wastewater treatment expansion was planned, it was anticipated that approximately 49.5% of the expansion would be needed for the Westlake related service area, and the 50.5% remaining expansion capacity would be needed for the District and Trophy Club related service areas. However, since the expansion occurred, Westlake has provided direct retail wastewater service to customers located in the District's boundaries and has ultimately not utilized the capacity expansion as intended. These differences between planning assumptions and actual use have resulted in excess capacity of the wastewater treatment facility. As part of the working group discussions, it was considered as to whether this circumstance should be considered in the allocation determination.

Ultimately, it was determined that the most equitable manner of allocating assets and liabilities, including the cost of outstanding debt, would be to allocate it between Westlake and Trophy Club based on how that cost is currently repaid by customers. As part of this analysis, it was necessary for the Project Team to examine both generation of rate revenue between the groups, as well as how appraised property values results in the generation of tax revenue to service the General Obligation debt currently serviced through ad valorem tax.

The table below illustrates the allocation factors used specific to each of the outstanding debt instruments of the District. For the District's outstanding revenue bonds, a three-year average of revenue generation between the customers groups was considered to develop the allocation factor. For the District's outstanding general obligation bonds, which is paid via ad valorem tax revenue, the appraised value as property specific to each group of customers was considered as of Calendar Year 2022.

Table 2-4. Outstanding Debt Allocation Factors

	Trophy Club	Westlake
Water		
Revenue Series 2016	90.6%	9.4%
Revenue Series 2019 (77%)	90.6%	9.4%
Wastewater		
GO Series 2014	84.4%	15.6%
Revenue Series 2015	96.0%	4.0%
Revenue Series 2019 (23%)	96.0%	4.0%

Note that one limitation of this methodology is that the Project Team has assumed a static allocation of debt over the projected time period. As operational conditions change, allocation percentages will naturally shift; however, this potential shifting was not able to be considered as part of this analysis given the selected methodology.

Wholesale Water and Wastewater Treatment Cost

To project future expense associated with wholesale water purchased from Ft. Worth, the Project Team relied on the Projected FY 2023 effective per unit cost of service as provided in Ft. Worth's most recent Wholesale Water Rate Study. This amount is assumed to be a cost per 1,000 gallons of \$2.99. To project this expense going forward, the Project Team examined how the cost of service from Ft. Worth has changed over the prior four (4) FY periods. During this period, the average annual rate of change in Ft. Worth cost was approximately 4.4%. This factor was used in the forward-looking analysis to project future expense.

Currently, Westlake relies on wholesale wastewater treatment from the Denton Creek Regional Wastewater System maintained by the TRA for its customers not served by the District. To project this future expense, the Project Team obtained rate projections from TRA and utilized those projections as part of this analysis. Note that these projections have only been prepared through FY 2028 and a 3% rate of escalation was assumed for 2029 through 2033. See Figure 2-1 below for the rates utilized as part of this analysis.

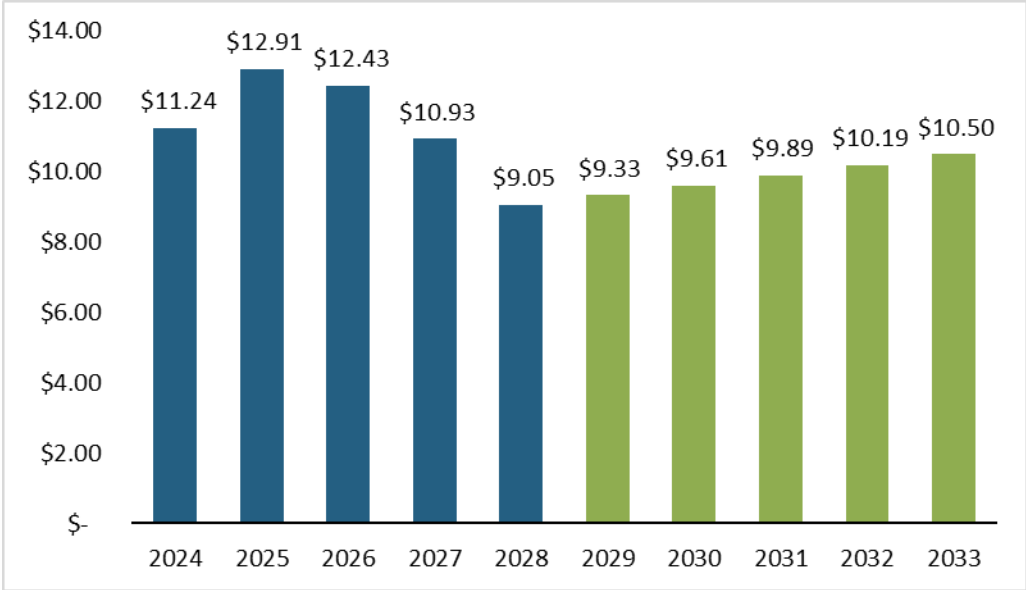


Figure 2-1. TRA Wholesale Cost per 1,000 Gallons

Administrative Cost / Non-Departmental Expense / General Fund Transfers

Under all scenarios, the cost of general and administrative services was considered. Specific to the District, this included consideration of expenses associated with the Board of Directors as well as Non-Departmental related general expense such as legal services, auditing, etc. Under Scenario 1, the base case, these expenses are included on a cost per meter equivalent basis.

Under the scenarios considering dissolution, differing methodologies are utilized to consider general and administrative expenses for Westlake and Trophy Club. Specific to Westlake, historically the town has maintained a transfer out of the Water and Sewer Fund to pay for personnel related expenses, as well as a transfer to the General Fund. To forecast these expenses on a going-forward basis, the Project Team examined the historical personnel cost transfer on a per meter equivalent basis, while the transfer to the General Fund was considered as a percentage of operations and maintenance expenses. See Schedule 7 for the development of this historical information.

For Trophy Club, it was assumed the general and administrative expenses would mirror similar expense currently incurred by the District; however, there was assumed to be some duplication of effort which would result in potential cost savings on dissolution. Specifically, it was assumed that no additional non-departmental expense would be incurred as such expenses are already incurred by Trophy Club, nor would Board of Directors related expense be incurred as governance responsibility would be transferred to the City Council. Additionally, there was assumed to be some potential duplication of personnel between what is currently maintained for the administrative staff of the District and the administrative staff of Trophy Club.

To account for this duplication, the Project Team examined the fully-loaded cost of the four (4) overhead related positions maintained by the District, specifically, the General Manager, Finance Manager, District Secretary, and Staff Accountant. The comparable cost of these positions was examined for Trophy Club based on the current compensation and classification schedule. After a 35% overhead factor was applied, the cost of these fully-loaded positions for Trophy Club were compared with the comparable District cost. Based on the range of cost maintained in Trophy Club’s compensation and classification schedule, it was determined that a cost reduction could possibly be achieved by eliminating duplication in positions. Such

potential reduction varied from a low of 1.5% to a high of 21.1%. As a conservative measure, the Project Team has relied on the mid-point of the compensation schedule and assumed a cost savings in general and administrative personnel of 11.3%.

It should be noted that as part of this examination, a comparable cost specific to the position of District Secretary was not available in Trophy Club's schedule, so the analysis assumed the same cost for Trophy Club as the cost currently maintained by the District. See Schedule 8 for this analysis and development of the assumed cost savings factor.

It was further assumed that on dissolution and assumption of operations by Trophy Club, the town would establish a transfer between the utility and its General Fund. As a conservative measure, and based on the Project Team's experience, we have assumed this General Fund transfer to be equivalent to 5% of total O&M cost.

Scenario Analysis and Results

The following further discusses the development of each of the three key scenarios considered. Note that all of these scenarios are dependent on the assumptions as defined above and presented in the referenced schedules. Scenario-specific assumptions are also further defined in the discussion below. To the extent any of these assumptions are inaccurate or are revised, then the results of this analysis may also need to be revised.

Scenario 1 – Base Case

Scenario 1, referred to herein as the "Base Case," reflects the projected unit cost of service if both water and wastewater service provision continues to be provided by the District. In addition to the assumptions defined above, Scenario 1 also relies on the following:

- Specific to Water Production, it is assumed that 20% of total required water will be produced from the wells owned and operated by the District, while 80% of total required water will be purchased from the City of Ft. Worth. Further, it is assumed that of the water produced, 11% of this water will be lost and ultimately not result in revenue to the District. The 11% water loss assumption is based on the District's 2022 water accountability ratio as contained in its required continuing disclosures specific to the District's outstanding bonds.
- The following cost escalation factors are employed as part of developing the 10-year projection:
 - Fixed Water O&M Expense – Escalated at 6.7% based on historical cost analysis.
 - Variable Water and Sewer O&M Expense – Escalated at 3.0%. Historical analysis illustrated a slight reduction in unit variable O&M cost. As a conservative measure, the Project Team has relied on the general 3.0% escalation factor for this cost component.
 - Fixed Sewer O&M Expense – Escalated at 13.1% based on historical cost analysis.
 - Admin O&M Expense – Escalated at 4.9% based on historical cost analysis.
 - Board / Non-Operating O&M Expense – Escalated at 3.0%. Historical analysis illustrated a reduction in unit variable Board / Non-Operating O&M cost. As a conservative measure, the Project Team has relied on the general 3.0% escalation factor for this cost component.

See Schedule 9 for the complete analysis supporting Scenario 1. The following figures illustrate the cost per meter equivalent and the cost per 1,000 gallons calculated from Scenario 1.

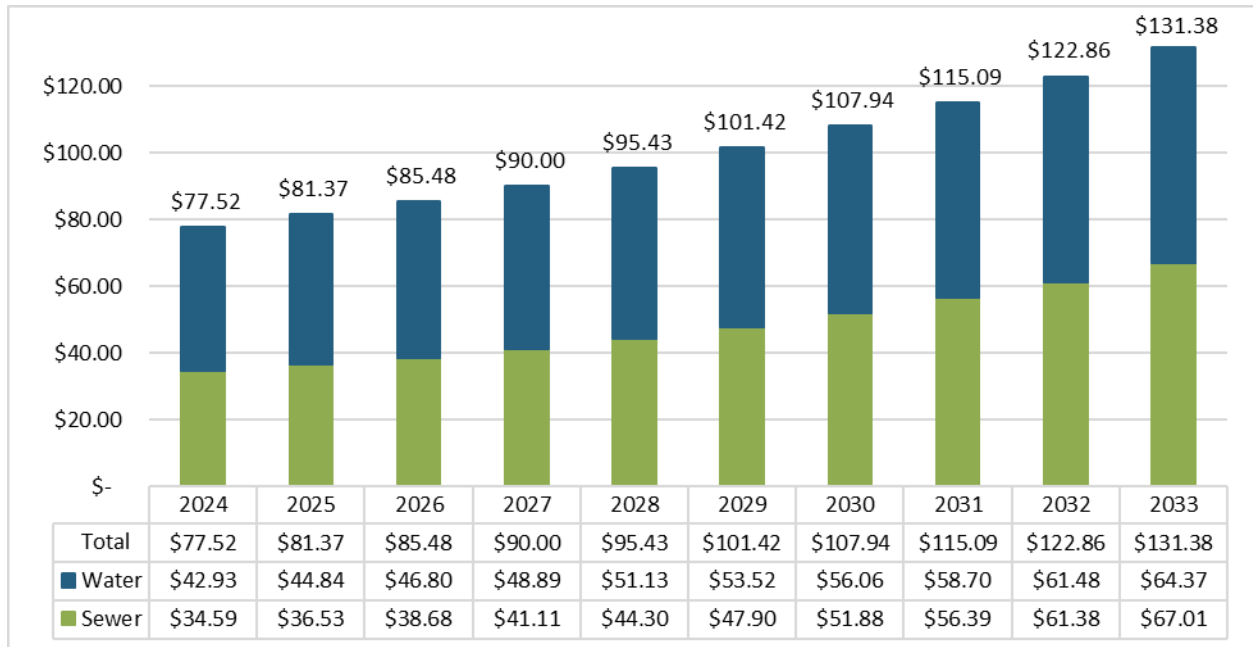


Figure 2-2. Scenario 1 Base Case Cost Per Meter Equivalent

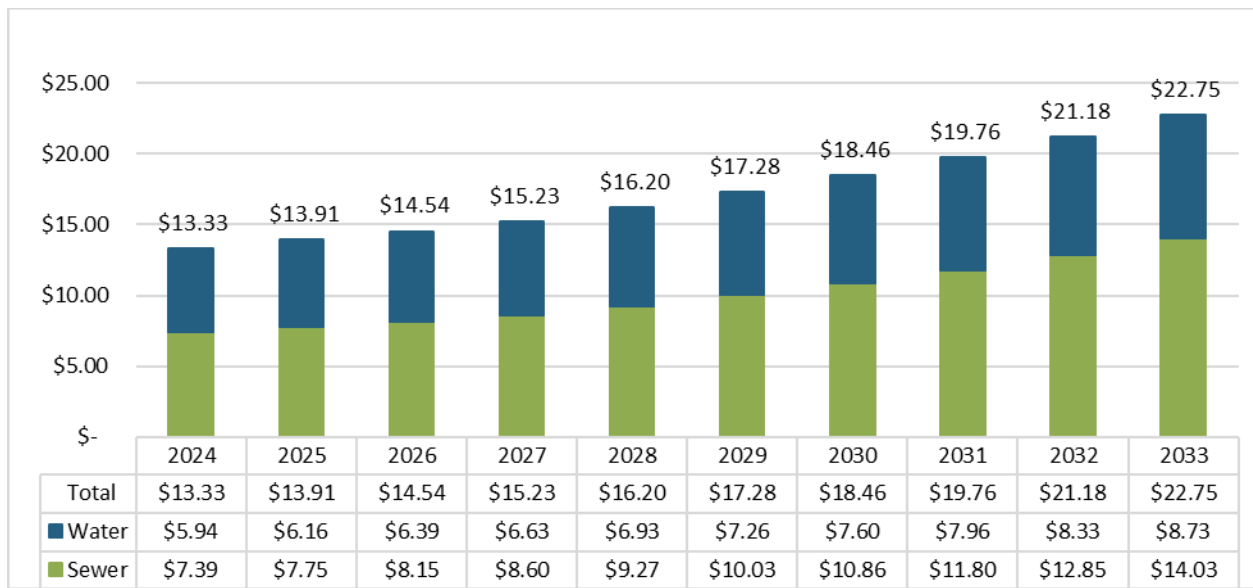


Figure 2-3. Scenario 1 Base Case Cost Per 1,000 Gallons

Scenario 2 – Complete Dissolution

Under Scenario 2, it is assumed that the District is dissolved, and the service area of the District is divided between Westlake and Trophy Club in accordance with the provisions of LGC § 43.076. In addition to the assumptions defined above, Scenario 2 also relies on the following:

- Specific to the Trophy Club, the unit cost of service is assumed to be the same as the District for water and sewer service assuming Trophy Club takes over the District's operations. The only variations in the cost of service are due to differences in administrative and general cost and changes due to the assumed general fund transfer as discussed above.
- Specific to Westlake, it is assumed that all source water is purchased from Ft. Worth, with an assumed water loss of approximately 8.5% based on a review of Westlake's historical water loss ratio as calculated from the statistical section of the Annual Comprehensive Financial Reports (AFCR). All wastewater is assumed to be conveyed to TRA, with an infiltration and inflow factor of 8%. This ratio matches the water loss ratio, and is the same ratio as utilized by the District in their annual winter averaging rate calculations.
- Historical cost trends varied significantly year to year for Westlake and did not show a definitive trend, either a consistent increase or decrease. Given this, the Project Team has applied a 3.0% inflation factor to all costs specific to the analysis of service from Westlake.

See Schedule 10 for the complete analysis supporting Scenario 2 specific to Trophy Club. The following figures provide a comparison between the results for Scenario 1 and Scenario 2 specific to Trophy Club on a total cost per meter equivalent and total cost per 1,000 gallons basis.

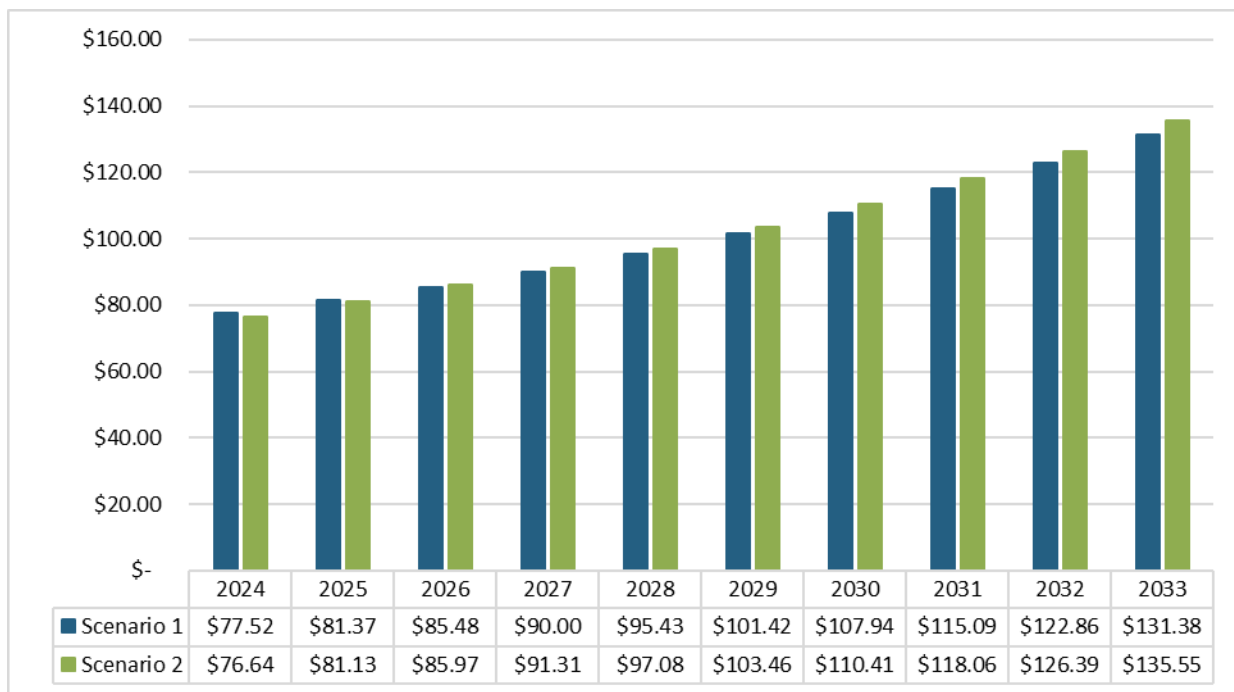


Figure 2-4. Trophy Club Cost Per Meter Equivalent, Scenario 1 vs. Scenario 2

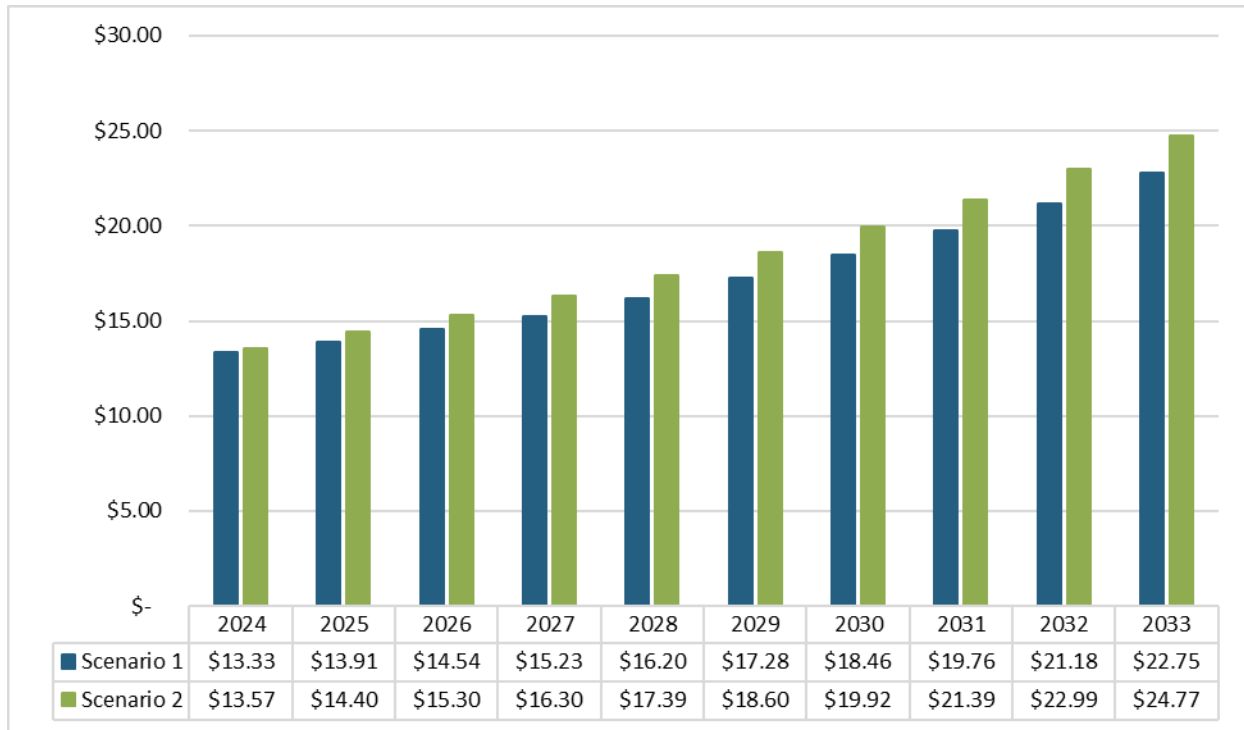


Figure 2-5. Trophy Club Cost Per 1,000 Gallons, Scenario 1 vs. Scenario 2

See Schedule 11 for the complete analysis supporting Scenario 2 specific to Westlake. The following figures provide a comparison between the results for Scenario 1 and Scenario 2 specific to Westlake on a total cost per meter equivalent and total cost per 1,000 gallons basis.

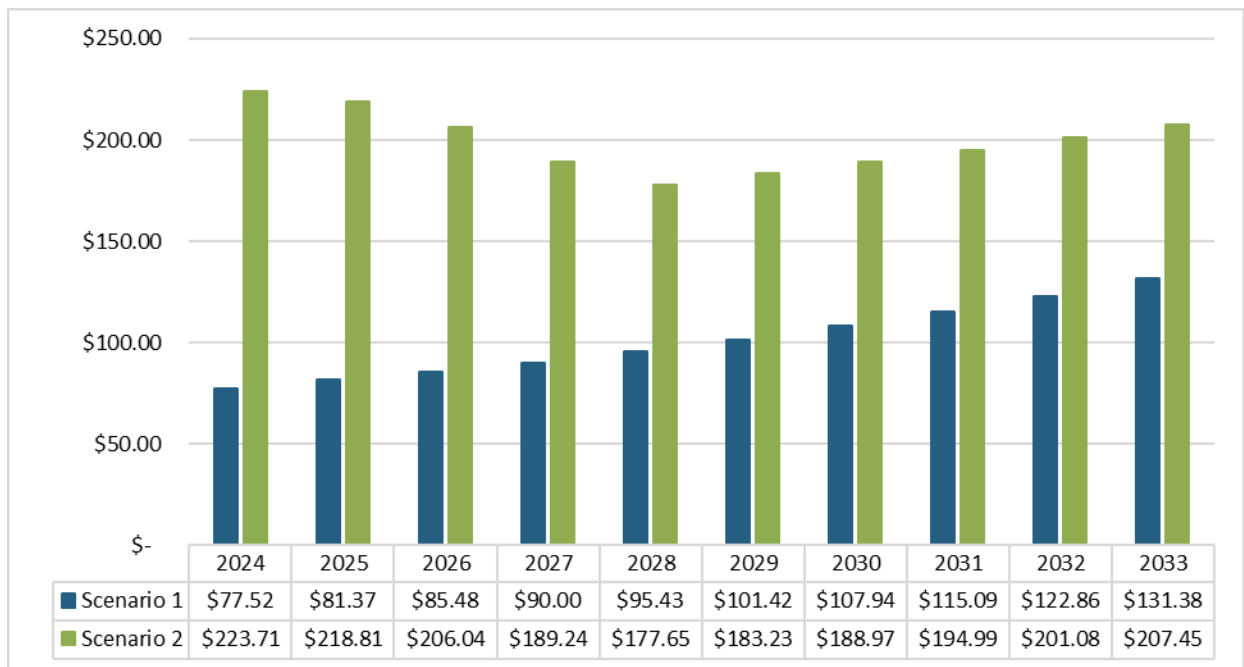


Figure 2-6. Westlake Cost Per Meter Equivalent, Scenario 1 vs. Scenario 2

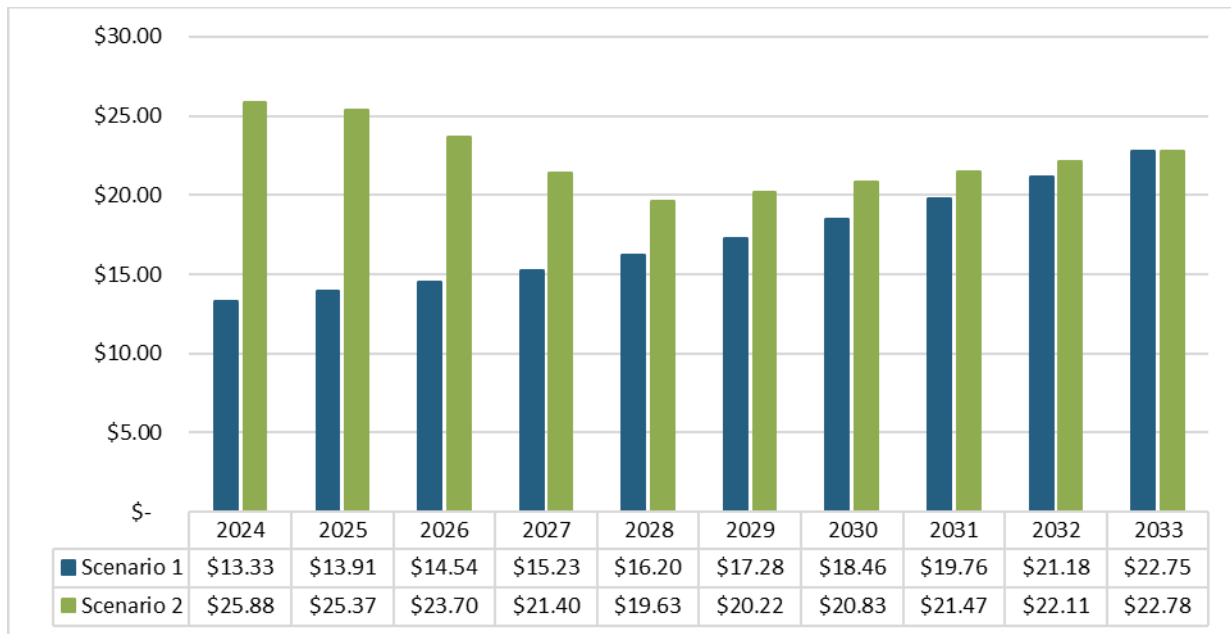


Figure 2-7. Westlake Cost Per 1,000 Gallons, Scenario 1 vs. Scenario 2

Scenario 3 – Complete Dissolution but Continuing Wholesale Wastewater Service to Westlake

Under Scenario 3, it is assumed that the District is dissolved, and the service area of the District is divided between Westlake and Trophy Club in accordance with the provisions of LGC § 43.076. However, unlike Scenario 2, Scenario 3 assumes that Westlake continues to receive wholesale wastewater treatment service from Trophy Club. When compared to treatment service from TRA, wholesale wastewater treatment service supplied by the District or, on dissolution, the Town of Trophy Club, is significantly more cost effective in the near-term. Scenario 3 relies on all of the assumptions as defined above.

See Schedule 12 for the complete analysis supporting Scenario 3 specific to Trophy Club. The following figures provide a comparison between the results for Scenario 1 and Scenario 3 specific to Trophy Club on a total cost per meter equivalent and total cost per 1,000 gallons basis.



Figure 2-8. Trophy Club Cost Per Meter Equivalent, Scenario 1 vs. Scenario 3

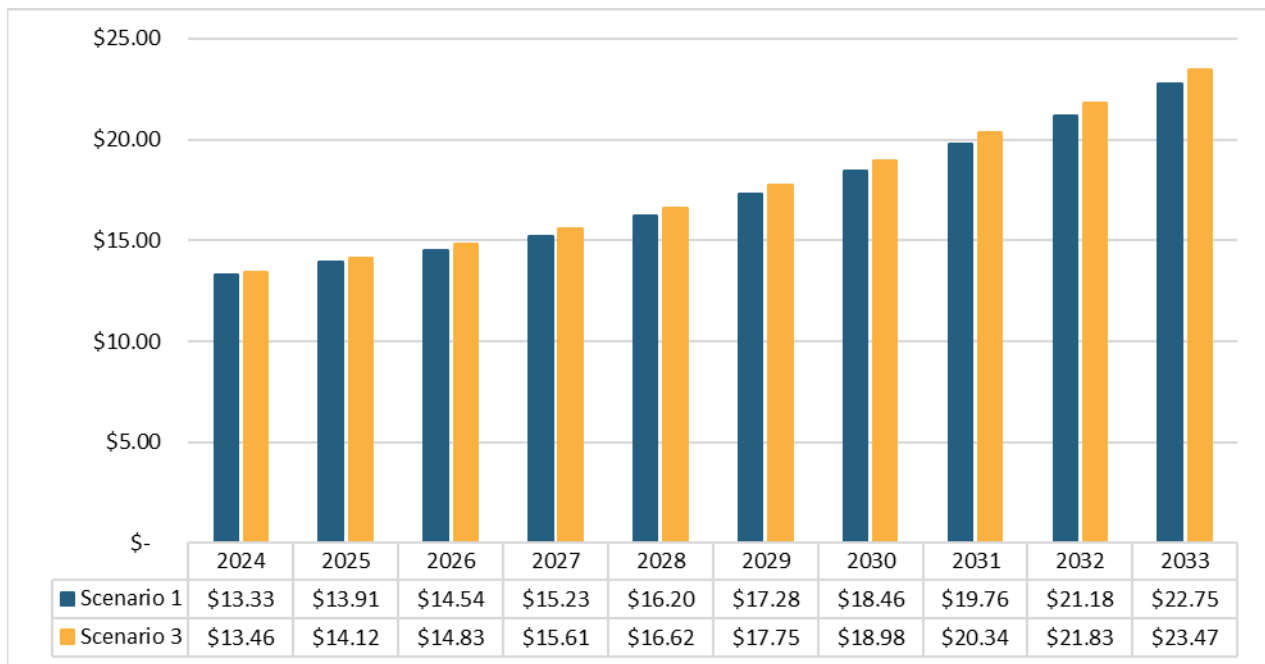


Figure 2-9. Trophy Club Cost Per 1,000 Gallons, Scenario 1 vs. Scenario 3

See Schedule 13 for the complete analysis supporting Scenario 3 specific to Westlake. The following figures provide a comparison between the results for Scenario 1 and Scenario 3 specific to Westlake on a total cost per meter equivalent and total cost per 1,000 gallons basis.

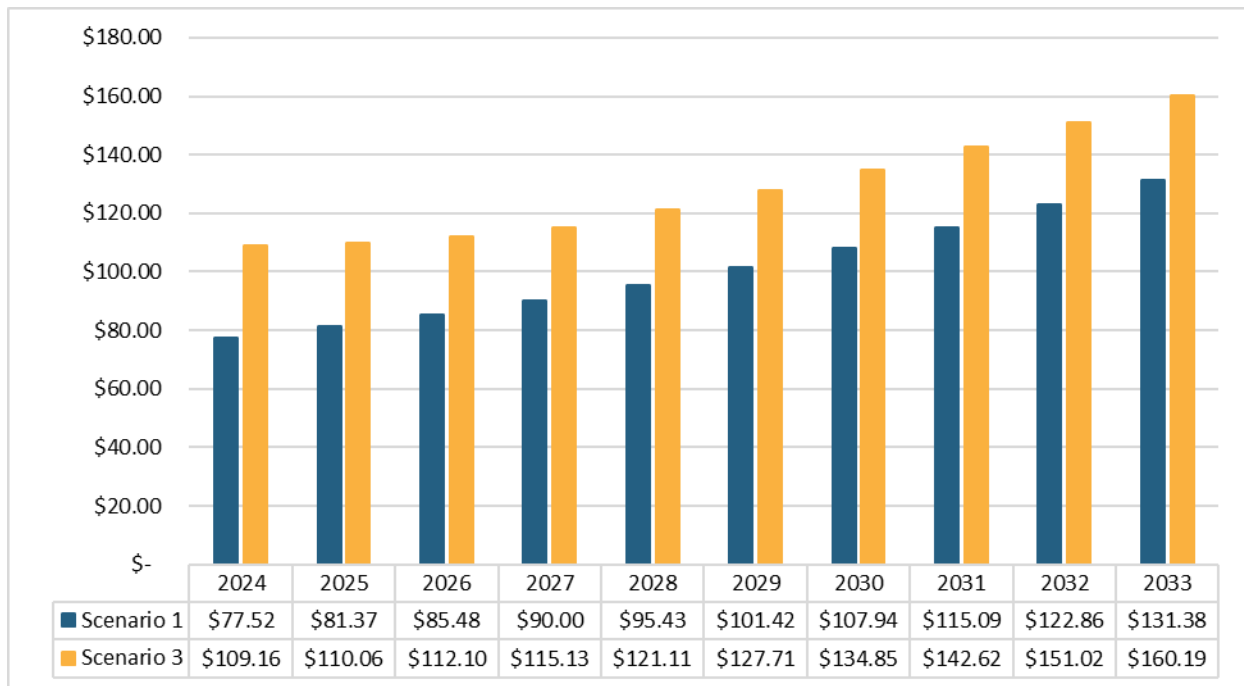


Figure 2-10. Westlake Cost Per Meter Equivalent, Scenario 1 vs. Scenario 3

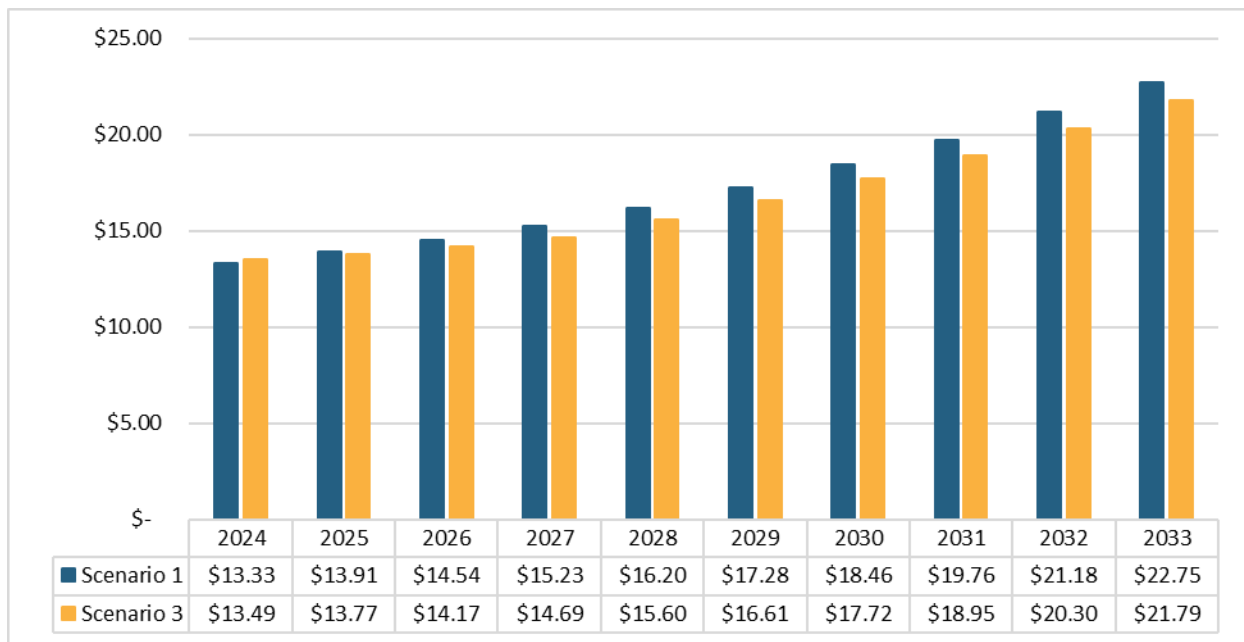


Figure 2-11. Westlake Cost Per 1,000 Gallons, Scenario 1 vs. Scenario 3

Section 3

KEY FINDINGS AND RECOMMENDATIONS

The following section of the report details the Project Teams findings and recommendations from the Study. Prior to the consideration of these findings and recommendations, we believe it important that the reader consider the following quote from a prior study performed by Mr. Lewis McClain on this very issue. In his report titled, “Reliance on Arithmetic to Resolve a Fractured Governance Issue,” and dated November 13, 2008, Mr. McLain states:

“I wish there was a way for me to wave a conclusive set of numbers, indisputable to the fourth decimal place that would yield an answer to satisfy everybody. I can’t, and I don’t think anybody can. Numbers can always be challenged and even discredited.”

The Project Team concurs with Mr. McLain’s assessment and the same applies to the Study discussed herein. Numbers cannot and will not be wholly useful in resolving this issue, which has been under consideration by the parties for well over a decade. No study or numerical analysis will provide the definitive answer to what is an issue of governance and policy. The Project Team is of the opinion that there will certainly not be unanimous agreement with the assumptions and methodologies employed herein; however, we also do not believe disagreement invalidates the results of this analysis or the recommendations made herein. Based on our review of past studies, our findings are consistent with the findings of prior efforts. We strongly believe that only civil discourse between the parties, and consideration of the long-term impacts of action or inaction, will be useful to addressing the issue at hand. We encourage the parties to examine the collective long-term goals and objectives which they all share in common—ensuring the efficient and cost-effective provision of public services—and take action as necessary to achieve those ends which are in the public interest.

Cost Versus Rates

The Project Team believes it is also critically important to note that the analysis performed considers the per-unit cost of service to customers between the various scenarios considered. These results can be very different and are not synonymous to rates or monthly charges to customers. The analysis performed assumes that cost is applied equally across service units; however, that may not be the case when cost is translated into a rate charged by a community. For example, some communities may choose to apply a lower per-unit cost of service to lower levels of consumption, and a higher per-unit cost of service to higher levels of consumption in order to discourage the wasteful use of water and encourage water conservation. It is not possible to accurately translate this analysis into the monthly bills potentially experienced by customers as such decisions are made directly by the governing boards and bodies of the entities providing service. It is the Project Team’s opinion that the methodology employed provides the most reasonable basis by which to estimate the impacts of changes in governance and service provision between the various scenarios considered and, while it was requested by the parties, we simply cannot translate this analysis into any meaningful estimate of customer rates or monthly bills to customers.

General Findings

The following presents the general findings of the Project Team. Note that this reflects the opinions of the Project Team and is not meant to represent any unique positions or viewpoints of the working group members. The Project Team recognizes that each party represented by the working group maintains their own perspectives and overall goals and objectives. These findings are meant to provide a summary of and context to the analysis performed and should not be construed as being representative of the opinions of the members of the working group.

- **Dissolution at this time is likely not in the best interest of customers.**

As demonstrated in the figures in Section 2 and based on the analysis conducted and the assumptions underlying that analysis, it is projected that customers will likely see a higher cost of overall service resulting from dissolution. Under Scenario 3, it is possible that customers in Westlake could potentially see a lower cost of service, but this is heavily dependent on growth and reflective of continued wholesale wastewater treatment service provision by Trophy Club. This scenario would require a contractual agreement between the parties, and the terms and conditions of that contract could impact the results of this analysis if it is not reflective of the assumptions employed herein.

It should also be noted that while on a pure dollar basis, the various scenarios generally indicate a lower cost of service under continued provision by the District, the variance in the cost of service is, at points, very minor. A minor revision to an assumption could ultimately result in a different result that could indicate benefits from dissolution. Given this, the Project Team is of the opinion that sole reliance on a mathematical quantification to the question of dissolution is insufficient and does not reflect full consideration of the larger policy implications and overall public interest.

- **Potential cost savings are likely de minimus.**

One argument that has been made publicly in support of dissolution is that cost savings can be realized by reducing the layers of governance and management. While the Project Team agrees that some cost savings may be realized, these are likely minimal at best and do not represent a significant enough impact to be the sole factor supporting dissolution. Savings that may be realized will likely be related to potentially duplicative personnel between Trophy Club and the District, but reducing personnel duplication carries with it other consequences. The Project Team has worked closely with personnel of the District and finds the District staff to be some of the most capable individuals in the industry relative to the management of a water and wastewater enterprise. Potentially losing these individuals, their knowledge, talents, and abilities in favor of minor cost savings could actually result in longer term cost increases as acquiring or redeveloping this talent could take a significant amount of time, and would likely result in a near-term reduction in the service level to customers.

- **Future growth will benefit Westlake from a cost of service basis.**

As noted in the analysis, Trophy Club is effectively built-out and is not anticipated to experience future growth, while Westlake will continue to see the addition of water and wastewater service units in the future. This growth will be to the benefit of Westlake to the extent service units are added at a faster rate than growth in cost. This will ultimately drive down the per unit cost of service experienced by Westlake customers. The same is not true for customers of Trophy Club. As costs increase in the future, these higher levels of costs will be divided over the same level of service units, thereby increasing the cost of service for Trophy Club customers on a per unit basis. Given this, the goals and objectives of the communities are likely different, with Westlake investing in water and wastewater infrastructure in order to promote and support ongoing growth and development, while Trophy Club

will be focused on maintaining the current cost of service and current service levels. The growth assumed for Westlake within this analysis has a significant impact on the results presented herein. As Westlake's unit cost of service decreases with future growth (assuming growth occurs at a faster overall pace than increases in cost), it is possible that Westlake customers could experience more cost-effective service on a per unit basis than customers within Trophy Club.

■ **Monetary transfers from the enterprise impact the analysis.**

One advantage to a municipality of maintaining a water and wastewater enterprise is the ability to transfer funds from the enterprise back to the municipality's general fund. Such transfers generally take three forms. First, the enterprise will likely use services from the City's General Fund specific to overall administrative management, human resources, information technology, financial services, or other types of general shared services. Transfers will be made from the utility enterprise back to the General Fund to cover the cost of these services. Second, many municipalities treat the utility enterprise the same as other private utilities operating within the municipal limits, requiring the payment of a franchise fee back to the City's General Fund to cover the use of rights-of-way within the City. Lastly, many municipalities will also require a payment for a return on investment or payment in lieu of tax (PILOT) from the utility enterprise. These transfers can add significantly to the cost of utility service, while resulting in a maintenance or reduction in ad valorem tax liabilities from utility customers.

While the Project Team has attempted to make reasonable assumptions and build such transfers into this analysis, any variations in actual required payments by Trophy Club or Westlake from their respective utility enterprises could result in very different outcomes than those presented herein.

The Project Team believes it also important to note that in the most recent session of the Texas Legislature, Senate Bill 1110 was filed which would prohibit any type of transfers by a City from the utility enterprise back to the municipality's general fund. While this bill did not move out of committee, it is clear that the legislature is carefully reviewing such transfers, and future legislative action to limit monetary transfers by a City from the utility enterprise could have significant impacts on this analysis.

■ **Other qualitative factors should be considered.**

Finally, as has been noted by the Project Team, the results of this quantitative analysis are but one input into the decision-making process concerning potential dissolution. Other qualitative impacts should be considered. These include, but may not be limited to, the following:

- Dissolution could result in less confusion for residents and businesses concerning their utility service provision by eliminating multiple points of contact relative to common municipal services.
- Dissolution could potentially help streamline planning, reducing the need to coordinate with both the respective Towns and the District for ongoing development.
- Currently, residents within the Public Improvement District of Trophy Club receive retail service from the District via contracts between Trophy Club and the District, but these residents do not maintain representation on the District board. Dissolution could give these residents complete representation and a voice through the Town Council which they lack under the current governance arrangement.
- As discussed above, there are potential cost savings that may be realized from dissolution. Some such cost savings could be through economies of scale in purchasing; however, given that Trophy

Club does not currently make utility related purchases, such economies of scale in purchasing would likely be limited. Further, potential cost savings in personnel have been noted. However, the Project Team believes a greater gain could be realized in maintaining staff and augmenting the staff of Trophy Club. While this would not result in cost savings, it would result in significant benefits in terms of skills, knowledge, and abilities which would be of service to Trophy Club residents.

- Relative to the discussion above concerning potential transfers from the utility enterprise to a Town's general fund, such transfers can result in greater monetary resources for a municipality to be able to make quality of life improvements in a community (e.g., parks and roads), or to invest more heavily in public safety. Such transfers could be of significant benefit to the respective communities as the State Legislature continues to limit what a municipality is able to do relative to ad valorem tax and other revenue sources.

Conclusion

The Project Team appreciates the opportunity to work with the Town of Trophy Club, the Town of Westlake, and the District on this Study. We appreciate the time and dedication of the working group members and the staff members of the respective organizations which have been instrumental in providing data and input resulting in this final product. We recognize that the determination of a path-forward is not easy nor straight-forward. We stand ready to answer questions or provide further information resulting from this study, or to assist the decision-makers of these organizations as they continue to evaluate an appropriate path-forward.



ATTACHMENT A: FIRST MEETING AGENDA AND TALKING POINTS MEMORANDUM

OCTOBER 2023

**TROPHY CLUB MUD FEASIBILITY STUDY
FINDINGS SUMMARY STATUS REPORT**

Feasibility Study Regarding Dissolution of Trophy Club MUD No. 1 *Project Kickoff Meeting*

Date: April 21, 2023

Time: 1:00 pm – 2:30 pm (CDT)

Location: Trophy Club Fire Station (Training Room)
295 Trophy Club Dr.
Trophy Club, TX 76262

Invitees: NewGen: Chris Ekrut (NewGen), Becky Schafer (NewGen), Chris Connolly (Kimley-Horn)
TCMUD No. 1: Alan Fourmentin, Kevin Carr, Doug Harper
Trophy Club: Jeffrey Beach, Steven Flynn, Dennis Sheridan, Patrick Arata
Westlake: Sean Kilbride, Wade Carroll

— Agenda Topics —

1. Introductions and Identification of Key Stakeholders

- a. NewGen Project Team
- b. Trophy Club MUD No. 1
- c. Town of Trophy Club
- d. Town of Westlake
- e. Other Representatives / Stakeholders (Identify Legal, Financial Advisors, Bond Counsel Contacts)

2. Define Goals and Objectives

- a. Discussion of Study Goals and Objectives
- b. Identify Key Questions to Be Answered / Rough Outline of Deliverable
- c. Group Discussion:
 - i. What does success look like?
 - ii. Are there any outcomes that would be considered a failure?
 - iii. Are there perceptions or potential outcomes from the study that could be viewed as negative?
 - iv. Are there perceptions or potential outcomes from the study that could be viewed as positive?
 - v. Based on knowledge and/or perceptions today, what are the negatives and positives of potential dissolution?

3. Define Rules of Engagement

- a. Discussion of Data Repository Accessible by All Parties
- b. Communication Protocols / Confidentiality of Discussions and Documentation
 - i. How should draft output from the study be treated by key stakeholders?
 - ii. Protocol for social media / mass media engagement
- c. Documentation of Assumptions / Key Decisions Matrix

4. Next Steps / Timeline

Memorandum

To: Trophy Club MUD No. 1: Alan Fourmentin, Kevin Carr, Doug Harper
Town of Trophy Club: Jeffrey Beach, Steve Flynn, Patrick Arata
Town of Westlake: Sean Kilbride, Wade Carroll

From: Chris Ekrut, Partner and CFO, NewGen Strategies and Solutions, LLC

Date: May 1, 2023

Re: Trophy Club MUD Feasibility Study Talking Points

- On Friday, April 21st, 2023, representatives of the Town of Trophy Club, the Town of Westlake, and Trophy Club Municipal Utility District (MUD) met to officially kickoff a formal study to determine the feasibility and financial impact of potentially merging the MUD with the municipalities.
- The study group presented consensus agreement that the purpose of the effort is to determine what path of action results in an equitable and financially justifiable decision. The key question to be answered is: What action is in the best interest of citizens and ratepayers, both now and in the future?
- All parties were equally represented and worked together to outline the various scenarios for consideration as the feasibility study is conducted.
- The group will meet again on Thursday, June 1st, 2023, to consider any initial results that may be available at that time.
- It is anticipated that the initial phase of the feasibility study will be completed within 60 to 90 days. Once completed, the results will be shared with all parties.



ATTACHMENT B: SECOND MEETING TALKING POINTS MEMORANDUM AND PRESENTATION

OCTOBER 2023

**TROPHY CLUB MUD FEASIBILITY STUDY
FINDINGS SUMMARY STATUS REPORT**

Feasibility Study Regarding Dissolution of Trophy Club MUD No. 1

June 1, 2023, Project Meeting #2 Talking Points

Attendees:

Consultants: Chris Ekrut (NewGen), Becky Schafer (NewGen), Chris Connolly (Kimley-Horn)

TCMUD No. 1: Alan Fourmentin, Kevin Carr (Not in attendance: Doug Harper)

Trophy Club: Jeff Beach, Steve Flynn, Patrick Arata, (Not in attendance: Dennis Sheridan)

Westlake: Wade Carroll (Not in attendance: Sean Kilbride)

1. The consultants and members of the working group met on June 1, 2023.
2. The meeting focused on discussion and agreement on assumptions that are crucial to producing the Final Analysis.
3. NewGen is working on the Final Analysis for our next meeting.
4. The working group is scheduled to meet on June 30th to discuss the Final Analysis.
5. After the June 30th meeting and any review and revision by the working group, NewGen will prepare to discuss the results publicly with the governing bodies of each entity.



June 1, 2023

TROPHY CLUB MUD FEASIBILITY STUDY

PROJECT MEETING #2

AGENDA

1. Regional Bill Comparisons
2. Growth Projections
3. TCMUD Debt Allocation
4. Avoided Cost
5. Operations and Maintenance Expense
6. Preliminary Observations
7. Next Steps

CAVEATS

- All information should be considered a work in process. Changes/refinements may be needed.
- Numbers in presentation are rounded.
- Some information could be considered sensitive/confidential. Please be respectful and keep this information within the working group until final documentation is released.
- If you have suggestions/changes to assumptions, please let the Project Team know as soon as possible.
- Scenario analysis will be dependent on assumptions. Group consensus is needed prior to producing the final scenario analysis.

CURRENT REGIONAL BILL COMPARISONS

COMMUNITY RATE COMPARISONS

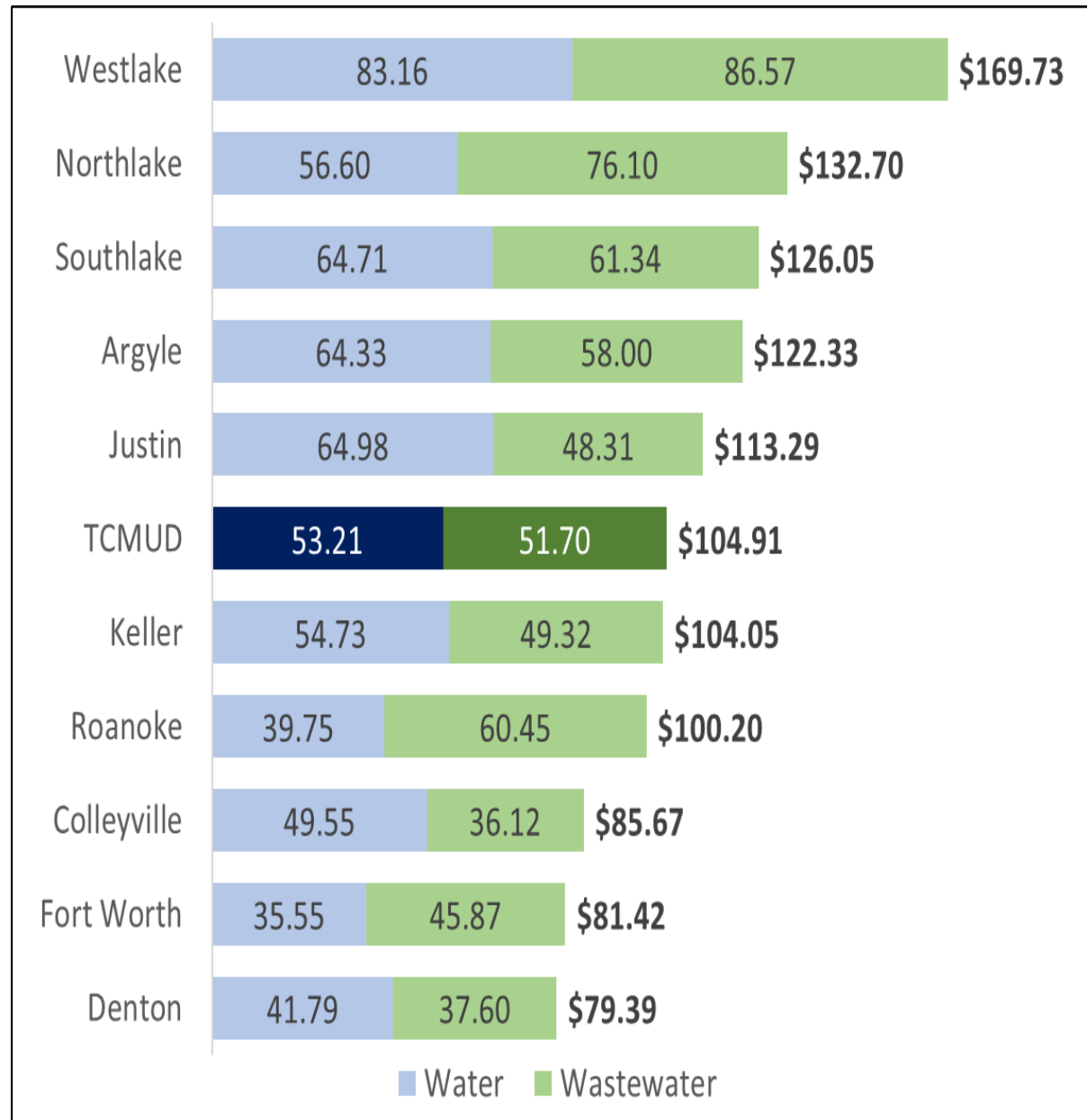
- Comparisons between communities are very common but may not tell the whole story.
- Each system is unique in geography, age of infrastructure, capital maintenance efforts, and typical usage patterns.



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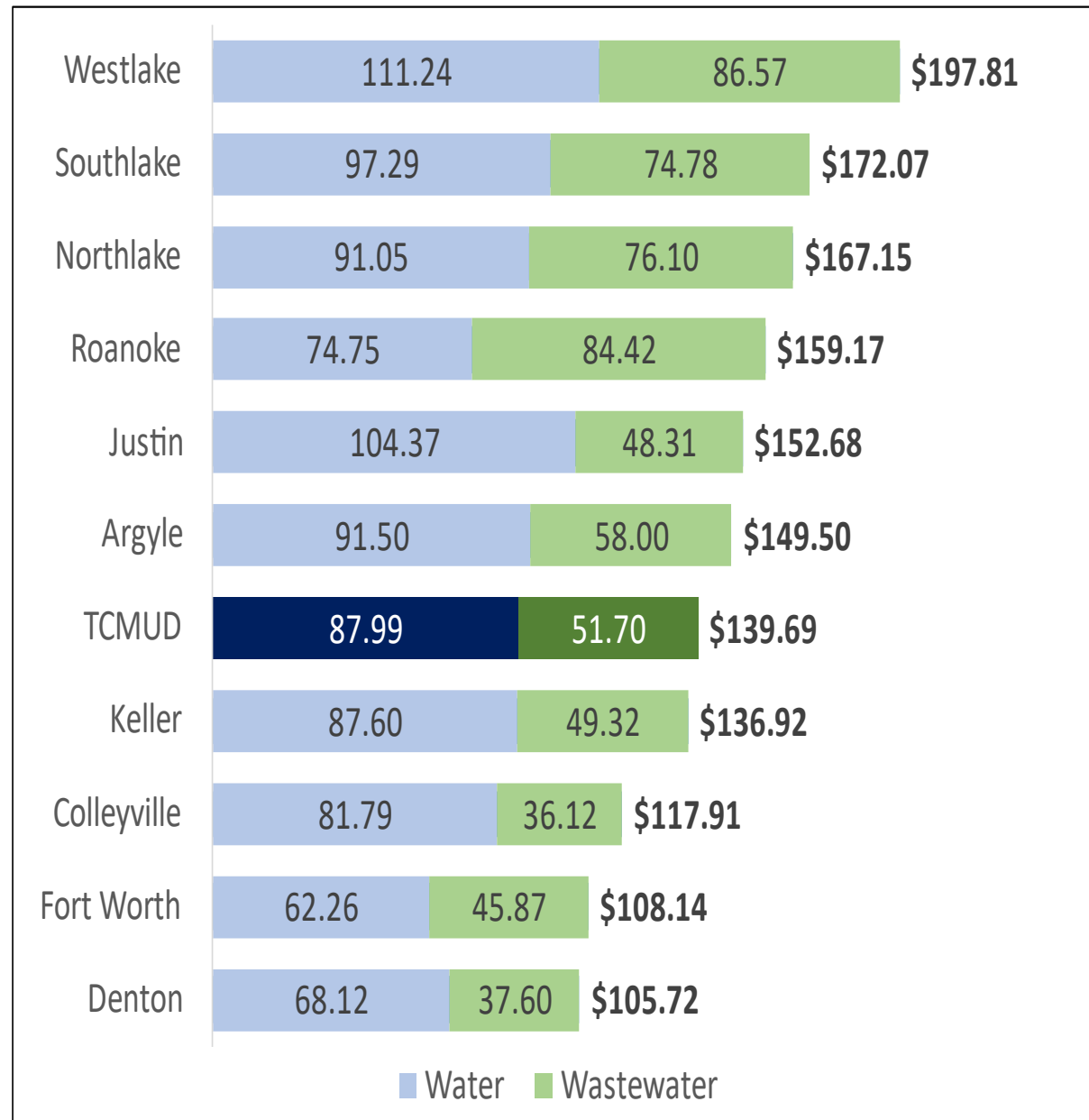
RESIDENTIAL BILL COMPARISON

- 7,000 Gallons Usage
- Winter Average of 7,000 Gallons



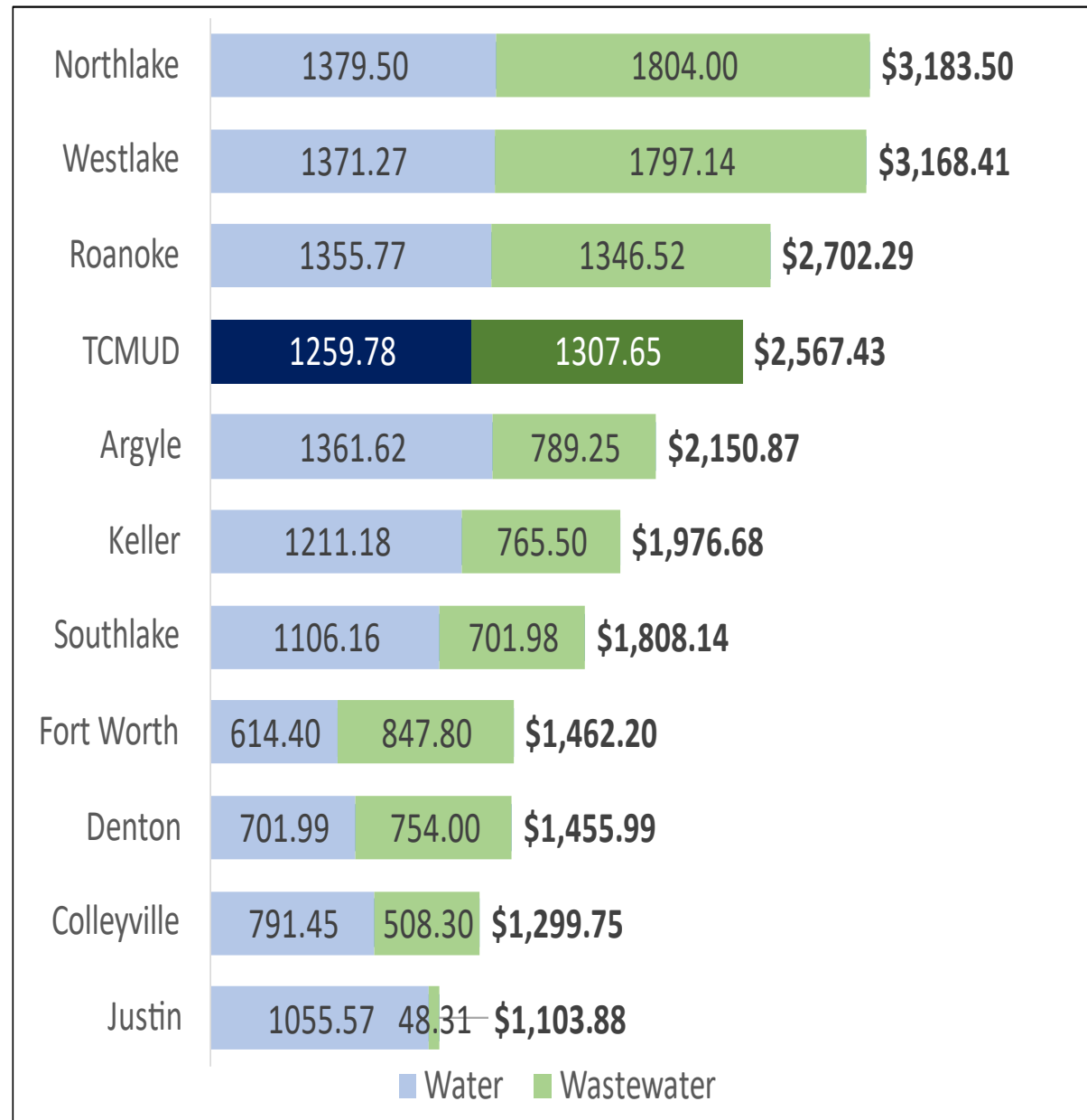
RESIDENTIAL BILL COMPARISON

- 13,500 Gallons Usage
- Winter Average of 7,000 Gallons



COMMERCIAL BILL COMPARISON

- 150,000 Gallons Water
- 150,000 Gallons Wastewater



GROWTH PROJECTIONS

TEXAS WATER DEVELOPMENT BOARD

	2020	2030	2040	2050	2060	2070
TCMUD						
Population	12,750	12,750	12,750	12,750	12,750	12,750
Water Demand (Ac/Ft)	4,863	4,829	4,811	4,802	4,798	4,797
GPCPD Demand	341	338	337	336	336	336
Westlake (Total)						
Population	1,541	4,234	6,927	7,750	7,750	7,750
Water Demand (Ac/Ft)	1,782	4,884	7,982	8,927	8,925	8,925
GPCPD Demand	1,032	1,030	1,029	1,028	1,028	1,028
<i>Population Annual Growth Rate</i>		10.6%	5.0%	1.1%	0.0%	0.0%

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

2022 Population Estimates	2020	2021	2022
Trophy Club	13,688	14,290	14,400
Annual Growth		4.4%	0.77%
Annual Growth 2020 to 2022			2.57%
Westlake	1,623	1,780	1,840
Annual Growth		0.13%	0.20%
Annual Growth 2020 to 2022			0.16%

2045 Demographic Forecast	2015 HH Pop	2030 HH Pop	2045 HH Pop
Trophy Club	10,405	11,294	12,310
Annual Growth 2015 to 2030		0.55%	
Annual Growth 2015 to 2045			0.56%

TCMUD PLANNING

Table 5.2. Additional Population Accounting Since 2020 Census

	2020 Construction	Undeveloped	Persons/household	Additional Population
Single-Family Residential	-	45 acres* 83 units**	3.0	540 249
Multi-Family Residential	256 units	260 units	2.0	1,032
Townhomes	39 units	40 units**	2.0	158
Total Additional Population:				1,979

*Assuming a household density of 4 homes per acre

**Planned Developments

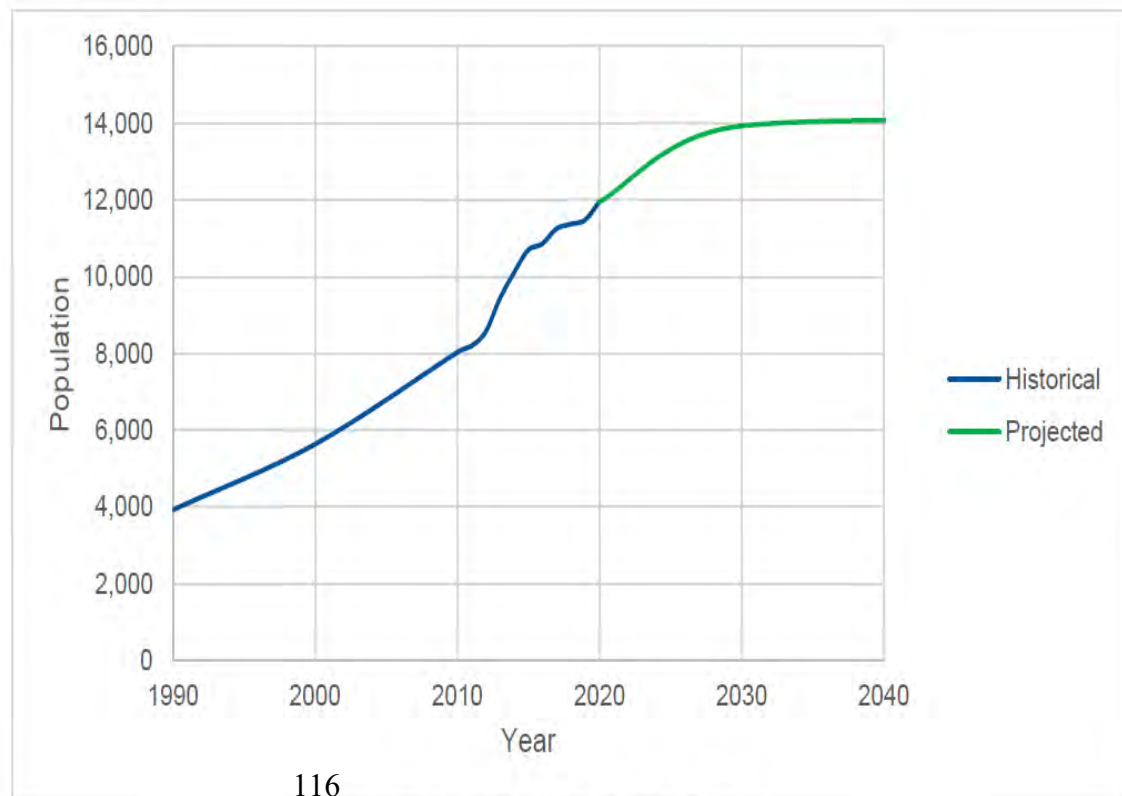
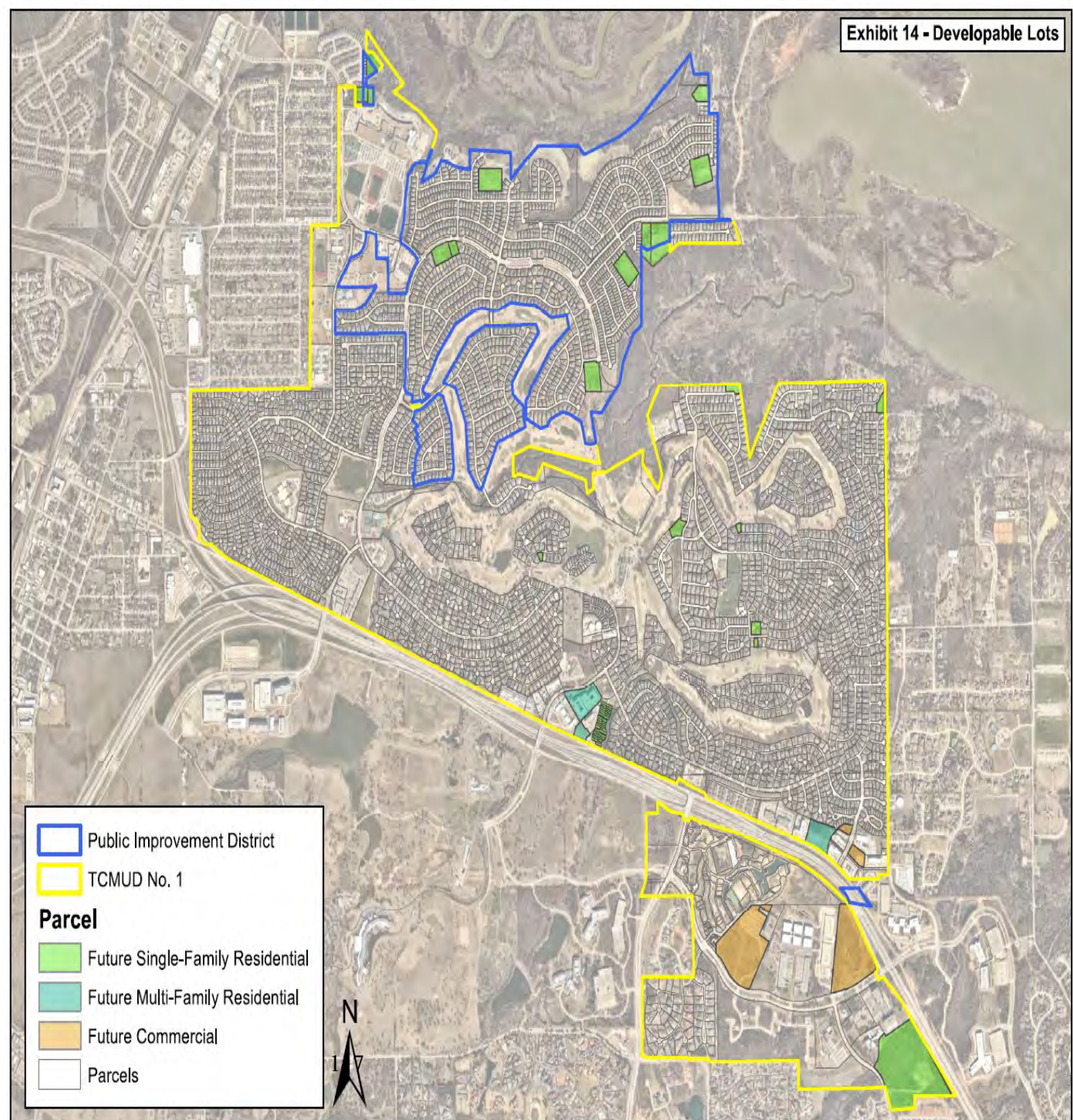


Figure 5.1. Population Projections

TCMUD PLANNING



WESTLAKE DEVELOPMENTS IN TCMUD

Development in TCMUD

Development	MUD Boundary	Dev. Status	Dev. Type	Current Homes	Proposed Homes	Current Employees	Estimated Employees
1300 Solana Blvd	Wholly within	Vacant	Commercial	0	0	0	1500
Entrada	Wholly within	Under Construction	Mix-Use	58	322	99	1000
Granada*	Partially within	Mostly Built	Residential	51	55	0	0
Knolls at Solana	Wholly within	Under Construction	Residential	33	56	0	0
Life Time Fitness	Wholly within	Under Construction	Commercial	0	0	0	150
Solana Hills	Wholly within	Proposed	Residential	0	59	0	0
Solana Plaza	Wholly within	Built	Commercial	0	0	1820	2500
Solana Terrace	Wholly within	Built	Commercial	0	0	2465	4500
Total				142	492	4384	9650

* Granada is partially within the TCMUD Boundary. The home projections are those parcels within Granada that are also in the MUD.

New Development estimated to be on-line by 2025

INITIAL EQUIVALENT ASSUMPTIONS

	Current Feb 2023	2024	2025	2026	2027	2028	2029	2030
Trophy Club / TCMUD								
Water Equivalents	10,766	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Sewer Equivalents	8,384	8,384	8,384	8,384	8,384	8,384	8,384	8,384
Westlake								
Water Equivalents	637	753	869	985	987	987	987	987
Sewer Equivalents	233	349	465	581	583	583	583	583

Specific to Westlake, 116 equivalents added in 2023, 2025, and 2026; 2 added in 2027 to equal a total of 350

TCMUD DEBT ALLOCATION

TCMUD W/S DEBT SUMMARY (AS OF FY 2024)

	Remaining Principal	Remaining Interest	Total Remaining	Funding Source	Payoff Year
WWTP Debt					
GO Series 2014	\$ 3,725,000	\$ 753,575	\$ 4,478,575	Taxes	2034
Rev Series 2015	6,280,000	1,286,963	7,566,963	Rate Revenue	2035
Rev Series 2019	1,518,000	749,199	2,267,199	Rate Revenue	2049
Subtotal	\$ 11,523,000	\$ 2,789,737	\$ 14,312,737		
Water Line					
Rev Series 2016	\$ 3,145,000	\$ 429,907	\$ 3,574,907	Rate Revenue	2036
Rev Series 2019	5,082,000	2,508,188	7,590,188	Rate Revenue	2049
Subtotal	\$ 8,227,000	\$ 2,938,095	\$ 11,165,095		

REQUIREMENTS OF LGC § 43.076

- The agreement must provide for the distribution among the municipalities of the property and other assets of the district and for the pro rata assumption by the municipalities of all the debts, liabilities, and obligations of the district.
- The assumption by each municipality must be based on the ratio that the value of the property and other assets distributed to that municipality bears to the total value of all the property and other assets of the district.
- The **determination of value** may be made on an original cost basis, a reproduction cost basis, a fair market value basis, or **by any other valuation method agreed on by the parties that reasonably reflects the value** of the property and other assets, debts, liabilities, and obligations of the district.



KEY ISSUES FOR DETERMINING VALUE

- **Customers contribute to debt currently via taxes and rate revenues.**
 - For customers to remain whole, value determination must take into account how customers are currently contributing to debt repayment.
 - Referred to herein as “Current State.”
- **Distribution / Collection Assets in Westlake Area (Solana) were installed in or earlier than 1981.**
 - Assets are mostly or fully depreciated, little remaining book value.
 - Using net book value would result in limited value attributable to Westlake.
- **Based on planning documents for wastewater treatment plant expansion, approximately 49.5% of expansion was needed for anticipated growth in Westlake, 50.5% for Trophy Club.**
 - Westlake’s service to customers in District has resulted in excess TCMUD WWTP Capacity.
 - Given difference between planning and actual conditions, how should this be reflected in the allocation process?

VALUE / ALLOCATION FACTORS

Factor No.	Factor Name	Description
1	Revenues	Reflects 3-year average of actual rate revenue generation
2 (a)	Reproduction Cost	Reproduction Cost of Water/Sewer Lines
2 (b)	Age Adjusted Reproduction Cost	Age Adjusted Reproduction Cost of Water/Sewer Lines
3	Appraised Value	Reflects 2022 appraised values
4	WWTP Expansion Planning	Planned Capacity Needed for WWTP Expansion PER, Wallace Group, Dated April 203
5	WWTP Equivalent Connections	Reflects February 2023 Equivalent Sewer Connections

FACTOR SUMMARY

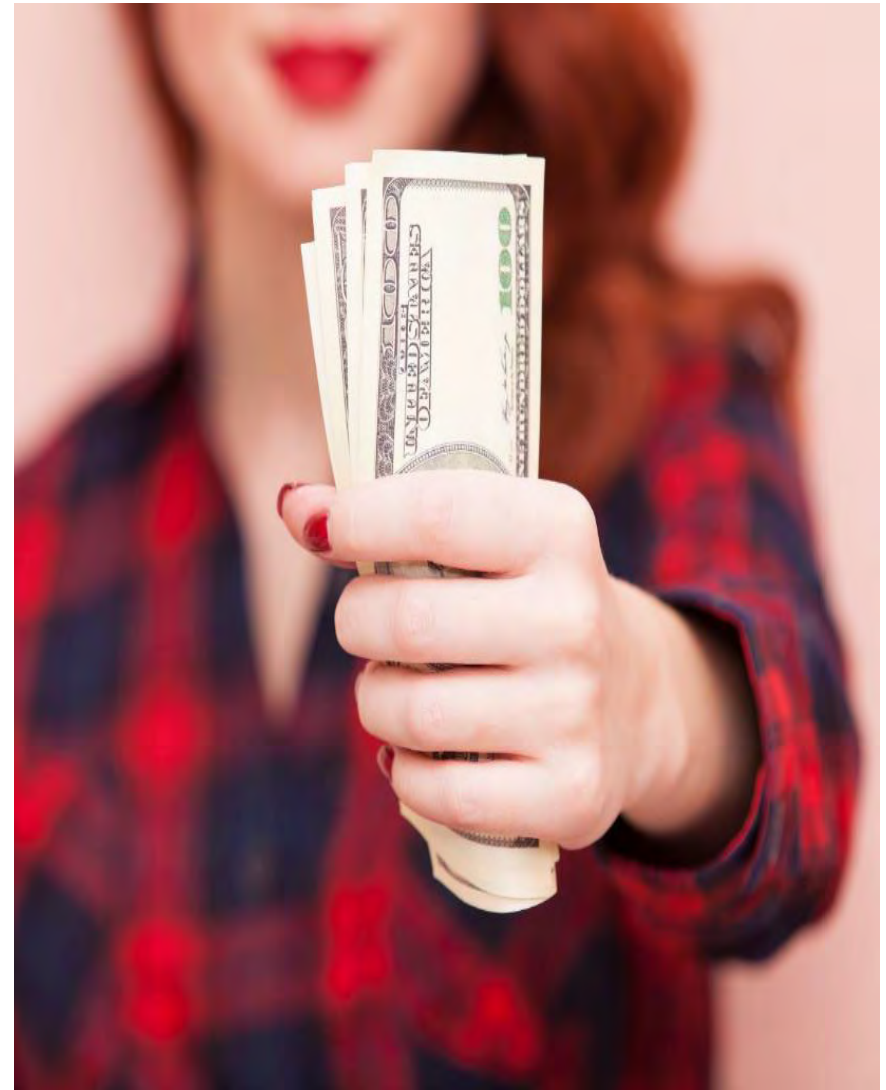
	Factor 1 Revenue Generation	Factor 2(a) Reproduction Cost	Factor 2(B) Age Adjusted Reproduction	Factor 3 Appraised Value	Factor 4 WWTP Plan	Factor 5 WWTP Equivalents
Water						
Trophy Club / PID	90.6%	94.2%	98.3%	N/A	N/A	N/A
Westlake	9.4%	5.8%	1.7%	N/A	N/A	N/A
Wastewater						
Trophy Club / PID	96.0%	95.6%	96.1%	84.4%	50.5%	97.3%
Westlake	4.0%	4.4%	3.9%	15.6%	49.5%	2.7%



WATERLINE DEBT

WATERLINE DEBT (CURRENT STATE ALLOCATION)

	Factor 1 Revenues	Total (%)
Remaining Principal	\$ 8,227,000	
Allocation % (3 yr avg)		
Trophy Club / PID	90.6%	
Westlake	9.4%	
Allocated \$s		
Trophy Club / PID	\$ 7,450,371	90.6%
Westlake	776,629	9.4%
TOTAL	\$ 8,227,000	100.00%



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WATER DEBT (ALLOCATION RANGES)

	Factor 1 Revenues (Current State)	Factor 2(a) Reproduction Cost	Factor 2(b) Age Adjusted Reproduction Cost
Remaining Principal	\$ 8,227,000	\$ 8,227,000	\$ 8,227,000
Allocation			
Trophy Club / PID	90.6%	94.2%	98.3%
Westlake	9.4%	5.8%	1.7%
Allocated \$s			
Trophy Club / PID	\$ 7,450,371	\$ 7,751,479	\$ 8,087,141
Westlake	776,629	475,521	139,859
TOTAL	\$ 8,227,000 ₁₂₈	\$ 8,227,000	\$ 8,227,000



WWTP DEBT

WWTP DEBT (CURRENT STATE ALLOCATION)

	Factor 1 Revenues	Factor 3 Appraised Value	Total (\$)	Total (%)
Remaining Principal	\$ 7,798,000	\$ 3,725,000	\$ 11,523,000	
Allocation % (3 yr avg)				
Trophy Club / PID	96.0%	84.4%		
Westlake	4.0%	15.6%		
Allocated \$s				
Trophy Club / PID	\$ 7,485,300	\$ 3,143,528	\$ 10,628,828	92.2%
Westlake	312,700	581,473	894,173	7.8%
TOTAL	\$ 7,798,000	\$ 3,725,000	\$ 11,523,000	100.0%

WWTP DEBT (ALLOCATION RANGES)

	Current State Factor 1 / Factor 2	Factor 3 WWTP Planning	Factor 4 WWTP Equivalents
Remaining Principal	\$ 11,523,000	\$ 11,523,000	\$ 11,523,000
Allocation			
Trophy Club / PID	92.2%	50.5%	97.3%
Westlake	7.8%	49.5%	2.7%
Allocated \$s			
Trophy Club / PID	\$ 10,628,828	\$ 5,819,115	\$ 11,211,879
Westlake	894,173	5,703,885	311,121
TOTAL	\$ 11,523,000	\$ 11,523,000	\$ 11,523,000

KEY TAKEAWAYS / DECISION POINTS

- Outstanding debt must be allocated between Westlake / Trophy Club in event of dissolution.
- Any allocation that deviates substantially from the Current State will shift customer burdens.
- Allocation of debt is a **key variable** in any scenario analysis.
- For purposes of analysis, all debt payment going forward is assumed to be revenue supported.

AVOIDED COST

AD VALOREM TAX



- Ad Valorem Tax is currently used to support a single debt issuance for the WWTP and Non-Departmental Expense (Legal, Audit, Appraisal).
- Key assumptions:
 - All debt payment going forward is assumed to be revenue supported.
 - Non-departmental expense is assumed to be replaced with City Support Services if MUD is dissolved
 - If MUD is not dissolved, expense is assumed to remain but be paid via rate revenues as a traditional enterprise fund.

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POTENTIAL COST REDUCTIONS FROM DISSOLUTION

	FY 2019	FY 2020	FY 2021	FY 2022
Board of Directors Expense	\$ 2,500	\$ 1,733	\$ 2,680	\$ 2,751
Non-Departmental				
Legal	\$ 138,579	\$ 109,011	\$ 42,018	\$ 55,890
Auditing	26,460	31,908	21,000	25,375
Appraisal	11,057	11,909	11,122	14,682
Tax Admin Fees	3,653	3,756	3,821	3,874
Subtotal	\$ 179,748	\$ 156,584	\$ 77,961	\$ 99,721
TOTAL	\$ 182,248	\$ 158,317	\$ 80,641	\$ 102,472
Water and Sewer Equivalents	18,753	18,916	19,115	19,229
ANNUAL Savings Per Equivalent	\$ 9.72	\$ 8.37	\$ 4.22	\$ 5.33

PERSONNEL

Operations	Customer Billing	Administration / Overhead
Operations Manager	Senior Utility Billing Clerk	General Manager
Water Supervisor	Utility Billing Clerk	Finance Manager
Water Chief Operator		District Secretary
Water Operator (2x)		Staff Accountant
Wastewater Supervisor		
Wastewater Chief Operator		
Wastewater Operator (2x)		

Only existing personnel overlap exists within Administration / Overhead Positions

CURRENT ESTABLISHED PAY RANGE BY POSITION

Redacted to maintain privacy and confidentiality of Personnel Data

KEY TAKEAWAYS / DECISION POINTS

- Some limited cost savings may be realized on dissolution
 - Will these be offset by transfers required from new Trophy Club Utility to Trophy Club General Fund?



WHOLESALE EXPENSE

FT. WORTH WATER COST

Study for FY	2020	2021	2022	2023
TCMUD				
Projected Revenues	\$ 2,146,429	\$ 1,911,335	\$ 2,275,421	\$ 2,194,896
TY Volumes (MG)	797.26	679.07	754.47	715.90
Effective Cost per 1,000	\$ 2.69	\$ 2.81	\$ 3.02	\$ 3.07
Westlake				
Projected Revenues	\$ 1,432,341	\$ 1,225,439	\$ 1,351,543	\$ 1,482,783
TY Volumes (MG)	510.93	441.35	462.53	468.33
Effective Cost per 1,000	\$ 2.80	\$ 2.78	\$ 2.92	\$ 3.17
Variance in Source Cost	\$ 0.11	(\$0.04)	(\$0.09)	\$0.10

Source: Ft. Worth Wholesale Water Studies

FT. WORTH WATER COST

- Charges from Ft. Worth consist of a Volumetric Charge, a Billing Charge, and Fixed Charges reflective of Excess Capacity Use.
- Charges vary every year based on efficiency and overall demand of customers.
- Proposed assumption: Given the variation year to year, and the fairly minor difference in cost, assume the same unit cost of water between TCMUD and Westlake specific to purchases from Ft. Worth.

DENTON CREEK REGIONAL WASTEWATER SYSTEM

*Westlake Sewer
Provider*

Year	Debt Rate	O&M	Total Rate
2023	\$ 5.268	\$ 1.726	\$ 6.994
2024	9.519	1.724	11.243
2025	11.183	1.729	12.912
2026	10.821	1.610	12.431
2027	9.483	1.499	10.928
2028	7.659	1.395	9.054

Source: Trinity River Authority, Cost of Service Detail, January 2023

- Scenario Analysis assuming Westlake is responsible for sewer service will need to account for wholesale treatment cost

OPERATIONS AND MAINTENANCE EXPENSE

HISTORICAL WATER VARIABLE O&M VALUES

	2019	2020	2021	2022
TCMUD Water				
Variable O&M	\$ 135,647	\$ 153,490	\$ 148,759	\$ 168,960
Water Produced (kgal)	862,486	926,776	906,424	1,101,020
Cost per 1,000 gal	\$ 0.16	\$ 0.17	\$ 0.16	\$ 0.15
Westlake Water				
Variable O&M	\$ 389,639	\$ 272,467	\$ 244,442	
Water Sold (kgal)	422,635	492,376	463,536	
Cost per 1,000 gal	\$ 0.92	\$ 0.55	\$ 0.52	

HISTORICAL WATER FIXED O&M VALUES

	2019	2020	2021	2022
TCMUD Water				
Fixed O&M	\$ 888,625	\$ 865,735	\$ 907,280	\$ 1,169,776
Equivalents	9,782	9,866	9,972	10,613
Cost per Equivalent	\$ 90.85	\$ 87.75	\$ 90.98	\$ 110.22
Annual Growth Rate				6.7%
Westlake Water				
Fixed O&M	\$ 398,143	\$ 408,204	\$ 364,833	
Equivalents	2,163	2,249	2,339	
Cost per Equivalent	\$ 184.07	\$ 181.50	\$ 155.98	

HISTORICAL SEWER VARIABLE O&M VALUES

	2019	2020	2021	2022
TCMUD Sewer				
Variable O&M	\$ 178,920	\$ 166,189	\$ 174,997	\$ 203,419
Sewer Treated (kgal)	363,316	353,197	354,313	329,080
Cost per 1,000 gal	\$ 0.49	\$ 0.47	\$ 0.49	\$ 0.62
Westlake Sewer (Values are de minimus due to Wholesale Treatment)				
Variable O&M	\$ 3,945	\$ 3,360	\$ 3,377	

TCMUD HISTORICAL SEWER O&M VALUES

	2019	2020	2021	2022
TCMUD Sewer				
Fixed O&M	\$ 875,423	\$ 995,792	\$ 1,243,871	\$ 1,215,593
Equivalents	8,972	9,050	9,143	8,616
Cost per Equivalent	\$ 97.58	\$ 110.03	\$ 136.05	\$ 141.09
Annual Growth Rate				13.1%
Westlake Sewer				
Fixed O&M	\$ 123,141	\$ 126,184	\$ 66,824	
Equivalents	1,146	1,190	1,238	
Cost per Equivalent	\$ 107.45	\$ 106.04	\$ 53.98	

TCMUD HISTORICAL ADMINISTRATIVE O&M VALUES

	2019	2020	2021	2022
TCMUD Administrative				
Total Cost	\$ 1,117,756	\$ 1,230,601	\$ 1,448,713	\$ 1,322,101
Equivalents				
Water	9,782	9,866	9,972	10,613
Sewer	8,972	9,050	9,153	8,616
Total	18,753	18,916	19,115	19,229
Cost per Equivalent	\$ 59.60	\$ 65.06	\$ 75.79	\$ 68.76

WESTLAKE HISTORICAL ADMINISTRATIVE O&M VALUES

	2019	2020	2021
Westlake Transfers Out			
Total Cost	\$ 481,992	\$ 430,866	\$ 553,706
Equivalents			
Water	2,163	2,249	2,339
Sewer	1,146	1,190	1,238
Total	3,309	3,439	3,577
Cost per Equivalent	\$ 145.66	\$ 125.29	\$ 154.80

PRELIMINARY OBSERVATIONS

PRELIMINARY OBSERVATIONS

- **Existing water and sewer service to Westlake ratepayers is, under current rates, more expensive than service from TCMUD.**
 - Allocation of TCMUD debt to Westlake customers will potentially contribute to higher cost to these ratepayers.
 - Any payment sought for the value of embedded assets only drives up cost to customers.
- **Loss of Westlake ratepayers as contributors to TCMUD Fixed Cost will increase unit cost to Trophy Club ratepayers.**
 - Limited potential for fixed cost savings; some offset will potentially occur.
 - Situation will not correct over time due to limited growth in Trophy Club.
 - Requiring Westlake to “make whole” this differential will only contribute to the problem and drive higher costs to ratepayers.

PRELIMINARY OBSERVATIONS

- **Some avoided cost / cost savings may be realized from dissolution.**
 - Non-departmental expense will potentially be avoided assuming no cost increases for Westlake / Trophy Club (e.g., General Fund transfer)
 - Some personnel savings might be realized, but sensitivity of issue must be appreciated.
 - Represents opportunity for Westlake / Trophy Club to enhance existing staffing or fill vacant positions.
 - Reconciliation of existing pay differential may result in some limited savings.
 - Cost savings alone are insufficient to support dissolution.

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NEXT STEPS

NEXT STEPS

- Finalize Assumptions and Complete Scenario Analysis.
 - Includes determination on capital investment under each scenario.
- Present and Discuss Scenario Analysis with Working Group.
- Prepare Presentation of Scenario Analysis and Findings / Conclusions for Public Presentation.
- Proposed Meeting: June 22nd (Th) or June 23rd (F)

SUPPORTING INFORMATION

FACTOR 1 – REVENUE GENERATION-BASED ALLOCATION

(% OF OVERALL REVENUE)

	FY 2020	FY 2021	FY 2022	Weighted Average
Water				
Trophy Club / PID	90.9%	90.4%	90.3%	90.6%
Westlake	9.1%	9.6%	9.7%	9.4%
Wastewater				
Trophy Club / PID	95.9%	95.9%	96.1%	96.0%
Westlake	4.1%	4.1%	3.9%	4.0%

FACTOR 2(A) – W/WW LINE VALUE-BASED ALLOCATION (BASED ON ESTIMATED REPRODUCTION COST)

	Water	Sewer
Reproduction Cost (\$)		
TCMUD / PID	\$ 52,830,975	\$ 47,306,800
Westlake	3,238,439	2,165,921
Subtotal	\$ 56,069,414	\$ 49,472,721
Reproduction Cost (%)		
TCMUD / PID	94.2%	95.6%
Westlake	5.8%	4.4%
Subtotal	100.00%	100.00%

FACTOR 2(B) – W/WW LINE VALUE-BASED ALLOCATION (BASED ON ESTIMATED RCNLD)

	Water	Sewer
Reproduction Cost (\$)		
TCMUD / PID	\$ 29,986,778	\$ 31,006,455
Westlake	517,619	1,249,737
Subtotal	\$ 30,504,397	\$ 32,256,192
Reproduction Cost (%)		
TCMUD / PID	98.3%	96.1%
Westlake	1.7%	3.9%
Subtotal	100.0%	100.0%

FACTOR 3 – APPRAISED VALUE-BASED ALLOCATION (BASED ON FY 2022 VALUES)

	\$s of Valuation	%
Trophy Club		
MUD (Excluding Westlake)	\$ 1,743,158,585	
PID	919,078,121	
Subtotal	\$ 2,662,236,706	84.4%
Westlake	\$ 492,506,770	15.6%
Total	\$ 3,154,743,476	100.00%



ATTACHMENT C: THIRD MEETING TALKING POINTS MEMORANDUM AND PRESENTATION

OCTOBER 2023

**TROPHY CLUB MUD FEASIBILITY STUDY
FINDINGS SUMMARY STATUS REPORT**

Memorandum

To: High Level Talking Points from June 30, 2023 Workgroup Meeting #3 – **Confidential**
From: Chris Ekrut, Partner and Chief Financial Officer, NewGen Strategies & Solutions, LLC
Date: July 12, 2023
Re: Trophy Club MUD Dissolution Feasibility Study

Meeting Talking Points:

- The consultants met with the workgroup representatives to present the analysis prepared for the 5 scenarios, answer questions and discuss the assumptions and to discuss next steps. The focus for the meeting was to present findings and present/discuss numerous assumptions and elicit feedback/consensus/direction from those in attendance. Confidentiality of the data in the presentation is critical.
- There was general agreement that following this workgroup session the next step should be a presentation to both Town Councils and the MUD Board. Consensus was strong that the presentation should be delivered in one session with all present for transparency.
- The consultants have provided a preliminary “Executive Summary” version of the presentation to the Town Managers of Westlake and Trophy club and to the General Manager of the MUD for their review and comment.
- There will be a revision of cost projections in the next version of the presentation due to the availability of updated Operations and Maintenance costs for Trophy Club MUD. Therefore, all the numbers in the scenarios presented on June 30, 2023, should be viewed as preliminary pending the update of the financial models with the revised O & M cost forecast.
- Following the presentation to all governing bodies, if all parties agree, there could be a “Go/No Go” vote on whether to proceed with Phase Two of the process described in the contract with NewGen.
- Phase Two is described as the “Development and Execution of a Formal Agreement” which would include the formal documentation to consummate the “transaction” and the procurement of any necessary formal regulatory approval for the proposed transaction. The transaction could be either an acquisition or dissolution of the MUD, or potentially possibly some alternative agreement under one of the alternative scenarios.



June 30, 2023

TROPHY CLUB MUD FEASIBILITY STUDY

PROJECT MEETING #3

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AGENDA

1. Methodology and Assumptions
2. Review of Scenario Analysis
3. Findings and Conclusions
4. Next Steps

CAVEATS

- All information should be considered a work in process. Changes/refinements may be needed based on stakeholder group input or additional source documentation
- Numbers in presentation are rounded where appropriate
- Some information could be considered sensitive/confidential. Please be respectful and keep this information within the working group until final documentation is released.
- If you have suggestions/changes, please let the Project Team know as soon as possible.

METHODOLOGY AND ASSUMPTIONS

FOUNDATIONAL ASSUMPTIONS

- Study excludes the Fire Department and cost of Fire Services
- Analysis treats the MUD as a true enterprise – all expenditures paid via utility revenues and no tax monies or payment in lieu of taxes assumed
- MUD debt responsibility allocated between Trophy Club and Westlake reflective of current repayment methods
- If dissolution occurs, Westlake customers will not be asked to pay for embedded infrastructure – it has already been paid for by ratepayers
- Ft. Worth wholesale service costs are assumed to be the same, per unit, between the MUD and Westlake
- Only capital investment included in analysis is reflective of current debt

GROWTH ASSUMPTIONS

	Current Feb 2023	2024	2025	2026	2027	2028	2029	2030
Trophy Club / TCMUD								
Water Equivalents	10,766	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Sewer Equivalents	8,384	8,384	8,384	8,384	8,384	8,384	8,384	8,384
Westlake								
Water Equivalents	637	753	869	985	987	987	987	987
Sewer Equivalents	233	349	465	581	583	583	583	583

Specific to Westlake, 116 equivalents added in 2023, 2025, and 2026; 2 added in 2027 to equal a total of 350

WATER ERU CALCULATION

Meter Size	ERU Factor	MUD/PID Connections	MUD/PID Equivalents	Westlake Connections	Westlake Equivalents
5/8"	1.0	34	34		
3/4"	1.0	2,471	2,471	2	2
1"	2.5	2,335	5,838	1	3
1 ½"	5.0	31	155	1	5
2"	8.0	91	728	19	152
3"	15.0	12	330	20	300
4"	25.0	10	250	7	175
6"	50.0	16	800		
8"	80.0	2	160		
Subtotal		5,012	10,766	50	637

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SEWER ERU CALCULATION

Meter Size	ERU Factor	MUD/PID Connections	MUD/PID Equivalents	Westlake Connections	Westlake Equivalents
5/8"	1.0	33	33		
3/4"	1.0	2,445	2,445		
1"	2.5	2,083	5,208		
1 ½"	5.0	17	85		
2"	8.0	31	248	1	8
3"	15.0	11	165	10	150
4"	25.0	4	100	3	75
6"	50.0	2	100		
Subtotal		4,626	8,384	14	233

ANALYSIS METHODOLOGY

- Impact of various scenarios examined over a 10-year timeframe
- “Base case” established to determine anticipated per meter equivalent and per 1,000 gallon of service cost to customers assuming no change in operations / continuation of MUD
 - For simplicity, presentation presents per meter equivalent analysis
- Scenarios prepared accounting for cost changes under alternative governance / operational parameters which were then compared back to the “base case”
- Analysis is heavily dependent on assumptions – in the event assumptions do not reflect actual circumstances, then modifications to analysis may be required

ANALYSIS METHODOLOGY

- Fixed Cost
 - Calculated historically on a per meter equivalent basis in a “base” year dependent on available information (TCMUD 2022, Westlake 2021)
 - Base year adjusted to 2024 using an historical average annual growth rate or 3% if historical unit cost has decreased
 - Fixed cost then escalated annually using historical average annual growth rate or 3% if historical unit case has decreased – allows for a potential reduction in unit cost based on growth
- Variable Cost
 - Calculated historically on a per meter equivalent basis in a “base” year dependent on available information (TCMUD 2022, Westlake 2021)
 - Base year adjusted to 2024 using an historical average annual growth rate or, 3% if historical unit cost has decreased
 - Unit cost in each year multiplied by assumed volumes, which are predicated on historical, per meter equivalent use

ANALYSIS METHODOLOGY – FIXED COST EXAMPLE

	Base Year	2024	2025	2026
Fixed Cost per Meter Equivalent	\$ 100			
Base Year	2022			
Escalation Rate	5%			
Calculated 2024 Cost		\$110.25		
Assumed Meter Equivalents		100	110	120
Calculated Fixed Cost		\$ 11,025	\$ 11,576	\$ 12,155
Fixed Cost per Equivalent		\$ 110.25	\$ 105.24	\$ 101.29

- Methodology recognizes that, if growth is occurring at a faster rate than the rate of inflation, unit cost (either per meter equivalent or per 1,000 gallons) can decrease
- Methodology Limitation: Assumes no new programs or new personnel are added

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REVIEW OF SCENARIO ANALYSIS

SCENARIO SUMMARY

Scenario Number	Scenario Name	Scenario Description
1	Base Case	Status Quo – Continue TCMUD as is with no changes
2	Complete Dissolution	TCMUD divided between Trophy Club and Westlake – Westlake provides own water and sewer service
3	Dissolution with Continuing Wholesale Sewer Service	TCMUD divided between Trophy Club and Westlake – Westlake provides own water but contracts with Trophy Club for wholesale sewer treatment service
4	PID Annexed into MUD / Westlake Separate Service	MUD Remains and Annexes PID – Westlake provides own water and sewer service
5	PID Annexed into MUD / Westlake Separate Service (Water Only) 174	MUD Remains and Annexes PID – Westlake provides own water but contracts with Trophy Club for wholesale sewer treatment service

SCENARIO SUMMARY

Scenario Number	Service Provider to Trophy Club	Service Provider to Westlake
1	Water – TCMUD Sewer – TCMUD	Water – TCMUD Sewer – TCMUD
2	Water – Trophy Club Sewer – Trophy Club	Water – Westlake Sewer – Westlake
3	Water – Trophy Club Sewer – Trophy Club	Water – Westlake Sewer – Trophy Club
4	Water – TCMUD Sewer – TCMUD	Water – Westlake Sewer – Westlake
5	Water – TCMUD Sewer – TCMUD 175	Water – Westlake Sewer – TCMUD

SCENARIO 1

Base Case / Status Quo

SCENARIO 1 – BASE CASE

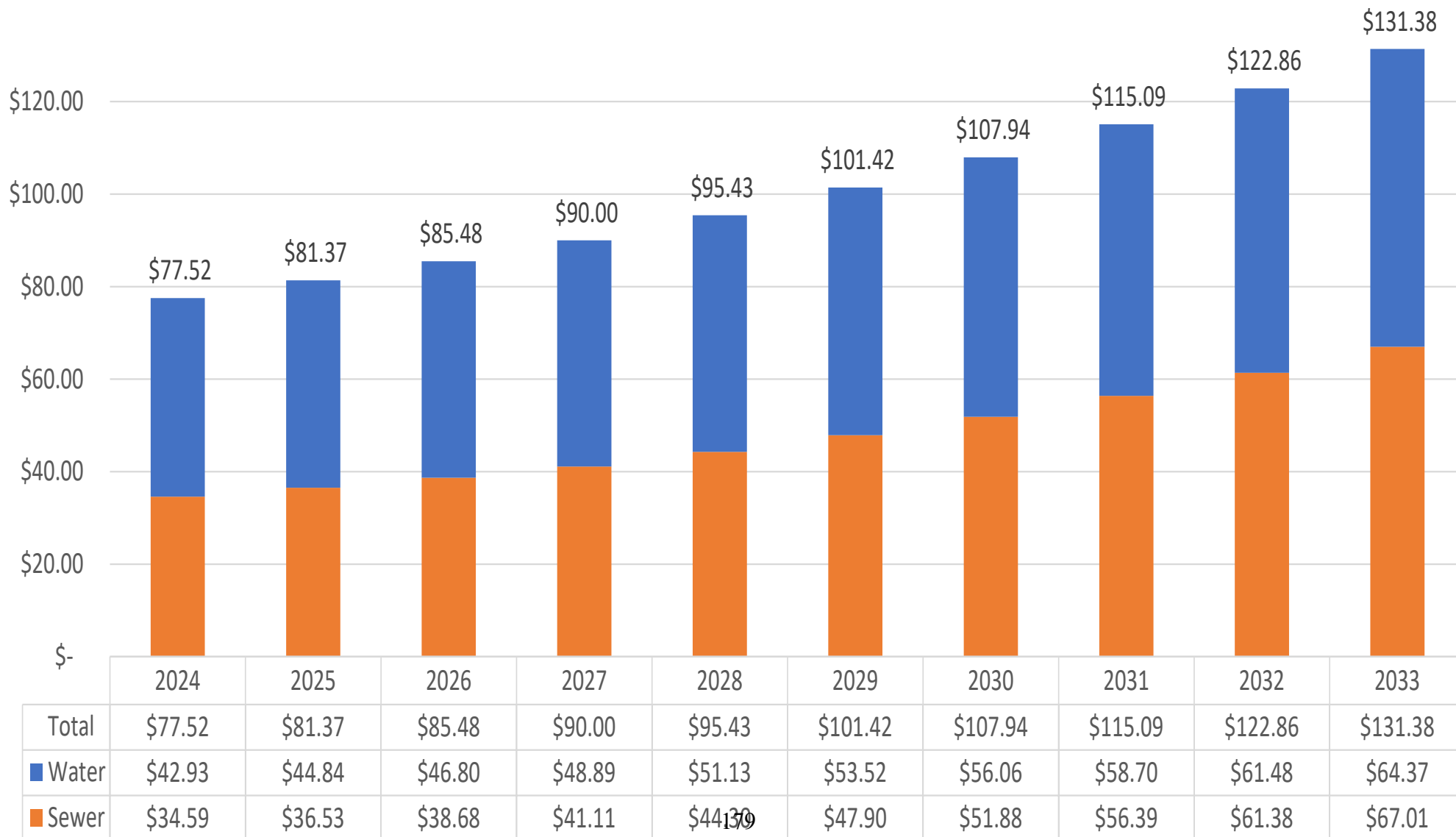
- Key Assumptions:
 - Base cost values reflect FY 2022 actual cost
 - Ft. Worth Wholesale Reflects FY 2023 cost
 - Cost escalation factors reflect trend from FY 2019 through FY 2022
 - If unit cost decreased historically, assumed 3% cost escalation
 - 11% water loss based on TCMUD Continuing Disclosures
 - 80% of water purchased from Ft. Worth, 20% generated from wells
 - Non-Operating Expense and Debt Expense currently paid via tax assumed to be paid through rate revenues

BASE O&M / WHOLESALE COST ASSUMPTIONS

	Water	Sewer
Wholesale Cost per 1,000 gallons	\$ 2.99	N/A
<i>Escalation Rate</i>	4.4%	
Fixed O&M per Meter Equivalent	\$ 110.22	\$ 141.09
<i>Escalation Rate</i>	6.7%	13.1%
Variable O&M per 1,000 gallons	\$ 0.15	\$ 0.43
<i>Escalation Rate</i>	3.0%	3.0%
Admin O&M per Meter Equivalent	\$ 68.76	\$ 68.76
<i>Escalation Rate</i>	4.9%	4.9%
Board / Non-Operating per Meter Equivalent	\$ 5.33	\$ 5.33
<i>Escalation Rate</i>	3.0%	3.0%

SCENARIO 1 – BASE CASE (COST PER METER EQUIVALENT)

Base Case Cost per Meter Equivalent



SCENARIO 2

Complete Dissolution

SCENARIO 2 – COMPLETE DISSOLUTION

- Key Assumptions:
 - Wholesale Costs
 - Equivalent value for Ft. Worth wholesale
 - Projection of TRA Wholesale Sewer Rate to Westlake (8% I/I Factor)
 - O&M Costs
 - O&M costs for Trophy Club reflective of FY 2022 historical values for TCMUD
 - O&M Costs for Westlake based on FY 2021 historical values
 - Non-departmental / Board Expense is completely avoided (~\$100K)
 - Administrative Cost – Assumed Reduction of 11.3% (~\$78K)
 - General Fund Transfer
 - Equivalent to 5% of O&M for Trophy Club
 - Reflective of historical per equivalent cost for Payroll (PR) Transfer, % of O&M for GF Transfer for Westlake
 - Debt
 - Allocated to each entity based on current contributions to debt repayment

TRA PROJECTED WHOLESALE COST



- TRA actual projection through 2028, 3% escalation for remainder of forecast
- Assumption is a significant driver of overall results

ADMIN COST REDUCTION

	Low	Mid	High
TCMUD Admin Position Cost (Fully Loaded, FY 2023)	\$ 694,608	\$ 694,608	\$ 694,608
Trophy Club Comparable Position Cost (Direct)	\$ 445,841	\$ 496,301	\$ 546,721
Assumed Overhead Factor	35%	35%	35%
Fully Loaded Comparable Position Cost	\$ 547,702	\$ 615,824	\$ 683,890
Reduction (\$)	(\$ 146,906)	(\$78,784)	(\$10,718)
Reduction (%)	(21.1%)	(11.3%)	(1.5%)

- No comparable position for District Secretary, TCMUD equivalent value utilized and overhead factor not applied

WESTLAKE PR TRANSFER

	Water	Sewer
FY 2019		
PR Transfer	\$ 377,594	\$ 94,398
Meter Equivalents	2,163	1,146
Cost per Meter Equivalent	\$ 174.57	\$ 82.37
FY 2020		
PR Transfer	\$ 328,693	\$ 82,173
Meter Equivalents	2,249	1,190
Cost per Meter Equivalent	\$ 146.15	\$ 69.05
FY 2021		
PR Transfer	\$ 380,565	\$ 95,141
Meter Equivalents	2,339	1,238
Cost per Meter Equivalent	\$ 162.70	\$ 76.85

** Assumption is a significant driver of overall results 184

WESTLAKE GF FUND TRANSFER

	Water	Sewer
FY 2019		
GF Transfer Out	\$ 163,810	\$ 40,953
Fixed and Variable O&M	787,782	127,086
Transfer as % of O&M	20.8%	32.2%
FY 2020		
GF Transfer Out	\$ 61,726	\$ 15,432
Fixed and Variable O&M	680,671	129,544
Transfer as % of O&M	9.1%	11.9%
FY 2021		
GF Transfer Out	\$ 164,011	\$ 41,003
Fixed and Variable O&M	609,275	70,201
Transfer as % of O&M	26.9%	58.4%
Analysis Assumption Utilized	185 18.7%	29.8%

** Assumption is a significant driver of overall results

DEBT ALLOCATIONS

	Trophy Club	Westlake
Water		
Revenue Series 2016	90.6%	9.4%
Revenue Series 2019 (77%)	90.6%	9.4%
Wastewater		
GO Series 2014	84.4%	15.6%
Revenue Series 2015	96.0%	4.0%
Revenue Series 2019 (23%)	96.0%	4.0%

- Methodology recognizes debt repayment based on current revenue generation (e.g., rates and taxes)
- Methodology Limitation: Allocation is static based on current conditions, as operational conditions change, allocation percentages will shift

BASE O&M / WHOLESALE COST ASSUMPTIONS (TROPHY CLUB)

	Water	Sewer
Wholesale Cost per 1,000 gallons	\$ 2.99	N/A
<i>Escalation Rate</i>	4.4%	
Fixed O&M per Meter Equivalent	\$ 113.97	\$ 145.01
<i>Escalation Rate</i>	6.7%	13.08%
Variable O&M per 1,000 gallons	\$ 0.15	\$ 0.43
<i>Escalation Rate</i>	3.0%	3.0%
Admin O&M per Meter Equivalent	\$ 62.86	\$ 62.86
<i>Escalation Rate</i>	4.9%	4.9%

BASE O&M / WHOLESALE COST ASSUMPTIONS (WESTLAKE)

	Water	Sewer
Wholesale Cost per 1,000 gallons	\$ 2.99	See Schedule
<i>Escalation Rate</i>	4.4%	
Fixed O&M per Meter Equivalent	\$ 155.98	\$ 53.98
<i>Escalation Rate</i>	3.0%	3.0%
Variable O&M per 1,000 gallons	\$ 0.53	N/A (Insignificant Value)
<i>Escalation Rate</i>	3.0%	

TROPHY CLUB - SCENARIO 1 VS SCENARIO 2

COST PER METER EQUIVALENT

Confidential Draft



- While some limited savings to water customers may be realized (~\$0.80 a month), higher sewer costs lead to cost increase to customers

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WESTLAKE - SCENARIO 1 VS SCENARIO 2

COST PER METER EQUIVALENT

Confidential Draft



- Higher cost is a direct result of transfer assumptions and wastewater treatment cost from TRA

SCENARIO 3

Dissolution with Continuing Wholesale Sewer Service

SCENARIO 3 – DISSOLUTION WITH CONTINUING WHOLESALE SEWER SERVICE

- Key Assumptions:
 - Water – Same as Scenario 2 for both Trophy Club and Westlake
 - Sewer – Westlake matches Scenario 2 for Trophy Club

TROPHY CLUB - SCENARIO 1 VS SCENARIO 3

COST PER METER EQUIVALENT

Confidential Draft



WESTLAKE - SCENARIO 1 VS SCENARIO 3

COST PER METER EQUIVALENT

Confidential Draft



- Higher cost is a direct result of transfer assumptions

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SCENARIO 4

PID Annexed into MUD / Westlake Separate Service

SCENARIO 4 – PID ANNEXED INTO MUD / WESTLAKE SEPARATE SERVICE

- Key Assumptions:
 - Trophy Club
 - Mirrors Scenario 1 with higher unit cost values
 - Includes full Admin and Non-Operating / Board Cost
 - Westlake – Same as Scenario 2

TROPHY CLUB - SCENARIO 1 VS SCENARIO 4

COST PER METER EQUIVALENT

Confidential Draft



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WESTLAKE - SCENARIO 1 VS SCENARIO 4

COST PER METER EQUIVALENT

Confidential Draft



- Higher cost is a direct result of transfer assumptions and wastewater treatment cost from TRA

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SCENARIO 5

PID Annexed into MUD / Westlake Separate Service (Water Only)

SCENARIO 5 – PID ANNEXED INTO MUD / WESTLAKE SEPARATE WATER SERVICE

- Key Assumptions:
 - Trophy Club
 - Mirrors Scenario 1 with higher unit cost values for water, same unit cost values for sewer
 - Includes full Admin and Non-Operating / Board Cost
 - Westlake
 - Mirrors Scenario 2 for Water and Scenario 1 for Sewer

TROPHY CLUB - SCENARIO 1 VS SCENARIO 5

COST PER METER EQUIVALENT

Confidential Draft



WESTLAKE - SCENARIO 1 VS SCENARIO 5

COST PER METER EQUIVALENT

Confidential Draft



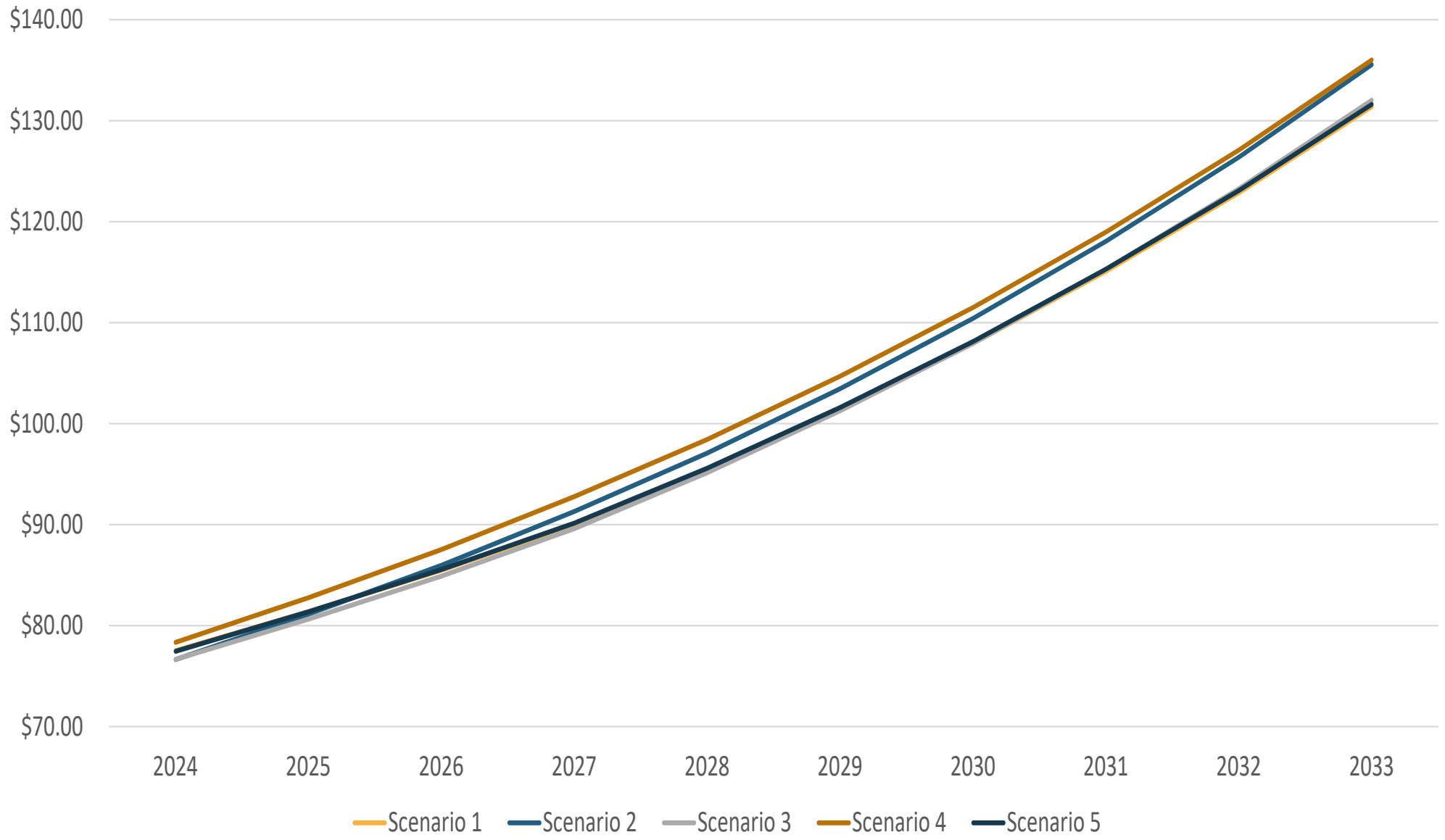
- Higher cost is a direct result of transfer assumptions₂₀₂

FULL SCENARIO COMPARISON

TROPHY CLUB - ALL SCENARIOS

COST PER METER EQUIVALENT

Confidential Draft

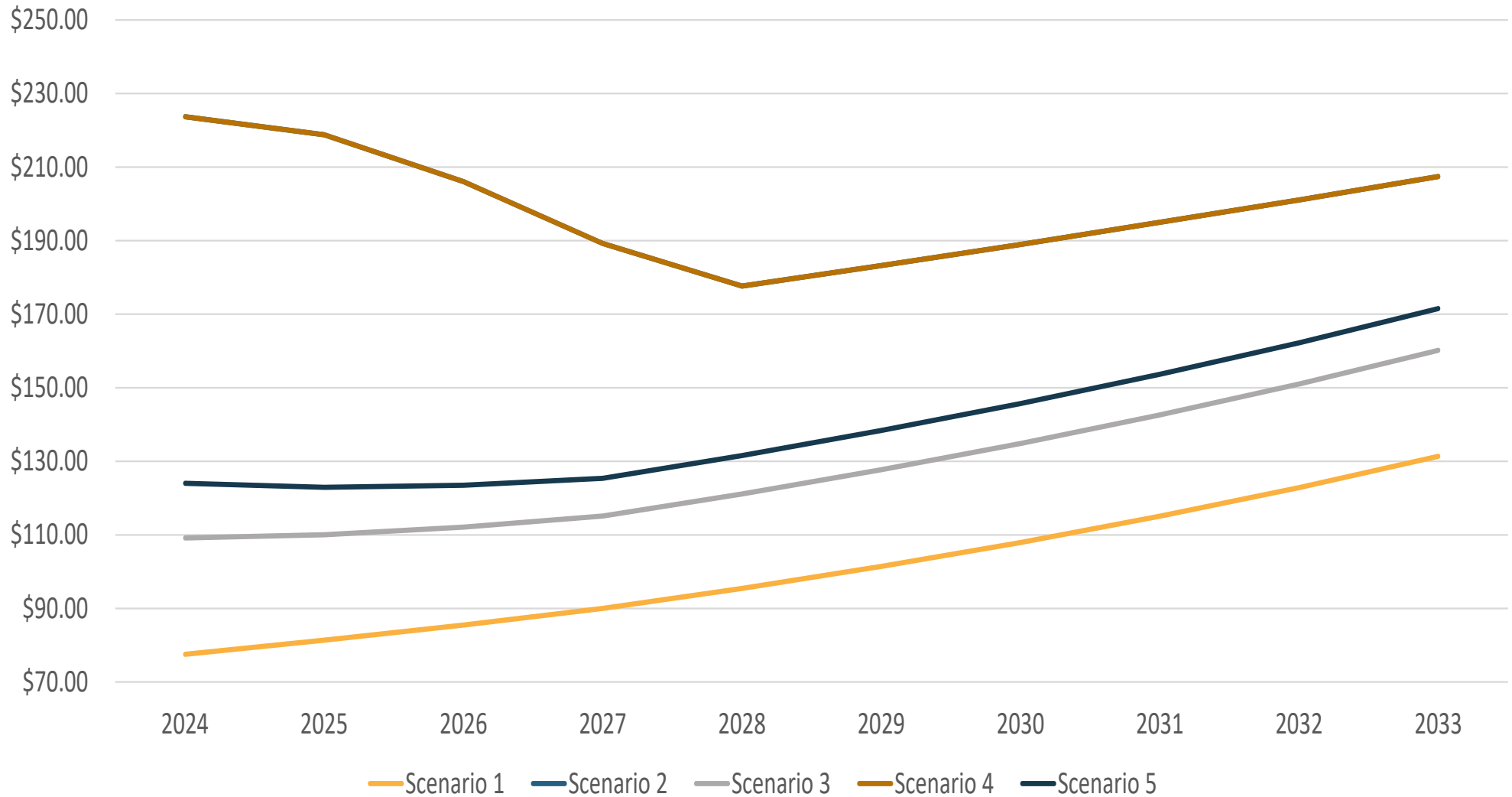


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WESTLAKE- ALL SCENARIOS

COST PER METER EQUIVALENT

Confidential Draft



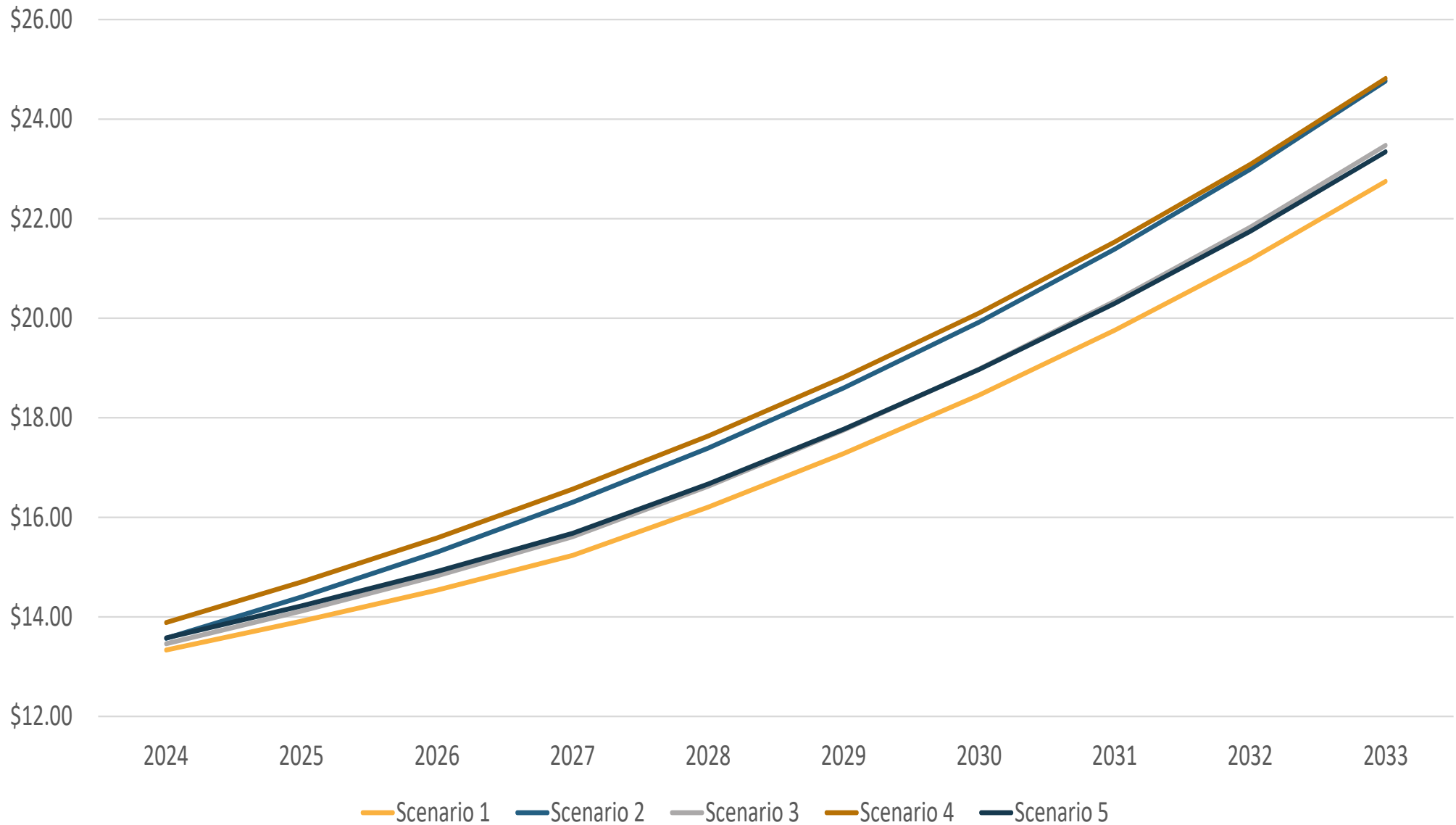
- Scenarios 2/4 are the same and are impacted by TRA Wholesale Treatment Cost

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TROPHY CLUB - ALL SCENARIOS

COST PER 1,000 GALLONS

Confidential Draft

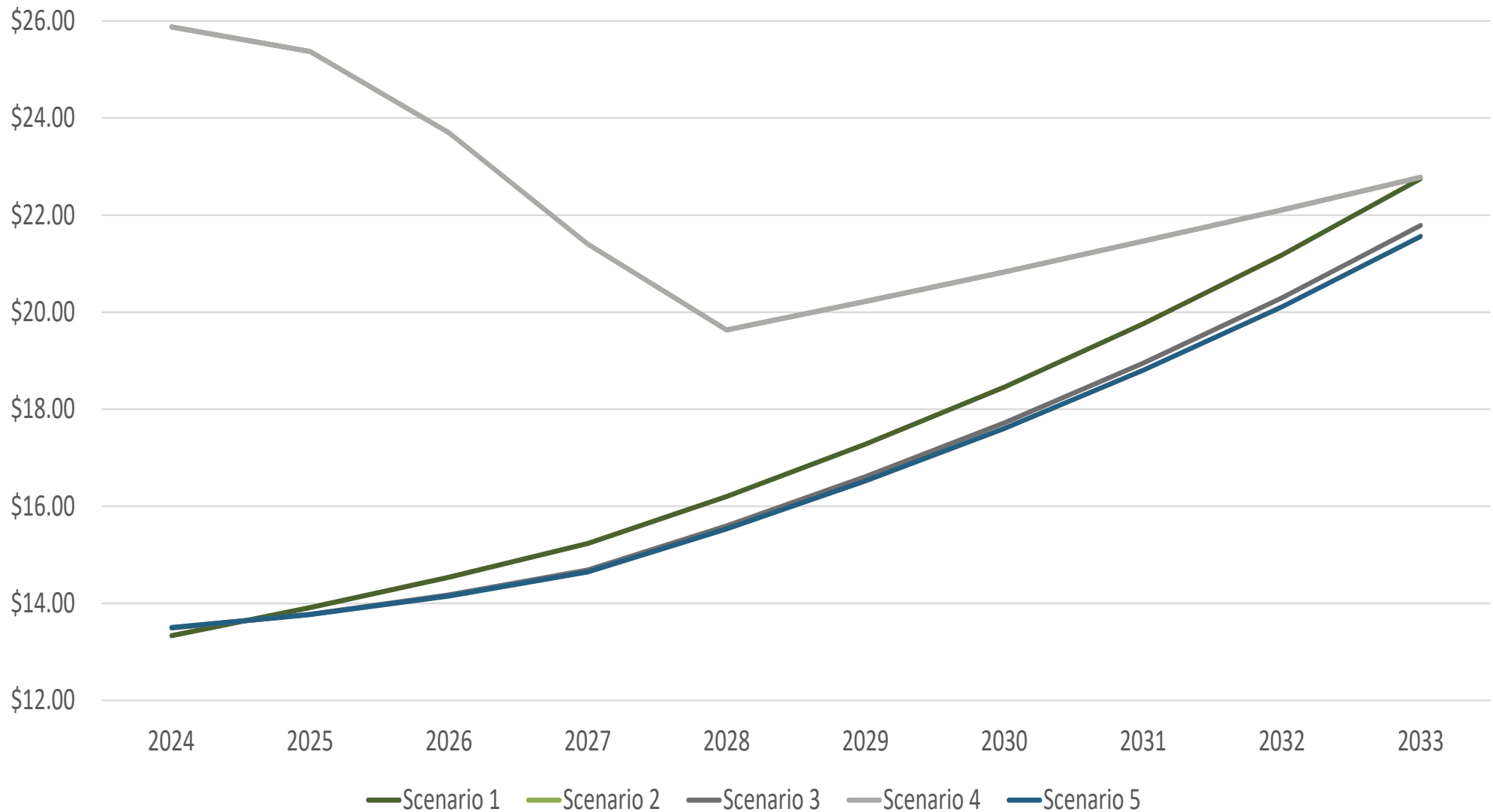


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WESTLAKE- ALL SCENARIOS

COST PER 1,000 GALLONS

Confidential Draft



- Scenarios 2/4 are the same and are impacted by TRA Wholesale Treatment Cost

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TRENDS TO NOTE

- While Westlake service on a per meter equivalent basis is projected to be more expensive, by the end of the forecast the cost per 1,000 gallon values are in alignment with Trophy Club and, in some cases, more cost effective
 - Westlake's unit cost decreases over time (growth)
 - Trophy Club's unit cost increases over time (no growth)
- Westlake analysis heavily impacted by number of connections and resulting volumes
 - As Westlake unit cost decreases with growth there is a potential that Westlake customers could experience more cost effective service on a per unit basis than Trophy Club

FINDINGS AND CONCLUSIONS

“ I wish there was a way for me to wave a conclusive set of numbers, indisputable to the fourth decimal place that would yield an answer to satisfy everybody. I can’t, and I don’t think anybody can. Numbers can always be challenged and even discredited.”

- Lewis McClain, Report to Trophy Club Entities

“Reliance on Arithmetic to Resolve a Fractured Governance Issue”

KEY QUESTIONS

- ***Does it make financial sense to combine the Town of Trophy Club and the MUD?***

Answer: Likely no, but it depends on . . .

- 1. Can cost savings be realized?**
 - Potentially, but savings are likely not significant
 - Some savings could be personnel related, which is likely not in the best interest of the entities
- 2. How much money will be transferred from the Utility back to each entities' respective General Fund?**
- 3. What weight should be given to Qualitative Factors?**

POTENTIAL QUALITATIVE IMPACTS

- Less confusion for Residents and Business
- Single point of contact for service and communication
- Potentially streamlined planning
- Representation and voice for PID residents
- Potential personnel gains
- Limited, but potential, economies of scale
 - Trophy Club isn't currently making utility related purchases
- Revenue source enhancement through transfers / other payments²¹²

OPTIONS

- **Option 1 – MAINTAIN STATUS QUO**
 - Some residents of Westlake paying taxes associated with service not received
 - PID residents do not have representation on MUD Board
- **Option 2 – MOVE FORWARD WITH DISSOLUTION**
 - Concerns RE: Personnel Impacts
 - Will likely lead to higher, near-term cost to customers
- **Option 3 – EVALUATE A LONGER-TERM PATH**
 - Dissolution with governance through Board of Trustees (43.076(f))
 - Would allow for measured and purposeful unwinding

WESTLAKE PAYMENT UNDER OPTION 2

- ***If Westlake were to “buy-out”, what is the estimate of that value?***

	Water	Sewer	Total
Outstanding Debt Principal Allocable to Westlake	\$ 776,995	\$ 894,047	\$ 1,671,042
“Make-Whole” Payment to Trophy Club	\$ 1,609,565	\$ 1,748,851	\$ 3,358,416
Total	\$ 2,386,560	\$ 2,642,898	\$ 5,029,458

- Methodology assumes payment for principal only as debt can either be defeased or assumes interest earnings on balance would be greater than interest payable
- “Make-Whole” payment calculated as follows:
 - Calculated the difference per monthly meter equivalent between Scenarios 1 and 2 for Trophy Club
 - Annualize the variance and multiply by Trophy Club Meter Equivalents in each Year
 - Calculate variance over the 10 year forecast
 - Calculate present value of the difference utilizing a 5% discount rate

NEXT STEPS

NEXT STEPS

- Refine and Finalize Deliverable for Public Presentation
- Work with key contacts to arrange meetings with City Councils of Westlake and Trophy Club and meeting with TCMUD Board



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
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ATTACHMENT D: EXECUTIVE SUMMARY PRESENTATION

OCTOBER 2023

**TROPHY CLUB MUD FEASIBILITY STUDY
FINDINGS SUMMARY STATUS REPORT**



July 2023

TROPHY CLUB MUD FEASIBILITY STUDY EXECUTIVE SUMMARY

INTRODUCTION

- NewGen Strategies and Solutions was jointly engaged by the Town of Trophy Club, the Town of Westlake, and the Trophy Club Municipal Utility District to evaluate the impacts and feasibility of dissolving the District, with future service to be provided by the respective Towns
- The NewGen Project Team worked with a group of Key Stakeholders to outline scenarios for consideration and to define and agree on a methodology and assumptions specific to the analysis to be performed.
- The stakeholder group met three times and provided substantial information and input to the Project Team, resulting in the analysis contained herein.

STAKEHOLDER GROUP MEMBERS

- Town of Westlake
 - Sean Kilbride
 - Wade Carroll
- Town of Trophy Club
 - Steve Flynn
 - Jeffrey Beach
 - Patrick Arata
- Trophy Club Municipal Utility District
 - Kevin Carr
 - Doug Harper
 - Alan Fourmentin
- Consulting Project Team
 - NewGen - Chris Ekrut, Becky Schafer
 - Kimley-Horn & Associates – Chris Connolly

STUDY METHODOLOGY

- Impact of various scenarios were examined over a 10-year timeframe
- A “base case” was established to determine anticipated per meter equivalent and per 1,000 gallon of service cost to customers assuming no change in operations / continuation of the Municipal Utility District
 - For simplicity, results are presented on per meter equivalent analysis
- Scenarios were then prepared accounting for cost changes under alternative governance / operational parameters which were then compared back to the base case
- Analysis is heavily dependent on assumptions – in the event assumptions do not reflect actual circumstances, then modifications to analysis may be required

FOUNDATIONAL ASSUMPTIONS

- Study excludes the Fire Department and cost of Fire Services – Only considers water and wastewater service
- Analysis treats the MUD as a true enterprise – All expenditures paid via utility revenues and no tax monies or payment in lieu of taxes are assumed
- MUD debt responsibility is allocated between Trophy Club and Westlake reflective of current repayment methods
- If dissolution occurs, it is assumed that Westlake customers will not be asked to pay for embedded infrastructure – Infrastructure has already been paid for by ratepayers
- Only capital investment included in the analysis is reflective of current debt

SCENARIO SUMMARY

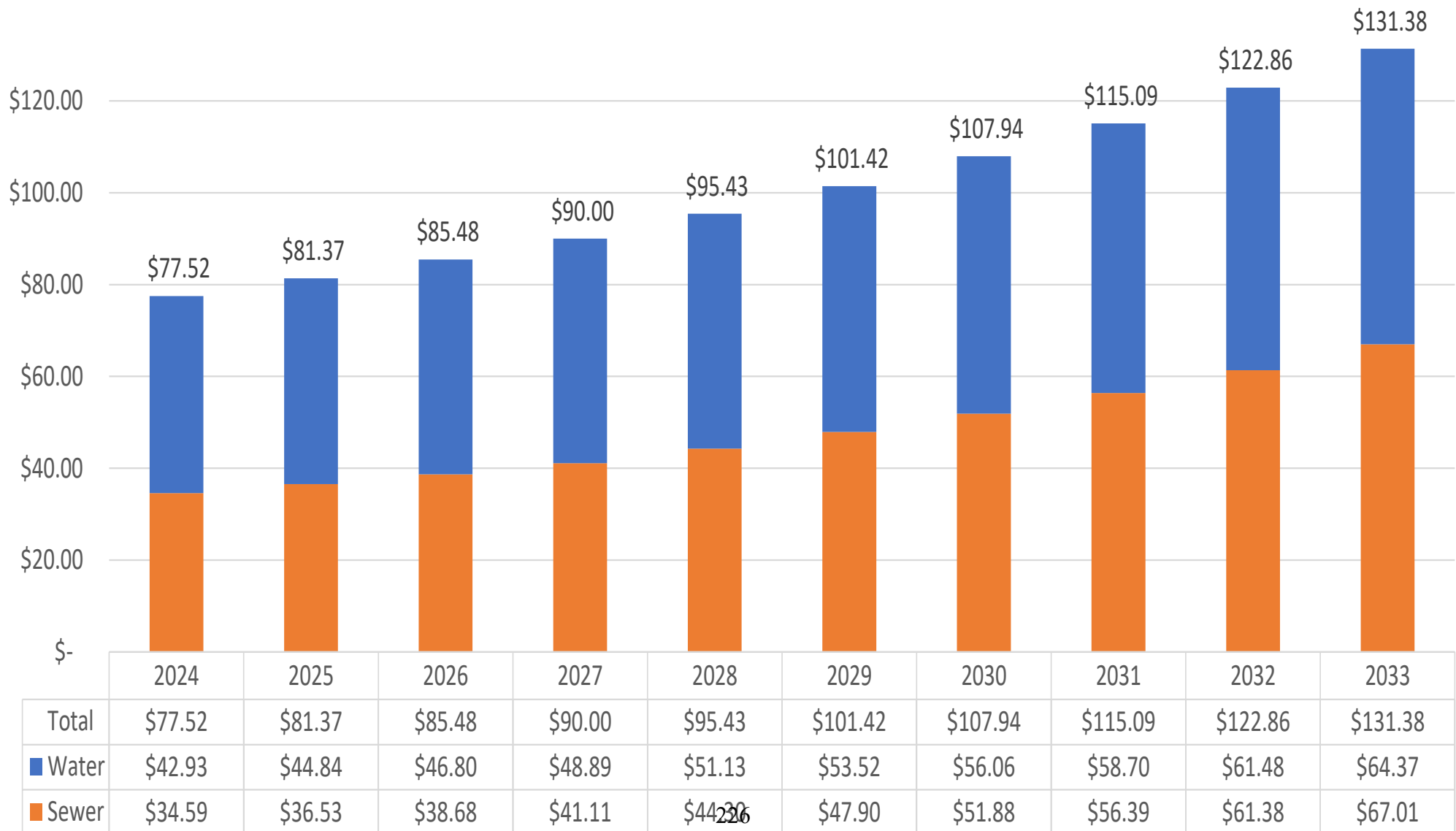
Scenario Number	Scenario Name	Scenario Description
1	Base Case	Status Quo – Continue TCMUD as is with no changes
2	Complete Dissolution	TCMUD divided between Trophy Club and Westlake – Westlake provides own water and sewer service
3	Dissolution with Continuing Wholesale Sewer Service	TCMUD divided between Trophy Club and Westlake – Westlake provides own water but contracts with Trophy Club for wholesale sewer treatment service

SCENARIO 1 RESULTS

Base Case / Status Quo

SCENARIO 1 – BASE CASE (COST PER METER EQUIVALENT)

Base Case Cost per Meter Equivalent



SCENARIO 2 RESULTS

Complete Dissolution

Westlake Provides its Own Water/Wastewater Service

TROPHY CLUB - SCENARIO 1 VS SCENARIO 2

COST PER METER EQUIVALENT

Confidential Draft



- While some limited savings to water customers may be realized, higher sewer costs lead to slightly higher long-term cost increases to customers

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WESTLAKE - SCENARIO 1 VS SCENARIO 2

COST PER METER EQUIVALENT

Confidential Draft



- Higher cost is a direct result of higher Westlake per unit cost of service and wastewater treatment cost from TRA

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SCENARIO 3

Dissolution with Continuing Wholesale Sewer Service to Westlake from Trophy Club

TROPHY CLUB - SCENARIO 1 VS SCENARIO 3

COST PER METER EQUIVALENT

Confidential Draft



WESTLAKE - SCENARIO 1 VS SCENARIO 3

COST PER METER EQUIVALENT

Confidential Draft



FINDINGS AND CONCLUSIONS

- The analysis performed is based on assumptions and recent cost trends, any change in assumptions will result in a change to the analysis
- It is the Project Team's opinion that dissolution will likely lead to higher costs to customers
 - While some operational cost savings may be realized, savings are likely not significant
- Overall, cost differentials for Trophy Club customers are fairly small and potential qualitative benefits may, from a policy standpoint, outweigh the impacts of these increases
- As growth occurs over time, Westlake's per unit cost of service will more closely align with the unit costs experienced by the MUD; however, in the near-term service to Westlake customers will be more expensive
 - This is particularly true if wastewater is treated through TRA as opposed to the MUD or Trophy Club

POTENTIAL QUALITATIVE IMPACTS OF DISSOLUTION

- Less confusion for Residents and Business
- Single point of contact for service and communication
- Potentially streamlined planning
- Representation and voice for PID residents
- Potential personnel gains
- Limited, but potential, economies of scale
 - Trophy Club isn't currently making utility related purchases
- Revenue source enhancement through transfers / other payments

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PROJECT TEAM CONTACT:

NEWGEN STRATEGIES AND SOLUTIONS
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ATTACHMENT E: SCHEDULES 1–13

OCTOBER 2023

**TROPHY CLUB MUD FEASIBILITY STUDY
FINDINGS SUMMARY STATUS REPORT**

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Water Meter Equivalents / Use per Equivalent

	<u>Active Connections</u>	<u>Equivalency Factor</u>	<u>Meter Equivalents</u>	<u>% of Equivalent Connections</u>	<u>Most Recent 12 Months Consumption (kgal)</u>	<u>Monthly Consumption per Equivalent (gal)</u>
MUD Residential						
5/8"	34	1.0	34			
3/4"	2,402	1.0	2,402			
1"	823	2.5	2,058			
1 1/2"	2	5.0	10			
2"	1	8.0	8			
Subtotal	3,262		4,512		512,934,000	9,475
MUD Commercial						
3/4"	65	1.0	65			
1"	31	2.5	78			
1 1/2"	25	5.0	125			
2"	85	8.0	680			
3"	22	15.0	330			
4"	10	25.0	250			
6"	16	50.0	800			
8"	2	80.0	160			
Subtotal	256		2,488		118,027,000	3,954
Trophy Club PID Residential						
3/4"	4	1.0	4			
1"	1,481	2.5	3,703			
1 1/2"	4	5.0	20			
2"	5	8.0	40			
Subtotal	1,494		3,767		264,698,000	5,856
Westlake						
3/4"	2	1.0	2			
1"	1	2.5	3			
1 1/2"	1	5.0	5			
2"	19	8.0	152			
3"	20	15.0	300			
4"	7	25.0	175			
Subtotal	50		637		93,310,000	12,217
SUMMARY						
TCMUD	3,518		6,999	61.38%	630,961,000	7,513
Trophy Club PID	1,494		3,767	33.03%	264,698,000	5,856
Composite	5,012		10,766		895,659,000	6,933
Westlake	50		637	5.58%	93,310,000	12,217
Total	5,062		11,402		988,969,000	

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Sewer Meter Equivalents / Flowe per Equivalent

	<u>Active</u> <u>Connections</u>	<u>Equivalency</u> <u>Factor</u>	<u>Meter</u> <u>Equivalents</u>	<u>% of</u> <u>Equivalent</u> <u>Connections</u>	<u>Most Recent</u> <u>12 Months</u> <u>Billed Volumes (kgal)</u>	<u>Monthly</u> <u>Billed Volume</u> <u>per Equivalent (gal)</u>
MUD Residential						
5/8"	33	1.0	33			
3/4"	2,393	1.0	2,393			
1"	661	2.5	1,653			
1 1/2"		5.0	-			
2"		8.0	-			
Subtotal	3,087		4,079		268,183,895	5,480
MUD Commercial						
3/4"	52	1.0	52			
1"	9	2.5	23			
1 1/2"	16	5.0	80			
2"	31	8.0	248			
3"	11	15.0	165			
4"	4	25.0	100			
6"	2	50.0	100			
8"		80.0	-			
Subtotal	125		768		62,338,004	6,769
Trophy Club PID Residential						
3/4"		1.0	-			
1"	1,413	2.5	3,533			
1 1/2"	1	5.0	5			
2"		8.0	-			
Subtotal	1,414		3,538		132,955,035	3,132
Westlake						
3/4"		1.0	-			
1"		2.5	-			
1 1/2"		5.0	-			
2"	1	8.0	8			
3"	10	15.0	150			
4"	3	25.0	75			
Subtotal	14		233		20,231,000	7,236
SUMMARY						
TCMUD	3,212		4,846	56.24%	330,521,899	5,684
Trophy Club PID	1,414		3,538	41.05%	132,955,035	3,132
Composite	4,626		8,384		463,476,934	4,607
Westlake	14		233	2.70%	20,231,000	7,236
	4,640		8,617		483,707,934	

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
District Water O&M

Account Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual
Water Fixed O&M	\$ 888,625	\$ 865,735	\$ 907,280	\$ 1,169,776
TCMUD / PID	9,416	9,501	9,607	10,264
Westlake	366	366	366	350
Equivalent Connections (FY End)	9,782	9,866	9,972	10,613
Annual Fixed O&M	\$ 90.85	\$ 87.75	\$ 90.98	\$ 110.22
Annual Growth Rate				6.66%
TCMUD/PID Equivalents	9,416	9,501	9,607	10,264
Annual Fixed O&M	\$ 94.37	\$ 91.13	\$ 94.44	\$ 113.97
Water Variable O&M	\$ 135,647	\$ 153,490	\$ 148,759	\$ 168,960
Produced Volumes	862,486	926,776	906,424	1,101,020
Cost per 1,000 gal	\$ 0.16	\$ 0.17	\$ 0.16	\$ 0.15
Annual Growth Rate				-0.82%

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
District Wastewater O&M

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual
Wastewater Fixed O&M	\$ 875,423	\$ 995,792	\$ 1,243,871	\$ 1,215,593
TCMUD / PID	8,731	8,809	8,902	8,383
Westlake	241	241	241	233
Equivalent Connections (FY End)	8,972	9,050	9,143	8,616
Annual Fixed O&M	\$ 97.58	\$ 110.03	\$ 136.05	\$ 141.09
Annual Growth Rate				13.1%
TCMUD/PID Equivalents	8,731	8,809	8,902	8,383
Annual Fixed O&M	\$ 100.27	\$ 113.04	\$ 139.73	\$ 145.01
Annual Growth Rate				13.1%
Wastewater Variable O&M	178,920	166,189	174,997	203,419
Billed Volumes	418,237	383,549	420,076	471,820
Cost per 1,000 gal	\$ 0.43	\$ 0.43	\$ 0.42	\$ 0.43
Annual Growth Rate				0.26%

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
District Administrative / Non-Departmental Cost

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual
Administrative O&M	\$ 1,117,756	\$ 1,230,601	\$ 1,448,713	\$ 1,322,101
Equivalent Connections (FY End)				
Water				
TCMUD / PID	9,416	9,501	9,607	10,264
Westlake	366	366	366	350
Sewer				
TCMUD / PID	8,731	8,809	8,902	8,383
Westlake	241	241	241	233
Subtotal	18,753	18,916	19,115	19,229
Cost per Equivalent	\$ 59.60	\$ 65.06	\$ 75.79	\$ 68.76
Annual Growth Rate				4.9%
TCMUD / PID				
Water	9,416	9,501	9,607	10,264
Sewer	8,731	8,809	8,902	8,383
Subtotal	18,147	18,310	18,509	18,647
Cost per Equivalent	\$ 61.60	\$ 67.21	\$ 78.27	\$ 70.90
Total Board / Non-Departmental	\$ 182,248	\$ 158,317	\$ 80,641	\$ 102,472
Equivalent Connections (FY End)				
Water				
TCMUD / PID	9,416	9,501	9,607	10,264
Westlake	366	366	366	350
Sewer				
TCMUD / PID	8,731	8,809	8,902	8,383
Westlake	241	241	241	233
Subtotal	18,753	18,916	19,115	19,229
Cost per Equivalent	\$ 9.72	\$ 8.37	\$ 4.22	\$ 5.33
Annual Growth Rate				-18%
TCMUD / PID				
Water	9,416	9,501	9,607	10,264
Sewer	8,731	8,809	8,902	8,383
Subtotal	18,147	18,310	18,509	18,647
Cost per Equivalent	\$ 10.04	\$ 8.65	\$ 4.36	\$ 5.50
	241			

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Westlake Water and Sewer O&M

Water						
O&M Cost						
Fixed	\$	398,143	\$	408,204	\$	364,833
Variable		389,639		272,467		244,442
Wholesale		982,006		989,807		1,076,050
Capital		24,388		44,503		32,925
Transfer Out		385,594		344,692		428,565
Subtotal	\$	2,179,771	\$	2,059,673	\$	2,146,815
Fixed O&M Cost	\$	398,143	\$	408,204	\$	364,833
Meter Equivalents		2,163		2,249		2,339
Fixed O&M per Meter Equivalent	\$	184.07	\$	181.50	\$	155.98
Variable O&M Cost	\$	389,639	\$	272,467	\$	244,442
Billed Volumes		422,635		492,376		463,536
Variable O&M per Billable Volumes	\$	0.92	\$	0.55	\$	0.53

SEWER							
O&M Cost							
Fixed		\$	123,141	\$	126,184	\$	66,824
Variable			3,945		3,360		3,377
Wholesale			2,036,256		1,528,703		1,421,957
Capital			328		278		-
Transfer Out			96,398		86,173		107,141
	Subtotal	\$	2,260,069	\$	1,744,699	\$	1,599,299
Fixed O&M Cost		\$	123,141	\$	126,184	\$	66,824
Meter Equivalents			1,146		1,190		1,238
Fixed O&M per Meter Equivalent		\$	107.45	\$	106.04	\$	53.98

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Westlake Personnel and General Fund Transfer

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>Total / %</u>
PR Transfer Out				
Water	\$ 377,594	\$ 328,693	\$ 380,565	80%
Sewer	94,398	82,173	95,141	20%
Subtotal	<u>\$ 471,992</u>	<u>\$ 410,866</u>	<u>\$ 475,706</u>	
Meter Equivalents				
Water	2,163	2,249	2,339	
Sewer	1,146	1,190	1,238	
Subtotal	<u>3,309</u>	<u>3,439</u>	<u>3,577</u>	
Cost per Meter Equivalent				
Water	\$ 174.57	\$ 146.15	\$ 162.70	
Sewer	82.37	69.05	76.85	
Subtotal	<u>\$ 142.64</u>	<u>\$ 119.47</u>	<u>\$ 132.99</u>	
GF Transfer Out				
Water	\$ 163,810	\$ 61,726	\$ 164,011	\$ 389,548
Sewer	40,953	15,432	41,003	97,387
	<u>\$ 204,763</u>	<u>\$ 77,158</u>	<u>\$ 205,014</u>	<u>\$ 486,935</u>
Water				
Fixed O&M	\$ 398,143	\$ 408,204	\$ 364,833	\$ 1,171,180
Variable O&M	389,639	272,467	244,442	906,548
Subtotal	<u>\$ 787,782</u>	<u>\$ 680,671</u>	<u>\$ 609,275</u>	<u>\$ 2,077,728</u>
Transfer as a %	20.8%	9.1%	26.9%	18.7%
Sewer				
Fixed O&M	\$ 123,141	\$ 126,184	\$ 66,824	\$ 316,149
Variable O&M	3,945	3,360	3,377	10,682
Subtotal	<u>\$ 127,086</u>	<u>\$ 129,544</u>	<u>\$ 70,201</u>	<u>\$ 326,831</u>
Transfer as a %	32.2%	11.9%	58.4%	29.8%

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Outstanding Debt Allocation

	Water			Sewer			
	Revenue Series	Revenue Series	Subtotal	Revenue Series	Revenue Series	Subtotal	
	2016	2019 (77%)		GO Series 2014	2015	2019 (23%)	
2024	\$ 273,115	\$ 291,974	\$ 565,089	\$ 402,313	\$ 610,838	\$ 87,213	\$ 1,100,363
2025	275,893	291,897	567,790	400,063	617,138	87,190	1,104,390
2026	273,463	291,705	565,167	402,688	617,013	87,133	1,106,833
2027	275,875	291,397	567,272	405,063	620,513	87,041	1,112,616
2028	272,862	290,973	563,835	406,400	623,638	86,914	1,116,952
2029	274,619	290,434	565,053	407,463	630,163	86,753	1,124,378
2030	275,671	293,630	569,301	407,413	631,138	87,708	1,126,258
2031	276,303	292,744	569,047	411,200	635,388	87,443	1,134,031
2032	276,624	291,743	568,367	409,500	639,038	87,144	1,135,682
2033	271,749	290,627	562,375	412,475	642,088	86,811	1,141,373
Subtotal	\$ 2,746,172	\$ 2,917,126	\$ 5,663,297	\$ 4,064,575	\$ 6,266,950	\$ 871,349	\$ 11,202,874
Allocation Factor							
TCMUD / PID	90.6%	90.6%		84.4%	96.0%	96.0%	
Westlake	9.4%	9.4%		15.6%	4.0%	4.0%	
Subtotal	100.0%	100.0%		100.0%	100.0%	100.0%	
TCMUD / PID							
2024	\$ 247,320	\$ 264,399	\$ 511,719	\$ 339,505	\$ 586,358	\$ 83,718	\$ 1,009,580
2025	249,836	264,329	514,165	337,606	592,405	83,696	1,013,707
2026	247,635	264,155	511,790	339,821	592,285	83,641	1,015,747
2027	249,820	263,876	513,696	341,826	595,645	83,552	1,021,023
2028	247,092	263,493	510,584	342,954	598,645	83,431	1,025,030
2029	248,683	263,004	511,687	343,851	604,908	83,276	1,032,035
2030	249,635	265,898	515,534	343,809	605,844	84,193	1,033,845
2031	250,208	265,096	515,304	347,005	609,924	83,939	1,040,867
2032	250,498	264,190	514,688	345,570	613,427	83,652	1,042,649
2033	246,083	263,179	509,262	348,081	616,355	83,332	1,047,768
Subtotal	\$ 2,486,811	\$ 2,641,619	\$ 5,128,430	\$ 3,430,029	\$ 6,015,795	\$ 836,429	\$ 10,282,253
Westlake							
2024	\$ 25,794	\$ 27,575	\$ 53,370	\$ 62,808	\$ 24,480	\$ 3,495	\$ 90,783
2025	26,057	27,568	53,625	62,456	24,732	3,494	90,683
2026	25,827	27,550	53,377	62,866	24,727	3,492	91,085
2027	26,055	27,521	53,576	63,237	24,868	3,488	91,593
2028	25,770	27,481	53,251	63,446	24,993	3,483	91,922
2029	25,936	27,430	53,366	63,612	25,254	3,477	92,343
2030	26,036	27,732	53,767	63,604	25,294	3,515	92,412
2031	26,095	27,648	53,743	64,195	25,464	3,504	93,163
2032	26,126	27,554	53,679	63,930	25,610	3,492	93,032
2033	25,665	27,448	53,113	64,394	25,732	3,479	93,605
Subtotal	\$ 259,361	\$ 275,507	\$ 534,868	\$ 634,546	\$ 251,155	\$ 34,920	\$ 920,621

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Calculation of Potential Personnel Cost Savings

		FY 2023		
		<u>Fully-Loaded Expense</u>		
Overhead Positions				
Position 1				
Position 2				
Position 3				
Position 4				
Subtotal		<u>\$ 694,608</u>		
		Direct Only		
		<u>Low</u> <u>Mid</u> <u>High</u>		
Trophy Club Comp Position				
Position 1				
Position 2				
Position 3				
Position 4				
Subtotal		<u>\$ 445,841 \$ 496,301 \$ 546,721</u>		
Overhead Factor		35%		
		Fully -Loaded		
		<u>Low</u> <u>Mid</u> <u>High</u>		
Trophy Club Comp Position				
Position 1				
Position 2				
Position 3				
Position 4				
Subtotal		<u>\$ 547,702 \$ 615,824 \$ 683,890</u>		
\$ Reduction		<u>\$ (146,906) \$ (78,784) \$ (10,718)</u>		
% Reduction		<u>-21.1% -11.3% -1.5%</u>		

Redacted to maintain privacy and confidentiality of Personnel Data

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 1 - Base Case Scenario

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
WATER							
Equivalent Connections							
Trophy Club / TCMUD	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Westlake	637	637	753	869	985	987	987
Subtotal		11,402	11,519	11,635	11,751	11,753	11,753
Consumption per Equivalent / Billed Volumes							
Trophy Club / TCMUD	6,933	895,659,000	895,700,599	895,700,599	895,700,599	895,700,599	895,700,599
Westlake	12,217	93,310,000	110,388,735	127,394,171	144,399,607	144,692,804	144,692,804
Subtotal		988,969,000	1,006,089,334	1,023,094,770	1,040,100,206	1,040,393,403	1,040,393,403
Produced Volumes							
Assumed Loss Factor	11%						
Required Production		1,111,201,124	1,130,437,454	1,149,544,685	1,168,651,917	1,168,981,352	1,168,981,352
Production by Source							
Wells	20%	222,240,225	226,087,491	229,908,937	233,730,383	233,796,270	233,796,270
Ft. Worth	80%	888,960,899	904,349,963	919,635,748	934,921,533	935,185,081	935,185,081
Ft. Worth Wholesale Water Cost							
Base Rate	\$	2.99					
Escalation Factor		4.4%					
Assumed Rate		\$ 3.12	\$ 3.26	\$ 3.40	\$ 3.55	\$ 3.71	\$ 3.87
Purchased Water Cost		\$ 2,771,972	\$ 2,944,813	\$ 3,127,173	\$ 3,319,909	\$ 3,467,876	\$ 3,621,417
TCMUD O&M Cost Cost							
Fixed O&M Cost Per Meter Equivalent	\$	110.22					
Base Year		2022					
Escalation Factor		6.7%					
Escalated per Meter Equivalent Value		\$ 125.38					
Fixed Cost Projection		\$ 1,429,596	\$ 1,524,744	\$ 1,626,226	\$ 1,734,461	\$ 1,849,901	\$ 1,973,023
Variable O&M Cost per 1,000 gal	\$	0.15					
Base Year		2022					
Escalation Factor		3.0%					
Escalated per 1,000 gal Value		\$ 0.16	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.18	\$ 0.19
Variable Cost Projection		\$ 180,907	\$ 189,560	\$ 198,547	\$ 207,902	\$ 214,200	\$ 220,626
Admin O&M Cost per Meter Equivalent	\$	68.76					
Base Year		2022					
Escalation Factor		4.9%					
Escalated per Meter Equivalent Value		\$ 75.62					
Fixed Cost Projection		\$ 862,271	\$ 904,317	\$ 948,414	\$ 994,662	\$ 1,043,164	\$ 1,094,032

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Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 1 - Base Case Scenario

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
WATER				
Equivalent Connections				
Trophy Club / TCMUD	10,766	10,766	10,766	10,766
Westlake	987	987	987	987
Subtotal	11,753	11,753	11,753	11,753
Consumption per Equivalent / Billed Volumes				
Trophy Club / TCMUD	895,700,599	895,700,599	895,700,599	895,700,599
Westlake	144,692,804	144,692,804	144,692,804	144,692,804
Subtotal	1,040,393,403	1,040,393,403	1,040,393,403	1,040,393,403
Produced Volumes				
Assumed Loss Factor				
Required Production	1,168,981,352	1,168,981,352	1,168,981,352	1,168,981,352
Production by Source				
Wells	233,796,270	233,796,270	233,796,270	233,796,270
Ft. Worth	935,185,081	935,185,081	935,185,081	935,185,081
Ft. Worth Wholesale Water Cost				
Base Rate				
Escalation Factor				
Assumed Rate	\$ 4.04	\$ 4.22	\$ 4.41	\$ 4.61
Purchased Water Cost	\$ 3,781,756	\$ 3,949,194	\$ 4,124,046	\$ 4,306,639
TCMUD O&M Cost Cost				
Fixed O&M Cost Per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 2,104,341	\$ 2,244,398	\$ 2,393,777	\$ 2,553,098
Variable O&M Cost per 1,000 gal				
Base Year				
Escalation Factor				
Escalated per 1,000 gal Value	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.21
Variable Cost Projection	\$ 227,245	\$ 234,062	\$ 241,084	\$ 248,316
Admin O&M Cost per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 1,147,380	\$ 1,203,329	\$ 1,262,007	\$ 1,323,545

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 1 - Base Case Scenario

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Board / Non-Operating O&M Expense	\$ 5.33						
Base Year	2022						
Escalation Factor	3.0%						
Escalated per Meter Equivalent Value	\$ 5.65						
Fixed Cost Projection	\$	64,462	\$ 66,396	\$ 68,388	\$ 70,439	\$ 72,553	\$ 74,729
Outstanding Water Debt							
Revenue Series 2016	\$	273,115	\$ 275,893	\$ 273,463	\$ 275,875	\$ 272,862	\$ 274,619
Revenue Series 2019 (77% Water)		291,974	291,897	291,705	291,397	290,973	290,434
Total Outstanding Water Debt	\$	565,089	\$ 567,790	\$ 565,167	\$ 567,272	\$ 563,835	\$ 565,053
TOTAL WATER COST	\$	5,874,296	\$ 6,197,620	\$ 6,533,916	\$ 6,894,646	\$ 7,211,529	\$ 7,548,881
Cost per Meter Equivalent	\$	42.93	\$ 44.84	\$ 46.80	\$ 48.89	\$ 51.13	\$ 53.52
or							
Cost per 1,000 billed gallons	\$	5.94	\$ 6.16	\$ 6.39	\$ 6.63	\$ 6.93	\$ 7.26
SEWER							
Equivalent Connections							
Trophy Club / TCMUD	8,384	8,384	8,384	8,384	8,384	8,384	8,384
Westlake	233	233	349	465	581	583	583
Subtotal		8,617	8,733	8,849	8,965	8,967	8,967
Consumption per Equivalent / Billed Volumes							
Trophy Club / TCMUD	4,607	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934
Westlake	7,236	20,231,000	30,303,086	40,375,172	50,447,258	50,620,914	50,620,914
Subtotal		483,707,934	493,780,020	503,852,106	513,924,192	514,097,848	514,097,848
TCMUD O&M Cost Cost							
Fixed O&M Cost Per Meter Equivalent	\$ 141.09						
Base Year	2022						
Escalation Factor	13.1%						
Escalated per Meter Equivalent Value	\$ 180.40						
Fixed Cost Projection	\$	1,554,413	\$ 1,757,692	\$ 1,987,556	\$ 2,247,480	\$ 2,541,396	\$ 2,873,749
Variable O&M Cost per 1,000 gal	\$ 0.43						
Base Year	2022						
Escalation Factor	3.0%						
Escalated per 1,000 gal Value	\$ 0.46	\$ 0.47	\$ 0.49	\$ 0.50	\$ 0.51	\$ 0.53	
Variable Cost Projection	\$	221,245	\$ 232,627	\$ 244,493	\$ 256,862	\$ 264,658	\$ 272,597

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 1 - Base Case Scenario

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Board / Non-Operating O&M Expense				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 76,971	\$ 79,280	\$ 81,659	\$ 84,108
Outstanding Water Debt				
Revenue Series 2016	\$ 275,671	\$ 276,303	\$ 276,624	\$ 271,749
Revenue Series 2019 (77% Water)	293,630	292,744	291,743	290,627
Total Outstanding Water Debt	\$ 569,301	\$ 569,047	\$ 568,367	\$ 562,375
TOTAL WATER COST	\$ 7,906,993	\$ 8,279,311	\$ 8,670,939	\$ 9,078,082
Cost per Meter Equivalent	\$ 56.06	\$ 58.70	\$ 61.48	\$ 64.37
or				
Cost per 1,000 billed gallons	\$ 7.60	\$ 7.96	\$ 8.33	\$ 8.73
SEWER				
Equivalent Connections				
Trophy Club / TCMUD	8,384	8,384	8,384	8,384
Westlake	583	583	583	583
Subtotal	8,967	8,967	8,967	8,967
Consumption per Equivalent / Billed Volumes				
Trophy Club / TCMUD	463,476,934	463,476,934	463,476,934	463,476,934
Westlake	50,620,914	50,620,914	50,620,914	50,620,914
Subtotal	514,097,848	514,097,848	514,097,848	514,097,848
TCMUD O&M Cost Cost				
Fixed O&M Cost Per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 3,249,566	\$ 3,674,531	\$ 4,155,071	\$ 4,698,454
Variable O&M Cost per 1,000 gal				
Base Year				
Escalation Factor				
Escalated per 1,000 gal Value	\$ 0.55	\$ 0.56	\$ 0.58	\$ 0.60
Variable Cost Projection	\$ 280,775	\$ 289,198	\$ 297,874	\$ 306,811

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 1 - Base Case Scenario

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Admin O&M Cost per Meter Equivalent	68.76						
Base Year	2022						
Escalation Factor	4.9%						
Escalated per Meter Equivalent Value	\$ 75.62						
Fixed Cost Projection	\$ 5.33	\$ 651,619	\$ 683,393	\$ 716,717	\$ 751,666	\$ 788,320	\$ 826,760
Board / Non-Operating O&M Expense							
Base Year	2022						
Escalation Factor	3.0%						
Escalated per Meter Equivalent Value	\$ 5.65						
Fixed Cost Projection	\$ 48,714	\$ 50,175	\$ 51,681	\$ 53,231	\$ 54,828	\$ 56,473	
Outstanding Sewer Debt							
GO Series 2014	\$ 402,313	\$ 400,063	\$ 402,688	\$ 405,063	\$ 406,400	\$ 407,463	
Revenue Series 2015	610,838	617,138	617,013	620,513	623,638	630,163	
Revenue Series 2019 (23%)	87,213	87,190	87,133	87,041	86,914	86,753	
Total Outstanding Sewer Debt	\$ 1,100,363	\$ 1,104,390	\$ 1,106,833	\$ 1,112,616	\$ 1,116,952	\$ 1,124,378	
TOTAL SEWER COST	\$ 3,576,353	\$ 3,828,278	\$ 4,107,280	\$ 4,421,856	\$ 4,766,153	\$ 5,153,958	
Cost per Meter Equivalent	\$ 34.59	\$ 36.53	\$ 38.68	\$ 41.11	\$ 44.30	\$ 47.90	
or							
Cost per 1,000 billed gallons	\$ 7.39	\$ 7.75	\$ 8.15	\$ 8.60	\$ 9.27	\$ 10.03	

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 1 - Base Case Scenario

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Admin O&M Cost per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 867,076	\$ 909,357	\$ 953,699	\$ 1,000,204
Board / Non-Operating O&M Expense				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 58,167	\$ 59,912	\$ 61,709	\$ 63,561
Outstanding Sewer Debt				
GO Series 2014	\$ 407,413	\$ 411,200	\$ 409,500	\$ 412,475
Revenue Series 2015	631,138	635,388	639,038	642,088
Revenue Series 2019 (23%)	87,708	87,443	87,144	86,811
Total Outstanding Sewer Debt	\$ 1,126,258	\$ 1,134,031	\$ 1,135,682	\$ 1,141,373
TOTAL SEWER COST	\$ 5,581,842	\$ 6,067,029	\$ 6,604,036	\$ 7,210,402
Cost per Meter Equivalent	\$ 51.88	\$ 56.39	\$ 61.38	\$ 67.01
or				
Cost per 1,000 billed gallons	\$ 10.86	\$ 11.80	\$ 12.85	\$ 14.03

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
WATER							
Equivalent Connections							
Trophy Club / TCMUD	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Consumption per Equivalent / Billed Volumes							
Trophy Club / TCMUD	6,933	895,659,000	895,700,599	895,700,599	895,700,599	895,700,599	895,700,599
Produced Volumes							
Assumed Loss Factor	11%						
Required Production		1,006,358,427	1,006,405,167	1,006,405,167	1,006,405,167	1,006,405,167	1,006,405,167
Production by Source							
Wells	20%	201,271,685	201,281,033	201,281,033	201,281,033	201,281,033	201,281,033
Ft. Worth	80%	805,086,742	805,124,134	805,124,134	805,124,134	805,124,134	805,124,134
Ft. Worth Wholesale Water Cost							
Base Rate	\$ 2.99						
Escalation Factor	4.4%						
Assumed Rate	\$ 3.12	\$ 3.26	\$ 3.40	\$ 3.55	\$ 3.71	\$ 3.87	
Purchased Water Cost	\$ 2,510,434	\$ 2,621,706	\$ 2,737,783	\$ 2,858,998	\$ 2,985,581	\$ 3,117,768	
Trophy Club O&M Cost Cost							
Fixed O&M Cost Per Meter Equivalent	\$ 113.97						
Base Year	2022						
Escalation Factor	6.7%						
Escalated per Meter Equivalent Value	\$ 129.65						
Fixed Cost Projection	\$ 1,395,755	\$ 1,488,651	\$ 1,587,730	\$ 1,693,404	\$ 1,806,110	\$ 1,926,319	
Variable O&M Cost per 1,000 gal	\$ 0.15						
Base Year	2022						
Escalation Factor	3.0%						
Escalated per 1,000 gal Value	\$ 0.16	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.18	\$ 0.19	
Variable Cost Projection	\$ 163,838	\$ 168,761	\$ 173,824	\$ 179,039	\$ 184,410	\$ 189,942	
Admin O&M Cost per Meter Equivalent	\$ 70.90						
Savings Factor	-11.34%						
Admin O&M Cost per Meter Equivalent	62.86						
Base Year	2022						
Escalation Factor	4.9%						
Escalated per Meter Equivalent Value	\$ 69.14						
Fixed Cost Projection	\$ 744,343	\$ 780,639	\$ 818,706	\$ 858,628	\$ 900,497	\$ 944,408	
Total O&M Cost	\$ 2,303,936	\$ 2,438,052	\$ 2,580,260	\$ 2,731,070	\$ 2,891,017	\$ 3,060,669	
GF Transfer %	5%						
GF Transfer	\$ 115,197	\$ 121,903	\$ 129,013	\$ 136,554	\$ 144,551	\$ 153,033	

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
WATER				
Equivalent Connections				
Trophy Club / TCMUD	10,766	10,766	10,766	10,766
Consumption per Equivalent / Billed Volumes				
Trophy Club / TCMUD	895,700,599	895,700,599	895,700,599	895,700,599
Produced Volumes				
Assumed Loss Factor				
Required Production	1,006,405,167	1,006,405,167	1,006,405,167	1,006,405,167
Production by Source				
Wells	201,281,033	201,281,033	201,281,033	201,281,033
Ft. Worth	805,124,134	805,124,134	805,124,134	805,124,134
Ft. Worth Wholesale Water Cost				
Base Rate				
Escalation Factor				
Assumed Rate	\$ 4.04	\$ 4.22	\$ 4.41	\$ 4.61
Purchased Water Cost	\$ 3,255,808	\$ 3,399,960	\$ 3,550,494	\$ 3,707,693
Trophy Club O&M Cost Cost				
Fixed O&M Cost Per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 2,054,527	\$ 2,191,269	\$ 2,337,112	\$ 2,492,661
Variable O&M Cost per 1,000 gal				
Base Year				
Escalation Factor				
Escalated per 1,000 gal Value	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.21
Variable Cost Projection	\$ 195,641	\$ 201,510	\$ 207,555	\$ 213,782
Admin O&M Cost per Meter Equivalent				
Savings Factor				
Admin O&M Cost per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 990,460	\$ 1,038,757	\$ 1,089,410	\$ 1,142,532
Total O&M Cost	\$ 3,240,627	\$ 3,431,536	\$ 3,634,077	\$ 3,848,976
GF Transfer %				
GF Transfer	\$ 162,031	\$ 171,577	\$ 181,704	\$ 192,449

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Outstanding Water Debt							
Revenue Series 2016	\$	247,320	\$ 249,836	\$ 247,635	\$ 249,820	\$ 247,092	\$ 248,683
Revenue Series 2019 (77% Water)		264,399	264,329	264,155	263,876	263,493	263,004
Total Outstanding Water Debt	\$	511,719	\$ 514,165	\$ 511,790	\$ 513,696	\$ 510,584	\$ 511,687
TOTAL WATER COST	\$	5,441,287	\$ 5,695,826	\$ 5,958,846	\$ 6,240,319	\$ 6,531,734	\$ 6,843,158
Cost per Meter Equivalent	\$	42.12	\$ 44.09	\$ 46.12	\$ 48.30	\$ 50.56	\$ 52.97
or							
Cost per 1,000 billed gallons	\$	6.08	\$ 6.36	\$ 6.65	\$ 6.97	\$ 7.29	\$ 7.64
SEWER							
Equivalent Connections							
Trophy Club / TCMUD	8,384	8,384	8,384	8,384	8,384	8,384	8,384
Consumption per Equivalent / Billed Volumes							
Trophy Club / TCMUD	4,607	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934
TCMUD O&M Cost Cost							
Fixed O&M Cost Per Meter Equivalent	\$	145.01					
Base Year		2022					
Escalation Factor		13.08%					
Escalated per Meter Equivalent Value	\$	185.41					
Fixed Cost Projection	\$	1,554,415	\$ 1,757,695	\$ 1,987,559	\$ 2,247,484	\$ 2,541,400	\$ 2,873,754
Variable O&M Cost per 1,000 gal	\$	0.43					
Base Year		2022					
Escalation Factor		3.0%					
Escalated per 1,000 gal Value	\$	0.46	\$ 0.47	\$ 0.49	\$ 0.50	\$ 0.51	\$ 0.53
Variable Cost Projection	\$	211,991	\$ 218,351	\$ 224,901	\$ 231,648	\$ 238,598	\$ 245,756
Admin O&M Cost per Meter Equivalent	\$	70.90					
Savings Factor		-11.34%					
Admin O&M Cost per Meter Equivalent	\$	62.86					
Base Year		2022					
Escalation Factor		4.9%					
Escalated per Meter Equivalent Value	\$	69.14					
Fixed Cost Projection	\$	579,648	\$ 607,913	\$ 637,557	\$ 668,646	\$ 701,251	\$ 735,446
Total O&M Cost	\$	2,346,055	\$ 2,583,959	\$ 2,850,018	\$ 3,147,778	\$ 3,481,249	\$ 3,854,956
GF Transfer %	5%						
GF Transfer	\$	117,303	\$ 129,198	\$ 142,501	\$ 157,389	\$ 174,062	\$ 192,748

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Outstanding Water Debt				
Revenue Series 2016	\$ 249,635	\$ 250,208	\$ 250,498	\$ 246,083
Revenue Series 2019 (77% Water)	265,898	265,096	264,190	263,179
Total Outstanding Water Debt	\$ 515,534	\$ 515,304	\$ 514,688	\$ 509,262
TOTAL WATER COST	\$ 7,174,001	\$ 7,518,377	\$ 7,880,962	\$ 8,258,379
Cost per Meter Equivalent	\$ 55.53	\$ 58.20	\$ 61.00	\$ 63.92
or				
Cost per 1,000 billed gallons	\$ 8.01	\$ 8.39	\$ 8.80	\$ 9.22
SEWER				
Equivalent Connections				
Trophy Club / TCMUD	8,384	8,384	8,384	8,384
Consumption per Equivalent / Billed Volumes				
Trophy Club / TCMUD	463,476,934	463,476,934	463,476,934	463,476,934
TCMUD O&M Cost Cost				
Fixed O&M Cost Per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 3,249,572	\$ 3,674,537	\$ 4,155,077	\$ 4,698,461
Variable O&M Cost per 1,000 gal				
Base Year				
Escalation Factor				
Escalated per 1,000 gal Value	\$ 0.55	\$ 0.56	\$ 0.58	\$ 0.60
Variable Cost Projection	\$ 253,129	\$ 260,722	\$ 268,544	\$ 276,600
Admin O&M Cost per Meter Equivalent				
Savings Factor				
Admin O&M Cost per Meter Equivalent				
Base Year				
Escalation Factor				
Escalated per Meter Equivalent Value				
Fixed Cost Projection	\$ 771,308	\$ 808,919	\$ 848,364	\$ 889,733
Total O&M Cost	\$ 4,274,008	\$ 4,744,179	\$ 5,271,986	\$ 5,864,795
GF Transfer %				
GF Transfer	\$ 213,700	\$ 237,209	\$ 263,599	\$ 293,240

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Outstanding Sewer Debt							
GO Series 2014	\$	339,505	\$ 337,606	\$ 339,821	\$ 341,826	\$ 342,954	\$ 343,851
Revenue Series 2015		586,358	592,405	592,285	595,645	598,645	604,908
Revenue Series 2019 (23%)		83,718	83,696	83,641	83,552	83,431	83,276
Total Outstanding Sewer Debt	\$	1,009,580	\$ 1,013,707	\$ 1,015,747	\$ 1,021,023	\$ 1,025,030	\$ 1,032,035
TOTAL SEWER COST	\$	3,472,938	\$ 3,726,865	\$ 4,008,266	\$ 4,326,190	\$ 4,680,342	\$ 5,079,739
Cost per Meter Equivalent or	\$	34.52	\$ 37.05	\$ 39.84	\$ 43.00	\$ 46.52	\$ 50.49
Cost per 1,000 billed gallons	\$	7.49	\$ 8.04	\$ 8.65	\$ 9.33	\$ 10.10	\$ 10.96

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Outstanding Sewer Debt				
GO Series 2014	\$ 343,809	\$ 347,005	\$ 345,570	\$ 348,081
Revenue Series 2015	605,844	609,924	613,427	616,355
Revenue Series 2019 (23%)	84,193	83,939	83,652	83,332
Total Outstanding Sewer Debt	\$ 1,033,845	\$ 1,040,867	\$ 1,042,649	\$ 1,047,768
TOTAL SEWER COST	\$ 5,521,554	\$ 6,022,255	\$ 6,578,235	\$ 7,205,802
Cost per Meter Equivalent	\$ 54.89	\$ 59.86	\$ 65.39	\$ 71.63
or				
Cost per 1,000 billed gallons	\$ 11.91	\$ 12.99	\$ 14.19	\$ 15.55

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Westlake

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
WATER								
Equivalent Connections								
Westlake	637	637	753	869	985	987	987	987
Consumption per Equivalent / Billed Volumes								
Westlake	12,217	93,310,000	110,388,735	127,394,171	144,399,607	144,692,804	144,692,804	144,692,804
Produced Volumes								
Assumed Loss Factor ⁽¹⁾	8%							
Required Production		101,977,199	120,642,311	139,227,315	157,812,319	158,132,750	158,132,750	158,132,750
Ft. Worth Wholesale Water Cost								
Base Rate	\$ 2.99							
Escalation Factor	4.4%							
Assumed Rate	\$ 3.12	\$ 3.26	\$ 3.40	\$ 3.55	\$ 3.71	\$ 3.87	\$ 4.04	
Purchased Water Cost	\$ 317,987	\$ 392,845	\$ 473,435	\$ 560,392	\$ 586,392	\$ 612,354	\$ 639,467	
Westlake O&M Cost Cost								
Fixed O&M Cost Per Meter Equivalent	\$ 155.98							
Base Year	2021							
Escalation Factor	3.0%							
Escalated per Meter Equivalent Value	\$ 170.44							
Fixed Cost Projection	\$ 108,486	\$ 111,741	\$ 115,093	\$ 118,546	\$ 122,102	\$ 125,765	\$ 129,538	
Variable O&M Cost per 1,000 gal	\$ 0.53							
Base Year	2021							
Escalation Factor	3.0%							
Escalated per 1,000 gal Value	\$ 0.58	\$ 0.59	\$ 0.61	\$ 0.63	\$ 0.65	\$ 0.67	\$ 0.69	
Variable Cost Projection	\$ 58,763	\$ 71,605	\$ 85,114	\$ 99,370	\$ 102,559	\$ 105,636	\$ 108,805	
Total O&M Cost	\$ 167,250	\$ 183,345	\$ 200,207	\$ 217,916	\$ 224,661	\$ 231,401	\$ 238,343	
Transfer %	18.7%							
Transfer	\$ 31,357	\$ 34,375	\$ 37,536	\$ 40,857	\$ 42,121	\$ 43,385	\$ 44,686	
PR Transfer	\$ 162.70							
Base Year	2021							
Escalation Factor	3.0%							
Escalated per Meter Equivalent Value	\$ 177.79							
Fixed Cost Projection	\$ 113,164	\$ 116,559	\$ 120,056	\$ 123,657	\$ 127,367	\$ 131,188	\$ 135,124	
Outstanding Water Debt								
Revenue Series 2016	\$ 25,794	\$ 26,057	\$ 25,827	\$ 26,055	\$ 25,770	\$ 25,936	\$ 26,036	
Revenue Series 2019 (77% Water)	27,575	27,568	27,550	27,521	27,481	27,430	27,732	
Total Outstanding Water Debt	\$ 53,370	\$ 53,625	\$ 53,377	\$ 53,576	\$ 53,251	\$ 53,366	\$ 53,767	

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Westlake

	<u>2031</u>	<u>2032</u>	<u>2033</u>
WATER			
Equivalent Connections			
Westlake	987	987	987
Consumption per Equivalent / Billed Volumes			
Westlake	144,692,804	144,692,804	144,692,804
Produced Volumes			
Assumed Loss Factor ⁽¹⁾			
Required Production	158,132,750	158,132,750	158,132,750
Ft. Worth Wholesale Water Cost			
Base Rate			
Escalation Factor			
Assumed Rate	\$ 4.22	\$ 4.41	\$ 4.61
Purchased Water Cost	\$ 667,779	\$ 697,345	\$ 728,220
Westlake O&M Cost Cost			
Fixed O&M Cost Per Meter Equivalent			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 133,424	\$ 137,427	\$ 141,550
Variable O&M Cost per 1,000 gal			
Base Year			
Escalation Factor			
Escalated per 1,000 gal Value	\$ 0.71	\$ 0.73	\$ 0.75
Variable Cost Projection	\$ 112,069	\$ 115,431	\$ 118,894
Total O&M Cost	\$ 245,493	\$ 252,858	\$ 260,444
Transfer %			
Transfer	\$ 46,027	\$ 47,408	\$ 48,830
PR Transfer			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 139,178	\$ 143,353	\$ 147,653
Outstanding Water Debt			
Revenue Series 2016	\$ 26,095	\$ 26,126	\$ 25,665
Revenue Series 2019 (77% Water)	27,648	27,554	27,448
Total Outstanding Water Debt	\$ 53,743	\$ 53,679	\$ 53,113

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Westlake

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
TOTAL WATER COST		\$ 683,127	\$ 780,748	\$ 884,612	\$ 996,398	\$ 1,033,793	\$ 1,071,695	\$ 1,111,387
Cost per Meter Equivalent		\$ 89.44	\$ 86.40	\$ 84.83	\$ 84.30	\$ 87.28	\$ 90.48	\$ 93.84
or								
Cost per 1,000 billed gallons		\$ 7.32	\$ 7.07	\$ 6.94	\$ 6.90	\$ 7.14	\$ 7.41	\$ 7.68
SEWER								
Equivalent Connections								
Westlake	233	233	349	465	581	583	583	583
Consumption per Equivalent / Billed Volumes								
Westlake	7,236	20,231,000	30,303,086	40,375,172	50,447,258	50,620,914	50,620,914	50,620,914
TRA Wholesale Sewer Treatment Cost								
TRA Rate Projection		\$ 11.24	\$ 12.91	\$ 12.43	\$ 10.93	\$ 9.05		
Future Escalation Factor	3.00%							
Assumed Rate		\$ 11.24	\$ 12.91	\$ 12.43	\$ 10.93	\$ 9.05	\$ 9.33	\$ 9.61
Assumed I/I Factor	8.0%							
Volumes for Treatment		21,990,217	32,938,137	43,886,056	54,833,976	55,022,733	55,022,733	55,022,733
Projected Wholesale Cost		\$ 247,236	\$ 425,297	\$ 545,591	\$ 599,226	\$ 498,176	\$ 513,121	\$ 528,515
Westlake O&M Cost Cost								
Fixed O&M Cost Per Meter Equivalent	\$ 53.98							
Base Year	2021							
Escalation Factor	3.0%							
Escalated per Meter Equivalent Value	\$ 58.98							
Fixed Cost Projection		\$ 13,743	\$ 14,155	\$ 14,580	\$ 15,017	\$ 15,468	\$ 15,932	\$ 16,410
Total O&M Cost		\$ 13,743	\$ 14,155	\$ 14,580	\$ 15,017	\$ 15,468	\$ 15,932	\$ 16,410
GF Transfer %	29.8%							
GF Transfer		\$ 4,095	\$ 4,218	\$ 4,344	\$ 4,475	\$ 4,609	\$ 4,747	\$ 4,890
PR Transfer	\$ 76.85							
Base Year	2021							
Escalation Factor	3.0%							
Escalated per Meter Equivalent Value	\$ 83.98							
		\$ 19,567	\$ 20,154	\$ 20,758	\$ 21,381	\$ 22,022	\$ 22,683	\$ 23,364
Outstanding Sewer Debt								
GO Series 2014		\$ 62,808	\$ 62,456	\$ 62,866	\$ 63,237	\$ 63,446	\$ 63,612	\$ 63,604
Revenue Series 2015		24,480	24,732	24,727	24,868	24,993	25,254	25,294
Revenue Series 2019 (23%)		3,495	3,494	3,492	3,488	3,483	3,477	3,515
Total Outstanding Sewer Debt		\$ 90,783	\$ 90,683	\$ 91,085	\$ 91,593	\$ 91,922	\$ 92,343	\$ 92,412
TOTAL SEWER COST		\$ 375,423	\$ 554,507	\$ 676,359	\$ 731,691	\$ 632,197	\$ 648,826	\$ 665,590

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Westlake

	<u>2031</u>	<u>2032</u>	<u>2033</u>
TOTAL WATER COST	\$ 1,152,220	\$ 1,194,643	\$ 1,238,261
Cost per Meter Equivalent	\$ 97.28	\$ 100.86	\$ 104.55
or			
Cost per 1,000 billed gallons	\$ 7.96	\$ 8.26	\$ 8.56
SEWER			
Equivalent Connections			
Westlake	583	583	583
Consumption per Equivalent / Billed Volumes			
Westlake	50,620,914	50,620,914	50,620,914
TRA Wholesale Sewer Treatment Cost			
TRA Rate Projection			
Future Escalation Factor			
Assumed Rate	\$ 9.89	\$ 10.19	\$ 10.50
Assumed I/I Factor			
Volumes for Treatment	55,022,733	55,022,733	55,022,733
Projected Wholesale Cost	\$ 544,370	\$ 560,701	\$ 577,522
Westlake O&M Cost Cost			
Fixed O&M Cost Per Meter Equivalent			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 16,902	\$ 17,409	\$ 17,931
Total O&M Cost	\$ 16,902	\$ 17,409	\$ 17,931
GF Transfer %			
GF Transfer	\$ 5,036	\$ 5,187	\$ 5,343
PR Transfer			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value	\$ 24,064	\$ 24,786	\$ 25,530
Outstanding Sewer Debt			
GO Series 2014	\$ 64,195	\$ 63,930	\$ 64,394
Revenue Series 2015	25,464	25,610	25,732
Revenue Series 2019 (23%)	3,504	3,492	3,479
Total Outstanding Sewer Debt	\$ 93,163	\$ 93,032	\$ 93,605
TOTAL SEWER COST	\$ 683,536	\$ 701,116	\$ 719,932

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Westlake

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Cost per Meter Equivalent or	\$	134.27	\$ 132.40	\$ 121.21	\$ 104.95	\$ 90.37	\$ 92.74	\$ 95.14
Cost per 1,000 billed gallons	\$	18.56	\$ 18.30	\$ 16.75	\$ 14.50	\$ 12.49	\$ 12.82	\$ 13.15

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Westlake

	<u>2031</u>	<u>2032</u>	<u>2033</u>
Cost per Meter Equivalent	\$ 97.70	\$ 100.22	\$ 102.91
or			
Cost per 1,000 billed gallons	\$ 13.50	\$ 13.85	\$ 14.22

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
WATER								
Equivalent Connections								
Trophy Club / TCMUD	10,766	10,766	10,766	10,766	10,766	10,766	10,766	10,766
Consumption per Equivalent / Billed Volumes								
Trophy Club / TCMUD	6,933	895,659,000	895,700,599	895,700,599	895,700,599	895,700,599	895,700,599	895,700,599
Produced Volumes								
Assumed Loss Factor ⁽¹⁾	11%							
Required Production		1,006,358,427	1,006,405,167	1,006,405,167	1,006,405,167	1,006,405,167	1,006,405,167	1,006,405,167
Production by Source								
Wells	20%	201,271,685	201,281,033	201,281,033	201,281,033	201,281,033	201,281,033	201,281,033
Ft. Worth	80%	805,086,742	805,124,134	805,124,134	805,124,134	805,124,134	805,124,134	805,124,134
Ft. Worth Wholesale Water Cost								
Base Rate	\$ 2.99							
Escalation Factor	4.43%							
Assumed Rate		\$ 3.12	\$ 3.26	\$ 3.40	\$ 3.55	\$ 3.71	\$ 3.87	\$ 4.04
Purchased Water Cost		\$ 2,510,434	\$ 2,621,706	\$ 2,737,783	\$ 2,858,998	\$ 2,985,581	\$ 3,117,768	\$ 3,255,808
Trophy Club O&M Cost Cost								
Fixed O&M Cost Per Meter Equivalent	\$ 113.97							
Base Year	2022							
Escalation Factor	6.66%							
Escalated per Meter Equivalent Value		\$ 129.65						
Fixed Cost Projection		\$ 1,395,755	\$ 1,488,651	\$ 1,587,730	\$ 1,693,404	\$ 1,806,110	\$ 1,926,319	\$ 2,054,527
Variable O&M Cost per 1,000 gal	\$ 0.15							
Base Year	2022							
Escalation Factor	3%							
Escalated per 1,000 gal Value		\$ 0.16	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.18	\$ 0.19	\$ 0.19
Variable Cost Projection		\$ 163,838	\$ 168,761	\$ 173,824	\$ 179,039	\$ 184,410	\$ 189,942	\$ 195,641
Admin O&M Cost per Meter Equivalent	\$ 70.90							
Savings Factor	-11.34%							
Admin O&M Cost per Meter Equivalent	62.86							
Base Year	2022							
Escalation Factor	4.9%							
Escalated per Meter Equivalent Value		\$ 69.14						
Fixed Cost Projection		\$ 744,343	\$ 780,639	\$ 818,706	\$ 858,628	\$ 900,497	\$ 944,408	\$ 990,460
Total O&M Cost		\$ 2,303,936	\$ 2,438,052	\$ 2,580,260	\$ 2,731,070	\$ 2,891,017	\$ 3,060,669	\$ 3,240,627
GF Transfer %	5%							
GF Transfer		\$ 115,197	\$ 121,903	\$ 129,013	\$ 136,554	\$ 144,551	\$ 153,033	\$ 162,031
Outstanding Water Debt								
Revenue Series 2016		\$ 247,320	\$ 249,836	\$ 247,635	\$ 249,820	\$ 247,092	\$ 248,683	\$ 249,635
Revenue Series 2019 (77% Water)		264,399	264,329	264,155	263,876	263,493	263,004	265,898
Total Outstanding Water Debt		\$ 511,719	\$ 514,165	\$ 511,790	\$ 513,696	\$ 510,584	\$ 511,687	\$ 515,534

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>2031</u>	<u>2032</u>	<u>2033</u>
WATER			
Equivalent Connections			
Trophy Club / TCMUD	10,766	10,766	10,766
Consumption per Equivalent / Billed Volumes			
Trophy Club / TCMUD	895,700,599	895,700,599	895,700,599
Produced Volumes			
Assumed Loss Factor ⁽¹⁾			
Required Production	1,006,405,167	1,006,405,167	1,006,405,167
Production by Source			
Wells	201,281,033	201,281,033	201,281,033
Ft. Worth	805,124,134	805,124,134	805,124,134
Ft. Worth Wholesale Water Cost			
Base Rate			
Escalation Factor			
Assumed Rate	\$ 4.22	\$ 4.41	\$ 4.61
Purchased Water Cost	\$ 3,399,960	\$ 3,550,494	\$ 3,707,693
Trophy Club O&M Cost Cost			
Fixed O&M Cost Per Meter Equivalent			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 2,191,269	\$ 2,337,112	\$ 2,492,661
Variable O&M Cost per 1,000 gal			
Base Year			
Escalation Factor			
Escalated per 1,000 gal Value	\$ 0.20	\$ 0.21	\$ 0.21
Variable Cost Projection	\$ 201,510	\$ 207,555	\$ 213,782
Admin O&M Cost per Meter Equivalent			
Savings Factor			
Admin O&M Cost per Meter Equivalent			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 1,038,757	\$ 1,089,410	\$ 1,142,532
Total O&M Cost	\$ 3,431,536	\$ 3,634,077	\$ 3,848,976
GF Transfer %			
GF Transfer	\$ 171,577	\$ 181,704	\$ 192,449
Outstanding Water Debt			
Revenue Series 2016	\$ 250,208	\$ 250,498	\$ 246,083
Revenue Series 2019 (77% Water)	265,096	264,190	263,179
Total Outstanding Water Debt	\$ 515,304	\$ 514,688	\$ 509,262

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
TOTAL WATER COST	\$	5,441,287	\$ 5,695,826	\$ 5,958,846	\$ 6,240,319	\$ 6,531,734	\$ 6,843,158	\$ 7,174,001
Cost per Meter Equivalent	\$	42.12	\$ 44.09	\$ 46.12	\$ 48.30	\$ 50.56	\$ 52.97	\$ 55.53
or								
Cost per 1,000 billed gallons	\$	6.08	\$ 6.36	\$ 6.65	\$ 6.97	\$ 7.29	\$ 7.64	\$ 8.01
SEWER								
Equivalent Connections								
Trophy Club / TCMUD	8,384	8,384	8,384	8,384	8,384	8,384	8,384	8,384
Westlake	233	233	349	465	581	583	583	583
Subtotal		8,617	8,733	8,849	8,965	8,967	8,967	8,967
Consumption per Equivalent / Billed Volumes								
Trophy Club / TCMUD	4,607	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934	463,476,934
Westlake	7,236	20,231,000	30,303,086	40,375,172	50,447,258	50,620,914	50,620,914	50,620,914
Subtotal		483,707,934	493,780,020	503,852,106	513,924,192	514,097,848	514,097,848	514,097,848
TCMUD O&M Cost Cost								
Fixed O&M Cost Per Meter Equivalent	\$ 141.09							
Base Year	2022							
Escalation Factor	13.08%							
Escalated per Meter Equivalent Value	\$ 180.40							
Fixed Cost Projection	\$	1,554,413	\$ 1,757,692	\$ 1,987,556	\$ 2,247,480	\$ 2,541,396	\$ 2,873,749	\$ 3,249,566
Variable O&M Cost per 1,000 gal	\$ 0.43							
Base Year	2022							
Escalation Factor	3%							
Escalated per 1,000 gal Value	\$ 0.46	\$ 0.47	\$ 0.49	\$ 0.50	\$ 0.51	\$ 0.53	\$ 0.55	
Variable Cost Projection	\$	221,245	\$ 232,627	\$ 244,493	\$ 256,862	\$ 264,658	\$ 272,597	\$ 280,775
Admin O&M Cost per Meter Equivalent	\$ 68.76							
Savings Factor	-11.34%							
Admin O&M Cost per Meter Equivalent	\$ 60.96							
Base Year	2022							
Escalation Factor	5%							
Escalated per Meter Equivalent Value	\$ 67.05							
Fixed Cost Projection	\$	577,711	\$ 605,882	\$ 635,426	\$ 666,411	\$ 698,907	\$ 732,988	\$ 768,730
Total O&M Cost	\$	2,353,368	\$ 2,596,201	\$ 2,867,476	\$ 3,170,754	\$ 3,504,961	\$ 3,879,335	\$ 4,299,072
GF Transfer %	5%							
GF Transfer	\$	117,668	\$ 129,810	\$ 143,374	\$ 158,538	\$ 175,248	\$ 193,967	\$ 214,954
Outstanding Sewer Debt								
GO Series 2014	\$	402,313	\$ 400,063	\$ 402,688	\$ 405,063	\$ 406,400	\$ 407,463	\$ 407,413
Revenue Series 2015		610,838	617,138	617,013	620,513	623,638	630,163	631,138
Revenue Series 2019 (23%)		87,213	87,190	87,133	87,041	86,914	86,753	87,708
Total Outstanding Sewer Debt	\$	1,100,363	\$ 1,104,390	\$ 1,106,833	\$ 1,112,616	\$ 1,116,952	\$ 1,124,378	\$ 1,126,258

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>2031</u>	<u>2032</u>	<u>2033</u>
TOTAL WATER COST	\$ 7,518,377	\$ 7,880,962	\$ 8,258,379
Cost per Meter Equivalent	\$ 58.20	\$ 61.00	\$ 63.92
or			
Cost per 1,000 billed gallons	\$ 8.39	\$ 8.80	\$ 9.22
SEWER			
Equivalent Connections			
Trophy Club / TCMUD	8,384	8,384	8,384
Westlake	583	583	583
Subtotal	8,967	8,967	8,967
Consumption per Equivalent / Billed Volumes			
Trophy Club / TCMUD	463,476,934	463,476,934	463,476,934
Westlake	50,620,914	50,620,914	50,620,914
Subtotal	514,097,848	514,097,848	514,097,848
TCMUD O&M Cost Cost			
Fixed O&M Cost Per Meter Equivalent			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 3,674,531	\$ 4,155,071	\$ 4,698,454
Variable O&M Cost per 1,000 gal			
Base Year			
Escalation Factor			
Escalated per 1,000 gal Value	\$ 0.56	\$ 0.58	\$ 0.60
Variable Cost Projection	\$ 289,198	\$ 297,874	\$ 306,811
Admin O&M Cost per Meter Equivalent			
Savings Factor			
Admin O&M Cost per Meter Equivalent			
Base Year			
Escalation Factor			
Escalated per Meter Equivalent Value			
Fixed Cost Projection	\$ 806,216	\$ 845,529	\$ 886,760
Total O&M Cost	\$ 4,769,945	\$ 5,298,474	\$ 5,892,024
GF Transfer %			
GF Transfer	\$ 238,497	\$ 264,924	\$ 294,601
Outstanding Sewer Debt			
GO Series 2014	\$ 411,200	\$ 409,500	\$ 412,475
Revenue Series 2015	635,388	639,038	642,088
Revenue Series 2019 (23%)	87,443	87,144	86,811
Total Outstanding Sewer Debt	\$ 1,134,031	\$ 1,135,682	\$ 1,141,373

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>Base Value</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
TOTAL SEWER COST	\$	3,571,400	\$ 3,830,401	\$ 4,117,682	\$ 4,441,907	\$ 4,797,161	\$ 5,197,680	\$ 5,640,283
Cost per Meter Equivalent or	\$	34.54	\$ 36.55	\$ 38.78	\$ 41.29	\$ 44.58	\$ 48.31	\$ 52.42
Cost per 1,000 billed gallons	\$	7.38	\$ 7.76	\$ 8.17	\$ 8.64	\$ 9.33	\$ 10.11	\$ 10.97

Trophy Club / Westlake / Trophy Club MUD No. 1
Trophy Club MUD No. 1 Feasibility Study
Scenario 2 - Trophy Club Analysis

	<u>2031</u>	<u>2032</u>	<u>2033</u>
TOTAL SEWER COST	\$ 6,142,473	\$ 6,699,080	\$ 7,327,998
Cost per Meter Equivalent	\$ 57.09	\$ 62.26	\$ 68.11
or			
Cost per 1,000 billed gallons	\$ 11.95	\$ 13.03	\$ 14.25



TOWN COUNCIL COMMUNICATION

REGULAR MEETING

MEETING DATE: December 11, 2023

FROM: Tamara Smith, Assistant to the Town Manager

AGENDA ITEM: Discuss and consider approval of a public drainage easement agreement with the Homeowners Association of Hogan's Glen, Inc.; and authorization for the Mayor to execute same on behalf of the Town.

BACKGROUND/SUMMARY:

On March 21, 2023, the Town of Trophy Club received a formal request from the Hogan's Glen HOA (the "HOA"), for assistance relating to sedimentation buildup in the Hogan's Glen ponds.

The HOA's request was discussed at the June 13, 2023, Town Council meeting, and the Town Council determined that \$150,000 from the stormwater drainage utility fund should be used to mitigate the stormwater siltation. Stormwater drainage utility funds may be used as authorized by Town Code of Ordinances Sec. 13.03.036, and Texas Local Gov't Code Ch. 552, the Municipal Drainage Utility Systems Act.

At the August 28th Council meeting, the Town Attorney was instructed to negotiate an easement agreement with the HOA to ensure compliance with Texas law. The attached public drainage easement agreement represents the final draft of the agreement between the Town and the HOA.

FISCAL IMPACT:

The Town Council has approved a not-to-exceed expenditure of \$150,000 in exchange for the Hogan's Glen Homeowners Association (HOA) public drainage easement, release of claims, and for improvements to the public drainage easement area. Payment of the \$150,000 will be made in three separate payments of \$50,000, with each payment contingent upon the commencement, completion, inspection, and acceptance of the public drainage improvements, as further detailed in the public drainage easement agreement.

It is clarified that the Town is not under any obligation to maintain the easement, and the designated funds for this transaction will be sourced from the Storm Drainage Utility Fund. This arrangement ensures transparency and accountability in the utilization of public funds for the acquisition of the drainage easement.

LEGAL REVIEW:

Approved as to legal form by Town Attorney.

ATTACHMENTS:

Easement Agreement

ACTION/OPTIONS:

Move to approve or deny agenda item.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

PUBLIC DRAINAGE EASEMENT AGREEMENT

THE STATE OF TEXAS §
 § **KNOW ALL PERSONS BY THESE PRESENTS:**
COUNTY OF DENTON §

THAT THE HOMEOWNERS ASSOCIATION OF HOGAN'S GLEN, INC., a Texas non-profit corporation having an address at 10340 Alta Vista Rd. #C, Fort Worth, Texas 76244 (the "Grantor"), for and in consideration of the sum of **TEN AND NO/100 DOLLARS (\$10.00)** and other good and valuable consideration, to Grantor in hand paid by the Town of Trophy Club, a home-rule municipal corporation situated in Denton County, Texas, having an address at 1 Trophy Wood Drive, Trophy Club, Texas 76262 (the "Town" or "Grantee"), the receipt and sufficiency of which is hereby acknowledged, has this day Granted, Sold, and Conveyed and does hereby Grant, Sell, and Convey unto the Town, its successors and assigns, a perpetual non-exclusive public drainage easement (the "Easement") for the limited municipal purposes of constructing, reconstructing, inspecting, using, repairing, replacing, and maintaining public drainage facilities in, upon, and across said Easement, being located within the Town of Trophy Club, Texas, and more particularly described as follows:

All that certain tract, piece or parcel of land, lying and being situated in the County of Denton, State of Texas, described in **EXHIBIT "A"**, which is attached hereto and made a part hereof for all purposes, and to which reference is hereby made for a more particular description of said property (the "Easement Property");

TO HAVE AND TO HOLD, the above described Easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its successors and assigns forever; and Grantor does hereby bind itself, its heirs, executors, administrators, successors, and assigns to warrant and forever defend all and singular the said Easement unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through, or under the Grantor, but not otherwise.

NOW, THEREFORE, in consideration of the Easement granted above and for other good and valuable consideration in accordance with the mutual rights and obligations in this this Public Drainage Easement Agreement (the "Easement Agreement") the parties mutually agree as follows:

1. Grantor reserves the right to use and enjoy the easement for open space, private drainage, recreation, and any other lawful purposes; provided, however, that Grantor

its successors, and assigns, and invitees shall not create a nuisance or do any act that will be detrimental to the Town's use of the Easement.

2. Grantee shall have the right, but not the obligation, to maintain the Easement in a condition required for proper operation and maintenance of the Town's stormwater drainage utility system. The Easement shall not be made open to the general public, but shall be used by Grantee, its successors, assigns, or contractors for the limited public drainage purposes identified in this Easement Agreement, and may be used on a temporary basis for maintenance and repairs to existing culvert, roadway, or other public improvements currently adjacent to or existing on the Easement Property.

3. Grantee is not obligated to ensure that water is continuously diverted to the Easement and makes no warranties of any kind whatsoever concerning the proper functionality or design of the storm sewer drainage facilities currently existing or to be improved by Grantor in the Easement. Grantee shall not be responsible for water diverted away from the Easement, whether directly or indirectly by Grantor or any other third parties. Grantor its heirs, successors, and assigns hereby agree that no obstruction to the natural flow of storm waters, stream, or creek overflow shall be permitted by filling or by construction of any type of dam, bridge, walkway, or any other structure within the Easement. In the event of an obstruction, the Town may, but is not obligated to, remove the same and may charge the costs of such removal against any person or party causing the same.

4. Grantor, its successors, and assigns, hereby reserves the right to maintain the Easement Property shall continue to maintain the Easement Property in accordance with its current drainage and other maintenance obligations, but shall not alter the design of the Easement Property, or make improvements to the Easement Property without the Town's written permission.

5. Grantee, its successors, and assigns, have the right and privilege, but not the obligation, at any and all times to remove or keep removed all or parts of structures, fences, landscaping, personal property, improvements, or growth which in any way may endanger or interfere with the construction, maintenance, repair, replacement, inspection, or efficiency of the Easement, and the Grantee shall at all times have the right of ingress and egress to and from and upon the Easement for the purpose of constructing, reconstructing, inspecting, maintaining, replacing, and adding to or removing all or part of the public drainage facilities located in the Easement without the necessity at any time of procuring the permission of anyone.

6. As additional consideration and in exchange for the mutual promises contained in this Easement Agreement, Grantor hereby releases and forever discharges, on behalf of the Grantor and its successors and assigns, the Town and its officers, agents, servants, and employees and any others acting or purporting to act on its behalf, from any and all liability, claims, actions, causes of action and negligence, whether real or asserted, of every nature, kind and character which the Grantor has or ever had against the Town whatsoever arising out of or connected in any way to drainage, siltation, erosion, or contamination of the ponds up to the date of execution of this Easement Agreement. The consideration provided in this Easement Agreement is not an admission of any responsibility or liability of the Town. The Grantor hereby covenants not to sue, on behalf of itself and its assigns, the Town or its

officers, agents, servants and employees and any others acting or purporting to act on the Town's behalf for any matters arising out of, relating to, or in any way connected with the matters released herein.

DRAINAGE IMPROVEMENTS

1. **Drainage Improvements.** The Grantee shall pay the "not-to-exceed" amount of **ONE-HUNDRED AND FIFTY-THOUSAND AND NO/100 DOLLARS (\$150,000.00)** as (1) additional consideration for the convenience of the Easement; (2) the Grantor's release in Paragraph 6, above; (3) the construction of drainage improvements on the Easement Property benefitting the Easement and the Town's stormwater drainage utility system; and (4) as security for the faithful completion of drainage improvements by Grantor.

2. The Town shall complete payment of the "not-to-exceed" amount by making three (3) equal payments of \$50,000 subject to the following conditions:

- (1) The 1st payment of \$50,000, shall be made by the Grantee within ten (10) days after review and written approval by the Town Engineer that staging, setup, and dredging has started; and
- (2) The 2nd payment of \$50,000, shall be made by the Grantee within ten (10) days after inspection and written determination by the Town Engineer that the dredging work is 100% complete in accordance with the plans and specifications for the project; and
- (3) The 3rd payment of \$50,000, shall be made by the Grantee within ten (10) days after:
(i) inspection and final written acceptance by the Town Engineer that all "clean up" work is complete and no final punchlist items or other minor work remains; and (2) after Grantor has furnished to the Grantee satisfactory evidence including a unconditional and final affidavits that all indebtedness to the Grantor's contractor has been paid, that all indebtedness connected with the work and all sums of money due for labor, materials, apparatus, fixtures, or machinery furnished and used in the performance of the work have been paid or otherwise satisfied.

3. **Insurance.** Grantor shall ensure that contractors performing work within the Easement shall provide insurance in form and substance in accordance with the Town's standard insurance requirements for public works projects, which are on file in the Town, or in the Office of the Town Engineer, and which are incorporated herein by reference.

4. **Compliance with Laws.** Grantor shall ensure that contractors performing work within the Easement shall comply with all local, state, and federal laws, rules, and regulations, relating to drainage, flood control, runoff, erosion, pollution, hazardous materials, waste, sedimentation, and any other control and mitigation requirements related thereto.

5. **Books and Records.** Grantor shall ensure that contractors performing work within the Easement shall make all books and records available for audit and inspection by the Town.

6. **Performance, Payment, and Maintenance Bonds.** Prior to the commencement of construction on the Easement Property, Grantor, or its contractors, shall provide a

performance bond, payment bond, and maintenance bond that meets the requirements of Chapter 2253 of the Texas Government Code, and names the Town as additional obligee. Each bond shall be in the full amount of the costs to construct the work and shall be made in favor of the Town ensuring completion of the work in accordance with the plans and specifications approved by the Town Engineer. The performance bond, payment bond, and maintenance bond shall be executed by a corporate surety authorized to do business in Texas in accordance with Chapter 2253 of the Texas Government Code.

7. INDEMNIFICATION BY CONTRACTOR. GRANTOR SHALL CAUSE ALL CONTRACTORS PERFORMING WORK ON THE EASEMENT PROPERTY TO COVENANT AND AGREE TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE TOWN, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES, AND OTHER CONSULTANTS), ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THE CONSTRUCTION, MAINTENANCE, REPAIR, OR ANY OTHER USE OF THE EASEMENT PROPERTY. THE CONTRACTORS AND SUBCONTRACTORS, SHALL FURTHER AGREE TO BE LIABLE FOR INJURY OR DAMAGE TO TOWN PROPERTY, ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF CONTRACTORS AND SUBCONTRACTORS. THIS OBLIGATION TO INDEMNIFY SHALL APPLY TO ALL CLAIMS THAT ARISE FROM EVENTS THAT OCCUR BEFORE OR AFTER THE TIME THE TOWN INSPECTS AND ACCEPTS THE PUBLIC DRAINAGE IMPROVEMENTS, REGARDLESS OF WHETHER ANY SUCH DAMAGES, CLAIMS OR LIABILITIES ARE ALLEGED TO BE CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENT ACT OR OMISSION, OR OF THE CONCURRENT NEGLIGENT ACT OR OMISSION OF THE TOWN, ITS OFFICERS AND EMPLOYEES, AND SHALL CONTINUE TO APPLY TO THE CONTRACTOR FOR TWO YEARS AFTER THE TOWN INSPECTS AND ACCEPTS THE PUBLIC IMPROVEMENTS.

MISCELLANEOUS

1. Severability. In case any one or more of the provisions contained in this Easement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Easement Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

2. Entire Agreement. This Easement Agreement contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any or all representations or modifications concerning this instrument shall be of no force and effect except for a subsequent modification in writing signed by the parties hereto.

3. Declaration of Covenants and Restrictions. The parties their successors, and assigns acknowledge and agree that Grantor's recorded Declaration of Covenants and Restrictions, as amended, authorize Grantor to sell easements and related appurtenances to the Town, and the recorded Declaration of Covenants and Restrictions, as amended, and this Easement Agreement are not intended to restrict or limit the rights of the Town to exercise its legislative and governmental rights, duties, and powers insofar as zoning, building, use, maintenance, and other like obligations are concerned.
4. No Waiver. All rights, remedies, and privileges permitted or available to the parties under this Easement Agreement or at law or equity shall be cumulative and not alternative, and election of any such right, remedy or privilege shall not constitute a waiver or exclusive election of any rights, remedies, or privilege with respect to any other permitted or available right, remedy or privilege. Additionally, one instance of forbearance by a party in the enforcement of any such right, remedy or privilege, shall not constitute a waiver of such right, remedy or privilege by that party. A default under this Easement Agreement by the Town shall not result in forfeiture of any Easement rights, remedies, or privileges under this Easement Agreement by the Town.
5. Venue and Governing Law. The Grantor and Grantee agree that this Easement Agreement shall be enforceable in Denton County, Texas, without regard to conflict of laws principles, and if legal action is necessary in connection therewith, exclusive venue shall lie in Denton County, Texas. The terms and provisions of this Easement Agreement shall be construed in accordance with the laws and court decisions of the State of Texas.
6. Successor and Assigns. This Easement Agreement and the terms and conditions herein shall be binding upon and inure to the benefit of the parties, hereto, their respective successors and assigns. This Easement Agreement may not be assigned without the mutual written consent of the Grantor and Grantee.
7. Counterparts. The Easement Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
8. Governmental Function(s) and Immunity. The parties hereby acknowledge and agree that the Town is entering into this Easement Agreement in the performance of and pursuant to its governmental functions for the health, safety, and welfare of the citizens of the Town, the general public, and the State of Texas, and nothing contained in this Easement Agreement shall be construed as constituting a waiver of the Town's governmental immunity from suit or liability, which is expressly reserved to the fullest extent allowed by law.
9. Waiver of Attorney's Fees. The parties expressly covenant and agree that in the event of any litigation arising between the parties to this Easement Agreement, each party shall be solely responsible for payment of its attorneys (except as required pursuant to the indemnity obligations in this Easement Agreement) and that in no event shall either party be responsible for the other party's attorneys' fees regardless of the outcome of the litigation.
10. Additional Verifications. To the extent required by Texas law, the Grantor verifies that: (1) It does not have a practice, policy, guidance, or directive that discriminates against a

firearm entity or firearm trade association, as defined in Texas Government Code § 2274.001, and that it will not during the term of the contract discriminate against a firearm entity or firearm trade association; (2) It does not “boycott Israel” as that term is defined in Texas Government Code Ch. 2271 and § 808.001 and it will not boycott Israel during the term of this Easement Agreement; and (3) It does not “boycott energy companies,” as those terms are defined in Texas Government Code §§ 809.001 and 2276.001, and it will not boycott energy companies during the term of the Easement Agreement; (4) It does not engage in scrutinized business operations with Sudan, Iran, or designated foreign terrorist organization as defined in Texas Government Code, Chapter 2270; and (5) It is not owned by or the majority of its stock or other ownership interest is held or controlled by i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country as defined by Texas Government Code § 2275.0101; or ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; nor is it headquartered in China, Iran, North Korea, Russia, or a designated country.

11. Ethics Disclosure. To the extent required by law, the Grantor represents that it has completed a Texas Ethics Commission (the “TEC”) form 1295 (“Form 1295”) generated by the TEC’s electronic filing application in accordance with the provisions of Texas Gov’t Code Ch. 2252.908 and the rules promulgated by the TEC. The parties agree that, with the exception of the information identifying the Town and the contract identification number, the Town is not responsible for the information contained in the Form 1295.

12. This Easement Agreement shall be filed for record in the deed records of Denton County, Texas, shall be deemed a covenant running with the land and shall be binding on the successors and assigns of the Grantor and Grantee.

EXECUTED this _____ day of _____, 2023.

GRANTOR:

**HOMEOWNERS ASSOCIATION OF
HOGAN’S GLEN, INC.,** a Texas non-profit
corporation

By: _____
Name: _____
Title: _____

**STATE OF TEXAS §
 §
COUNTY OF DENTON §**

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by _____, _____ of the Homeowners Association of Hogan’s Glen, Inc., a Texas non-profit corporation, who is

personally known to me to be the person who signed the foregoing instrument and he acknowledged that the execution thereof was his free act and deed as such _____ for the uses and purposes therein expressed, and that the said instrument is the act and deed of said _____ for the uses and purposes therein expressed.

WITNESS my hand and official seal this ____ day of _____, 2023.

Notary Public, in and for the State of Texas

My Commission Expires: _____

DRAFT

GRANTEE:

TOWN OF TROPHY CLUB, TEXAS

By: _____
Jeannette Tiffany, Mayor

ATTEST:

Tammy Dixon, Town Secretary

APPROVED AS TO FORM:

Dean Roggia, Town Attorney

MAYOR'S ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Jeannette Tiffany, Mayor, of the Town of Trophy Club, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Town of Trophy Club, Texas, a home-rule municipal corporation, that she was duly authorized to perform the same by appropriate action of the Town Council of the Town of Trophy Club and that she executed the same as the act of the said Town for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day
of _____, A.D. 2023.

Notary Public, in and for the State of Texas

My Commission Expires:

EXHIBIT A**Tract 1**

That certain portion of property generally described as Denton County Central Appraisal District Property ID 206484, Geographic ID SJ0202A-000000-0000-0000-0001, described as THE VILLAS OF HOGANS GLEN LOT OPEN SPACE A and identified in the Warranty Deed recorded as Document No. 1994-91662; and Deed Without Warranty recorded as Document No. 2023-26024, Deed Records, Denton County, Texas (previously owned by Beck Properties Development-I, L.P.)

Tract 2

That certain portion of property generally described as Denton County Central Appraisal District Property ID 206485, Geographic ID SJ0202A-000000-0000-0000-0002, described as THE VILLAS OF HOGANS GLEN LOT OPEN SPACE B and identified in the Warranty Deed recorded as Document No. 1994-91662; and Deed Without Warranty recorded as Document No. 2023-26024, Deed Records, Denton County, Texas (previously owned by Beck Properties Development-I, L.P.)

Tract 3

That certain portion of property generally described as Denton County Central Appraisal District Property ID 207938, Geographic ID SJ0201A-000000-0000-0000-0001, described as THE ESTATES OF HOGANS GLEN LOT OPEN SPACE A and identified in the Warranty Deed recorded as Document No. 1998-95873; and Deed Without Warranty recorded as Document No. 2023-26024, Deed Records, Denton County, Texas (previously owned by Beck Properties Development-I, L.P.)

WHEN RECORDED, RETURN TO:

Town of Trophy Club
Attn: Matt Cox, Director of Community Development
1 Trophy Wood Drive,
Trophy Club, TX 76262



TOWN COUNCIL COMMUNICATION

REGULAR MEETING

MEETING DATE: December 11, 2023

FROM: Tamara Smith, Assistant to the Town Manager

AGENDA ITEM: Discuss and consider Council Retreat Agenda Items

BACKGROUND/SUMMARY: In November, the Mayor and the recently appointed Town Manager collaborated to establish a framework for the Council Retreat scheduled for January. Per Town Charter requirements, in January, the Mayor and Council delineate the vision and goals for the upcoming year. Simultaneously, the Town Manager is entrusted with the responsibility of executing these goals through the seamless management of day-to-day Town functions. A harmonious collaboration between the Town Council and the Town Manager is essential for fostering a successful working relationship and ensuring the overall success of Town operations.

The Town Manager presented a well-defined sequence of steps designed to bring the TC Strategic Plan to fruition. In addition, the Mayor proposed the inclusion of a facilitator to enhance the Council's decision-making process. The selected facilitator is a member of Strategic Government Resources (SGR) and specializes in strategic foresight. This collaboration between the Town Council and the facilitator is poised to contribute significantly to the attainment of mandated goals in the upcoming year. Moreover, it will play a pivotal role in laying the groundwork for the initial phases of formulating a new TC Strategic Plan.

The guidance provided by the Town Council will serve as a crucial catalyst for the new Town Manager, expediting the development of both a strategic plan and a parks master plan while also facilitating updates to our comprehensive plan.

The Mayor also engaged in discussions with SGR regarding the initial mandated goal-setting, as stipulated by the charter, and outlined the proposal put forth by the new Town Manager. As a result, a comprehensive two-day agenda was formulated. During the Town Council work session held on November 13, 2023, the Council confirmed the dates for the upcoming Council retreat as January 19th and 20th.

Day 1

- Governance Training (2 Hours)
Session Focus: Concentrating on defining roles, responsibilities, and relationships, while exploring actionable strategies for success. The facilitation of this discussion will be Lead in Tandem or SGR.

Day 2

- Discuss Timing and Sequence of Upcoming Vision/Master Plan Development (2 Hours)
Session Focus: Aims to explore the optimal strategy for attaining our long-term goals. The facilitation of this discussion will be Lead in Tandem or SGR.
- Learning About and Preparing for Strategic Plan (2 Hours)
Session Focus: Concentrate on exploring Strategic Plans, gathering feedback from the Council regarding desired levels of public engagement and inclusion of relevant organizations. The objective is to create a dynamic and adaptable document for the Town, incorporating it into shorter-term annual goals. The facilitation of this discussion will be handled by SGR.
- Budget Preparation (2-3 Hours)
Session Focus: Focus on the upcoming fiscal year budget and tax rate. The facilitation of this discussion will be Lead in Tandem.

FISCAL IMPACT: The staff contacted several facilitators, and SGR met the needs of the organization at the most competitive price. The complete cost for SGR's facilitation services is \$10,425, and this expenditure will be covered by the General Fund from the Town Manager's Contingency fund, as well as catering for the event. In lieu of an off-site venue, we will be utilizing one of the rooms available at Town Hall.

ATTACHMENTS: SGR Council Retreat Proposal, Capital Improvement Projects List

ACTION/OPTIONS:

Provide direction to staff.

Proposal for: Council Retreat

Town of Trophy Club, Texas

November 10, 2023

Proposal pricing is valid for 90 days.

Reservations for event dates are valid for 21 days.

Strategic Government Resources
P.O. Box 1642, Keller, Texas 76244
Office: 817-337-8581

Mike Mowery, President of Leadership
Development & Strategic Foresight
MMowery@GovernmentResource.com



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Company Profile

Strategic Government Resources, Inc. (SGR) incorporated in Texas in 2002 to help local governments become more successful by Recruiting, Assessing, and Developing Innovative, Collaborative, and Authentic Leaders. SGR is fully owned by Ron Holifield, who spent two high-profile decades in city management and served as the City Manager for several local governments.

SGR's business model is truly unique. Although we are a private company, SGR operates like a local government association. Most of SGR's principals are former local government officials, allowing SGR to bring a depth of local government expertise to every project that no other firm can match.

SGR's Core Values are Customer Service, Integrity, Philanthropy, Continuous Improvement, Agility, Collaboration, Protecting Relationships, and the Golden Rule.

SGR is a full-service firm, specializing in executive recruitment, interim placements, online training, onsite training, leadership development, psychometric assessments, strategic visioning retreats, one-on-one employee coaching, and other consulting services.

SGR's services are designed to promote innovation, team building, collaboration, and continuous improvement in local governments. SGR has approximately 700 local government clients in 47 states across all our business lines.

SGR has 31 full-time employees, 1 part-time employee, 21 recruiters, 20 facilitators, and multiple consultants who function as subject matter experts on a variety of projects.

SGR has corporate headquarters in Texas, as well as virtual offices in California, Colorado, Florida, Minnesota, New York, North Carolina, Ohio, Oklahoma, and Oregon.

View all SGR team members and bios at: [Meet the Team](#).



*To help your
people achieve
greatness...
prepare them
BEFORE
you promote
them.*

SGR understands that creating a leadership development pipeline, a strong overall succession plan, and a healthy culture for your organization is a high priority. Let us help you promote team engagement and provide team members with training and professional development opportunities that are tailored to specifically meet the needs of local government.

We appreciate the opportunity to help you strengthen your training and leadership development programs!

Sincerely,

A handwritten signature in black ink that reads "Ron Holifield". The signature is written in a cursive style.

Ron Holifield
CEO of Strategic Government Resources

Why Invest in Leadership Development?

Leadership Development focuses on the competencies needed for upper-level managers and senior executives who have the responsibility of shaping the organization's culture and systems to facilitate excellent performance. Leadership Development events help leaders navigate how they can effectively shape and mold the future.

How Do Live Events Work?

SGR's Leadership Development Events are highly customizable and can be tailored to meet the specific needs of your organization. Certain needs may simply require a customized agenda while others may require confirming other specifics such as preferred topic, duration, target audience, intended outcomes, budget, and more.

SGR organizes its catalog by "format", which simply indicates the intended event experience. Available formats include the following:

- Retreats for elected officials
- Workshops for Management Teams
- Executive Book Briefings
- Round-Table Discussions on Values-based Leadership
- Strategic Foresight Workshops
- Servant Leadership Conferences
- Executive Coaching and Mentoring

Whether you are interested in scheduling a retreat, workshop, executive book briefing, or other available service, SGR will work with you to create an agenda that fits your needs.

Scope of Work

Thank you for the opportunity to submit this proposal to facilitate a Council Retreat for the Town of Trophy Club. This proposal includes event details, facilitator background information, and the cost of services.

Session Title	Facilitator	Date/Time	Location
Council Retreat	Mike Mowery	Times TBD Dates TBD but anticipate January 2024	TBD

Scope of Work:

- Advance interviews with Council Members and Mayor
- Review Principles of Good Board Governance to enable elected officials to be most successful.
- Development of the Process for Creating a long-term strategic vision involving community input, staff input, and a cohesive set of strategic priorities for the future.
- Update on current CIP's.
- Establishing Council's short-term goals.

Process for Advance Interviews:

Building rapport between the facilitator and participants is an important component of holding a successful retreat. SGR utilizes a process called "advance interviews" which equips the facilitator with the knowledge needed to address the most important issues within your organization as well as customize the agenda for the retreat based on your needs. Prior to the retreat, the SGR Facilitator will conduct advance interviews with the Mayor, Town Council and Town Manager. Interviews are approximately 45-50 minutes in length and are normally done via telephone, however, in-person interviews can be arranged upon request.

Process for Scheduling Advance Interviews:

1. Once an agreement has been fully executed, SGR will introduce the host organization to the SGR facilitator for the retreat via email. The facilitator will provide their availability based on dates they have reserved for this purpose.
2. SGR requests that someone within your organization schedules the interviews for each participant to meet with the facilitator. Once scheduled, participants should be given the facilitator's email address and phone number for convenience.

3. Once the interviews have been scheduled, the city will send the facilitator the names, email addresses, and phone numbers of the participants being interviewed along with the day and time the interview is scheduled.
4. If a participant cannot schedule an interview for any of the times the facilitator provided, please contact the facilitator to see if they can schedule a different time for that individual.
5. Below is a sample email the town can share with participants:

Our town has scheduled a Council Retreat with SGR that will be held on (Event Date.) In preparation for the retreat, SGR will be conducting advance interviews with all the participants by telephone. These interviews will be one-on-one between you and the facilitator and will last approximately 45-50 minutes. No preparation will be required on your part for the advance interview as the questions will be intended as an opportunity for you to give your opinions about the direction and future of the town.

The times for the interviews are as follows:

(Days and Times for the interviews supplied by the facilitator.)

The town will be reaching out to you to schedule the interviews. If you are not available for any of these times, please contact the town, and we will reach out to the facilitator to see if another time can be arranged.

The facilitator, (Facilitator's Name), will be calling you from this number, (Facilitator's Phone Number).

Recommended Timeframe:

We recommend the executed contract be sent to SGR at least 30 days prior to the scheduled retreat, if possible. This allows for an adequate amount of time for the meeting agenda to be finalized, advance interviews to be scheduled and conducted, any necessary online surveys or personality profiles to be prepared and assigned, and efficient travel arrangements to be made. Since we generally do not connect you with the facilitator until after we have received the signed contract, we ask that you plan accordingly.

If the town desires to work personally with the facilitator to establish the exact date for the meeting, we can execute a contract with the date set as "to be determined." The town and the facilitator can then coordinate on the exact date according to their mutual availability.

Facilitator: The facilitator for the retreat will be President of Leadership Development and Strategic Foresight Mike Mowery. Please view Mike's bio included in this proposal. To view the bios for all SGR Facilitators, please visit the facilitator section on the SGR website at:

[Meet the Team.](#)

Date: TBD

Location: TBD

Requested Logistical Support from the town:

1. A meeting location, break coordination, and expenses.
2. All AV set up, including a laptop and projector with power point capability, as well as the ability to play videos with adequate sound for a full room to easily hear.
3. Printing of all materials, if applicable.
4. Two chart-size, "Post It" style pads with sticky backs, six different colored large size markers (wide tip).

Facilitator

**Mike Mowery, President; Leadership
Development & Strategic Foresight**

MikeMowery@governmentresource.com
817-223-7320



Dr. Mike Mowery is the President of Leadership Development for Strategic Government Resources (SGR). He has been with SGR since 2011.

Mike has studied leadership for over 30 years and is experienced in guiding local governments in strategic visioning, building effective teams, and overcoming obstacles to improve and enhance organizational health. He has led over 500 Workshops on Leadership for local governments.

He is a graduate of Baylor University, Southwestern Baptist Theological Seminary, and Golden Gate Baptist Theological Seminary. His doctoral project focused on developing a process to help leaders create a strategic vision for a larger organization. This has become the foundation for SGR's approach to Strategic Planning which is being used by more and more City Councils.

Mike is the creator and presenter of SGR's Next Generation Leader training program and leads other workshops and classes including Building Better Leaders, Building the Great Workplace, and Overcoming the 5 Dysfunctions of a Team. Mike has helped develop and redefine SGR's Strategic Visioning Process used in city council retreats around the nation. He was also one of the developers for SGR's Mentoring Program, used to help emerging leaders reach their potential.

Mike has a passion for seeing leaders grow, excel, and provide outstanding leadership to their organizations. In addition to having earned several certifications in facilitation methods, he is in the process of a certified coach with the International Coaches Federation.

LEADERSHIP DEVELOPMENT FACILITATORS



MIKE MOWERY



KRISTY CARD



ANDY DUKE



**ARETHA FERRELL-
BENAVIDES**



WILL HAMPTON



AUSTIN HOLIFIELD



BOB LASALA



TRACEY MADISON



RANDY MAYEUX

LEADERSHIP DEVELOPMENT FACILITATORS



JULIE OLDBURY



FRANCES PELLEY



OMAR REYES



TROY RIGGS



CINDY RYAN



HILARY SHINE



TED STUDDARD



DOUG THOMAS



SCOTT WILLINGHAM

Professional Services Fees

Professional Service	Unit Price	Quantity	Subtotal
Council Retreat Day 1-Evening Session (3 hours) Day 2-Day Session	\$8,500	1	\$8,500
Advance Interviews \$275 per interview. The quantity of interviews is estimated in the proposal. The exact price will be calculated based on the actual number of interviews conducted.	\$275	7	\$1,925
Interview with Town Manager	No Charge	1	No Charge
Estimated Total for Services			\$10,425

AFI Member Discount

The Alliance for Innovation (AFI) is a nationwide non-profit association of local governments dedicated to promoting innovation and improving the quality of life in their local communities. Founded in 1994, the Alliance provides a platform for collaboration, learning, and sharing of best practices among its members.

AFI collaborates with SGR and leverages the expertise of their specialists to deliver professional foresight, innovation, and culture-building services. AFI and SGR are proud to offer a robust selection of offerings thoughtfully designed to guide local governments teams on their individual innovation journeys. Membership in AFI gives local governments a leg up on the activities most essential to building a prosperous future.

- **Become more proactive** – Our strategic foresight services help local governments anticipate change and design proactive strategies to build the future they envision.
- **Build a stronger team** – Our culture building services and events are designed to help local governments build cultures of enhanced innovation and foresight.
- **Get on the cutting edge** – Our innovation services help local governments stay up to date on the latest social innovations and pioneering technology.

In addition to membership benefits, Alliance for Innovation (AFI) Members receive a 10% discount on all SGR Leadership Development services. For more information on becoming an AFI Member, please contact Director of AFI National Member Relations, Kristen Dorman at: kristendorman@governmentresource.com.

Billing

SGR will send an invoice immediately following the date of service, which can sometimes result in multiple session offerings being represented in a single invoice *if* the event dates are all delivered within a relatively short period of time. Payment is due within thirty (30) days of receipt. If full payment is not made by the due date, SGR reserves the right to suspend the delivery of all future events until full payment is made. Balances that are unpaid after the payment deadline are subject to a fee of 5% per month or the maximum lawful rate, whichever is less, on the owed amount every month, charged monthly until the balance is paid.

Purchase Order Number

If applicable, please provide the appropriate Purchase Order (PO). This PO number will be included on the invoice for services provided as part of this Professional Services Agreement.

PO #: _____

Response Request

For the purpose of efficient planning and coordination, we kindly request that your organization responds in a timely manner to our proposal, indicating whether you choose to proceed with the collaboration or explore alternative directions. Prompt feedback is of utmost importance as it enables us to create comprehensive plans and allocate necessary resources. The proposal pricing is valid for 90 days. Reservations for event dates will be valid for 21 days. If SGR does not receive a response to move forward with the contract process within 21 days, we cannot guarantee an available facilitator for the requested date(s) and time(s). Your timely response ensures that both parties can effectively prepare, align strategies, and optimize outcomes. We greatly appreciate your commitment to this collaborative approach.

COUNCIL RETREATS

Experience the difference with SGR, the local government experts, serving to support local governments through facilitated retreats for your governing board.

SGR has a long history of helping cities create strategic visions, work together effectively as a team, and operate by the principles of great board governance.

Types of Retreats



Strategic Vision Retreats

SGR will lead your board to consider a series of strategic questions about the future to help identify key priorities. Through these discussions, we will help create a shared vision for the future built around strategic priorities.



Team Building Retreats

Designed to identify obstacles to effective team work, this process helps elected officials deal with internal conflict and develop positive operating practices.



Governance Retreats

Focused on understanding the roles, responsibilities, and relationships of elected officials and staff, SGR will lead a discussion of the key components of the Council/Manager form of governance to achieve clarity and awareness to overcome challenges to good governance processes.



Multi-Purpose Retreats

Offered to accommodate unique time and budget restraints, this option allows the combination of one or more of these components into the same retreat with a customized agenda.

Email: training@governmentresource.com
to get started on creating a retreat tailored to your team's unique needs.

**Agreement for Council Retreat ("PROJECT")
to Town of Trophy Club, Texas ("CLIENT") between
CLIENT and Strategic Government Resources, Inc. ("SGR")**

SGR and CLIENT (together, "Parties") agree as follows, effective upon the date of the later signature below, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the sufficiency of which each Party hereby acknowledges.

1. SGR promises and agrees:

- A. To perform the services described in SGR's Proposal for PROJECT dated November 10, 2023 ("PROPOSAL") substantially in the timeframe projected in the PROPOSAL.
- B. To comply with all applicable open records, public information and similar laws, and consult with CLIENT if SGR is asked for information before disclosure, unless prevented by court order or law from doing so.

2. CLIENT promises and agrees:

- A. To pay SGR promptly as billed or invoiced for such services in accordance with the amounts stated in PROPOSAL, including Reimbursable Expenses and costs of any Supplemental Services or Other Expenses that CLIENT selects.
- B. To respond to drafts of documents and reports in a timely manner; failure to do so may, in SGR's reasonable discretion, extend timelines and can negatively impact the outcome of the process.
- C. To provide legal opinions to SGR regarding when and if any information relating to the PROJECT must or should be released in accordance with public information laws or legal process.
- D. That if CLIENT receives an open records request, CLIENT shall notify and share the request with SGR in writing as soon as possible but within no more than three (3) business days of receipt.
- E. To cooperate with SGR to enable SGR to perform its obligations to CLIENT.

3. Additional Terms and Conditions:

- A. SGR may substitute personnel other than those initially placed, who have substantially equivalent training and experience and subject to approval of CLIENT, due to factors such as SGR employee/consultant turnover, developing needs of the PROJECT, or CLIENT's request.
- B. Remedies
 - i. CLIENT can terminate this agreement at any time for no reason upon giving SGR seven (7) days advance written notice of the termination date. In such an event, SGR will be compensated for all work satisfactorily performed up to and through the termination date.

- ii. SGR can terminate this agreement upon seven (7) days advance written notice of the termination date to CLIENT if CLIENT has failed to promptly pay in full any undisputed portion of any bill or invoice (if the dispute is in good faith) or has failed to perform its contractual promises in a manner that materially impedes SGR's ability to perform. In such an event, SGR will be compensated for all work satisfactorily performed up to and through the termination date.
- C. There are no third-party beneficiaries to this Agreement.
- D. If any term or condition of this Agreement is invalidated by final judgment of a court of competent jurisdiction or becomes impossible to perform, the Parties will confer about whether to continue performance without amending the Agreement, without prejudice to either Party's right to terminate the Agreement without cause.
- E. This Agreement embodies the complete and final understandings, contract, and agreement between the Parties, superseding any and all prior written or verbal representations, understandings, or agreements pertaining to this PROJECT. This Agreement can be modified only by signed written amendment. Electronic communications purporting to amend this Agreement will be effective only if the electronic communication includes specific reference to this Agreement or PROJECT.
- F. This Agreement will be governed by the substantive laws of the State of Texas without regard to the jurisdiction's choice-of-law doctrines. Venue for any litigation relating to this Agreement will be exclusively in Denton County of the State of Texas.
- G. Notices related to this Agreement will go to the respective Parties as follows but either Party can change the addressee for notices to that Party by written notice to the other Party.
 - i. For the purposes of this Agreement, legal notice shall be required for all matters involving potential termination actions, litigation, indemnification, and unresolved disputes. This does not preclude legal notice for any other actions having a material impact on the Agreement.
 - ii. Any notice required be given by this Agreement shall be deemed to have been given within three (3) days of emailing or depositing in the mail.

Legal Notices:

SGR

Attn: Melissa Valentine, Corporate Secretary
PO Box 1642
Keller, TX 76244
Melissa@GovernmentResource.com

CLIENT

Attn: _____
Address: _____
Email: _____

PROJECT Representative:

SGR

Name: Mike Mowery
Title: President of Leadership Development &
Strategic Foresight
Email: MMowery@governmentresource.com
Phone: 817-337-8581

CLIENT

Name: _____
Title: _____
Email: _____
Phone: _____

Billing and Invoicing:

SGR

Attn: Finance
Finance@GovernmentResource.com
817-337-8581

CLIENT

Name: _____
Title: _____
Email: _____
Phone: _____

On-Site AV/IT Point of Contact (for day-of session needs):

SGR

Attn: Training
Training@GovernmentResource.com
817-337-8581

CLIENT

Name: _____
Title: _____
Email: _____
Phone: _____

On-Site Event Coordinator Point of Contact (for day-of session needs):

SGR

Attn: Training

Training@GovernmentResource.com

817-337-8581

CLIENT

Name: _____

Title: _____

Email: _____

Phone: _____

- H. Unless sooner terminated, this Agreement shall terminate at such time as the PROJECT is completed and the requirements of this Agreement are satisfied, except that duties of payment, of information disclosure, any representations and warranties, and placement guarantee survive this Agreement.
- I. The Parties and each individual who executes this Agreement on behalf of a Party represent and warrant to the other Party that as to each Party's respective signatory, that signatory is authorized by their Party to execute this Agreement and to bind their Party hereto.
- J. Time is of the essence to this Agreement.
- K. This Agreement may be executed in counterparts which together will comprise the Agreement.
- L. This Agreement is subject to appropriation of funds by CLIENT.
- M. Balances that are unpaid after the payment deadline are subject to a fee of 5% per month or the maximum lawful rate, whichever is less, on the owed amount every month, charged monthly until the balance is paid.

Strategic Government Resources, Inc.

Town of Trophy Club, Texas

Signature

Signature

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date

Date

APPENDIX

Proposed Projects

5 Year Capital Improvement Program - FY2024 - FY2028

Scheduled to coincide with MUD project	Year Begins	Description	Drainage	Streets	Sidewalks/ Pathways	TC Pool	Parks/ Fields	TC Park	Town Hall	Funding Source	Comments
*	FY2024	Inverness Storm System Improvement	\$1,500,000							ARRA	This project is slated to be completed with the MUD's project for the same area.
*	FY2024	Inverness Street replacement Forest Hill to Indian Creek		\$1,500,000						Current Bond	This project is slated to be completed with the MUD's project for the same area.
	FY2024	TC Park Entrance						\$800,000		Current Bond/CIP Cash	This will be for a new gate system coming into the park, updating the guard shack, updating current restrooms and adding better parking areas.
	FY2024	Comprehensive Plan - Town							\$100,000	General Fund - Fund Balance	
	FY2024	Parks Master Plan					\$120,000			General Fund - Fund Balance	The last approved master plan was completed in 2008. This will update that plan and give the Parks and Rec. Dept. a blue print of what the priorities are for the park system.
	FY2024	Pickleball Courts					\$1,300,000			GF Fund Balance/Bond Funds/Parkland Dedication/HOT	The Town has approved \$330,000 from Parkland dedication funding. The additional funding will come from GF balance. \$500,000 for the first part of the build project.
	FY2024	Town Hall Entrance Covering							\$100,000	General Fund - Fund Balance	This will provide a cover for the front entrance to Town Hall to protect visitors from the sun and rain. Additionally this covered area will add a new posting board for council agendas.
	FY2024	Town Hall Rear Patio Covering							\$40,000	General Fund - Fund Balance	Rear break area cover.
	FY2024	Town Hall: Police Parking Lot							\$275,000	General Fund - Fund Balance	Covered area for Patrol Units and Lock up. This will provide covered parking for 16 parking spaces and a covered area off the building by the holding cell door.
	FY2024	Fire Department Portable Radios							\$100,000	General Fund - Fund Balance	Replacement of the Motorola 6000 portable radios with new 8000.
	FY2024	Police Department - Car Camera Systems							\$120,000	General Fund - Fund Balance	Patrol Unit Camera system replacements: This funding will replace the old camera systems with the new Motorola M500 systems. The current systems are 10 years old and outdated. Cost is for 8 camera systems installed.
	FY2024	Payment Kiosk at Town Hall							\$50,000	Fund Balance/ARRA/CARES	This is a payment kiosk for the parking lot of Town Hall, it would allow citation payments and possibly Parks & Rec membership payments and water utility payments. The City of Keller utilizes one of these so that they have a solution for citation payments in Town since they also outsource their court office to Colleyville. It is basically like a banks ATM but is used for accepting payments instead of dispensing funds.
	FY2024	School Zone Flashers			\$25,000					Fund Balance	School Zone flashers near high school crossing walk
	FY2024	IT Improvements							\$50,000	Fund Balance	Improvements/Upgrades recommended by NetGenius, once they have evaluated all of our equipment.
	FY2024	Street Lights - TC & Bobcat - Bobcat & Parkview - School exits - Marshall Creek		\$2,000,000							
	FY2024	Hogan's Glen Drainage	\$150,000							General Fund - Fund Balance - Storm Drainage	Trophy Club Dr/Bobcat: This project is partially funded by Denton County with a \$3,000,000 grant and the Town will fund the balance. (est. \$3,000,000.). For a total project cost estimate \$6 million.
	FY2024	Roundabout (Trophy Club Drive/Bobcat Blvd)		\$6,000,000						Grant Funds (\$3M)/Future CO Bond Funds (\$3M)	Trophy Club Dr/Bobcat: This project is partially funded by Denton County with a \$3,000,000 grant and the Town will fund the balance. (est. \$3,000,000.). For a total project cost estimate \$6 million.
	FY2025	TC Park improvements						\$4-5 million		Future CO Bonds	This will enhance the park for future recreational activities that will be part of the park master plan and also help increase the attendance at the park from the activities. Some of this could be expanded ATV courses, adding more bike/hiking trails, possible camp sites, bridges on trails, etc. It will also update current restroom facilities and picnic sites to be more inviting. This list could change depending on the results of the Park Master Plan.
*	FY2025	TC Baseball Fields					\$2-4 million			Future CO Bond/HOT	This will replace some current fencing that is not up to standards and add turf to the infields of the ballfields.
*	FY2025	Creekmere Dr. Street Replacement All of Creekmere Dr.		\$1,500,000						Future CO Bonds	This project is slated to be completed with the MUD's project for the same area.
*	FY2026	Forrest Hill Street Replacement Indian Creek to Fresh Meadow Ct.		\$1,500,000						Future CO Bonds	This project is slated to be completed with the MUD's project for the same area.
*	FY2026	Greenbriar Ct. Indian Creek to end of Ct.		\$500,000						Future CO Bonds	This project is slated to be completed with the MUD's project for the same area.
*	FY2026	Timberline Dr.		\$1,500,000						Future CO Bonds	This project is slated to be completed with the MUD's project for the same area.
	FY2027	Oakmont Drive		\$3,000,000						Future CO Bonds	This project is slated to be completed with the MUD's project for the same area.
	FY2027	Trophy Club Dr.		\$2,000,000						Future CO Bonds	
	FY2028	Palmetto		\$550,000						Future CO Bonds	
	FY2028	Roaring Creek Court		\$215,000						Future CO Bonds	
	FY2028	Woodlands Court		\$400,000						Future CO Bonds	
	FY2028	Paint Rock Court		\$250,000						Future CO Bonds	
	FY2028	Winding Creek Court		\$250,000						Future CO Bonds	
	FY2028	Durango and Parkview Area			\$150,000					Future CO Bonds	
	FY2028	Turnberry and Highlands Area			\$75,000					Future CO Bonds	
	FY2028	Town Hall Roof							\$450,000	General Fund - Fund Balance	Typical life expectancy +20 years, with routine annual maintenance
	FY2028	Town Hall RTUs (roof top units) three (3)							\$235,000	General Fund - Fund Balance	Typical life expectancy +15 years, with annual quarterly maintenance. Blower motors have been replaced on all 3 Town Hall RTUs
	FY2028	Splash Pad Resurfacing				\$50,000				General Fund - Fund Balance	
	FY2028	Main Pool Heaters								General Fund - Fund Balance	
	FY2028	Main Pool Diving Board								General Fund - Fund Balance	
	FY2028	Council Chambers remodel							\$120,000	General Fund - Fund Balance	Move walls behind Staff seating on both sides of podium, install lighting for council members to push when they would like to speak from dais.
	FY2028	Town Hall and PD Flooring/Carpet							\$175,000	General Fund - Fund Balance	Typical life expectancy 8-12 years

	FY2028	Town Hall Paint Interior/Exterior								\$120,000	General Fund - Fund Balance	Every 5 years					
	FY2028	Town Hall/PD add Gas Tankless Water Heaters								\$75,000	General Fund - Fund Balance	Currently water heaters are electric. Tankless (gas) will be more efficient in the long run.					
	FY2028	Streets and Parks Shop Remodel								\$95,000	General Fund - Fund Balance	Office space is not utilized. Remodel (including demo) and adding a second floor for storage. Project would add +900 sqft of storage.					
	FY2028	Streets/Parks add Storage Building 20x40								\$130,000	General Fund - Fund Balance	Needed for streets and parks department. Covered storage for equipment, materials, etc.					
	FY2028	Upgrade Town Crosswalk Flashers to 5g								\$200,000	General Fund - Fund Balance	Crosswalk software and hardware will need to be upgraded for better communication throughout town.					
	FY2028	Town Hall/PD Upgrade Card Readers								\$150,000	General Fund - Fund Balance	Card readers are 5 years old and need to be upgraded to the new software and electronic key cards					
		Totals	\$	1,650,000	\$	21,165,000	\$	250,000	\$	50,000	\$	1,420,000	\$	800,000	\$	2,585,000	



TOWN COUNCIL COMMUNICATION

MEETING DATE: December 11, 2023

FROM: Tammy Dixon, Town Secretary

AGENDA ITEM: Discuss and consider approval of the 2024 Town Council meeting dates.

BACKGROUND/SUMMARY:

Per the Town Charter, the Town Council shall hold at least two (2) regular meetings a month for at least seven (7) months and a minimum of one meeting during each of the other five (5) months, for a minimum of nineteen (19) regular meetings per year. The Town Council may hold as many other meetings as may be necessary for the transaction of the business of the Town. All regular meetings shall be held at the Municipal Building or at such other places within town limits as will permit the attendance of the general public.

The draft schedule includes two (2) regular meetings in February, April, May*, June, August, September, and October, and (1) regular meeting in January, March, July, November, and December. The Town Council Retreat is set for January 19th and 20th.

***May meetings:**

- If an election is held, the last day to canvass is May 15th (recommended by Denton County Elections). The first meeting in May could be moved to the 15th OR a special meeting could be held on the 15th to canvass. Per state law only two councilmembers are needed to qualify as a quorum to canvass.
- The 4th Monday is a holiday, meeting scheduled for 4th Tuesday.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT: N/A

LEGAL REVIEW: N/A

ATTACHMENTS:

Draft Calendar

ACTION/OPTIONS:

Discuss and consider approval of 2024 meeting dates.

DRAFT

Town of Trophy Club

2024 Town Council Meeting Schedule

January 2024						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2024						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

March 2024						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April 2024						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May 2024						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June 2024						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 2024						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August 2024						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2024						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2024						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2024						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 2024						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Regular Meetings
NISD Extended Holidays

Town Offices Close 1/2 Day
Town Offices Closed-Holidays

Agenda Item/Backup Deadline
Draft Agenda to due to Council

Date	Meeting Type	HARD deadline by 12 pm	Draft to Council	LAST DAY TO POST
1/8	Regular - 7 pm	12/29	1/3	1/5
1/19	RETREAT 1/2 day			1/12
1/20	RETREAT Full Day			
2/12	Regular - 7 pm	2/2	2/7	2/9
2/26	Regular - 7 pm	2/16	2/21	2/23
3/25	Regular - 7 pm	3/15	3/20	3/22
4/8	Regular - 7 pm	3/28	4/3	4/5
4/22	Regular - 7 pm	4/12	4/17	4/19
5/13	Regular - 7 pm	5/3	5/8	5/10
5/15	*Special Mtg to Canvass (if election is held)			
5/28	Regular - 7 pm	5/17	5/22	5/24
6/10	Regular - 7 pm	6/2	6/5	6/7
6/24	Regular - 7 pm	6/14	6/19	6/21
7/22	Regular - 7 pm	7/12	7/17	7/19
8/12	Regular - 7 pm	8/2	8/7	8/9
8/26	Regular - 7 pm	8/16	8/21	8/23
9/9	Regular - 7 pm	8/30	9/4	9/6
9/23	Regular - 7 pm	9/13	9/18	9/20
10/14	Regular - 7 pm	10/4	10/9	10/11
10/28	Regular - 7 pm	10/18	10/23	10/25
11/11	Regular - 7 pm	11/1	11/6	11/8
12/9	Regular - 7 pm	11/22	12/4	12/6

Hard deadline = Agenda Items Due. Software will be locked and no edits can be made, or new items added without notifying TMO/TSO

MAY MEETINGS

*If an election is held, last day to canvass is 5/15) The 1st meeting could be moved to the 15th OR a special meeting could be held on the 15th to canvass. (Per state law only 2 council members needed to qualify as a quorum to canvass)

*The 4th Monday is a holiday. Meeting set for 4th Tuesday

**Future Agenda Items
December 11, 2023**

Future Agenda Items have 3 Categories:

- 1 Council requested future agenda items that need to be addressed.
- 2 Researched agenda items that are scheduled to be reported to Council. (first 2-4 weeks)
- 3 Council requested items that need additional research and will be brought back for public discussion at a Council Meeting. For agenda items with significant research time Council will be updated.

The Future Agenda Items list will be attached to the Council Meeting agenda to provide Council with a status on all items. During Council meetings, the future agenda items will be reviewed and removed if completed or added if new agenda items need to be addressed. Footnotes may be added.

	Future Agenda Item	Request Day	Who Requested	Date of Last Action
1	Improvements at the existing Trophy Lake/Club Drive roundabout crosswalks.			
	The Town has received the original signage plan for the round-a-bout at Trophy Club Dr. and Trophy Lake. During the June 27th Council meeting, Councilmember Beach directed Director of Community Development Matt Cox to complete additional research on alternative options. Will be discussed in the November workshop.	8.9.22 1.10.23	CM Beach CM Beach	6.27.23 Added twice
2	Town staff to provide a plan of action for trash baskets in Town-Owned			
	Mayor Pro Tem Sheridan would like staff to prepare a plan of action to install trash collector baskets in storm drain inlets in the Town with a not to exceed amount of \$75,000. Also, provide a plan to have PD30 put in trash collector baskets when phase 3 begins. Interim Town Manager Arata discussed the item with the Finance subcommittee on June 27th.	6.13.23	MPT Sheridan	6.27.23
3	Bobcat roundabouts.			
	On August 25, 2020, Mayor Pro Tem Philip Shoffner added the Traffic Mitigation future agenda item. This item was removed from future agenda items on January 10, 2023. On August 18, 2023, Interim Town Manager Patrick Arata added the roundabouts back to the future agenda item. A workshop for the roundabouts was held on November 13, 2023. A plan to continue the conversation at the January Council retreat was recommended, with further discussions on addressing issues brought up by the community, and cost.	8.18.23 8.25.20 8.28.23	Interim TM Arata MPT Shoffner MPT Sheridan	8.18.23 1.10.23 11.13.23
4	EDC 4B Articles of Incorporation Statement Repeal.			
	Mayor Pro Tem Sheridan would like to amend the EDC Articles of Incorporation Article Eight, Board of Directors, to repeal the statement, "No more than two (2) members of the board of directors shall be members of the Town Council."	11.13.23	MPT Sheridan	11.13.23