



**REGULAR MEETING
RIVERBEND WATER RESOURCES DISTRICT
PUBLIC NOTICE OF BOARD OF DIRECTORS' MEETING
WEDNESDAY, APRIL 22, 2020
12:00 P.M.
228 TEXAS AVENUE, SUITE A, NEW BOSTON, TX 75570**

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of the Riverbend Water Resources District will conduct a meeting; open to the public, on Wednesday, April 22, 2020, at 12:00 p.m.

This will be a virtual meeting conducted online via GoToMeeting. Persons wishing to attend the meeting can call toll free 1-866-899-4679 and enter the access code of 817-288-253. To join the meeting via video, please follow this link: <https://www.gotomeet.me/BeckyMelton/rwrd-board-meeting-april-22-2020>. The Board meeting agenda can be found at www.rwrd.org.

The Board of Directors is authorized by the Texas Open Meetings Act to convene in closed or executive session for certain purposes. These purposes include receiving legal advice from its attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); discussing security personnel or devices (Section 551.076); or discussing economic development matters (Section 551.087). If the Board of Directors makes a determination to go into executive session on any item on this agenda, the Presiding Officer will announce that an executive session will be held and will identify the item to be discussed and provision of the Open Meetings Act that authorizes the closed or executive session.

A G E N D A

- I. CALL TO ORDER & ROLL CALL
- II. INVOCATION & PLEDGE
- III. PUBLIC COMMENTS

The Board of Directors allows individuals to speak to the Board. Prior to the meeting, speakers must sign in on the public comment sheet. The time limit is five (5) minutes per speaker, subject to the provisions set forth under Section 551.007 of the Texas Government Code.



IV. CONSENT AGENDA ITEMS

- A. Discussion and possible action regarding February 19, 2020 Regular Meeting minutes.

V. REPORTS

- A. Discussion and possible action regarding activities with Sulphur River Basin Authority.
- B. Discussion and possible action regarding activities with TexAmericas Center.
- C. Discussion and possible action regarding activities with REDI.

VI. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

The Board of Directors will consider, discuss, and if appropriate, take action on the following item(s):

- A. Discussion and possible action regarding approval of a resolution allowing Oak Grove Water Supply Corporation to become a full member of Riverbend Water Resources District.
- B. Discussion and possible action regarding approval of a resolution reviewing and approving updates to the Investment Policy & Strategies.
- C. Discussion and possible action regarding a presentation on the recent retail rate study conducted by Chris Ekrut with NewGen Strategies.
- D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to execute an interlocal agreement with TML Health Benefits Pool to provide employee health and life insurance benefits.
- E. Discussion and possible action regarding approval of a resolution approving amendments to the FY 2019-2020 Administrative Member Fund Budget and the 2019-2020 Wet Utilities Budget.
- F. Discussion and possible action regarding approval of a resolution approving the second quarter FY 2019-2020 Financial Statements.
- G. Discussion and possible action regarding approval of a resolution approving the second quarter FY 2019-2020 Investment Report.



- H. Discussion and possible action regarding Wright Patman Lake and various regional water issues, including activities in the Arkansas and Texas Legislatures.

VII. REPORTS

- A. Board Members
- B. Executive Director/CEO

VIII. EXECUTIVE SESSION

The Board of Directors is authorized by the Texas Open Meetings Act to convene in closed or executive session for certain purposes. These purposes include receiving legal advice from its attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); discussing security personnel or devices (Section 551.076); or discussing economic development matters (Section 551.087). If the Board of Directors makes a determination to go into executive session on any item on this agenda, the Presiding Officer will announce that an executive session will be held and will identify the item to be discussed and provision of the Open Meetings Act that authorizes the closed or executive session.

IX. NEXT REGULAR MEETING

Riverbend Regular Meeting, May 27, 2020 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, Texas 75570.

X. ADJOURNMENT

Kyle Dooley

Kyle Dooley, Executive Director/ CEO
Riverbend Water Resources District

*Persons with disabilities who plan to attend the RWRD Board of Directors' meeting and who may need auxiliary aids or services are requested to contact the RWRD Administrative Offices at (903) 831-0091, as soon as possible. All reasonable efforts will be taken to make the appropriate arrangements.

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**CONSENT AGENDA ITEM IV. A.
February 19, 2020
Regular Meeting Minutes**

**Regular Called Meeting
Riverbend Water Resources District
Board Meeting Minutes
February 19, 2020
228 Texas Avenue, Suite A, New Boston, Texas 75570**

M I N U T E S

I. Call to Order, Roll Call, and Establishment of Quorum and Certification of Notice

Pursuant to a notice posted on the District website, the Chair, Sonja Hubbard, President of the Board, called the meeting to order at 12:02 p.m.

Directors Present:

Sonja Hubbard, President
Tina Veal-Gooch, Vice President
Van Alexander, Treasurer
Marshall Wood, Secretary
Fred Milton, Past President

Directors Absent:

None

Administration Present:

Kyle Dooley, Executive Director/CEO
Eli Hunt, Operations Manager
Tara Houck, Chief Financial Officer
Becky Melton, Executive Assistant/HR Manager

Public Present:

Please see the attached list for additional guests.

II. Invocation & Pledge

Sonja Hubbard led the invocation and the pledge of allegiance.

III. Public Comments

None.

IV. Consent Agenda Items

Item IV.A. was considered under a Consent Agenda for one single motion of approval.

A. Discussion and possible action regarding January 22, 2020 Regular Called Meeting Minutes.

A single motion was made by **Marshall Wood** and seconded by **Van Alexander** to approve the Consent Agenda Items as listed above. The motion passed unanimously.

V. Regional Entity Reports

A. Discussion and possible action regarding activities with Sulphur River Basin Authority (SRBA).

No report.

No action taken.

B. Discussion and possible action regarding activities with TexAmericas Center (TAC).

Scott Norton thanked Riverbend for all their support.

No action taken.

C. Discussion and possible action regarding activities with Ar-Tex REDI.

Sonja Hubbard provided information on REDI procuring land for development. Miller County and the City of Texarkana, Arkansas have agreed to fund that purchase. They are doing the same on the Texas side in Bowie County.

No action taken.

VI. Agenda Items for Individual Consideration

A. Discussion and possible action regarding acknowledging the completion and submission of the update to the Sulphur River Basin Water Availability Model as conducted and submitted by Robert J. Brandes Consulting.

Kyle Dooley provided that the update was completed by Bob Brandes. Mr. Brandes submitted it to the Texas Commission on Environmental Quality (TCEQ). Dawn Pilcher of LJA Engineering provided a summary of the information updated in the Water Availability Model (WAM). Ms. Pilcher stated that, since the original Water Availability Model was completed, Texas has experienced another round of significant, widespread droughts in various regions. In order to capture and evaluate recent events, TCEQ has begun extending WAM updates to stretch the current period of record through 2017.

A motion was made by **Van Alexander** and seconded by **Fred Milton** to approve **RESO 20200219-01** acknowledging the completion and submission of the update to the Sulphur River Basin Availability Model. The motion passed unanimously.

B. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to execute an interlocal agreement(s) for risk management insurance with the TWCA Risk Management Fund.

Kyle Dooley provided that this is the annual renewal of the agreement with TWCA RMF for worker's compensation and risk management insurance.

A motion was made by **Marshall Wood** and seconded by **Tina Veal-Gooch** to approve **RESO 20200219-02** authorizing the Executive Director/CEO to execute a renewal agreement for risk management services with TWCA RMF. The motion passed unanimously.

C. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to enter into negotiations with an engineering firm for water tower rehabilitation design as well as location selection for a new chlorine injection station.

Kyle Dooley provided that there are a couple of projects on the Red River Army Depot Capital Improvement Project list that will need to be completed this year. One of them is the rehabilitation of a water tower on James Carlow Drive and the other is a study to discover the optimal location for a chlorine injection station. Mr. Dooley stated that the firm(s) chosen for these projects will be selected from the Engineering Master List created in November 2018. The negotiated contracts will be approved by counsel and the Board.

A motion was made by **Fred Milton** and seconded by **Marshall Wood** to approve **RESO 20200219-03** authorizing the Executive Director/CEO to enter into negotiations with an engineering firm for water tower rehabilitation design as well as location selection for a new chlorine injection station. The motion passed unanimously.

D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to enter into an agreement with TexAmericas Center and the City of New Boston, Texas regarding services provided to the West Campus of TexAmericas Center.

Kyle Dooley provided information on the needed infrastructure to provide water or wastewater services to the West Campus of TexAmericas Center (TAC). The West Campus is inside Riverbend's Certificate of Convenience and Necessity (CCN) however, Riverbend does not currently have any infrastructure in that area. This agreement allows for cooperation between Riverbend and the City of New Boston should a tenant in this area need services and Riverbend is unable to or declines to provide the service. This agreement will merely allow the City of New Boston to provide needed services in the event that Riverbend is unable to do so in a timely manner for the incoming tenant. Marshall Wood did ask to be sure that allowing this to happen will not affect the validity of Riverbend's CCN nor will it hinder Riverbend from becoming the service provider for that area in the future.

A motion was made by **Marshall Wood** and seconded by **Tina Veal-Gooch** to approve **RESO 20200219-04** authorizing the Executive Director/CEO to enter into an agreement with TexAmericas Center and the City of New Boston, Texas regarding

services provided to the West Campus of TexAmericas Center. The motion passed unanimously.

E. Discussion and possible action regarding Wright Patman Lake and various regional water issues, including activities in the Arkansas and Texas Legislatures.

Kyle Dooley provided that in late January staff received word that there has been some positive movement with regards to the contributed funds agreement with the US Army Corps of Engineers (USACE). There had been word that Secretary R.D. James had sent congressional letters to the Chairmen of the House and Senate appropriations committees notifying them of his intent to sign the contributed funds agreement to perform the cultural resources study required to implement the end-state contract. In February an email from Kathy Spillane confirmed that those letters had been sent but to date there had been no response from the committees. Negotiations on this agreement can begin but finalizing and signing them is contingent on getting positive responses back from those committees. Ms. Spillane is working on scheduling a meeting with Riverbend representatives and the USACE to begin contract negotiations.

No action taken.

VIII. Executive Session

The board stood at ease beginning at 12:32 p.m.

The board reconvened in Executive Session at 12:35 p.m. with quorum pursuant to sections 551.071 and 551.072 of the Texas Open Meetings Act.

The board came out of Executive Session at 1:08 p.m.

The board reconvened with quorum at 1:09 p.m.

VII. Riverbend Reports

A. Board Members

Fred Milton provided information on the upcoming Region D meeting to be held on Wednesday, February 26th at the Region 8 Education building in Pittsburg, Texas. They will be discussing Chapter 6 of the Initially Prepared Plan (IPP). At the last meeting, there were significant comments voicing their concern about new projects upstream in Region D solely in support of Region C. There will be a vote on the IPP next week. Mr. Milton will not be in attendance and is permitted to appoint an alternate to cast a vote in his name. No action taken.

B. Executive Director/CEO

Kyle Dooley provided information on the new water facility and the SRF Application. The Texas Water Development Board (TWDB) is still planning to vote on our application on March 26, 2020.

The water rights application is still being reviewed. In response to a request for more information, Riverbend sent a packet of the requested information in mid-January. There has been no update since TWDB received the packet.

There will be a meeting to discuss the draft Water Supply Contracts. It will either be on Monday, February 24, or Tuesday, February 25 between the City of New Boston and those cities represented by Jason Hill. Those cities are Hooks, Avery, De Kalb, Wake Village, and Nash. They are meeting to discuss Section 13 of the contract which references the cities' pro-rata share of the water system after the debt is paid off. This section of the new contract is very similar to what was written in the original 1969 contracts. The improvements would be Riverbend's until the debt is paid off. At that time each entity would be able to request an undivided interest in the system that is proportionate to the percentage of the debt that was paid by the entity. The other option is that Riverbend will own the entire system once the debt is paid off. Once they decide how they would like to this section to read, the contract can be finalized and signed. This is the most important item to discuss regarding the new water supply contract.

The technical amendment to the original water supply contracts between the Texarkana Water Utilities (TWU) and the member cities is still under review by counsel for the member cities. This is a technical amendment to the original contract between Texarkana and the original 7 member cities. TWU shared a copy of a letter with Mr. Dooley from TCEQ that stated they are in violation of an agreed order with TCEQ and they have until February 25, 2020 to get documentation back to TCEQ to verify they are now in compliance with that agreed order. This violation stems from an inspection done on the main line down Highway 82 determining that instead of a Transmission Line, it should be classified as a Distribution Line. The new classification deems that a nitrification action plan as well as a monitoring plan must be in place. Because of how the Point of Delivery is defined in the current water supply contracts, TCEQ will now look at the ground storage tanks inside each city as part of TWU's distribution system. That means that each city will lose credit for the capacity of the ground storage tanks in their system and each city will now have to remove their pumps from the storage tanks because the owner of the distribution system (TWU) is the only entity permitted to have pumps on those tanks. A solution is to change the definition of the Point of Delivery in the original contract. Currently the Point of Delivery is on the downstream end of the tank. The new definition would put it at the meter which is just before the tank. This would satisfy the agreed order with TCEQ. Nothing else in the contract will change. No requirements or responsibilities to the member cities would change. TWU is up against a hard deadline. This documentation is due on Monday and, as of today, they are still working out the language of the amendment. If it is finalized, it can be turned around very quickly and TCEQ will be satisfied.

TWCA Annual Conference is March 4th through the 6th in Fort Worth. Sonja Hubbard and Fred Milton are planning on attending with Kyle. Texas Water Days in Washington D.C. is March 24th through the 26th. Sonja Hubbard and Fred Milton are attending with Kyle.

No action taken.

IX. Next Riverbend Meetings

Please note the deviation from the posted Riverbend Calendar:

Riverbend Regular Meeting, Wednesday, March 18, 2020 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, Texas 75570.

X. Adjournment

With no additional business to be discussed, a motion was made by **Marshall Wood** and seconded by **Van Alexander** to adjourn the meeting at 1:47 p.m. The motion passed unanimously.

The minutes of Riverbend Water Resources District Board of Directors meeting, February 19, 2020 were read and approved on the _____ day of _____, 2020.

Sonja Hubbard, President

Attest:

Kyle Dooley, Executive Director/ CEO

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM VI. A.
RWRD RESO 20200422-01
Oak Grove Water Supply Corporation
Membership into Riverbend**



RIVERBEND RESOLUTION 20200422-01

A RESOLUTION BY THE BOARD OF DIRECTORS OF RIVERBEND WATER RESOURCES DISTRICT TO ACCEPT OAK GROVE WATER SUPPLY CORPORATION'S PETITION FOR MEMBERSHIP AND NEGOTIATE AN AGREEMENT FOR SERVICES WHEREBY OAK GROVE WATER SUPPLY CORPORATION SHALL THEREIN AFTER BE DESIGNATED AS A MEMBER OF RIVERBEND WATER RESOURCES DISTRICT.

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, by way of correspondence dated March 4, 2020, the president of Oak Grove Water Supply Corporation, hereinafter ("OGWSC"), petitioned Riverbend Water Resources District for membership in the district as provided under Texas Special District Local Laws Code § 9601.005(b) as amended by the 2019 Regular Session of the 86th Legislature; and

WHEREAS, OGWSC desires to procure certain services from Riverbend Water Resources District in exchange for its participation in funding the development of Riverbend Water Resources District projects as a member of the district.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RIVERBEND WATER RESOURCES DISTRICT:

1. That the District, giving due consideration toward OGWSC's petition for membership, hereby accepts said petition finding the request for membership to be in compliance with its enabling statute, specifically Texas Special District Local Laws Code § 9601.005(b) as amended by the 2019 Regular Session of the 86th Legislature.
2. That OGWSC, as a member of the district, will become eligible to receive certain services from Riverbend Water Resources District in exchange for an agreement to participate in the funding of the development of Riverbend projects.
3. That the District's Executive Director/CEO be and is hereby designated as the authorized representative of Riverbend Water Resources District for purposes of negotiating an agreement between Riverbend Water Resources District and OGWSC whereby OGWSC, as a member of the district, will participate in the funding of the development of Riverbend projects in exchange for certain services to be provided by Riverbend Water Resources District.



4. That the District's Executive Director/CEO is hereby designated to negotiate an agreement with OGWSC having the same or similar materials terms outlined in the Interlocal Cooperation Agreement between the Central Bowie Water Supply Corporation and Riverbend Water Resources District bearing an effective date of October 22, 2019, a copy of which is attached hereto.
5. That upon the effective date of the agreement between Riverbend Water Resources District and OGWSC, then OGWSC shall become and thereafter designated as a member of the district as provided under § 9601.005(b) of the Texas Special District Local Laws Code, subject to the provisions of Riverbend Water Resources District's enabling statute as fully set forth under Chapter 9601 of the Texas Special District Local Laws Code.

PASSED AND APPROVED, this the 22nd day of April 2020.

Sonja Hubbard, President, President

ATTEST:

Marshall Wood, Secretary, Secretary

Attached: Oak Grove Water Supply Corporation Membership Petition and Draft Contract

Oak Grove Water Supply
904 W. Front St.
De Kalb, TX 75559
ogwsc1@gmail.com

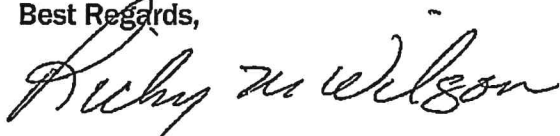
March 5, 2020

Riverbend Water Resources District
228 Texas Ave., Suite A
New Boston, TX 75570

Subject: Membership

1. At the January 14, 2020 meeting of the Directors of Oak Grove Water Supply Corporation a Resolution was discussed to join Riverbend Water Resources District. In the resolution Oak Grove Water Supply Corporation requested to become a member of Riverbend.
2. At the February 13, 2020 meeting of the Directors of Oak Grove Water Supply Corporation a motion was made by Mr. Rachel Slider for Oak Grove Water Supply Corporation to formally petition Riverbend Water Resources District to become a member of the District by way of this letter. The motion was seconded by Mr. Danny House. The motion carried. The vote was 6 Yeas, 0 Nay, with one director not in attendance.
3. Thank you for your consideration.
4. If you have any questions please contact Ricky M. Wilson at 903/667-0344.

Best Regards,

A handwritten signature in cursive script that reads "Ricky M. Wilson".

Ricky M. Wilson
President

Member Agreement

This Member Agreement, hereinafter ("Agreement"), is entered into by and between Central Bowie County Water Supply Corporation, hereinafter ("CBCWSC"), a not-for-profit water supply corporation duly incorporated under the laws of this state and operating under Chapter 67 of the Texas Water Code, and Riverbend Water Resources District, hereinafter ("Riverbend"), a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas.

Recitals

WHEREAS, Riverbend is a local governmental entity and political subdivision of the state of Texas, created by the Texas Legislature under the authority of the Texas Constitution, CBCWSC deems it appropriate for Riverbend to establish and/or maintain contact with various federal and state governmental entities or agencies or political subdivisions on CBCWSC's behalf with respect to water supply and conservation, among other purposes; and

WHEREAS, CBCWSC desires to procure certain services from Riverbend and participate in the funding of the development of Riverbend projects as a member of the district in exchange for a specified fee and dollar-for-dollar credit towards participation in future water purchase should Riverbend develop such capability, and Riverbend is willing to provide such services and agree to such credits.

NOW THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements contained herein, CBCWSC and Riverbend hereby agree as follows:

1. Term

- 1.1 *Initial Term.* This Agreement is for a five-year term, commencing on the Effective Date of this Agreement.
- 1.2 *Renewal Term.* This Agreement shall automatically renew for subsequent, one-year terms, unless terminated pursuant to Section 7 of this Agreement.

2. Membership in District

As reflected in the minutes of the Riverbend Board of Directors on the 14th day of August 2019, upon the Effective Date of this Agreement and thereafter CBCWSC shall become a member of the district subject to the provisions of Riverbend Water Resources District's enabling statute as fully set forth under Chapter 9601 of the Texas Special District Local Laws Code.

3. Riverbend's Services

Schedule of Services. Riverbend agrees to perform services on behalf of CBCWSC as set forth in Schedule A to this Agreement, incorporated herein by reference for all purposes.

4. CBCWSC's Advances and Credits

- 4.1 *Advances.* For each year during the term of the Agreement, CBCWSC shall pay or otherwise dedicate funds to the operation of Riverbend pursuant to Section 4, ("Advances"). These Advances shall be used by Riverbend for any costs, fees, or expenses, including internal costs, as permitted by law and Riverbend's enabling legislation.
- 4.2 *Credits.* If Riverbend develops a project with capability of providing **potable water** to CBCWSC ("Project"), then the amount of Advances made by CBCWSC shall be exchanged by CBCWSC, without interest, penalties, or fees, in the form of a water purchase credit for the purchase of water ("Credits") from Riverbend. Each one dollar in Advances shall be exchanged for one dollar in Credits that Riverbend shall accept for the purchase of water. The price of water provided by Riverbend shall be based on cost as determined outside of the terms of this Agreement. Credits will be available for use after cost is determined and execution of any contract that specifies the price of water from Riverbend and immediately following the development, construction, and operation of Riverbend's Project.
- 4.3 *Use of Credits.* On or before July 1 of each year after Riverbend's Project is completed and operational, CBCWSC shall provide Riverbend written notice of the intent to use available Credits and the amount of available Credits proposed to be used during the upcoming budget year. Credits may not be transferred, assigned, or otherwise sold without the agreement of Riverbend. CBCWSC and Riverbend agree that Riverbend may limit the amount of Credits accepted to maintain adequate funds necessary for its day-to-day operations, and the pro-rata percentage of such limitation, as determined by Riverbend's Board of Directors.
- 4.4 *Failure to Construct Project.* The parties understand that should certain outside influences beyond Riverbend's control, such as environmental circumstances, denial of water permit, or failure to obtain necessary funding, prohibit Riverbend in proceeding with the Project, Riverbend shall have no liability to refund any Advances made by CBCWSC. However, if Riverbend decides, within five (5) years of the Effective Date of this Agreement, that it does not wish to develop, construct or operate the Project,

other than the reasons stated in the preceding sentence, Riverbend shall repay Advances made by CBCWSC, together with any interest at the Federal Reserve Bank of New York prime rate minus one percent (1%) as posted on the date of the advance. Riverbend may make the repayment over a ten (10) year period in equal annual installments from its budgeted available revenues. Upon the refund of all advances, Riverbend will have no further obligation to CBCWSC.

- 4.5 *No Obligation to Develop Project/Price of Water Not Established.* Nothing in this Agreement, nor any payment of Advances or issuance of Credits, shall (a) obligate Riverbend to develop, construct, or operate the Project or any portion thereof, or (b) be construed as establishing the price of water. If the Project is developed and constructed, Riverbend shall prepare water purchase agreements that will set the price of water based on actual cost plus any reasonable charges necessary for the proper operation, maintenance and improvements necessary to operate the Project. The water purchase agreements will establish the amount of water based on the percentage of participation in advanced funding of Riverbend's annual budget and stipulate the maximum number of Credits available for use by CBCWSC for a budget year.

5. CBCWSC's Fee to Riverbend

- 5.1 In consideration of the Credits set forth in Section 4 of this Agreement, and in consideration for Riverbend's services to be provided pursuant to Section 3 of this Agreement, CBCWSC agrees to pay or dedicate to Riverbend the following fee, pro-rated on a monthly basis:

FEE COMPONENT (expressed in U.S. cents) per 1,000 gallons of potable water processed through "COMPANY facilities", that CBCWSC purchases from the City of Texarkana, Texas.

For the first year of this agreement, the FEE COMPONENT shall be fixed at \$0.045. For subsequent years under this Agreement, the FEE COMPONENT may be increased or decreased as determined during the "true-up" process.

- 5.2 "COMPANY facilities", as that term is used in section 5.1, incorporates herein by reference Schedule A of the 1969 "Water Supply System Sale-Purchase-Financing Agreement" between Lake Texarkana Water Supply Corporation and the City of Texarkana, Texas, and shall have the same meaning as that term is used in the 1969 water supply contracts with

6. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Agreement:

- 6.1 for CBCWSC, its President; and
- 6.2 for Riverbend, its Executive Director/CEO

7. Termination

The Agreement may be terminated as follows:

- 7.1 by mutual agreement of the parties;
- 7.2 by either CBCWSC or Riverbend, upon notice to the other party of one (1) year prior to the effective date of termination;
- 7.3 by CBCWSC, upon failure of Riverbend to perform any of its obligations under the Agreement, such failure not being cured by Riverbend within sixty (60) days following CBCWSC giving Riverbend written notice of CBCWSC's intent to terminate the Contract; or
- 7.4 by Riverbend, upon failure of CBCWSC to perform any of its obligations under the Agreement, such failure not being cured by CBCWSC within sixty (60) days following Riverbend giving CBCWSC written notice of Riverbend's intent to terminate the Contract.

8. Miscellaneous Provisions

- 8.1 Assignment: This Agreement shall be for the sole and exclusive benefit of Riverbend and CBCWSC and is not intended to confer any benefit or right upon any other parties or parties not expressly provided herein. This Agreement shall not be assigned by CBCWSC to any other party without the prior written consent of Riverbend.
- 8.2 Authority: The individuals executing this Agreement on behalf of Riverbend and CBCWSC are duly authorized by their respective organizations to enter into this Agreement and are acting on behalf of said entities in signing this document. In entering into this Agreement CBCWSC verifies that it (i) does not boycott Israel; and (ii) will not boycott Israel during the term of the Agreement as prohibited under section 2270.002 of the Texas Government Code.

- 8.3 Applicable Law: This Agreement shall be governed by and construed in accordance with the laws of the state of Texas, and Riverbend and CBCWSC consent to the jurisdiction of the state district courts serving Bowie County, Texas over all matters relating to this Agreement. As a condition precedent to any legal action, Riverbend and CBCWSC jointly agree to submit any such disputes to mediation in the event the parties are unable to amicably resolve their differences. Each party shall bear its own costs associated with any such alternative dispute resolution.
- 8.4 Legal Construction: Nothing in this Agreement is intended to waive any governmental immunity available to Riverbend under Texas law.
- 8.5 Enforceability/Severability: If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.
- 8.6 Entire Agreement/Modification: This Agreement constitutes the entire understanding and agreement between Riverbend and CBCWSC regarding the subject-matter set forth herein and it supersedes all prior agreements whether oral or written between the parties hereto with respect to the subject-matter of this Agreement. This Agreement may not be modified except by a subsequent written agreement signed by both parties.
- 8.7 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be an original, but which together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers with an effective date, ("Effective Date"), as of the date of the last signature affixed hereto:

CBCWSC:

By: _____

Date: _____

ATTEST:

Riverbend Water Resources District:

By: _____

Date: _____

ATTEST:

Schedule A

Services to be provided by Riverbend under this Agreement shall include the following:

1. Acting as CBCWSC's agent in coordination with CBCWSC's board and the City Manager of Texarkana, Texas in the following matters:
 - a. negotiating with the United States Army Corps of Engineers regarding contractual rights and responsibilities with respect to the entire pool in the Lake Wright Patman Reservoir;
 - b. securing water permits and permissions from the Texas Water Development Board, Texas Commission on Environmental Quality, and any other state or federal agency, with respect to the entire pool in the Lake Wright Patman Reservoir, corresponding with item 1(a), above;
 - c. negotiating with governmental entities or political subdivisions outside of Texas Regional Water Planning Group - Region D regarding the purchase of water in the Lake Wright Patman Reservoir, corresponding with items **1(a)** and 1(b), above; and,
 - d. attendance at and participation in state and regional water planning and development meetings.

The term "coordination" as used in this Section 1 shall include the following:

- Notifying the Texarkana, Texas Mayor and CBCWSC President in advance of any meetings or engagements which correspond with items 1(a), 1(b), 1(e), or 1(d), that Agent intends to either attend or participate in, so as to facilitate CBCWSC attendance; and regardless of CBCWSC attendance, submitting a written summary of such meetings or engagements to the Mayor and CBCWSC President, detailing any tasks or commitments Agent proposes or recommends for CBCWSC.
- Submitting a monthly status report to the Texarkana, Texas City Council on all major efforts which correspond with items 1(a), 1(b), 1(e), or 1(d), including securing water rights, providing water resources to the region, funding of recommended goals and efforts (including identification of revenues, sources of revenue, and expenditures), and defining any impediments towards achieving the recommended goals and efforts.

Agent shall have no authority to bind the CBCWSC or the CBCWSC board on any matter. The City Council may revoke this Section 1 at any time with or without cause.

2. Supervising performance of 1969 water supply contracts and any extensions/amendments thereto.

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM IV. B.
RWRD RESO 20200422-02
Investment Policy**



RIVERBEND RESOLUTION NO. 20200422-02

**AUTHORIZING THE APPROVAL OF THE INVESTMENT POLICY AND STRATEGIES
OF THE RIVERBEND WATER RESOURCES DISTRICT**

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas;

WHEREAS, the Public Funds Act of Texas (the "Act") as amended, requires the Board of Directors of the Riverbend Water Resources District to annually review its Investment Policy and Strategies; and

WHEREAS, Riverbend Water Resources District has reviewed and approved its Investment Policy and Strategies on an annual basis beginning April 13, 2016; and

WHEREAS, Riverbend Water Resources District desires to review and update accordingly, its policies and procedures regarding the principles and criteria involved in the handling of district investments; and to make readily available these policies and procedures to the public in written form; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Riverbend Water Resources District, after its annual review, hereby adopts this Investment Policy and Strategies dated April 22, 2020.

PASSED and APPROVED this 22nd day of April 2020

Sonja Hubbard, President

ATTEST:

Marshall Wood, Secretary

Attached: Investment Policy and Strategies, dated April 22, 2020

Riverbend Water Resource District

Investment Policy and Strategies

April 22, 2020

Scope

This Investment Policy and Strategies shall govern the investment of all financial assets of the Riverbend Water Resources District (“RWRD” or the “District”). These funds are accounted for in the District's Financial Statements.

Prudence

Investments shall be made with judgment and care — under circumstances then prevailing — which a person of prudence, discretion and intelligence exercises in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of his or her capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officer(s) acting in accordance with written procedures and the Investment Policy and Strategies and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the official had responsibility rather than consideration as to the prudence of a single investment and, whether the investment decision was consistent with the District's Investment Policy and Strategies and written investment procedures.

Objectives

It is the policy of the District that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with state and federal regulations, applicable bond resolution requirements, and this adopted Investment Policy and Strategies.

- A. In accordance with the Public Funds Investment Act (the “Act”), the following prioritized objectives (in order of importance in accordance with Section 2256.005(d) of the Act), apply for each of the District's investment strategies:

- B. Suitability* — It is important to understand the suitability of the investment to the financial requirements of the District. Only eligible investments listed in the Investment Policy and Strategies are suitable for District funds.
- C. Safety* — Preservation and safety of principal are also of importance. All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur, however managing the weighted average days to maturity for each fund type as specified will minimize these fluctuations.
- D. Liquidity* — To enable the District to meet operating requirements that might be reasonably anticipated, the District's investment portfolio must maintain a sufficient level of liquidity. This shall be achieved by matching investment maturities with forecasted cash flow requirements, by maintaining at least 5% of the District's funds in overnight investments and by investing in securities with active secondary markets. Short-term investment pools and money market mutual funds provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
- E. Marketability* — Securities with active and efficient secondary markets are necessary in the event of unanticipated cash requirements. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.
- F. Diversification* — Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the district. Diversifying the appropriate maturity structure will reduce market cycle risk. Also, restricting the sum of investments purchased from certain issuers will reduce the credit risk exposure of the portfolio.
- G. Yield* — Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month treasury bill portfolio shall be the minimum yield objective or "benchmark". A secondary objective will be to obtain a yield equal to or in excess of a local government investment pool, money market mutual fund or average Federal Reserve discount rate.

The first measure of success in this area will be the attainment of enough income to offset inflationary increases. Even though steps will be taken to obtain this goal, the Investment Officer(s) shall constantly be cognizant of the standard of care and the investment objectives pursuant to the provisions of the amended Act, Section 2256.006(a).

The Investment Officer(s) shall avoid any transactions that might impair public confidence in the District's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate

diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

I. Investing Strategies

Each major fund type has varying cash flow requirements and liquidity needs. Therefore, specific strategies shall be implemented considering the individual fund's unique requirements and the following shall be considered separate investment strategies for each of the funds mentioned below. District funds shall be analyzed and invested according to the following major fund types:

- A. *Operating Funds* — Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to structure a portfolio, which will minimize volatility during economic cycles. This may be accomplished by purchasing high quality, short-term securities, which will complement each other in a laddered maturity structure. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each security.
- B. *Debt Service Funds* — Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each security.
- C. *Debt Service Reserve Funds* — Investment strategies for debt service reserve emergency and contingency funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities with stated final maturities not exceeding five (5) years and a weighted average maturity not to exceed 730 days. Volatility shall be further controlled through the purchase of securities carrying the highest coupon available, within the desired maturity and quality range, without paying a premium, if at all possible. Such securities will tend to hold their value during economic cycles.
- D. *Construction and Special Purpose Funds* — Investment strategies for construction projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date. A dollar weighted average maturity of

180 days or less will be maintained and calculated by using the stated final maturity of each security.

II. Delegation of Authority and Training

Unless already specified by law, the District must select at least one Investment Officer to be responsible for the investment of the funds. This must be done by rule, order, ordinance, or resolution, as appropriate. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the District. Therefore, it is recommended to designate as Investment Officer(s) those positions responsible for making investment decisions. Authority granted is effective until rescinded by the District, or until that person's employment is terminated.

Pursuant to Section 2256.005 Subsection (f) of the Act, RWRD designates the Chief Financial Officer as an Investment Officer, a primary individual who shall be involved in investment activities to perform and execute the duties as required by the general laws of the state of Texas under oversight by the Executive Director/CEO.

Accordingly, the Investment Officer(s) of the District for the purposes of Section 2256.008 of the Act, and for the purposes of Section 49.1571 of the Texas Water Code shall receive at least 6 hours of training relating to their responsibility under the Act within 12 months after assuming duties. In addition, the Investment Officer(s) are required to receive 4 hours of applicable training every two years. These sessions must be completed no less often than once every two fiscal years commencing September 30, 2011 and the financial officers shall receive not less than 4 hours of instruction relating to investment responsibilities. The training must include education in investment controls, security risks, strategy risks, market risks, diversification and compliance with the Act. The investment training session shall be provided by an independent source approved by the investment committee. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the District may engage in an investment transaction. Thus, these independent sources will be training sessions sponsored by Government Treasurer's Organization of Texas, University of North Texas, Government Finance Officers Association of Texas.

The Investment Officer(s) shall establish written procedures for the operation of the investment program, consistent with this Investment Policy and Strategies. Such procedures shall include any explicit delegation of authority to the individual(s) responsible for investment transactions. No person(s) may engage in investment transactions, except as provided under the terms of this Investment Policy and Strategies and the procedures established by the District.

III. Ethics and Conflicts of Interest

The Public Funds Investment Act includes ethics and conflicts of interest provisions. The Investment Officer(s) and employee(s) involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Investment Officer(s) and employee(s) involved in the investment process shall sign annual statements agreeing to abide by this section of the Investment Policy and Strategies and affirming no known conflicts of interest. The Investment Officer(s) and employee(s) involved in the investment process must file a disclosure statement with the Texas Ethics Commission and the District, if the Investment officer(s) or employee(s) has/have a personal business relationship with a business organization offering to engage in an investment transaction with the District.

An investment officer or employee involved in the investment process has a personal business relationship with a business organization if:

- a. The investment officer owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- b. Funds received by the investment officer from the business organization exceed 10% of the investment officer's gross income for the prior year; or
- c. The investment officer has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the investment officer.

In addition, any investment officer or employee who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment to the District must file a statement disclosing that relationship with the Texas Ethics Commission and the District.

IV. Authorized Financial Dealers and Institutions (including pools)

This Investment Policy and Strategies requires a formal competitive "request for proposals" process be used to select broker/dealers, financial institutions, bank depositories, and pools. As the policy is intended to endure, it does not mention specific financial institutions or bank depositories. Rather, it provides for a process that will screen out institutions that lack economic viability or whose past practices suggests that the safety of public capital would be impaired if transactions were directed to or through such financial institutions or bank depositories.

A. When selecting broker/dealers, the District should look at:

- Financial conditions, strength and capability to fulfill commitments;
- Overall reputation with other dealers or investors;

- Regulatory status of the dealer; and
- Background and expertise of the individual representatives.
- In addition, in order to use a broker/dealer, they have to be included on an annually reviewed authorized broker list for the District.

B. When selecting financial institutions and bank depository institutions, the District should look at:

- Types of collateral;
- Security Interest Perfected; and
- Rates.

C. When selecting a local government investment pool, the law requires the pool to supply the following information to the District seeking to join the pool:

- a. investment transaction confirmations; and
- b. a monthly report that contains, at a minimum, the following information:
 - the types and percentage breakdown of securities in which the pool is invested;
 - the current average dollar-weighted maturity, based on the stated maturities of the pool;
 - the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - the size of the pool;
 - the number of participants in the pool;
 - the custodian bank that is safekeeping the assets of the pool;
 - a listing of daily transaction activity of the district participating in the pool;
 - the yield and expense ratio of the pool;
 - the portfolio managers of the pool; and
 - any changes or addenda to the offering circular.

V. Certification Required from Broker/Dealers, Financial Institutions, Bank Depositories, and Pools

A qualified representative from any firm offering to engage in investment transactions with the District is required to sign a written instrument that certifies that they have received and reviewed a written copy of the District's Investment Policy and Strategies. The firm must acknowledge that it has implemented reasonable procedures and controls in an effort to preclude investments between the District and the firm that are not authorized by the District's Investment

Policy and Strategies. The District's Investment Officer(s) may not transact business with a person or entity who has not delivered the required written instrument to the District.

VI. Authorized and Suitable Investments

The following is a list of the types of authorized investments by the District:

- Certificates of Deposits;
- Collateralized Mortgage Obligation, secured by the Full Faith and Credit of the Federal Government;
- Federal Home Loan Mortgage Corporation;
- Freddie Mac CMO;
- GMNA II Guaranteed Pass Thru;
- Government National Mortgage Association Bonds;
- Logic Investment Pool;
- Lone State Investment Pool;
- Money Market Accounts;
- TexPool Participant Services;
- TexPool Prime Participant Services;
- TexStar Participant Services; and
- U.S. Treasury Notes

VII. Collateralization

Required for certificates of deposit over the \$100,000 insurance limit, for bank depository services over the \$250,000 insurance limit, and for repurchase agreements and reverse repurchase agreements, this Investment Policy and Strategies addresses market valuation responsibility and timing, safekeeping by a third party and evidence of ownership.

All banks' and savings and loan associations' deposits and investments of District funds shall be secured by pledged collateral with a market value equal to no less than 103 percent of the principal plus accrued interest less an amount insured by FDIC or NCUSIF. Evidence of proper collateralization in the form of original safekeeping receipts held in institution's trust department or at a third-party institution not affiliated with the bank or bank holding company will be maintained in the office of the Investment Officer(s) at all times. The Investment Officer(s) will approve and release all pledged collateral. Collateral will be reviewed monthly to assure the market value of the securities pledged exceeds investments and/or the related bank balances. The District shall request additional collateral in the event they deem that their deposits and investments are not sufficiently protected by the pledged collateral.

VIII. Safekeeping and Custody

This Investment Policy and Strategies requires that all investments, with the exception of investment pools and mutual funds, must be settled on a delivery versus payment basis. It is strongly recommended to have investments safekept with a third-party institution, not the organization which sold the investment to the government district.

All transactions must be executed with authorized security dealers and financial institutions on a delivery-versus-payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the Trustee received the collateral. The collateral shall be held in the name of the District or held on behalf of the District. The Trustee's records shall assure the notation of the District's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the District. Securities will be held by the District's safekeeping agent, which shall be selected through a competitive "request for proposal" process or that agent's representative in New York City, or in its account at the Federal Reserve Bank or FHLB.

IX. Diversification

Diversification should be conceptualized in terms of maturity, as well as instrument type and issuer. Thus, the diversification concept in an operating fund should include prohibition against over concentration in a specific maturity sector, as well as constraining the reliance on specific risky instruments and issuers.

It is the Investment Policy and Strategies of the District to diversify its investment portfolios. The diversification will protect interest income from the volatility of interest rates and the avoidance of undue concentration of assets in a specific maturity sector; therefore, portfolio maturities shall be staggered. Securities shall also be selected and revised periodically by the District. In establishing specific diversification strategies, following general policies and constraints shall apply:

1. Risk of market price volatility shall be controlled through maturity diversification and by controlling unacceptable maturity extensions and a mismatch of liabilities and assets. The maturity extension will be controlled by limiting the weighted average maturity of the entire portfolio to 365 days. All long-term maturities will be intended to cover long-term liabilities. In addition, five (5%) percent of the funds in the portfolio will be liquid at all times.
2. The District shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in U.S. Treasury Securities, federal agency instrumentalities, repurchase agreements, and insured/collateralized certificates of deposit and other securities or obligations. The District shall conduct a quarterly review of these guidelines and shall evaluate the probability of market and default risk in various investment sectors as part of its considerations.

3. Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations.

4. Investment Type % of Portfolio:

- U.S. Treasury Notes/Bills 100%
- U.S. Agencies & Instrumentalities 100%
- State of Texas Obligations & Agencies 15%
- Local Government Investment Pools 50%
- Local Government Obligations (AA) 10%
- Repurchase Agreements 25%
- Certificates of Deposit 100%
- U.S. Government Money Market Funds 50%

5. By Institution:

- Repurchase Agreements — No more than 10%
- All Other — No more than 40%
- Investment Pools — No more than \$10,000,000

X. Maximum Maturities

The maximum allowable stated maturity for an individual investment owned by the District is three (3) years except that no more than one million five hundred thousand dollars of the District's unrestricted investments may have an average or expected maturity date of no more than ten (10) years and provided further that any investment held in connection with a reserve fund by any bond resolution may have a maturity that exceeds ten (10) years, so long as the expected maturity date of the investment does not exceed the maturity date of the bond for which the investment was pledged.

XI. Internal Controls

The District, in conjunction with its annual audit, shall perform a compliance audit of management controls on investments and adherence to the District's Investment Policy and Strategies. The Investment Officer(s) shall establish a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by Investment Officer(s) or employees of the District.

Examples of controls and managerial emphasis deemed important include the following:

- ∞ All appropriate investment transactions settled delivery versus payment (DVP);

- ' Investments safekept at a third party in the district's name;
- ' Annual compliance audit by independent auditor;
- ' Custodian safekeeping receipts maintained;
- ' Use of competitive bidding for investments;
- ' Avoidance of bearer-form securities;
- ' Documentation of investment bidding events;
- ' Written confirmation of telephone transactions;
- ' Reconciliation's and comparisons of security receipts with the investment subsidiary records, including custodian bank;
- ' Compliance with investment policies;
- ' Verification of all interest income and security purchase and sell computations;
- ' Control of collusion;
- ' Separation of duties;
- ' Separation of transaction authority from accounting and record-keeping;
- ' Clear delegation of authority;
- ' Accurate and timely reports;
- ' Validation of investment maturity decisions with supporting cash flow data;
- ' Adequate training and development of the Investment Officer(s);
- ' Review of financial conditions of all brokers, dealers, and depository institutions (where practical);
- ' Staying informed about market conditions, changes and trends that require adjustments in investment strategies;
- ' Monitoring market values at least monthly; and/or
- ' Written procedures documentation.

XII. Performance Standards

Performance standards provide a measure for determining the effectiveness of portfolio management. The Investment Officer(s) should design and review the District's investment portfolio with the objective of obtaining a rate of return throughout budgetary economic cycles, commensurate with the investment risk constraints and the cash flow needs.

XIII. Reporting

Regular investment reports to the Board of Directors of the District provide necessary written communication regarding investment performance, risk analysis, adherence to policy provisions and other pertinent information.

The following elements are required by this Investment Policy and Strategies and Texas State law concerning the District's Investment Report:

1. Must be prepared quarterly;
2. Must include a report of investment transactions for all funds;

3. Must describe the investment position;
4. Must be prepared jointly and signed by all of the Investment Officer(s);
5. Must contain a summary statement that provides the following information:
 - Beginning and ending market values for the period;
 - Additions and changes to the market value during the period;
 - Fully accrued interest for the period; and
 - List by type of asset and fund type invested;
7. Must list the book and market value for each investment at the beginning and ending of the reporting period;
8. Must list the maturity date (for all investments that have one) for each individual investment;
9. Must assign each investment to the account or fund or pooled group fund for which it was acquired; and
10. Must provide a statement that the investment portfolio is in compliance with relevant provisions of the Public Funds Investment Act and with the District's Investment Policy and Strategies.

XIV. Investment Policy and Strategies Adoption and Annual Review

The Board of Directors of the District shall review its Investment Policy and Strategies, not less than annually, and authorize an official action (i.e. resolution) stating that this Investment Policy and Strategies has been reviewed and approved.

**Riverbend Water Resource District
Investment Policy and Strategies**

**Certification Required from Broker/Dealers, Financial Institutions,
Bank Depositories, and Pools**

I, _____, am a qualified representative from an entity offering to engage in investment transactions with the Riverbend Water Resources District (the “District”) and certify that I have received and reviewed a written copy of the District’s Investment Policy and Strategies; I further acknowledge that the entity which I represent has implemented reasonable procedures and controls in an effort to preclude investments between the District and the entity that are not authorized by the District’s Investment Policy and Strategies.

Entity Name

Signature of Representative

Entity Address

Printed Name of Representative

Entity Address

Email Contact of Representative

Entity Phone

SUBSCRIBED AND ACKNOWLEDGED BEFORE ME by the said Declarant,
_____ on this _____ day of _____ 20____.

Notary Public, State of Texas

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM VI. C.
Presentation of Retail Rate Study
by NewGen Strategies**



March 13, 2020

RIVERBEND WATER RESOURCES DISTRICT WATER AND WASTEWATER RETAIL RATE STUDY

KEY ISSUES/GOALS

- Riverbend Water Resources District (the District) provides retail and wholesale water service, and retail wastewater service
 - Retail: Approximately 70 Customers + Red River Army Depot (RRAD)
- The Project Team was tasked with completing a retail water and wastewater rate study
 - Excluding costs and rates associated with RRAD (the Army)
 - Pretreatment rates were not evaluated at this time
 - Facility Charge was not evaluated as this was determined to be driven primarily by debt and assessed internally by the District on an annual basis
- Army % of total water and wastewater costs driven by % of Water Production
 - Set Annually

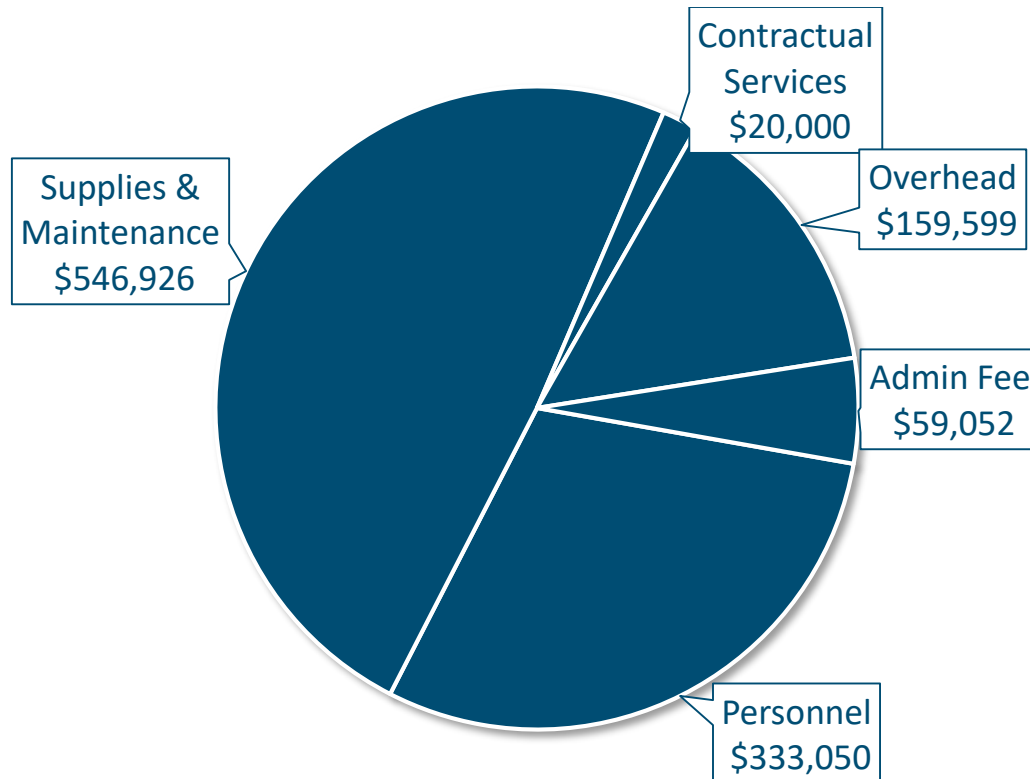
SCENARIOS EVALUATED BASED ON ARMY % OF TOTAL WATER PRODUCTION

- Due to fluctuations in Army costs based on % of total water production, the Project Team evaluated rates under the following three scenarios
 1. **2020 %**: 2020 Army % of Water Production per RRAD November 2019 Invoice #2815
 2. **5-Year Average**: Five-year average of Army % of Total Water Production Costs (2016 – 2020)
 3. **Breakeven**: Estimated Army % of Water Production where the District is projected to recover costs under current rates **by** FY 2024

Army % of Total Production	Water	Wastewater
Scenario 1: 2020 %	97.50%	75.61%
Scenario 2: 5-Year Avg %	95.59%	84.26%
Scenario 3: Breakeven %	94.43%	83.80%

RETAIL REVENUE REQUIREMENT – FY 2020

WATER



FY 2020			
Total Expenditures		\$1,118,627	

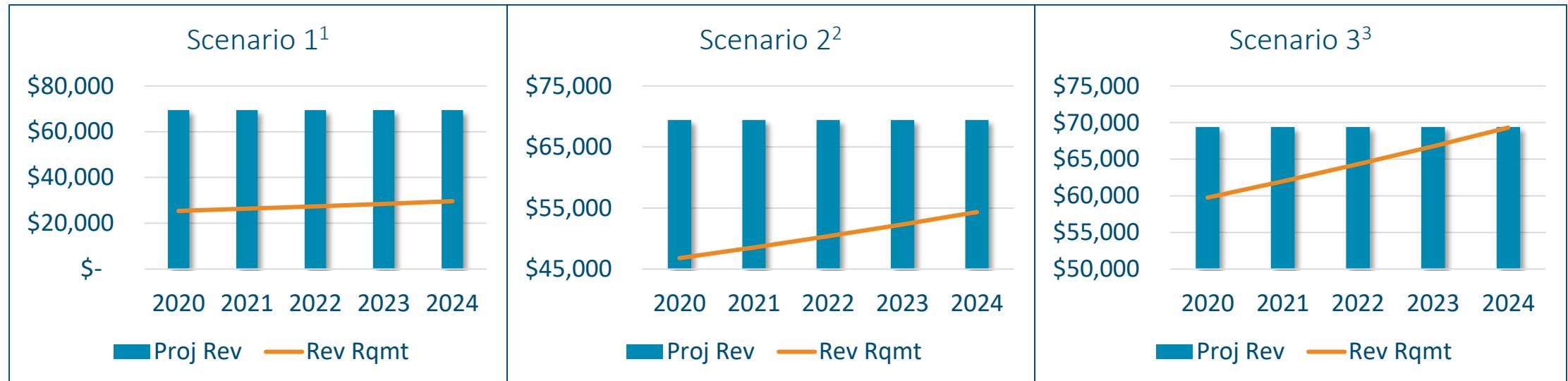
FY 2020	Scenario 1 ¹	Scenario 2 ²	Scenario 3 ³
Army %	97.50%	95.59%	94.43%
Less: Army Costs	(\$1,090,716)	(\$1,069,302)	(\$1,059,320)
Less: Non-Rate Rev	(\$2,550)	(\$2,550)	(\$2,550)
Retail Rev Rqmt	\$25,362	\$46,776	\$59,758

1: 2020 Army % of Water Production per RRAD November 2019 Invoice #2815

2: Five-year average of Army % of Total Water Production Costs (2016 – 2020)

3: Estimated Army % of Water Production where the District is projected to recover costs under current rates by FY 2024

PROJECTED REVENUE SUFFICIENCY UNDER CURRENT RATES WATER



- The District is projected to **fully** recover costs attributable to retail customers based on all three estimates of the Army's % of total Water Production
- The District will not need to adjust Water rates through **FY 2024** provided the Army % of Total Production is **greater than 94.43%**

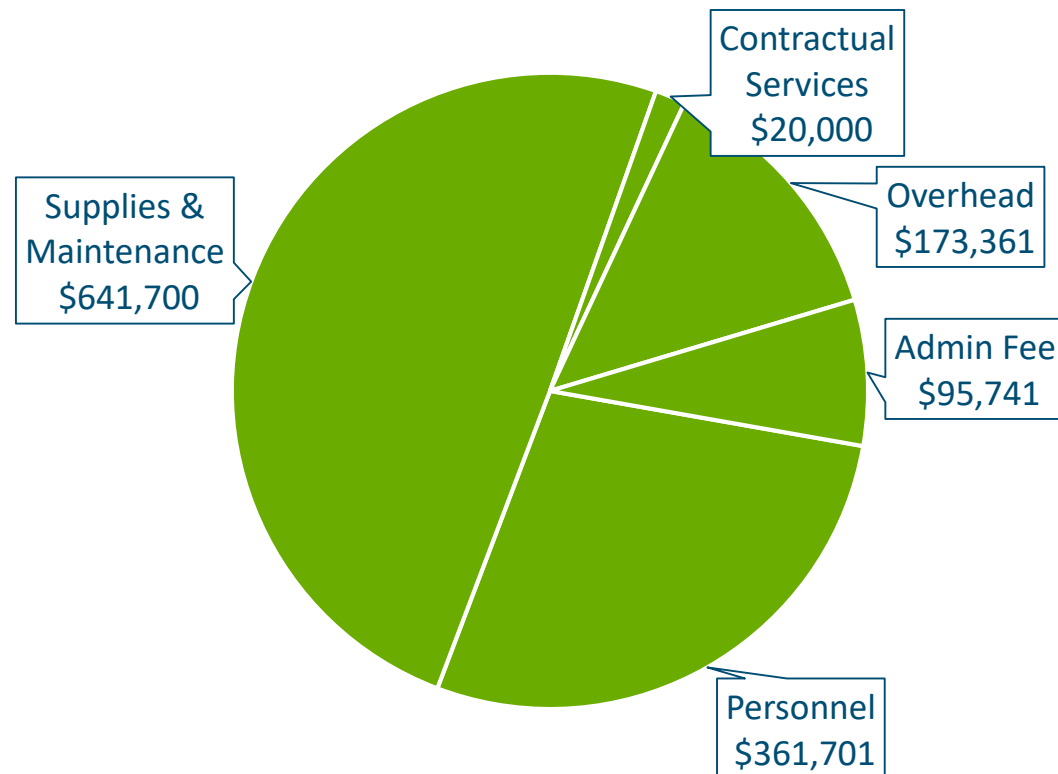
1: 2020 Army % of Water Production per RRAD November 2019 Invoice #2815

2: Five-year average of Army % of Total Water Production Costs (2016 – 2020)

3: Estimated Army % of Water Production where the District is projected to recover costs under current rates by FY 2024

RETAIL REVENUE REQUIREMENT – FY 2020

WASTEWATER



FY 2020			
Total Expenditures		\$1,292,502	

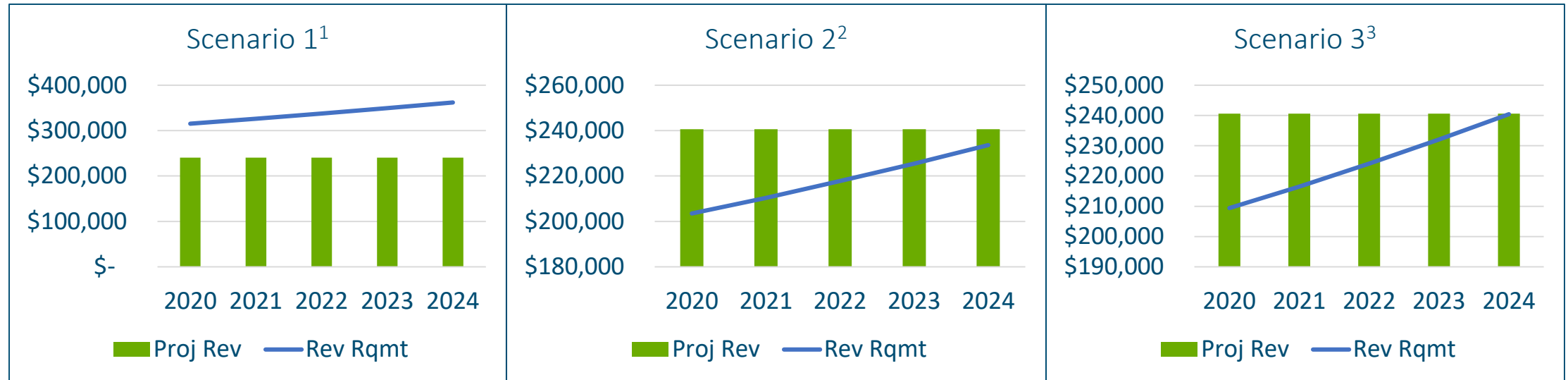
FY 2020	Scenario 1 ¹	Scenario 2 ²	Scenario 3 ³
Army %	75.61%	84.26%	83.80%
Less: Army Costs	(\$977,229)	(\$1,089,025)	(\$1,083,117)
Less: Non-Rate Rev	(\$-)	(\$-)	(\$-)
Retail Rev Rqmt	\$315,274	\$203,478	\$209,385

1: 2020 Army % of Water Production per RRAD November 2019 Invoice #2815

2: Five-year average of Army % of Total Water Production Costs (2016 – 2020)

3: Estimated Army % of Water Production where the District is projected to recover costs under current rates by FY 2024

PROJECTED REVENUE SUFFICIENCY UNDER CURRENT RATES WASTEWATER



- **Scenario 1:** The District is **not** projected to fully recover costs attributable to retail customers based on the Army's % of total Water Production in 2020
- The District will not need to adjust Wastewater rates through **FY 2024** provided the Army % of Total Production is **greater than 83.80%**

1: 2020 Army % of Water Production per RRAD November 2019 Invoice #2815

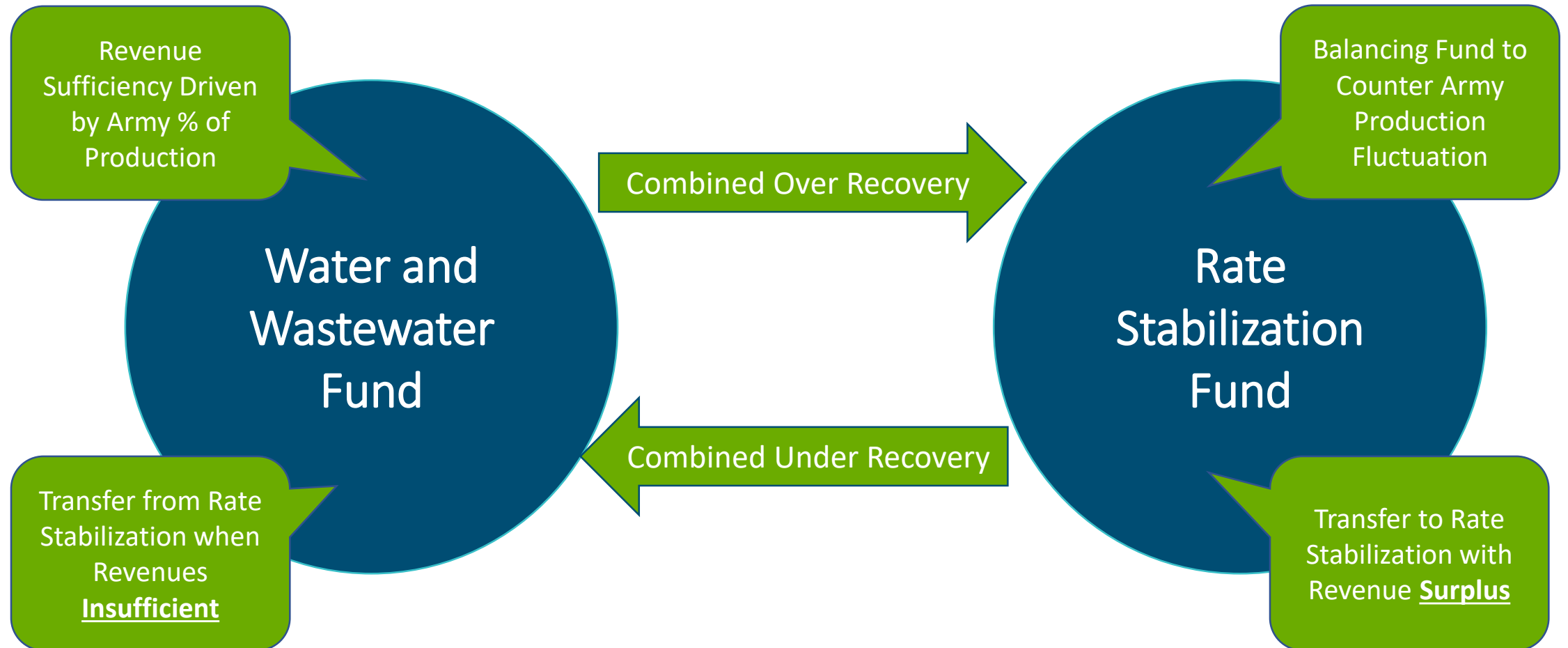
2: Five-year average of Army % of Total Water Production Costs (2016 – 2020)

3: Estimated Army % of Water Production where the District is projected to recover costs under current rates by FY 2024

RATE STABILIZATION FUND

- Mechanism setup by the District to insulate the Water and Wastewater fund from large fluctuations of revenue from the Army
 - Due to fluctuations in Army Water Production
- Fund will mitigate future rate increases by acting as a balancing reserve for the Water and Wastewater fund
 - **Revenue Surplus:** Transfer *to* Rate Stabilization Fund
 - **Revenue Deficiency:** Transfer *from* Rate Stabilization Fund

RATE STABILIZATION FUND



RAW WATER

- As part of retail rate study, NewGen was requested to determine an appropriate retail raw water rate reflective of the District's regional water supply project planning
- Industrial customers may have need for a raw water source
 - Rate should be competitive and reflective of what other regional participants pay

RAW WATER

Capital Projects	Cost (\$)	%
Raw (Phase 1A) ¹	\$ 82,668,811	52.4%
Treated (Phase 1B) ¹	<u>74,904,000</u>	47.6%
Total	\$ 157,572,811	100.0%

Raw Water Calculation	Cost (\$)	%
Regional Rate	\$1.50	
Less: Local Water Loss (20%)	<u>(0.30)</u>	
Adjusted Regional Rate	<u>\$1.20</u>	
Raw	\$0.63	\$1.20 * 52.4%
Less: Reservoir/Plant Loss	<u>(0.01)</u>	<u>2.0%</u>
Adjusted Raw Water Rate	\$0.64	\$0.63/(1-2%)

1: Project classification and estimates per AECOM and presented in slides 15-16 of NewGen's Capital Presentation to the District on August 22, 2018

RECOMMENDATIONS

- No retail rate action recommended at this time
 - Continually monitor financial performance of the District
- Implement Rate Stabilization fund to hedge against fluctuations in Army Production
 - Fund will mitigate future rate increases by acting as a balancing reserve for the Water and Wastewater fund

QUESTIONS

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**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM VI. D.
RWRD RESO 20200422-03
TML Health Benefits Agreement**



RIVERBEND RESOLUTION NO. 20200422-03

AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE AN INTERLOCAL AGREEMENT WITH TML HEALTH BENEFITS POOL TO PROVIDE EMPLOYEE HEALTH AND LIFE INSURANCE BENEFITS

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Riverbend Water Resources District currently has an interlocal agreement with TML Health Benefits Pool for a health benefits plan including health insurance, life insurance, health reimbursement accounts and retirement reimbursement accounts for district employees; and

WHEREAS, Riverbend Water Resources District has a continued need for health and life insurance benefits to support the operation and management of its wet utilities and TML Health Benefits Pool is fully qualified to provide and perform these needed services; and

NOW, THEREFORE, BE IT RESOLVED that the Executive Director/CEO shall be and is hereby authorized to execute an interlocal agreement(s) with TML Health Benefits Pool to continue to provide health and life insurance benefit services for Riverbend Water Resources District.

PASSED and APPROVED this 22nd day of April 2020

Sonja Hubbard, President

ATTEST:

Marshall Wood, Secretary

Attached: TML Health Benefits Pool Agreement

TML Health Benefits Pool

Health Reimbursement Arrangement

Riverbend Water Resources District

Service Agreement for Plan Supervisor

This SERVICE AGREEMENT between the Riverbend Water Resources District, (Plan Sponsor) and TML MultiState Intergovernmental Employee Benefits Pool doing business as TML Health Benefits Pool (TML Health), (Plan Supervisor) will be effective on 5/1/20.

W I T N E S S E T H:

Section I - The Plan

- 1.1 The Riverbend Water Resources District, (Plan Sponsor) has adopted a Health Reimbursement Arrangement (HRA) under the Internal Revenue Service Code (the "Code"). This Plan is offered to all eligible employees who are qualified by employment status.
- 1.2 The Plan Participants are the employees enrolled in the Plan.
- 1.3 All contributions to the Plan shall be deposited in the name of the Plan with a Bank designated by the Plan Supervisor subject to approval of the Plan Sponsor if requested by the Plan Sponsor.
- 1.4 The Plan Sponsor agrees that an HRA is a health plan under Title II of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Plan Sponsor agrees that it is the Plan Sponsor's, and not the Plan Supervisor's, responsibility to ensure that its HRA plan, if any, is compliant with all relevant sections of HIPAA Title II or any other law.

Section II - The Plan Supervisor

- 2.1 The Plan Supervisor shall provide consulting services, and shall assist the Plan Sponsor in the administration of the HRA Plan.
- 2.2 The Plan Supervisor shall have the full responsibility for maintaining accounts for each eligible person electing to participate in the Plan. The Plan Supervisor shall arrange for eligible claims payments from funds deposited by the Plan Sponsor as directed by their participating employees. The claims payments shall be made by the Plan Supervisor by issuing a check or draft to the participant upon the Plan Bank Account, if such account is provided for this purpose, in an amount equal to the qualified charges from the submitted claim. The claims submitted by the Plan Participants shall be paid within ten days of receipt by the Plan Supervisor. Paper claim submissions on behalf of the Participant must equal or exceed \$ 25 .00 per submission, except in the final month of the Plan Year.

- 2.3 To the extent that information is available to the Plan Supervisor, the Plan Supervisor shall assist the Plan Sponsor in the preparation of any report, tax return or similar papers required by state or the federal government pertaining to the operation or management of the HRA; however, the ultimate responsibility for filing any governmental document shall be with the Plan Sponsor.
- 2.4 The Plan Supervisor shall render periodic reports to each participant, which shall include the following:
 - a. Receipts of the Plan Contributions;
 - b. Disbursement of Plan Contributions through claims payments; and
 - c. Statements of (a) and (b) above shall automatically be provided each Participant following the submission and payment of a qualified claim.
- 2.5 The Plan Supervisor, shall prepare a Plan Document for the HRA sponsored by the Plan Sponsor. The Plan Sponsor shall assume the responsibility of obtaining legal review of the Plan Document. The Plan Document is attached hereto as Attachment 1 and fully incorporated by reference.
- 2.6 Unless otherwise provided, the Plan Supervisor is authorized to do all the things necessary or convenient to carry out the terms and purposes of the Plan.

Section III - Procedure for Making and Payment of Claims for Benefits from the Fund

- 3.1 Any covered person may make application for benefits from the Plan as provided by the Plan upon the form or forms provided by the Plan Supervisor. The applicant shall fully and truthfully complete such application for benefits and the applicant shall supply all such pertinent information including copies of paid receipts, as may be required under the Code and specified by the Plan Supervisor.
- 3.2 The Plan Supervisor shall accept copies of any application for benefits made in the appropriate manner, shall duly investigate and verify the statements made on the application and determine benefit eligibility. If the facts as stated in such application entitle the covered person to receive payment of benefits from the Plan, the Plan Supervisor shall forthwith arrange for the proper payment.
- 3.3 Claim filings shall be mailed/faxed to the person or department designated by the Plan Supervisor. If appropriate, claims could be submitted through the debit card transaction. Claims checks are processed each week. Only paper claims that equal or exceed twenty-five dollars (\$25.00) or more shall be filed with the Plan Supervisor unless said claim is being submitted during the last Plan Month of the Plan Year. During the last month, eligible claims of any amount shall be processed by the Plan Supervisor.
- 3.4 All Plan benefits processed by the Plan Supervisor shall be mailed to the qualified Plan Participant within ten (10) days of approval.

If the Plan Supervisor finds that the Plan Participant is not entitled to a claim payment under the Plan, the claim application shall be denied, all or in part, and returned to the Plan Participant with the Plan Supervisor's reason for denial. The Plan Participant may appeal a denial by the Plan Supervisor to the Plan Sponsor. The Plan Sponsor's determination is final and conclusive upon the covered person.

- 3.5 The Plan Supervisor shall not be liable for any failure or refusal to pay or honor any application for benefits made pursuant to this Agreement; and the Plan Supervisor must be indemnified by the Plan Sponsor for any liability related to its duties herein, and shall be reimbursed by the Plan Sponsor for any expense, loss, damage, or legal fees incurred by the Plan Supervisor in defending any claims or demands made against the Plan Sponsor, the Plan Supervisor or the Plan. This paragraph will not apply for any loss due to the gross negligence or willful misconduct of the Plan Supervisor.

Section IV - Costs of Administrator

- 4.1 The Plan Supervisor shall be entitled to a fee or fees for its service to the Plan in accordance with the Schedule of Fees attached hereto as Attachment 2, and fully incorporated by reference. The fees shall be paid in the form of an advance start-up costs, a pass through of printing or printing preparation costs and monthly service fee.
- 4.2 Spenddown period administration shall be available from the Plan Supervisor for a period of up to twelve (12) months following cessation of contributions to the Plan by the Plan Sponsor provided the Plan Sponsor continues to pay the Monthly Service Fee stated above.

Section V - The Plan Sponsor

- 5.1 As of the effective date of this Agreement, the Plan Sponsor shall provide the Plan Supervisor with a complete list of all employees who are eligible for benefits under the Plan. The Plan Sponsor shall arrange for enrollment meetings and, with the Plan Supervisor's assistance, complete Plan enrollment.
- 5.2 The Plan Sponsor shall remit contributions to the Plan Supervisor on a monthly (or pay period) basis.
- 5.3 The Plan Sponsor shall forward the appropriate service fees to the Plan Supervisor on the first (1st) of each calendar month or in conjunction with the monthly plan fund collections.
- 5.4 The Plan Sponsor shall assist in the enrollment of eligible employees in the Plan, notify the Plan Supervisor of any change of eligibility, cooperate with the Plan Supervisor with regard to proper claim settlement, transmit to the Plan Supervisor proper claim settlement and transmit to the Plan Supervisor all inquiries pertaining to the Plan.
- 5.5 The Plan Sponsor shall be responsible for filing any documents required by the Internal Revenue Service.

Section VI - Termination of the Agreement

- 6.1 This Agreement may be terminated by the Plan Sponsor or the Plan Supervisor by written notice of intention to terminate given to the other party, to be effective as of an annual plan anniversary date. Said written notice shall be given not less than thirty (30) days prior to such termination. The thirtieth (30th) day shall coincide with the last day of a calendar month. The Plan Supervisor may also terminate this agreement following the termination of any medical, dental, or vision coverage provided by the Plan Supervisor to the Plan Sponsor, to be effective upon ten (10) days written notice sent to the Plan Sponsor, effective on the date specified in the notice. All obligations of the Plan Supervisor related to the relevant rights of the covered Participant to payments of benefits from the Plan will be terminated and extinguished on the effective date of termination given in the notice whether or not the claim for such benefits arose prior to or following the termination of this Agreement. Absent a written notice of termination this agreement will annually renew on the

effective date set forth at inception. The Additional Contract Documents referenced in Section 8.8 may be amended by Notice of Renewal for each renewal Plan Year or by Notice of Mid-Year Plan Amendments. In the event any such Additional Contract Document is amended, said amended document will be attached to this Agreement and incorporated by reference to said document. In no case shall termination by the Plan Supervisor relieve the Plan Sponsor of its obligation to maintain the Plan.

Section VII - Qualifications

- 7.1 To qualify the Plan Sponsor must have on file a current Interlocal Agreement with the TML Health Benefits Pool. The Plan Sponsor must have ten (10) percent of the eligible employees participate in the Plan. Should these qualifications not be met, or maintained, the Plan Supervisor may terminate this agreement pursuant to Section VI.

Section VIII - Miscellaneous Provisions

- 8.1 In the event of resignation or inability to serve as the Plan Supervisor, the Plan Sponsor may appoint a successor.
- 8.2 If during the operation of the Plan, the United States Government, the government of any state or any instrumentality or either shall assess any tax against the Plan and the Plan Supervisor is required to pay such tax, the Plan Supervisor shall report the payment to the Plan Sponsor who will reimburse the Plan Supervisor for such tax or assessment.
- 8.3 The Plan Supervisor shall incur no liability to the Plan Sponsor or to an employee or dependent of the Plan Sponsor for any act or failure to act not directly connected with processing and payment of claims as provided in this Agreement, except where the liability is proximately caused solely by the gross negligence or willful misconduct of the Plan Supervisor. To the extent allowed by law, the Plan Sponsor shall hold the Plan Supervisor harmless from and indemnify it against any and all liability, claims, damages (including punitive or consequential damages), costs, expenses, or fees (legal or otherwise) incurred or paid in connection therewith which might be asserted by the Plan, the Plan Sponsor's employees or other persons for which the Plan Supervisor would not be liable to the Plan Sponsor as set forth above.
- 8.4 Where the context of the Agreement requires, the singular shall include the plural and the masculine gender shall include the feminine.
- 8.5 This Agreement may be amended by the Plan Sponsor and the Plan Supervisor at any time by mutual written consent of said parties.
- 8.6 The Plan Sponsor hereby is designated the agent for service of legal process on behalf of the Plan, in its principal office.
- 8.7 Funding for the HRA/RRA will be distributed (mark one):
- ☐ Monthly
- ☒ Annually

8.8 Additional Contract Documents

The following attachments are additional contract documents:

1. Attachment 1 – HRA Plan Document
2. Attachment 2 – Schedule of Fees
3. Attachment 3 – Retirement Reimbursement Arrangement Addendum
4. Attachment 4 – Not Applicable
5. Attachment 5 – Not Applicable
6. Attachment 6 – HRA Forms
7. *[Add Attachment Documents for Optional Services Selected]*

IN WITNESS THEREOF, the Plan Sponsor and the Plan Supervisor have executed this Agreement this day of _____, 20__.

The HRA Plan Year is 5/1/2020 to 9/30/2020.

TML Health

Riverbend Water Resources District

Jennifer Hoff

Print name

Print Name

Signature

Signature

Executive Director

Title

Title

Date

Date

APPROVED AS TO FORM:

Leah Simon, General Counsel

Attachment 1

HRA Plan Document

Article I - Introduction

1.1 Establishment of Plan

The undersigned ^{Riverbend Water Resources District} hereby adopts the TML MultiState Intergovernmental Employee Benefits Pool doing business as TML Health Benefits Pool (TML Health) Health Reimbursement Arrangement (HRA) Plan (the “Plan”) effective 5/1/20 (the “Effective Date”) as established by the TML Health for adoption by Member political subdivisions of the Risk and Non-Risk members of the Pool. Capitalized terms used in this Plan that are not otherwise defined shall have the meanings set forth in Article II. This Plan is intended to permit an Eligible Employee to obtain reimbursement of Eligible Medical Care Expenses on a nontaxable basis from the HRA Account.

1.2 Legal Status

This Plan is intended to qualify as an employer-provided medical reimbursement plan under Code §§105 and 106 and regulations issued thereunder, and as a health reimbursement arrangement as defined under the Code and implementing rules and regulations, and shall be interpreted to accomplish that objective. The Medical Care Expenses reimbursed under the Plan are intended to be eligible for exclusion from participating employees’ gross incomes under the Code.

Article II - Definitions

2.1 Definitions

“**Administrator**” means TML Health.

“**Adopting Employer**” means a political subdivision thereof that adopts this Plan by completing and executing an Adoption Agreement.

“**Adoption Agreement**” means the separate agreement, or portions thereof, completed and executed by an Adopting Employer setting forth the Adopting Employer’s selection of options under the plan.

“**Benefits**” means the reimbursement benefits for Medical Care Expenses described under Article VI.

“**Claims Administrator**” means the entity designated by and under contract with the Plan Administrator to perform certain administrative functions with respect to the Plan, including, but not limited to, claims administration and recordkeeping. If no such entity is designated by the Plan Administrator, the Plan Administrator shall serve as the Claims Administrator.

“**COBRA Coverage**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, coverage which is a continuation of Plan coverage when it would otherwise end because of a life event called a “qualifying event”.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compensation**” means the wages or salary paid to an Employee by the Employer.

“Covered Individual” means a Participant, Spouse or Dependent.

“Dependent” means any individual who is enrolled on the Employer’s Health Benefits Plan and is also a qualifying child or qualifying relative under the Code.

“Effective Date” of this Plan has the meaning described in Section 1.1.

“Eligible Employee” means an Employee who works for the Employer on a regular basis in the usual course of the Employer’s business at least twenty (20) hours per week. An elected official while holding office is considered an Eligible Employee for purposes of this Plan.

“Employer” means TML Health or any related Member Employer that adopts this Plan with administrative approval of TML Health.

“Employment Commencement Date” means the first regularly scheduled working day on which the Employee first performs an hour of service for the Employer for Compensation.

“Employer Contribution” means a non-elective contribution in an amount not less than \$25.00 per employee per month made by the Adopting Employer on behalf of each Participant in the Plan. The Employer contribution is an amount that has not been actually or constructively received by the Participant, and it is made available to the Participant exclusively for reimbursement under the Plan.

“Enrollment Form” means any form that may be provided by the Administrator for the purpose of allowing an eligible Employee to participate in this Plan.

“Flexible Spending Arrangement” means an arrangement that allows employees to be reimbursed for medical expenses and are usually funded through voluntary salary reduction agreements with your employer but the employer may also contribute. Benefits include: contributions made by your employer can be excluded from your gross income; no employment or federal income taxes are deducted from the contributions; reimbursements may be taxed free if you pay qualified medical expenses; and you can use an FSA to pay qualified medical expenses even if you haven’t yet placed the funds in the account.

“FMLA” means the Family and Medical Leave Act of 1993, as amended.

“Health FSA” means a Health Flexible Spending Arrangement that is an employer-established benefit plan that allows an enrolled employee to be reimbursed for medical expenses.

“Health FSA – grace period” means that coverage during a grace period by a general purpose health FSA that is allowed if the balance in the health FSA at the end of its prior year plan is zero.

“Health Benefits Plan” means the plan(s) that the Employer maintains for its Employees (and for their Spouses and Dependents that may be eligible under the terms of such plan), providing major medical type benefits through a group or partially self-funded health plan(s).

“Health Care Expenses” or “Medical Expenses” are the costs an employee paid for diagnosis, cure, mitigation, treatment, or prevention of disease, and for the purpose of affecting any part or function of the body, including the costs of equipment, supplies, and diagnostic devices needed for these purposes. Expenses may also include the premiums an employee paid for the plan that covers the expenses of medical care, and the amounts paid for transportation to get medical care. They do not include expenses that are merely beneficial to general health, such as vitamins or a vacation.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended, which affects group health plan coverage by: providing individuals special enrollment rights in group health coverage when specific events occur; prohibiting discrimination in group health plan eligibility, benefits, and premiums based on specific health factors; and prohibiting preexisting condition exclusions in plan years.

“HRA” means a Health Reimbursement Arrangement that is an employer-funded plan that reimburses employees for medical expenses, up to a maximum dollar amount for a coverage period, that aren’t included in the employee’s income.

“HRA Account” means a tax-exempt custodial account solely funded by employer contributions from which the enrolled employee may withdraw funds to pay for certain medical expenses.

“HSA” means a Health Savings Account that is a tax-exempt custodial account the Administrator establishes to pay or reimburse certain medical expenses an enrolled employee incurs.

“Limited-purpose Health FSA or HRA” means the types of arrangements that can pay or reimburse the items allowed under other health coverage if you have other insurance that provide benefits for the following items: liabilities incurred under workers’ compensation laws, tort liabilities, or liabilities related to ownership or use of property; a specific disease or illness; or a fixed amount per day (or other period) of hospitalization. Also allowed under coverage (whether provided through insurance or otherwise) for the following items: accidents; disability; dental care; vision care; or long-term care. These arrangements can also pay or reimburse preventative care expenses because they can be paid without having to satisfy the deductible.

“Medical Care Expenses” or **“Health Care Expenses”** are the costs an employee paid for diagnosis, cure, mitigation, treatment, or prevention of disease, and for the purpose of affecting any part or function of the body, including the costs of equipment, supplies, and diagnostic devices needed for these purposes. Expenses may also include the premiums an employee paid for the plan that covers the expenses of medical care, and the amounts paid for transportation to get medical care. They do not include expenses that are merely beneficial to general health, such as vitamins or a vacation..

“Open Enrollment Period” with respect to a Plan Year means a period of time at some point preceding the Plan Year, or such other period as may be prescribed by the Administrator.

“Other Health Coverage” with respect to a “Limited-purpose” health FSA or HRA means other insurance that provide benefits for the following items: liabilities incurred under workers’ compensation laws, tort liabilities, or liabilities related to ownership or use of property; a specific disease or illness; or a fixed amount per day (or other period) of hospitalization. Also allowed under coverage (whether provided through insurance or otherwise) for the following items: accidents; disability; dental care; vision care; or long-term care.

“Participant” means a person who is an Eligible Employee and who is participating in this Plan in accordance with the provisions of Article III.

“Period of Coverage” means the plan year, with the following exceptions: (a) for Employees who first become eligible to participate, it shall mean the portion of the plan year following the date participation commences; and (b) for Employees who terminate participation, it shall mean the portion of the plan year prior to the date participation terminates, as described in Section 3.2. A different Period of Coverage (e.g., monthly) may be established by the Administrator and communicated to Participants.

“Plan” means the TML Health Benefits Pool HRA Plan as set forth herein and as amended from time-to-time.

“Plan Year” means the twelve (12) month period beginning and ending as indicated in the Adoption Agreement. The initial Plan Year may be a “short” Plan Year beginning and ending as indicated in the Adoption Agreement.

“Post-deductible health FSA or HRA” means arrangements that do not pay or reimburse any medical expenses incurred before the minimum annual deductible amount is met. The deductible for these arrangements doesn’t have to be the same as the deductible for the HDHP, but benefits may not be provided before the minimum annual deductible amount is met.

“Protected Health Information” shall have the meaning described in 45 C.F.R. § 160.103 and generally includes individually identifiable health information held by, or on behalf of, the Plan.

“QMCSO” means a qualified medical child support order, as defined in ERISA § 609(a).

“Retirement HRA” means an arrangement that pays or reimburses only those medical expenses incurred after retirement. After retirement you are no longer eligible to make contributions to an HSA.

“Spenddown Period” means the period of time (1) following termination of employment and before election of and payment for COBRA coverage during which the Participant may continue to access the HRA benefits for expenses incurred during the HRA benefit period and/or during the Spenddown Period; (2) following the death of the Participant and before election of and payment for COBRA coverage during which the Spouse or Dependent may continue to access the HRA benefits for expenses incurred during the HRA benefit period and/or during the Spenddown Period; or (3) following termination of the HRA plan by the Employer during which the Participant may continue to access the HRA benefits for expenses incurred during the HRA benefit period and/or during the spend down period.

“Spouse” means an individual who is enrolled on the Health Benefits Plan and is also legally married to a Participant under the laws of any state.

“Suspended HRA” means the election to suspend the HRA before the beginning of an HRA coverage period. The HRA doesn’t pay or reimburse, at any time, the medical expenses incurred during the suspension period except preventive care and items listed under “other health coverage”. When suspension period ends, you are no longer eligible to make contributions to an HSA.

“USERRA” means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

“You” means a Participant.

Article III - Eligibility and Participation

3.1 Enrollment Requirements

The names, social security numbers, genders, and birth dates of all persons in a family enrolling in the Plan must be provided to the Administrator on an enrollment form or a change form signed and dated by the Participant and Employer and received by the Administrator. Appropriate documentation may be required.

a. Participants

Participants will receive coverage when TML Health Benefits Pool receives complete enrollment information within thirty-one (31) days of the commencement of employment with the Employer regardless if the employer has a waiting period, or within thirty-one (31) days of the date the Employer first offers coverage. Upon timely enrollment, an Eligible Employee’s coverage will begin the later of:

1. the date the Eligible Employee became an Active Employee of the Employer working at least twenty (20) hours per week; or

2. the date the Eligible Employee completes any waiting period established by the Employer.

Eligible Employees must enroll within the initial enrollment period, following a qualifying event or wait until the next Open Enrollment period.

b. Dependents

Dependents will be covered under the Health Reimbursement Arrangement at the time of initial enrollment or during an Open Enrollment period when, a Participant furnishes the Administrator, in writing, the names of his or her Dependents eligible to receive benefits under the HRA Plan. Coverage for Dependents enrolled at the time of initial enrollment will be effective on the same date that the Participant's coverage is effective. Coverage for Dependents enrolled during an open enrollment period will be effective on the first day of the Plan Year following the open enrollment period.

During the Plan Year, certain qualifying events will permit a Participant to add a Dependent(s) other than during an Open Enrollment period. The Participant must first enroll the Dependent in the Employer's Health Benefits Plan. The Participant must add a Dependent(s) within thirty-one (31) days of the qualifying event and must submit documentation of the qualifying event to the Administrator, when requested or wait until the next Open Enrollment period. Coverage for Dependents enrolled within thirty-one (31) days of a qualifying event will be effective the first day of the month following the Administrator's receipt of an approved enrollment form and any required documentation. Except, in the case of a newborn child, the Participant has sixty (60) days from the child's date of birth to add the child, and, when enrolled within sixty (60) days, coverage for the newborn child will be effective on the child's date of birth.

Qualifying events are:

1. marriage;
2. within sixty (60) days of the birth, adoption or placement for adoption of a child;
3. losing eligibility under Medicaid or SCHIP;
4. loss of coverage due to termination of a Spouse's or Dependent's employment;
5. loss of coverage due to change from full-time to part-time of the Spouse's or Dependent's employment;
6. loss of coverage due to an unpaid leave of absence from the Spouse's or Dependent's employment;
7. a significant increase (i.e., an increase of at least 10%) in the cost of health coverage under the Spouse's or Dependent's Employer-sponsored health plan; and
8. any other qualifying change in status event described by federal regulation.

c. Mentally or Physically Disabled Children

1. If a child of a covered individual attains the age of twenty-six (26) (at which time coverage would normally terminate) but the child is mentally or physically disabled and for whom the Participant may claim a personal exemption tax deduction, coverage may be continued. You must submit satisfactory proof of the child's disability to the Group Benefits Administrator within thirty-one (31) days of the date the child attains the age of twenty-six (26). Coverage may continue for such child as long as the disability continues, subject to payment of the required contribution and all other terms of the Plan.
2. The Group Benefits Administrator may require satisfactory proof of the continued disability by the Social Security Administration (SSA). The Group Benefits

Administrator may have a physician examine the child or may request proof to confirm the disability, but not more often than once a year. If you fail to submit proof when reasonably required or refuse to allow the Group Benefits Administrator to have the child examined, then coverage for the child will terminate.

d. Active Duty Reservists

1. If covered by the Plan as an employee at the time of call to active duty, participants who are active duty reservists or guard members and their covered Dependents can maintain eligibility on the HRA Plan for up to twenty-four (24) months. The date on which the Participant's absence begins is the qualifying event for Continuation of Coverage (COBRA) to be offered to the reservist or guard member. If a fire fighter or police officer employed by a Texas municipality is called to active duty for any period, the employing municipality must continue to maintain any health, dental or life coverage received through the date the fire fighter or police officer was called to active military duty until the municipality receives written instructions from the fire fighter or police officer to change or discontinue the coverage. Eligibility will meet or exceed requirements of USERRA and/or regulatory compliance.
2. In administering this coverage, TML Health Benefits Pool will follow the time guidelines for COBRA under 42 U.S.C.A. 300bb-1 *et seq.* To qualify for this coverage, the Participant must give written notice to the Employer within 60 days of the qualifying event. The Employer must notify TML Health Benefits Pool that a Participant has been called to active duty and submit a copy of the Employer's Active Reservist Policy.
3. An employee who is called for military leave may have rights to COBRA Continuation of Coverage for up to twenty-four (24) months and a right to reemployment once he/she is discharged from active military service.
4. If the Participant will be on active duty for thirty (31) days or less, the Employer will keep the Participant on the Plan with no change in coverage. If the Participant will be on active duty for more than thirty (31) days, the Employer will notify TML Health Benefits Pool of the qualifying event and submit a copy of the employee's written order for call to duty.
5. If TML Health Benefits Pool administers COBRA Continuation of Coverage, Employer must notify TML Health Benefits Pool by sending a Qualifying Event Notice and mark the qualifying event "Called to Active Duty" and attach a copy of the employee's written order for the call to duty. If the Employer administers its own COBRA Continuation of Coverage, the Employer must notify TML Health Benefits Pool of the termination if call to active duty is more than thirty-one (31) days. The Employer is responsible for all required notices.
6. Texas law may require an employer to "continue to maintain" coverage on a police officer or fire fighter while he/she is on military leave if the employer has adopted civil service requirements and the leave has been approved by the Fire Fighters' and Police Officers' Civil Service Commission.

For the Participant to return to the HRA Plan and continue his or her benefits with no waiting period, the Participant must return to work within the time periods required by state and federal law for such return.
7. The additional 2% contribution for Continuation of Coverage is not charged for (1) a Participant called to active duty or (2) a surviving spouse or dependent who continues coverage pursuant to Chapter 615, Texas Government Code.

3.2 Termination Date of Coverage

Information concerning rights to Continuation of Coverage is in the section of this Plan on Continuation of Coverage.

a. Participant Coverage

Coverage will terminate on the earliest of:

1. the date the Plan terminates coverage with the Employer;
2. the date the Employer is no longer participating under the Plan; or
3. upon Employee termination, the terminated Employee has continued access to the HRA as specified in c. below, and in compliance with regulatory guidelines.

b. Dependent Coverage

Coverage will terminate on the earliest of:

1. the end of the month the covered individual's employment terminates, if contributions are paid, or the date the covered individual ceases to be an active Employee
2. the end of the month in which a Dependent no longer meets the definition of Dependent under the Plan;
3. the date the Plan terminates coverage with the Employer;
4. the date the Dependent becomes enrolled in Medicaid;
5. the end of the month in which a Dependent child attains age twenty-six (26);
6. the date the Employer is no longer participating under the Plan; or
7. the end of the month the Participant voluntarily drops Dependent coverage.

Coverage for a Dependent cannot extend beyond the date coverage for the active Employee ends, unless required by Section 615.071 of Chapter 615 of the Government Code for survivors of certain employees described in Section 615.003 of the Chapter who are killed in the line of duty. Section 615.075(c) requires that the survivor must give the Employer notice of election to purchase coverage within one hundred eighty (180) days of the decedent's death.

c. Termination of Coverage

Coverage may terminate as follows:

1. The end of the month in which the Participant voluntarily drops coverage.
2. If the Employee terms with the Employer, the Participant is allowed a Spenddown Period of N/A days.
3. If an Employee terms with the Employer the HRA funds may be accessed as a COBRA benefit. To access the HRA funds under the COBRA benefit, the COBRA participant will have to make an HRA deposit monthly per the HRA funding requirements that the Employer has implemented. If the Employer charges a 2% administrative fee on the COBRA services the COBRA participant will have to pay the HRA monthly deposit requirement plus 2%. At this time the HRA COBRA benefit can be accessed without accessing COBRA on the Medical Plan. If elected, the COBRA benefit coverage period shall commence immediately following the final day of the Spenddown Period.
4. Upon expiration of the Spenddown Period or if elected, the COBRA benefit coverage, any remaining HRA funds held for that Participant revert to the Employer.

5. If the Employee elects to draw pension benefits through the retirement plan of the Employer, following a rollover of HRA funds to a Retiree Reimbursement Arrangement (RRA) if such an RRA program has been established by the Employer.
 6. If the Employer terminates with the Pool, the HRA funds will be submitted to the Employer and the Employer will need to find a new HRA administrator and an administrator that will administer the HRA COBRA benefit.
 7. If the Employer stays with the Pool, but terminates providing the HRA plan, the HRA excess monies would go back to the Employer after a Spenddown Period of N/A days following the termination of that benefit.
 8. The HRA can never have cash value to the Employee. It can never be cashed out.
 9. Access to the HRA money as a COBRA benefit will operate under the COBRA rules. If you have any questions, please call TML Health Benefits Pool customer care at 800-348-7879.
- d. Coordination with Cafeteria Plan
- To the extent the Adopting Employer also sponsors a medical reimbursement program as part of its cafeteria plan within the meaning of Section 125 of the Code, a Participant participates in the medical reimbursement program, and the Participant or a Covered Individual covered through such a Participant incurs an eligible Health Care Expense that is also eligible for reimbursement under the medical reimbursement program, which program pays first is described in the Adoption Agreement.

3.3 Limitations and Exceptions

- a. If you (and your spouse, if you have family coverage) have HDHP coverage, you generally can't have other health coverage. However, you can still be an eligible individual even if your spouse has non-HDHP coverage provided you aren't covered by that plan.
- b. An employee covered by an HDHP and a health FSA or an HRA that pays or reimburses qualified medical expenses generally can't make contributions to an HSA.
- c. If the employee at any time becomes covered under a Qualified High Deductible Health Plan ("HDHP"), as prescribed by Section 223 of the Internal Revenue Code) with an accompanying health savings account ("HSA") then the carryover HRA balance will automatically convert from a general purpose HRA to a limited purpose or post-deductible HRA for any amounts incurred when the HDHP is in effect. This means that expenses for non-preventive medical costs will not be paid until the deductible for the HDHP has been met, and then only to the extent that those costs exceed the deductible.

Article IV - Method and Timing of Enrollment

4.1 Enrollment When First Eligible

An Employee who first becomes eligible to participate in this Plan will commence participation on the first day of the month after the eligibility requirements have been satisfied, provided that an Enrollment Form, if such is necessary, is submitted to the Administrator before the first day of the month in which participation will commence. Once enrolled, the Eligible Employee's participation will continue from month-to-month and year-to-year until the Eligible Employee's participation ceases pursuant to Article III. The Enrollment Form shall identify the Spouse and Dependents whose medical expenses may be submitted to the HRA. The Participant must promptly notify the Administrator if this information changes.

Article V - Benefits Offered and Method of Funding

5.1 Benefits Offered

When an Eligible Employee becomes a Participant in accordance with Articles III and IV, an HRA Account will be established for such Participant to receive Benefits in the form of reimbursements for Eligible Medical Care Expenses, as described in Article VI. In no event shall Benefits be provided in the form of cash or any other taxable or nontaxable benefit other than reimbursement for Medical Care Expenses.

5.2 Employer and Participant Contributions

- a. *Employer Contributions.* The Employer funds the full amount of the HRA Accounts in an amount established by the Employer. Nothing in this plan shall be interpreted to restrict the Employer from changing prospective contributions on a month-to-month basis.
- b. *Participant Contributions.* Participant contributions for Benefits under the Plan are prohibited.
- c. *No Funding Under Cafeteria Plan.* Under no circumstances will the Benefits be funded with salary reduction contributions, Employer contributions (e.g., flex credits) or otherwise under a cafeteria plan, nor will salary reduction contributions or Employer contributions be treated as Employer contributions to the Plan.

5.3 Funding This Plan

All of the amounts payable under this Plan shall be paid from the general assets of the Employer. Nothing herein will be construed to require the Employer or the Administrator to maintain any fund or to segregate any amount for the benefit of any Covered Individual, and no Covered Individual or other person shall have any claim against, right to, or security or other interest in any fund, account or asset of the Employer from which any payment under this Plan may be made. There is no trust or other fund from which Benefits are paid.

Article VI - Health Reimbursement Benefits

6.1 Benefits

The Plan will reimburse Participants for Medical Care Expenses up to the unused amount in the Participant's HRA Account, as set forth and adjusted under Section 6.4.

6.2 Eligible Medical Care Expenses

Under the HRA Account, a Participant may receive reimbursement for Eligible Medical Care Expenses incurred during an HRA Period of Coverage.

- a. *Incurred.* A Medical Care Expense is incurred at the time the medical care or service giving rise to the expense is furnished, and not when the individual incurring the expense is formally billed for, is charged for or pays for the medical care. Medical Care Expenses incurred before a Covered Individual first becomes covered by the Plan are not eligible.
- b. *Medical Care Expenses Generally.* "Medical Care Expenses" means expenses incurred by a Participant or by his or her Spouse or Dependents for medical care, as defined in Code § 213 (including, for example, amounts for certain hospital bills, doctor and dental bills and prescription drugs). Reimbursements due for Medical Care Expenses incurred by the Participant or the Participant's Spouse or Dependents shall be charged against the Participant's HRA Account. Reimbursement for expenses incurred for a medicine or a drug shall be treated as a reimbursement for medical expenses only if such medicine or drug is a prescribed drug (determined without regard to whether such drug is available without a prescription) or is insulin.

- c. *Cannot Be Reimbursed or Reimbursable From Another Source.* Medical Care Expenses can only be reimbursed to the extent that the Participant or other person incurring the expense is not reimbursed for the expense (nor is the expense reimbursable) through the Health Benefits Plan, other health coverage or any other accident or health plan (but see Section 6.8 if the other health plan is a Health FSA Account). If only a portion of a Medical Care Expense has been reimbursed elsewhere (e.g., because the Health Benefits Plan imposes copayment or deductible limitations), the HRA Account can reimburse the remaining portion of such Medical Care Expense if it otherwise meets the requirements of this Article VI.
- d. The Plan does not cover expenses incurred for any loss caused by or resulting from injury or disease for which benefits are payable under any worker's compensation law or other employer, union or association.
- e. The Plan does not cover expenses incurred for any loss caused by or resulting from injury or disease for which benefits are received by the Participant under any health and accident insurance policy or program, whether or not premiums are paid by the Adopting Employer or by the Participant, the Participant's Spouse or the Participant's Dependent Child.

6.3 Maximum Benefits

- a. *Maximum Benefits.* The maximum dollar amount that may be credited to an HRA Account for an Employee who participates for an entire twelve (12) month Period of Coverage shall be determined by the Employer. Unused amounts may be carried over to the next Period of Coverage, as provided in Section 6.5.
- b. *Changes.* For subsequent plan years, the maximum dollar limit may be changed by the Employer and shall be communicated to Employees through the Enrollment Form, the Schedule of Medical Expense Benefits or Plan document.
- c. *Nondiscrimination.* Reimbursements to highly compensated Individuals may be limited or treated as taxable compensation to comply with Code § 105(h), as may be determined by the Administrator in its sole discretion.

6.4 Establishment of Account

The Administrator will establish and maintain an HRA Account. The HRA Account so established will reimburse eligible medical expenses in accordance with the Code.

- a. *Crediting of Accounts.* A Participant's HRA Account will be credited at the beginning of each month with an amount equal to the applicable maximum dollar limit for the Period of Coverage divided by the number of months in that Period of Coverage (e.g., divided by twelve (12) in a twelve (12) month Plan Year), increased by any carryover of unused HRA Account balance from a prior Period(s) of Coverage.
- b. *Debiting of Accounts.* A Participant's HRA Account will be debited during each Period of Coverage for any reimbursement of Medical Care Expenses incurred during the Period of Coverage.
- c. *Available Amount.* The amount available for reimbursement of Medical Care Expenses is the amount credited to the Participant's HRA Account under subsection (a) reduced by prior reimbursements debited under subsection (b).

6.5 Carryover of Accounts

If any balance remains in the Participant's HRA Account for a Period of Coverage after all reimbursements have been made for the Period of Coverage, such balance shall be carried over to the next HRA Plan Year to reimburse the Participant for Medical Care Expenses incurred during a subsequent Period of Coverage.

6.6 Reimbursement Procedure

- a. **Timing.** In cases where a Participant pays for a medical expenses by means other than a debit card tied to the HRA Account, the Participant must submit a reimbursement claim to the Administrator. Within thirty (30) days of a reimbursement claim from a Participant; 1) the Employer will reimburse the Participant for the Participant's Medical Care Expenses (if the Administrator approves the claim); or 2) the Administrator will notify the Participant that his or her claim has been denied (see Section 8.1 regarding procedures for claim denials and appeals procedures). This time period may be extended for an additional fifteen (15) days for matters beyond the control of the Administrator, including in cases where a reimbursement claim is incomplete. The Administrator will provide written notice of any extension, including the reasons for the extension, and will allow the Participant forty-five (45) days in which to complete an incomplete reimbursement claim.
- b. **Claims Substantiation.** A Participant who seeks Benefits may apply for reimbursement by submitting an application in writing to the Administrator in such form as the Administrator may prescribe, by no later than the last day of the third (3rd) month following the close of the Plan Year in which the Medical Care Expense was incurred, setting forth:
 - the person or persons on whose behalf Medical Care Expenses have been incurred;
 - the nature and date of the Medical Care Expenses so incurred;
 - the amount of the requested reimbursement; and
 - a statement that such Medical Care Expenses have not otherwise been reimbursed and are not reimbursable through any other source and that Health FSA Account coverage, if any, for such Medical Care Expenses has been exhausted.

The application shall be accompanied by bills, invoices or other statements from an independent third party showing that the Medical Care Expenses have been incurred and the amounts of such Medical Care Expenses, together with any additional documentation that the Administrator may request.
- c. **Claims Denied.** For reimbursement claims that are denied, see the appeals procedure in Article VIII.
- d. **Claim filing Deadline.** A claim for reimbursement of expenses under the HRA must be submitted to the Administrator within three hundred sixty (360) days of the incurred date within the HRA plan year.

6.7 COBRA Continuation of Coverage

- a. **Introduction**

COBRA Continuation of Coverage can become available to the Participant and other members of the Participant's family when the Participant's group health coverage would otherwise end. For more information about the Participant's rights and obligations under the Plan and under federal law, the Participant should review the Plan booklet or contact TML Health Benefits Pool, 1821 Rutherford Lane, Suite 300, Austin, Texas 78754 or by telephone (800) 282-5385.
- b. **What is COBRA Continuation of Coverage?**

COBRA Continuation of Coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA Continuation of Coverage must be offered to each person who is a "qualified beneficiary." The Participant, the Participant's spouse and the Participant's dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying

event. Under the Plan, qualified beneficiaries who elect COBRA Continuation of Coverage may be required to pay for coverage depending on the policy of the Participant's Employer. If the Participant was an employee, the Participant will become a qualified beneficiary if the Participant loses coverage under the Plan because of either one of the following qualifying events:

1. The Participant's hours of employment are reduced; or
2. The Participant's employment ends for any reason other than your gross misconduct.

The spouse of the Participant, becomes a qualified beneficiary if the Participant's spouse loses coverage under the Plan because of any of the following qualifying events:

1. The Participant's spouse dies;
2. The Participant's spouse's hours of employment are reduced;
3. The Participant's spouse's employment ends for any reason other than his or her gross misconduct;
4. The Participant's spouse becomes entitled to Medicare benefits (under Part A, Part B and/or Part C); or
5. The Participant divorces or legally separates from the Participant's spouse.

The Participant's dependent children will become qualified beneficiaries if the Participant's dependent children lose coverage under the Plan because of any of the following qualifying events:

1. The parent-employee dies;
2. The parent-employee's hours of employment are reduced;
3. The parent-employee's employment ends for any reason other than his or her gross misconduct;
4. The parent-employee becomes entitled to Medicare benefits (Part A, Part B and/or Part C);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the Plan as a "dependent child."

Any decision of whether an Employee was terminated because of gross misconduct will be made by the Employer. The Employer may not change its decision on whether or not a termination was for gross misconduct later than the forty-fifth (45th) day after the date employment terminated or the date a COBRA Continuation of Coverage election notice was mailed to the employee, whichever is earlier. Any determination of gross misconduct shall be based on events that occurred prior to the termination of employment.

Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the Participant's Employer, and that bankruptcy results in the loss of coverage for any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee's spouse, surviving spouse and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

Please note that COBRA Continuation of Coverage does not include any life benefits. If the Participant had voluntary life coverage, the Participant may convert it to an individual policy within thirty-one (31) days of the Participant's qualifying event. Contact the Participant's Employer's human resources office for more information and conversion forms.

- c. **When is COBRA Continuation of Coverage Available?**
 The Plan will offer COBRA Continuation of Coverage to qualified beneficiaries only after TML Health Benefits Pool has been notified that a qualifying event has occurred. The Employer must notify TML Health Benefits Pool of the following qualifying events:
1. The end of employment or reduction of hours of employment;
 2. Death of the employee;
 3. Commencement of a proceeding in bankruptcy with respect to the employer; or
 4. The employee's becoming entitled to Medicare benefits (under Part A, Part B and/or Part C).
- d. **Participant Must Give Notice of Some Qualifying Events**
 For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), the Participant must notify TML Health Benefits Pool within sixty (60) days after the qualifying event occurs. The Participant must provide notice to: TML Health Benefits Pool, 1821 Rutherford Lane, Suite 300, Austin, Texas 78754 or by telephone (800) 282-5385.
- e. **How is COBRA Continuation of Coverage Provided?**
 Once TML Health Benefits Pool receives notice that a qualifying event has occurred, COBRA Continuation of Coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA Continuation of Coverage. Participants may elect COBRA Continuation of Coverage on behalf of their spouses, and parents may elect COBRA Continuation of Coverage on behalf of their children.
- COBRA Continuation of Coverage is a temporary continuation of coverage. When the qualifying event is the death of the Participant, the Participant's becoming entitled to Medicare benefits (Part A, Part B and/or Part C), divorce or legal separation of the Participant from his or her Spouse or a Dependent child's losing eligibility as a Dependent child, COBRA Continuation of Coverage lasts for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the Participant's hours of employment, and the Participant became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA Continuation of Coverage for qualified beneficiaries other than the Participant lasts until 36 months after the date of Medicare entitlement. For example, if a Participant becomes entitled to Medicare 8 months before the date on which his or her employment terminates, COBRA Continuation of Coverage for the Participant's Spouse and Dependent children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the Participant's hours of employment, COBRA Continuation of Coverage generally lasts for only up to a total of 18 months. There are three (3) ways in which this 18-month period of COBRA Continuation of Coverage can be extended.
- f. **Active Duty Reservists extension of COBRA Continuation of Coverage**
 If covered by the Plan as Participant at the time of call to active duty, active duty reservists or guard members and their covered dependents can maintain eligibility on the Plan for up to twenty-four (24) months as prescribed by and subject to the terms and conditions of the Uniformed Services Employment and Reemployment Rights Act (USERRA). The date on which the Participant's absence begins is the qualifying event for COBRA Continuation of Coverage (COC) to be offered to the reservist or guard member.

If a fire fighter or police officer is called to active duty for any period, the Employer must continue to maintain any health, dental, or life coverage received on the date the fire fighter or police officer was called to active military duty until the Employer receives written instructions from the fire fighter or police officer to change or discontinue the coverage. Such instruction shall be provided no later than sixty (60) days following the Qualifying Event. If no such instruction is given, then coverage will terminate on the sixty-first (61st) day, which shall then become the Qualifying Event for COBRA Continuation of Coverage purposes. Eligibility will meet or exceed requirements of USERRA and/or regulatory compliance.

In administering this coverage, TML Health Benefits Pool will follow the time guidelines of COBRA Continuation of Coverage under 42 U.S.C.A.300bb-1 *et seq.* To qualify for this coverage, the Participant must give written notice to the Employer within sixty (60) days of the qualifying event. The Employer member must notify TML Health Benefits Pool that an employee has been called to active duty and submit a copy of the Employer member's active reservist policy to TML Health Benefits Pool.

g. Disability extension of COBRA Continuation of Coverage

If the Participant or anyone in the Participant's family covered under the Plan is determined by Social Security to be disabled and the Participant notifies TML Health Benefits Pool within sixty (60) days of that determination, the Participant and the Participant's entire family may be entitled to receive up to an additional 11 months of COBRA Continuation of Coverage for a total maximum of 29 months. The disability must start at some time before the 60th day of COBRA Continuation of Coverage and must last at least until the end of the eighteen (18) or twenty-four (24) month period of COBRA Continuation of Coverage. The Participant may contact TML Health Benefits Pool about a disability determination at 1821 Rutherford Lane, Suite #300, Austin, Texas 78754 or by telephone at (800) 282-5385.

h. Second Qualifying Event extension of COBRA Continuation of Coverage

If the Participant's family experiences another qualifying event while receiving eighteen (18) or twenty-four (24) months of COBRA Continuation of Coverage, the spouse and dependent children in the Participant's family can get up to eighteen (18) additional months of COBRA Continuation of Coverage, for a maximum of thirty-six (36) months, if TML Health Benefits Pool is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA Continuation of Coverage if the Participant or former Participant dies, becomes entitled to Medicare benefits (Part A, Part B and/or Part C) gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child. This extension is available only if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

i. Are there other coverage options besides COBRA Continuation of Coverage?

Yes. Instead of enrolling in COBRA Continuation of Coverage, there may be other coverage options for the Participant and the Participant's family through the Health Insurance Marketplace, Medicaid or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA Continuation of Coverage.

The Participant can learn more about many of these options at <http://www.healthcare.gov>.

j. Adding Dependents

If the Participant is a COBRA Continuation of Coverage participant, the Participant has the same rights to add dependents to the Participant's COBRA Continuation of Coverage as an active employee Participant. For example, the Participant may add dependents to the Participant's COBRA Continuation of Coverage within thirty-one (31) days of marriage or sixty (60) days of the birth, adoption or placement for adoption of a child. Also, the Participant may add dependents to the Participant's COBRA Continuation of Coverage during the Employer's Open Enrollment. However, these dependents who were not covered under the Plan before the Participant's qualifying event occurred are not qualified beneficiaries and do not have individual COBRA Continuation of Coverage rights, except for children added within sixty (60) days of birth, adoption or placement for adoption. Children added to your COBRA Continuation of Coverage within sixty (60) days of birth, adoption or placement for adoption are qualified beneficiaries and have their own COBRA Continuation of Coverage rights.

k. If the Participant has Questions

Questions concerning the Participant's COBRA Continuation of Coverage rights should be addressed to the contact or contacts identified below. State and local government employees seeking more information about their rights under COBRA Continuation of Coverage, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, can contact the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services at:

- https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_fact_sheet.html; or
- <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/index.html#COBRA>

l. Keep the Plan Informed of Address Changes

In order to protect the Participant's and the Participant's family's rights, the Participant should keep TML Health Benefits Pool informed of any changes in addresses of family members. The Participant should also keep a copy, for the Participant's records, of any notices the Participant sends to the Participant's Employer and TML Health Benefits Pool.

6.8 Coordination of Benefits: Health FSA to Reimburse First

Benefits under this Plan are intended to reimburse Participants solely for Medical Care Expenses not previously reimbursed or reimbursable elsewhere. To the extent that an otherwise eligible Medical Care Expense is payable or reimbursable from another source, that other source shall pay or reimburse prior to payment or reimbursement from this Plan. Without limiting the foregoing, if the Participant's Medical Care Expenses are covered by both this Plan and by a Health FSA, then this Plan is not available for reimbursement of such Medical Care Expenses until after amounts available for reimbursement under the Health FSA Account have been exhausted.

If the Participant's Medical Care Expenses are covered by both this Plan and by a Health Savings Account, then this Plan is not available for reimbursement (except for preventive care) of such Medical Care Expenses until the deductible on the accompanying Qualified High Deductible Health Plan has been met.

Article VII - HIPAA Privacy and Security

7.1 Permitted Disclosure of Enrollment/Non-enrollment Information

The Plan may disclose to the Employer information on whether an individual is participating in the Plan.

7.2 Permitted Uses and Disclosures of Summary Health Information

The Plan may disclose Summary Health Information to the Employer, provided that the Employer requests the Summary Health Information for the purpose of modifying, amending or terminating the Plan. "Summary Health Information" means information (1) that summarizes the claims history, claims expenses or type of claims experienced by individuals for whom a plan sponsor had provided health benefits under a Health Plan; and (2) from which the information described at 42 CFR § 164.514(b)(2)(i) has been deleted, except that the geographic information described in 42 CFR § 164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

Article VIII - Appeals Procedure

8.1 Procedure if Benefits are Denied under this Plan

If a claim for reimbursement under this Plan is wholly or partially denied, appeals shall be reviewed in accordance with the appeal provision in the Benefit Plan. Appeals must be made in writing and submitted within twelve (12) months of the denial of benefits.

8.2 Submission & Consideration of Comments

Authorized representatives will have the opportunity to submit documents, written comments, or other information in support of the appeal. The review of the adverse benefit determinations will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

Article IX - Recordkeeping and Administration

9.1 Administrator

The administration of this Plan shall be under the supervision of the Administrator. It is the principal duty of the Administrator to see that this Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in this Plan without discrimination among them.

9.2 Powers of the Administrator

The Administrator shall have such duties and powers as it considers necessary or appropriate to discharge its duties. It shall have the exclusive right to interpret the Plan and to decide all matters there under, and all determinations of the Administrator with respect to any matter hereunder shall be conclusive and binding on all persons.

Without limiting the generality of the foregoing, the Administrator shall have the following discretionary authority:

- a. To construe and interpret this Plan, including all possible ambiguities, inconsistencies and omissions in the Plan and related documents, and to decide all questions of fact, questions relating to eligibility and participation, and questions of benefits under this Plan;
- b. To prescribe procedures to be followed and the forms to be used by Eligible Employees and Participants to enroll in and submit claims pursuant to this Plan;
- c. To prepare and distribute information explaining this Plan and the benefits under this Plan in such manner as the Administrator determines to be appropriate;

- d. To request and receive from all Eligible Employees and Participants such information as the Administrator shall from time to time determine to be necessary for the proper administration of this Plan;
- e. To furnish each Eligible Employee and Participant with such reports with respect to the administration of this Plan as the Administrator determines to be reasonable and appropriate;
- f. To receive, review and keep on file such reports and information concerning the benefits covered by this Plan as the Administrator determines from time-to-time to be necessary and proper;
- g. To appoint and employ such individuals or entities to assist in the administration of this Plan as it determines to be necessary or advisable, including legal counsel and benefit consultants;
- h. To sign documents for the purposes of administering this Plan, or to designate an individual or individuals to sign documents for the purposes of administering this Plan;
- i. To secure independent medical or other advice and require such evidence as it deems necessary to decide any claim or appeal; and
- j. To maintain the books of accounts, records and other data in the manner necessary for proper administration of this Plan and to meet any applicable disclosure and reporting requirements.

9.3 Reliance on Participant, Tables, etc.

The Administrator may rely upon the information submitted by an Eligible Employee or Participant as being proper under the Plan and shall not be responsible for any act or failure to act because of a direction or lack of direction by an Eligible Employee or Participant. The Administrator will also be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports that are furnished by accountants, attorneys or other experts employed or engaged by the Administrator.

9.4 Provision for Third-Party Plan Service Providers

The Administrator may employ the services of such persons as it may deem necessary or desirable in connection with the operation of the Plan. Unless otherwise provided in the service agreement, obligations under this Plan shall remain the obligation of the Employer.

9.5 Fiduciary Liability

To the extent permitted by law, the Administrator shall not incur any liability for any acts or for failure to act except for their own willful misconduct or willful breach of this Plan.

9.6 Health Benefits Plan Contracts

The Employer shall have the right (a) to enter into a contract with one or more vendors for the purposes of providing any Benefits under the Plan; and (b) to replace any of such vendors or contracts. Any dividends, retroactive rate adjustments or other refunds of any type that may become payable under any such contract shall not be assets of the Plan but shall be the property of, and be retained by, the Employer, to the extent that such amounts are less than aggregate Employer contributions toward such contract.

9.7 Inability to Locate Payee

If the Employer is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited following a reasonable time after the date that any such payment first became due.

9.8 Effect of Mistake

In the event of a mistake as to the eligibility or participation of an individual, or the allocations made to the account of any Participant, or the amount of Benefits paid or to be paid to a Participant or other person, the Administrator shall, to the extent that it deems administratively possible and otherwise permissible under Code § 105, the regulations issued thereunder or other applicable law, cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as will, in its judgment, accord to such Participant or other person the credits to the HRA Account or distributions to which he or she is properly entitled under the Plan. Such action by the Administrator may include withholding of any amounts due to the Plan or the Employer from Compensation paid by the Employer.

Article X - General Provisions

10.1 Expenses

All reasonable eligible expenses incurred in administering the Plan are currently paid by the Employer.

10.2 No Contract of Employment

Nothing herein contained is intended to be or shall be construed as constituting a contract or other arrangement between any Eligible Employee and the Employer to the effect that such Eligible Employee will be employed for any specific period of time. All Eligible Employees are considered to be employed at the will of the Employer.

10.3 Amendment and Termination

This Plan has been established with the intent of being maintained for an indefinite period of time. Nonetheless, the Administrator may amend or terminate all or any part of this Plan at any time for any reason by resolution of the Administrator's Board of Trustees or by any person or persons authorized by the Board of Trustees to take such action, and any such amendment or termination will automatically apply to the Member Employers that are participating in this Plan.

10.4 Governing Law

This Plan shall be construed, administered and enforced according to the laws of the State of Texas to the extent not superseded by the Code or any other federal law.

10.5 Code Compliance

It is intended that this Plan meet all applicable requirements of the Code, and of all regulations issued thereunder. This Plan shall be construed, operated and administered accordingly, and in the event of any conflict between any part, clause or provision of this Plan and the Code, the provisions of the Code shall be deemed controlling, and any conflicting part, clause or provision of this Plan shall be deemed superseded to the extent of the conflict.

10.6 No Guarantee of Tax Consequences

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from the Participant's gross income for federal, state or local income tax purposes.

It shall be the obligation of each Participant to determine whether each payment under this Plan is excludable from the Participant's gross income for federal, state and local income tax purposes, and to notify the Administrator if the Participant has any reason to believe that such payment is not so excludable.

10.7 Indemnification of Employer

If any Participant receives one or more payments or reimbursements under this Plan on a tax-free basis, and such payments do not qualify for such treatment under the Code, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal income taxes, Social Security taxes or other taxes from such payments or reimbursements.

10.8 Non-Assignability of Rights

The right of any Participant to receive any reimbursement under this Plan shall not be alienable by the Participant by assignment or any other method and shall not be subject to claims by the Participant's creditors by any process whatsoever. Any attempt to cause such right to be so subjected will not be recognized, except to such extent as may be required by law.

10.9 Headings

The headings of the various Articles and Sections (but not subsections) are inserted for convenience of reference and are not to be regarded as part of this Plan or as indicating or controlling the meaning or construction of any provision.

10.10 Plan Provisions Controlling

In the event that the terms or provisions of any summary or description of this Plan, or of any other instrument, are in any construction interpreted as being in conflict with the provisions of this Plan as set forth in this document, the provisions of this Plan shall be controlling.

10.11 Severability

Should a court of competent jurisdiction subsequently invalidate any part of this Plan, the remainder of the Plan shall be given effect to the maximum extent possible.

10.12 Compensation and Expenses

The Claim Administrator shall be entitled to reasonable fees for its services hereunder, which shall be described in an administrative services agreement incurred by the Claims Administrator in connection with the Plan.

10.13 Family and Medical Leave Act of 1993 ("FMLA")

Notwithstanding any provision of this Plan to the contrary, this Plan shall be cooperated and maintained in a manner consistent with FMLA, to the extent the Adopting Employer is subject to such law.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the TML Health HRA Plan, Employer has caused this Plan to be executed in its name and on its behalf, on this ____ day of _____, 20__.

Riverbend Water Resources District

By: _____

Attachment 2

Schedule of HRA Plan Administration Services Fees

1. Employer: Riverbend Water Resources District
2. Effective Date: 5/1/20

Item	Cost	Payable
Setup Fee	\$ 50.00 /Group	One time ⁽¹⁾
Monthly Service Fee ⁽²⁾	\$ 3.70 /Participant Debit \$ 5.00 /Participant Paper	Monthly
Special Reports ⁽³⁾	As agreed upon	30 days following receipt of report

(1) One time set up fee for each group that enrolls in the HRA Plan.

(2) Monthly Service Fee includes:

- a) processing contribution;
- b) processing claims (review and verification);
- c) paying claims (direct mail to employee);
- d) paying dependent premium (if applicable);
- e) employee fund balance statement with each reimbursement; and statement of fund balances and projected year-end balance at close of Plan Year fourth quarter.

(3) Normal Reports to the Plan Sponsor, at no additional cost are:

- a) initial enrollment verification;
- b) quarterly fund balance; and
- c) projected year-end fund balance at the close of the Plan Year fourth quarter.

If Employer funds annually, any employees hired mid-plan year will be funded as follows (mark one):

- ☐ The full annual funded amount at date of hire
- ☒ A pro-rated amount (mark one):
- ☒ Annual rate divisible by twelve (12) months (not to exceed 102% of active rate)
\$ 500.00
- ☐ Only the administrative fee of \$ _____
- ☐ Other \$ _____

If Employer funds annually and TML Health administers Continuation of Coverage (COC), terminated employees will be billed one of the following for monthly fee (mark one):

- ☒ Annual rate divisible by twelve (12) months (not to exceed 102% of active rate) \$ 500.00
- ☐ Only the administrative fee of \$ _____
- ☐ Other (not to exceed 102% of active rate) \$ _____

Attachment 3

Retirement Reimbursement Arrangement Addendum

The Riverbend Water Resources District has authorized continued participation by retirees (as defined by the Employer's retirement plan) in the foregoing Health Reimbursement Arrangement (HRA) by means of a Retirement Reimbursement Arrangement (RRA). All funds in the HRA at the time of the retirement shall be transferred into the RRA. The operation of the RRA will continue on the same terms and conditions as the HRA with the following employer decisions regarding the Retiree Reimbursement account:

1. Responsibility of the \$ 3.70 Retiree Reimbursement administration fee
☒ Retiree is responsible for the administration fee of \$ 3.70.
☐ Employer will be responsible for the administration fee.
2. Employer Retiree Reimbursement contribution
☒ Employer will not make contribution to the RRA.
3. Employer will make monthly contribution to the RRA in the amount of \$ _____.
Monthly contributions to the RRA shall be made in an amount authorized, paid and deposited by Employer.

In the case of the death, divorce, or other qualifying event (as defined by federal law) of the retiree, any surviving, previously RRA enrolled dependents of the retiree may elect any legally required continuation of coverage (COC) of the remaining benefits from the RRA, reduced by the monthly fee described above. In no case shall the liability of the Employer for the combined RRA/COC benefits of the qualified beneficiaries exceed the balance of the RRA at the time of the retiree's death.

ADOPTED:

Riverbend Water Resources District

By _____
(Signature)

Name _____

Title _____

Address _____

Attachment 6
HRA Forms

HRA Employee Enrollment Agreement Form



Employer Name										Employer Group #																																		
Social Security #										Last Name										First Name										MI					Date of Birth									

☐ Male ☐ Single ☐ Widowed Date Employed _____
☐ Female ☐ Married ☐ Divorced

Employee and Dependent Alternate Mailing Address

Employee Mailing Address																
	Street				City				State				Zip Code			
<input type="checkbox"/> Check here if new																
	Preferred Contact Phone #								E-mail							
Dependent Alternate Address																
	Street				City				State				Zip Code			

Dependent/Spouse Coverage Information

Spouse Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth
Dependent Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth

Annually

Monthly

Employer Contribution for Health Reimbursement Arrangement \$ _____ \$ _____

Employee Declination/Waiver of Participation

The benefits of the plan have been thoroughly explained to me and I decline to participate.

Employee Signature _____ Date _____

Employee Acceptance

I certify the above information to be correct and true to the best of my knowledge and that any child(ren) listed are dependents under Section 152 of the Internal Revenue Code.

Employee Signature _____ Date _____

Employer Accepted

By _____

Date _____

Please return this form to your employer.

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HRA Employee Request for Change Form



Employer Name										Employer Group #																																		
Social Security #										Last Name										First Name										MI					Change Effective Date									

Please Mark Change Desired

☐ Address Change
 ☐ Name Change _____ (former name)

☐ Retired Date of Retirement _____
 Medicare Eligible ☐ Yes ☐ No
 If Yes, Medicare (HIC or MBI) # _____
 Medicare Effective Date _____

Employee and Dependent Alternate Mailing Address

Employee Mailing Address	Street	City	State	Zip Code
	Preferred Contact Phone #	E-mail		
Dependent Alternate Address	Street	City	State	Zip Code

Dependent/Spouse Coverage Information

- Only the dependents listed below will have the coverage selected.
- The term dependent will not include any person who is eligible for coverage as an employee. Children may be covered under only one Employ

Spouse Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth
Dependent Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth	Dependent Name (First, M.I.)	Date of Birth

Annually

Monthly

Employer Contribution for Health Reimbursement Arrangement \$ _____ \$ _____

Employee Acceptance Employee Signature _____ Date _____	Employer Accepted By _____ Date _____	Reason for Add or Change Notes
--	--	---

Please return this form to your employer.

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Direct Deposit Authorization Agreement



As a service of TML Health, we are offering you the opportunity to have the following claim payments deposited via electronic 'direct deposit' into your bank account:

- Flexible Spending Arrangement (Section 125)
- Health Reimbursement Arrangement (HRA)

When you agree to allow an automatic funds transfer (*direct deposit*) into your bank account, the permission to do so will remain in effect until you notify TML Health that you are removing that permission.

If you are interested in taking advantage of this opportunity, please complete and return this form with a voided check and mail to:

TML Health
Accounting
P. O. Box 140526
Austin, TX 78714-0526

If you have any questions regarding this form, please contact Kathie Miller at (800) 348-7879.

Please Print

As a duly authorized signatory of the account number listed below I, the undersigned, authorize TML Health to initiate credit entries through Chase Bank – Austin or other transaction facilitating entities to my account, as indicated below and located at the contracted depository named below.

Bank Name: _____

Type of Account: ☐ Checking ☐ Savings

Attach a voided check for the account or provide the following:

ABA (Bank) Routing Number: _____
(9 characters, normally located on bottom of check next to Account Number)

Account Number: _____

This authority is to remain in full force and effect until TML Health has received written notification from an authorized signatory of the account in such a time and in such a manner as to afford the TML Health reasonable opportunity to act upon said notification.

Employee Name

Employee Social Security #

Employer Name

Employer Group Number

Signature

Date

Preferred Contact Phone #

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**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM VI. E.
RWRD RESO 20200422-04
Amended Budgets**



RIVERBEND RESOLUTION NO. 20200422-04

**ADOPTING THE FY 2019-2020 AMENDED ADMINISTRATIVE MEMBER FUND
BUDGET AND 2019-2020 AMENDED WET UTILITIES BUDGET OF THE
RIVERBEND WATER RESOURCES DISTRICT**

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Riverbend Water Resources District first adopted the FY 2019-2020 Administrative Member Fund Budget and the FY 2019-2020 Wet Utilities Budget on September 25, 2019; and

WHEREAS, Riverbend Water Resources District deems it necessary to revise the FY 2019-2020 Administrative Member Fund Budget and FY 2019-2020 Wet Utilities Budget to incorporate necessary adjustments to certain line items; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Riverbend Water Resources District hereby adopts the 2019-2020 Amended Administrative Member Fund Budget and the 2019-2020 Amended Wet Utilities Fund Budget of the Riverbend Water Resources District.

PASSED and APPROVED this 22nd day of April 2020

Sonja Hubbard, President

ATTEST:

Marshal Wood, Secretary

Attached: FY 2019-2020 Amended Administrative Member Fund Budget
FY 2019-2020 Amended Wet Utilities Fund Budget

**Riverbend Water Resources District
Proposed Budget Amendments
April 22, 2020**

Administrative Fund

Account		Admin	Member Services
Military Affairs	Increased expense	(6,500)	
Hooks Wastewater Services	Decreased revenue		(6,000)
Maud Services	Decreased revenue		(25,000)
Labor wages for Hooks	Decreased expense		5,400
Labor wages for Maud	Decreased expense		8,500
Mileage	Decreased expense		3,100
Analyticals	Decreased expense		400
Repairs	Decreased expense		3,500
Equipment	Decreased expense		2,500

Wet Utilities Fund

Account		Water	Wastewater	Industrial Wastewater	Infrastructure Services
Cell phone	Increased expense	800	890	910	
Other Employment Costs	Decreased expense	(800)	(890)	(910)	
Trash	Increased expense	7,000			
Grit	Increased expense		3,000		
Drying Bed Sludge	Decreased expense		(10,000)		
Phosphate	Increased expense			5,000	
Chrome	Decreased expense			(5,000)	
IS Equipment Rental	Decrease expense (reimbursement)				(2,500)
IS Analyticals	Decrease expense (reimbursement)				(400)
IS Labor Wages	Decrease expense (reimbursement)				(8,500)
IS Repairs	Decrease expense (reimbursement)				(3,500)
IS Mileage Reimbursement	Decrease expense (reimbursement)				(3,100)
Infrastructure Services Admin Fee	Increase revenue				2,160

Member Services revenue and expenses have been moved from the Administrative Fund to the Wet Utilities Fund. All reimbursed expense for infrastructure services will appear as credits (reductions) to appropriate expense accounts. Admin fees (12% of total expense) will be recorded as income.

Riverbend Water Resources District
WET Utilities - Proposed Amended Budget - Summary
FY2019-20

	Budget	Approved	Amended
	18-19	19-20	19-20
Revenue	3,479,249	3,541,962	3,541,962
Expenses			
Water	1,172,979	1,305,851	1,312,851
Wastewater	1,380,190	1,467,351	1,460,351
Industrial Wastewater	1,167,920	1,288,011	1,288,011
Infrastructure Services	0	0	(18,000)
Total Expenses	3,721,088	4,061,213	4,061,213
Subtotal Revenue (Expenses)	(241,839)	(519,251)	(519,251)
Non-Operating Revenue (Expenses)	627,419	621,223	623,383
Total Revenue (Expenses)	385,580	101,972	104,132

Debt Service for 2020 = \$1,115,449

Riverbend Water Resources District
Wet Utilities - Water - Proposed Amended Budget
FY2019-20

	Budget	Approved	Amended	Increase/ (Decrease)
	18-19	19-20	19-20	
Ordinary Income/Expense				
Income				
41000 • Army Revenue				
41020 • Army Revenue-Volumetric Charge	647,423	817,326	817,326	
41025 • Army Revenue-Water Supply Chrg	301,187	273,660	273,660	
Total 41000 • Army Revenue	948,610	1,090,986	1,090,986	
42000 • Residential & Commercial Revenu				
42020 • Res & Comm Rev-Volumetric Chrg	123,742	53,500	53,500	
42025 • Res & Comm Rev-Water Supply Chg	0	0	0	
42030 • Res & Comm Rev-Backflow Calibra	2,550	2,550	2,550	
Total 42000 • Residential & Commercial Revenu	126,292	56,050	56,050	
Total Income	1,074,902	1,147,036	1,147,036	
Cost of Goods Sold				
51000 • Labor				
50100 • Salaries & Wages				
50100 • Salaries & Wages - Other	189,805	215,822	215,822	
Total 50100 • Salaries & Wages	189,805	215,822	215,822	
50110 • Health Insurance	37,692	41,580	41,580	
50120 • Pension	23,726	26,978	26,978	
50130 • Payroll Taxes	16,335	18,574	18,574	
50150 • Unemployment Obligations	4,056	2,956	2,956	
50200 • Cell Phone	3,500	800	1,600	800
50210 • Workers Compensation	5,279	5,596	5,596	
50230 • Training, Travel, & Licences	5,250	6,000	6,000	
50240 • Uniforms	2,625	3,000	3,000	
50250 • Other Employment Costs	1,925	2,200	1,400	(800)
50260 • Mileage for Call Outs	500	500	500	
50300 • Temporary Labor	12,000	12,000	12,000	
51000 • Labor - Other	0	0	0	
Total 51000 • Labor	302,693	336,006	336,006	
52000 • Analytics	10,000	10,000	10,000	
53000 • Repairs				
53010 • Plant				
53010 • Plant - Other	0	12,000	12,000	
Total 53010 • Plant	0	12,000	12,000	
53020 • Lines				
53020 • Lines - Other	50,000	102,500	102,500	
Total 53020 • Lines	50,000	102,500	102,500	
53030 • Facilities-Other				
53030 • Facilities-Other - Other	20,000	17,500	17,500	

Total 53030 · Facilities-Other	20,000	17,500	17,500	
Total 53000 · Repairs	70,000	132,000	132,000	
53200 · Insurance - Operations	13,000	13,000	13,000	
54100 · Other Maintenance	5,000	5,000	5,000	
54200 · Equipment Maint, Repair & Fuel				
54210 · Equipment Maint & Repairs	10,000	10,000	10,000	
54220 · Fuel	5,000	5,000	5,000	
Total 54200 · Equipment Maint, Repair & Fuel	15,000	15,000	15,000	
54300 · Equipment Rental	5,000	5,000	5,000	
55100 · Materials				
55110 · Chemicals	6,000	6,000	6,000	
55120 · Other Materials	500	500	500	
Total 55100 · Materials	6,500	6,500	6,500	
55200 · Supplies				
55210 · Small Tools & Equipment	3,000	3,000	3,000	
55220 · Sampling	3,000	3,000	3,000	
55230 · Cleaning	0	0	0	
55240 · Safety	3,000	3,000	3,000	
55250 · Other Supplies	1,000	1,000	1,000	
Total 55200 · Supplies	10,000	10,000	10,000	
56000 · Permits	15,000	15,000	15,000	
57000 · Utilities	15,000	52,000	52,000	
58050 · Trash	0	0	7,000	7,000
58500 · Water Purchase Cost	321,426	280,663	280,663	
59000 · Consulting				
17GIS04 · GIS Mapping	17,000	0	0	
59000 · Consulting - Other	3,000	20,000	20,000	
Total 59000 · Consulting	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Total COGS	<u>808,619</u>	<u>900,169</u>	<u>907,169</u>	
Gross Profit	266,283	246,867	239,867	
Net Ordinary Income	<u>266,283</u>	<u>246,867</u>	<u>239,867</u>	
Total Other Expense	<u>0</u>	<u>0</u>	<u>0</u>	
Net Other Income	<u>0</u>	<u>0</u>	<u>0</u>	
Net Income	<u><u>266,283</u></u>	<u><u>246,867</u></u>	<u><u>239,867</u></u>	
Overhead	<u>(158,860)</u>	<u>(160,528)</u>	<u>(160,528)</u>	
	<u>107,423</u>	<u>86,339</u>	<u>79,339</u>	
Depreciation	205,500	245,154	245,154	

Riverbend Water Resources District
Wet Utilities - Wastewater - Proposed Amended Budget
FY2019-20

	Budget	Approved	Amended	Increase/
	18-19	19-20	19-20	(Decrease)
Ordinary Income/Expense				
Income				
41000 · Army Revenue				
41020 · Army Revenue-Volumetric Charge	1,014,689	977,229	977,229	
41025 · Army Revenue-Water Supply Charg	0	20,414	20,414	
Total 41000 · Army Revenue	1,014,689	997,643	997,643	
42000 · Residential & Commercial Revenu				
42020 · Res & Comm Rev-Volumetric Charg	293,375	301,000	301,000	
Total 42000 · Residential & Commercial Revenu	293,375	301,000	301,000	
47000 · Miscellaneous Revenue				
Total Income	1,308,064	1,298,643	1,298,643	
Cost of Goods Sold				
51000 · Labor				
50100 · Salaries & Wages				
50100 · Salaries & Wages - Other	220,349	234,237	234,237	
Total 50100 · Salaries & Wages	220,349	234,237	234,237	
50110 · Health Insurance	46,307	46,258	46,258	
50120 · Pension	27,544	29,280	29,280	
50130 · Payroll Taxes	18,964	20,159	20,159	
50150 · Unemployment Obligations	4,983	3,288	3,288	
50200 · Cell Phone	4,300	890	1,780	890
50210 · Workers Compensation	6,450	5,916	5,916	
50230 · Training, Travel, & Licences	6,450	6,675	6,675	
50240 · Uniforms	3,225	3,338	3,338	
50250 · Other Employment Costs	2,605	2,448	1,558	(890)
50260 · Mileage for Call Outs	500	500	500	
50300 · Temporary Labor	12,000	12,000	12,000	
51000 · Labor - Other	0	0	0	
Total 51000 · Labor	353,677	364,989	364,989	
52000 · Analyticals	95,000	95,000	95,000	
53000 · Repairs				
53010 · Plant				
18WW015 · Drying Bed Rehab	21,500	0	0	
53010 · Plant - Other	38,500	160,000	160,000	
Total 53010 · Plant	60,000	160,000	160,000	
53020 · Lines				
53020 · Lines - Other	35,000	60,000	60,000	
Total 53020 · Lines	35,000	60,000	60,000	
53030 · Facilities-Other				
53030 · Facilities-Other - Other	29,000	29,000	29,000	

Total 53030 · Facilities-Other	29,000	29,000	29,000	
Total 53000 · Repairs	124,000	249,000	249,000	
53200 · Insurance - Operations	13,000	13,000	13,000	
54100 · Other Maintenance	5,000	5,000	5,000	
54200 · Equipment Maint, Repair & Fuel				
54210 · Equipment Maint & Repairs	8,000	8,000	8,000	
54220 · Fuel	9,000	9,000	9,000	
Total 54200 · Equipment Maint, Repair & Fuel	17,000	17,000	17,000	
54300 · Equipment Rental	4,000	4,000	4,000	
55100 · Materials				
55110 · Chemicals	65,000	65,000	65,000	
55120 · Other Materials	1,500	1,500	1,500	
Total 55100 · Materials	66,500	66,500	66,500	
55200 · Supplies				
55210 · Small Tools & Equipment	8,000	8,000	8,000	
55220 · Sampling	6,000	6,000	6,000	
55230 · Cleaning	1,200	1,200	1,200	
55240 · Safety	5,000	5,000	5,000	
55250 · Other Supplies	5,000	5,000	5,000	
Total 55200 · Supplies	25,200	25,200	25,200	
56000 · Permits	20,000	20,000	20,000	
57000 · Utilities	90,000	90,000	90,000	
58000 · Waste Disposal				
58020 · Grit	0	0	3,000	3,000
58030 · Drying Bed Sludge	30,000	30,000	20,000	(10,000)
Total 58000 · Waste Disposal	30,000	30,000	23,000	
58500 · Water Purchase Cost	31,000	27,000	27,000	
59000 · Consulting				
17GIS04 · GIS Mapping	17,000	0	0	
59000 · Consulting - Other	3,000	20,000	20,000	
Total 59000 · Consulting	20,000	20,000	20,000	
Total COGS	894,377	1,026,689	1,019,689	
Gross Profit	413,687	271,954	278,954	
Expense				
Net Ordinary Income	413,687	271,954	278,954	
Net Income	<u>413,687</u>	<u>271,954</u>	<u>278,954</u>	
Overhead	(211,813)	(174,370)	(174,370)	
	<u>201,874</u>	<u>97,584</u>	<u>104,584</u>	
Depreciation	274,000	266,292	266,292	

Riverbend Water Resources District
Wet Utilities -Industrial Wastewater - Proposed Amended Budget

	FY2019-20			
	Budget	Approved	Amended	Increase/
	18-19	19-20	19-20	(Decrease)
Ordinary Income/Expense				
Income				
41000 · Army Revenue				
41020 · Army Revenue-Volumetric Charge	1,031,728	1,096,283	1,096,283	
41025 · Army Revenue-Water Supply Charg	0	0	0	
41000 · Army Revenue - Other	0	0	0	
Total 41000 · Army Revenue	1,031,728	1,096,283	1,096,283	
Total Income	1,031,728	1,096,283	1,096,283	
Cost of Goods Sold				
51000 · Labor				
50100 · Salaries & Wages				
50100 · Salaries & Wages - Other	213,030	235,511	235,511	
Total 50100 · Salaries & Wages	213,030	235,511	235,511	
50110 · Health Insurance	45,230	47,298	47,298	
50120 · Pension	26,629	29,439	29,439	
50130 · Payroll Taxes	18,334	20,269	20,269	
50150 · Unemployment Obligations	4,867	3,362	3,362	
50200 · Cell Phone	4,200	910	1,820	910
50210 · Workers Compensation	6,300	6,076	6,076	
50230 · Training, Travel, & Licences	6,300	6,825	6,825	
50240 · Uniforms	3,150	3,413	3,413	
50250 · Other Employment Costs	2,520	2,503	1,593	(910)
50260 · Mileage for Call Outs	500	500	500	
50300 · Temporary Labor	12,000	12,000	12,000	
51000 · Labor - Other	0	0	0	
Total 51000 · Labor	343,060	368,106	368,106	
52000 · Analyticals	45,000	45,000	45,000	
53000 · Repairs				
53010 · Plant				
53010 · Plant - Other	65,000	80,000	80,000	
Total 53010 · Plant	65,000	80,000	80,000	
53020 · Lines				
53020 · Lines - Other	10,000	10,000	10,000	
Total 53020 · Lines	10,000	10,000	10,000	
53030 · Facilities-Other				
53030 · Facilities-Other - Other	20,000	20,000	20,000	
Total 53030 · Facilities-Other	20,000	20,000	20,000	
Total 53000 · Repairs	95,000	110,000	110,000	
53200 · Insurance - Operations	13,000	13,000	13,000	
54100 · Other Maintenance	2,000	2,000	2,000	
54200 · Equipment Maint, Repair & Fuel				

54210 · Equipment Maint & Repairs	7,000	7,000	7,000	
54220 · Fuel	4,000	4,000	4,000	
Total 54200 · Equipment Maint, Repair & Fuel	11,000	11,000	11,000	
54300 · Equipment Rental	2,000	2,000	2,000	
55100 · Materials				
55110 · Chemicals	160,000	160,000	160,000	
Total 55100 · Materials	160,000	160,000	160,000	
55200 · Supplies				
55210 · Small Tools & Equipment	8,000	8,000	8,000	
55220 · Sampling	2,000	2,000	2,000	
55230 · Cleaning	1,000	1,000	1,000	
55240 · Safety	4,500	4,500	4,500	
55250 · Other Supplies	1,000	1,000	1,000	
Total 55200 · Supplies	16,500	16,500	16,500	
56000 · Permits	20,000	20,000	20,000	
57000 · Utilities	46,000	46,000	46,000	
58000 · Waste Disposal				
58010 · Phosphate	15,000	15,000	20,000	5,000
58020 · Grit	0	0	0	
58030 · Drying Bed Sludge	0	0	0	
58040 · Chrome	15,000	15,000	10,000	(5,000)
58000 · Waste Disposal - Other	0	0	0	
Total 58000 · Waste Disposal	30,000	30,000	30,000	
59000 · Consulting				
17GIS04 · GIS Mapping	17,000	0	0	
59000 · Consulting - Other	3,000	20,000	20,000	
Total 59000 · Consulting	20,000	20,000	20,000	
Total COGS	803,560	843,606	843,606	
Gross Profit	228,168	252,677	252,677	
Net Income	228,168	252,677	252,677	
Overhead	-158,860	-175,851	-175,851	
	69,308	76,826	76,826	
Depreciation	205,500	268,554	268,554	

Riverbend Water Resources District
Wet Utilities - Overhead - Proposed Amended Budget
FY2019-20

	Budget	Approved	Amended	Increase/
	18-19	19-20	19-20	(Decrease)
Ordinary Income/Expense				
Expense				
60110 · Salaries & Wages				
60110 · Salaries & Wages - Other	390,812	407,678	407,678	
Total 60110 · Salaries & Wages	390,812	407,678	407,678	
60120 · Health Insurance	53,846	41,580	41,580	
60130 · Pension	48,851	50,960	50,960	
60140 · Payroll Taxes	33,634	35,086	35,086	
60150 · Unemployment Obligations	5,795	2,956	2,956	
60210 · Cell Phone	5,200	1,800	1,800	
60220 · Workers Compensation	676	394	394	
60230 · Training, Travel, & Licenses	7,500	8,000	8,000	
60240 · Uniforms	2,500	2,000	2,000	
60250 · Other Employment Costs	8,000	7,950	7,950	
60300 · Temporaty Labor	0	0	0	
61200 · Travel	5,600	5,600	5,600	
61310 · Meetings	3,000	3,000	3,000	
63200 · Insurance	1,000	1,000	1,000	
65010 · Auditing	23,000	23,000	23,000	
65020 · Accounting	0	0	0	
65210 · Legal	25,000	25,000	25,000	
66000 · Payroll Expenses	0	0	0	
66010 · Computer, Reprod & Maint	17,000	17,000	17,000	
66020 · Office Supplies	6,000	6,000	6,000	
66030 · Postage	2,600	2,600	2,600	
66110 · Utilities-OH	13,000	13,000	13,000	
66130 · Building Maintenance	7,000	7,000	7,000	
66210 · Licenses & Fees	300	300	300	
66310 · Advertising	2,000	2,000	2,000	
66800 · Miscellaneous Fees				
66810 · Wright Express Fees	240	240	240	
66800 · Miscellaneous Fees - Other	1,460	1,460	1,460	
Total 66800 · Miscellaneous Fees	1,700	1,700	1,700	
71000 · Depreciation Expense	685,000	780,000	780,000	
Total Expense	1,349,014	1,445,604	1,445,604	
Net Ordinary Income	(1,349,014)	(1,445,604)	(1,445,604)	
Other Income/Expense				
Other Income				
83000 · Facility Charges				

41015 - Army Revenue-Facility Charge 2	569,277	550,874	550,874
41010 - Army Revenue-Facility Charge 1	660,854	526,557	526,557
42010 - Res & Comm Rev-Facility Charge1	132,000	166,500	166,500
Total 83000 - Facility Charges	1,362,131	1,243,931	1,243,931
80000 - Interest Income	52,000	52,000	52,000
81000 - Project Admin Fees			
81000 - Project Admin Fees - Other	124,000	37,000	37,000
Total 81000 - Project Admin Fees	124,000	37,000	37,000
82000 - 40% Salary Billback	134,482	154,855	154,855
Total Other Income	1,672,613	1,487,786	1,487,786
Other Expense			
66400 - Bonds A&B Interest Expense	408,271	405,449	405,449
66500 - Franchise Fees to TAC	102,441	106,259	106,259
66850 - Transfer to Admin Fund	400,000	200,000	200,000
66900 - Regional Planning/\$1M Debt Svc	0	0	0
Total Other Expense	910,712	711,708	711,708
Net Other Income	761,901	776,078	776,078
Net Income	(587,113)	(669,526)	(669,526)

Overhead to be allocated	(529,532)	(510,749)	(510,749)
(Expenses before Non-operating revenues and expenses)			

Water	30%	(158,860)	(160,528)	(160,528)
Wastewater	40%	(211,813)	(174,370)	(174,370)
Industrial Wastewater	30%	(158,860)	(175,851)	(175,851)
		<u>(529,532)</u>	<u>(510,749)</u>	<u>(510,749)</u>

Depreciation Expense to be allocated

Water	30%	205,500	245,154	245,154
Wastewater	40%	274,000	266,292	266,292
Industrial Wastewater	30%	205,500	268,554	268,554
		<u>685,000</u>	<u>780,000</u>	<u>780,000</u>

Riverbend Water Resources District
Wet Utilities - Infrastructure Services - Proposed Amended Budget
FY2019-20

	<u>Budget</u>	<u>Approved</u>	<u>Amended</u>	<u>Increase/</u>	
	<u>18-19</u>	<u>19-20</u>	<u>19-20</u>	<u>(Decrease)</u>	
Ordinary Income/Expense					
Cost of Goods Sold					
54350 • IS Equipment Rental	0.00	0.00	(2,500)	(2,500)	Expense Reimbursement (formerly Member Services Income)
52100 • IS Analytics	0.00	0.00	(400)	(400)	Expense Reimbursement (formerly Member Services Income)
50100 • Salaries & Wages					
59805 • IS Labor Wages	0.00	0.00	(8,500)	(8,500)	Expense Reimbursement (formerly Member Services Income)
Total 50100 • Salaries & Wages	<u>0.00</u>	<u>0.00</u>	<u>(8,500)</u>		
53000 • Repairs					
53020 • Lines	0.00	0.00	0		
53040 • IS Repairs	0.00	0.00	(3,500)	(3,500)	Expense Reimbursement (formerly Member Services Income)
Total 53000 • Repairs	<u>0.00</u>	<u>0.00</u>	<u>(3,500)</u>		
54200 • Equipment Maint, Repair & Fuel					
54230 • IS Mileage Reimburse	0.00	0.00	(3,100)	(3,100)	Expense Reimbursement (formerly Member Services Income)
Total 54200 • Equipment Maint	<u>0.00</u>	<u>0.00</u>	<u>(3,100)</u>		
Total COGS	<u>0.00</u>	<u>0.00</u>	<u>(18,000)</u>		
Other Income					
81100 • Infrastructure Serv. Adm	0.00	0.00	2,160	2,160	Expense Reimbursement (formerly Member Services Income)
Total Other Income	<u>0.00</u>	<u>0.00</u>	<u>2,160</u>		
Net Income	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>20,160</u></u>		

Riverbend Water Resources District
Admin Fund - Proposed Amended Budget - Summary
FY2019-20

	<u>Budget</u>	<u>Approved</u>	<u>Amended</u>
	<u>18-19</u>	<u>19-20</u>	<u>19-20</u>
Revenue	253,650	207,000	176,000
Expenses	<u>919,967</u>	<u>724,790</u>	<u>707,890</u>
Subtotal Revenue (Expenses)	<u>(666,317)</u>	<u>(517,790)</u>	<u>(531,890)</u>
Other Revenue (Expenses)	<u>743,000</u>	<u>526,000</u>	<u>531,890</u>
Total Revenue (Expenses)	<u><u>76,683</u></u>	<u><u>8,210</u></u>	<u><u>0</u></u>

Riverbend Water Resources District
Admin Fund - Administrative - Proposed Amended Budget
FY2019-20

	<u>Budget</u>	<u>Approved</u>	<u>Amended</u>	<u>Increase/</u>
	<u>18-19</u>	<u>19-20</u>	<u>19-20</u>	<u>(Decrease)</u>
Ordinary Income/Expense				
Income				
41000 - Riverbend Fee	195,000	176,000	176,000	
44000 - SRBA Funding Agreement	0	0	0	
45000 - WET Revenues (Current Year)	0	0	0	
Total Income	195,000	176,000	176,000	
Gross Profit	195,000	176,000	176,000	
Expense				
59000 - Consulting				
59010 - Cross Oak	60,000	60,000	60,000	
59020 - Larry Meyers	120,000	120,000	120,000	
59030 - Misc.	20,000	20,000	20,000	
Total 59000 - Consulting	200,000	200,000	200,000	
60110 - Salary & Benefits Bill Back@40%	134,482	155,855	155,855	
60230 - Conferences & Seminars				
60231 - RRVA Conference	500	500	500	
60230 - Conferences & Seminars - Other	4,200	4,200	4,200	
Total 60230 - Conferences & Seminars	4,700	4,700	4,700	
61000 - Dues & Memberships				
61010 - Texas Water Foundation	500	500	500	
61020 - AWWA	250	250	250	
61030 - Chamber of Commerce	360	360	360	
61040 - TRWA	400	400	400	
61050 - TWCA	375	375	375	
61060 - RRVA	250	250	250	
61070 - Leadership Texarkana	600	600	600	
61000 - Dues & Memberships - Other	5,000	5,000	5,000	
Total 61000 - Dues & Memberships	7,735	7,735	7,735	
61200 - Travel Expenses	18,000	18,000	18,000	
61310 - Meeting Expense	8,900	6,000	6,000	
64000 - Community Relations/PR	10,000	8,000	8,000	
64010 - Military Affairs	12,000	10,000	16,500	6,500
				To maintain commitment
65000 - Accounting & Audit Fees				
65010 - Audit Fees	4,500	4,500	4,500	
65020 - Monthly Accounting	5,000	0	0	
Total 65000 - Accounting & Audit Fees	9,500	4,500	4,500	
65000 - Bank Service Fees				
65210 - Legal & Professional Fees	27,500	27,500	27,500	
66000 - Office Expense & Supplies	3,300	3,300	3,300	
66110 - Utilities (Phone, Internet, Electric)				
66400 - Subscriptions	400	400	400	
66500 - Web Design & Maintenance	4,000	4,000	4,000	
67000 - Engineering Services				
67100 - Engineering Misc	45,000	50,000	50,000	
67300 - Region D Planning	40,000	50,000	50,000	
67400 - RWMP Projects	60,000	50,000	50,000	
Total 67000 - Engineering Services	145,000	150,000	150,000	
74000 - Advertising	1,400	1,400	1,400	
90000 - Special Projects-Expenses				
90200 - Water Availability Model	128,000	0	0	
90300 - Hooks Feasibility Study	40,000	0	0	
90500 - Volumetric/Sedimentation Study	50,000	0	0	
90600 - Misc. Special Projects	74,000	100,000	100,000	
Total 90000 - Special Projects-Expenses	292,000	100,000	100,000	
Total Expense	878,917	701,390	707,890	
Net Ordinary Income	(683,917)	(525,390)	(531,890)	
Other Income/Expense				
Other Income				
Use of Planning Funds - TWDB/BOK	0	0	0	
71000 - Transfer from Wet Utilities	400,000	200,000	200,000	
72000 - Use of Prior Year Equity	343,000	326,000	331,890	5,890
				To balance budget
Total Other Income	743,000	526,000	531,890	
Net Other Income	743,000	526,000	531,890	
	<u>59,083</u>	<u>610</u>	<u>0</u>	

Riverbend Water Resources District
Admin Fund - Member Services - Proposed Amended Budget
FY2019-20

	<u>Budget</u>	<u>Approved</u>	<u>Amended</u>	<u>Increase/</u>
	<u>18-19</u>	<u>19-20</u>	<u>19-20</u>	<u>(Decrease)</u>
Ordinary Income/Expense				
Income				
47000 - Member Services Revenue				
HOOKSWW - Hooks Wastewater Services	33,650	6,000	0	(6,000) Removed
MAUDSVC - MAUD Services	25,000	25,000	0	Moved activity to Wet Utility
Total 47000 - Member Services Revenue	58,650	31,000	0	(25,000) Fund
Total Income	58,650	31,000	0	
Gross Profit	58,650	31,000	0	
Expense				
51000 - Labor				
50100 - Salaries & Wages				
59605 - Labor Wages for Hooks WW Serv	12,650	5,400	0	(5,400) Removed
59705 - Labor Wages for Maud Services	8,500	8,500	0	Moved activity to Wet Utility
Total 50100 - Salaries & Wages	21,150	13,900	0	(8,500) Fund
Total 51000 - Labor	21,150	13,900	0	
59600 - Hooks Wastewater Services				
59601 - Mileage/Hooks WW Serv	3,000	0	0	
59602 - Analyticals/Sampling	400	0	0	
59603 - Repairs	6,000	0	0	
59604 - Equipment for Hooks WW Svc	1,000	0	0	
59606 - Sludge Disposal				
Total 59600 - Hooks Wastewater Services	10,400	0	0	
59700 - Maud Services				
59701 - Mileage/Maud Servies	3,100	3,100	0	Moved activity to Wet Utility
59702 - Analyticals/Sampling	400	400	0	(3,100) Fund
59703 - Repairs	3,500	3,500	0	Moved activity to Wet Utility
59704 - Equipment for Maud Serv	2,500	2,500	0	(400) Fund
Total 59700 - Maud Services	9,500	9,500	0	Moved activity to Wet Utility
Total Expense	41,050	23,400	0	(3,500) Fund
Net Ordinary Income	17,600	7,600	0	Moved activity to Wet Utility
Other Income/Expense				(2,500) Fund
Net Income	17,600	7,600	0	

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM VI. F.
RWRD RESO 20200422-05
Second Quarter Financials**



RIVERBEND RESOLUTION NO. 20200422-05

APPROVING THE 2nd QUARTER FY 2019-2020 FINANCIAL STATEMENTS

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Riverbend Water Resources District Board of Directors accepts and approves quarterly financial statements, which provide for the fiduciary guidance of Riverbend Water Resources funds; and

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District accepts and approves the 2nd Quarter FY 2019-2020 financials.

PASSED and APPROVED this 22nd day of April 2020

Sonja Hubbard, President

ATTEST:

Marshall Wood, Secretary

Attached: Financial Statements for Riverbend Water Resources District for the 2nd Quarter of FY 2019-2020.

RIVERBEND WATER RESOURCES DISTRICT

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

March 31, 2020

	<i>Administrative Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
ASSETS			
Current assets:			
Cash	\$ 149,574	\$ 1,037,455	\$ 1,187,029
Accounts receivable	16,018	396,291	412,309
Due from other fund	3,637	-	3,637
Restricted assets:			
Cash restricted for bond debt reserves	-	1,787,663	1,787,663
Cash restricted for construction - bond proceeds	-	475,702	475,702
Cash restricted for operations	-	903,664	903,664
Prepaid expenses	-	5,048	5,048
Inventory	-	81,395	81,395
Total current assets	<u>169,229</u>	<u>4,687,218</u>	<u>4,856,447</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Computer equipment	69	-	69
Equipment	-	290,869	290,869
Utility system	-	16,133,674	16,133,674
Intangible assets	-	229,828	229,828
Construction in progress	-	611,296	611,296
Total capital assets	<u>69</u>	<u>17,265,667</u>	<u>17,265,736</u>
Total noncurrent assets	<u>69</u>	<u>17,265,667</u>	<u>17,265,736</u>
TOTAL ASSETS	<u>169,298</u>	<u>21,952,885</u>	<u>22,122,183</u>
LIABILITIES			
Current liabilities:			
Accounts payable	649	100,566	101,215
Payroll liabilities	-	14,495	14,495
Due to other fund	-	3,637	3,637
Accrued interest payable	-	178,934	178,934
Accrued compensated absences - current	-	19,489	19,489
Revenue bonds payable - current	-	740,000	740,000
Total current liabilities	<u>649</u>	<u>1,057,121</u>	<u>1,057,770</u>
Noncurrent liabilities:			
Accrued compensated absences - long term	-	30,231	30,231
Revenue bonds payable - long term	-	8,595,000	8,595,000
Total noncurrent liabilities	<u>-</u>	<u>8,625,231</u>	<u>8,625,231</u>
TOTAL LIABILITIES	<u>649</u>	<u>9,682,352</u>	<u>9,683,001</u>
NET POSITION			
Net investment in capital assets	69	8,929,170	8,929,239
Restricted for bond reserves	-	1,791,327	1,791,327
Restricted for construction	-	475,702	475,702
Unrestricted	<u>169,165</u>	<u>1,072,666</u>	<u>1,241,831</u>
TOTAL NET POSITION	<u>\$ 169,234</u>	<u>\$ 12,268,865</u>	<u>\$ 12,438,099</u>

RIVERBEND WATER RESOURCES DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION ENTERPRISE FUNDS

For the Six Months Ended March 31, 2020

	<i>Administrative Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
OPERATING REVENUES			
Charges for services:			
Member fees	\$ 88,420	\$ -	\$ 88,420
Army volumetric charge		1,445,418	1,445,418
Army water supply charge		101,553	101,553
Commercial & residential charge		140,618	140,618
Other revenue	-	4,703	4,703
Total operating revenues	88,420	1,692,292	1,780,712
OPERATING EXPENSES			
Accounting & audit	4,500	-	4,500
Analyticals	-	47,742	47,742
Community relations	1,584	-	1,584
Conferences & seminars	2,283	-	2,283
Consulting	91,617	54,553	146,170
Dues & memberships	1,443	-	1,443
Engineering services	-	-	-
Equipment maintenance, repair & fuel		16,251	16,251
Equipment rental		107	107
Insurance	-	12,501	12,501
Legal & professional fees	22,138	-	22,138
Materials	-	120,045	120,045
Meetings expense	1,475	-	1,475
Military affairs	11,000	-	11,000
Office supplies and expense	330	-	330
Permits	-	32,120	32,120
Repairs	-	119,048	119,048
Salaries, wages, payroll taxes & benefits	76,692	443,835	520,527
Supplies & materials	-	16,103	16,103
Travel & training	5,401	-	5,401
Utilities	-	77,327	77,327
Waste disposal	-	26,887	26,887
Water purchase cost	-	148,980	148,980
Web design & maintenance	1,480	-	1,480
Miscellaneous	342	225	567
Overhead allocation - water		98,185	98,185
Overhead allocation - wastewater		106,651	106,651
Overhead allocation - industrial wastewater		107,557	107,557
Total operating expenses	220,285	1,428,118	1,648,402
Operating income (loss) before depreciation	(131,865)	264,174	132,310
Depreciation	136	379,078	379,214
Operating income (loss)	(132,001)	(114,904)	(246,904)
NONOPERATING REVENUES (EXPENSES)			
Facility charges revenue	-	604,607	604,607
Interest revenue	-	20,747	20,747
Administrative fund salary revenue	-	76,726	76,726
Project admin fees		(2,325)	(2,325)
Gain (loss) on disposal of asset		4,660	4,660
Interest expense	-	(196,407)	(196,407)
Franchise fees expense	-	(50,192)	(50,192)
Special projects expense	(37,173)	-	(37,173)
Total nonoperating revenues (expenses)	(37,173)	457,816	420,643
Income (loss)	(169,174)	342,912	173,739
Net position, beginning of year	338,408	11,925,953	12,264,361
Net position, end of year	\$ 169,234	\$ 12,268,865	\$ 12,438,100

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE ADMINISTRATIVE FUND For the Six Months Ended March 31, 2020

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ 176,000	\$ 88,420	\$ (87,580)	50.24%
Other revenues	31,000	-	(31,000)	0.00%
Total operating revenues	207,000	88,420	(118,580)	42.71%
OPERATING EXPENSES				
Advertising	1,400	42	1,358	3.00%
Accounting & audit	4,500	4,500	-	100.00%
Community relations	8,000	1,584	6,416	19.80%
Conferences & seminars	4,700	2,283	2,417	48.57%
Consulting	200,000	91,617	108,383	45.81%
Dues & memberships	7,735	1,443	6,292	18.66%
Engineering services	150,000	-	150,000	0.00%
Legal & professional fees	27,500	22,138	5,362	80.50%
Meetings expense	6,000	1,475	4,525	24.58%
Military affairs	10,000	11,000	(1,000)	110.00%
Office supplies & expense	3,300	330	2,970	10.00%
Salaries, wages & benefits	155,855	76,692	79,163	49.21%
Subscriptions	400	300	100	75.00%
Travel & training	18,000	5,401	12,599	30.01%
Web design & maintenance	4,000	1,480	2,520	37.00%
Wastewater services - Hooks & Maud	23,400	-	23,400	0.00%
Total operating expenses before depreciation	624,790	220,285	404,505	35.26%
Depreciation	-	136	(136)	
Total operating expenses	624,790	220,421	404,369	35.28%
Income (loss) before special projects expense and transfers	(417,790)	(132,001)	285,789	31.60%
Special projects expense	(100,000)	(37,173)	62,827	37.17%
Transfer in	200,000	-	(200,000)	0.00%
Change in net position	(317,790)	(169,174)	148,616	53.23%
Net position, beginning of year	338,339	338,339	-	100.00%
Net position, end of year	\$ 20,549	\$ 169,165	(148,616)	823.23%

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE WET UTILITIES FUND For the Six Months Ended March 31, 2020

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ 3,541,962	\$ 1,687,589	\$ (1,854,373)	47.65%
Other revenue	-	4,703	4,703	
Total operating revenues	3,541,962	1,692,292	(1,849,670)	47.78%
OPERATING EXPENSES				
Analytical	150,000	47,742	102,258	31.83%
Consulting	60,000	54,553	5,447	90.92%
Equipment maintenance, repair & fuel	43,000	16,251	26,749	37.79%
Equipment rental	11,000	107	10,893	0.97%
Insurance	39,000	12,501	26,499	32.05%
Materials	233,000	120,045	112,955	51.52%
Miscellaneous	12,000	226	11,774	1.88%
Permits	55,000	32,120	22,880	58.40%
Repairs	491,000	119,048	371,952	24.25%
Salaries, wages, payroll taxes & benefits	1,069,101	443,835	625,266	41.51%
Supplies & materials	51,700	16,103	35,597	31.15%
Utilities	188,000	77,327	110,673	41.13%
Waste disposal	60,000	26,887	33,113	44.81%
Water purchase cost	307,663	148,980	158,683	48.42%
Overhead allocation - water	209,199	98,185	111,014	46.93%
Overhead allocation - wastewater	227,237	106,651	120,586	46.93%
Overhead allocation - industrial wastewater	229,167	107,557	121,610	46.93%
Total operating expenses	3,436,068	1,428,118	2,007,950	41.56%
Operating income (loss) before depreciation	105,894	264,174	158,280	249.47%
Depreciation	780,000	379,078	400,922	48.60%
Operating income (loss)	(674,106)	(114,904)	559,202	17.05%
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenues	1,243,931	604,607	(639,324)	48.60%
Interest revenue	52,000	20,747	(31,253)	39.90%
Other revenue	191,855	79,061	(112,794)	41.21%
Interest expense	(405,449)	(196,407)	209,042	48.44%
Franchise fees expense	(106,259)	(50,192)	56,067	47.24%
Total nonoperating revenues (expenses)	976,078	457,816	(518,262)	46.90%
Income (loss) before capital contributions and transfers	301,972	342,912	40,940	113.56%
Capital contributions	-	0	0	
Transfers in (out)	(200,000)	0	200,000	0.00%
Change in net position	101,972	342,912	240,940	336.28%
Net position, beginning of year	11,925,953	11,925,953	-	100.00%
Net position, end of year	\$ 12,027,925	\$ 12,268,865	\$ 240,940	102.00%

RIVERBEND WATER RESOURCES DISTRICT**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION****ADMINISTRATIVE FUND****For the Six Months Ended March 31, 2020**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for services:				
Member fees	\$ 88,420	\$ 96,961	\$ (8,541)	-8.81%
Other revenue	-	27,989	(27,989)	-100.00%
Total operating revenues	<u>88,420</u>	<u>124,950</u>	<u>(36,530)</u>	<u>-29.24%</u>
OPERATING EXPENSES				
Accounting & audit	4,500	7,171	(2,671)	-37.25%
Community relations	1,584	1,787	(203)	-11.36%
Conferences & seminars	2,283	2,599	(316)	-12.16%
Consulting	91,617	101,373	(9,756)	-9.62%
Dues & memberships	1,443	4,371	(2,928)	-66.99%
Engineering services	-	58,276	(58,276)	-100.00%
Legal & professional fees	22,138	12,294	9,844	80.07%
Meetings expense	1,475	2,482	(1,007)	-40.57%
Member Services	-	5,825	(5,825)	-100.00%
Military affairs	11,000	8,202	2,798	34.11%
Office supplies and expense	330	1,985	(1,655)	-83.38%
Salaries, wages, payroll taxes & benefits	76,692	61,446	15,246	24.81%
Travel & training	5,401	7,438	(2,037)	-27.39%
Web design & maintenance	1,480	2,900	(1,420)	-48.97%
Miscellaneous	342	330	12	3.55%
Total operating expenses	<u>220,285</u>	<u>278,479</u>	<u>(58,194)</u>	<u>-20.90%</u>
Operating income (loss) before depreciation	(131,865)	(153,529)	21,664	-14.11%
Depreciation	136	136	-	0.00%
Operating income (loss)	<u>(132,001)</u>	<u>(153,665)</u>	<u>21,664</u>	<u>-14.10%</u>
NONOPERATING REVENUES (EXPENSES)				
Special projects expense	(37,173)	(156,886)	119,713	-76.31%
Total nonoperating revenues (expenses)	<u>(37,173)</u>	<u>(156,886)</u>	<u>119,713</u>	<u>-76.31%</u>
Income (loss) before transfers	(169,174)	(310,551)	141,377	-45.52%
Transfers in (out)	<u>-</u>	<u>150,000</u>	<u>(150,000)</u>	<u>-100.00%</u>
Change in net position	(169,174)	(160,551)	(8,623)	5.37%
Net position, beginning of year	<u>338,408</u>	<u>492,061</u>	<u>(153,653)</u>	<u>-31.23%</u>
Net position, end of year	<u>\$ 169,234</u>	<u>\$ 331,510</u>	<u>\$ (162,276)</u>	<u>-48.95%</u>

RIVERBEND WATER RESOURCES DISTRICT

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

WET UTILITIES FUND

For the Six Months Ended March 31, 2020

	<i>March 31, 2020</i>	<i>March 31, 2019</i>	<i>\$ Change</i>	<i>% Change</i>
OPERATING REVENUES				
Charges for services:				
Army volumetric charge	\$ 1,445,418	\$ 1,346,920	\$ 98,498	7.31%
Army water supply charge	101,553	93,759	7,794	8.31%
Commercial & residential charge	140,618	275,696	(135,078)	-49.00%
Other revenue	4,703	-	4,703	
Total operating revenues	1,692,292	1,716,375	(24,083)	-1.40%
OPERATING EXPENSES				
Analyticals	47,742	44,407	3,335	7.51%
Consulting	54,553	12,573	41,980	333.89%
Equipment maintenance, repair & fuel	16,251	14,863	1,388	9.34%
Equipment rental	107	6,169	(6,062)	-98.26%
Insurance	12,501	5,816	6,685	114.94%
Materials	120,045	129,923	(9,878)	-7.60%
Permits	32,120	32,048	72	0.22%
Repairs	119,048	58,351	60,697	104.02%
Salaries, wages, payroll taxes & benefits	443,835	377,787	66,048	17.48%
Supplies & materials	16,103	17,136	(1,033)	-6.03%
Utilities	77,327	66,719	10,608	15.90%
Waste disposal	26,887	22,507	4,380	19.46%
Water purchase cost	148,980	185,386	(36,406)	-19.64%
Miscellaneous	226	(294)	520	-176.87%
Overhead allocation - water	98,185	79,307	18,878	23.80%
Overhead allocation - wastewater	106,651	105,743	908	0.86%
Overhead allocation - industrial wastewater	107,557	79,307	28,250	35.62%
Total operating expenses	1,428,118	1,237,748	190,370	15.38%
Operating income (loss) before depreciation	264,174	478,627	(214,453)	-44.81%
Depreciation	379,078	317,468	61,610	19.41%
Operating income (loss)	(114,904)	161,159	(276,063)	-171.30%
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenue	604,607	680,892	(76,285)	-11.20%
Interest revenue	20,747	26,175	(5,428)	-20.74%
Administrative fund salary revenue	76,726	49,690	27,036	54.41%
Project admin fees	(2,325)	72,306	(74,631)	-103.22%
Gain (loss) on disposal of asset	4,660	-	4,660	
Interest expense	(196,407)	(210,768)	14,361	-6.81%
Franchise fees expense	(50,192)	(52,390)	2,198	-4.20%
Total nonoperating revenues (expenses)	457,816	565,905	(108,089)	-19.10%
Income (loss) before transfers	342,912	727,064	(384,152)	-52.84%
Transfers in (out)		(150,000)	150,000	-100.00%
Change in net position	342,912	577,064	(234,152)	-40.58%
Prior period adjustment		104,233	(104,233)	-100.00%
Net position, beginning of year	11,925,953	10,680,926	1,245,027	11.66%
Net position, end of year	\$ 12,268,865	\$ 11,362,223	\$ 1,010,875	8.90%

RIVERBEND WATER RESOURCES DISTRICT

SCHEDULE OF INVESTMENTS

ENTERPRISE FUNDS

For the Three Months Ended March 31, 2020

Funds	Identification Number	Maturity Date	Balance 12/31/2019	Interest Income 03/31/2020	Transfers In/(Out) Per Policy	Net Deposits/ Withdrawals	Balance 03/31/2020	Accrued Int Rec 03/31/2020
Administrative Fund								
Operations	50003704	Daily checking	\$ 233,842	\$ -	\$ -	\$ (84,493)	\$ 149,349	\$ -
Operations	457060	Daily savings	25	-	-	-	25	-
Operations	3011380	Daily savings	200	-	-	-	200	-
Wet Utilities Fund								
Operations	21695	Daily checking	997,149	-	(279,325)	318,273	1,036,097	-
Operations	21725	Daily savings	1,392	-	(1,392)	-	-	-
Restricted bond sinking	21709	Daily checking	868,144	3,389	307,539	(5)	1,179,067	-
Restricted bond reserves	21217	Daily checking	608,701	1,963	(2,067)	-	608,597	-
Restricted construction funds	21741	Daily checking	475,789	1,534	(1,621)	-	475,702	-
Restricted operations	7967600001	Daily prime	902,473	3,664	(2,473)	-	903,664	-
Total - All Funds			<u>\$ 4,087,715</u>	<u>\$ 10,550</u>	<u>\$ 20,661</u>	<u>\$ 233,775</u>	<u>\$ 4,352,701</u>	<u>\$ -</u>

The investment schedule of Riverbend Water Resources District is in compliance with the Public Funds Investment Act and the District's Investment Policy.

Tara Houck, CPA
Chief Financial Officer

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, APRIL 22, 2020**

**AGENDA ITEM VI. G.
RWRD RESO 20200422-06
Second Quarter Investment Report**



RIVERBEND RESOLUTION NO. 20200422-06

APPROVING THE 2nd QUARTER FY 2019-2020 INVESTMENT REPORT

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Riverbend Water Resources District has adopted an Investment Policy as required by law to manage the funds of Riverbend Water Resources District; and

WHEREAS, the Investment Policy Reporting Section XIII requires that the Investment Officer prepare and sign a quarterly investment report that includes activity on all interest-bearing accounts held by Riverbend Water Resources District; and

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District accepts and approves the 2nd Quarter FY 2019-2020 Investment Report.

PASSED and APPROVED this 22nd day of April 2020

Sonja Hubbard, President

ATTEST:

Marshall Wood, Secretary

Attached: Investment Report for Riverbend Water Resources District for the 2nd Quarter of FY 2019-2020.


RIVERBEND WATER RESOURCES DISTRICT

SCHEDULE OF INVESTMENTS ENTERPRISE FUNDS

For the Three Months Ended March 31, 2020

Funds	Identification Number	Maturity Date	Balance 12/31/2019	Interest Income 03/31/2020	Transfers In/(Out) Per Policy	Net Deposits/ Withdrawals	Balance 03/31/2020	Accrued Int Rec 03/31/2020
Administrative Fund								
Operations	50003704	Daily checking	\$ 233,842	\$ -	\$ -	\$ (84,493)	\$ 149,349	\$ -
Operations	457060	Daily savings	25	-	-	-	25	-
Operations	3011380	Daily savings	200	-	-	-	200	-
Wet Utilities Fund								
Operations	21695	Daily checking	997,149	-	(279,325)	318,273	1,036,097	-
Operations	21725	Daily savings	1,392	-	(1,392)	-	-	-
Restricted bond sinking	21709	Daily checking	868,144	3,389	307,539	(5)	1,179,067	-
Restricted bond reserves	21217	Daily checking	608,701	1,963	(2,067)	-	608,597	-
Restricted construction funds	21741	Daily checking	475,789	1,534	(1,621)	-	475,702	-
Restricted operations	7967600001	Daily prime	902,473	3,664	(2,473)	-	903,664	-
Total - All Funds			<u>\$ 4,087,715</u>	<u>\$ 10,550</u>	<u>\$ 20,661</u>	<u>\$ 233,775</u>	<u>\$ 4,352,701</u>	<u>\$ -</u>

The investment schedule of Riverbend Water Resources District is in compliance with the Public Funds Investment Act and the District's Investment Policy.


Tara Houck, CPA
Chief Financial Officer