



**REGULAR MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
PUBLIC NOTICE OF BOARD OF DIRECTORS' MEETING  
WEDNESDAY, MARCH 24, 2021  
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, March 24, 2021, at 12:00 p.m.**, at the Riverbend Water Resources District ("Riverbend") office, in the **Conference Room** located at **228 Texas Avenue, Suite A, New Boston, TX 75570.***

*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 24, 2021 Regular Meeting minutes.



- B. Discussion and possible action regarding approval of a resolution approving Riverbend's Capitalization Policy.

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.
- D. Discussion and possible action regarding activities with Region D.

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 approving Riverbend's Investment Policy.
- B. Discussion and possible action regarding approval of a resolution reviewing and updating Riverbend's Personnel Policy Manual.
- C. Discussion and possible action regarding approval of a resolution updating Riverbend's Water Conservation Plan.
- D. Discussion regarding Riverbend's Drought Contingency Plan.
- E. Discussion regarding Riverbend's Bylaws.

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, April 28, 2021 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, MARCH 24, 2021**

**CONSENT AGENDA ITEM IV. A.  
February 24, 2021  
Regular Meeting Minutes**

**Regular Called Meeting  
Riverbend Water Resources District  
Board Meeting Minutes  
February 24, 2021  
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 12:04 p.m.

**Directors Present:**

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

**Directors Absent:**

None

**Administration Present:**

Kyle Dooley, Executive Director/CEO  
Eli Hunt, Operations Manager  
Tara Houck, CFO  
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**

**A. Discussion and possible action regarding January 27, 2021 Regular Meeting minutes.**

A single motion was made by **Fred Milton** and seconded by **Marshall Wood** 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).**

Kyle Dooley reported that the meeting scheduled for last week was cancelled due to the inclement weather.

No action taken.

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

Kyle Dooley provided that Scott Norton, TAC Executive Director, is visiting with the team of a prospective tenant today. They have several more visits scheduled with other prospects as well. They are still on schedule for construction on the spec building to be completed by July 2021. Also, the RCRA permit was finally removed from their property and that opened up approximately 6,850 acres of property for development.

No action taken.

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

Sonja Hubbard provided that Rob Sitterly, REDI Executive Director, will be at the next Riverbend meeting to discuss economic development plans. They have digital advertisements ready for publication to showcase their newly purchased parcels of land.

Marshall Wood provided information related to economic development. There is a bill that has been introduced in the Texas State House and Senate that will eliminate the Texarkana Court of Appeals and combine it with the Dallas Court of Appeals. This bill is an attempt to collapse the 14 courts of appeals in to 5 to 7 courts. The sell is that they want to save money but since the City of Texarkana provides that space for free there is not an explanation of how money is saved. This will severely impact the money spent in this area in the form of hotels, restaurants, etc. by lawyers and others when cases are tried here.

Tina Veal Gooch also provided that there was discussion at the Chamber of Commerce board meeting that other legislation being presented to eliminate Texarkana, Texas and Arkansas as a Metropolitan Statistical Area (MSA). Mike Malone, Chamber of Commerce Director, is sending out information on that bill. He's asking for anyone to contact their legislators urging them to vote against this bill. The removal of the MSA will ultimately affect the economic development efforts. Having the MSA lets the public know that Texarkana is a much bigger area with twice the population than just one city in each each state.

No action taken.

#### **D. Discussion and possible action regarding activities with Region D.**

Kyle Dooley provided that we are getting started on sixth cycle of water planning for the region. The first meeting of this planning cycle is scheduled for the end of March. We have been working with Ron Ellis with Texas Water Development Board to ensure we are completing all the necessary steps for notification of meetings and such.

### **VI. Agenda Items for Individual Consideration**

#### **A. 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 **Tina Veal Gooch** and seconded by **Fred Milton** to approve **RESO 20210224-01** authorizing the Executive Director/CEO to execute an interlocal agreement(s) for risk management insurance with the TWCA Risk Management Fund. The motion passed unanimously.

### **VII. Riverbend Reports**

#### **A. Board Members**

No reports.

#### **B. Executive Director/CEO**

Kyle Dooley provided the following updates:

**New Industrial Wastewater Plant:** A contract was signed with Garver, LLC for their staff to complete an application for State Revolving Funds for a new Industrial Wastewater facility. The deadline to complete that application has been extended to March 10<sup>th</sup>.

**Regional Water System Project:** Pape-Dawson Engineers has been selected as the Program Manager for this project. Contract negotiations are nearing completion. There will be two design teams selected as well. One will be working on the raw water conveyance and one working on the water treatment plant. The Board has given Mr. Dooley authority to sign the contract with the Program Manager via previous action. A report will be given next month after the contract is signed.

**US Army Corps of Engineers (USACE)-Cultural Resources Study and Ultimate Rule Curve:** The Texas Water Development Board (TWDB) has stated that when the USACE sends the invoice for the Cultural Resources Study to send it in to TWDB for payment. This ensures the District will not lose any traction made on this study and can still meet the requirements to pay the USACE. The USACE is still gathering resources to begin the study. There are biweekly update meetings to discuss progress. The next step for them is to hire a group to conduct the Cultural Resources Study.

Regarding the Water Rights Application: The technical review has been completed. Dawn Pilcher has not received any other requests for information from TCEQ. We believe the draft permit will be released by the end of February. With the weather last week that may be delayed. Ms. Pilcher stated she will be in touch if she hears anything further.

Elevated Storage Tank and Chlorine Booster Station Improvements: Cobb-Findley is finishing up the design on both of these projects on Red River Army Depot. Riverbend will go out for bids within the next month. Construction will start as soon as the bidding is done and a contract is approved by the Board.

Oak Grove Water Supply Corporation: The water supply corporation has expressed a need for financial assistance in paying the debt service for the regional water facilities project. They are working with Susan Roth to submit an application for financial assistance through the State Revolving-Fund Drinking Water Fund. Annona also applied and received this assistance during the submission of the District's application for funding for the project.

Winter Weather February 15<sup>th</sup> through the 19<sup>th</sup>: The Riverbend system fared well all things considered. There was one leak and one valve that broke. There were several leaks for customers and they were handled as they were made aware. Eli Hunt and his operators' worked hard through some very tough conditions. Their commitment to ensuring the system runs efficiently is to be commended.

No action taken.

## **VIII. Executive Session**

The board did not move into Executive Session.

## **IX. Next Riverbend Meetings**

Riverbend Regular Meeting, Wednesday, March 24, 2021 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 **Van Alexander** and seconded by **Fred Milton** to adjourn the meeting at 12:24 p.m. The motion passed unanimously.

**The minutes of Riverbend Water Resources District Board of Directors meeting, February 24, 2021 were read and approved on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.**

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**Sonja Hubbard, President**

**Attest:**

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**Kyle Dooley, Executive Director/ CEO**



**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 24, 2021**

**CONSENT AGENDA ITEM IV. B.  
RWRD RESO 20210324-01  
Capitalization Policy**



**RIVERBEND RESOLUTION NO. 20200527-01**

**AUTHORIZING THE APPROVAL OF THE CAPITALIZATION POLICY  
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**, Riverbend Water Resources District desires to review and update accordingly, its policies and procedures regarding the principles and criteria involved in the capitalization of district assets; and to make readily available these policies and procedures to the public in written form; and

**WHEREAS**, the generally accepted accounting principles requires the Board of Directors of the Riverbend Water Resources District to adopt a Capitalization Policy for accounting and audit purposes; and

**WHEREAS**, Riverbend Water Resources District has reviewed and approved its Capitalization Policy on an annual basis beginning April 12, 2017; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District, after its annual review, hereby adopts this Capitalization Policy dated March 1, 2021.

**PASSED and APPROVED this 24<sup>th</sup> day of March 2021**

\_\_\_\_\_  
Sonja Hubbard, President

ATTEST:

\_\_\_\_\_  
Marshall Wood, Secretary

Attached: Capitalization Policy, dated March 2021



# **Riverbend Water Resource District**

## **Capitalization Policy**

### **March 2021**

#### **Purpose**

This capitalization policy is intended to provide guidance for the capitalization and depreciation of capital assets to comply with the requirements of Governmental Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standard Board Statement No. 34 (GASB 34), Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This Statement requires the reporting of Riverbend Water Resources District's ("District") capital assets and depreciation in their annual audited financial statement.

This policy includes capital asset classes, descriptions, capitalization threshold levels, estimated useful lives, methods of depreciation and the procedures to be used in effectively identifying, recording and reporting the District's capital assets.

#### **Asset Classification**

District capital assets are used to support three major criteria of the business:

- General Administration
- Infrastructure
- Land Improvements, buildings, building improvements, and facilities

#### General Administration

General administration is the activity that District employees conduct to run the day to day business. Capital assets that support these activities can include but are not limited to office furniture, fixtures, equipment, information and computer systems, etc., where the following two (2) conditions are met:

- Each individual item has a cost of \$10,000 or more, and;
- Useful life of at least three (3) years.

#### Infrastructure

Activities related to infrastructure include new construction, replacement due to expansion or new technology, replacement due to the end of normal life cycle, major repairs or refurbishment and acceptance of assets through the contribution by other agencies. Capital assets that are in this group can include facility improvements and renovations, water and sewer systems, pipelines, pump stations, membranes, meters and other major components that are used in the water and wastewater treatment plant facilities. In addition, capital assets in this category can also include roads, streets, bridges, tunnels, drainage systems, dams and lighting systems.

The District has elected to not utilize the modified approach for depreciation of infrastructure under GASB 34.

#### Land Improvements, buildings, building improvements, and facilities

Activities related to this category include acquisition, new construction, replacement due to expansion or new technology, replacement due to the end of normal life cycle, major repairs or

refurbishment and acceptance of assets through the contribution by other agencies. Capital assets that are in this group can include but are not limited to land, land improvement, buildings, building improvements, and facilities.

1) New Construction:

New construction normally starts as a Construction-In-Progress project and may take more than one fiscal year to complete. At the completion of the project, the total costs of the project may be broken down by the major groups of assets such as distribution system, pumping system, reverse osmosis system, etc. Under each system, the component unit of the assets is listed based on the nature of the component and the length of the estimated useful life.

To be considered as a capital asset, these two conditions must be met:

- Each individual item or component unit has a cost of \$10,000 or more, and;
- Useful life of at least three (3) years.

Exception:

Service connections (pipelines) are capitalized as capital assets and are not subject to the \$10,000 limitation. However, it still has to meet the useful life limitation of at least three years. In the situation when the customer pays the cost of acquiring and installing service connections, but the District is responsible for the maintenance of the service connections, the District should include the connections as part of the District capital assets and record the customer contributions as capital contributions revenue.

2) Replacement due to expansion or new technology:

Replacement can take place when the District is expanding its facilities to increase production capacity, or as the result of new technology and equipment becoming available on the market that is more cost efficient than what is currently used. In this situation, the old systems or equipment will be replaced when they still have a remaining useful life and economic value.

To be considered as a capital asset, these two conditions must be met:

- Each individual item or component unit has a cost of \$10,000 or more, and;
- Useful life of at least three (3) years.

Also, because the retired equipment or systems may still have a positive net book value, the District will calculate and record the appropriate loss of disposition.

3) Replacement due to the end of life cycle:

Replacement can also take place as a result of normal scheduled maintenance. The components can be purchased at the same time but be installed simultaneously or within a planned short period time. In this situation, the old systems or equipment will be replaced when they have no useful life or economic value.

To be considered as a capital asset, these two conditions must be met:

- The aggregate total costs of the component units have a cost of \$10,000 or more, and;
- Useful life of at least three (3) years.

The estimated portion of the original asset that was replaced will be removed from the asset records of the District.

4) Repairs or refurbishments:

The District's existing systems require repairs and maintenance on a regular basis. Repair or refurbishment expenses to the existing capital assets under certain circumstances may be capitalized. The criteria for determining whether the expenditure is an expense or capital asset requires knowledge of the effect the repair will have on the capital asset.

To be considered as a capital asset, these conditions must be met:

- Total repair or refurbishment cost of one job has to be \$10,000 or more, and;
- After the repair or refurbishment, the remaining useful life of the existing asset must be extended by at least three (3) years.

When the above conditions are not met, the cost of repair or refurbishment will be considered as operations and maintenance expenses.

5) Contribution by other agency:

The District may enter into an agreement with other governmental agencies to co-build some infrastructure. At the completion of the project, a portion or the entire infrastructure may be contributed to the District regardless of which agency had paid for the costs and the District has the primary responsibility for maintaining the asset. In this situation, the capital asset is recorded at the time the asset is the sole property of the District. The total cost of the project must be broken down by operating system, and the major component units are to be listed under the operating systems depending on the nature and the length of the estimated useful life.

To be considered a capital asset, these two conditions must be met:

- Each individual item or component unit has a cost of \$10,000 or more, and;
- Useful life of at least three (3) years.

**Determination of Cost**

Governmental GAAP states that purchased or District-constructed capital assets should be reported at historical cost. The total cost of the capital asset is the cash outlay or its equivalent that is necessary to acquire the asset and put it in operating condition. These costs include contract price, freight, sales tax, licensing fees, handling and assembling, installation and testing, direct labor and material, indirect labor and materials, benefit and overhead allocations as well as any construction period interest cost as required. In addition, it is the District's policy to capitalize any cost that is specifically identifiable with a planned capital project (or asset

acquisition), including public information costs and costs incurred to obtain financing for the project. Contributed capital assets will be recorded at their estimated fair market value at the date of the asset was contribution to the District.

### **Estimated Useful life**

The District uses Internal Revenue Tax Law requirements, general guidelines obtained from professional or industry organizations and information for comparable assets of other governments as the guidelines when estimating the useful lives of the capital assets.

### **Depreciation Method**

The District uses straight-line method with no salvage value for all depreciable capital assets.

## Summary

The following table summarizes the criteria discussed above:

<b>Asset Class</b>	<b>Description</b>	<b>Threshold</b>	<b>Useful life (years)</b>
OFFICE FURNITURE, EQUIPMENT	Desk, chair, file cabinet, telephone printer	\$10,000	3-10
INFORMATION SYSTEMS	Computer, server, software, monitor	\$10,000	3-6
LAND	Land	N/A — capitalize all	N/A
LAND IMPROVEMENT	Sidewalks, fences, landscape	\$10,000	20
BUILDING & IMPROVEMENT	Buildings	\$10,000	40
INFRASTRUCTURE	Pipelines, pump station, well, motors, vaults, membranes, pump, storage tank, meters, compressor, water and wastewater systems/ facilities	\$10,000	3-60
VEHICLES	Car, truck, tractor, trailer	\$10,000	5
INTANGIBLE ASSETS	Studies, water rights, permits	\$10,000	20-60

\* The above descriptions are not limited to those described. In addition, the District reserves the right to add any specific item and any specific amount to conform to District specialty needs and/or practices.

**Glossary:**

**Capital Assets:** Capital assets are acquired for use in operations and not for resale. They are long term in nature and subject to depreciation. They possess physical substance.

**Component Unit:** Individual identifiable pieces of a capital asset (or group of capital assets).

**Depreciation:** The systematic and rational allocation of the estimated historical cost of a capital asset, (or if donated, the fair value of the capital asset at the time of donation), over its estimated useful service life.

**Estimated Useful life:** The period of time over which an asset's cost will be depreciated.

**Fair Market Value:** An estimate of what a willing buyer would pay to a willing seller, both in a free market, for an asset or any piece of property.

**Governmental GAAP:** The Governmental Generally Accepted Accounting Principles: Conventions, rules and procedures that serve as the norm for the fair presentations of financial statements as applicable to governmental entities.

**GASB 34:** The Governmental Accounting Standards Board's (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis require State and Local Governments depreciate their exhaustible capital asset, including infrastructure.

**Historical Cost:** The actual exchange value in dollars at the time the asset was acquired. It is measured by cash or cash equivalent price of obtaining the asset and charges necessary to bring it to its intended location and to place the asset in its intended condition for use.

**Infrastructure:** The structures that support a society, such as roads, water supply, wastewater, power grids, flood management systems, telecommunications (Internet, telephone lines, broadcasting), and so forth.

**Replacement:** The substitution of a new facility or component of an existing facility.

**Salvage Value:** An estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

**Straight-Line Depreciation Method:** Is determined by the formula:  $(\text{Cost-Salvage value}) / \text{Estimated useful life} = \text{Depreciation per period}$ .



**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 24, 2021**

**AGENDA ITEM VI. A.  
RWRD RESO 20210324-02  
Investment Policy**



**RIVERBEND RESOLUTION NO. 20210324-02**

**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 March 1, 2021.

**PASSED and APPROVED this 24<sup>th</sup> day of March 2021**

\_\_\_\_\_  
Sonja Hubbard, President

ATTEST:

\_\_\_\_\_  
Marshall Wood, Secretary

Attached: Investment Policy and Strategies, dated March 2021



# **Riverbend Water Resource District**

## **Investment Policy and Strategies**

### **March 2021**

#### **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.

In accordance with the Public Funds Investment 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:

*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.

*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.

*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.

*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.

*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.

*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:

*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.

*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.

*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.

*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, shall receive 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 10 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 Public Funds Investment 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;
- Reconcilements 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 \_\_\_\_\_, \_\_\_\_\_.  
Date Month Year

\_\_\_\_\_  
Notary Public, State of Texas

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 24, 2021**

**AGENDA ITEM VI. B.  
RWRD RESO 20210324-03  
Personnel Policy Manual**



**RIVERBEND RESOLUTION NO. 20210324-03**

**AUTHORIZING THE APPROVAL OF AMENDMENTS TO THE PERSONNEL  
POLICY MANUAL 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 a Personnel Policy Manual on March 2, 2016; adopted amendments to the manual on October 12, 2016, September 26, 2018 and January 22, 2020; and

**WHEREAS**, Riverbend Water Resources District desires to update certain policies and procedures of its Personnel Policy Manual; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District hereby adopts the amended section of the Personnel Policy Manual as attached.

**PASSED and APPROVED this 24<sup>th</sup> day of March 2021**

\_\_\_\_\_  
Sonja Hubbard, President

ATTEST:

\_\_\_\_\_  
Marshall Wood, Secretary

Attached: Personnel Policy Manual-Section 8-6 Personal and Riverbend Water Resources District-Provided Portable Communication Devices



## 8-6 Personal and Riverbend Water Resources District-Provided Portable Communication Devices

Riverbend Water Resources District-provided portable communication devices (PCDs), including cell phones ~~and personal digital assistants, and tablets,~~ should be used primarily for business purposes. Employees have no reasonable expectation of privacy in regard to the use of such devices, and all use is subject to monitoring, to the maximum extent permitted by applicable law. This includes as permitted the right to monitor personal communications as necessary. ~~Employees who choose to use a District phone as a personal phone will be charged up to \$20 per pay period for use of phone.~~

Some employees may be authorized to use their own PCD for business purposes. These employees should work with the HR Manager to configure their PCD for business use. Communications sent via a personal PCD also may subject to monitoring if sent through the District's networks and the PCD must be provided for inspection and review upon request. If employees choose to use their own PCD for business purposes, Riverbend will pay employees the base rate the District is charged by the vendor providing the cellular and/or data service.

All conversations, text messages and emails must be professional. When sending a text message or using a PCD for business purposes, whether it is a District-provided or personal device, employees must comply with applicable District guidelines, including policies on sexual harassment, discrimination, conduct, confidentiality, equipment use and operation of vehicles. Using a District-issued PCD for personal use during working hours should be limited to emergency situations.

If an employee who uses a personal PCD for business resigns or is terminated, the employee will be required to submit the device to the HR Manager for resetting on or before his or her last day of work. At that time, the HR Manager will reset and remove all information from the device, including but not limited to, Riverbend Water Resources District information and personal data (such as contacts, emails and photographs). The HR Manager will make efforts to provide employees with the personal data in another form (e.g., on a disk) to the extent practicable; however, the employee may lose some or all personal data saved on the device. Please note any and all electronic data, personal or otherwise, is considered to be property of the District when using a personal PCD for business purposes or when using a District owned PCD.



Employees may not use their personal PCD for business unless they agree to submit the device to the HR Manager on or before their last day of work for resetting and removal of Riverbend Water Resources District information. This is the only way currently possible to ensure that all District information is removed from the device at the time of termination. The removal of District information is crucial to ensure compliance with the District's confidentiality and proprietary information policies and objectives.

Please note that whether employees use their personal PCD or a District-issued device, Riverbend Water Resources District's electronic communications policies, including but not limited to, proper use of communications and computer systems, remain in effect.

Under no circumstances shall District telephones be used for any other outside employment of an employee. Each month when the cellular phone bill is received, each employee who is responsible for a cellular phone will be charged for any unauthorized charges or fees.

Billing statements for District-provided portable communication devices are public records subject to disclosure pursuant to the Texas Open Records Act.

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 24, 2021**

**AGENDA ITEM VI. C.  
RWRD RESO 20210324-04  
Water Conservation Plan**



**RIVERBEND RESOLUTION NO. 20210324-04**

**APPROVAL OF AN UPDATE TO THE WATER CONSERVATION PLAN 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**, Texas Water Development Board requires certain entities to have a Water Conservation Plan and to report on the implementation of its plan when utilized; and

**WHEREAS**, Riverbend Water Resources District believes it to be in the best interest of the District to preserve, through conservation efforts, its future water resources; and

**WHEREAS**, Riverbend Water Resources District desires to review and update accordingly, its Water Conservation Plan; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District hereby adopts this update to the Water Conservation Plan.

**PASSED and APPROVED this 24<sup>th</sup> day of March 2021,**

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Sonja Hubbard, President

ATTEST:

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Marshall Wood, Secretary

Attached: Water Conservation Plan, dated March 2021



# Riverbend

Water Resources District

## **WATER CONSERVATION PLAN**

**RIVERBEND WATER RESOURCES DISTRICT UTILITY DISTRICT**

**NEW BOSTON, TX**

228A Texas Avenue  
New Boston, Texas 75570

March 2021

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## **FOREWORD**

### **Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Riverbend Water Resources District (“Riverbend”) hereby adopts the following regulations and restrictions on the delivery and consumption of water through a resolution. Water uses regulated or prohibited under this Water Conservation Plan (the Plan) are essential.

### **Solicitation of Public Input**

Riverbend will periodically schedule public meetings to solicit input about the Plan. Information on the time and place of the meeting will be disseminated by means of utility bill inserts, by posting notice of the meeting at the Riverbend’s office, publishing in the local newspaper, and/or posting on [www.rwr.org](http://www.rwr.org).

### **Public Education**

Riverbend will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of public events and utility bill inserts.

### **Application**

The provisions of this Plan shall apply to all persons, customers, and property using water provided by Riverbend. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

## **A. CURRENT AND NEAR-TERM WATER CONSERVATION PLAN**

### **1. Background**

The Red River Army Depot (“RRAD”) is located in Bowie County, Texas approximately 17 miles west of Texarkana and comprises 19,000 acres, of which 9,000 acres are used for ammunition storage with the bulk of the land devoted to recreation, training and forest. The RRAD site has 720 buildings and 702 ammunition storage igloos, which enclose over 8 million square feet of space. The major industrial operations of RRAD include maintenance, repair, and overhaul of major weapon systems and components.

The Riverbend Water Resources District (“Riverbend”) is a special district created under Chapter 9601 of the Special District Local Laws Code of the State of Texas, which currently serves RRAD and approximately 75 retail and commercial customers. The District is comprised of 18 Member Entities, including the cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, Texas, Wake Village, Central Bowie County Water Supply Corporation, Oak Grove Water Supply Corporation, TexAmericas Center, as well as the counties of Bowie, Cass, and Red River. These Member Entities pay a fee to the District to provide governance structure for water resources that represent the region through oversight of regional water contracts, to supervise regional water infrastructure issues facing the area, and to protect the ownership and distribution of water resources in the region by serving a primary role in the negotiations for water supply storage and sales in Lake Wright Patman. This document serves as the Water Conservation Plan for the District.

Riverbend wet utilities consist of an Industrial Wastewater Treatment Plant (IWWTP), a Sanitary Wastewater Treatment Plant, and a Water Distribution System (WDS) in which we purchase water from Texarkana Water Utilities. The water distribution system and sanitary treatment plant were constructed in the early 1940’s and the IWWTP was constructed in 1980.

### **2. Utility Profile**

Prior to the transfer of assets to Riverbend, the WDS, IWWTP and Sanitary Wastewater Treatment Plant were owned and operated by TexAmericas Center. Since approximately 95 percent of the current water usage is used by RRAD, many of the questions in the Utility Profile are not applicable.

### **3. Conservation Goals – Current and Five-Year Plan**

Riverbend has and will continue to conserve water via programs outlined in this Plan. The five-year conservation goal of Riverbend provides for the following measures:

- a) Set a goal of 150 gpcd for total gpcd by means of education and installation of water saving devices;
- b) Strive to achieve a 50 gpcd of indoor use for residential customers in both single and multi-family units by means of education and installation of water saving devices;
- c) Work with RRAD personnel to install water meters on selected water service lines;
- d) Achieve and maintain water loss of under 15% of production;
- e) Promote awareness of water conservation initiatives (citizen/corporate education);
- f) Educate users in flow reduction and minimization techniques;
- g) Monitor water conservation progress toward established goals;
- h) Readjust water conservation goals as needed;
- i) Improve record keeping procedures to better track water production numbers, residential water use, commercial water use, and water use by RRAD to help reduce the volume of unaccounted for water; and
- j) Upgrade and repair existing distribution system to help reduce water loss through leaks.

### **4. Conservation Goals – Ten-Year Plan**

In conjunction with implementation of the Five-Year Plan, Riverbend also institutes a ten-year plan that will establish the following system goals:

- a) Achieve and maintain water loss of under 10% of production by means of upgrading and replacing water system piping and components;
- b) Work with RRAD personnel to test/replace water meters on selected water service lines;



- c) Coordinate with RRAD to reduce RRAD industrial water use by 5% by means of upgrading equipment and processes to more modern systems;
- d) Continue to promote awareness of water conservation initiatives (citizen/corporate education); and
- e) Continue to educate users in flow reduction and minimization techniques.

## **B. LONG-TERM WATER CONSERVATION PLAN**

This Water Conservation Plan includes provisions for reducing unaccounted for water, testing, and repair of meters and the distribution system, as well as determining rate structures, and educating users about water conservation.

### **1. Unaccounted-For Water**

Riverbend practices the following measures to determine and control unaccounted for uses of water:

- a) Riverbend water treatment plant operation's staff follow standard operating procedures which include observations of daily water usage to identify any abnormalities that may indicate the existence of water system leaks;
- b) Riverbend personnel and meter readers make visual observations on a regular basis throughout the Riverbend's service area to check for system leaks;
- c) Riverbend accounting staff review printouts of meter readings for abnormalities that may indicate possible leaks or malfunctions; and
- d) Leaks are identified and repaired promptly.

### **2. Meter Testing & Repair**

Metering all water services is an effective means of improving and maintaining control of water system operations and provides the basis for efficient and equitable cost recovery. Metering provides a database for system performance monitoring, for planning future facilities, and for assessing the effects of water conservation measures. Metering also improves accountability for both water deliveries and for unaccounted water losses. The District meters all water accounts with the exception of water used by the RRAD facilities. All water meters used meet AWWA standards for accuracy (plus or minus 5.0%)

Riverbend meters the quantity of water that is delivered to each residential and commercial customer (RRAD facilities excluded). Meters are read and the

quantities are recorded once per month, with billings made monthly to residential and commercial customers.

Periodic testing, repair, and/or change-out of meters are essential to an effective metering program. Meters are tested on a regular basis and meters found to be performing outside accepted parameters for accuracy (plus or minus 5.0%) will be repaired or replaced as required.

Riverbend will institute procedures to improve accounting for unmetered water losses resulting from RRAD usage, flushing of water mains, fire-fighting, and main breaks. These procedures should help Riverbend to better estimate actual water losses due to leakage.

Riverbend will endeavor to work jointly with RRAD to monitor and reduce water consumption at some of the major Army facilities on the Base. This may include the voluntary installation of meters by the RRAD and evaluation/upgrade of plumbing to high efficiency models.

### **3. Distribution System Maintenance**

The next sections detail the measures that Riverbend has implemented or will implement to help determine and control unaccounted-for water:

#### **3.1 Leak Detection**

The water distribution system is under continuous visual inspection for leaks by Riverbend personnel as well as by users. Reported leaks are addressed immediately. A Leak Detection Audit is also performed every 3 years system wide by an outside contractor.

#### **3.2 Repairs**

Riverbend requires all new water facilities to be built to strict specifications which are inspected by Riverbend personnel during construction to ensure quality workmanship and materials before the system is accepted for permanent maintenance by Riverbend.

#### **3.3 Pressure**

Riverbend will monitor and control pressures in the distribution system such that excessive pressure does not cause pipeline breaks and water loss. Pressure monitoring will become part of the routine distribution system maintenance program.

#### 4. Water Rate Structure

The following tables (2-1 through 2-3) outline the water rate structure for Riverbend's residential and commercial users (Effective 01 Jan 2003). RRAD currently accounts for greater than 95% percent usage on water and sewer. Fees for the RRAD are negotiated independently from public user fees.

**Table 4-1 Wet Utility Rates**

RIVERBEND WATER RESOURCES DISTRICT									
WATER/SEWER RATE SCHEDULE									
APPROVED RATES - EFFECTIVE MAY 1, 2019									
					Commercial Sewer Only	Commercial Water/Sewer	Private Water/Sewer	Private 1" Sprinkler	Commercial Hydrant/Water
Standard Water Rate (\$/1000)						\$6.50	\$3.50	\$3.50	
Standard Sewer Rate (\$/1000)					\$7.00	\$7.00	\$7.00		
Facility Charge									
	Water					\$3.25	\$2.75	\$2.50	
	Wastewater				\$3.25	\$3.25	\$2.75		
Total Charge					\$10.25	\$20.00 (\$/1000)	\$16.00 (\$/1000)	\$6.00 (\$/1000)	\$9.75
Fixed Minimum Charge					\$20.00	\$35.00	\$20.00	\$10.00	\$15.00
	Water Rate					\$10.00	\$7.00	\$7.00	\$10.00
	Sewer Rate				\$15.00	\$15.00	\$10.00		
	Facility Charge Water					\$5.00	\$1.50	\$3.00	\$5.00
	Facility Charge Wastewater				\$5.00	\$5.00	\$1.50		
Backflow Device Annual Calibration*					\$75.00				
Customer Service Inspection**					\$85.00				
<i>*The TCEQ requires an annual back flow calibration. You may have it done on your own or Riverbend can assist you. Riverbend's fee for this service is \$75. If you choose to have the calibration done on your own, Riverbend is required to have a certificate on file. If Riverbend does not receive that certificate on file at least 20 days before your annual calibration is due, Riverbend will complete the calibration for you and the fee will be added to your following months' water and sewer invoice.</i>									
<i>** The TCEQ requires a Customer Service Inspection for all new connections/water meters. This is to prevent cross connections from contaminating the water distribution system. Riverbend is required to have a certificate of inspection on file. The service inspection has to be completed before water service can be turned on. The fee will be added to your first service invoice.</i>									
5/1/2019									

**Table 4-2 Connection Fees**

Fees	Water Use Categories	
	Private	Commercial
New Connection Fee	\$50.00	\$50.00
Reconnection Fee	\$50.00	\$50.00

**Table 4-3 Tap Fees**

<b>Estimated Fees</b>	<b>Cost</b>
Water Tap	
1-1/2"	\$957.05
2"	\$2,186.30
4"	Material + Labor Cost
6"	Material + Labor Cost
Sewer Tap	
4"	\$293.69
6"	\$326.93

## **5. Public Education**

Riverbend will consider the following measures to educate the public regarding the benefits of water conservation.

### **5.1 Residential Users**

Provide informational literature to existing residential customers along with billing statements to encourage reduction in water use. Literature will explain treatment costs and environmental impacts of excessive water use as well as simple ways to decrease day-to-day usage such as upgrades to high efficiency plumbing models.

### **5.2 Industrial/Commercial Users**

Provide information literature to existing commercial customers to encourage reduction in overall water use, through conservation measures such as process water reuse, minimization, and plumbing upgrades.

### **5.3 Government Users**

Use by RRAD accounts for a large percentage of the water produced by Riverbend. Riverbend will work closely with the RRAD to encourage the

reduction of water use for non-essential military operations and improve water accounting of major water use facilities on the Army base.

#### **5.4 Additional Education**

As new programs or literature become available to Riverbend regarding water conservation and water treatment, Riverbend will, in turn, pass this information along to the water users to encourage their reduction of water consumption. Riverbend will also pass along information to its users regarding changes/upgrades to the water treatment/distribution system.

#### **5.5 New Users**

When new users begin using the Riverbend's water services, they will be provided with the appropriate informational literature detailing the Riverbend's policies/suggestions for water conservation upon request.

#### **5.6 Wholesale Water Users**

Wholesale water users are required to develop and implement a water conservation plan or water conservation measure using the applicable elements of Title 30 Texas Administrative Code (TAC) Chapter 288.

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 24, 2021**

**AGENDA ITEM VI. D.  
Drought Contingency Plan**



**DROUGHT CONTINGENCY PLAN**

**RIVERBEND WATER RESOURCES DISTRICT**

**NEW BOSTON. TX**

228A Texas Avenue  
New Boston, Texas 75570

**CCN# 13201**  
**PWS# 0190021**

**May 2020**

## **Section I: Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and/or to protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Riverbend Water Resources District adopts the following Drought Contingency Plan (the Plan).

## **Section II: Public Involvement**

Opportunity for the public and wholesale water customers to provide input into the preparation of the Plan was provided by Riverbend Water Resources District by means of direct communication with member cities and the public.

## **Section III: Wholesale Water Customer Education**

Riverbend Water Resources District will periodically provide wholesale water customers with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of providing a copy of the Plan to each customer either through monthly invoice and/or an e-mail to the customer.

## **Section IV: Coordination with Regional Water Planning Groups**

The water service area of Riverbend Water Resources District is located within the TexAmericas Center footprint as well as Bowie, Red River, and Cass counties and Riverbend Water Resources District will be more than glad to provide a copy of the Plan to any customers or civilians who are interested within these counties.

## **Section V: Authorization**

The Executive Director or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Executive Director, or his/her designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

## **Section VI: Application**

The provisions of this Plan shall apply to all customers utilizing water provided by the Riverbend Water Resources District. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

## **Section VII: Criteria for Initiation and Termination of Drought Response Stages**

The Executive Director, or his/her designee, shall monitor water supply and/or demand conditions on a (e.g., weekly, monthly) basis and shall determine when conditions warrant initiation or termination of each stage of the Plan. Customer notification of the initiation or termination of drought response stages will be made by mail or telephone. The news media will also be informed.

The triggering criteria described below are based on pumping capacities and volume of surface supply.



### **Stage 1 Triggers -- MILD Water Shortage Conditions**

Requirements for initiation – Riverbend Water Resources District will recognize that a mild water shortage condition exists when for a period of **72** consecutive hours **85%** of pumping capacity is utilized or when the volume of surface supply is less than **50%** of capacity.

Requirements for termination - Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of **10** consecutive days. Riverbend Water Resources District will notify its wholesale customers and the media of the termination of Stage 1.

### **Stage 2 Triggers -- MODERATE Water Shortage Conditions**

Requirements for initiation –Riverbend Water Resources District will recognize that a moderate water shortage condition exists when for a period of **72** consecutive hours **90%** of pumping capacity is utilized or when the volume of surface supply is less than **40%** of capacity.

Requirements for termination - Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of **10** consecutive days. Upon termination of Stage 2, Stage 1 becomes operative. Riverbend Water Resources District will notify its wholesale customers and the media of the termination of Stage 2.

### **Stage 3 Triggers -- SEVERE Water Shortage Conditions**

Requirements for initiation – Riverbend Water Resources District will recognize that a severe water shortage condition exists when for a period of **72** consecutive hours **95%** of pumping capacity is utilized or when the volume of surface supply is less than **25%** of capacity.

Requirements for termination - Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of **10** consecutive days. Upon termination of Stage 3, Stage 2 becomes operative. Riverbend Water Resources District will notify its wholesale customers and the media of the termination of Stage 3.

### **Stage 4 Triggers -- CRITICAL Water Shortage Conditions**

Requirements for initiation - Riverbend Water Resources District will recognize that an emergency water shortage condition exists when major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or natural or man-made contamination of the water supply source(s).

Requirements for termination - Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of **10** consecutive days. Riverbend Water Resources District will notify its wholesale customers and the media of the termination of Stage 4.

## **Section VIII: Drought Response Stages**

The Executive Director, or his/her designee, shall monitor water supply and/or demand conditions and, in accordance with the triggering criteria set forth in Section VII, shall determine that mild, moderate, or severe water shortage conditions exist or that an emergency condition exists and shall implement the following actions:

## **Stage 1 Response -- MILD Water Shortage Conditions**

Target: Achieve a voluntary 10 percent reduction in daily demand.

### Best Management Practices for Supply Management:

Communication with customers to reduce daily demand.

### Water Use Restrictions for Reducing Demand:

(a) The Executive Director, or his/her designee(s), will contact wholesale water customers to discuss water supply and/or demand conditions and will request that wholesale water customers initiate voluntary measures to reduce water use (e.g., implement Stage 1 or appropriate stage of the customer's drought contingency plan).

(b) The Executive Director, or his/her designee(s), will provide a weekly report to news media with information regarding current water supply and/or demand conditions, projected water supply and demand conditions if drought conditions persist, and consumer information on water conservation measures and practices.

## **Stage 2 Response -- MODERATE Water Shortage Conditions**

Target: Achieve a 15 percent reduction in daily demand.

### Best Management Practices for Supply Management:

Communicate with customers to reduce daily demand and utilize news media to inform and convince public to reduce demand. Pro-rata curtailment will be utilized.

### Water Use Restrictions for Reducing Demand:

(a) The Executive Director, or his/her designee(s), will request wholesale water customers to initiate mandatory measures to reduce non-essential water use (e.g., implement Stage 2 or appropriate stage of the customer's drought contingency plan).

(b) The Executive Director, or his/her designee(s), will initiate weekly contact with wholesale water customers to discuss water supply and/or demand conditions and the possibility of pro rata curtailment of water diversions and/or deliveries.

(c) The Executive Director, or his/her designee(s), will further prepare for the implementation of pro rata curtailment of water diversions and/or deliveries by preparing a monthly water usage allocation baseline for each wholesale customer.

(d) The Executive Director, or his/her designee(s), will provide a weekly report to news media with information regarding current water supply and/or demand conditions, projected water supply and demand conditions if drought conditions persist, and consumer information on water conservation measures and practices.

### **Stage 3 Response -- SEVERE Water Shortage Conditions**

Target: Achieve a 20 percent reduction in daily demand

#### Best Management Practices for Supply Management:

Communicate with customers to reduce daily demand and utilize news media to inform and convince public to reduce demand. Pro-rata curtailment will be utilized.

#### Water Use Restrictions for Reducing Demand:

- (a) The Executive Director, or his/her designee(s), will contact wholesale water customers to discuss water supply and/or demand conditions and will request that wholesale water customers initiate additional mandatory measures to reduce non-essential water use (e.g., implement Stage 3 or appropriate stage of the customer's drought contingency plan).
- (b) The Executive Director, or his/her designee(s), will initiate pro rata curtailment of water diversions and/or deliveries for each wholesale customer.
- (c) The Executive Director, or his/her designee(s), will provide a weekly report to news media with information regarding current water supply and/or demand conditions, projected water supply and demand conditions if drought conditions persist, and consumer information on water conservation measures and practices.

### **Stage 4 Response -- EMERGENCY Water Shortage Conditions**

Whenever emergency water shortage conditions exist as defined in Section VII of the Plan, the Executive Director shall:

1. Assess the severity of the problem and identify the actions needed and time required to solve the problem.
2. Inform the utility director or other responsible official of each wholesale water customer by telephone or in person and suggest actions, as appropriate, to alleviate problems (e.g., notification of the public to reduce water use until service is restored).
3. If appropriate, notify city, county, and/or state emergency response officials for assistance.
4. Undertake necessary actions, including repairs and/or clean-up as needed.
5. Prepare a post-event assessment report on the incident and critique of emergency response procedures and actions.

### **Section IX: Pro Rata Water Allocation**

In the event that the triggering criteria specified in Section VII of the Plan for Stage 3 – Severe Water Shortage Conditions have been met, the Executive Director is hereby authorized initiate allocation of water supplies on a pro rata basis in accordance with Texas Water Code, §11.039.

## **Section X: Contract Provisions**

Riverbend Water Resources District will include a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code, §11.039.

## **Section XI: Enforcement**

### **Surcharge:**

During any period when either mandatory water use restrictions or pro rata allocation of available water supplies are in effect, wholesale customers shall pay the following surcharges on excess water diversions and/or deliveries:

1.5 times the normal water charge per 1000 gallons for water diversions and/or deliveries in excess of the monthly allocation from 5 percent through 15 percent above the monthly allocation.

2 times the normal water charge per 1000 gallons for water diversions and/or more than 15 percent above the monthly allocation, to the extent legally permitted.

### **Fines and/or discontinuation of service:**

Mandatory water use restrictions or pro rata allocation of available water supplies may be imposed during drought stages and emergency water management actions. These water use restrictions will be enforced by warnings and penalties as follows:

- On the first violation, customers will be notified by written notice that they have violated the mandatory water use restriction.
- If the first violation has not been corrected after ten (10) days from the written notice, Riverbend Water Resources District may assess a fine up to \$ 100 per violation.
- Riverbend Water Resources District may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed fifty dollars (\$50.00);
- Riverbend Water Resources District maintains the right, at any violation or action level, to disconnect irrigation systems and/or suspend water services to a customer for public safety issues with reconnection fees and possible citations.
- Subsequent violations of the plan shall result in increased fines or upon the occurrence of 3 violations, after notice, the discontinuation of services. Services discontinued under this provision shall be restored only upon payment of a reconnection fee and any other costs incurred by the utility in discontinuing service.

## **Section XII: Variances**

The Executive Director, or his/her designee, may, in writing, grant a temporary variance to the pro rata water allocation policies provided by this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the public health, welfare, or safety and if one or more of the following conditions are met:

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.

- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with the Executive Director within 5 days after pro rata allocation has been invoked. All petitions for variances shall be reviewed by the Riverbend Water Resources District Board of Directors, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Detailed statement with supporting data and information as to how the pro rata allocation of water under the policies and procedures established in the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (c) Description of the relief requested.
- (d) Period of time for which the variance is sought.
- (e) Alternative measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (f) Other pertinent information.

Variances granted by the Riverbend Water Resources District Board of Directors shall be subject to the following conditions, unless waived or modified by the Riverbend Water Resources District Board of Directors or its designee:

- (a) Variances granted shall include a timetable for compliance.
- (b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

### **Section XIII: Severability**

It is hereby declared to be the intention of the Riverbend Water Resources District Board of Directors) that the sections, paragraphs, sentences, clauses, and phrases of this Plan are severable and, if any phrase, clause, sentence, paragraph, or section of this Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Plan, since the same would not have been enacted by the Riverbend Water Resources District Board of Directors without the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 24, 2021**

**AGENDA ITEM VI. E.  
Riverbend Bylaws**

# **RIVERBEND WATER RESOURCES DISTRICT**

## **BYLAWS**

### **ARTICLE ONE**

#### **GENERAL PROVISION**

- 1.01 The purpose of these Bylaws is to provide for the conduct of the affairs of RIVERBEND WATER RESOURCES DISTRICT (hereinafter called the "DISTRICT"), enacted by the legislature of the state of Texas: Section 1. Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601 and general laws of the State of Texas applicable to the District.
- 1.02 This District, commended by Founding Fathers to unite the members to actively govern as one, our precious resources, and to not let apathy weaken and destroy the ability to do so as our recorded history proves.

### **ARTICLE TWO**

#### **DEFINTIONS**

- 2.01 **District:** The Riverbend Water Resources District.
- 2.02 **Board:** The Board of Directors of the District.
- 2.03 **Director:** an individual appointed by the Mayor of a Member to represent that Member on the Board of the District. The Mayor may appoint himself or any individual within the Membership's jurisdiction.
- 2.04 **Member:** A municipality, county, or other political subdivisions to a member of the district as provided by Section 9601.005.
- 2.05 **Membership Contract:** a contract of membership into the District between the Member and the District on terms determined by the Board to be in the best interests of the District.
- 2.06 **Participation Contract:** a contract between a Member and the District specifying the terms and conditions under which a Member will participate financially in any project, including a water supply source or in the construction, equipping and operation of, and/or be the purchaser of, capacity or supply in a water supply or wastewater project to be developed by the District.
- 2.07 **Participating Member:** a Member that executes a Participation Contract.

### **ARTICLE THREE**

#### **OFFICE**

- 3.01 The principal office of the RWRD shall be at such place as shall be determined by the Directors from time to time.

3.02 The RWRD may maintain other offices at such places as may be authorized by the Board of Directors.

#### **ARTICLE FOUR BOUNDARIES**

4.01 The boundaries of the District shall include all territory contained in any municipality, county, or other political subdivision that joins the District as a Member, including any changes in those boundaries and/or service areas as may occur periodically.

#### **ARTICLE FIVE POWERS**

5.01 Except as may be limited or regulated by the terms of a Membership Contract or a Participation Contract, the District shall have all powers and authorities granted to a conservation and reclamation district created under Chapter 49, Texas Water Code.

#### **ARTICLE SIX DIRECTORS/MEMBERS**

6.01 The District will be governed by a Board of Directors ("Board"). Said Board shall be responsible for the management, operation, and control of the projects of the District and any property belonging to the District.

6.02 Each Member shall be entitled to appoint one (1) director to the Board, which appointee may be a member of the Member's governing body. The Mayor may appoint himself or any individual within the Membership's jurisdiction that is a qualified voter and resident of the district. Such appointment shall be made by the Mayor of each Member.

6.03 The initial term and place of each director began on 07-23-09:

Place 1 (New Boston appointee) - 4 years

Place 2 (Hooks appointee) - 4 years

Place 3 (DeKalb appointee) - 4 years

Place 4 (Wake Village appointee) - 4 years

Place 5 (Maud appointee) - 4 years

Place 6 (Red River Redevelopment appointee) - 4 years

Place 7 (Annona appointee) - 4 years

Place 8 (Avery appointee) - 4 years

Place 9 (Texarkana appointee) - 4 years



- 6.04 Following the initial term of each director, the directors shall draw lots to determine which four (4) Members of the District will have their directors serve two-year terms. Thereafter, the directors will serve staggered four-year terms on the Board.
- 6.05 A Director who is also an elected official of a political subdivision serves for a term coinciding with the term of the elected office.
- 6.06 A Director shall serve until the Director's successor is appointed by the Mayor of the Member appointing said director. A Director may serve successive terms. If there is a vacancy on the Board, the Mayor of the Member that appointed the director who vacated the place shall appoint a new director to serve the remainder of the term.
- 6.07 New members may be added and existing Members may withdraw to and from the Agency in the manner authorized by the District's Enabling Legislation, subject to the continuing obligations of any withdrawing Member that may be contained in a Membership Contract or a Participation Contract.

## **ARTICLE SEVEN MEETINGS OF DIRECTORS**

- 7.01 Meetings of the Board shall be at such place within or without the State of Texas as shall be determined by the Board from time to time
- 7.02 If the President is present at the Meeting, the President will preside over and conduct any called meeting. In the absence of the President at a meeting, the Vice-President will preside over and conduct the meeting.
- 7.03 Each Member's Director may vote on all issues before the Board except for those issues governed by a Participation Contract(s) for specific project(s) that have been signed and approved by Participating Members. For matters governed by a Participation Contract(s), only those Participating Members may vote. A quorum for the purpose of Board meetings shall be one (1) more than 50% (fifty percent) of the number of Members of the District. The Directors' votes shall be weighted as follows:
- (a) Tier I Actions and Voting: When the Board votes on authorization of capital projects or any other financial commitments, each Director of a Participating Member that has signed a Participation Contract will have one vote as a Participating Member. Additionally, if a Director is one of the Participating Members, and the project involves a supply of water that Director shall have one (1) extra vote for each one million gallons per month (1 MGM) of service or capacity, or portion of that amount of service or capacity, for which the Participating Member has contracted with the District. For any projects not directly involving the supply of water, if a Director is one of the Participating Members, that Director shall have one (1) extra vote for each percentage point of financial commitment for which the Participating Member has committed to in the relevant Participation Contract. No one Director may obtain through these provisions a number of votes that would exceed 49% of votes that could be cast on the matter being considered. A simple majority vote from Directors present and eligible to vote is necessary for approval of Tier I actions.

(b) Tier II Actions and Voting: When the Board votes on matters not concerning capital projects or financial commitments each Director will have one vote as a member of the Board. A simple majority of the Directors present is required to approve Tier II actions.

7.04 If a quorum shall not be present at any meeting of Directors, the meeting may be adjourned from time to time without notice other than announcement at such meeting until a quorum is present.

7.05 Meetings of the Board may be called by the President on 72 hours notice to each Director. Such notice may be given personally, or by mail, or by e-mail, or by telephone, or by text. A meeting shall be called by the President in like manner on like notices on the written request of three Directors.

7.06 Any notice required to be given to Directors by these bylaws may be given by telephone if given personally and shall be deemed given at the time any written notice is mailed or telegram sent.

7.07 Notice of all Board Meetings shall be in accordance with Section 551 of the Government Code.

## **ARTICLE EIGHT COMMITTEES OF DIRECTORS**

8.01 The Board may, by resolution or resolutions, establish one or more committees, each committee to consist of one or more Directors of the Agency. Such committee or committees shall have the name or names, and such powers and authority as may be determined from time to time by resolution adopted by the Directors.

8.02 The committees shall keep regular minutes of their proceedings and report the same to the Board as required.

## **ARTICLE NINE AFFAIRS**

9.01 The Board shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, and other officers, as the members of the Board consider necessary. President and Vice-President must be a Member of the Board. The officers of the Secretary and Treasurer may be combined and are not required to be a director.

9.02 Officers of the District shall be elected by the Board of Directors at its first meeting, and thereafter as needed to fill vacancies.

9.03 Officers of the District elected pursuant to section 9601.054 (C) in the enabling legislation shall serve for one-year terms or until the term of the officer expires and is not renewed, whichever comes first.

9.04 Officers of the District elected may be removed from office, prior to the expiration date of term, at any time by a 2/3 vote of the Board.

9.05 If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board for the unexpired term.

## **PRESIDENT**

- 9.06 The President shall be ex-officio a member of all standing committees and shall have such powers and duties as provided by law, by these Bylaws and as may be assigned from time to time by the Board.
- 9.07 The President shall execute all obligations, undertakings, and contracts in the name of the District except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the District.

## **VICE PRESIDENT**

- 9.08 The Vice President shall, in the absence or disability of the President, or at the direction of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe.

## **THE SECRETARY/TREASURER**

- 9.09 The Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board or the President.
- 9.10 The Treasurer, to the extent not otherwise provided by the Board, by rules or regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, shall have the custody of the corporate funds securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the District and shall deposit all moneys and other valuable effects in the name and to the credit of the District in a depository as shall be designated by the Board. He shall disburse the funds of the District as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Presidents and Directors, at the meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the District.
- 9.11 In the absence or inability of the Secretary/Treasurer to act as Secretary, the Board shall select a member of the Board or other officer of the District to Act as Secretary Pro-Tern.

## **GENERAL**

- 9.12 The provisions of the Texas Uniform Facsimile Signature of Public Officials Act shall be applicable to the Agency.
- 9.13 From time to time, and for such terms and compensation as it shall determine, the Board may authorize the employment of such additional officers, agents, and employees as it may deem necessary for the conduct of the business of the District.
- 9.14 Members of the Board of Directors may receive compensation and may be reimbursed for expenses incurred in the performance of their duties to the extent allowed by law and as shall be authorized from time to time by the Board.

**ARTICLE TEN  
INDEMNIFICATION**

- 10.01 The Board of Directors shall have the power to indemnify any Director, Officer, or employee, past or present, for expenses, costs, including attorney's fees, and the amount of any judgment, penalty or fine actually rendered against him in connection with any claim asserted against him by reason of his having been such a director, officer, or employee, in relation to matters as to which he shall not have been guilty of gross negligence or misconduct in respect to any matter for which indemnity is sought.
- 10.02 The Board of Directors may purchase and maintain liability insurance for such persons to the extent as shall be determined by the Board.

**ARTICLE ELEVEN  
ACCOUNTING PROVISIONS**

- 11.01 The first fiscal year of the District shall end on September 30<sup>th</sup> 2009, and thereafter the fiscal year of the District shall be from October 1<sup>st</sup> of each year to September 30<sup>th</sup> of the following year.

**ARTICLE TWELVE  
UNIFORM FINANCIAL REPORTING**

- 12.01 The financial reports of the District shall be prepared in accordance with General Accepted Accounting Principles as defined by the Governmental Accounting Standards Board and presented in "Audits of State and Local Governments Units" and Governmental Accounting and Financial Reporting Standards.
- 12.02 Except as described in 12.03 below, audits shall be conducted and reported in accordance with Chapter 49 of the Texas Water Code.
- 12.03 The Board of Directors shall:
- (a) meet to present and discuss the completed annual audit at a regular or special board meeting held no later than January 28 of each year and the Executive Director and Auditor who performed the audit shall be present to discuss the audit findings and respond to inquiries;
  - (b) shall approve and provide a copy of the audit to all appropriate local, state, and federal agencies no later than February 12 of each year;
  - (c) develop a corrective action plan for deficiencies, if necessary, no later than 60 days after the adoption of the audit and adopt such Corrective Action Plan at a regular or special board meeting, recorded in the minutes of the meeting, and available to the general public in the manner determined by the Board of Directors that must include electronic transmission; and
  - (d) send a copy of the adopted annual audit and adopted corrective action plan to Members of District no later than 30 days after the corrective action plan is adopted.

**ARTICLE THIRTEEN  
AUDIT COMMITTEE**

- 13.01 The Board of Directors of the District is hereby designated to function as an Audit Committee. This Board shall be concerned with the District's internal business and management activities.

**ARTICLE FOURTEEN  
SPECIFIC PROJECTS**

- 14.01 In order to participate in a particular project to be pursued by the District, a separate Participation Contract between the District and the Participating Member will be executed.
- 14.02 All projects of the District will be open to all Members, sharing costs on a pro-rata basis, according to relative capacity or benefit. Cost of water for any Project will be determined on a common basis, uniform among all Participating Members for that project, subject to Texas Local Government Code Chapter 422. Costs associated with transmission and delivery of water from any supplier or by the District shall be addressed by each Participating Member on a pro-rata basis. Oversizing of District facilities or facilities of others supplying water to the District shall be funded by the Participants on a pro-rata basis, according to the capacity demanded by the Participating Members. In order to have access to oversize capacity or to participate in any project of the District, a Member shall enter into a Participation Contract with the District.
- 14.03 In recognition of the costs inherent in developing and transporting new water supplies to meet the existing and future needs of the District and its Members, the Members agree that to the extent a Member desires to reuse or reclaim water developed by or through the District for the Member, other Members will support the reuse of such water by the initiating Member to the extent reuse is authorized by the State.

**ARTICLE FIFTEEN  
SELECTION OF PROFESSIONAL CONSULTANTS**

- 15.01 Professional consultant contracts cannot be awarded on the basis of competitive bidding only.
- 15.02 The Board of Directors shall determine, in its judgment, when and the extent to which outside professional services are needed. The Board shall select the entities to provide any professional service based on its judgment as to the one of ones expected to be able to provide the best service at customary and reasonable cost, with emphasis on competence and experience in providing the service.

**ARTICLE SIXTEEN  
AMENDMENTS**

- 16.01 These By-Laws may be altered, amended, or repealed by the affirmative vote of a majority of the Board of Directors without notice at any annual meeting, or at any regular or special

meeting provided notice of the proposed alteration or amendment is contained in the notice of the meeting.

Adopted and approved the 29th day of March 2019.

President:



ATTEST:

Vice President:

