



**REGULAR MEETING
RIVERBEND WATER RESOURCES DISTRICT
PUBLIC NOTICE OF BOARD OF DIRECTORS' MEETING
WEDNESDAY, JANUARY 26, 2022
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, January 26, 2022, 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 Government Code.

- IV. CONSENT AGENDA ITEMS

- A. Discussion and possible action regarding approval of the November 18, 2021 Regular Meeting Minutes and the December 8, 2021 Special Called Meeting minutes.



V. REGIONAL ENTITY REPORTS

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

VI. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

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

- A. Discussion and possible action regarding approval of a resolution adopting the 2021 Member Entities True-Up for use in FY 2022.
- B. Discussion and possible action regarding approval of a resolution approving the fourth quarter financials of FY 2021.
- C. Discussion and possible action regarding approval of a resolution approving the fourth quarter investment report for FY 2021.
- D. Discussion and possible action regarding approval of a resolution approving the FY 2021 Annual Audit performed by Wilf and Henderson, P.C.
- E. Discussion and possible action regarding approval of a resolution approving the first quarter financials of FY 2022.
- F. Discussion and possible action regarding approval of a resolution approving the first quarter investment report for FY 2022.
- G. Discussion and possible action regarding approval of a resolution authorizing the issuance, sale, and delivery of Riverbend Water Resources District contract revenue bonds (Regional Water System Project), Taxable Series 2022A, and approving and authorizing instruments and procedures relating thereto.
- H. Discussion and possible action regarding approval of a resolution authorizing the issuance, sale, and delivery of Riverbend Water Resources District contract revenue bonds (Regional Water System Project), Tax-Exempt Series 2022B, and approving and authorizing instruments and procedures relating thereto.



- I. Discussion and possible action regarding the Lone Star and Red River Army Depot Community Support Committee (Military Affairs).
- J. Discussion regarding Riverbend Water Resources District's future growth plan.

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, February 23, 2022 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, JANUARY 26, 2022**

**CONSENT AGENDA ITEM IV. A.
November 18, 2021
Regular Meeting Minutes
December 8, 2021
Special Called Meeting Minutes**

**Regular Called Meeting
Riverbend Water Resources District
Board Meeting Minutes**

November 18, 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, Tina Veal Gooch, President of the Board, called the meeting to order at 12:04 p.m.

Directors Present:

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

Directors Absent:

None

Administration Present:

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

Public Present:

Please see the attached list for additional guests.

II. Invocation & Pledge

Marshall Wood led the invocation.

Tina Veal Gooch led the pledge of allegiance.

III. Public Comments

None.

IV. Consent Agenda Items

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

A. Discussion and possible action regarding October 27, 2021 Regular Called Meeting Minutes.

A single motion was made by **Van Alexander** and seconded by **Sonja Hubbard** to approve the Consent Agenda Item as listed above. The motion passed unanimously.

V. Regional Entity Reports

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

No report. No action taken.

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

No report. No action taken.

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

Rob Sitterly, Executive Director of Ar-Tex REDI, provided an update on the certified industrial sites on both sides of the state line. The 1,350 acre site on the Arkansas side of Texarkana is called the Arkansas Manufacturing Center. The 850 acre East Texas Logistics Center is located just across the highway from TAC. These two sites are geared to compliment the efforts of TexAmericas Center. In addition to the assets of these certified sites, the regional school systems are also a positive selling point to entice businesses to expand to our area.

Sonja Hubbard reiterated how important it is for ArTex-REDI and Riverbend to continue to collaborate when planning for bringing manufacturers to the area.

VI. Agenda Items for Individual Consideration

A. Discussion regarding draft fourth quarter financials for FY 2021 and any applicable quarterly investment reports.

Tara Houck, Chief Executive Officer, provided an overview of the draft financials for the fourth quarter of FY 2021.

No action was taken.

B. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to accept and award bids for financial software.

Kyle Dooley provided information on the need to upgrade the District's financial software. We reached out to and researched three software companies that provide the services we will need. Incode, STW by OpenGov, and Casselle all provide different types of the needed system and services. Incode met the needs of the District with room for growth. There are several local municipalities that use this software and they are very happy with it. The funds have been set

aside in the budget for implementation during this fiscal year. The annual cost will be available in the budget going forward. Mr. Dooley also stated that the representatives from Incode are familiar with the conversion from Quickbooks to Incode. Van Alexander appreciates that Kyle and staff are looking ahead at the District's needs.

A motion was made by **Marshall Wood** and seconded by **Fred Milton** to approve **RESO 20211118-01** authorizing the Executive Director/CEO to accept and award a bid for financial software. The motion passed unanimously.

VII. Riverbend Reports

A. Board Members

Fred Milton provided an update on the recent Region D meeting. He provided that he is the alternate for Jim Thompson, Board Chairman, on the Interregional Planning Committee.

B. Executive Director/CEO

Kyle Dooley provided the following updates:

Regional Water System Project: VT Madhavan with Pape-Dawson provided the following updates.

- Continuing the efforts on 30% preliminary design documents
- Work continues on multiple technical memos - intake structure, intake pipe design, pumps, electrical power assessment, zebra mussel control/fish entrapment, intake screens/backwash system, hydraulic evaluation, raw water main pipeline, water treatment process development, residuals evaluation and chlorine and ammonia assessment
- Continue to take monthly and quarterly water samples from the lake to test for quality. No big surprises were found.
- We are commencing with the initial preparations for selection of the design consultants for the next phase of work. This includes preparing a TWDB-appropriate advertisement and contract documents. This is on track for first quarter 2022.
- Nov 2 – Advisory committee meeting went well and was well attended; Citizen portal demo was informative and helpful. These meetings will be held quarterly unless an earlier update is necessary.
- Nov 2, 3, 4 – Met with contractors to get input on project risk, CMAR delivery. Program manager's recommendation will be submitted to RWRD soon.
- ROE obtained from TAC, USACE – approx. 70% of ROE has been obtained.
- Preliminary geotechnical and environmental work has started in areas where we have ROE.
- Work continues on coordination with the Army Corps of Engineers.
- The next round of bonds will likely be brought to the Board in January.

TCEQ & Water Rights Application: Lines of communication are still open between the District and those requesting a contested case hearing. Other than that, no new update.

Ultimate Rule Curve and Environmental & Cultural Resources Study: Still working with the USACE. Do not have an update on the new cost estimate for the Cultural Resources Study.

Industrial Waste Water Plant: We are still working with RRAD to change the existing language in the contract that will cover the payback for the bond to fund the new plant. In addition, the deadline for the DAAG Grant was November 10. The decision was not to submit and application this round due to the 2-year window to spend those funds if they are awarded. We are not far enough into contract negotiations, planning and design to commit to that tight of a window at this time. The next application window is the summer of 2022 and an application will for funding will likely be submitted at that time.

Region D: All contracts and technical consultants are now in place. The next meeting tentatively scheduled for January 2022 will be to begin the planning process. We are waiting on some preliminary data from TWDB to let Carollo Engineers can begin work. Fred Milton commended Kyle and the staff for their hard work in putting the Region D meetings together.

Member Entity True-Up Meeting: Texarkana Water Utilities is finalizing the True-Up document. They are preparing to present the document for discussion on December 8th or December 15th. The final date will be set once we get access to the final document.

No action taken.

VIII. Executive Session

The board stood at ease at 12:41 p.m.

The board reconvened in Executive Session at 12:45 p.m with quorum pursuant to section 551.071 of the Texas Open Meetings Act.

The board came out of Executive Session at 1:51 p.m.

The board reconvened with quorum at 1:52 p.m.

IX. Next Riverbend Meetings

Riverbend Regular Meeting, Wednesday, January 26, 2022 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 **Fred Milton** and seconded by **Marshall Wood** to adjourn the meeting at 1:55 p.m. The motion passed unanimously.

The minutes of the Riverbend Water Resources District Board of Directors meeting, held on November 18, 2021, were read and approved on the _____ day of _____, 2022.

Tina Veal Gooch, President

Attest:

Kyle Dooley, Executive Director/ CEO

**Special Called Meeting
Riverbend Water Resources District
Work Session Minutes**

December 8, 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 on December 8, 2021, the Chair, Tina Veal Gooch, President of the Board, called the meeting to order at 10:07 a.m.

Directors Present:

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

Directors Absent:

Marshall Wood, Treasurer

Administration Present:

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

Public Present:

See attached list.

II. Invocation & Pledge

Van Alexander led the invocation and the Pledge of Allegiance.

III. Agenda Items for Individual Consideration

A. Presentation and discussion of Member Cities' True-Up for use in FY 2021-2022.

Kyle Dooley reminded the Board that the discussion today will center around a review of the True-Up document as prepared by the City of Texarkana, TX and Texarkana Water Utilities(TWU). Mr. Dooley then introduced Gary Smith, Interim Executive Director and Tricia Briggs, CFO for TWU and David Orr, City Manager for the City of Texarkana, TX.

Mr. Smith and Ms. Briggs with TWU presented the 2020 Member Cities' True-up and provided information specific to completed, ongoing, and future projects for TWU as well as reasons for increasing costs associated with the operation of the New Boston Road Water Treatment Plant.

No action taken.

IV. Riverbend Reports

A. Board Members

No reports.

B. Executive Director/CEO

Kyle Dooley provided that typically, the Board considers this True-Up document and approve the new rate at the next board meeting scheduled for January 26, 2022. This rate would be effective for the February billing period. Next year, the plan is to have the True-Up meeting earlier in the fiscal year, likely in July 2022.

V. Next Riverbend Meetings & Activities:

Riverbend Regular Meeting, Wednesday, January 26, 2022 at 12:00 p.m. at Riverbend Offices.

VI. Adjournment

With no additional business to be discussed, a motion was made by **Van Alexander** and seconded by **Sonja Hubbard** to adjourn the meeting at 10:34 a.m.

The minutes of Riverbend Water Resources District Board of Directors meeting, December 8, 2021 were read and approved on the _____ day of _____, 2022.

Tina Veal Gooch, President

Attest:

Kyle Dooley, Executive Director/ CEO

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. A.
RWRD RESO 20220126-01
Member Entities True-Up**



RIVERBEND RESOLUTION NO. 20220126-01

**ADOPTING THE FY 2021 MEMBER ENTITIES' TRUE-UP
AND WHOLESALE WATER RATES AND FEES OF THE
TEXARKANA WATER UTILITIES**

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 is charged with oversight of the annual True-Up conducted amongst and between the City of Texarkana, Texas and all Member Entities; and

WHEREAS, due to unforeseen circumstances related to the cyberattack on Texarkana Water Utilities (TWU), the True-Up process could not be finalized until the annual audit for TWU was complete; and

WHEREAS, On September 22, 2021, the Riverbend Board approved Resolution 20210922-01 approving a \$0.03 increase in the current water production rate of \$0.9302 for an interim rate of \$0.9602 for use in fiscal year 2022 until the final calculations were completed and reviewed; and

WHEREAS, Riverbend Water Resources District held an annual True-Up meeting on December 8, 2021 at the Riverbend offices to discuss the True-Up Process and information provided by the City of Texarkana, Texas and its water department through Texarkana Water Utilities.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Riverbend Water Resources District hereby adopts the FY 2021 Member Entities' True-Up and wholesale water rates and fees of the Texarkana Water Utilities.

PASSED and APPROVED this 26th day of January 2022

Tina Veal Gooch, President

ATTEST:

Fred Milton, Secretary

Attached: 2021 Member City Rate Calculation Packet provided by Texarkana Water Utilities

Member City Water Rate Calculation 2022

City of Texarkana, Texas
Proposed Water Production Rate Assumptions
9/30/2022

Assumptions regarding the 2022 Water Rate:

- 1) The water rate is determined based on the adopted FY 2022 Water Department Budget.
- 2) The administration overhead rate has been calculated using **6.11%** of total budget water production costs using the method approved effective with the FY 2018 budget billing.
- 3) The 2020 True up is not included in the actual water rate. Once the true up has been decided, it will be billed monthly as an amount on each individual Member City monthly billing.
- 4) The infrastructure cost is not included in the actual water rate. Once the cost has been decided, it will be billed monthly as an amount on each individual Member City monthly billing.
- 5) The debt service cost is not included in the actual water rate. Once the cost has been decided, it will be billed monthly as an amount on each individual Member City monthly billing.
- 6) Monthly billings will use estimated gallons as projected in the current budget.
- 7) The water rate calculated for 2022 excludes the amount due to Riverbend. Each City will be responsible for remitting their amount directly to Riverbend.

CALCULATION OF OVERHEAD PERCENTAGE

From FY 2020 Unaudited Amounts

	2020 Unaudited Amounts
Admin Divisions:	
Administration 110	612,958
Finance 210	450,011
Engineering 710	40,304
GIS 740	23,378
Information Technology 230	0
Total Admin	1,126,651
Other Divisions:	
Customer Service 310	948,135
Water Production 410/420	4,815,665
Water Distribution 620	1,353,192
Sewer Collection 630	955,485
Wastewater 530/540	4,161,189
Environmental Services 750	389,049
Information Technology 230	1,047,651
Engineering 710	570,192
GIS 740	330,738
Composting 580	316,175
Operations Admin 610	283,155
Service Center 640,643-646	630,720
Water/Swr Constr 612	896,370
Field Services 330	606,379
Total Other	17,304,095
Total Expenses	18,430,746
Admin % of Total	6.11%

FY20 Audit Amounts:

Oper Div Total	25,789,810
Less:	
Depr	(5,426,393)
Other Expenses	(1,932,670)
Total	18,430,747
Rounding Difference	(0)

Engineering & GIS Divisions Allocation to OH:

CALCULATION OF OVERHEAD PERCENTAGE From FY 2020 Unaudited Amounts

Engineering 710	610,496
GIS 740	<u>354,117</u>
Total	<u>964,612</u>

			Engineering Division 710	GIS Division 740	Total
<u>FY20 Capital Project Hours:</u>					
WP & MW Projects	545	6.6019%	40,304	23,378	63,682
Other Projects	<u>7,710</u>	93.3981%	570,192	330,738	900,930
Total	8,255	100.0000%	610,496	354,116	<u>964,612</u>

Information Technology (IT) Division Allocation to OH:

Information Tech- Division 230	<u>1,047,651</u>
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			Info Tech Division 230
<u>FY20 IT Logged Workorder Hours:</u>			
Division 410	0	0.0000%	
Division 420	0	0.0000%	
Total WP & MW	0	0.0000%	0
Other Utility Divisions	0	100.0000%	1,047,651
Total	0	100.0000%	<u>1,047,651</u>

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

**FY 21 to
FY 22
Change**

	<i>Actual 19-20</i>	<i>Budget 20-21</i>	<i>Revised 20-21</i>	<i>Budget 21-22</i>	
<u>EXPENDITURES</u>					
Personal Services	1,225,560	1,490,593	1,300,285	1,626,704	
Supplies	709,623	1,011,800	1,112,100	1,201,600	
Repairs & Maintenance	196,838	213,475	162,311	229,200	
Contractual Services	675,257	745,661	741,288	748,313	
TOTAL	2,807,279	3,461,529	3,315,984	3,805,817	

PERSONAL SERVICES

511100	Supervision	164,002	174,430	168,500	169,429	
511111	Management-Regular	24,770	24,335	24,335	24,335	
511113	Management-Incentive	1,838	1,838	1,838	1,838	
511211	Supervision-Reg Pay	127,172	143,257	134,512	138,257	
511212	Supervision-Overtime	10,222	5,000	7,815	5,000	
511411	Maintenance & Oper	542,085	726,200	601,200	812,351	
511412	Overtime	75,011	43,000	67,137	43,000	
511415	Shift Differential	6,050	7,500	7,871	7,500	
511611	Temporary Labor	25,142	20,000	2,500	20,000	
512111	Longevity	8,631	9,885	7,932	9,114	
512112	Group Insurance	130,576	182,537	160,017	230,040	
512114	Retirement	139,740	160,804	143,119	164,323	
512115	Social Security	65,440	76,241	65,646	78,286	
512116	Workmen's Comp	25,659	23,596	25,864	20,010	
512118	Employee Screening	178	200	247	100	
512121	Certification/License Pay	38,182	36,100	33,816	37,450	+ 3.74%
512100	Education & Training	9,463	30,100	16,435	35,100	
512122	Training-Seminars & Other	60	5,000	2,000	5,000	
512123	Training-Licenses & Certifi	6,160	10,000	10,000	15,000	
512124	Travel	1,144	10,000	2,322	10,000	
512125	Books & Subscriptions	0	100	0	100	
512126	Dues	1,388	3,000	1,214	3,000	
512127	Licenses	711	2,000	899	2,000	
512128	Awards & Certificates	0	0	0	0	
519999	Salary & Ben Transfer	(4,599)	0	0	0	
TOTAL		1,225,560	1,490,593	1,300,285	1,626,704	+ 9.13%

SUPPLIES

521100	Office Supplies	1,294	2,600	2,600	2,600	
521111	Paper	357	500	500	500	
521112	Writing Instruments	99	100	100	100	
521113	Computer Supplies	96	1,000	1,000	1,000	
521114	Other Off Sup & Exp	742	1,000	1,000	1,000	
521115	Minor Software	0	0	0	0	
521200	Operating Supplies	4,520	8,500	9,500	13,000	
521211	Consumable Items	4,515	6,000	6,000	6,000	
521212	Non Consumable Items	5	2,500	3,500	7,000	

TEXARKANA WATER UTILITIES
WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	FY 21 to FY 22 Change
		<i>19-20</i>	<i>20-21</i>	<i>20-21</i>	<i>21-22</i>	
521311	Botanical Supplies	20	0	0	0	
521400	Safety	36,223	25,400	27,500	29,500	
521411	Personal Protect Equip	1,937	4,000	4,000	6,000	
521413	Emergency Response Eq	0	500	1,000	1,000	
521415	Facilities Maintenance	32,148	20,000	20,000	20,000	
521416	Emergency/Disaster	138	300	1,000	1,000	
521417	Laboratory & Environ	0	100	0	0	
521418	Storage & Handling	2,000	500	1,000	1,000	
521419	Grounds Maintenance	0	0	500	500	
521700	Minor Tools	1,601	6,000	6,000	6,000	
521711	Electronic Tools	146	1,000	1,000	1,000	
521712	Hand Tools	1,090	3,000	3,000	3,000	
521713	Power Tools	365	2,000	2,000	2,000	
521900	Wearing Apparel	5,245	6,800	8,000	8,000	
521911	Uniform Cost	3,512	0	6,000	6,000	
521912	Uniform Maintenance	1,703	6,000	0	0	
521913	All Weather Gear	30	300	1,000	1,000	
521919	Other Wearing Apparel	0	500	1,000	1,000	
522300	Laundry & Janitorial	3,107	4,000	3,500	3,500	
522311	Laundry Service					
522312	Janitorial Service	1,750	2,000	2,000	2,000	
522313	Laundry & Jan Supplies	1,357	2,000	1,500	1,500	
522500	Lab & Photo Supplies	29,043	36,000	36,000	36,000	
522511	Lab Supplies	6,792	8,000	8,000	8,000	
522512	Lab Chemicals	22,147	25,000	20,000	20,000	
522513	Lab Equipment Repairs	104	3,000	8,000	8,000	
522521	Photo Supplies & Exp			0	0	
522700	Printing	1,142	2,000	1,500	1,500	
522711	Stationery					
522712	Billing Forms	0				
522713	Other Forms	733	1,500	1,000	1,000	
522719	Other	409	500	500	500	
522800	Chemicals - Plant	627,428	904,000	1,001,000	1,085,000	
522811	Activated Carbon					
522812	Anhydrous Ammonia	14,365	30,000	35,000	35,000	
522813	Calcium Hypochlorinate					
522815	Caustic Soda	274,838	425,000	425,000	425,000	
522816	Chlorine	56,856	64,000	64,000	108,000	
522817	Copper Sulphate					
522819	Hydrated Lime					
522821	Liquid Alum	229,762	300,000	400,000	440,000	+ 46.67%
522822	Polymer	8,280	0	7,000	7,000	
522823	Potassium Permanganate					
522824	Sodium Chlorite	23,129	60,000	45,000	45,000	- 25.00%
522826	Zinc Ortho Phosphate	20,197	25,000	25,000	25,000	+ 0.00%
522827	Sodium Hydroxide					
522839	Other	0	0			

TEXARKANA WATER UTILITIES
WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual</i> <i>19-20</i>	<i>Budget</i> <i>20-21</i>	<i>Revised</i> <i>20-21</i>	<i>Budget</i> <i>21-22</i>	FY 21 to FY 22 Change
522900	Chemicals - Lake	0	16,500	16,500	16,500	
522914	Carbon	0	15,000	15,000	15,000	
522916	Chlorine					
522917	Copper Sulphate	0	1,500	1,500	1,500	
522939	Other	0	0			
TOTAL		709,623	1,011,800	1,112,100	1,201,600	+ 18.76%

REPAIRS & MAINTENANCE

531111	Office Machines & Eq	278	0	0	0
531200	Motor Vehicles	19,038	24,700	24,450	24,450
531211	Antifreeze	6	100	100	100
531212	Batteries	320	400	400	400
531213	Filters	331	300	300	300
531214	Fuel	14,535	18,000	18,000	18,000
531215	Lubricates	220	500	500	500
531216	Parts	2,070	1,500	1,500	1,500
531217	Tires	871	2,000	2,000	2,000
531218	Labor	0	100	0	0
531219	Subcontracts	678	1,500	1,500	1,500
531221	Towing				
531239	Repairs Other	7	300	150	150
531700	Machinery & Equip	7,659	10,500	11,000	11,000
531711	Antifreeze	3	100	100	100
531712	Batteries	291	200	200	200
531713	Filters	111	200	200	200
531714	Fuel	437	1,500	1,500	1,500
531715	Lubricates	1,819	6,000	5,000	5,000
531716	Parts	4,998	1,500	1,500	1,500
531717	Tires	0	500	500	500
531718	Labor	0	500	2,000	2,000
531719	Subcontracts	0			
531739	Repairs Other	0			
531800	Signal Equipment	2,375	2,250	10,250	10,250
531811	Radios	0	250	250	250
531812	Telemetry	2,375	2,000	10,000	10,000
532100	Building	1,114	9,500	9,000	9,000
532111	Heating & Cooling	0	4,500	4,500	4,500
532112	Other Building	1,114	3,500	3,000	3,000
532113	Grounds & Parking Lots	0	1,500	1,500	1,500
533100	Water Treatment Equip	111,123	112,000	67,286	120,000
533111	Intake	27,429	22,000	30,000	30,000
533112	Plant	72,125	70,000	35,699	70,000
533113	Booster Stations	11,569	20,000	1,587	20,000
533200	Water Transmission Mains	24,763	29,000	29,000	29,000
533211	Raw Water Mains	758	4,000	4,000	4,000
533212	Treated Water Mains	4,773	5,000	5,000	5,000
533213	Member Cities Mains	19,232	20,000	20,000	20,000

TEXARKANA WATER UTILITIES
WRIGHT PATMAN WATER TREATMENT PLANT- 410

FY 21 to FY 22 Change

		<i>Actual</i> <i>19-20</i>	<i>Budget</i> <i>20-21</i>	<i>Revised</i> <i>20-21</i>	<i>Budget</i> <i>21-22</i>	
533500	Fire Hydrants	0	0	0	0	
533511	Fire Hydrants					
533512	Fire Hydrants-LTWSC					
533600	Tanks & Reservoirs	35,978	30,000	15,800	30,000	
533611	MC Tanks & Reservoirs	9,142	15,000	6,500	15,000	
533612	Other Tanks & Reserv	26,836	15,000	9,300	15,000	
534100	Sewer Equipment R & M	0	1,000	1,000	1,000	
534121	Sewer Instrument R&M	0	1,000	1,000	1,000	
533711	Sludge Pond Maintenance					
539998	Equipment Utilization	0	0	0	0	
539999	Equipment Apportionment	(5,490)	(5,475)	(5,475)	(5,500)	
TOTAL		196,838	213,475	162,311	229,200	+ 7.37%

CONTRACTUAL SERVICES

541111	Accounting & Audit	7,507	5,800	5,800	5,800
541311	Communications	6,265	9,000	8,471	9,000
541700	Rentals	5,456	4,000	8,912	6,000
541711	Equipment Rental	5,456	4,000	8,912	6,000
541712	Building Rental				
541900	Fees and Permits	51,737	52,000	51,737	52,000
541911	Water System Serv Fee	51,737	52,000	51,737	52,000
541912	Water System Permits				
541919	Other Fees & Permits				
541931	Fines & Penalties				
542411	Freight Charges				
543111	Garbage Hauling	2,297	2,600	2,600	2,600
543400	Insurance	44,978	46,275	46,275	46,275
543411	Property Insurance	37,269	37,275	37,275	37,275
543412	Liability Insurance	3,615	4,475	4,475	4,475
543413	Automotive Insurance	4,094	4,525	4,525	4,525
543600	Laboratory Services	8,000	14,775	12,054	14,750
543611	State Lab Fees	755	775	750	750
543612	Commercial Lab Fees	7,245	13,000	11,304	13,000
543613	Comm Lab Fees-Other	0	1,000	0	1,000
543900	Legal	0	0	0	0
543911	Legal Advertising				
543913	Attorney Fees				
544100	Maintenance Contracts	7,977	12,936	6,551	13,000
544111	Computer				
544112	Software	5,453	7,500	4,500	7,500
544113	Internet Service	1,520	2,000	1,826	2,000
544119	Other Maint Contract	1,004	3,436	225	3,500
544900	Postage	257	1,625	1,625	1,625
544911	Postage	0	125	125	125
544912	Special Delivery	257	1,500	1,500	1,500
545200	Power Purchases	313,296	359,550	359,550	359,550
545211	Electrical	305,120	351,000	351,000	351,000

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual</i> <i>19-20</i>	<i>Budget</i> <i>20-21</i>	<i>Revised</i> <i>20-21</i>	<i>Budget</i> <i>21-22</i>	FY 21 to FY 22 Change
545212	Gas	8,176	8,550	8,550	8,550	
545511	Power Purchases - Lake	226,710	235,000	235,000	235,000	
545700	Special Services	164	2,100	2,100	2,100	
545711	One Call Services			0	0	
545712	Pest Control	0	600	600	600	
545719	Other Special Services	164	1,500	1,500	1,500	
546311	Water Rights	613	0	613	613	
TOTAL		675,257	745,661	741,288	748,313	+ 0.36%

TOTAL BUDGET	2,807,279	3,461,529	3,315,984	3,805,817	+ 9.95%
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100% Texas

3,805,817

<u>20-21 Actual Exp not included on budget sheet above:</u>	
Pay Out - Annual Leave	4,892
Pay Out - Post Ret Ins	4,482
Pay Out - Sick Leave	14,677
Accrued Payroll	71,724
Accrued Vacation and Sick	(21,844)
Accrued Temporary Labor	(0)
Accrued Office Supplies & Expense	(0)
Accrued Operating Supplies	(0)
Accrued Safety	0
Accrued Wearing Apparel	(0)
Accrued Laundry & Janitorial	(0)
Accrued Chemicals	0
Accrued Garbage Hauling	0
Accrued Power Purchases- Plant	(0)
Accrued Power Purchases- Lake	0
	<u>73,931</u>
<u>Reconciliation:</u>	
Total Actual Exp Above for 19-20	2,807,279
Additional Expenses for 19-20	<u>73,931</u>
	2,881,210
Balance on 2020 True Up Detail (pg 27)	<u>2,881,212</u>
Difference (Rounding)	(2)

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

	<i>Actual</i> <i>19-20</i>	<i>Budget</i> <i>20-21</i>	<i>Revised</i> <i>20-21</i>	<i>Budget</i> <i>21-22</i>	
					FY 21 to FY 22 Change
EXPENDITURES					
Personal Services	474,588	375,205	379,890	388,872	
Supplies	612,649	423,475	340,320	495,325	
Repairs & Maintenance	44,660	63,150	67,675	69,675	
Contractual Services	845,144	719,275	716,078	715,315	
TOTAL	1,977,041	1,581,105	1,503,963	1,669,187	

PERSONAL SERVICES

511200	Supervision	51,600	55,565	47,922	55,565	
511111	Management-Regular	24,099	24,335	24,333	24,335	
511113	Management-Incentive	1,838	1,838	1,838	1,838	
511211	Supervision-Regular	23,081	28,892	20,147	28,892	
511212	Supervision-Overtime	2,582	500	1,604	500	
511214	Supervision-Standby	0	0	0	0	
511411	Maintenance & Oper	217,152	180,601	177,072	180,601	0.00%
511412	Overtime	41,543	5,000	17,046	5,000	
511415	Shift Differential	2,143	500	35	500	
511611	Temporary Labor	672	0	0	10,000	
512111	Longevity	5,091	4,620	5,292	4,800	
512112	Group Insurance	46,586	36,010	39,258	37,832	
512114	Retirement	58,901	43,185	43,704	41,583	
512115	Social Security	27,113	20,475	20,102	19,810	
512116	Workmen's Comp	2,543	2,649	2,509	3,381	
512118	Employee Screening	0	0	0	200	
512121	Certification/License Pay	20,449	20,100	20,450	20,100	0.00%
512100	Education & Training	795	6,500	6,500	9,500	
512122	Training-Seminars & Other	0		0	0	
512123	Training-Licenses & Certifi	0	3,000	3,000	5,000	
512124	Travel	585	2,000	2,000	3,000	
512125	Books & Subscriptions					
512126	Dues	210	1,000	1,000	1,000	
512127	Licenses	0	500	500	500	
512128	Awards & Certificates					
519999	Salary & Benefit Transfer	0	0	0	0	
TOTAL		474,588	375,205	379,890	388,872	+ 3.64%

SUPPLIES

521100	Office Supplies	66	425	425	425	
521111	Paper	0	50	50	50	
521112	Writing Instruments	0	25	25	25	
521113	Computer Supplies	0	200	200	200	
521114	Other	66	150	150	150	
521115	Minor Software Lic	0	0	0	0	
521200	Operating Supplies	830	2,500	4,500	5,500	
521211	Consumable Items	830	2,000	2,000	3,000	
521212	Non Consumable Items	0	500	2,500	2,500	
521311	Botanical Supplies	0	0	0	0	
521400	Safety	10,008	7,800	11,000	11,000	
521411	Personal Protect Equip	271	0	1,000	1,000	

TEXARKANA WATER UTILITIES
MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> <i>19-20</i>	<i>Budget</i> <i>20-21</i>	<i>Revised</i> <i>20-21</i>	<i>Budget</i> <i>21-22</i>	FY 21 to FY 22 Change
521413	Emergency Response Eq	0	300	500	500	
521415	Facilities Maintenance	9,737	7,000	9,000	9,000	
521417	Laboratory & Environ					
521418	Storage & Handling					
521419	Grounds Maintenance	0	500	500	500	
521700	Minor Tools	91	1,000	2,000	2,000	
521711	Electronic Tools					
521712	Hand Tools	91	500	1,000	1,000	
521713	Power Tools	0	500	1,000	1,000	
521900	Wearing Apparel	777	2,050	1,700	1,700	
521911	Uniform Cost					
521912	Uniform Maintenance	777	2,000	1,500	1,500	
521913	All Weather Gear	0	50	200	200	
521919	Other Wearing Apparel					
522300	Laundry & Janitorial	1,892	1,900	1,900	1,900	
522311	Laundry Service					
522312	Janitorial Service	1,500	1,500	1,500	1,500	
522313	Laundry & Jan Supplies	392	400	400	400	
522500	Lab & Photo Supplies	3,850	5,000	5,000	5,000	
522511	Lab Supplies	1,658	2,000	2,000	2,000	
522512	Lab Chemicals	2,192	2,000	2,000	2,000	
522513	Lab Equipment Repairs	0	1,000	1,000	1,000	
522521	Photo Supplies & Exp					
522700	Printing	299	800	800	800	
522711	Stationery					
522712	Billing Forms					
522713	Other Forms					
522719	Other	299	800	800	800	
522800	Chemicals - Plant	594,838	402,000	312,995	467,000	+ 16.17%
522811	Activated Carbon					
522812	Anhydrous Ammonia	25,701	15,000	15,000	15,000	
522813	Calcium Hypochlorinate					
522815	Caustic Soda	266,106	180,000	120,000	200,000	+ 11.11%
522816	Chlorine	43,260	37,000	20,000	65,000	+ 75.68%
522817	Copper Sulphate					
522819	Hydrated Lime		0	0	0	
522821	Liquid Alum	233,400	140,000	140,000	165,000	+ 17.86%
522822	Polymer	6,752	0	4,995	10,000	
522823	Potassium Permanganate					
522824	Sodium Chlorite					
522826	Zinc Ortho Phosphate	19,619	20,000	8,000	2,000	
522839	Other Chemicals	0	10,000	5,000	10,000	
522914	Chemicals-Carbon					
TOTAL		612,649	423,475	340,320	495,325	+ 16.97%

REPAIRS & MAINTENANCE

531111	Office Machines & Eq				
531200	Motor Vehicles	1,984	3,175	3,200	3,200
531211	Antifreeze	0	50	50	50
531212	Batteries	0	100	100	100
531213	Filters	21	50	50	50

TEXARKANA WATER UTILITIES
MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> 19-20	<i>Budget</i> 20-21	<i>Revised</i> 20-21	<i>Budget</i> 21-22
531214	Fuel	1,865	2,000	2,000	2,000
531215	Lubricates	27	100	100	100
531216	Parts	65	75	100	100
531217	Tires	0	800	800	800
531218	Labor				
531219	Subcontract				
531239	Other	7	0	0	0
531700	Machinery & Equip	9,364	17,975	13,975	13,975
531711	Antifreeze	0	50	50	50
531712	Batteries	0	400	400	400
531713	Filters	0	25	25	25
531714	Fuel	6,417	10,000	6,000	6,000
531715	Lubricates	89	500	500	500
531716	Parts	909	4,000	3,000	3,000
531717	Tires		500	500	500
531718	Labor	1,949	2,500	3,500	3,500
531719	Subcontract				
531739	Other				
531800	Signal Equipment	1,535	500	1,000	1,000
531811	Radios				
531812	Telemetry	1,535	500	1,000	1,000
532100	Building	50	5,000	5,000	5,000
532111	Heating & Cooling	0	2,000	2,000	2,000
532112	Other Building	50	3,000	3,000	3,000
532113	Grounds & Parking Lots	0			
533100	Water Treatment Equip	29,064	30,000	38,000	40,000
533111	Intake	216	0		
533112	Plant	28,783	30,000	30,000	30,000
533113	Booster Station	66	0	8,000	10,000
533200	Water Transmission Mains	2,185	5,000	5,000	5,000
533211	Raw Water Mains	750			
533212	Treated Water Mains	1,435	5,000	5,000	5,000
533213	Member Cities Mains				
533600	Tanks & Reservoirs	478	1,500	1,500	1,500
533611	MC Tanks & Reservoirs				
533612	Other Tanks & Reserv	478	1,500	1,500	1,500
533711	Sludge Pond Maintenance	0	0	0	0
539998	Equipment Utilization	0	0	0	0
TOTAL		44,660	63,150	67,675	69,675

FY 21 to FY 22 Change
+ 10.33%
CONTRACTUAL SERVICES

541111	Accounting & Audit	3,423	2,400	0	2,000
541311	Communications	10,735	10,700	10,715	10,700
541700	Rentals	748	2,000	2,000	2,000
541711	Equipment Rental	748	2,000	2,000	2,000
541712	Building Rental				
541900	Fees and Permits	70,380	47,160	49,863	47,400
541911	Water System Serv Fee	69,370	45,760	48,463	46,000
541912	Water System Permits	0	400	400	400
541919	Other Fees & Permits	1,010	1,000	1,000	1,000
541923	Wastewater Permit				

TEXARKANA WATER UTILITIES
MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> 19-20	<i>Budget</i> 20-21	<i>Revised</i> 20-21	<i>Budget</i> 21-22	FY 21 to FY 22 Change
541931	Fines & Penalties					
543400	Insurance	14,806	14,815	14,815	14,815	
543411	Property Insurance	13,515	13,520	13,520	13,520	
543412	Liability Insurance	921	920	920	920	
543413	Automotive Insurance	370	375	375	375	
543600	Laboratory Services	790	500	500	500	
543611	State Lab Fees					
543612	Comm Lab Fees-POTW	790	500	500	500	
543613	Comm Lab Fees-Other					
544100	Maintenance Contracts	305	1,000	1,000	1,000	
544111	Computer					
544112	Software					
544113	Internet Service	114	1,000	1,000	1,000	
544119	Other Equipment	192	0			
544911	Postage	0	0	0	0	
544912	Special Delivery Service	0	0	0	0	
545200	Power Purchases	321,149	195,000	195,000	195,000	
545211	Electrical	321,149	195,000	195,000	195,000	
545212	Gas					
545700	Special Services	8	700	900	900	
545711	One Call Services					
545712	Pest Control		300	500	500	
545719	Other Special Services	8	400	400	400	
546311	Water Rights	147,279	170,000	153,454	165,000	
546312	Water Rights-10MG	275,520	275,000	287,831	276,000	100% AR
TOTAL		845,144	719,275	716,078	715,315	
	Less: Water Rights - 10MG (100% Arkansas)	(275,520)	(275,000)	(287,831)	(276,000)	
		569,624	444,275	428,247	439,315	-1.12%

TOTAL BUDGET	1,701,522	1,306,105	1,216,132	1,393,187	+ 6.67%
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100% Arkansas

1,393,187
20-21 Actual Exp not included on budget sheet above:

Accrued Payroll	15,215
Accrued Vacation and Sick	1,561
Accrued Water Treatment	0
Accrued Communication Exp	0
Accrued Wearing Apparel	0
Accrued Janitorial Service	0
Accrued Chemicals	0
Accrued Power Purchases	0
	<u>16,777</u>

Reconciliation:

Total Actual Exp Above for 19-20	1,701,522
Additional Expenses for 19-20	<u>16,777</u>

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

	<i>Actual</i> <i>19-20</i>	<i>Budget</i> <i>20-21</i>	<i>Revised</i> <i>20-21</i>	<i>Budget</i> <i>21-22</i>	FY 21 to FY 22 Change
Balance on 2020 True Up Detail (pg 27)	1,718,298				
Difference (Rounding)	1,718,299				
	(1)				

TEXARKANA WATER UTILITIES
MEMBER CITIES BILLING
WRIGHT PATMAN SLUDGE PROCESSING COST
FY 2022 ESTIMATED

Composting Costs:

Compost Division Budget Expenses (580):

Personal Services	191,016
Supplies	11,715
Repairs & Maintenance	134,540
Contractual Services	18,905
Total Division Expenses	356,176

Other Labor & Benefits (530):

Operator II (1300 Bldg)	42,400
Plant Mechanic I (1/2)	18,645
Total Other Labor	61,045

Benefit Percentage	X	45.80%
Total Benefit Cost		27,957

Total Other Labor & Benefits	89,002
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Total Composting & Other Labor Costs	445,178
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Amount Attributable to Water Treatment

Plant Sludge (TSS):

Wright Patman Solids (Metric Tons)	880.450	
South Regional Influent Solids (Metric Tons)	1,869.850	
Water Treatment TSS Ratio		47.08666%

Total Applicable Compost Costs	209,620
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Sludge Chemical Costs:

Total Cost of Polymer	100,700
Water Treatment TSS Ratio	47.08666%

Total Sludge Chemical Costs	47,416
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Transportation Costs:

200 Site Pumping Costs (Electrical)	104,728
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Amount Attributable to Water Treatment Plant Waste:

Wright Patman Gallons Wasted (Mil Gallons)	246.542	
South Regional Influent Flows (Mil Gallons)	3,912.600	
Water Treatment Plant Volume Ratio		6.30123%

Total Transportation Costs	6,599
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Total Estimated Sludge Processing Costs Applicable to Water Plant	263,635
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Less Compost Sales:

Total Compost Sales (Estimated)	122,500
Water Treatment TSS Ratio	47.08666%
Sales Applicable to Water Treatment Plant Sludge	(57,681)

Net Sludge Processing Costs Applicable to Water Plant	205,954
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TEXARKANA WATER UTILITIES

Millwood Water Treatment Plant Depreciation Fund

		<i>Actual FY 2020</i>	<i>Proposed FY 2021</i>	<i>Revised FY 2021</i>	<i>Proposed FY 2022</i>
BEGINNING BALANCE		729,991	1,092,343	1,189,307	1,234,967
REVENUE					
Transfer from Revenues		486,000	486,000	486,000	486,000
Plans/Specs			0		
Interest Income		8,461	8,185	8,477	8,374
TOTAL REVENUE		494,461	494,185	494,477	494,374
TOTAL FUNDS AVAILABLE		1,224,452	1,586,528	1,683,784	1,729,341
EXPENDITURES					
Sludge Pond Cleaning 2019	A/T 131906	141			
Valve Replacement Filters 3,4,7 & 8	A/T 132003		260,000		462,628
SCADA Upgrade	A/T 132006		50,000		30,000
Mixer Gearbox Repair	A/T 132007	11,589			
Basin Lining (1)	A/T 132008		400,000		400,000
Emergency Low Svc Pump Repair	A/T 132010	23,415			
Sludge Pond Cleaning (2) 2021	A/T 132101		175,000	175,000	
Generator Load Bank Test/Fluid Change	A/T 132102		35,000	35,000	
Flash Mixer	A/T 132103		12,000	12,000	
Chemical Building Roof Replacement	A/T 132104		100,000		100,000
Automatic Transfer Switch	A/T 132105		200,000	200,000	25,000
Low Service Repair/Rebuild	A/T 132106		65,000		65,000
High Service Repair/Rebuild	A/T 132107		100,000		100,000
Chlorine Analyzer	A/T 132108		4,800	4,817	
Transformer Study	A/T 132109			12,000	
Security Cameras				10,000	
Sludge Pond Cleaning (2) 2022					120,000
#2 High Service Retro Fit					80,000
Online Turbidity Meters (8)					18,000
Filter Air Units Replacement (2)					55,000
TOTAL EXPENDITURES		35,145	1,401,800	448,817	1,455,628
ENDING BALANCE		1,189,307	184,728	1,234,967	273,713
Transfers from Revenue:		63.22%	63.14%	63.14%	61.28%
Arkansas Share		55,170	55,290	55,290	58,080
Additional Contribution-Arkansas		0	0	0	0
Arkansas Total		55,170	55,290	55,290	58,080
Texas Share		94,830	94,710	94,710	91,920
Additional Contribution-Texas		336,000	336,000	336,000	336,000
Texas Total		430,830	430,710	430,710	427,920
Total		486,000	486,000	486,000	486,000
Ending Balances:					
Arkansas		562,467	68,198	456,332	103,618
Texas		626,840	116,530	778,634	170,095
Total		1,189,307	184,728	1,234,967	273,713

TEXARKANA WATER UTILITIES
LTWSC Capital Improvement Fund

		Actual FY 2020	Proposed FY 2021	Revised FY 2021	Proposed FY 2022
BEGINNING BALANCE		539,603	67,164	260,183	609,743
REVENUE					
Member Cities		56,932	82,358	82,358	60,801
Transfers from Arkansas		168,478	244,250	244,250	189,419
Transfers from Texas		289,590	418,392	418,392	299,781
Interest Income		14,002	7,750	2,851	2,784
CD Maturity Funds		331,732	0	0	0
Miscellaneous		1,442	600	2,814	950
TOTAL REVENUE		862,176	753,350	750,665	553,735
TOTAL FUNDS AVAILABLE		1,401,779	820,514	1,010,848	1,163,478
EXPENDITURES					
TCEQ Item: Basin Lining (1 Basin)	L121711	270,817			
TCEQ Item: Basin Gates and Weirs (Flow Distr.)	L121805	26,018			
High Service #5 Pump Bowl	L121807	6,475			
Settled Water Mixing Chamber	L121817	19,515			
Rate of Flow Venturies for 4 Filter Effluent Lines	L121901	10,147			
Pump and Motor Rebuild	L121907	44,947			
PC & Ipad Replacements	L122002	2,673			
Low Service Power Upgrade	L122006	490,334			
New Boston Transfer Switch	L122007	7,980			
SCADA Upgrades-All Sites	L122010	14,990		37,685	
Replace Ferris Mower	L122011	9,215			
Replace 1/2 Ton Truck	L122013	46,916			
Gate Opener for Back Gate	L122017	3,525			
Low Service Power Upgrade	L122018	30,042			
300K Gallon Standpipe Painting-Avery	L122019	77,992			
AC/ Insulation at Low Service	L122020	43,663			
Plant Drainage Ditch Clearing	L122021	26,766			
Portable Tank Mixer	L122022	9,580			
Line Settling Basin #2	L122101		270,000	47,407	270,000
MCC Control Panel Replacement (incl engineering)	L122102		420,000	19,000	200,000
SCADA Upgrade-Patman	L122103		50,000	27,240	70,000
Influent Valve & Actuator	L122104		35,000		90,000
#4 Low Svc. Pump/Motor	L122105			41,620	
NB Rd Metering	L122106			37,473	
Repl. 1/2T Pickup	L122107			24,166	
Filter Turbidimeters	L122108			18,940	
Fiber Storage Shed	L122109			28,500	
#4 Low Svc. Valve/Actuator Repl	L122110			35,005	
NB/MC Communication	L122111			24,069	
Security Cameras	L122112			10,000	
Raw Water Line Air Release Valves	L122113			50,000	
WP WTP Parking Lot/Rd Repair					100,000
NB Booster Station VFD					71,000
Install Vents-3.0 MG Clearwells					50,000
Repair outside of GST's-NB, Hooks, Dekalb					50,000
Chlorine CL17 Analyzer/Controllers					10,000
TOTAL EXPENDITURES		1,141,596	775,000	401,105	911,000

TEXARKANA WATER UTILITIES

LTWSC Capital Improvement Fund

	<i>Actual FY 2020</i>	<i>Proposed FY 2021</i>	<i>Revised FY 2021</i>	<i>Proposed FY 2022</i>
ENDING BALANCE	260,183	45,514	609,743	252,478

TREATED WATER BY PLANT (000's)
FYE 9/30/21

	<u>Wright Patman</u>	<u>Millwood</u>	<u>Total</u>	
JUL 2020	478,088	146,779	624,867	
AUG 2020	479,381	159,346	638,727	
SEP 2020	429,367	151,508	580,875	
OCT 2020	437,700	131,194	568,894	
NOV 2020	364,466	83,890	448,356	
DEC 2020	322,140	80,260	402,400	
JAN 2021	311,770	83,879	395,649	
FEB 2021	365,413	118,904	484,317	
MAR 2021	312,001	100,093	412,094	
APR 2021	302,285	90,087	392,372	
MAY 2021	330,301	75,373	405,674	
JUN 2021	341,296	141,965	483,261	
	<hr/>	<hr/>	<hr/>	
Total Gallons-Prior 12 Mos.	4,474,208	1,363,278	5,837,486	<u>MW %</u> 23.35%
	<hr/>	<hr/>	<hr/>	
Projected FY21 Ending Plant Usage	3,951,986	1,885,500 *	5,837,486	32.30%

**Used 4 Year Average of MW Usage Instead of Projected FY21 Actual %*

Millwood Plant Usage:

Revised Estimated FY21 (4yr Ave)	32.30%
Estimated FY21	35.17%
 FY20 Actual	 47.92%
FY19 Actual	27.15%
FY18 Actual	24.52%
FY17 Actual	29.61%

FY21 Estimated Consumption (1000 Gallons)
Oct 2020- Jun 2021 (with Jul- Sept 2021 Estimated)

	OCT/ APR	NOV/ MAY	DEC/ JUN	Estimated based on July- Sept 2020			YTD	% OF TOTAL
				JAN/ JUL	FEB/ AUG	MAR/ SEP		
Oak Grove, TX	1931.530 1595.100	1654.310 1720.510	1782.980 2102.140	1806.430 1787.360	2055.590 1809.410	2314.190 2135.420	22694.970	0.3888%
Redwater, TX	10733.350 8468.800	8485.900 9870.470	9365.700 11509.080	10155.300 14893.850	12145.650 10764.400	9725.200 10991.300	127109.000	2.1775%
Central Bowie County	18052.876 16444.843	14524.926 18148.066	17147.919 23353.299	19307.226 19880.252	21824.860 18887.864	20113.117 18564.642	226249.890	3.8758%
Nash, TX	8361.000 8275.000	7136.000 6641.000	8001.000 8098.000	7283.000 9158.000	8623.000 8204.000	7266.000 9727.000	96773.000	1.6578%
Macedonia Eylau	15872.275 14348.499	13666.032 15810.450	18438.782 17791.905	15035.936 17562.913	21330.500 14867.576	18126.000 16266.700	199117.568	3.4110%
Red River County	0.000 0.000	0.000 0.000	0.000 0.000	0.000 186.270	809.270 0.000	0.360 0.000	995.900	0.0171%
Day & Zimmerman	480.000 530.000	650.000 370.000	1130.000 260.000	3740.000 190.000	8470.000 640.000	1450.000 380.000	18290.000	0.3133%
Leary, TX	1966.020 1425.130	1401.620 1583.430	1632.420 1845.660	1811.560 2149.717	2184.060 1833.280	1353.790 1787.450	20974.137	0.3593%
Mandeville, AR	2732.459 2441.862	2677.222 1932.867	1931.715 2187.694	1982.217 3205.598	48.778 3792.253	2524.617 3278.154	28735.436	0.4923%
Union Water	11422.347 9359.689	9125.074 8869.384	7309.886 9435.008	7124.126 11832.536	5915.144 12738.976	7022.645 11072.228	111227.043	1.9054%
MCPWA	7130.000 4075.000	6315.000 3990.000	4920.000 4670.000	4275.000 6595.000	3700.000 7340.000	3645.000 7675.000	64330.000	1.1020%
RWRD-TAC East	1092.000 2127.000	1662.000 1615.000	2051.000 1214.000	2884.000 2868.000	2575.000 4873.000	2566.000 4013.000	29540.000	0.5060%
Total Wholesale	79773.857 69090.923	67298.084 70551.177	73711.402 82466.786	75404.795 90309.496	89681.852 85750.759	76106.919 85890.894	946036.944	
New Boston, TX	32915.800 23962.880	25756.220 25014.520	26950.180 26107.320	27036.590 33053.180	31665.340 29813.670	28351.280 33863.640	344490.620	5.9014%
Hooks, TX	13312.160 12967.030	11019.570 13970.560	13703.820 14566.060	14207.390 13951.800	20475.530 13796.030	13923.170 13974.240	169867.360	2.9099%
DeKalb, TX	7437.000 6003.000	5699.000 6176.000	6514.000 6381.000	7480.000 9088.000	8374.000 7214.000	6304.000 8012.000	84682.000	1.4507%
Wake Village, TX	13888.000 10189.000	10738.000 11671.000	11927.000 12935.000	11679.000 15093.000	12587.000 13087.000	10969.000 14130.000	148893.000	2.5506%
Maud, TX	5005.000 2782.000	3742.000 4482.000	2892.000 4067.000	3145.000 4687.000	5647.000 4436.000	3084.000 4643.000	48612.000	0.8328%
Avery, TX	1708.800	1329.500	1414.700	1745.400	1486.800	1225.200		

**FY21 Estimated Consumption (1000 Gallons)
Oct 2020- Jun 2021 (with Jul- Sept 2021 Estimated)**

	OCT/ APR	NOV/ MAY	DEC/ JUN	Estimated based on July- Sept 2020				YTD	% OF TOTAL
				JAN/ JUL	FEB/ AUG	MAR/ SEP			
Annona, TX	1354.200 1089.024 599.537	1285.700 493.848 625.456	1473.900 605.860 941.898	1606.400 817.361 545.194	1273.900 1306.542 814.315	1591.400 1023.934 1809.232	17495.900	0.2997%	
RWRD- (RRAD)	20211.168 17009.546	21322.492 16831.020	17794.900 26059.732	16234.524 36087.046	21634.090 39795.212	19170.904 21182.884	10672.201	0.1828%	
Total Member Cities & RWRD	95566.952 74867.193	80100.630 80056.256	81802.460 92531.910	82345.265 114111.620	103176.302 110230.127	84051.488 99206.396	273333.518	4.6824%	
Total Wholesale, Member Cities & RWRD	175340.809 143958.116	147398.714 150607.433	155513.862 174998.696	157750.060 204421.116	192858.154 195980.886	160158.407 185097.290	2044083.543		
Texarkana, AR	150286.468 79618.637	109867.437 90905.600	92406.022 123642.272	88001.066 170176.267	81338.286 165392.660	130273.635 155161.710	1437070.060	24.6180%	
Texarkana, TX	243266.723 168795.247	191089.849 164160.967	154480.116 184620.032	149897.874 250269.617	210120.560 277353.454	121661.958 240616.000	2356332.397	40.3655%	
Total Texarkana	393553.191 248413.884	300957.286 255066.567	246886.138 308262.304	237898.940 420445.884	291458.846 442746.114	251935.593 395777.710	3793402.457		
Total All	568894.000 392372.000	448356.000 405674.000	402400.000 483261.000	395649.000 624867.000	484317.000 638727.000	412094.000 580875.000	5837486.000	100.0001%	

City of Texarkana, Texas
Proposed Water Production Rate By Plant

9/30/2022

	<u>Division 410</u>	<u>Sludge-WP</u>	<u>Total LWP</u>	<u>Division 420</u>	<u>Sludge-MW</u>	<u>Total MW</u>	<u>Total Blended</u>
<u>EXPENDITURES</u>							
Personnel Services	1,626,704		1,626,704	388,872		388,872	2,015,575
Supplies	1,201,600		1,201,600	495,325		495,325	1,696,925
Repairs & Maintenance	229,200		229,200	69,675		69,675	298,875
Contractual Services	748,313		748,313	439,315		439,315	1,187,628
Subtotal	3,805,817	-	3,805,817	1,393,187	-	1,393,187	5,199,003
Sludge Costs		209,620	209,620		120,000	120,000	329,620
Sludge Chemical/Transp Cost		54,015	54,015		-	-	54,015
Composting Revenue	-	(57,681)	(57,681)	-	-	-	(57,681)
Subtotal	-	205,954	205,954	-	120,000	120,000	325,954
Administration Costs 6.11%	232,535	12,584	245,119	85,124	7,332	92,456	337,575
Total Water Production Cost	4,038,352	218,538	4,256,890	1,478,310	127,332	1,605,642	5,862,532
Estimated Gallons By Plant			3,951,986			1,885,500	5,837,486
Estimated Cost Per 1,000 Gal			1.0772			0.8516	1.0043
			LWP			MW	Total
	Prior Year		0.9528			0.8789	0.9302

City of Texarkana, Texas
Proposed Water Production Rate
9/30/2022

Water Production (both lakes)	Amount As Budgeted 2022	
Total Gallons	5,837,486 (in thousands)	
* Total Cost	5,862,532	
Water Rate	1.0043 (per thousand)	7.97% Increase
<i>Prior Year Water Rate</i>	<i>0.9302</i>	<i>0.0741 Increase</i>

* The total costs include the following four components of the Texarkana Water Department:

- 1) Wright Patman (410)
- 2) Millwood (420)
- 3) Sludge Processing - LWP and \$120,000 for Millwood
- 4) Administrative Overhead - **6.11%** of the sum of 1, 2 and 3 as listed above

City of Texarkana, Texas

Proposed Water Production Rate By City

9/30/2022

Water Rate Calculation					
ANNUAL			MONTHLY		
(in thousands)					
	2022 Budgeted Gallons as Estimated by the Water Department	Budgeted Cost Total as Estimated by the Water Department	Estimated 2022 Water Rate	Monthly Billing - Water Cost Only	Monthly Gallons
	(in thousands)				
New Boston	344,491	345,969	1.0043	28,831	28,708
Hooks	169,867	170,596	1.0043	14,216	14,156
Dekalb	84,682	85,045	1.0043	7,087	7,057
Wake Village	148,893	149,532	1.0043	12,461	12,408
Maud	48,612	48,821	1.0043	4,068	4,051
Avery	17,496	17,571	1.0043	1,464	1,458
Annona	10,672	10,718	1.0043	893	889
Total	824,713	828,252	1.0043	69,021	68,725
Texarkana, AR	1,641,363	1,648,405	1.0043	137,367	136,780
Texarkana, TX	3,098,077	3,111,369	1.0043	259,281	258,173
RWRD	273,334	274,506	1.0043	22,876	22,778
Total	5,012,773	5,034,280	1.0043	419,523	417,731
Total All Cities	5,837,486	5,862,532	1.0043	488,544	486,456

Cost is defined as water production cost of LWP and Millwood lakes.
Gallons above are total gallons from both lakes.

City of Texarkana, Texas
Proposed Infrastructure Rate
9/30/2022

Member Cities	Original Ownership %	Revised Ownership %	Annual	Monthly
New Boston	3.572227%	3.572227%	19,647.25	1,637.27
Hooks	2.275268%	2.275268%	12,513.97	1,042.83
DeKalb	2.143895%	2.143895%	11,791.42	982.62
Wake Village	1.632379%	1.632379%	8,978.08	748.17
Maud	1.123658%	1.123658%	6,180.12	515.01
* Avery	0.419275%			
Annona	0.307469%	0.307469%	1,691.08	140.92
Total Member Cities	11.474171%	11.054896%	60,801.92	5,066.82
Texarkana				
** Texarkana, AR	32.792567%	32.792567%	189,417.50	15,784.79
** Texarkana, TX	55.733262%	56.152537%	299,780.58	24,981.72
Total Texarkana	88.525829%	88.945104%	489,198.08	40,766.51
Grand Total	100.000000%	100.000000%	550,000.00	45,833.33

Contribution Required for 2022 projects in the LTWSC Capital Improvement Fund = **\$550,000**

*Texarkana, TX took control of Avery's ownership interest

**Texarkana portion allocated betw AR/TX based upon their FY22 Ratio of 38.72%/61.28%

City of Texarkana, Texas
Proposed Debt Service Rate
Highway 82 Widening Project
9/30/2022

Member Cities	Original Ownership %	Revised Ownership %	Allocation of Tex, AR Ownership % to Participating Cities		Annual	Monthly
New Boston	3.572227%	3.572227%	5.315226%	8,773.11	731.09	
Hooks	2.275268%	2.275268%	3.385441%	5,587.88	465.66	
DeKalb	2.143895%	2.143895%	3.189967%	5,265.24	438.77	
Wake Village	1.632379%	1.632379%	2.428867%	4,009.00	334.08	
Maud	1.123658%	1.123658%	1.671925%	2,759.62	229.97	
### Avery	0.419275%					
Annona	0.307469%	0.307469%	0.457493%	755.12	62.93	
Total Member Cities	11.474171%	11.054896%	16.448919%	27,149.97	2,262.50	

Texarkana						
*** Texarkana, AR	32.792567%					
Texarkana, TX	55.733262%	56.152537%	83.551081%	137,906.31	11,492.19	
Total Texarkana	88.525829%	56.152537%	83.551081%	137,906.31	11,492.19	
Grand Total	100.000000%	67.207433%	100.000000%	165,056.28	13,754.69	

Debt Service for 2022 = \$165,056

*** Texarkana, Arkansas has not claimed their ownership interest in the Highway 82 water line

Texarkana, TX took control of Avery's ownership interest

TEXARKANA WATER UTILITIES

WRIGHT PATMAN AND MILLWOOD WATER TREATMENT OPERATING EXPENSES - ACTUAL (Audited)

For the Year Ended September 30, 2020

	<u>Wright Patman</u>	<u>Millwood</u>	<u>Total</u>	
Personal Services:				
Management	26,608	25,937	52,544	From Unaudited TB for Div 410 & 420
Supervision	137,394	25,663	163,057	
Maintenance & Operations	542,085	217,152	759,237	
Overtime	75,011	41,543	116,555	
Standby	0	0	0	
Shift Differential	6,050	2,143	8,193	
Pay Out-Annual Leave	4,892	0	4,892	
Pay Out-Sick Leave	14,677	0	14,677	
Pay Out-Comp Time	0	0	0	
Pay Out -Post Retirement Insurance	4,482	0	4,482	
Temporary Labor	25,142	672	25,814	
Accrued Payroll	71,724	15,215	86,939	
Longevity	8,631	5,091	13,722	
Group Insurance	130,576	46,586	177,162	
Accrued Vacation & Sick Leave	(21,844)	1,561	(20,283)	
Retirement	139,740	58,901	198,642	
Social Security	65,440	27,113	92,553	
Workmen's Compensation	25,659	2,543	28,202	
Unemployment	0	0	0	
Employee Screening	178	0	178	
Certification/License Pay	38,182	20,449	58,631	
Education & Training	9,463	795	10,258	
Salary & Benefit Transfers Out	(4,599)	0	(4,599)	
Total Personal Services	1,299,491	491,364	1,790,855	
Supplies:				
Office Supplies & Expenses	1,294	66	1,360	
Operating Supplies	4,520	830	5,350	
Botanical Supplies	20	0	20	
Safety	36,223	10,008	46,231	
Minor Tools	1,601	91	1,692	
Wearing Apparel	5,245	777	6,021	
Laundry & Janitorial	3,107	1,892	4,999	
Lab & Photo Supplies	29,043	3,850	32,893	
Printing	1,142	299	1,441	
Chemicals-Plant	627,428	594,838	1,222,266	
Chemicals-Lake	0	0	0	
Total Supplies	709,623	612,650	1,322,273	
Repairs & Maintenance:				
Office Machines & Equipment	278	0	278	
Motor Vehicles	19,039	1,984	21,023	
Machinery & Equipment	7,659	9,364	17,023	
Signal Equipment	2,375	1,535	3,910	
Buildings	1,114	50	1,164	
Water Treatment Equipment	111,124	29,064	140,188	
Water Transmission Mains	24,763	2,185	26,948	
Tanks & Reservoirs	35,978	478	36,456	
Sewer Instruments	0	0	0	
Sludge Pond Maintenance	0	0	0	
Equipment Utilization	0	0	0	
Equipment Apportionment	(5,490)	0	(5,490)	
Total Repairs & Maintenance	196,840	44,660	241,500	
Contractual Services:				
Accounting & Audit	7,507	3,423	10,930	
Communications	6,265	10,735	17,001	
Rentals	5,456	748	6,204	
Fees & Permits	51,737	70,381	122,117	
Freight Charges	0	0	0	
Garbage Hauling	2,297	0	2,297	
Insurance	44,978	14,806	59,784	
Laboratory Services	8,000	790	8,790	
Legal Advertising	0	0	0	
Maintenance Contracts	7,977	305	8,282	
Postage	257	0	257	
Power Purchases	313,296	321,149	634,446	
Power Purchases-Lake	226,711	0	226,711	
Special Services	164	8	172	
Water Rights	613	147,279	147,892	
Total Contractual Services	675,258	569,624	1,244,882	
Rounding	0	0	0	
Subtotals	2,881,212	1,718,299	4,599,511	Reconciled to Unaudited TB
Sludge Processing	182,208	142	182,350	Sludge Actual 2020-CIP
Total Operating Expenses	3,063,420	1,718,441	4,781,861	
Administrative Overhead	187,175	104,997	292,172	6.11% Actual Admin
Total Operating Expenses With Overhead	3,250,595	1,823,438	5,074,033	
Total Gallons of Water Sold - All (Consumption Report)	3,092,410,000	2,845,819,000	5,938,229,000	
Actual Cost per 1,000 Gallons (Total Op Exp wOH / Total Gals)	1.0511526	0.6407428	0.8544690	

TEXARKANA WATER UTILITIES

WRIGHT PATMAN AND MILLWOOD WATER TREATMENT OPERATING EXPENSES - ACTUAL (Audited)

For the Year Ended September 30, 2020

Wright Patman Millwood Total
TRUE-UP ADJUSTMENT CALCULATION

	Fiscal Year 2020 Billing					
	2020 Water	2020 Infrastructure	2020 Debt Service	2018 True Up	FY 2020 Annual	FY 2020 Monthly
New Boston	361,907	19,647	8,773	(36,665)	353,663	29,472
Hooks	154,111	12,514	5,588	(5,252)	166,961	13,913
DeKalb	69,190	11,791	5,265	2,242	88,488	7,374
Wake Village	155,230	8,978	4,009	(2,684)	165,533	13,794
Maud	42,171	6,180	2,760	4,631	55,742	4,645
Avery	19,378	-	-	(3,978)	15,400	1,283
Annona	8,024	1,691	755	1,132	11,602	967
RWRD	289,442	-	-	(46,198)	243,244	20,270
	\$1,099,453	\$60,801	\$27,150	(\$86,772)	\$1,100,632	\$91,719

	Fiscal Year 2020 True Up Calculation							
	Budgeted Gal (000's)	Budgeted Amt	Budgeted Rate	Actual Gal (000's)	Actual Amt	Actual Rate	Annual True Up	Monthly True Up
New Boston	385,449	361,907	0.938900	340,813	291,214	0.8544690	(70,693)	(5,891.11)
Hooks	164,136	154,111	0.938900	164,125	140,240	0.8544690	(13,871)	(1,155.94)
DeKalb	73,691	69,190	0.938900	71,964	61,491	0.8544690	(7,699)	(641.58)
Wake Village	165,328	155,230	0.938900	162,882	139,178	0.8544690	(16,052)	(1,337.70)
Maud	44,914	42,171	0.938900	43,951	37,555	0.8544690	(4,616)	(384.69)
Avery	20,639	19,378	0.938900	16,972	14,502	0.8544690	(4,876)	(406.34)
Annona	8,546	8,024	0.938800	7,381	6,307	0.8544690	(1,717)	(143.07)
RWRD	308,270	289,442	0.938900	231,851	198,109	0.8544690	(91,333)	(7,611.06)
Total	1,170,973	\$1,099,453		1,039,938	\$888,595		(\$210,858)	(\$17,571)

TEXARKANA WATER UTILITIES
MEMBER CITIES BILLING
WRIGHT PATMAN SLUDGE PROCESSING COST
FY 2020 ACTUAL

Composting Costs:

Compost Division Budget Expenses (580):

Personal Services	193,148
Supplies	4,390
Repairs & Maintenance	92,527
Contractual Services	16,569
Total Division Expenses	<u>306,634</u>

Other Labor & Benefits (530):

Operator II (1300 Bldg)	40,331
Plant Mechanic I (1/2)	15,910
Total Other Labor	<u>56,241</u>

Benefit Percentage	X	58.28%
Total Benefit Cost		<u>32,777</u>

Total Other Labor & Benefits	<u>89,018</u>
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Total Composting & Other Labor Costs 395,652

Amount Attributable to Water Treatment

Plant Sludge (TSS):

Wright Patman Solids (Metric Tons)	884.450
South Regional Influent Solids (Metric Tons)	<u>2,085.700</u>
Water Treatment TSS Ratio	<u>42.40543%</u>

Total Applicable Compost Costs 167,778

Sludge Chemical Costs:

Total Cost of Polymer	100,913
Water Treatment TSS Ratio	<u>42.40543%</u>

Total Sludge Chemical Costs 42,793

Transportation Costs:

200 Site Pumping Costs (Electrical)	104,728
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Amount Attributable to Water Treatment Plant Waste:

Wright Patman Gallons Wasted (Mil Gallons)	164.893
South Regional Influent Flows (Mil Gallons)	<u>3,569.400</u>
Water Treatment Plant Volume Ratio	<u>4.61963%</u>

Total Transportation Costs 4,838

Total Estimated Sludge Processing Costs Applicable to Water Plant 215,409

Less Compost Sales:

Total Compost Sales	78,295
Water Treatment TSS Ratio	<u>42.40543%</u>
Sales Applicable to Water Treatment Plant Sludge	<u>(33,201)</u>

Net Sludge Processing Costs Applicable to Water Plant 182,208

FY20 Actual Consumption (1000 Gallons)
Oct 2019- Sep 2020

	OCT/ APR	NOV/ MAY	DEC/ JUN	JAN/ JUL	FEB/ AUG	MAR/ SEP	YTD	% OF TOTAL
Oak Grove, TX	1926.690 1952.540	1869.490 2661.670	1773.790 2508.220	2192.980 2738.450	1560.350 2993.280	1783.010 2430.710	26391.180	0.4774%
Redwater, TX	8919.250 8514.750	8097.250 8374.450	8416.250 10927.650	8646.150 14551.200	7222.100 16977.600	7219.450 13234.650	121100.750	2.1906%
Central Bowie County	26804.510 19017.150	23460.010 15897.300	24138.700 19488.990	22363.070 23060.550	17380.530 30282.830	16612.690 22811.940	261318.270	4.7270%
Nash, TX	8420.000 7462.000	6579.000 6679.000	7299.000 7566.000	6890.000 10635.000	6034.000 13201.000	6167.000 9045.000	95977.000	1.7361%
Macedonia Eylau	14735.436 14600.071	13979.138 13604.671	14111.924 15100.473	14094.717 16163.236	12545.058 19229.686	13065.618 15867.975	177098.003	3.2035%
Red River County	0.000 47.120	5.770 0.000	0.300 0.000	0.000 665.310	0.500 0.000	107.540 0.000	826.540	0.0150%
Day & Zimmerman	1830.000 74.000	950.000 390.000	930.000 630.000	2220.000 370.000	1230.000 660.000	491.000 970.000	10745.000	0.1944%
Leary, TX	1495.880 2147.470	1533.430 1687.480	1463.670 1993.100	1579.690 2047.560	1378.930 2103.660	1634.640 1927.980	20993.490	0.3798%
Mandeville, AR	1643.790 1788.541	1929.350 2133.667	1904.771 2372.352	2116.039 2602.048	1622.888 3089.706	2274.527 3329.370	26807.049	0.4849%
Union Water	7541.705 6173.560	7560.032 9460.801	7185.238 9083.204	8444.515 9516.589	7201.954 11534.034	7716.432 12428.712	103846.776	1.8785%
MCPWA	5035.000 3980.000	5030.000 4540.000	4495.000 5270.000	4670.000 4960.000	4050.000 7970.000	4920.000 5560.000	60480.000	1.0940%
RWRD-TAC East	2436.349 1226.030	2166.522 1278.960	567.480 1255.720	358.660 2143.410	2267.970 1535.550	1597.900 1808.000	18642.551	0.3372%
Total Wholesale	80788.610 66983.232	73159.992 66707.999	72286.123 76195.709	73575.821 89453.353	62494.280 109577.346	63589.807 89414.337	924226.609	
New Boston, TX	29705.360 28742.520	28664.440 26235.490	26965.370 28150.780	27687.090 30624.650	24480.090 35383.680	24364.920 29808.110	340812.500	6.1650%
Hooks, TX	12776.100 14447.470	11969.250 12822.790	13189.270 13395.740	13954.460 14202.210	12374.024 17074.350	13322.796 14596.480	164124.940	2.9689%
DeKalb, TX	6053.000 5872.000	5193.000 5248.000	5311.000 5506.000	6522.000 6749.000	5532.000 8140.000	5477.000 6361.000	71964.000	1.3018%
Wake Village, TX	13271.000 12109.000	11635.000 11824.000	11919.000 14400.000	11779.000 19276.000	10137.000 20769.000	10056.000 15707.000	162882.000	2.9464%
Maud, TX	6277.000 3360.000	2915.000 3075.000	2935.000 3505.000	3034.000 3816.000	2735.000 4975.000	3178.000 4146.000	43951.000	0.7950%
Avery, TX	1440.500 1439.700	1479.500 1286.300	1659.300 1389.800	1349.700 1472.100	1098.700 1591.600	1137.400 1627.200	16971.800	0.3070%

FY20 Actual Consumption (1000 Gallons)
Oct 2019- Sep 2020

	OCT/ APR	NOV/ MAY	DEC/ JUN	JAN/ JUL	FEB/ AUG	MAR/ SEP	YTD	% OF TOTAL
Annona, TX	660.233 728.827	613.117 452.433	666.216 390.025	588.251 763.402	693.947 542.081	718.887 563.930	7381.349	0.1335%
RWRD- (RRAD)	16700.781 21927.580	14122.718 20416.382	16040.230 20120.716	17620.290 24881.256	17678.849 22338.598	18425.555 21577.850	231850.805	4.1940%
Total Member Cities & RWRD	86883.974 88627.097	76592.025 81360.395	78685.386 86858.061	82534.791 101784.618	74729.610 110814.309	76680.558 94387.570	1039938.394	
Total Wholesale, Member Cities & RWRD	167672.584 155610.329	149752.017 148068.394	150971.509 163053.770	156110.612 191237.971	137223.890 220391.655	140270.365 183801.907	1964165.003	
Texarkana, AR	105534.847 94403.316	88231.270 111223.042	93061.278 121079.206	94396.273 131301.381	86857.604 155619.660	99286.357 167690.845	1348685.079	24.3965%
Texarkana, TX	186009.569 145012.355	166320.713 189853.564	156860.213 188574.024	160477.115 211517.648	133183.506 250353.685	157404.278 269773.248	2215339.918	40.0735%
Total Texarkana	291544.416 239415.671	254551.983 301076.606	249921.491 309653.230	254873.388 342819.029	220041.110 405973.345	256690.635 437464.093	3564024.997	
Total All	459217.000 395026.000	404304.000 449145.000	400893.000 472707.000	410984.000 534057.000	357265.000 626365.000	396961.000 621266.000	5528190.000	100.0000%

City of Texarkana, Texas
Proposed Water Cost Recap
9/30/2022

	2022 Annual Cost				2021 Annual Cost	Increase/ (Decrease)
	Water	Infrastructure	Debt Service	2020 True Up	Total	
New Boston	345,969	19,647	8,773	(70,693)	303,696	(4,978)
Hooks	170,596	12,514	5,588	(13,871)	174,827	(5,285)
DeKalb	85,045	11,791	5,265	(7,699)	94,403	6,438
Wake Village	149,532	8,978	4,009	(16,052)	146,467	(20,642)
Maud	48,821	6,180	2,760	(4,616)	53,144	(271)
Avery	17,571	-	-	(4,876)	12,695	(1,406)
Annona	10,718	1,691	755	(1,717)	11,447	3,425
Texarkana, AR	1,648,405	189,418	-	-	1,837,822	19,422
Texarkana, TX	3,111,369	299,781	137,906	-	3,549,056	95,604
RWRD	274,506	-	-	(91,333)	183,174	28,979
	\$ 5,862,532	\$ 550,000	\$ 165,056	\$ (210,858)	\$ 6,366,730	\$ 121,285

	2022 Monthly Cost				2021 Monthly Cost	Increase/ (Decrease)
	Water	Infrastructure	Debt Service	2020 True Up	Total	
New Boston	28,831	1,637	731	(5,891)	25,308	(415)
Hooks	14,216	1,043	466	(1,156)	14,569	(440)
DeKalb	7,087	983	439	(642)	7,867	536
Wake Village	12,461	748	334	(1,338)	12,206	(1,720)
Maud	4,068	515	230	(385)	4,429	(23)
Avery	1,464	-	-	(406)	1,058	(117)
Annona	893	141	63	(143)	954	285
Texarkana, AR	137,367	15,785	-	-	151,533	1,619
Texarkana, TX	259,281	24,982	11,492	-	287,788	7,967
RWRD	22,876	-	-	(7,611)	15,264	2,415
	\$ 488,544	\$ 45,833	\$ 13,755	\$ (17,571)	\$ 530,561	\$ 10,107

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. B.
RWRD RESO 20220126-02
FY 2021 Fourth Quarter Financials**



RIVERBEND RESOLUTION NO. 20220126-02

APPROVING THE FOURTH QUARTER FY 2021 FINANCIAL STATEMENTS

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

WHEREAS, Riverbend Water Resources District staff prepares and presents quarterly financial statements, which provide for the fiduciary guidance of Riverbend Water Resources funds.

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District Board of Directors accepts and approves the Fourth Quarter FY 2021 financials.

PASSED and APPROVED this 26th day of January 2022

Tina Veal Gooch, President

ATTEST:

Fred Milton, Secretary

Attached: Fourth Quarter FY 2021 Financials



RIVERBEND WATER RESOURCES DISTRICT

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

September 30, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
ASSETS				
Current assets:				
Cash	\$ 223,165	\$ -	\$ 1,289,074	\$ 1,512,239
Accounts receivable	17,688	274,372	839,752	1,131,812
Due from other fund	3,009	-	352	3,361
Restricted assets:				
Cash restricted for bond debt reserves	-	246,611	1,121,686	1,368,297
Cash restricted for construction - bond proceeds	-	13,004,490	312,423	13,316,913
Cash restricted for operations	-	-	900,745	900,745
Prepaid expenses	-	-	99,130	99,130
Inventory	-	-	78,716	78,716
Total current assets	<u>243,862</u>	<u>13,525,473</u>	<u>4,641,878</u>	<u>18,411,213</u>
Noncurrent assets:				
Cash and cash equivalents - restricted bor bond debt reserves	-	4,444,321	1,446,608	5,890,929
Capital assets (net of accumulated depreciation):				
Equipment	-	-	415,929	415,929
Utility system	-	-	16,012,858	16,012,858
Intangible assets	-	-	265,536	265,536
Construction in progress	-	6,670,259	883,514	7,553,773
Total capital assets	<u>-</u>	<u>11,114,580</u>	<u>19,024,445</u>	<u>30,139,025</u>
Total noncurrent assets	<u>-</u>	<u>11,114,580</u>	<u>19,024,445</u>	<u>30,139,025</u>
TOTAL ASSETS	<u>243,862</u>	<u>24,640,053</u>	<u>23,666,323</u>	<u>48,550,238</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,064	2,302,720	78,767	2,384,551
Payroll liabilities	-	-	44,226	44,226
Due to other fund	352	3,009	-	3,361
Due to Region D Planning	41,138	-	-	41,138
Accrued interest payable	-	113,030	166,029	279,059
Accrued compensated absences - current	-	-	19,186	19,186
Revenue bonds payable - current	-	-	775,000	775,000
Total current liabilities	<u>44,554</u>	<u>2,418,759</u>	<u>1,083,208</u>	<u>3,546,521</u>
Noncurrent liabilities:				
Accrued compensated absences - long term	-	-	55,209	55,209
Revenue bonds payable - long term	-	18,000,000	7,820,000	25,820,000
Total noncurrent liabilities	<u>-</u>	<u>18,000,000</u>	<u>7,875,209</u>	<u>25,875,209</u>
TOTAL LIABILITES	<u>44,554</u>	<u>20,418,759</u>	<u>8,958,417</u>	<u>29,421,730</u>
NET POSITION				
Net investment in capital assets	-	(634,606)	9,978,495	9,343,889
Restricted for bond reserves	-	4,852,274	2,569,053	7,421,327
Restricted for construction	-	3,626	312,423	316,049
Unrestricted	199,306	-	1,847,934	2,047,240
TOTAL NET POSITION	<u>\$ 199,306</u>	<u>\$ 4,221,294</u>	<u>\$ 14,707,905</u>	<u>\$ 19,128,505</u>

RIVERBEND WATER RESOURCES DISTRICT

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

For the Year Ended September 30, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
OPERATING REVENUES				
Charges for services:				
Member fees	\$ 204,635	\$ -	\$ -	\$ 204,635
Army volumetric charge	-	-	3,141,686	3,141,686
Army water supply charge	-	-	249,672	249,672
Commercial & residential charge	-	-	232,713	232,713
Total operating revenues	204,635	\$ -	3,624,071	3,828,706
OPERATING EXPENSES				
Accounting & audit	4,500	-	-	4,500
Analyticals	-	-	101,755	101,755
Community relations	5,003	-	-	5,003
Conferences & seminars	2,840	-	-	2,840
Consulting	180,596	-	23,941	204,537
Dues & memberships	8,357	-	-	8,357
Engineering services	20,697	-	-	20,697
Equipment maintenance, repair & fuel	-	-	27,889	27,889
Insurance	-	-	46,891	46,891
Legal & professional fees	12,665	-	-	12,665
Materials	-	-	185,047	185,047
Meetings expense	4,279	-	-	4,279
Military affairs	11,000	-	-	11,000
Miscellaneous	309	-	-	309
Office supplies and expense	1,136	-	-	1,136
Permits	-	-	34,279	34,279
Repairs	-	-	177,927	177,927
Salaries, wages, payroll taxes & benefits	154,662	-	890,213	1,044,875
Supplies & materials	-	-	25,365	25,365
Travel & training	5,001	-	-	5,001
Utilities	-	-	145,291	145,291
Waste disposal	-	-	37,158	37,158
Water purchase cost	-	-	180,852	180,852
Web design & maintenance	2,667	-	-	2,667
Overhead allocation - water	-	-	164,434	164,434
Overhead allocation - wastewater	-	-	178,613	178,613
Overhead allocation - industrial wastewater	-	-	180,129	180,129
Total operating expenses	413,712	-	2,399,784	2,813,496
Operating income (loss) before depreciation	(209,077)	-	1,224,287	1,015,210
Depreciation	-	-	805,179	805,179
Operating income (loss)	(209,077)	-	419,108	210,031
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenue	-	-	1,502,606	1,502,606
Minimum monthly payments	-	4,570,950	-	4,570,950
Interest revenue	2	23,851	12,650	36,503
Project admin fees	-	-	17,147	17,147
Gain (loss) on disposal of asset	-	-	(62,676)	(62,676)
Interest expense	-	(210,304)	(362,717)	(573,021)
Bond issuance costs	-	(628,526)	-	(628,526)
Franchise fees expense	-	-	(108,710)	(108,710)
Special projects expense	(6,858)	-	-	(6,858)
Total nonoperating revenues (expenses)	(6,856)	3,755,971	998,300	4,747,415
Income (loss) before capital contributions and transfers	(215,933)	3,755,971	1,417,408	4,957,446
Transfers in (out)	230,000	-	(230,000)	-
Changes in net position	14,067	3,755,971	1,187,408	4,957,446
Net position, beginning of year	185,239	465,323	13,520,497	14,171,059
Net position, end of year	\$ 199,306	\$ 4,221,294	\$ 14,707,905	\$ 19,128,505

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE REGIONAL WATER SYSTEM ADMINISTRATION For the Year Ended September 30, 2021

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ 203,928	\$ 204,635	\$ 707	100.35%
Total operating revenues	203,928	204,635	707	100.35%
OPERATING EXPENSES				
Accounting & audit	4,500	4,500	-	100.00%
Community relations	8,000	5,003	2,997	62.54%
Conferences & seminars	4,700	2,840	1,860	60.43%
Consulting	200,000	180,596	19,404	90.30%
Dues & memberships	8,735	8,357	378	95.67%
Engineering services	130,000	20,697	109,303	15.92%
Legal & professional fees	27,500	12,665	14,835	46.05%
Meetings expense	6,000	4,279	1,721	71.32%
Military affairs	11,000	11,000	-	100.00%
Miscellaneous	1,400	-	1,400	0.00%
Office supplies & expense	2,300	1,136	1,164	49.39%
Salaries, wages & benefits	157,922	154,662	3,260	97.94%
Subscriptions	400	309	91	77.25%
Travel & training	18,000	5,001	12,999	27.78%
Web design & maintenance	4,000	2,667	1,333	66.68%
Total operating expenses	584,457	413,712	170,745	70.79%
Operating income (loss)	(380,529)	(209,077)	(171,452)	54.94%
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	-	2	2	
Special projects expense	(50,000)	(6,858)	43,142	13.72%
Use of prior year equity	200,529	-	(200,529)	0.00%
Total nonoperating revenues (expenses)	150,529	(6,856)	(157,385)	4.55%
Income (loss) before transfers	(230,000)	(215,933)	14,067	93.88%
Transfer in	230,000	230,000	-	100.00%
Change in net position	-	14,067	14,067	
Net position, beginning of year	185,239	185,239	-	100.00%
Net position, end of year	\$ 185,239	\$ 199,306	14,067	107.59%

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE REGIONAL WATER SYSTEM FACILITIES FUND For the Year Ended September 30, 2021

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	
Total operating revenues	-	-	-	
OPERATING EXPENSES				
Expenses	-	-	-	
Total operating expenses	-	-	-	
Operating income (loss)	-	-	-	
NONOPERATING REVENUES (EXPENSES)				
Minimum monthly payments	4,389,715	4,570,950	181,235	104.13%
Interest Revenue	21,000	23,851	2,851	113.58%
Interest Expense	(210,304)	(210,304)	-	100.00%
Bond Issuance Costs	(634,884)	(628,526)	6,358	99.00%
Total nonoperating revenues (expenses)	3,565,527	3,755,971	190,444	105.34%
Change in net position	3,565,527	3,755,971	190,444	105.34%
Net position, beginning of year	\$ 465,323	465,323	-	100.00%
Net position, end of year	\$ 4,030,850	\$ 4,221,294	\$ 190,444	104.72%

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE WET UTILITIES FUND For the Year Ended September 30, 2021

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ 3,673,640	\$ 3,624,071	\$ (49,569)	98.65%
Total operating revenues	3,673,640	3,624,071	(49,569)	98.65%
OPERATING EXPENSES				
Analytical	150,000	101,755	48,245	67.84%
Consulting	60,000	23,941	36,059	39.90%
Equipment maintenance, repair & fuel	47,756	27,889	19,867	58.40%
Insurance	46,891	46,891	-	100.00%
Materials	233,000	185,047	47,953	79.42%
Permits	55,000	34,279	20,721	62.33%
Repairs	206,000	177,927	28,073	86.37%
Salaries, wages, payroll taxes & benefits	1,015,082	890,213	124,869	87.70%
Supplies & materials	52,150	25,365	26,785	48.64%
Utilities	188,000	145,291	42,709	77.28%
Waste disposal	70,000	37,158	32,842	53.08%
Water purchase cost	307,663	180,852	126,811	58.78%
Overhead allocation - water	199,955	164,434	35,521	82.24%
Overhead allocation - wastewater	217,196	178,613	38,583	82.24%
Overhead allocation - industrial wastewater	219,041	180,129	38,912	82.24%
Total operating expenses	3,067,735	2,399,784	667,951	78.23%
Operating income (loss) before depreciation	605,905	1,224,287	618,382	202.06%
Depreciation	799,500	805,179	(5,679)	100.71%
Operating income (loss)	(193,595)	419,108	612,703	216.49%
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenues	1,513,088	1,502,606	(10,482)	99.31%
Interest revenue	14,000	12,650	(1,350)	90.36%
Project Admin Fees	46,229	17,147	(29,082)	37.09%
Gain (loss) on disposal of asset	(71,000)	(62,676)	8,324	88.28%
Interest expense	(405,449)	(362,717)	42,732	89.46%
Franchise fees expense	(108,504)	(108,710)	(206)	100.19%
Total nonoperating revenues (expenses)	988,364	998,300	9,936	101.01%
Income (loss) before capital contributions and transfers	794,769	1,417,408	622,639	178.34%
Transfers in (out)	(230,000)	(230,000)	-	100.00%
Change in net position	564,769	1,187,408	622,639	210.25%
Net position, beginning of year	13,520,497	13,520,497	-	100.00%
Net position, end of year	\$ 14,085,266	\$ 14,707,905	\$ 622,639	104.42%

RIVERBEND WATER RESOURCES DISTRICT**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION****REGIONAL WATER SYSTEM ADMINISTRATION****For the Year Ended September 30, 2021**

	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for services:				
Member fees	\$ 204,635	\$ 180,842	\$ 23,793	13.16%
Total operating revenues	<u>204,635</u>	<u>180,842</u>	<u>23,793</u>	<u>13.16%</u>
OPERATING EXPENSES				
Accounting & audit	4,500	4,500	-	0.00%
Community relations	5,003	2,285	2,718	118.95%
Conferences & seminars	2,840	2,783	57	2.05%
Consulting	180,596	181,617	(1,021)	-0.56%
Dues & memberships	8,357	7,615	742	9.74%
Engineering services	20,697	55,977	(35,280)	-63.03%
Legal & professional fees	12,665	51,200	(38,535)	-75.26%
Meetings expense	4,279	2,063	2,216	107.42%
Military affairs	11,000	16,500	(5,500)	-33.33%
Office supplies and expense	1,136	330	806	244.24%
Salaries, wages, payroll taxes & benefits	154,662	157,727	(3,065)	-1.94%
Travel & training	5,001	5,492	(491)	-8.94%
Web design & maintenance	2,667	2,258	409	18.11%
Miscellaneous	309	499	(190)	-38.08%
Total operating expenses	<u>413,712</u>	<u>490,846</u>	<u>(77,134)</u>	<u>-15.71%</u>
Operating income (loss) before depreciation	(209,077)	(310,004)	100,927	32.56%
Depreciation	-	205	(205)	-100.00%
Operating income (loss)	<u>(209,077)</u>	<u>(310,209)</u>	<u>101,132</u>	<u>-32.60%</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	2	0	2	
Special projects expense	(6,858)	(42,960)	36,102	84.04%
Total nonoperating revenues (expenses)	<u>(6,856)</u>	<u>(42,960)</u>	<u>36,104</u>	<u>84.04%</u>
Income (loss) before transfers	<u>(215,933)</u>	<u>(353,169)</u>	<u>137,236</u>	<u>38.86%</u>
Transfers in (out)	<u>230,000</u>	<u>200,000</u>	<u>30,000</u>	<u>15.00%</u>
Change in net position	<u>14,067</u>	<u>(153,169)</u>	<u>167,236</u>	<u>109.18%</u>
Net position, beginning of year	<u>185,239</u>	<u>338,408</u>	<u>(153,169)</u>	<u>-45.26%</u>
Net position, end of year	<u>\$ 199,306</u>	<u>\$ 185,239</u>	<u>\$ 14,067</u>	<u>7.59%</u>

RIVERBEND WATER RESOURCES DISTRICT**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
REGIONAL WATER SYSTEM FACILITIES FUND****For the Year Ended September 30, 2021**

	<i>September 30, 2021</i>	<i>September 30, 2020</i>	<i>\$ Change</i>	<i>% Change</i>
OPERATING REVENUES				
Charges for services:	-	-	-	
Total operating revenues	-	-	-	
OPERATING EXPENSES				
Expenses	-	-	-	
Total operating expenses	-	-	-	
Operating income (loss)	-	-	-	
NONOPERATING REVENUES (EXPENSES)			-	
Minimum monthly payments	4,570,950	465,323	4,105,627	882.32%
Interest Revenue	23,851	-	23,851	
Interest Expense	(210,304)	-	(210,304)	
Bond Issuance Costs	(628,526)	-	(628,526)	
Total nonoperating revenues (expenses)	3,755,971	465,323	3,290,648	707.18%
Change in net position	3,755,971	465,323	3,290,648	707.18%
Net position, beginning of year	465,323	-	465,323	
Net position, end of year	<u>\$ 4,221,294</u>	<u>\$ 465,323</u>	<u>\$ 3,755,971</u>	<u>807.18%</u>

RIVERBEND WATER RESOURCES DISTRICT

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

WET UTILITIES FUND

For the Year Ended September 30, 2021

	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for services:				
Army volumetric charge	\$ 3,141,686	\$ 2,890,837	\$ 250,849	8.68%
Army water supply charge	249,672	241,890	7,782	3.22%
Commercial & residential charge	232,713	245,850	(13,137)	-5.34%
Total operating revenues	<u>3,624,071</u>	<u>3,378,577</u>	<u>245,494</u>	<u>7.27%</u>
OPERATING EXPENSES				
Analyticals	101,755	109,811	(8,056)	-7.34%
Consulting	23,941	66,809	(42,868)	-64.17%
Equipment maintenance, repair & fuel	27,889	51,442	(23,553)	-45.79%
Insurance	46,891	29,443	17,448	59.26%
Materials	185,047	221,802	(36,755)	-16.57%
Permits	34,279	33,335	944	2.83%
Repairs	177,927	201,985	(24,058)	-11.91%
Salaries, wages, payroll taxes & benefits	890,213	896,999	(6,786)	-0.76%
Supplies & materials	25,365	25,526	(161)	-0.63%
Utilities	145,291	152,289	(6,998)	-4.60%
Waste disposal	37,158	50,363	(13,205)	-26.22%
Water purchase cost	180,852	241,757	(60,905)	-25.19%
Overhead allocation - water	164,434	194,930	(30,496)	-15.64%
Overhead allocation - wastewater	178,613	211,738	(33,125)	-15.64%
Overhead allocation - industrial wastewater	180,129	213,536	(33,407)	-15.64%
Total operating expenses	<u>2,399,784</u>	<u>2,701,765</u>	<u>(301,981)</u>	<u>-11.18%</u>
Operating income (loss) before depreciation	1,224,287	676,812	547,475	80.89%
Depreciation	805,179	762,867	42,312	5.55%
Operating income (loss)	<u>419,108</u>	<u>(86,055)</u>	<u>505,163</u>	<u>-587.02%</u>
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenue	1,502,606	1,192,433	310,173	26.01%
Interest revenue	12,650	31,413	(18,763)	-59.73%
Administrative fund salary revenue	-	157,761	(157,761)	-100.00%
Project admin fees	17,147	(889)	18,036	2028.80%
Gain (loss) on disposal of asset	(62,676)	4,660	(67,336)	-1444.98%
Interest expense	(362,717)	(392,130)	29,413	7.50%
Franchise fees expense	(108,710)	(101,350)	(7,360)	-7.26%
Total nonoperating revenues (expenses)	<u>998,300</u>	<u>891,898</u>	<u>106,402</u>	<u>11.93%</u>
Income (loss) before capital contributions and transfers	<u>1,417,408</u>	<u>805,843</u>	<u>611,565</u>	<u>75.89%</u>
Capital contributions	-	983,153	(983,153)	-100.00%
Transfers in (out)	<u>(230,000)</u>	<u>(200,000)</u>	<u>(30,000)</u>	<u>-15.00%</u>
Change in net position	<u>1,187,408</u>	<u>1,588,996</u>	<u>581,565</u>	<u>36.60%</u>
Net position, beginning of year	<u>13,520,497</u>	<u>11,925,953</u>	<u>1,594,544</u>	<u>13.37%</u>
Net position, end of year	<u>\$ 14,707,905</u>	<u>\$ 13,514,949</u>	<u>\$ 2,176,109</u>	<u>16.10%</u>

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. C.
RWRD RESO 20220126-03
FY 2021 Fourth Quarter
Investment Report**



RIVERBEND RESOLUTION NO. 20220126-03

APPROVING THE FOURTH QUARTER FY 2021 INVESTMENT REPORT

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District accepts and approves the Fourth Quarter FY 2021 Investment Report.

PASSED and APPROVED this 26th day of January 2022

Tina Veal Gooch, President

ATTEST:

Fred Milton, Secretary



Attached: Fourth Quarter FY 2021 Investment Report


RIVERBEND WATER RESOURCES DISTRICT

SCHEDULE OF INVESTMENTS ENTERPRISE FUNDS

For the Three Months Ended September 30, 2021

Funds	Identification Number	Maturity Date	Balance 06/30/2021	Interest Income 09/30/2021	Transfers In/(Out) Per Policy	Net Deposits/ Withdrawals	Balance 09/30/2021	Accrued Int Rec 09/30/2021
Administrative Fund								
Operations	50003704	Daily checking	\$ 134,604	\$ -	\$ 41,628	5,780	\$ 182,012	\$ -
Restricted - Region D Planning	8009740	Money Market	-	2	-	41,128	41,128	-
Operations	457060	Daily savings	25	-	-	-	25	-
Wet Utilities Fund								
Operations	21695	Daily checking	1,235,285	-	(355,022)	408,611	1,288,874	-
Restricted bond sinking	21709	Daily checking	1,589,574	1,542	370,032	-	1,961,148	-
Restricted bond reserves	21217	Daily checking	607,241	512	(607)	-	607,146	-
Restricted construction funds	21741	Daily checking	370,065	309	(57,951)	-	312,423	-
Restricted operations	21733	Money Market	900,885	760	(900)	-	900,745	-
Regional Water System Facilities Fund								
Restricted - Minimum Monthly Payments	3011380	Daily Savings	295,599	12	(1,034,613)	1,194,026	455,024	-
Restricted - 2020A Construction	2037890	Money Market	435	769	2,820	(2,843)	1,181	-
Restricted - 2020A Revenue	8009732	Money Market	1,731,825	6,715	620,768	-	2,359,308	-
Restricted - 2020B Revenue	8009716	Money Market	1,210,224	4,652	413,845	-	1,628,721	-
Restricted - 2020A Interest & Redemption	8009813	Money Market	172,199	543	-	-	172,742	-
Restricted - 2020B Interest & Redemption	8009724	Money Market	74,901	236	-	-	75,137	-
Restricted - 2020A Construction Escrow	82-4416-01-0	Bot Short-Term Cash Fund	7,879,379	376	-	(1,810,961)	6,068,794	-
Restricted - 2020B Construction Escrow	82-4405-01-3	Bot Short-Term Cash Fund	6,934,193	322	-	-	6,934,515	-
Total - All Funds			\$ 23,136,434	\$ 16,750	\$ 0	\$ 1,646,702	\$ 22,988,923	\$ -

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


Tara Houck, CPA
Chief Financial Officer

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. D.
RWRD RESO 20220126-04
FY 2021 Annual Audit**



RIVERBEND RESOLUTION NO. 20220126-04

**APPROVING THE FY 2021 ANNUAL AUDIT
PERFORMED BY WILF & HENDERSON, P.C.**

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

WHEREAS, Riverbend Water Resources District Board of Directors deems it necessary to engage a qualified Certified Public Accounting firm to conduct an annual audit, which provides for increased fiduciary responsibility of Riverbend Water Resources District funds; and

WHEREAS, Wilf & Henderson, P.C. provides the necessary accounting and financial services to fully perform an annual audit; and

WHEREAS, Riverbend Water Resources District staff and Wilf & Henderson, P.C. staff collaborated to conduct the audit and represent the financial statements, management discussion and analysis, and management representations in accordance with applicable laws and regulations.

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District approves the FY 2021 Annual Audit performed by Wilf and Henderson, P.C. for distribution.

PASSED and APPROVED this 26th day of January 2022

Tina Veal Gooch, President

ATTEST:

Fred Milton, Secretary



Attached: FY 2021 Annual Audit for Riverbend Water Resources District



**RIVERBEND WATER RESOURCES DISTRICT
NEW BOSTON, TEXAS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2021**

Prepared by
Tara Houck, CPA
Chief Financial Officer
228 Texas Avenue, Suite A
New Boston, Texas 75570

RIVERBEND WATER RESOURCES DISTRICT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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Introductory Section

January 26, 2022

The Board of Directors,
Members of Riverbend
Water Resources District

In accordance with state statutes, the Annual Comprehensive Financial Report (ACFR) of Riverbend Water Resources District for the fiscal year ended September 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the enterprise funds of Riverbend. All disclosures necessary to enable the reader to gain the maximum understanding of Riverbend's financial activities have been included.

PROFILE OF RIVERBEND

Riverbend Water Resources District was created in 2009 by Senate Bill 1223 of the Texas Legislature. It is a conservation and reclamation district with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir and to acquire the right to take water from that reservoir. The roots of Riverbend can be found in the area's past regional water partnerships focused on utilizing Wright Patman Lake as their primary water supply source. In 1953, and again in 1968, the City of Texarkana, Texas, in cooperation and with the support of its neighboring cities, executed agreements with the U.S. Army Corps of Engineers to use a portion of the flood control pool at Wright Patman to meet their long-term water supply needs. Over time, Texarkana, Texas on behalf of itself and other area users, secured permits which allowed them to impound, divert, and appropriate water in Wright Patman lake for both municipal and industrial use.

In 1966, the Lake Texarkana Water Supply Corporation ("LTWSC") was created for the purpose of financing the acquisition, construction and maintenance of a new water treatment and distribution system to its members. In 1969 in order to support LTWSC's debt issue and facilitate administration of the new water treatment and distribution system, the City of Texarkana, Texas signed water supply contracts with surrounding Texas-side communities, known as the original Member Cities (including Annona, Avery, DeKalb, Hooks, Maud, New Boston, Texarkana, Texas, and Wake Village), collectively known as "Member City Contracts." Today, Riverbend has now grown to include eighteen (18) members that include communities within Bowie, Cass and Red River Counties in northeast Texas. Riverbend membership grew during 2011, after being reconstituted, and again in 2019, Texas Special District Local Law Code Section 9601.005(b) allowed water supply corporations to join Riverbend. Current members include Annona, Atlanta, Avery, Central Bowie County WSC, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Oak Grove Water Supply Corporation, Redwater, Texarkana, Wake Village, TexAmericas Center, as well as Bowie, Cass and Red River Counties.



Riverbend provides water, wastewater, and industrial wastewater for Red River Army Depot and the tenants within the TexAmericas Center footprint for an estimated population of 6,000 people. Riverbend represents, through Interlocal Agreements with our membership, the water supply interest for area communities. Riverbend operates as a retail water supplier. The treated water is purchased from the City of Texarkana, Texas and Texarkana Water Utilities and supplied to customers on our system. Riverbend serves as the local representative for Wright Patman Lake on issues with the U.S. Army Corps of Engineers, Texas Commission on Environmental Quality (TCEQ), the Texas Water Development Board (TWDB) as well as acting as representatives for our membership in the North East Texas Regional Water Planning Group (Region D), a state water planning area, and will be working on the initial statewide flood planning effort over the next few years.

Riverbend is governed by a Board of five directors consisting of two directors appointed by the City of Texarkana; one director appointed by the City of New Boston; one director appointed by TexAmericas Center; and one director appointed by the remaining member entities.

ECONOMIC INFORMATION/OUTLOOK

The largest employer in Riverbend, Red River Army Depot (RRAD), is also the largest customer of Riverbend and represents the majority of the operating revenue for Riverbend. The FY 2022 RRAD budget is approximately 10% higher than the current year and the remaining business, commercial and residential retail water customers located in TexAmericas Center, are expected to remain the same.

MAJOR INITIATIVES/LONG TERM FINANCIAL PLANNING

Riverbend has major on-going initiatives that staff will be focusing on for this fiscal year and into the future. First, Riverbend has secured \$200M of funding, through the Texas Water Development Board's Drinking Water State Revolving Fund, for a new regional water treatment facility. Riverbend executed water supply contracts with the participating member entities to support the debt payback along with the operations and maintenance on the project. This project will utilize a multi-year bond issuance package, to be distributed as listed below.

- FY 2020-2021 \$18M bond issuance
- FY 2021-2022 \$93M bond issuance
- FY 2022-2023 \$14.4M bond issuance
- FY 2023-2024 \$74.6M bond issuance

The first bond issuance in the amount of \$18M was made in November, 2020. In April, 2021 Riverbend entered into an agreement with Pape-Dawson Engineers to provide Professional and Project Management Services. All aspects of the project are under way including planning, design, environmental, permitting, surveying, geotechnical and easement acquisition. At fiscal year-end \$7,298,785 has been spent on the project.

Also, Riverbend and Texarkana, TX have submitted a water rights application to the Texas Commission on Environmental Quality (TCEQ). This water right application has been submitted to hopefully secure enough water for the region for the next fifty years. Currently, the application is both administratively and technically complete and a public notice of the request for water use permit has been posted. TCEQ has received requests for a contested hearing from several entities. We are currently working with those entities to resolve the issues in order for the permit to be issued.

Riverbend is also working with RRAD to secure funding to complete the design and construction of a new industrial wastewater treatment facility. The original 2018 \$13.5M cost estimate for the project has been updated to \$30,273,800 with 40% contingency.

FINANCIAL INFORMATION

Riverbend's accounting system consists of three enterprise funds where all financial activities are recorded. Management of Riverbend are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Riverbend are protected. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free from any material misstatements. Within this framework, management believes that Riverbend's transactions are properly recorded, and the financial report is complete and reliable in all material respects.

Enterprise Operations. Total revenues for all funds for the fiscal year were \$9,955,912 compared to \$5,257,062 for FY2020.

Budget Controls. A budget is prepared annually in accordance with the Texas Water Code Chapter 49, Subchapter G, Sec. 49.199 and, after approval by the Board of Directors, is used in planning and controlling costs. During the year, necessary budget amendments are submitted and approved by the Board prior to implementation.

Debt Administration. Outstanding large debt on September 30, 2021 totaled \$26,595,000 which consisted of Water and Wastewater Revenue Bonds Taxable Series 2016A of \$4,315,000, Water and Wastewater Revenue Bonds Taxable Series 2016B of \$4,280,000, Water and Wastewater System Contract Revenue Bonds Taxable Series 2020A of \$10,800,000, and Water and Wastewater System Contract Revenue Bonds Tax-Exempt Series 2020B of \$7,200,000.

OTHER INFORMATION

As required by the Texas Water Code Chapter 49, Subchapter G, Sec. 49.191, an audit of the Riverbend's fiscal accounts and records must be conducted annually. Accordingly, the Board of Directors appointed the firm of Wilf & Henderson, P.C. to complete the audit of the Riverbend's records.

Wilf & Henderson, P.C. has issued an unmodified opinion of the Riverbend's financial statements for year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report. Immediately following the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

AWARD AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Riverbend Water Resources District for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This is the second consecutive year that Riverbend has achieved this prestigious award. In order to be awarded a Certificate

of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of Riverbend Water Resources District and our independent auditors. I would like to express appreciation to the Board of Directors and Executive Director for their unfailing support and for maintaining the highest standards of professionalism in the management of Riverbend Water Resources District finances.

Respectfully submitted,

Tara Houck, CPA
Chief Financial Officer

January 26, 2022

PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2021

BOARD OF DIRECTORS

SONJA YATES HUBBARD
President
City of Texarkana

TINA VEAL-GOOCH
Vice President
TexAmericas Center

MARSHALL WOOD
Secretary
City of Texarkana

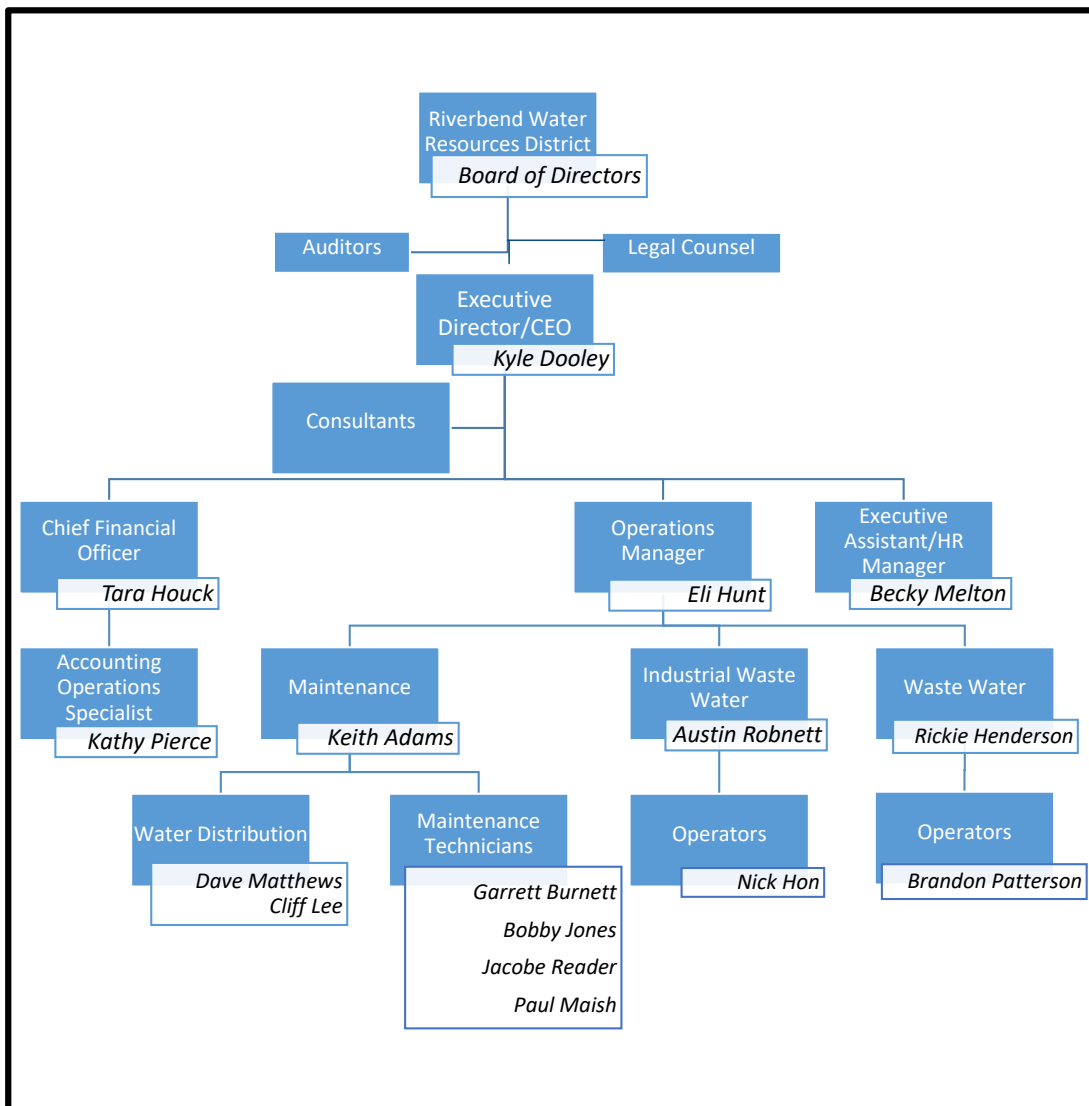
VAN ALEXANDER
Treasurer
Member At-Large

FRED MILTON
Past President
City of New Boston

KYLE DOOLEY, P.E.
Executive Director/Chief Executive Officer

TARA HOUCK, CPA
Chief Financial Officer

Riverbend Water Resources District Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Riverbend Water Resources District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }
COUNTY OF BOWIE }

I, KYLE DOOLEY of the _____
(Name of Duly Authorized District Representative)

RIVERBEND WATER RESOURCES DISTRICT
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of the Directors of the District on the 26TH day of JANUARY, 2022
its annual audit report for the fiscal year or period ended SEPTEMBER 30, 2021
and that copies of the annual audit report have been filed in the district office, located at _____
228A TEXAS AVENUE, NEW BOSTON, TX 75570
(Address of District)

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

Date: 01/26/2022

By: _____
(Signature of District Representative)

KYLE DOOLEY
EXECUTIVE DIRECTOR/CEO
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this _____ day of _____, _____.

(SEAL)

(Signature of Notary)

My Commission Expires On: _____
Notary Public in the State of Texas.

Financial Section



Independent Auditor's Report

Board of Directors
Riverbend Water Resources District
Texarkana, Texas

Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major enterprise fund of Riverbend Water Resources District (Riverbend) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Riverbend's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Riverbend Water Resources District as of September 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverbend Water Resources District's basic financial statements. The schedule of expenditures of federal awards (supplementary information) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverbend Water Resources District's basic financial statements. The supplementary information budgetary comparison schedules and the supplementary information schedules required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverbend Water Resources District's basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2022, on our consideration of the Riverbend Water Resources District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Riverbend Water Resources District's internal control over financial reporting and compliance.

Wilf & Henderson, P.C.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

January 19, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Annual Comprehensive Financial Report (ACFR) for Riverbend Water Resources District (Riverbend) presents a discussion and analysis of Riverbend's financial performance during the fiscal year ended September 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and Riverbend's basic financial statements following this section.

Financial Highlights

- The assets of Riverbend exceeded its liabilities at the close of the most recent fiscal year by \$19,128,505 (net position). Of this amount \$9,343,889 (49%) are invested in capital assets for business-type uses and are not available to generate liquid capital. Net position restricted for specific purposes total \$7,737,376 (40%). The remaining \$2,047,240 (11%) is made up unrestricted funds which may be used to meet Riverbend's ongoing obligations to members and creditors in accordance with Riverbend's fiscal policies.
- In fiscal year 2021, Riverbend's combined net position increased \$4,957,446 to \$19,128,505. The increase can be attributed to an increase in non-operating revenues with the majority of the increase due to debt service member payments received in the Regional Water System Facilities Fund.
- Riverbend's total long-term obligations increased by \$17,239,396 (300%) due to the issuance of bonds in the amount for \$18,000,000 reduced by regularly scheduled debt service payments on existing bonds.
- Riverbend's operating revenue increased by \$264,584 to a total for fiscal year 2021 of \$3,828,706. The Administrative fund's operating revenue increased by \$23,793, primarily due to an increase in monthly member fees charged member cities per annual true-up. The Wet Utilities fund's operating revenue increased by \$240,791, the majority of the increase due to an 8% increase in RRAD volumetric charges.
- Riverbend's combined operating expenses decreased by \$336,163 to a total for fiscal year 2021 of \$3,618,675. The Administrative fund's operating expenses decreased \$77,134 due to decrease in legal and special project expenses related to water supply contracts and the regional water system project in the prior year. The Wet Utilities fund's operating expenses decreased \$301,136 due to a decreases in maintenance expenses. Depreciation expense increased by \$42,107.
- Riverbend's combined nonoperating revenues/expenses increased by \$3,433,154 to a total for fiscal year 2021 of \$4,747,415. As stated above, the majority of this increase is due to debt service member payments received in the new Regional Water System Facilities Fund.
- Riverbend received no capital contributions this fiscal year, a reduction of \$983,153 from prior year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Riverbend Water Resources District's basic financial statements. Riverbend's basic financial statements consist of fund financial statements and the notes to the financial statements. The report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The financial statements – The financial statements are designed to provide readers with a broad overview of Riverbend's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of Riverbend's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Riverbend is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how Riverbend's net position changed during the fiscal year. All changes in net position are

reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Riverbend's activities are functions that are intended to recover all or a significant portion of their costs through user fees and charges and are thus, considered as business-type activities.

Riverbend like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Riverbend uses three enterprise funds. The Regional Water System Administration Fund accounts for the revenue from its participating member entities based on the number of gallons of water purchased by the entities as well as supplemental contributions, as necessary, and consulting fees. The Wet Utilities fund, which is the second enterprise fund, is used to account for the water and wastewater operations. The Regional Water System Facilities Fund is an enterprise fund used to collect debt services payments from member entities and receive bond funds to be used for the construction of a regional water system facility. When placed in service, the new regional water system facility will provide wholesale water to the member entities in the three county region.

The basic financial statements of the enterprise funds can be found on pages 9 - 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the basic financial statements.

The notes to the financial statements can be found on pages 12 – 22 of this report.

Other Information

Riverbend adopts an annual budget for planning, control and evaluation purposes.

The budgetary information may be found on pages 23 - 25 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information required by the Texas Commission on Environmental Quality.

This required information may be found on pages 26 - 40 of this report.

Statistical Section

Additional statistical information has been prepared to complete the annual comprehensive financial report (ACFR) in accordance with Governmental Financial Standards Board (GASB) guidance. The objective of the statistical section is to provide information on financial trends, revenue capacity, debt capacity, demographic and economic information and operating information.

The statistical information may be found on pages 41 - 68 of this report.

Single Audit Section

Riverbend is required to obtain a Single Audit Report for fiscal year 2021. Riverbend has received a federal award provided by the Environmental Protection Agency and approved by the Texas Water Development Board.

The single audit section may be found on pages 69 – 76 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Riverbend Water Resources District, assets exceeded liabilities by \$19,128,505 as of September 30, 2021. The largest portion of Riverbend's net position are the amounts related to the net investment in capital assets totaling \$9,344,077. Restricted funds in the amount of \$7,737,376 are comprised of \$7,421,327 restricted for bond payments

and \$316,049 restricted for Red River Army Depot construction projects. The unrestricted balance of \$2,047,240 may be used to meet Riverbends ongoing obligations. Riverbend had an increase in net position during the year of \$4,957,446.

NET POSITION

	2021	2020	Total \$ Change
Assets:			
Current assets	\$ 18,411,213	\$ 4,670,344	\$ 13,740,869
Noncurrent assets	5,890,929	1,213,419	4,677,510
Capital Assets	24,248,096	18,025,801	6,222,295
Total assets	48,550,238	23,909,564	24,640,674
Liabilities:			
Current liabilities	3,546,521	1,102,692	2,443,829
Long-term liabilities	25,875,209	8,635,813	17,239,396
Total liabilities	29,421,730	9,738,505	19,683,225
Net position:			
Net investment in capital assets	9,343,889	9,614,188	(270,299)
Restricted for bond reserves	7,421,327	2,714,457	4,706,870
Restricted for construction	316,049	474,906	(158,857)
Unrestricted	2,047,240	1,367,508	679,732
Total net position	\$ 19,128,505	\$ 14,171,059	\$ 4,957,446

CHANGES IN NET POSITION

	2021	2020	Total \$ Change
Operating revenue:			
Charges for services	\$ 3,828,706	\$ 3,559,419	\$ 269,287
Other	-	4,703	(4,703)
Total operating revenue	3,828,706	3,564,122	264,584
Operating expenses:			
Administrative	413,712	490,846	(77,134)
Wet Utilities	2,399,784	2,700,920	(301,136)
Depreciation	805,179	763,072	42,107
Total operating expenses	3,618,675	3,954,838	(336,163)
Operating income	210,031	(390,716)	600,747
Nonoperating revenues/expenses	4,747,415	1,314,261	3,433,154
Capital contributions	-	983,153	(983,153)
Change in net position	4,957,446	1,906,698	3,050,748
Net position, beginning of year	14,171,059	12,264,361	1,906,698
Prior period adjustment	-	-	-
Net position, end of year	\$ 19,128,505	\$ 14,171,059	\$ 4,957,446

Riverbend's total operating revenues increased by \$264,584 in fiscal year 2021 from the 2020 revenue. Charges for services fees for fiscal year 2021 of \$3,828,706 were increased from fiscal year 2020 of \$3,559,419 by \$269,287. Other operating revenues for the fiscal year 2021 decreased by \$4,703. Riverbend's combined operating expenses decreased by \$336,163 for a fiscal year 2021 total of \$3,618,675. The Administrative fund's operating expenses decreased \$77,134 and the Wet Utilities fund operating expenses decreased \$301,136. Depreciation expense increased by \$42,107.

Budgetary Highlights

The fiscal year ended with a Wet Utilities Fund budget surplus of \$622,639 attributable to staff vacancies, water purchase cost credit, infrastructure services expense reimbursement, and favorable expenditure variances. The Regional Water System Administration Fund budget surplus in the amount of \$14,067 is attributable to less expense for legal and engineering services than anticipated and other favorable expense variances. The Regional Water System Facilities Fund budget surplus in the amount of \$190,444 is due to member city water usage exceeding contracted minimum volumes.

Capital Assets

Riverbend's capital assets as of September 30, 2021 amount to \$24,248,096. The capital assets include computer equipment, equipment, utility system, intangible assets, and construction in process. Major capital asset additions during the current fiscal year were two 2021 Ford F150's \$58,359, Lenovo Thinkserver SR650 \$31,561, Kubota tractor with loader and box blade \$31,822, a 25-yard dewatering box \$18,194, Spectrometer \$10,476, 225' 4" water line at Building 341 and construction in progress on the regional water system \$6,670,259, drying bed rehab \$110,165, and elevated water tank \$155,645. Additional information on Riverbend's capital assets can be found in Note 5 on page 16 of this report.

CAPITAL ASSETS, NET OF DEPRECIATION

	2021	2020
Equipment	\$ 415,929	\$ 343,220
Utility system	16,012,858	16,768,340
Intangible assets	265,536	296,537
Construction in progress	7,553,773	617,704
Total capital assets	<u>\$ 24,248,096</u>	<u>\$ 18,025,801</u>

Debt Administration

In the year ended September 30, 2016, Riverbend issued Riverbend Water Resources Riverbend Water and Wastewater Revenue Bonds Taxable Series 2016A for \$4,925,000 and Riverbend Water Resources District Water and Wastewater Revenue Bonds Taxable Series 2016B for \$6,685,000. During the current fiscal year Riverbend issued Riverbend Water Resources District Water and Wastewater System Contract Revenue Bonds Taxable Series 2020A for \$10,800,000 and Riverbend Water Resources District Water and Wastewater System Contract Revenue Bonds Tax-Exempt Series 2020B for \$7,200,000. Payments of principal in the amount of \$740,000 and interest in the amount of \$473,419 were made during the fiscal year. Total bonded debt at September 30, 2021 totaled \$26,595,000. Additional information on the Riverbend's long-term debt can be found in Note 6 on pages 16 -18 of this report.

Economic Factors and Next Year's Budget

The Wet Utilities Fund budget for fiscal year 2021-2022 includes an increase of approximately 10% in the Red River Army Depot (RRAD) revenue. The increase is due to RRAD's increase in percentage of usage of overall water and wastewater volumes and budgeting for planning, design, and construction of a new industrial wastewater treatment plant.

The Regional Water System Facilities Fund budget includes a full year of monthly fees, debt service payments and continued expenditures on the regional water treatment facility. Riverbend anticipates issuing the second of the multi-year bond package in February, 2022 in the amount of \$93M.

The Regional Water System Administration Fund budget includes a full year of member fees as well as planning for expenses for professional services related to future and ongoing water, wastewater and industrial wastewater projects.

Request for Information

This financial report is designed to provide a general overview of Riverbend's finances for all those with an interest in the government's finances. Questions concerning any of the information included in this report or requests for additional information should be addressed to Kyle Dooley, Riverbend's Executive Director/CEO at kyledooley@rwr.org, 228 Texas Ave Suite A, New Boston, Texas 75570 or by telephone at 903-831-0091.

Basic Financial Statements

RIVERBEND WATER RESOURCES DISTRICT**STATEMENT OF NET POSITION****ENTERPRISE FUNDS****SEPTEMBER 30, 2021**

	<i>Regional Water System</i> <i>Administration Fund</i>	<i>Regional Water System</i> <i>Facilities Fund</i>	<i>Wet Utilities</i> <i>Fund</i>	<i>Total</i>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 223,165	\$ -	\$ 1,289,074	\$ 1,512,239
Accounts receivable	17,688	274,372	839,752	1,131,812
Interfund accounts	3,009	-	352	3,361
Restricted assets:				
Cash and cash equivalents restricted for bond debt reserves	-	246,611	1,121,686	1,368,297
Cash and cash equivalents restricted for construction	-	13,004,490	312,423	13,316,913
Cash and cash equivalents restricted for operations	-	-	900,745	900,745
Prepaid expenses	-	-	99,130	99,130
Inventories	-	-	78,716	78,716
Total current assets	<u>243,862</u>	<u>13,525,473</u>	<u>4,641,878</u>	<u>18,411,213</u>
Noncurrent assets:				
Cash and cash equivalents - restricted for bond debt reserves	-	4,444,321	1,446,608	5,890,929
Capital assets (net of accumulated depreciation):				
Equipment	-	-	415,929	415,929
Utility system	-	-	16,012,858	16,012,858
Intangible assets	-	-	265,536	265,536
Construction in progress	-	6,670,259	883,514	7,553,773
Total capital assets	<u>-</u>	<u>11,114,580</u>	<u>19,024,445</u>	<u>30,139,025</u>
Total noncurrent assets	<u>-</u>	<u>11,114,580</u>	<u>19,024,445</u>	<u>30,139,025</u>
TOTAL ASSETS	<u>243,862</u>	<u>24,640,053</u>	<u>23,666,323</u>	<u>48,550,238</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,064	2,302,720	78,767	2,384,551
Payroll liabilities	-	-	44,226	44,226
Interfund accounts	352	3,009	-	3,361
Due to North East Texas Regional Water Planning Group	41,138	-	-	41,138
Accrued interest payable	-	113,030	166,029	279,059
Accrued compensated absences - current portion	-	-	19,186	19,186
Revenue bonds payable - current portion	-	-	775,000	775,000
Total current liabilities	<u>44,554</u>	<u>2,418,759</u>	<u>1,083,208</u>	<u>3,546,521</u>
Long-term liabilities:				
Accrued compensated absences - long term	-	-	55,209	55,209
Revenue bonds payable - long term	-	18,000,000	7,820,000	25,820,000
Total long-term liabilities	<u>-</u>	<u>18,000,000</u>	<u>7,875,209</u>	<u>25,875,209</u>
TOTAL LIABILITIES	<u>44,554</u>	<u>20,418,759</u>	<u>8,958,417</u>	<u>29,421,730</u>
NET POSITION				
Net investment in capital assets	-	(634,606)	9,978,495	9,343,889
Restricted for bond reserves	-	4,852,274	2,569,053	7,421,327
Restricted for construction	-	3,626	312,423	316,049
Unrestricted	199,306	-	1,847,934	2,047,240
TOTAL NET POSITION	<u>\$ 199,306</u>	<u>\$ 4,221,294</u>	<u>\$ 14,707,905</u>	<u>\$ 19,128,505</u>

The notes to the financial statements are an integral part of this statement.

RIVERBEND WATER RESOURCES DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
OPERATING REVENUES				
Charges for services:				
Member fees	\$ 204,635	\$ -	\$ -	\$ 204,635
Army volumetric charge	-	-	3,141,686	3,141,686
Army water supply charge	-	-	249,672	249,672
Commercial and residential charge	-	-	232,713	232,713
Total operating revenues	204,635	-	3,624,071	3,828,706
OPERATING EXPENSES				
Accounting and audit	4,500	-	-	4,500
Analyticals	-	-	101,755	101,755
Community relations	5,003	-	-	5,003
Conferences & seminars	2,840	-	-	2,840
Consulting	180,596	-	23,941	204,537
Dues and memberships	8,357	-	-	8,357
Engineering services	20,697	-	-	20,697
Equipment maintenance, repair and fuel	-	-	27,889	27,889
Insurance	-	-	46,891	46,891
Legal and professional fees	12,665	-	-	12,665
Materials	-	-	185,047	185,047
Meetings expense	4,279	-	-	4,279
Military affairs	11,000	-	-	11,000
Miscellaneous	309	-	-	309
Office supplies and expense	1,136	-	-	1,136
Permits	-	-	34,279	34,279
Repairs	-	-	177,927	177,927
Salaries, wages, payroll taxes and benefits	154,662	-	890,213	1,044,875
Supplies	-	-	25,365	25,365
Travel and training	5,001	-	-	5,001
Utilities	-	-	145,291	145,291
Waste disposal	-	-	37,158	37,158
Water purchase cost	-	-	180,852	180,852
Web design and maintenance	2,667	-	-	2,667
Overhead allocation - water	-	-	164,434	164,434
Overhead allocation - wastewater	-	-	178,613	178,613
Overhead allocation - industrial wastewater	-	-	180,129	180,129
Total operating expenses before depreciation	413,712	-	2,399,784	2,813,496
Operating income (loss) before depreciation	(209,077)	-	1,224,287	1,015,210
Depreciation	-	-	805,179	805,179
Operating income (loss)	(209,077)	-	419,108	210,031
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenue	-	-	1,502,606	1,502,606
Minimum monthly payments	-	4,570,950	-	4,570,950
Interest revenue	2	23,851	12,650	36,503
Other revenue	-	-	-	-
Project admin fees	-	-	17,147	17,147
Gain (loss) on disposal of asset	-	-	(62,676)	(62,676)
Interest expense	-	(210,304)	(362,717)	(573,021)
Franchise fees expense	-	-	(108,710)	(108,710)
Special projects expense	(6,858)	-	-	(6,858)
Bond issuance costs	-	(628,526)	-	(628,526)
Total nonoperating revenues (expenses)	(6,856)	3,755,971	998,300	4,747,415
Income (loss) before capital contributions and transfers	(215,933)	3,755,971	1,417,408	4,957,446
Capital contributions	-	-	-	-
Transfers in (out)	230,000	-	(230,000)	-
Changes in net position	14,067	3,755,971	1,187,408	4,957,446
Net position, beginning of year	185,239	465,323	13,520,497	14,171,059
Net position, end of year	\$ 199,306	\$ 4,221,294	\$ 14,707,905	\$ 19,128,505

The notes to the financial statements are an integral part of this statement.

RIVERBEND WATER RESOURCES DISTRICT

STATEMENT OF CASH FLOWS

ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
Cash flows from operating activities:				
Cash received from customers	\$ 204,793	\$ -	\$ 3,197,590	\$ 3,402,383
Cash paid to suppliers	(215,945)	-	(1,586,502)	(1,802,447)
Cash paid to employees	(154,662)	-	(865,387)	(1,020,049)
Net cash provided (used) by operating activities	(165,814)	-	745,701	579,887
Cash flows from noncapital financing activities:				
Net increase (decrease) in interfund receivable/liability accounts	(1,617)	3,009	(1,392)	-
Other nonoperating expenses paid	(6,857)	(628,526)	(171,386)	(806,769)
Operating transfer in (out)	230,000	-	(230,000)	-
Net cash provided (used) by noncapital financing activities	221,526	(625,517)	(402,778)	(806,769)
Cash flows from capital and related financing activities:				
Receipt of facility charges revenues	-	4,663,500	1,502,606	6,166,106
Acquisition and construction of capital assets	-	(4,367,539)	(357,214)	(4,724,753)
Interest expense paid	-	(97,274)	(376,145)	(473,419)
Receipt of project admin fees	-	-	17,147	17,147
Proceeds on bonds issued	-	18,000,000	-	18,000,000
Bonded debt principal reduction	-	-	(740,000)	(740,000)
Net cash provided (used) by capital and related financing activities	-	18,198,687	46,394	18,245,081
Cash flows from investing activities:				
Interest revenue received	2	23,851	12,650	36,503
Net cash provided (used) by investing activities	2	23,851	12,650	36,503
Net increase(decrease) in cash and cash equivalents	55,714	17,597,021	401,967	18,054,702
Cash and cash equivalents, beginning of year	167,451	98,401	4,668,569	4,934,421
Cash and cash equivalents, end of year	223,165	17,695,422	5,070,536	22,989,123
Cash and cash equivalents consists of:				
Cash and cash equivalents - Unrestricted	223,165	-	1,289,074	1,512,239
Cash and cash equivalents restricted for bonded debt purposes	-	4,690,932	2,568,294	7,259,226
Cash and cash equivalents restricted for construction	-	13,004,490	312,423	13,316,913
Cash and cash equivalents restricted for operations	-	-	900,745	900,745
Total cash and cash equivalents	223,165	17,695,422	5,070,536	22,989,123
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (209,077)	\$ -	\$ 419,108	\$ 210,031
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	-	805,179	805,179
(Increase) decrease in current assets:				
Accounts receivable	158		(426,481)	(426,323)
Inventory			(1,837)	(1,837)
Prepaid expenses	-	-	(25,746)	(25,746)
Increase (decrease) in current liabilities:				
Accounts payable	43,105		(49,348)	(6,243)
Payroll liabilities	-	-	10,249	10,249
Accrued compensated absences	-	-	14,577	14,577
Total adjustments	43,263	-	326,593	369,856
Net cash provided (used) by operating activities	\$ (165,814)	\$ -	\$ 745,701	\$ 579,887
Noncash Capital, Financing and Investing Activities				
Capital contributions	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

RIVERBEND WATER RESOURCES DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Operations of the Reporting Entity

The Riverbend Water Resources District (Riverbend) is a political subdivision of the State of Texas created with the passage of Texas Senate Bill 1223 in 2009, pursuant to the authority granted by Section 59, Article XVI of the Texas Constitution. This provision authorizes the legislature to create agencies to develop and conserve the natural resources of the State of Texas. In establishing Riverbend, legislature delegated to it all the power enumerated under Article 49 of the Texas Water Code along with the express authority to contract with other states and political subdivisions of other states of the United States in the performance of Riverbend's lawful duties.

In 2011 the Texas Legislature re-organized composition of the Riverbend Board of Directors and appointed a temporary conservator with the passage of HB 3847. The temporary conservator served as Riverbend's administrator until July 4, 2012. The current Board of Directors were appointed January 2012, drew lots to determine staggered terms, with three of the directors serving three-year terms and two of the directors serving four-year terms. The Riverbend Board consists of two directors appointed by the City of Texarkana, Texas, one director appointed by the City of New Boston, one director appointed by TexAmericas, and one director appointed by multiple general law communities within the region.

Riverbend currently serves eighteen (18) organizations including the cities of Annona, Atlanta, Avery, Central Bowie County Water Supply Corporation, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Oak Grove Water Supply Corporation, Redwater, Texarkana, Texas, Wake Village and TexAmericas Center, Bowie, Cass, and Red River Counties. The organizations served by Riverbend desire to procure certain services from Riverbend and participate in the funding of the development of Riverbend projects in exchange for a specified fee and dollar-for-dollar credits towards participation in future water purchases should Riverbend develop such capability, and Riverbend is willing to provide such services and agree to such credits. Organizations served by Riverbend agree to pay or dedicate to Riverbend a fee of \$0.045 per 1,000 gallons of potable water processed through Lake Texarkana Water Supply Corporation facilities that each organization purchases from the City of Texarkana, Texas.

On May 1, 2016 Riverbend acquired and began operating the water, wastewater and industrial wastewater systems formerly owned and operated by TexAmericas Center. Riverbend provides water, domestic wastewater and industrial wastewater services to the Red River Army Depot, the TexAmericas Industrial Park as well as various commercial and residential customers.

In September, 2020 Riverbend began billing the participating members monthly fees as set forth in Water Supply Contracts completed and executed in 2020. The Water Supply Contracts set a fee of \$1.20 per 1,000 gallons of potable water processed through Lake Texarkana Water Supply Corporation facilities that each organization purchases from the City of Texarkana, Texas. The members are charged the greater of their actual usage for the month or the minimum monthly payment set in their water supply contract.

B. Measurement Focus and Basis of Accounting

For financial reporting purposes, Riverbend reports its operations on an enterprise fund basis. Enterprise funds (a proprietary fund type) are accounted for on a flow of economic resources measurement focus. This measurement focus provides that all assets and liabilities associated with operations are included on the Statement of Net Position.

The accrual basis of accounting is utilized by Riverbend for financial reporting. Under the accrual basis of accounting, income is recorded when earned and expenses are recorded at the time liabilities are incurred. The Statement of Revenue, Expenses, and Changes of Net Position present increases (income) and decreases (expenses) in Riverbend net position.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

Riverbend distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues include charges for services, member contributions for acting as the designee, local sponsor, and agent for the member organizations regarding certain matters and supervising performance of agreements between the member organizations and the City of Texarkana, Texas as well as consulting revenue. Operating expenses include all necessary costs related to the performance and administration of Riverbend's ongoing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Riverbend reports the following three major Enterprise Funds:

The Regional Water System Administration Fund accounts for the member contributions and expenses related to the activities as the agent for the member organizations regarding certain matters and supervising performance of agreements between the member organizations and the City of Texarkana, Texas.

The Wet Utilities Fund accounts for the operations of the wet utilities systems and facilities providing water, wastewater, and industrial wastewater to its customers.

The Regional Water System Facilities Fund accounts for member entity payments, according to their Water Supply Contracts, for the repayment of the multi-year debt issuance to build a new regional water system. The fund will also account for the bond funds received and capital expenditures for construction of the facility.

When both restricted and unrestricted resources are available for use, it is Riverbend's policy to use restricted resources first then unrestricted resources as they are needed.

C. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and cash on deposit, as well as highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

2. Investments

Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

3. Receivables and payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

5. Restricted Assets

Some of Riverbend's assets have certain constraints that have been placed on how they can be used. By definition, restricted assets are cash and cash equivalents or other assets whose use in whole or in part is restricted for specific purposes bound by virtue of contractual agreements, legal requirements or enabling legislation. Certain proceeds of revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

6. Inventories

Inventories are stated at the lower of cost (determined by using the weighted average cost or first-in first-out) or market.

7. Capital Assets

Capital assets are stated at costs. Assets are recorded as property, plant, and equipment when valued at \$10,000 or more and have an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

Capital assets of Riverbend are depreciated using the straight-line method over the following estimated useful lives:

Computer equipment	5 years
Equipment	5-10 years
Utility system	20-60 years
Intangible assets	20-60 years

8. Compensated Absences

Riverbend's policy is to permit the employee to accumulate earned vacation leave. Accumulated vacation time is accrued at year-end to account for Riverbend's obligation to the employee for the amount owed. The employee earns 15 days of vacation each year, or 120 hours. A maximum of 200 unused vacation hours can be carried forward from year to year. A maximum of 200 hours will be paid out upon termination for employees that have been employed for 6 months and worked 1,040 hours. The employee also earns 12 days of sick time each year, or 96 hours. Unused sick time can be carried forward from year to year but is not payable upon termination. The maximum allowable accumulation of sick leave is 600 hours. No accrual for sick time is reported.

9. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

10. Contributions of Capital (Non-Monetary Transactions)

Contributions of capital in proprietary fund financial statements arise from outside contributions of resources restricted to capital acquisition and construction. Riverbend did not receive capital contributions during 2021.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

11. Net Position

Unrestricted net position is the net amount of the assets and liabilities that are not included in the determination of the net investment in capital assets or restricted net position. Sometimes Riverbend may fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Riverbend’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make some estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

While water district budgets are not “legally adopted” within the meaning of GASB 34, they are adopted according to Texas Law. Riverbend adopts an annual budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses.

NOTE 3 – DEPOSITS AND INVESTMENTS

Riverbend adopted an investment policy in accordance with the Public Funds Investment Act which governs all deposits and investments of Riverbend.

Custodial Credit Risk - Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, Riverbend’s deposits may not be returned to it. Riverbend’s demand deposit accounts, and time and saving deposit accounts with financial institutions are each insured by the FDIC up to a maximum of \$250,000. Riverbend requires collateralized securities for the excess over FDIC coverage. The deposits were fully insured by FDIC or additional coverage of pledged securities.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of Riverbend’s investment in a single financial institution. Concentrations of credit risk over 5% are as follow at September 30, 2021:

<u><i>Type</i></u>	<u><i>Financial Institution</i></u>	<u><i>Fair Value</i></u>
Cash and cash equivalents	BOK Financial	\$ 13,003,309
Cash and cash equivalents	State Bank of DeKalb	5,070,336
Cash and cash equivalents	Texana Bank	4,915,251

Investments – The BOK Financial funds are held in their Short Term Cash Fund I, a short-term cash investment fund designed specifically for BOKF clients. The cash is deposited into a demand deposit account at the BOK Financial Corporation (BOKF) affiliate bank. As is required by state law and federal regulations, public fund deposits and accounts where affiliate banks act in a trustee or a managed agency capacity, will be collateralized 110 percent of the cash market value in excess of FDIC Coverage. The collateral consists of U.S. Treasury and U.S. Agency securities. The fair value of the funds invested at BOKF at September 30, 2021 was \$13,003,309. The investment maturity was less than 1 year, fair value hierarchy level 1.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

NOTE 4 – ACCOUNTS RECEIVABLE

Riverbend's accounts receivable as of September 30, 2021 was \$1,131,812. Riverbend considers all accounts receivable to be fully collectible; therefore, no allowance for doubtful accounts is recorded. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.

NOTE 5 – CAPITAL ASSETS

Riverbend had several construction projects in process during the year ended September 30, 2021. The Regional Planning Master Study, Water Rate Study, Regional Water System Project, Elevated Water Storage Tank Project, Drying Bed Rehab and the Industrial Feasibility Study had accumulated \$7,553,773 of construction in progress cost at September 30, 2021. Major capital asset additions during the current fiscal year were two 2021 Ford F150's \$58,359, Lenovo Thinkserver SR650 \$31,561, Kubota tractor with loader and box blade \$31,822, a 25-yard dewatering box \$18,194, Spectrometer \$10,476, and 225' 4" water line at Building 341. Total depreciation expense of \$805,179 was included in operating expenses.

Capital asset activity for the year ended September 30, 2021 was as follows:

	<i>Balance October 1, 2020</i>	<i>Additions</i>	<i>Reclassifications/ Retirements</i>	<i>Balance September 30, 2021</i>
Capital assets, not being depreciated				
Construction in progress	\$ 617,704	\$ 6,936,069	\$ -	\$ 7,553,773
Capital assets, being depreciated				
Computer equipment	1,362	-	-	1,362
Equipment	483,119	150,387	5,056	628,450
Utility systems	19,321,446	12,612	67,327	19,266,731
Intangible assets	324,784	-	23,092	301,692
Total capital assets, being depreciated	20,130,711	162,999	95,475	20,198,235
Less accumulated depreciation for:				
Computer equipment	(1,362)		-	(1,362)
Equipment	(139,899)	(76,170)	(3,551)	(212,518)
Utility systems	(2,553,106)	(718,261)	(17,492)	(3,253,875)
Intangible assets	(28,247)	(10,748)	(2,838)	(36,157)
Total accumulated depreciation	(2,722,614)	(805,179)	(23,881)	(3,503,912)
Total capital assets, being depreciated	17,408,097	(642,180)	71,594	16,694,323
Total capital assets, net	\$ 18,025,801	\$ 6,293,889	\$ 71,594	\$ 24,248,096

NOTE 6 – LONG-TERM DEBT OBLIGATIONS

Riverbend has pledged future water, wastewater and industrial wastewater customer revenues, net of specific operating expenses to repay \$11,610,000 in water and wastewater system revenue bonds issued in 2016 and has entered into water supply contracts with participating members committing to repay \$18,000,000 in water and wastewater revenue bonds issued in 2020. Proceeds from the 2016 bonds provided financing for the water and wastewater facility acquisition and improvements. The 2016 bonds are payable solely from customer net revenues. The Series 2016 A

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

bonds are callable in whole or in part inversely on any date at par. The Series 2016 B bonds are callable in whole or in part inversely at any date at par. The 2020 bonds are payable from member and customer net revenues. The Series 2020 A bonds are callable in whole or in part inversely beginning October 15, 2030 at par plus accrued interest. The Series 2020 B bonds are callable in whole or in part inversely beginning October 15, 2030 at par plus accrued interest. The total principal and interest remaining to be paid on the bonds is \$35,949,083. Riverbend made \$740,000 of principal payment and \$473,419 of interest payments during the fiscal year ended September 30, 2021. Riverbend incurred \$573,021 of interest expense during the year ended September 30, 2021.

Long-term debt at September 30, 2021 is comprised of the following:

	<i><u>Rate of Interest</u></i>	<i><u>Original Issue</u></i>	<i><u>Outstanding September 30, 2021</u></i>
Riverbend Water Resources District			
Water and Wastewater System Revenue Bonds			
Taxable Series 2016A -- Due serially in varying amounts from October 2017 through October 2045	0.8-4.56%	\$ 4,925,000	\$ 4,315,000
Riverbend Water Resources District			
Water and Wastewater System Revenue Bonds			
Taxable Series 2016B -- Due serially in varying amounts from October 2017 through October 2030	4.24%	6,685,000	4,280,000
Riverbend Water Resources District			
Water and Wastewater System Contract Revenue Bonds			
Bonds Taxable Series 2020A -- Due serially in varying amounts from April 2021 through October 2051	0.0-2.25%	10,800,000	10,800,000
Riverbend Water Resources District			
Water and Wastewater System Contract Revenue Bonds			
Tax-Exempt Series 2020B -- Due serially in varying amounts from April 2021 through October 2051	0.0-1.57%	<u>7,200,000</u>	<u>7,200,000</u>
Total bonded indebtedness		<u>\$ 29,610,000</u>	26,595,000
Less current maturities			<u>(775,000)</u>
Total long-term debt			<u>\$ 25,820,000</u>

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

Annual requirements to amortize Riverbend's revenue bonds outstanding at September 30, 2021 including interest payments are as follows:

<i>Requirements</i>	<i>Water and Wastewater System Revenue Bonds</i>		
<i>Year Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>September 30</i>			
2022	775,000	593,296	1,368,296
2023	1,335,000	561,290	1,896,290
2024	930,000	536,898	1,466,898
2025	950,000	520,449	1,470,449
2026	965,000	579,226	1,544,226
2027-2031	5,270,000	2,611,894	7,881,894
2032-2036	3,565,000	1,682,920	5,247,920
2037-2041	3,970,000	1,271,854	5,241,854
2042-2046	4,500,000	733,363	5,233,363
2047-2051	3,575,000	255,329	3,830,329
2052	760,000	7,564	767,564
	<u>\$ 26,595,000</u>	<u>\$ 9,354,083</u>	<u>\$ 35,949,083</u>

The following is a summary of the changes in long-term obligations for the year ended September 30, 2021.

	<i>Beginning</i>			<i>Ending</i>	
	<i>Balance</i>			<i>Balance</i>	<i>Due Within</i>
	<i>October 1,</i>	<i>Additions</i>	<i>Retirements</i>	<i>September 30,</i>	<i>One Year</i>
	<i>2020</i>			<i>2021</i>	
Revenue bonds	\$ 9,335,000	\$ 18,000,000	\$ (740,000)	\$ 26,595,000	\$ 775,000
Accrued compensated absences	59,818	60,814	(46,237)	74,395	19,186
Total	<u>\$ 9,394,818</u>	<u>\$ 18,060,814</u>	<u>\$ (786,237)</u>	<u>\$ 26,669,395</u>	<u>\$ 794,186</u>

NOTE 7 – RETIREMENT PLAN

Riverbend sponsors a defined contribution plan, Riverbend Water Resources District 457 Plan, for those employees that elect to participate. The plan is a Government Plan as defined in Internal Revenue Code Section 457(b) and is administered through InWest Retirement Solutions. All employees of Riverbend are eligible to elect participation in the plan. Employees may contribute, by salary reduction, a percentage as specified in the Internal Revenue Code. Employee contributions are immediately vested. Riverbend matches the employee contributions on a discretionary basis. Eligible employees may only participate in the matching program after the first 6 months of service. The current policy matches up to 12.5% of employee contributions based on the following rates: 2 for 1 up to the first 4% of contributions; 1 for 1 of 5-7% of contributions; 0.5 to 1 of 8-10% of contributions. Employer and employee contributions to the plan for the year ended September 30, 2021 totaled \$122,432 and \$90,745, respectively.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

At the September 30, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>16</u>
Total	<u>19</u>

NOTE 8 – RISK MANAGEMENT

Riverbend is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and other claims of various natures. Riverbend participates in the Texas Water Conservation Association Risk Management Fund (Fund) to ensure the appropriate insurance has been acquired for the fund year in relation to Riverbend operations and assets in the event of a loss. Riverbend has workers compensation coverage, general liability, errors and omissions liability, and automobile insurance through the Fund. Riverbend maintains coverage of \$1,000,000 per claim and \$9,000,000 additional per claim and annual aggregate in excess of \$1,000,000 for general liability, errors and omissions, and automobile insurance coverage. Riverbend has a deductible of \$1,000 under the policies. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

During the fiscal year ended September 30, 2021, a payable of \$352 was recorded by the Regional Water System Administration Fund to the Wet Utilities Fund with an offsetting receivable recorded by the Wet Utilities Fund to reclassify expenses between funds. A payable of \$3,009 was recorded by the Regional Water System Facilities Fund to the Regional Water System Administration Fund with an offsetting receivable recorded by the Regional Water System Administration Fund to reclassify expenses between funds. These interfund balances will be repaid currently. During the fiscal year ended September 30, 2021, the Wet Utilities Fund transferred \$230,000 to the Regional Water System Administration Fund. Transfers totaling \$230,000 will be used for professional service expenses related to future and ongoing water, wastewater and industrial wastewater projects.

NOTE 10 – ACQUISITION OF WET UTILITIES OPERATIONS

On May 26, 2015 Riverbend and TexAmericas Center entered into an Agreement for Purchase and Sale of Assets and Assignment and Assumption of Contract Rights, providing for the sale of the water, wastewater and industrial wastewater systems that were owned and operated by TexAmericas Center. On April 25, 2016 the Riverbend Water Resources District Board of Directors issued Resolution No. 20160425-02 to close the sale of the water, wastewater, and industrial wastewater systems from TexAmericas Center. The closing date of the transfer was April 28, 2016 and the effective date of the transfer of the wet utility systems, its operations and its employees was May 1, 2016. Riverbend paid \$10,000 for the purchase of the wet utility operations from TexAmericas Center.

The water, wastewater and industrial wastewater operations were acquired as a transfer of operations from TexAmericas Center totaling \$8,318,334. Riverbend received capital assets with a net book value of \$11,026,495 from TexAmericas Center as part of the transfer of the wet utility operations.

Riverbend issued \$4,925,000 Revenue Bonds Taxable Series 2016A and \$6,685,000 Revenue Bonds Taxable Series 2016B which were utilized in part to redeem the TexAmericas Center bonds. As part of the agreement, TexAmericas Center funded a promissory note for \$900,000.

TexAmericas Center retained seven-twelfths (7/12) of the profits from the operation of the wet utility system budgeted by TexAmericas Center for FY 2015-2016. The remainder of the profits, or \$347,520, was transferred to Riverbend in September 2016 and reported as part of the transfer of operations.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

NOTE 11 – WATER SUPPLY AND WASTEWATER TREATMENT CONTRACT WITH RED RIVER ARMY DEPOT

Volumetric Charges and Operating Revenues

Volumetric charges for the water, wastewater and industrial wastewater systems are equal to the annual budgeted amount for operations and maintenance plus an 8% margin/fee multiplied by the Army's actual percentage of overall usage from the prior fiscal year. Volumetric water supply charges are the water supply cost multiplied by the actual RRAD usage each month. During the year ending September 30, 2020 the Army's percentage of usage of the water system was 98.40%, wastewater system was 81.59%, and the industrial wastewater system was 100%. These percentages, applied to the budget for the year ended September 30, 2021, set annually with the Army, produce operating revenue for the system.

Facility Charges

Facility Charges 1 and 2 pay bonded indebtedness currently outstanding for capital improvements previously made in the water, wastewater, and industrial wastewater systems. Facility Charge 3 is for improvements to the industrial wastewater system currently in the design and planning stage. RRAD has requested the construction of a new industrial wastewater plant with an estimated cost of \$20-30M (40% contingency). The net proceeds from all Facility Charges collected are separated in restricted accounts on the statement of net position by Riverbend and managed consistent with generally accepted municipal investment practices.

NOTE 12 – MAJOR CUSTOMERS

Riverbend's Wet Utilities Fund has one major customer, Red River Army Depot (RRAD). At September 30, 2021, RRAD owed Riverbend \$812,185, 96.71% of the billed receivables. Riverbend billed RRAD \$4,797,201, 92.47% of the charges for services and facility charges for the year ended September 30, 2021.

Riverbend's Regional Water System Facilities Fund has two customers contributing more than 10% of the fund's \$4,570,950 member revenue. Riverbend billed the City of Texarkana \$2,937,384 (64%) and the City of New Boston \$457,502 (10%) for the year ended September 30, 2021. At September 30, 2021 the City of Texarkana owed Riverbend \$278,332.

Riverbend's Regional Water System Administration Fund has one major customer, the City of Texarkana. At September 30, 2021, the City of Texarkana owed Riverbend \$9,788, 55.33% of the billed receivables. Riverbend billed the City of Texarkana \$117,451, 57.39% of the member fee charges for the year ended September 30, 2021.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

NOTE 13 – LEASE AGREEMENT WITH TEXAMERICAS CENTER

Riverbend has three contracts with TexAmericas Center to rent office space for \$1 for the term of the contract. The buildings rented are building 164 with 4,300 square feet, building 167 with 2,400 square feet and the west wing of building 228A with 3,562 square feet. The initial term began May 1, 2016 and terminates April 1, 2017 with options to extend the term for nine additional one-year periods. Riverbend will pay additional rent equal to the rental square feet times an initial rent of \$2.50 per square foot for building 164, \$1 per square foot for building 164, and \$5 per square foot for building 228A for the first year. The additional rent is earned upon the first day of each term and extended term of the lease and is payable by Riverbend in future credits for water or wastewater services redeemable by TAC or its assignees from Riverbend from the current Wet utility systems, any future additional or expansions and from any future new water treatment plant facilities by Riverbend. In order to redeem any accrued water or wastewater credits, TAC will give Riverbend notice for credits to be redeemed in the following budget year. TAC is not permitted to redeem more than twenty percent of the then-current balance of TAC's accrued water and wastewater credits arising from the additional rent during any ninety-day period. The requests are subject to Riverbend's budgetary ability to meet the request. The amount of future credits accrued by TexAmericas Center for the current year ending September 30, 2021 was \$35,891. The cumulative TAC rental water credits are included in the schedule in Note 15.

NOTE 14 – FRANCHISE FEES

A franchise fee of three percent (3%) of the gross revenues generated from the operation of any utility system owned by Riverbend which is located on any real property owned by TexAmericas Center is due to TexAmericas Center on a monthly basis. The amount of the franchise fee to be paid is based on the amount of billed charges for the preceding month. During the fiscal year ended September 30, 2021, Riverbend paid franchise fees of \$108,710.

NOTE 15 – CONTINGENCIES

Litigation

In the ordinary course of operations, Riverbend is subject to claims from outside parties. After consultation with legal counsel, Riverbend believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Pandemic

Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and in each subsequent month effective through today, he has issued proclamations renewing the disaster declaration for all Texas counties. Other states also have been declared disaster areas as a result of the COVID-19 pandemic. The pandemic will most probably have a profound effect on governmental and private entities. The extent of the effect cannot at this time be estimated or quantified.

RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

Water fees and credits

An item of operating revenue for Riverbend represents fees paid by member organization for future water credits should Riverbend develop a project with the capability of providing potable water. Each one dollar in advances may be exchanged for one dollar in credits that Riverbend will accept for the purchase of water.

The amount of advances paid by each member organization for Riverbend fees, supplemental contributions and rental credits by year is as follows:

<i>Member Organization</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>Prior Years</i>	<i>Total</i>
City of Annona	\$ 315	\$ 374	\$ 407	\$ 350	\$ 689	\$ 734	\$ 1,317	\$ 3,871
City of Atlanta	15,125	14,988	15,165	15,622	21,997	30,583	45,877	144,232
City of Avery	821	782	904	1,054	1,292	2,287	3,723	10,042
Central Bowie Co. WSC	10,512	9,414	-	-	-	-	-	9,414
City of DeKalb	3,481	3,192	3,482	3,218	5,385	7,650	12,671	35,598
City of Hooks	7,530	7,274	7,253	7,238	12,645	13,956	22,311	70,677
City of Leary	985	975	945	807	1,238	1,747	2,939	8,651
City of Maud	2,235	2,059	2,163	1,881	3,160	4,946	7,774	21,983
City of Nash	4,323	4,249	4,319	4,450	6,656	9,242	11,947	40,863
City of New Boston	15,635	15,350	17,756	17,944	26,369	35,367	58,663	171,449
Oak Grove WSC	1,082	96	-	-	-	-	-	96
City of Redwater	5,771	5,661	5,449	6,224	8,818	10,387	13,116	49,655
City of Texarkana, TX	117,451	97,893	122,404	120,039	196,878	276,759	381,428	1,195,401
City of Wake Village	7,472	7,024	7,470	7,297	12,726	17,012	27,162	78,691
TexAmericas Center	-	-	-	-	-	20,444	39,854	60,298
TexAmericas Center Rental Credit	35,891	34,845	33,830	32,845	31,889	30,960	-	164,369
Wet Utilities Fund	11,897	11,511	9,891	11,960	24,260	3,369	-	60,991
Total	<u>\$ 240,526</u>	<u>\$ 215,687</u>	<u>\$ 231,438</u>	<u>\$ 230,929</u>	<u>\$ 354,002</u>	<u>\$ 465,443</u>	<u>\$ 628,782</u>	<u>\$ 2,126,281</u>

NOTE 16 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Riverbend has begun planning and designing for the construction of a new regional water treatment facility. Participating member water supply contracts support the payment of the \$200M multi-year bond issuance package. Riverbend and the City of Texarkana, Texas have submitted a water rights application to the Texas Commission on Environmental Quality (TCEQ) seeking to secure the future water needs of the region.

The Elevated Water Tank and Drying Bed Rehab projects were completed in December, 2021 with additional costs of \$292,116 and \$109,623 respectively. Riverbend is also working with RRAD to build a new industrial wastewater treatment facility. Updated cost estimates anticipate the cost to be \$30,273,800 with a 40% contingency. A revised site location could result in a cost savings of \$5M.

NOTE 17 – SUBSEQUENT EVENTS

In preparing these financial statements, management of Riverbend has evaluated events and transactions for potential recognition or disclosure through January 19, 2022, the date the financial statements were available to be issued.

Supplementary Information
Budgetary Comparison Schedules

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE REGIONAL WATER SYSTEM ADMINISTRATION FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget</i>
OPERATING REVENUES				
Charges for services	\$ 203,928	\$ 203,928	\$ 204,635	\$ 707
Total operating revenues	203,928	203,928	204,635	707
OPERATING EXPENSES				
Accounting and audit	4,500	4,500	4,500	-
Community relations	8,000	8,000	5,003	(2,997)
Conferences and seminars	4,700	4,700	2,840	(1,860)
Consulting	200,000	200,000	180,596	(19,404)
Dues and memberships	7,735	8,735	8,357	(378)
Engineering services	150,000	130,000	20,697	(109,303)
Legal and professional fees	27,500	27,500	12,665	(14,835)
Meetings expense	6,000	6,000	4,279	(1,721)
Military affairs	11,000	11,000	11,000	-
Miscellaneous	1,400	1,400	-	(1,400)
Office supplies and expense	3,300	2,300	1,136	(1,164)
Salaries, wages, payroll taxes and benefits	157,922	157,922	154,662	(3,260)
Subscriptions	400	400	309	(91)
Travel and training	18,000	18,000	5,001	(12,999)
Web design and maintenance	4,000	4,000	2,667	(1,333)
Total operating expenses before depreciation	604,457	584,457	413,712	(170,745)
Depreciation	-	-	-	-
Total operating expenses	604,457	584,457	413,712	(170,745)
Operating Income (loss) before special projects expense and transfers	(400,529)	(380,529)	(209,077)	171,452
Non-operating revenues (expenses)				
Interest revenue	-	-	2	2
Special projects expense	(100,000)	(50,000)	(6,858)	43,142
Use of prior year equity	200,529	200,529	-	(200,529)
Transfer in	300,000	230,000	230,000	-
Changes in net position	-	-	14,067	14,067
Net position, beginning of year	185,239	185,239	185,239	-
Net position, end of year	\$ 185,239	\$ 185,239	\$ 199,306	\$ 14,067

Note: GAAP serves as the basis of budgeting.

RIVERBEND WATER RESOURCES DISTRICT**SUPPLEMENTARY INFORMATION****BUDGETARY COMPARISON SCHEDULE****WET UTILITIES FUND****FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget</i>
OPERATING REVENUES				
Charges for services	\$ 3,617,400	\$ 3,673,640	\$ 3,624,071	\$ (49,569)
Total operating revenues	<u>3,617,400</u>	<u>3,673,640</u>	<u>3,624,071</u>	<u>(49,569)</u>
OPERATING EXPENSES				
Analytical	150,000	150,000	101,755	48,245
Capital Replacement	414,000	-	-	-
Consulting	60,000	60,000	23,941	36,059
Equipment maintenance, repair and fuel	53,356	47,756	27,889	19,867
Insurance	45,263	46,891	46,891	-
Materials	233,000	233,000	185,047	47,953
Miscellaneous	12,000	-	-	-
Permits	55,000	55,000	34,279	20,721
Repairs	207,000	206,000	177,927	28,073
Salaries, wages, payroll taxes and benefits	1,077,111	1,015,082	890,213	124,869
Supplies	51,700	52,150	25,365	26,785
Utilities	188,000	188,000	145,291	42,709
Waste disposal	70,000	70,000	37,158	32,842
Water purchase cost	307,663	307,663	180,852	126,811
Overhead allocation - water	214,012	199,955	164,434	35,521
Overhead allocation - wastewater	232,464	217,196	178,613	38,583
Overhead allocation - industrial wastewater	234,439	219,042	180,129	38,913
Total operating expenses before depreciation	<u>3,605,008</u>	<u>3,067,735</u>	<u>2,399,784</u>	<u>667,951</u>
Operating income (loss) before depreciation	12,392	605,905	1,224,287	618,382
Depreciation	799,500	799,500	805,179	(5,679)
Operating income (loss)	<u>(787,108)</u>	<u>(193,595)</u>	<u>419,108</u>	<u>612,703</u>
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenues	1,485,628	1,513,088	1,502,606	(10,482)
Interest revenue	52,000	14,000	12,650	(1,350)
Other revenue	235,651	46,229	17,147	(29,082)
Gain (loss) on disposal of asset	-	(71,000)	(62,676)	8,324
Interest expense	(585,182)	(405,449)	(362,717)	42,732
Franchise fees expense	(108,504)	(108,504)	(108,710)	(206)
Total nonoperating revenues (expenses)	<u>1,079,593</u>	<u>988,364</u>	<u>998,300</u>	<u>9,936</u>
Income (loss) before capital contributions and transfers	292,485	794,769	1,417,408	622,639
Transfers in (out)	<u>(300,000)</u>	<u>(230,000)</u>	<u>(230,000)</u>	<u>-</u>
Changes in net position	<u>(7,515)</u>	<u>564,769</u>	<u>1,187,408</u>	<u>622,639</u>
Net position, beginning of year	<u>13,520,497</u>	<u>13,520,497</u>	<u>13,520,497</u>	<u>-</u>
Net position, end of year	<u>\$ 13,512,982</u>	<u>\$ 14,085,266</u>	<u>\$ 14,707,905</u>	<u>\$ 622,639</u>

Note: GAAP serves as the basis of budgeting.

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE REGIONAL WATER SYSTEM FACILITIES FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget</i>
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
OPERATING EXPENSES				
Expenses	-	-	-	-
Total operating expenses	-	-	-	-
Operating income (loss)	-	-	-	-
NONOPERATING REVENUES (EXPENSES)				
Minimum monthly payments	4,389,715	4,389,715	4,570,950	181,235
Interest income	-	21,000	23,851	2,851
Bond interest expense	(24,705)	(210,304)	(210,304)	-
Bond issuance costs	(650,000)	(634,884)	(628,526)	6,358
Total nonoperating revenues (expenses)	3,715,010	3,565,527	3,755,971	190,444
Change in net position	3,715,010	3,565,527	3,755,971	190,444
Net position, beginning of year	\$ 465,323	\$ 465,323	465,323	-
Net position, end of year	<u>\$ 4,180,333</u>	<u>\$ 4,030,850</u>	<u>\$ 4,221,294</u>	<u>\$ 190,444</u>

Supplementary Information
Required by Texas Commission on Environmental Quality

**SUPPLEMENTARY INFORMATION
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

1. Services Provided by the District during the Fiscal Year:

- | | | |
|---|---|-------------------------------------|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail/Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input checked="" type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
- ☒ Participates in joint ventures, regional system, and/or wastewater service (other than emergency interconnect)
- ☐ Other (specify): _____

2. Retail Service Providers

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum Use	Usage Levels
WATER:	\$_____	___SEE___	_____	\$_____.____	___ to ___
WASTEWATER:	\$_____	ATTACHED	_____	\$_____.____	___ to ___
SURCHARGE:	\$_____	SCHEDULE	_____	\$_____.____	___ to ___

District employs winter averaging for wastewater usage? Yes ☐ No ☒

Total charges per 10,000 gallons usage: Commercial Water: \$97.50 Wastewater: \$102.50
Residential Water: \$62.50 Wastewater: \$97.50

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	0	0	x 1.0	_____
≤ 3/4"	20	14	x 1.0	_____
1"	33	27	x 2.5	_____
1 1/2"	7	5	x 5.0	_____
2"	15	12	x 8.0	_____
3"	14	9	x 15.0	_____
4"	4	4	x 25.0	_____
6"	3	3	x 50.0	_____
8"	3	3	x 80.0	_____
12"	2	1	x 115.0	_____
Total Water	99	76	_____	_____
Total Wastewater	72	58	x 1.0	_____

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION SCHEDULE OF SERVICES AND RATES (CONTINUED) FOR THE YEAR ENDED SEPTEMBER 30, 2021

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallon pumped into system:	297,454,830	Water Accountability Ratio: (Gallons billed/Gallon pumped)
Gallons billed to customers:	297,454,830	_____ 100% _____

4. Location of District:

County(ies) in which District is located: Bowie, Cass, Red River

Is the District entirely within one county? Yes ☐ No ☒

Is the District located within a city? Entirely ☐ Partly ☐ Not at all ☒

City(ies) in which the District is located? _____

Is the District located within a city's extra territorial jurisdiction (ETJ)?
Entirely ☐ Partly ☒ Not at all ☐

ETJs in which the District is located: See above

Are board members appointed by an office outside the district: Yes ☐ No ☒

If Yes, by whom? _____

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION SCHEDULE OF SERVICES AND RATES (CONTINUED) FOR THE YEAR ENDED SEPTEMBER 30, 2021

WATER/SEWER RATES SCHEDULE

	<i>Commercial sewer only</i>	<i>Commercial water/sewer</i>	<i>Private water/sewer</i>	<i>Private 1" sprinkler</i>	<i>Commercial hydrant / sprinkler</i>
Standard water rate (\$/1,000)	\$ -	\$ 6.50	\$ 3.50	\$ 3.50	\$ -
Standard sewer rate (\$/1,000)	7.00	7.00	7.00	-	-
Facility charge					
Water	-	3.25	2.75	2.50	-
Sewer	3.25	3.25	2.75	-	-
Total charge (\$/1,000)	10.25	20.00	16.00	6.00	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					
New Connections	85.00				

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION SCHEDULE OF ENTERPRISE FUND EXPENSES FOR THE YEAR ENDED SEPTEMBER ENDED SEPTEMBER 30, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
Personnel Expenses (including benefits)*	\$ 154,662	\$ -	\$ 1,304,687	\$ 1,459,349
Professional Fees:				
Auditing and financial consulting	4,500	-	17,475	21,975
Legal	12,665	-	-	12,665
Engineering services	20,697	-	-	20,697
Consulting	180,596	-	23,941	204,537
Purchased Services for Resale:				
Water purchase cost	-	-	180,852	180,852
Utilities	-	-	145,291	145,291
Repairs and Maintenance:				
Analytical	-	-	101,755	101,755
Repairs and maintenance - equipment	-	-	28,968	28,968
Repairs and maintenance - utility system	-	-	177,927	177,927
Supplies and materials	-	-	210,412	210,412
Insurance	-	-	46,891	46,891
Waste disposal	-	-	37,158	37,158
Administrative Expenses:				
Office supplies and expenses	1,136	-	5,774	6,910
Utilities	-	-	18,044	18,044
Insurance	-	-	200	200
Other administrative expenses	39,456	-	100,409	139,865
Other Expenses:				
Depreciation	-	-	805,179	805,179
Franchise fees	-	-	108,710	108,710
Gain (loss) on disposal of asset	-	-	62,676	62,676
Special projects expense	6,858	-	-	6,858
Bond issuance costs	-	628,526	-	628,526
Interest expense	-	210,304	362,717	573,021
TOTAL EXPENSES	\$ 420,570	\$ 838,830	\$ 3,739,066	\$ 4,998,466

* Number of persons employed by the District: 16 Full-Time 0 Part-Time

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION SCHEDULE OF TEMPORARY INVESTMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>Funds</i>	<i>Identification Number</i>	<i>Maturity Date</i>	<i>Balance at End of Year</i>	<i>Accrued Int Rec End of Year</i>
Administrative Fund				
Operations	50003704	Daily checking	\$ 182,012	\$ -
Restricted - Region D Planning	8009740	Money Market	41,128	\$ -
Operations	457060	Daily savings	25	-
Wet Utilities Fund				
Operations	21695	Daily checking	1,288,874	-
Restricted bond sinking	21709	Daily checking	1,961,148	-
Restricted bond reserves	21217	Daily checking	607,146	-
Restricted construction funds	21741	Daily checking	312,423	-
Restricted operations	21733	Money Market	900,745	-
Regional Water System Facilities Fund				
Restricted - Minimum Monthly Payments	3011380	Daily Savings	455,024	-
Restricted - 2020A Construction	2037890	Money Market	1,181	-
Restricted - 2020A Revenue	8009732	Money Market	2,359,308	-
Restricted - 2020B Revenue	8009716	Money Market	1,628,721	-
Restricted - 2020A Interest & Redemption	8009813	Money Market	172,742	-
Restricted - 2020B Interest & Redemption	8009724	Money Market	75,137	-
Restricted - 2020A Construction Escrow	82-4416-01-0	Bot Short-Term Cash Fund	6,068,794	
Restricted - 2020B Construction Escrow	82-4405-01-3	Bot Short-Term Cash Fund	6,934,515	
Total - All Funds			<u>\$ 22,988,923</u>	<u>\$ -</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

SERIES 2016A - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>Due During Fiscal Year Ending</i>	<i>Series 2016A</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	105,000	179,418	284,418
2023	110,000	176,562	286,562
2024	115,000	173,370	288,370
2025	115,000	169,914	284,914
2026	120,000	166,235	286,235
2027	125,000	162,215	287,215
2028	130,000	157,743	287,743
2029	130,000	152,848	282,848
2030	140,000	147,597	287,597
2031	145,000	142,053	287,053
2032	150,000	135,926	285,926
2033	155,000	129,200	284,200
2034	160,000	122,255	282,255
2035	170,000	114,978	284,978
2036	175,000	107,370	282,370
2037	185,000	99,294	284,294
2038	195,000	90,630	285,630
2039	200,000	81,624	281,624
2040	210,000	72,276	282,276
2041	220,000	62,472	282,472
2042	230,000	52,212	282,212
2043	240,000	41,496	281,496
2044	250,000	30,324	280,324
2045	265,000	18,582	283,582
2046	275,000	6,270	281,270
	<u>\$ 4,315,000</u>	<u>\$ 2,792,864</u>	<u>\$ 7,107,864</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

SERIES 2016B - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>Due During Fiscal Year Ending</i>	<i>Series 2016B</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	670,000	167,268	837,268
2023	705,000	138,118	843,118
2024	295,000	116,918	411,918
2025	315,000	103,986	418,986
2026	325,000	166,854	491,854
2027	300,000	218,400	518,400
2028	340,000	180,000	520,000
2029	390,000	136,200	526,200
2030	440,000	86,400	526,400
2031	500,000	30,000	530,000
	<u>\$ 4,280,000</u>	<u>\$ 1,344,144</u>	<u>\$ 5,624,144</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2020A - BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>Due During Fiscal Year Ending</i>	<i>Series 2020A</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2021	\$ -	\$ -	\$ -
2022	-	171,858	171,858
2023	305,000	171,858	476,858
2024	305,000	171,858	476,858
2025	305,000	171,797	476,797
2026	305,000	171,385	476,385
2027	305,000	170,409	475,409
2028	305,000	168,914	473,914
2029	310,000	166,883	476,883
2030	310,000	164,294	474,294
2031	315,000	161,230	476,230
2032	320,000	157,736	477,736
2033	320,000	153,832	473,832
2034	325,000	149,542	474,542
2035	330,000	144,857	474,857
2036	335,000	139,735	474,735
2037	340,000	134,165	474,165
2038	345,000	128,101	473,101
2039	355,000	121,430	476,430
2040	360,000	114,190	474,190
2041	370,000	106,468	476,468
2042	375,000	98,441	473,441
2043	385,000	90,213	475,213
2044	395,000	81,731	476,731
2045	400,000	73,045	473,045
2046	410,000	64,155	474,155
2047	420,000	55,004	475,004
2048	430,000	45,590	475,590
2049	440,000	35,911	475,911
2050	450,000	25,965	475,965
2051	460,000	15,750	475,750
2052	470,000	5,288	475,288
	<u>\$ 10,800,000</u>	<u>\$ 3,631,630</u>	<u>\$ 14,431,630</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

SERIES 2020B - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>Due During Fiscal Year Ending</i>	<i>Series 2020B</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2021	\$ -	\$ -	\$ -
2022	-	74,753	74,753
2023	215,000	74,753	289,753
2024	215,000	74,753	289,753
2025	215,000	74,753	289,753
2026	215,000	74,753	289,753
2027	215,000	74,677	289,677
2028	215,000	74,333	289,333
2029	215,000	73,656	288,656
2030	220,000	72,676	292,676
2031	220,000	71,367	291,367
2032	220,000	69,761	289,761
2033	225,000	67,868	292,868
2034	225,000	65,708	290,708
2035	225,000	63,345	288,345
2036	230,000	60,808	290,808
2037	230,000	58,129	288,129
2038	235,000	55,327	290,327
2039	240,000	52,381	292,381
2040	240,000	49,297	289,297
2041	245,000	46,071	291,071
2042	250,000	42,680	292,680
2043	250,000	39,155	289,155
2044	255,000	35,506	290,506
2045	260,000	31,721	291,721
2046	260,000	27,834	287,834
2047	265,000	23,843	288,843
2048	270,000	19,737	289,737
2049	275,000	15,527	290,527
2050	280,000	11,212	291,212
2051	285,000	6,790	291,790
2052	290,000	2,277	292,277
	<u>\$ 7,200,000</u>	<u>\$ 1,585,445</u>	<u>\$ 8,785,445</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

ALL BONDED DEBT SERIES - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

<i>Due During Fiscal Year Ending</i>	<i>Combined</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	775,000	593,296	1,368,296
2023	1,335,000	561,290	1,896,290
2024	930,000	536,898	1,466,898
2025	950,000	520,449	1,470,449
2026	965,000	579,226	1,544,226
2027	945,000	625,701	1,570,701
2028	990,000	580,991	1,570,991
2029	1,045,000	529,587	1,574,587
2030	1,110,000	470,967	1,580,967
2031	1,180,000	404,650	1,584,650
2032	690,000	363,423	1,053,423
2033	700,000	350,900	1,050,900
2034	710,000	337,504	1,047,504
2035	725,000	323,180	1,048,180
2036	740,000	307,913	1,047,913
2037	755,000	291,588	1,046,588
2038	775,000	274,058	1,049,058
2039	795,000	255,435	1,050,435
2040	810,000	235,763	1,045,763
2041	835,000	215,011	1,050,011
2042	855,000	193,333	1,048,333
2043	875,000	170,864	1,045,864
2044	900,000	147,561	1,047,561
2045	925,000	123,348	1,048,348
2046	945,000	98,259	1,043,259
2047	685,000	78,847	763,847
2048	700,000	65,327	765,327
2049	715,000	51,438	766,438
2050	730,000	37,177	767,177
2051	745,000	22,540	767,540
2052	760,000	7,564	767,564
	<u>\$ 26,595,000</u>	<u>\$ 9,354,083</u>	<u>\$ 35,949,083</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN LONG-TERM BONDED DEBT FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<i>Bond Issues</i>				<i>Total</i>
	<i>Series 2016A</i>	<i>Series 2016B</i>	<i>Series 2020A</i>	<i>Series 2020B</i>	
Interest rate	0.8-4.56%	4.24%	0.0-2.25%	0.0-1.57%	
Dates interest payable	4/15; 10/15	4/15; 10/15	4/15; 10/15	4/15; 10/15	
Maturity dates	10/15/2045	10/15/2030	10/15/2051	10/15/2051	
Beginning bonds outstanding	\$ 4,420,000	\$ 4,915,000	\$ -	\$ -	\$ 9,335,000
Bonds sold during the fiscal year	-	-	10,800,000	7,200,000	18,000,000
Bonds retires during the fiscal year	(105,000)	(635,000)	-	-	(740,000)
Ending Bonds Outstanding	<u>\$4,315,000</u>	<u>\$4,280,000</u>	<u>\$10,800,000</u>	<u>\$7,200,000</u>	<u>\$26,595,000</u>
Interest paid during the fiscal year	\$181,959	\$194,186	\$67,788	\$29,486	\$473,419
Paying agent's name and city					
Series 2016A	BOK Financial	Tulsa, OK			
Series 2016B	Regions Bank	Birmingham, AL			
Series 2020A	BOK Financial	Tulsa, OK			
Series 2020B	BOK Financial	Tulsa, OK			
Bond authority:	<u>Revenue Bonds</u>				
Amount authorized	\$29,610,000				
Amount issued	\$29,610,000				
Remaining to be issued	-				
Debt Service restricted cash balances as of September 30, 2021:					\$7,259,226
Cash restricted for construction as of September 30, 2021:					\$313,604
Unspent bond funds for planning & acquisition as of September 30, 2021:					\$13,003,309
Average annual debt service payment (principal and interest) for remaining term of all debt:					\$1,159,648

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION

COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - FIVE YEARS ENDED

Last Five Years

	Amounts				
	(Audited) 2021	(Audited) 2020	(Audited) 2019	(Audited) 2018 Restated	(Audited) 2017
OPERATING REVENUES					
Charges for services	\$ 3,828,706	\$ 3,559,419	\$ 3,509,452	\$ 3,349,857	\$ 3,052,742
Supplemental member contributions	-	-	-	-	120,000
Other revenues	-	4,703	79,369	29,250	53,024
Total operating revenues	\$ 3,828,706	\$ 3,564,122	\$ 3,588,821	3,379,107	3,225,766
OPERATING EXPENSES					
Accounting & audit	21,975	21,435	25,042	37,557	36,963
Analytics	101,755	109,811	91,156	82,511	101,904
Community relations	5,003	2,285	5,936	5,040	4,268
Conferences & seminars	2,840	2,783	5,724	3,595	2,291
Consulting	204,537	248,426	212,129	163,913	196,228
Dues and memberships	8,357	7,615	7,694	2,089	1,818
Engineering services	20,697	55,977	78,924	18,475	58,193
Insurance	47,091	29,643	15,239	24,268	27,298
Legal and professional fees	12,665	51,200	41,414	12,580	25,478
Meetings	5,385	3,991	5,570	4,621	3,636
Miscellaneous	4,606	(348)	8,692	5,120	1,791
Office supplies & expense	12,136	5,608	2,854	50,628	12,959
Office administrative expenses	58,471	36,329	41,949	22,270	-
Permits	34,279	33,335	32,048	24,268	36,680
Repairs & maintenance - equipment	28,968	51,442	29,454	33,339	15,308
Repairs & maintenance	185,927	208,520	218,527	207,187	175,738
Salaries, wages, payroll taxes & benefits	1,459,349	1,611,504	1,474,270	1,242,362	1,062,691
Supplies & materials	210,412	247,328	285,627	212,358	179,122
Travel & training	5,031	5,518	18,018	6,677	13,373
Utilities	163,335	164,986	156,731	126,604	122,260
Waste disposal	37,158	50,363	45,034	55,388	36,545
Water purchase cost	180,852	241,757	318,684	357,728	280,382
Web design and maintenance	2,667	2,258	3,655	2,335	4,621
Depreciation	805,179	763,072	684,859	585,935	490,799
Total operating expense	3,618,675	3,954,838	3,809,230	3,286,848	2,890,346
Operating income (loss)	210,031	(390,716)	(220,409)	92,259	335,420
NONOPERATING REVENUES (EXPENSES)					
Facility charges	1,502,606	1,192,433	1,320,980	1,148,078	1,143,681
Minimum monthly payments	4,570,950	465,323	-	-	-
Interest income	36,503	31,413	51,417	37,349	42,018
Other income	17,147	161,532	229,103	131,580	33,397
Gain (loss) on disposal of asset	(62,676)	-	-	-	-
Interest expense	(573,021)	(392,130)	(419,763)	(445,946)	(486,992)
Franchise fees expense	(108,710)	(101,350)	(99,059)	(91,963)	(84,424)
Special projects expense	(6,858)	(42,960)	(268,455)	(174,712)	(8,870)
Bond issuance costs	(628,526)	-	-	-	-
Total nonoperating revenues (expenses)	4,747,415	1,314,261	814,223	604,386	638,810
Income (loss) before capital contributions	4,957,446	923,545	593,814	696,645	974,230
Capital contributions	-	983,153	393,327	818,535	157,705
Change in net position	\$ 4,957,446	\$ 1,906,698	\$ 987,141	\$ 1,515,180	\$ 1,131,935

Percent of Fund Total Revenues				
(Audited) 2021	(Audited) 2020	(Audited) 2019	(Audited) 2018 Restated	(Audited) 2017
100.00%	99.9%	97.8%	99.1%	94.6%
-	-	-	-	3.8
-	0.1	2.2	0.9	1.6
100.0	100.0	100.0	100.0	100.0
0.6	0.6	0.7	1.1	1.1
2.7	3.1	2.5	2.4	3.2
0.1	0.1	0.2	0.1	0.1
0.1	0.1	0.2	0.1	0.1
5.3	7.0	5.9	4.9	6.1
0.2	0.2	0.2	0.1	0.1
0.5	1.6	2.2	0.5	1.8
1.2	0.8	0.4	0.7	0.8
0.3	1.4	1.2	0.4	0.8
0.1	0.1	0.2	0.1	0.1
0.1	(0.0)	0.2	0.2	0.1
0.3	0.2	0.1	1.5	0.4
1.5	1.0	1.2	0.7	-
0.9	0.9	0.9	0.7	1.1
0.8	1.4	0.8	1.0	0.5
4.9	5.9	6.1	6.1	5.4
38.1	45.2	41.1	36.8	32.9
5.5	6.9	8.0	6.3	5.6
0.1	0.2	0.5	0.2	0.4
4.3	4.6	4.4	3.7	3.8
1.0	1.4	1.3	1.6	1.1
4.7	6.8	8.9	10.6	8.7
0.1	0.1	0.1	0.1	0.1
21.0	21.4	19.1	17.3	15.2
94.5	111.0	106.1	97.3	89.6
5.5	(11.0)	(6.1)	2.7	10.4
39.2	33.5	36.8	34.0	35.5
119.4	13.1	-	-	-
1.0	0.9	1.4	1.1	1.3
0.4	4.5	6.4	3.9	1.0
(1.6)	-	-	-	-
(15.0)	(11.0)	(11.7)	(13.2)	(15.1)
(2.8)	(2.8)	(2.8)	(2.7)	(2.6)
(0.2)	(1.2)	(7.5)	(5.2)	(0.3)
(16.4)	-	-	-	-
124.0	36.9	22.7	17.9	19.8
129.5	25.9	16.5	21.6	30.2
-	27.6	11.0	25.4	4.9
129.5%	53.5%	27.5%	44.8%	35.1%

SUPPLEMENTARY INFORMATION
LIST OF BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Complete district mailing address: 228 Texas Ave, Ste A, New Boston, Texas 75570

District business telephone number: (903) 831-0091

Submission date of the most recent district registration form (TWC Sections 36.054 and 49.054): 1/22/2020

Limit on fees of office that a director may receive during a fiscal year: \$0

	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* (FYE 09/30/2021)	Expense Reimbursements (FYE 9/30/2021)	Title at Year End
<u>Names:</u>				
Board Members:				
Sonja Yates Hubbard	(Appointed) 01/2019-12/2022	\$0	\$700 **	President
Tina Veal-Gooch	(Appointed) 01/2019-12/2022	\$0	\$0	Vice President
Marshall Wood	(Appointed) 01/2019-12/2022	\$0	\$0 **	Secretary
Van Alexander	(Appointed) 04/2019-12/2022	\$0	\$0 **	Treasurer
Fred Milton	(Appointed) 01/2019-12/2022	\$0	\$693 **	Past President
Key Administrative Personnel:				
Kyle Dooley	4/29/2019	\$213,361 ***	\$0 **	Executive Director
Consultants:				
CobbFendley	8/20/2020	\$110,837		Engineer
Cross Oak Group	3/1/2013	\$60,000		Consultant
Fancher Legal, PLLC	10/15/2020	\$49,202		Attorney
Garver	9/28/2021	\$5,370		Engineer
Hance Scarborough, LLP ⁽¹⁾	8/1/2015	\$80,596		Consultant
Hayter Engineering, Inc.	12/10/2019	\$271		Engineer
Hilltop Securities	10/15/2020	\$142,992		Financial Advisor
KSA Engineering, Inc.	11/12/2020	\$24,346		Engineer
LJA Engineering, Inc.	6/28/2019	\$2,233		Engineer
McCall Parkhurst & Horton	10/8/2020	\$138,484		Bond Counsel
Meyers & Associates, LLC	8/1/2015	\$40,000		Consultant
Municipal H2O	3/9/2021	\$18,300		Consultant
NewGen Strategies & Solution	5/17/2017	\$27,333		Consultant

RIVERBEND WATER RESOURCES DISTRICT

LIST OF BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS (Continued)

	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* (FYE 09/30/2021)	Expense Reimbursements (FYE 9/30/2021)	Title at Year End
Pape-Dawson Engineers, Inc.	4/7/2021	1,458,218	663,121	Engineer
CDM Smith, Inc.		312,736	1,170	
Cox/McLain Environmental Consulting		3,876		
ETTL Engineers & Consultants, Inc.		9,213		
KSA		1,542		
Plus Six Engineering, LLC		3,230		
The Rios Group, Inc.		1,425		
Stokes & Associates, Inc.		323,250		
WEST Consultants, Inc.		1,729		
Ross Molina Oliveros, P.C.	5/27/2021	2,820		Attorney
Smith Weber, LLP	2/1/2014	3,672		Attorney
Susan Roth Consulting, LLC	5/22/2019	23,125		Consultant
The Glass Firm, PLLC	5/7/2021	1,733		Attorney
Wilf & Henderson, P.C.	10/19/2018	21,975		Auditor

* Fees of office are amounts actually paid to a director during the District's fiscal year.

**Travel and mileage reimbursements.

*** Includes monthly car and cell phone allowances.

(1) Formerly known as Meyers & Associates, LLC

Statistical Section

Statistical Section

This part of Riverbend's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Riverbend's overall financial health. Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Financial Trends – Schedule 1 through Schedule 2 - These schedules contain trend information to help the reader understand how Riverbend's financial performance and well-being have changed over time.

Revenue Capacity – Schedule 3 through Schedule 5 - These schedules contain information to help the reader assess Riverbend's most significant revenue sources.

Debt Capacity – Schedule 6 through 7 - The schedules present information to help the reader assess the affordability of Riverbend's current levels of outstanding debt and Riverbend's ability to issue additional debt in the future.

Demographic and Economic Information – Schedule 8 through 10 - These schedules offer demographic and economic indicators to help the reader understand the environment within which Riverbend's financial activities take place.

Operating Information – Schedule 11 through 13 - These schedules contain service and infrastructure data to help the reader understand how the information in Riverbend's financial report relates to the services Riverbend provides and the activities it performs.

Riverbend Water Resources District**Net Position****Last Ten Fiscal Years****Schedule 1****(Accrual Basis of Accounting)****(Unaudited)**

	2021	2020	2019	2018	2017
Primary Government					
Net investment in capital assets	9,343,889	9,614,188	8,410,684	6,604,940	2,936,607
Restricted	7,737,376	3,189,363	2,602,736	3,654,226	6,294,453
Unrestricted	2,047,240	1,367,508	1,250,941	1,018,054	530,980
Total primary government net position	<u>19,128,505</u>	<u>14,171,059</u>	<u>12,264,361</u>	<u>11,277,220</u>	<u>9,762,040</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
340,840	1,294	-	-	-
8,092,084	-	-	-	-
<u>197,181</u>	<u>50,709</u>	<u>163,515</u>	<u>319,854</u>	<u>430,326</u>
<u>8,630,105</u>	<u>52,003</u>	<u>163,515</u>	<u>319,854</u>	<u>430,326</u>

Riverbend Water Resources District

Changes in Net Position

Last Ten Fiscal Years

Schedule 2

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income/ (Loss)	Total Nonoperating Revenues/ (Expenses)
2012	-	201,132	(201,132)	-
2013	65,000	175,834	(110,834)	362
2014	230,430	387,166	(156,736)	397
2015	217,773	329,288	(111,515)	3
2016	1,571,668	1,304,463	267,205	(34,467)
2017	3,225,766	2,890,346	335,420	638,810
2018	3,379,107	3,286,848	92,259	604,386
2019	3,588,821	3,809,230	(220,409)	814,223
2020	3,564,122	3,954,838	(390,716)	1,314,261
2021	3,828,706	3,618,675	210,031	4,747,415

Income/(Loss) Before Capital Contributions	Extraordinary Items/ Capital Contributions	Change In Net Position
(201,132)	-	(201,132)
(110,472)	-	(110,472)
(156,339)	-	(156,339)
(111,512)	-	(111,512)
232,738	8,345,364	8,578,102
974,230	157,705	1,131,935
696,645	818,535	1,515,180
593,814	393,327	987,141
923,545	983,153	1,906,698
4,957,446	-	4,957,446

Riverbend Water Resources District

Operating Revenues by Source

Last Ten Fiscal Years

Schedule 3

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year	Member City Fees	Water Sales	Wastewater Treatment	Industrial Wastewater Treatment
2012	-	-	-	-
2013	-	-	-	-
2014	230,430	-	-	-
2015	202,773	-	-	-
2016	465,443	360,846	421,053	342,431
2017	354,002	924,099	1,023,161	855,104
2018	197,728	1,031,353	1,110,177	968,166
2019	197,608	1,005,286	1,274,830	1,031,728
2020	180,842	1,094,339	1,187,955	1,096,283
2021	204,635	1,205,520	1,268,263	1,149,886

Other	Total
-	-
65,000	65,000
25,000	255,430
15,000	217,773
251,305	1,841,078
33,397	3,189,763
29,250	3,336,674
79,369	3,588,821
4,703	3,564,122
402	3,828,706

Riverbend Water Resources District

Operating Expenses

Last Ten Fiscal Years

Schedule 4

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year	Administrative	Operation and Maintenance	Depreciation	Total Operating Expenses
2012	16,253	-	-	16,253
2013	175,834	-	-	175,834
2014	387,166	-	-	387,166
2015	329,220	-	68	329,288
2016	287,886	817,895	198,682	1,304,463
2017	366,940	2,032,607	490,799	2,890,346
2018	314,163	2,386,750	585,935	3,286,848
2019	555,376	2,568,995	684,859	3,809,230
2020	490,846	2,700,920	763,072	3,954,838
2021	413,712	2,399,784	805,179	3,618,675

RIVERBEND WATER RESOURCES DISTRICT

FIVE LARGEST CUSTOMERS

Current Year and Five Years Ago

Schedule 5

(Unaudited)

CUSTOMER	FISCAL YEAR 2016 WATER REVENUE			FISCAL YEAR 2017 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Red River Army Depot	1,522,523	95.65%	1	3,850,706	96.33%	1
REG New Boston	42,195	2.65%	2	62,609	1.57%	2
Day & Zimmermann	9,503	0.60%	3	29,068	0.73%	3
Oak Grove Apartments	4,471	0.28%	4	12,350	0.31%	4
TAZKID	2,091	0.13%	5			
Excel Utility Construction Inc				6,176	0.15%	5
Harrison Walker & Harper LP						
SUBTOTAL						
(5 LARGEST)	<u>1,580,783</u>	<u>99.31%</u>		<u>3,960,909</u>	<u>99.09%</u>	
Balance from other customers	10,984	0.69%		36,558	0.91%	
	<u>1,591,767</u>	<u>100.00%</u>		<u>3,997,467</u>	<u>100.00%</u>	

CUSTOMER	FISCAL YEAR 2019 WATER REVENUE			FISCAL YEAR 2020 WATER REVENUE		
	AMOUNT	PERCENTAGE	RANK	AMOUNT	PERCENTAGE	RANK
Red River Army Depot	4,135,295	87.90%	1	4,214,777	91.58%	1
Day & Zimmermann	322,955	6.86%	2	273,212	5.94%	2
REG New Boston	142,711	3.03%	3			
Oak Grove Apartments	17,827	0.38%	4	16,561	0.36%	4
Expal USA, Inc.	20,713	0.44%	5			
City of Maud				22,069	0.48%	3
IsoNova Technologies				11,254	0.24%	5
SUBTOTAL						
(5 LARGEST)	<u>4,639,501</u>	<u>98.61%</u>		<u>4,537,873</u>	<u>98.60%</u>	
Balance from other customers	65,280	1.39%		64,289	1.40%	
	<u>4,704,781</u>	<u>100.00%</u>		<u>4,602,162</u>	<u>100.00%</u>	

Note: Receipts from customers may include expense reimbursement and project admin fees

FISCAL YEAR 2018		
WATER REVENUE		
AMOUNT	PERCENTAGE	RANK
3,987,717	92.89%	1
128,649	3.00%	2
51,912	1.21%	3
12,580	0.29%	5
16,544	0.39%	4
<u>4,197,402</u>	<u>97.78%</u>	
<u>95,408</u>	<u>2.22%</u>	
<u><u>4,292,810</u></u>	<u><u>100.00%</u></u>	

FISCAL YEAR 2021		
WATER REVENUE		
AMOUNT	PERCENTAGE	RANK
4,797,201	92.47%	1
226,406	4.36%	2
15,711	0.30%	5
19,451	0.37%	4
44,314	0.85%	3
<u>5,103,083</u>	<u>98.37%</u>	
<u>84,507</u>	<u>1.63%</u>	
<u><u>5,187,590</u></u>	<u><u>100.00%</u></u>	

Riverbend Water Resources District

Ratio of Outstanding Debt by Type

Last Six Fiscal Years

Schedule 6

(Unaudited)

Fiscal Year	Revenue Bonds	Personal Income	Percentage of Personal Income	Population	Debt per Capita
2016	11,610,000	1,506,238,302	0.77%	64,172	181
2017	11,375,000	1,533,407,018	0.74%	64,141	177
2018	10,725,000	1,590,795,022	0.67%	64,365	167
2019	10,045,000	1,727,772,490	0.58%	64,335	156
2020	9,335,000	N/A	N/A	N/A	N/A
2021	26,595,000	N/A	N/A	N/A	N/A

N/A-Not Available

Riverbend Water Resources District

Pledged Revenue Coverage

Last Five Fiscal Years

Schedule 7

(Unaudited)

Fiscal Year	Operating Revenues *	Less: Operating Expenses *	Facility Charges *	Minimum Monthly Payments**	Net Available Funds
		(Excluding Depreciation)			
2017	2,853,652	2,032,607	1,143,681		1,964,726
2018	3,160,903	2,386,750	1,148,078		1,922,231
2019	3,318,372	2,568,992	1,320,980		2,070,360
2020	3,383,280	2,700,920	1,192,433	465,323	2,340,116
2021	3,624,071	2,813,496	1,502,606	4,570,950	6,884,131

* *Wet Fund Revenue and Expenses*

** *Facility Fund Minimum Monthly Payments per Water Supply Contracts*

Debt Service			Coverage Ratio
Principal	Interest	Total	
235,000	219,458	454,458	4.32
650,000	457,171	1,107,171	1.74
680,000	431,750	1,111,750	1.86
710,000	404,879	1,114,879	2.10
740,000	473,419	1,213,419	5.67

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 8 (Continued)

(Unaudited)

Annona, TX - Red River County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate City ²	State ³
2010	315	12,135	3,822,525	3.0%	8.1%
2011	310	13,865	4,298,150	2.2%	7.8%
2012	311	13,225	4,112,975	7.0%	6.7%
2013	305	12,968	3,955,240	9.3%	6.3%
2014	303	14,537	4,404,711	10.7%	5.1%
2015	298	12,201	3,635,898	15.1%	4.4%
2016	293	12,738	3,732,234	9.7%	4.3%
2017	295	12,378	3,651,510	17.1%	4.3%
2018	291	13,844	4,028,604	15.7%	3.9%
2019	293	16,170	4,737,810	N/A	3.4%
2020	295	N/A	-	N/A	6.9%
2021	317	N/A	-	N/A	5.4%

Atlanta, TX - Cass County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate City ²	State ³
2010	5,655	19,129	108,174,495	8.1%	8.1%
2011	5,622	17,988	101,128,536	7.6%	7.8%
2012	5,563	17,692	98,420,596	14.5%	6.7%
2013	5,578	19,568	109,150,304	16.6%	6.3%
2014	5,543	19,747	109,457,621	14.6%	5.1%
2015	5,539	20,318	112,541,402	10.2%	4.4%
2016	5,525	22,287	123,135,675	9.3%	4.3%
2017	5,484	22,821	125,150,364	3.7%	4.3%
2018	5,515	22,217	122,526,755	8.1%	3.9%
2019	5,474	25,779	141,114,246	N/A	3.4%
2020	5,433	N/A	-	N/A	6.9%
2021	5,432	N/A	-	N/A	5.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

2019 - <https://www.city-data.com>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 8 (Continued)

(Unaudited)

Avery, TX - Red River County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate City ²	State ³
2012	470	14,658	6,889,260	2.2%	6.7%
2013	461	15,645	7,212,345	0.0%	6.3%
2014	460	16,920	7,783,200	0.0%	5.1%
2015	456	17,026	7,763,856	0.0%	4.4%
2016	451	17,777	8,017,427	7.5%	4.3%
2017	450	19,281	8,676,450	8.0%	4.3%
2018	450	17,580	7,911,000	7.1%	3.9%
2019	450	23,516	10,582,200	N/A	3.4%
2020	450	N/A	N/A	N/A	6.9%
2021	415	N/A	N/A	N/A	5.4%

DeKalb, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate City ²	State ³
2012	1,657	17,404	28,838,428	14.7%	6.7%
2013	1,659	16,764	27,811,476	12.8%	6.3%
2014	1,658	21,362	35,418,196	9.8%	5.1%
2015	1,651	21,560	35,595,560	7.4%	4.4%
2016	1,639	26,101	42,779,539	8.0%	4.3%
2017	1,628	26,769	43,579,932	3.9%	4.3%
2018	1,622	26,798	43,466,356	7	3.9%
2019	1,611	25,465	41,024,115	N/A	3.4%
2020	1,600	N/A	N/A	N/A	6.9%
2021	1,687	N/A	N/A	N/A	5.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

2019 <https://censusreporter.org> and <https://city-data.com>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 8 (Continued)

(Unaudited)

Hooks, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate	
				City ²	State ³
2012	2,742	17,859	48,969,378	2.0%	6.7%
2013	2,764	18,021	49,810,044	2.5%	6.3%
2014	2,755	17,159	47,273,045	5.0%	5.1%
2015	2,750	15,238	41,904,500	6.0%	4.4%
2016	2,749	15,440	42,444,560	6.0%	4.3%
2017	2,747	18,381	50,492,607	4.7%	4.3%
2018	2,746	19,669	54,011,074	6.6%	3.9%
2019	2,744	21,541	59,108,504	N/A	3.4%
2020	2,742	N/A	N/A	N/A	6.9%
2021	2,749	N/A	N/A	N/A	5.4%

Leary, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate	
				City ²	State ³
2012	483	20,666	9,981,678	4.4%	6.7%
2013	486	23,372	11,358,792	5.1%	6.3%
2014	486	24,333	11,825,838	5.8%	5.1%
2015	488	23,812	11,620,256	8.5%	4.4%
2016	491	23,731	11,651,921	6.9%	4.3%
2017	492	22,339	10,990,788	6.8%	4.3%
2018	496	20,701	10,267,696	5.8%	3.9%
2019	497	22,620	11,242,140	N/A	3.4%
2020	498	N/A	N/A	N/A	6.9%
2021	692	N/A	N/A	N/A	5.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 8 (Continued)

(Unaudited)

Maud, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate	
				City ²	State ³
2012	1,060	18,863	19,994,780	7.4%	6.7%
2013	1,065	19,045	20,282,925	7.2%	6.3%
2014	1,065	15,745	16,768,425	10.2%	5.1%
2015	1,071	16,965	18,169,515	9.0%	4.4%
2016	1,069	17,132	18,314,108	5.2%	4.3%
2017	1,067	19,638	20,953,746	6.6%	4.3%
2018	1,068	22,246	23,758,728	6.3%	3.9%
2019	1,066	21,717	23,150,322	N/A	3.4%
2020	1,064	N/A	-	N/A	6.9%
2021	1,040	N/A	-	N/A	5.4%

Nash, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate	
				City ²	State ³
2012	3,054	26,317	80,372,118	6.9%	6.7%
2013	3,100	23,578	73,091,800	9.8%	6.3%
2014	3,158	23,414	73,941,412	8.5%	5.1%
2015	3,159	23,942	75,632,778	8.7%	4.4%
2016	3,348	26,031	87,151,788	6.6%	4.3%
2017	3,415	15,982	54,578,530	3.4%	4.3%
2018	3,681	17,499	64,413,819	N/A	3.9%
2019	3,748	18,584	69,652,832	N/A	3.4%
2020	3,815	N/A	-	N/A	6.9%
2021	3,156	N/A	-	N/A	5.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

2019 - <https://www.city-data.com>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 8 (Continued)

(Unaudited)

New Boston, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate City ²	State ³
2012	4,759	17,669	84,086,771	10.8%	6.7%
2013	4,763	18,230	86,829,490	11.4%	6.3%
2014	4,723	17,659	83,403,457	11.6%	5.1%
2015	4,689	17,493	82,024,677	9.0%	4.4%
2016	4,684	17,853	83,623,452	7.1%	4.3%
2017	4,688	19,614	91,950,432	9.7%	4.3%
2018	4,678	22,411	104,838,658	9.2%	3.9%
2019	4,682	23,828	111,562,696	N/A	3.4%
2020	4,686	N/A	-	N/A	6.9%
2021	4,720	N/A	-	N/A	5.4%

Redwater, TX - Bowie County

Fiscal Year	Population ¹	Per Capita Income ²	Personal Income	Unemployment Rate City ²	State ³
2010	1,057	19,391	20,496,287	8.5%	8.1%
2011	1,056	20,077	21,201,312	4.7%	7.8%
2012	1,056	21,241	22,430,496	5.7%	6.7%
2013	1,068	19,593	20,925,324	8.7%	6.3%
2014	1,069	21,410	22,887,290	5.2%	5.1%
2015	1,081	20,570	22,236,170	6.2%	4.4%
2016	1,087	20,586	22,376,982	5.9%	4.3%
2017	1,093	20,181	22,057,833	7.4%	4.3%
2018	1,098	23,959	26,306,982	3.9%	3.9%
2019	1,104	22,181	24,487,824	N/A	3.4%
2020	1,110	N/A	-	N/A	6.9%
2021	1,268	N/A	-	N/A	5.4%

1-2012-2020 <http://worldpopulationreview.com/us-cities>

2021 <https://www.areavibes.com>

2-<https://factfinder.census.gov>

2019 <https://www.city-data.com>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Scheduled 8 (Continued)

(Unaudited)

Texarkana, TX - Bowie County

Fiscal		Per Capita	Personal	Unemployment Rate	
Year	Population ¹	Income ²	Income	City ²	State ³
2012	37,057	22,892	848,308,844	12.8%	6.7%
2013	37,209	23,569	876,978,921	11.8%	6.3%
2014	37,126	23,973	890,021,598	10.3%	5.1%
2015	37,182	23,505	873,962,910	10.4%	4.4%
2016	37,402	25,238	943,951,676	9.6%	4.3%
2017	37,350	26,019	971,809,650	8.9%	4.3%
2018	37,295	26,730	996,895,350	9.0%	3.9%
2019	37,243	28,872	1,075,279,896	N/A	3.4%
2020	37,191	N/A	-	N/A	6.9%
2021	37,389	N/A	-	N/A	5.4%

Wake Village, TX - Bowie County

Fiscal		Per Capita	Personal	Unemployment Rate	
Year	Population ¹	Income ²	Income	City ²	State ³
2012	5,454	25,948	141,520,392	5.1%	6.7%
2013	5,467	26,149	142,956,583	4.3%	6.3%
2014	5,454	24,683	134,621,082	5.0%	5.1%
2015	5,449	21,884	119,245,916	5.5%	4.4%
2016	5,434	21,910	119,058,940	7.2%	4.3%
2017	5,432	23,843	129,515,176	5.3%	4.3%
2018	5,425	24,400	132,370,000	3.9%	3.9%
2019	5,423	28,735	155,829,905	N/A	3.4%
2020	5,421	N/A	-	N/A	6.9%
2021	5,481	N/A	-	N/A	5.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

2019 <https://www.city-data.com>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available

Riverbend Water Resources District

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 8 (Continued)

(Unaudited)

Total All Members

Fiscal Year	Population	Per Capita Income	Personal Income
2012	63,666	21,894	1,393,925,716
2013	63,925	22,376	1,430,363,244
2014	63,800	22,536	1,437,805,875
2015	63,813	22,007	1,404,333,438
2016	64,172	23,472	1,506,238,302
2017	64,141	23,907	1,533,407,018
2018	64,365	24,715	1,590,795,022
2019	64,335	26,856	1,727,772,490
2020	64,305	N/A	N/A
2021	64,346	N/A	N/A

Riverbend Water Resources District

Percentage of Member Counties in RWRD

Last Ten Fiscal Years

Schedule 9

(Unaudited)

Member City	Population				
	2012	2013	2014	2015	2016
Central Bowie Water Supply Corporation ¹	-	-	-	-	-
DeKalb, TX	1,657	1,659	1,658	1,651	1,639
Hooks, TX	2,742	2,764	2,755	2,750	2,749
Leary, TX	483	486	486	488	491
Maud, TX	1,060	1,065	1,065	1,071	1,069
Nash, TX	3,054	3,100	3,158	3,159	3,348
New Boston, TX	4,759	4,763	4,723	4,689	4,684
Oak Grove Water Supply Corporation ¹	-	-	-	-	-
Redwater, TX	1,056	1,068	1,069	1,081	1,087
Texarkana, TX	37,057	37,209	37,126	37,182	37,402
Wake Village, TX	5,454	5,467	5,454	5,449	5,434
	57,322	57,581	57,494	57,520	57,903
Bowie County ²	93,129	93,487	93,502	93,494	93,994
Percentage of Bowie County in RWRD	61.55%	61.59%	61.49%	61.52%	61.60%
	2012	2013	2014	2015	2016
Atlanta, TX	5,563	5,578	5,543	5,539	5,525
Cass County ²	30,029	30,236	30,121	30,141	30,073
Percentage of Cass County in RWRD	18.53%	18.45%	18.40%	18.38%	18.37%
	2012	2013	2014	2015	2016
Annona, TX	311	305	303	298	293
Avery, TX	470	461	460	456	451
	781	766	763	754	744
Red River County ²	12,729	12,496	12,452	12,355	12,190
Percentage of Red River County in RWRD	6.14%	6.13%	6.13%	6.10%	6.10%

N/A-Not Available

1-<https://tceq.texas.gov>

2-<https://txcip.org/tac/census/morecountyinfo.php>

2017	2018	2019	2020	2021
-	-	-	8,748	8,748
1,628	1,622	1,611	1,600	1,687
2,747	2,746	2,744	2,742	2,749
492	496	497	498	692
1,067	1,068	1,066	1,064	1,040
3,415	3,681	3,748	3,815	3,156
4,688	4,678	4,682	4,686	4,720
-	-	-	831	909
1,093	1,098	1,104	1,110	1,268
37,350	37,295	37,243	37,191	37,389
5,432	5,425	5,423	5,421	5,481
57,912	58,109	58,118	67,706	67,839
93,977	94,324	93,245	92,893	N/A
61.62%	61.61%	62.33%	72.89%	N/A
2017	2018	2019	2020	2021
5,484	5,515	5,474	5,433	5,433
29,980	30,119	30,026	28,454	N/A
18.29%	18.31%	18.23%	19.09%	N/A
2017	2018	2019	2020	2021
295	291	293	295	295
450	450	450	450	450
745	741	743	745	745
12,203	12,175	12,023	11,587	N/A
6.11%	6.09%	6.18%	6.43%	N/A

Riverbend Water Resources District

Principal Employers

Current Year and Nine Years Ago

Schedule 10

(Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Red River Army Depot & Tenants	3,887	1	7.82%	6,000	1	11.43%
CHRISTUS St. Michael Health System	2,450	2	4.93%	1,900	2	3.62%
Texarkana, TX Independent School District	1,200	3	2.41%	795	5	1.51%
Graphic Packaging (formerly International Paper)	840	4	1.69%	925	3	1.76%
Walmart Department Stores	655	5	1.32%	660	6	1.26%
DLA Distribution	623	6	1.25%			
Wadley Regional Medical	620	7	1.25%	850	4	1.62%
	<u>10,275</u>		<u>20.66%</u>	<u>11,130</u>		<u>21.20%</u>

Source:

Texarkana Chamber of Commerce, Texas Workforce Commission LMI

Notes:

(1) Employment for Bowie, Cass and Red River Counties for 2021 is 51,897

(2) Employment for Bowie, Cass and Red River Counties for 2012 is 52,556

RIVERBEND WATER RESOURCES DISTRICT

Operating Indicators by Function

Last Ten Years

Schedule 11

(Unaudited)

Water

	2012	2013	2014	2015	2016
Avg. Gallons of Water Consumed (MGD)	-	-	-	-	0.726
Number of Water Meters	-	-	-	-	82

Wastewater

Average Gallons of Domestic Wastewater Treated (MGD)	-	-	-	-	0.499
--	---	---	---	---	-------

Industrial Wastewater

Average Gallons of Industrial Wastewater Treated (MGD)	-	-	-	-	0.192
--	---	---	---	---	-------

2017	2018	2019	2020	2021
0.958	0.711	0.737	0.810	0.763
78	78	80	97	99
0.456	0.514	0.536	0.589	0.490
0.184	0.172	0.198	0.210	0.174

RIVERBEND WATER RESOURCES DISTRICT

Operating Indicators by Function

Full Time Employees as of September 30

Last Ten Fiscal Years

Schedule 12

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	1	1	1	1	4	4	4	4	4	4
Water	-	-	-	-	5	5	5	6	4	4
Wastewater	-	-	-	-	2	4	4	3	4	4
Industrial Wastewater	-	-	-	-	3	1	2	3	4	4
Totals	1	1	1	1	14	14	15	16	16	16

Note: Some personnel perform more than one function
and the manpower is split accordingly

RIVERBEND WATER RESOURCES DISTRICT

Capital Asset Statistics by Function

Last Ten Years

Schedule 13

(Unaudited)

Water	2012	2013	2014	2015	2016
500,000 Gallon Elevated Storage Tank	-	-	-	-	1
500,000 Gallon Ground Water Storage Tank	-	-	-	-	0
Miles of Water Line	-	-	-	-	83
Fire Hydrants	-	-	-	-	313
Water Meters	-	-	-	-	82
Water Valves	-	-	-	-	883
Wastewater					
1.5 MG SBR Plant	-	-	-	-	1
Miles of Wastewater Line	-	-	-	-	35
Manholes	-	-	-	-	477
Lift Stations	-	-	-	-	32
Air Relief Valves	-	-	-	-	30
Wastewater Meters	-	-	-	-	65
Industrial Wastewater					
750,000 Gallon Industrial Wastewater Plant	-	-	-	-	1
Miles of Industrial Wastewater Line	-	-	-	-	5

2017	2018	2019	2020	2021
1	1	1	1	1
0	0	2	2	2
83	135	135	137	137
313	375	375	368	373
78	78	80	97	99
921	1151	1151	1141	1150

1	1	1	1	1
35	35	35	38	38
477	477	477	513	513
32	32	32	34	34
30	30	30	30	30
65	72	79	72	72

1	1	1	1	1
5	5	5	5	5

Single Audit Section



WILF & HENDERSON, P.C.

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Member of AICPA Governmental Audit Quality Center

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

Independent Auditor's Report

Board of Directors
Riverbend Water Resources District
Texarkana, TX

Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Riverbend Water Resources District (Riverbend), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Riverbend's basic financial statements, and have issued our report thereon dated January 19, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riverbend Water Resources District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverbend's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverbend's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverbend's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wilf & Henderson, P.C." in a cursive, slightly stylized font.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

January 19, 2022



WILF & HENDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Member of American Institute of Certified Public Accountants
Member of Private Company Practice Section
Member of AICPA Governmental Audit Quality Center

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Directors
Riverbend Water Resources District
Texarkana, Texas

Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited Riverbend Water Resources District's (Riverbend) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Riverbend's major federal programs for the year ended September 30, 2021. Riverbend's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Riverbend Water Resources District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Riverbend Water Resources District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Riverbend Water Resources District's compliance.

Opinion on Each Major Federal Program

In our opinion, Riverbend Water Resources District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of Riverbend Water Resources District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wilf & Henderson, P.C.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

January 19, 2022

RIVERBEND WATER RESOURCES DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Federal Program Expenditures</u>
<u>Environmental Protection Agency</u>		
<u>Passed Through - Texas Water Development Board</u>		
Capitalization Grants for Drinking Water State Revolving Funds	66.468	<u>7,300,356</u>
Total Passed Through - Texas Water Development Board		<u>7,300,356</u>
 Total Environmental Protection Agency		 <u>7,300,356</u>
 Total Expenditures of Federal Awards		 <u><u>7,300,356</u></u>

The accompanying notes are an integral part of this schedule.

RIVERBEND WATER RESOURCES DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. The schedule of expenditures for federal awards is prepared on the same basis of accounting and uses the same significant accounting policies as the financial statements. These policies are described in the notes to the financial statements.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Proprietary Fund types are accounted for using full accrual basis of accounting.

3. Riverbend did not use the 10% de minimum indirect cost rate.

4. Riverbend has loan programs under the Drinking Water State Revolving Funds AL 66.468 outstanding at September 30, 2021 as follows

\$10,800,000 Contract Revenue Bonds, Taxable Series 2020A (Regional Water System Project)

\$7,200,000 Contract Revenue Bonds, Taxable Series 2020B (Regional Water System Project)

RIVERBEND WATER RESOURCES DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2021

I. Summary of the Auditor's Results:

- a. The auditor's report expresses an unmodified opinion on whether the financial statements of the Riverbend Water Resources District were prepared in accordance with GAAP.
- b. No significant deficiencies or material weaknesses related to the audit of the financial statements are reported on the internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of Riverbend Water Resources District were disclosed during the audit.
- d. No significant deficiencies or material weaknesses relating to the audit of the major federal award program reported in the report on internal control over compliance required by Uniform Guidance.
- e. The type of report the auditor issued on compliance for major programs was an unmodified opinion.
- f. No audit findings relative to the major federal award programs were disclosed by the audit that were required to be reported under 2 CFR 200.516(a).
- g. The program tested as major program was:
 - AL 66.468 Capitalization Grants for Drinking Water State Revolving Funds
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Riverbend Water Resources District was not determined to be a low-risk auditee.

II. Findings Relating to the Financial Statements Which are Required to Be Reported in Accordance with *Generally Accepted Government Auditing Standards*

No findings required to be reported

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above.

No findings required to be reported

RIVERBEND WATER RESOURCES DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2021

No prior year findings or responses

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. E.
RWRD RESO 20220126-05
FY 2022 First Quarter Financials**



RIVERBEND RESOLUTION NO. 20220126-05

APPROVING THE FIRST QUARTER FY 2022 FINANCIAL STATEMENTS

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

WHEREAS, Riverbend Water Resources District staff prepares and presents quarterly financial statements, which provide for the fiduciary guidance of Riverbend Water Resources funds.

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District Board of Directors accepts and approves the Fourth Quarter FY 2022 financials.

PASSED and APPROVED this 26th day of January 2022

Tina Veal Gooch, President

ATTEST:

Fred Milton, Secretary

Attached: First Quarter FY 2022 Financials



RIVERBEND WATER RESOURCES DISTRICT

STATEMENT OF NET POSITION ENTERPRISE FUNDS December 31, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
ASSETS				
Current assets:				
Cash	\$ 190,941	\$ -	\$ 899,162	\$ 1,090,103
Accounts receivable	26,231	230,087	1,260,593	1,516,911
Due from other fund	11,840	-	49,266	61,106
Restricted assets:				
Cash restricted for bond debt reserves	-	766,610	1,121,686	1,888,296
Cash restricted for construction - bond proceeds	-	10,058,276	37,212	10,095,488
Cash restricted for operations	-	-	901,376	901,376
Prepaid expenses	-	-	94,139	94,139
Inventory	-	-	78,716	78,716
Total current assets	<u>229,012</u>	<u>11,054,973</u>	<u>4,442,150</u>	<u>15,726,135</u>
Noncurrent assets:				
Cash and cash equivalents - restricted for bond debt reserves	-	4,967,094	865,971	5,833,065
Capital assets (net of accumulated depreciation):				
Equipment	-	-	396,569	396,569
Utility system	-	-	15,883,541	15,883,541
Intangible assets	-	-	283,174	283,174
Construction in progress	-	10,335,604	1,158,685	11,494,289
Total capital assets	<u>-</u>	<u>15,302,698</u>	<u>18,587,940</u>	<u>33,890,638</u>
Total noncurrent assets	<u>-</u>	<u>15,302,698</u>	<u>18,587,940</u>	<u>33,890,638</u>
TOTAL ASSETS	<u>229,012</u>	<u>26,357,671</u>	<u>23,030,090</u>	<u>49,616,773</u>
LIABILITIES				
Current liabilities:				
Accounts payable	4,185	3,012,578	80,141	3,096,904
Retainage payable	-	-	19,000	19,000
Payroll liabilities	-	-	46,770	46,770
Due to other fund	(49,266)	11,840	-	(37,426)
Due to Region D Planning	41,138	-	-	41,138
Accrued interest payable	-	51,377	68,985	120,362
Accrued compensated absences - current	-	-	19,186	19,186
Revenue bonds payable - current	-	520,000	775,000	1,295,000
Total current liabilities	<u>(3,943)</u>	<u>3,595,795</u>	<u>1,009,082</u>	<u>4,600,934</u>
Noncurrent liabilities:				
Accrued compensated absences - long term	-	-	55,209	55,209
Revenue bonds payable - long term	-	17,480,000	7,045,000	24,525,000
Total noncurrent liabilities	<u>-</u>	<u>17,480,000</u>	<u>7,100,209</u>	<u>24,580,209</u>
TOTAL LIABILITIES	<u>(3,943)</u>	<u>21,075,795</u>	<u>8,109,291</u>	<u>29,181,143</u>
NET POSITION				
Net investment in capital assets	-	(634,198)	10,800,463	10,166,265
Restricted for bond reserves	-	5,912,414	1,989,048	7,901,462
Restricted for construction	-	3,661	37,212	40,873
Unrestricted	134,423	-	2,022,503	2,156,926
TOTAL NET POSITION	<u>\$ 134,423</u>	<u>\$ 5,281,877</u>	<u>\$ 14,849,226</u>	<u>\$ 20,265,526</u>

RIVERBEND WATER RESOURCES DISTRICT

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

For the Three Months Ended December 31, 2021

	<i>Regional Water System Administration Fund</i>	<i>Regional Water System Facilities Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
OPERATING REVENUES				
Charges for services:				
Member fees	\$ 49,865	\$ -	\$ -	\$ 49,865
Army volumetric charge	-	-	811,639	811,639
Army water supply charge	-	-	60,619	60,619
Commercial & residential charge	-	-	25,950	25,950
Total operating revenues	<u>49,865</u>	<u>-</u>	<u>898,208</u>	<u>948,073</u>
OPERATING EXPENSES				
Accounting & audit	-	-	-	-
Analyticals	-	-	26,556	26,556
Capital replacement	-	-	109,623	109,623
Community relations	1,149	-	-	1,149
Conferences & seminars	600	-	-	600
Consulting	46,531	-	22,872	69,403
Dues & memberships	931	-	-	931
Engineering services	405	-	-	405
Equipment maintenance, repair & fuel	-	-	9,013	9,013
Equipment rental	-	-	343	343
Insurance	-	-	12,287	12,287
Legal & professional fees	7,876	-	-	7,876
Materials	-	-	30,252	30,252
Meetings expense	853	-	-	853
Military affairs	2,750	-	-	2,750
Miscellaneous	398	-	-	398
Office supplies and expense	36	-	-	36
Permits	-	-	20,036	20,036
Repairs	-	-	38,551	38,551
Salaries, wages, payroll taxes & benefits	48,898	-	263,218	312,116
Supplies & materials	-	-	10,249	10,249
Travel & training	3,523	-	-	3,523
Utilities	-	-	29,853	29,853
Waste disposal	-	-	11,663	11,663
Water purchase cost	-	-	77,174	77,174
Web design & maintenance	830	-	-	830
Regional Water System capital outlay	-	3,665,345	-	3,665,345
Overhead allocation - water	-	-	51,581	51,581
Overhead allocation - wastewater	-	-	56,062	56,062
Overhead allocation - industrial wastewater	-	-	56,523	56,523
Total operating expenses	<u>114,780</u>	<u>3,665,345</u>	<u>825,856</u>	<u>4,605,981</u>
Operating income (loss) before depreciation	(64,915)	(3,665,345)	72,352	(3,657,908)
Depreciation	-	-	202,611	202,611
Operating income (loss) before bond proceeds	(64,915)	(3,665,345)	(130,259)	(3,860,519)
Bond Proceeds	-	3,665,345	-	3,665,345
Operating income (loss)	<u>(64,915)</u>	<u>-</u>	<u>(130,259)</u>	<u>(195,174)</u>
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenue	-	-	355,060	355,060
Minimum monthly payments	-	1,107,954	-	1,107,954
Interest revenue	32	14,281	4,690	19,003
Project admin fees	-	-	22,854	22,854
Interest expense	-	(61,652)	(84,078)	(145,730)
Franchise fees expense	-	-	(26,946)	(26,946)
Special projects expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>32</u>	<u>1,060,583</u>	<u>271,580</u>	<u>1,332,195</u>
Income (loss) before capital contributions and transfers	<u>(64,883)</u>	<u>1,060,583</u>	<u>141,321</u>	<u>1,137,021</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>(64,883)</u>	<u>1,060,583</u>	<u>141,321</u>	<u>1,137,021</u>
Net position, beginning of year	<u>199,306</u>	<u>4,221,294</u>	<u>14,707,905</u>	<u>19,128,505</u>
Net position, end of year	<u>\$ 134,423</u>	<u>\$ 5,281,877</u>	<u>\$ 14,849,226</u>	<u>\$ 20,265,526</u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE REGIONAL WATER SYSTEM ADMINISTRATION For the Three Months Ended December 31, 2021

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ 203,928	\$ 49,865	\$ (154,063)	24.45%
Total operating revenues	203,928	49,865	(154,063)	24.45%
OPERATING EXPENSES				
Accounting & audit	4,500	-	4,500	0.00%
Advertising	1,400	-	1,400	0.00%
Community relations	8,000	1,149	6,851	14.36%
Conferences & seminars	4,700	600	4,100	12.77%
Consulting	200,000	46,531	153,469	23.27%
Dues & memberships	7,883	931	6,952	11.81%
Engineering services	130,000	405	129,595	0.31%
Legal & professional fees	27,500	7,876	19,624	28.64%
Meetings expense	6,000	853	5,147	14.22%
Military affairs	11,000	2,750	8,250	25.00%
Miscellaneous		-	-	0.00%
Office supplies & expense	3,300	36	3,264	1.09%
Salaries, wages & benefits	163,447	48,898	114,549	29.92%
Subscriptions	400	398	2	99.50%
Travel & training	18,000	3,523	14,477	19.57%
Web design & maintenance	4,000	830	3,170	20.75%
Total operating expenses	590,130	114,780	475,350	19.45%
Operating income (loss)	(386,202)	(64,915)	(321,287)	16.81%
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	-	32	32	
Special projects expense	(50,000)	-	50,000	0.00%
Use of prior year equity	200,529	-	(200,529)	0.00%
Total nonoperating revenues (expenses)	150,529	32	(150,497)	-0.02%
Income (loss) before transfers	(235,673)	(64,883)	170,790	27.53%
Transfer in	230,000	-	(230,000)	0.00%
Change in net position	(5,673)	(64,883)	(59,210)	
Net position, beginning of year	199,306	199,306	-	100.00%
Net position, end of year	\$ 193,633	\$ 134,423	(59,210)	69.42%

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE REGIONAL WATER SYSTEM FACILITIES FUND For the Three Months Ended December 31, 2021

	<i><u>Budget</u></i>	<i><u>Actual</u></i>	<i><u>Variance with Budget</u></i>	<i><u>% of Budget</u></i>
OPERATING EXPENSES				
Expenses				
Design	\$ 1,000,000	\$ -	\$ (1,000,000)	0.00%
Planning	1,131,459	2,227,179	1,095,720	196.84%
Application	20,000	-	(20,000)	0.00%
Construction	60,000,000	-	(60,000,000)	0.00%
Construction Engineering	1,000,000	-	(1,000,000)	0.00%
Environmental	12,881,366	129,303	(12,752,063)	1.00%
Geotechnical	487,031	323,556	(163,475)	66.43%
Project Mangement	864,567	948,692	84,125	109.73%
Surveying	582,395	28,876	(553,519)	4.96%
Water Distribution Modeling	40,000	-	(40,000)	0.00%
Bond Counsel	250,750	-	(250,750)	0.00%
Capitalized Interest	4,500,000	-	(4,500,000)	0.00%
Financial Advisor	250,000	-	(250,000)	0.00%
Fiscal/Legal	17,467	-	(17,467)	0.00%
Issuance Costs	24,892	-	(24,892)	0.00%
Administration	70,000	-	(70,000)	0.00%
Land/Easements Acquisition	925,000	7,739	(917,261)	0.84%
Project Legal Expenses	140,000	-	(140,000)	0.00%
Contingency	19,706,278	-	(19,706,278)	0.00%
Total operating expenses	<u>103,891,205</u>	<u>3,665,345</u>	<u>(100,225,860)</u>	<u>3.53%</u>
Operating income (loss) before bond proceeds	(103,891,205)	(3,665,345)	100,225,860	(0)
			-	
Bond Proceeds	<u>103,891,205</u>	<u>3,665,345</u>	<u>(100,225,860)</u>	<u>3.53%</u>
Operating income (loss)	-	-	-	-
NONOPERATING REVENUES (EXPENSES)				
Minimum monthly payments	4,296,050	1,107,954	(3,188,096)	25.79%
Interest Revenue	85,000	14,281	(70,719)	16.80%
Interest Expense	(743,455)	(61,653)	681,802	8.29%
Bond Issuance Costs	(2,380,000)	-	2,380,000	0.00%
Total nonoperating revenues (expenses)	<u>1,257,595</u>	<u>1,060,582</u>	<u>(197,013)</u>	<u>84.33%</u>
Change in net position	1,257,595	1,060,582	(197,013)	84.33%
Net position, beginning of year	<u>\$ 4,221,294</u>	<u>4,221,294</u>	<u>-</u>	<u>100.00%</u>
Net position, end of year	<u><u>\$ 5,478,889</u></u>	<u><u>\$ 5,281,876</u></u>	<u><u>\$ (197,013)</u></u>	<u><u>96.40%</u></u>

RIVERBEND WATER RESOURCES DISTRICT

SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE WET UTILITIES FUND For the Three Months Ended December 31, 2021

	<i>Budget</i>	<i>Actual</i>	<i>Variance with Budget</i>	<i>% of Budget</i>
OPERATING REVENUES				
Charges for services	\$ 3,763,387	\$ 898,208	\$ (2,865,179)	23.87%
Total operating revenues	3,763,387	898,208	(2,865,179)	23.87%
OPERATING EXPENSES				
Analytical	150,000	26,556	123,444	17.70%
Capital replacement	286,350	109,623	176,727	38.28%
Consulting	60,000	22,872	37,128	38.12%
Equipment maintenance, repair & fuel	43,000	9,013	33,987	20.96%
Equipment rental	11,000	343	10,657	3.12%
Insurance	48,299	12,287	36,012	25.44%
Materials	233,000	30,252	202,748	12.98%
Permits	55,000	20,036	34,964	36.43%
Repairs	319,000	38,551	280,449	12.08%
Salaries, wages, payroll taxes & benefits	1,109,984	263,218	846,766	23.71%
Supplies & materials	51,700	10,249	41,451	19.82%
Utilities	188,000	29,853	158,147	15.88%
Waste disposal	70,000	11,663	58,337	16.66%
Water purchase cost	307,663	77,174	230,489	25.08%
Overhead allocation - water	201,017	51,581	149,437	25.66%
Overhead allocation - wastewater	218,350	56,062	162,288	25.68%
Overhead allocation - industrial wastewater	220,206	56,523	163,683	25.67%
Total operating expenses	3,572,569	825,856	2,746,713	23.12%
Operating income (loss) before depreciation	190,818	72,352	(118,466)	37.92%
Depreciation	799,500	202,611	596,889	25.34%
Operating income (loss)	(608,682)	(130,259)	478,423	-21.40%
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenues	1,489,957	355,060	(1,134,897)	23.83%
Interest revenue	14,000	4,690	(9,310)	33.50%
Project Admin Fees	34,600	22,854	(11,746)	66.05%
Interest expense	(512,157)	(84,078)	428,079	16.42%
Franchise fees expense	(114,147)	(26,946)	87,201	23.61%
Total nonoperating revenues (expenses)	912,253	271,580	(640,673)	29.77%
Income (loss) before capital contributions and transfers	303,571	141,321	(162,250)	46.55%
Transfers in (out)	(230,000)	-	230,000	0.00%
Change in net position	73,571	141,321	67,750	192.09%
Net position, beginning of year	14,707,905	14,707,905	-	100.00%
Net position, end of year	\$ 14,781,476	\$ 14,849,226	\$ 67,750	100.46%

RIVERBEND WATER RESOURCES DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
REGIONAL WATER SYSTEM ADMINISTRATION
For the Three Months Ended December 31, 2021

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for services:				
Member fees	\$ 49,865	\$ 49,947	\$ (82)	-0.16%
Total operating revenues	<u>49,865</u>	<u>49,947</u>	<u>(82)</u>	<u>-0.16%</u>
OPERATING EXPENSES				
Accounting & audit	-	-	-	
Community relations	1,149	339	810	238.94%
Conferences & seminars	600	-	600	
Consulting	46,531	45,000	1,531	3.40%
Dues & memberships	931	1,324	(393)	-29.68%
Engineering services	405	-	405	
Legal & professional fees	7,876	3,564	4,312	120.99%
Meetings expense	853	934	(81)	-8.67%
Military affairs	2,750	2,750	-	0.00%
Office supplies and expense	36	152	(116)	-76.32%
Salaries, wages, payroll taxes & benefits	48,898	38,435	10,463	27.22%
Travel & training	3,523	-	3,523	
Web design & maintenance	830	260	570	219.23%
Miscellaneous	398	12	386	3216.67%
Total operating expenses	<u>114,780</u>	<u>92,770</u>	<u>22,010</u>	<u>23.73%</u>
Operating income (loss) before depreciation	(64,915)	(42,823)	(22,092)	-51.59%
Depreciation	-	-	-	
Operating income (loss)	<u>(64,915)</u>	<u>(42,823)</u>	<u>(22,092)</u>	<u>51.59%</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	32	-	32	
Total nonoperating revenues (expenses)	<u>32</u>	<u>-</u>	<u>32</u>	
Income (loss) before transfers	<u>(64,883)</u>	<u>(42,823)</u>	<u>(22,060)</u>	<u>-51.51%</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	
Change in net position	<u>(64,883)</u>	<u>(42,823)</u>	<u>(22,060)</u>	<u>-51.51%</u>
Net position, beginning of year	<u>199,306</u>	<u>185,239</u>	<u>14,067</u>	<u>7.59%</u>
Net position, end of year	<u>\$ 134,423</u>	<u>\$ 142,416</u>	<u>\$ (7,993)</u>	<u>-5.61%</u>

RIVERBEND WATER RESOURCES DISTRICT**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
REGIONAL WATER SYSTEM FACILITIES FUND****For the Three Months Ended December 31, 2021**

	<i>December 31, 2021</i>	<i>December 31, 2020</i>	<i>\$ Change</i>	<i>% Change</i>
OPERATING REVENUES				
Charges for services:	\$ -	\$ -	\$ -	
Total operating revenues	-	-	-	
OPERATING EXPENSES				
Expenses	-	-	-	
Total operating expenses	-	-	-	
Operating income (loss)	-	-	-	
NONOPERATING REVENUES (EXPENSES)			-	
Minimum monthly payments	1,107,954	1,278,331	(170,377)	-13.33%
Interest Revenue	14,281	43	14,238	33111.63%
Interest Expense	(61,652)	-	(61,652)	
Bond Issuance Costs	-	-	-	
Total nonoperating revenues (expenses)	1,060,583	1,278,374	(217,791)	-17.04%
Change in net position	1,060,583	1,278,374	(217,791)	-17.04%
Net position, beginning of year	4,221,294	465,323	3,755,971	807.18%
Net position, end of year	\$ 5,281,877	\$ 1,743,697	\$ 3,538,180	202.91%

RIVERBEND WATER RESOURCES DISTRICT

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

WET UTILITIES FUND

For the Three Months Ended December 31, 2021

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for services:				
Army volumetric charge	\$ 811,639	\$ 785,422	\$ 26,217	3.34%
Army water supply charge	60,619	54,634	5,985	10.95%
Commercial & residential charge	25,950	47,536	(21,586)	-45.41%
Total operating revenues	<u>898,208</u>	<u>887,592</u>	<u>10,616</u>	<u>1.20%</u>
OPERATING EXPENSES				
Analyticals	26,556	24,491	2,065	8.43%
Consulting	22,872	-	22,872	
Equipment maintenance, repair & fuel	9,013	3,587	5,426	151.27%
Insurance	12,287	15,080	(2,793)	-18.52%
Materials	30,252	43,961	(13,709)	-31.18%
Permits	20,036	22,378	(2,342)	-10.47%
Repairs	38,551	44,788	(6,237)	-13.93%
Salaries, wages, payroll taxes & benefits	263,218	257,693	5,525	2.14%
Supplies & materials	10,249	6,607	3,642	55.12%
Utilities	29,853	35,460	(5,607)	-15.81%
Waste disposal	11,663	2,385	9,278	389.01%
Water purchase cost	77,174	51,436	25,738	50.04%
Overhead allocation - water	51,581	64,222	(12,641)	-19.68%
Overhead allocation - wastewater	56,062	69,760	(13,698)	-19.64%
Overhead allocation - industrial wastewater	56,523	70,352	(13,829)	-19.66%
Total operating expenses	<u>715,890</u>	<u>712,200</u>	<u>3,690</u>	<u>0.52%</u>
Operating income (loss) before depreciation	182,318	175,392	6,926	3.95%
Depreciation	202,611	200,202	2,409	1.20%
Operating income (loss)	<u>(20,293)</u>	<u>(24,810)</u>	<u>4,517</u>	<u>-18.21%</u>
NONOPERATING REVENUES (EXPENSES)				
Facility charges revenue	355,060	370,211	(15,151)	-4.09%
Interest revenue	4,690	3,073	1,617	52.62%
Administrative fund salary revenue	-	38,434	(38,434)	-100.00%
Project admin fees	22,854	4,124	18,730	-454.17%
Interest expense	(84,078)	(91,782)	7,704	8.39%
Franchise fees expense	(26,946)	(26,380)	(566)	-2.15%
Total nonoperating revenues (expenses)	<u>271,580</u>	<u>297,680</u>	<u>(26,100)</u>	<u>-8.77%</u>
Income (loss) before transfers	251,287	272,870	(21,583)	-7.91%
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	
Change in net position	251,287	272,870	(21,583)	-7.91%
Net position, beginning of year	<u>14,707,905</u>	<u>13,520,497</u>	<u>1,187,408</u>	<u>8.78%</u>
Net position, end of year	<u>\$ 14,959,192</u>	<u>\$ 13,793,367</u>	<u>\$ 1,165,825</u>	<u>8.45%</u>

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. F.
RWRD RESO 20220126-06
FY 2022 First Quarter
Investment Report**



RIVERBEND RESOLUTION NO. 20220126-06

APPROVING THE FIRST QUARTER FY 2022 INVESTMENT REPORT

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Riverbend Water Resources District accepts and approves the First Quarter FY 2022 Investment Report.

PASSED and APPROVED this 26th day of January 2022

Tina Veal Gooch, President

ATTEST:

Fred Milton, Secretary



Attached: First Quarter FY 2022 Investment Report

RIVERBEND WATER RESOURCES DISTRICT

SCHEDULE OF INVESTMENTS ENTERPRISE FUNDS For the Three Months Ended December 31, 2021

Funds	Identification Number	Maturity Date	Balance 09/30/2021	Interest Income 12/31/2021	Transfers In/(Out) Per Policy	Net Deposits/ Withdrawals	Balance 12/31/2021	Accrued Int Rec 12/31/2021
Administrative Fund								
Operations	50003704	Daily checking	\$ 182,012	\$ -	\$ (8,240)	(24,017)	\$ 149,755	\$ -
Restricted - Region D Planning	8009740	Money Market	41,128	32	-	-	41,160	-
Operations	457060	Daily savings	25	-	-	-	25	-
Wet Utilities Fund								
Operations	21695	Daily checking	1,288,874	-	(96,433)	(293,479)	898,962	-
Restricted bond sinking	21709	Daily checking	1,961,148	2,093	373,185	(956,341)	1,380,085	-
Restricted bond reserves	21217	Daily checking	607,146	938	(512)	-	607,572	-
Restricted construction funds	21741	Daily checking	312,423	269	(275,480)	-	37,212	-
Restricted operations	21733	Money Market	900,745	1,391	(760)	-	901,376	-
Regional Water System Facilities Fund								
Restricted - Minimum Monthly Payments	3011380	Daily Savings	455,024	10	(1,229,251)	1,152,866	378,649	-
Restricted - 2020A Construction	2037890	Money Market	1,181	483	8240	(9,276)	628	-
Restricted - 2020A Revenue	8009732	Money Market	2,359,308	7,597	737,551	737,550	3,104,455	-
Restricted - 2020B Revenue	8009716	Money Market	1,628,721	5,216	491,700	(0)	2,125,637	-
Restricted - 2020A Interest & Redemption	8009813	Money Market	172,742	271	-	(85,929)	87,084	-
Restricted - 2020B Interest & Redemption	8009724	Money Market	75,137	118	-	(37,376)	37,879	-
Restricted - 2020A Construction Escrow	82-4416-01-0	Bot Short-Term Cash Fund	6,068,794	256	-	(2,946,247)	3,122,803	-
Restricted - 2020B Construction Escrow	82-4405-01-3	Bot Short-Term Cash Fund	6,934,515	331	-	-	6,934,846	-
Total - All Funds			\$ 22,988,923	\$ 19,005	\$ (0)	\$ 483,998	\$ 19,808,128	\$ -

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


Tara Houck, CPA
Chief Financial Officer

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. G.
RWRD RESO 20220126-07
Series 2022A Taxable Bond**

RIVERBEND RESOLUTION 20220126-07

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF
RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE
BONDS (REGIONAL WATER SYSTEM PROJECT), TAXABLE SERIES
2022A, AND APPROVING AND AUTHORIZING INSTRUMENTS AND
PROCEDURES RELATING THERETO**

WHEREAS, Riverbend Water Resources District (the “Issuer”) was created by the Texas Legislature in 2009 as a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, effective June 19, 2009 as a water district with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the Issuer, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, the Issuer has previously issued its Contract Revenue Bonds (Regional Water System Project), Taxable Series 2020A and Contract Revenue Bonds (Regional Water System Project), Series 2020B (collectively, the Series 2020 Bonds) pursuant to Resolution Nos. 20201028-003 and 20201028-004, respectively (collectively, the “Series 2020 Bond Resolutions”), in order finance improvements to certain “Company Facilities” as defined in said Series 2020 Bond Resolutions; and

WHEREAS, the bonds hereinafter authorized are being issued and secured on a parity with the Outstanding Parity Obligations with respect to the pledge of the Pledged Revenues (as defined herein); and

WHEREAS, the Issuer has previously identified regional water infrastructure projects under the Riverbend Regional Water Master Plan Study to be completed in order to improve and operate the Company Facilities;

WHEREAS, the Cities of Annona, Avery, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village, Central Bowie Water Supply Corporation and Oak Grove Water Supply Corporation (each, a “Member Entity” and collectively, the “Member Entities”) desire to effectuate the improvement of the Company Facilities pursuant to the Riverbend Regional Water Master Plan Study (the “Planned Improvements”) and provide for regional water service, including that needed by the Member Entities; and

WHEREAS, the Issuer has entered into a Water Distribution and Supply Contract (each, a “Contract” and collectively, the “Contracts”) with each Member Entity with respect to the funding and construction by the Issuer, for the benefit of the Member Entities, of the Planned Improvements and any additional regional improvements or enhancements; and

WHEREAS, the Board of Directors of the Issuer is authorized to issue the bonds hereinafter authorized pursuant to the Issuer Act, the Contracts, and other applicable law; and

WHEREAS, the Issuer has received Resolution Nos. 20-075 and 20-076 from the Texas Water Development Board (the “TWDB”) approving financial assistance to the Issuer in the

aggregate amount of \$199,700,000 in multi-year financing, including the purchase of the Issuer's Series 2022A Bonds to be authorized hereby and the purchase of the Series 2022B Bonds (each as defined herein); and

WHEREAS, the Issuer deems it necessary and advisable to authorize the adoption of this Resolution; and

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

Section 1. AMOUNT AND PURPOSE OF THE BONDS. The bond or bonds of Riverbend Water Resources District (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$55,800,000, FOR THE PURPOSE OF OBTAINING FUNDS REQUIRED TO PROVIDE FOR THE DESIGN, ACQUISITION, CONSTRUCTION, AND EQUIPMENT OF IMPROVEMENTS TO THE COMPANY FACILITIES TO PROVIDE REGIONAL WATER SERVICE FOR USE BY THE MEMBER ENTITIES.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE BOND (REGIONAL WATER SYSTEM PROJECT), TAXABLE SERIES 2022A", and initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND.

(a) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, dated February 1, 2022, in the denomination and aggregate principal amount of \$55,800,000 numbered TR-1, payable in annual installments of principal to the initial registered owner thereof, to-wit: Texas Water Development Board, or to the registered assignee or assignees of said Bond or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, stated in the FORM OF INITIAL BOND set forth in this Resolution.

(b) The Initial Bond (i) may and shall be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, (ii) may be assigned and transferred, (iii) may be converted and exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Initial Bond shall be payable, all as provided, and in the manner required or indicated, in the FORM OF INITIAL BOND set forth in this Resolution.

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the Issuance Date to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Bond, and said interest shall be payable, all in the manner provided and at the rates and on the dates stated in the FORM OF INITIAL BOND set forth in this Resolution.

Section 5. FORM OF INITIAL BOND. The form of the Initial Bond, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Bond, shall be substantially as follows:

FORM OF INITIAL BOND

NO. TR-1

\$55,800,000

UNITED STATES OF AMERICA
STATE OF TEXAS
RIVERBEND WATER RESOURCES DISTRICT
CONTRACT REVENUE BOND
(REGIONAL WATER SYSTEM PROJECT)
TAXABLE SERIES 2022A

Riverbend Water Resources District (the “Issuer”), being a political subdivision of the State of Texas, hereby promises to pay to the TEXAS WATER DEVELOPMENT BOARD, or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the “registered owner”) the aggregate principal amount of \$55,800,000 (FIFTY FIVE MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS) in annual installments of principal due and payable on October 15 in each of the years, and to pay interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of delivery of the Bonds (which date appears in the Delivery Certificate endorsed on this Bond), on the balance of each such installment of principal, respectively, from time to time remaining unpaid, in the respective principal amounts and at the rates per annum, as set forth in the following schedule:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2024	\$1,260,000	0.100%	2039	\$1,825,000	2.280%
2025	1,430,000	0.630	2040	1,865,000	2.300
2026	1,440,000	1.010	2041	1,910,000	2.310
2027	1,460,000	1.170	2042	1,955,000	2.340
2028	1,475,000	1.370	2043	2,000,000	2.370
2029	1,500,000	1.520	2044	2,050,000	2.380
2030	1,520,000	1.550	2045	2,100,000	2.390
2031	1,545,000	1.690	2046	2,150,000	2.400
2032	1,575,000	1.770	2047	2,200,000	2.410
2033	1,600,000	1.890	2048	2,255,000	2.420
2034	1,635,000	2.020	2049	2,310,000	2.430
2035	1,670,000	2.130	2050	2,370,000	2.440
2036	1,705,000	2.200	2051	2,425,000	2.450
2037	1,745,000	2.270	2052	2,490,000	2.460

2038	1,785,000	2.300	2053	2,550,000	2.470
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with said interest being payable on October 15, 2022 and semiannually on each April 15 and October 15 thereafter while this Bond or any portion hereof is outstanding and unpaid.

THE INSTALLMENTS OF PRINCIPAL OF AND THE INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The installments of principal and the interest on this Bond are payable to the registered owner hereof through the services of BOKF, NA in Dallas, Texas, as paying agent/registrar (the "Paying Agent/Registrar") for this Bond. Payment of all principal of and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal and/or interest payment date by check dated as of such date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such principal and/or interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided that, if the Texas Water Development Board (the "TWDB") is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. The Issuer covenants with the registered owner of this Bond that on or before each principal and/or interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas FOR THE PURPOSE OF OBTAINING FUNDS REQUIRED TO PROVIDE FOR THE DESIGN, ACQUISITION, CONSTRUCTION, AND EQUIPMENT OF IMPROVEMENTS TO THE COMPANY FACILITIES TO PROVIDE REGIONAL WATER SERVICE FOR USE BY THE MEMBER ENTITIES.

ON APRIL 15, 2032, or any date thereafter, the Bonds having stated maturities on and after October 15, 2032 may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if less than a whole maturity is to be redeemed, the Bonds or portions thereof to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary random method (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal the principal amount thereof, plus accrued interest to the date fixed for redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository

for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the mailing of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND, to the extent of the unpaid or unredeemed principal balance hereof, or any unpaid and unredeemed portion hereof in any integral multiple of \$5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Bond, or any portion or portions hereof in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all

purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Bond Resolution, this Bond, to the extent of the unpaid or unredeemed principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute bond issued in exchange for any portion of this Bond shall have a single stated principal maturity date), upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. If this Bond or any portion hereof is assigned and transferred or converted each bond issued in exchange for any portion hereof shall have a single stated principal maturity date corresponding to the due date of the installment of principal of this Bond or portion hereof for which the substitute bond is being exchanged, and shall bear interest at the rate applicable to and borne by such installment of principal or portion thereof. Such bonds, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date. AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

IN THE EVENT any Paying Agent/Registrar for this Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owner of this Bond.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special revenue obligation of the Issuer which, together with the Series 2020 Bonds, Series 2022B Bonds and any Additional Parity Obligations which may be issued in the future, are secured by and payable from a first lien on and pledge of the "Pledged Revenues" as defined in the Bond Resolution, consisting primarily of payments to be received by the Issuer from the Member Entities

under the Water Distribution and Supply Contracts (the “Contracts”), between the Issuer and each Member Entity with respect to the design, acquisition, construction, and equipment of improvements to the Company Facilities to provide regional water service for use by the Member Entities.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM AND TO THE EXTENT OF THE GROSS REVENUES DERIVED PRIMARILY FROM PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE MEMBER ENTITIES. NO OTHER ENTITY, INCLUDING THE STATE OF TEXAS, ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER OR THE MEMBER ENTITIES), OR ANY OTHER PUBLIC OR PRIVATE BODY, IS OBLIGATED, DIRECTLY, INDIRECTLY, CONTINGENTLY, OR IN ANY OTHER MANNER, TO PAY SUCH PRINCIPAL OR INTEREST FROM ANY OTHER SOURCE WHATSOEVER. THE OWNER OF THIS BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (INCLUDING SPECIFICALLY TAXES RAISED OR TO BE RAISED BY THE ISSUER) OR FROM ANY OTHER FUNDS OF THE ISSUER EXCEPT THE GROSS REVENUES. NO REPRESENTATION IS MADE HEREIN WITH RESPECT TO THE ANTICIPATED SUFFICIENCY OF THE GROSS REVENUES. NO PART OF THE PHYSICAL PROPERTY OF THE ISSUER IS ENCUMBERED BY ANY LIEN OR SECURITY INTEREST FOR THE BENEFIT OF THE OWNERS OF THIS BOND.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Parity Obligations payable from and secured by a first lien on and pledge of the “Pledged Revenues” on a parity with this Bond.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the “Pledged Revenues”.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution. The Issuer has no taxing power.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between the registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, has caused the official seal of the Issuer to be duly impressed or placed in facsimile on this Bond, and has caused this Bond to be dated as of February 1, 2022.

RIVERBEND WATER RESOURCES DISTRICT

Secretary, Board of Directors,

President, Board of Directors,

(ISSUER SEAL)

FORM OF REGISTRATION CERTIFICATE OF THE
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF DELIVERY CERTIFICATE

DELIVERY CERTIFICATE

This Bond was delivered to and paid for by the purchaser thereof on _____.

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please Insert Social Security or
Other Identifying Number of Assignee

/ _____ /

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint
_____ to transfer said Bond on the books kept for registration thereof
with full power of substitution in the premises.

Date: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon
the face of the within Bond in every particular, without alteration or enlargement
or any change whatever; and

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in
a Securities Transfer Association recognized signature guarantee program.

Section 6. ADDITIONAL CHARACTERISTICS OF THE BONDS. Registration and Transfer. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA in Dallas, Texas (the "Paying Agent/Registrar") books or records of the registration and transfer of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such Bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing (i) the assignment of the Bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in conversion and exchange therefor in the manner herein provided. The Initial Bond, to the extent of the unpaid or unredeemed principal balance thereof, may be assigned and transferred by the initial registered owner thereof once only, and to one or more assignees designated in writing by the initial registered owner thereof. All Bonds issued and delivered in conversion of and exchange for the Initial Bond shall be in any denomination or denominations of any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated principal maturity date), shall be in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, and shall have the characteristics, and may be assigned, transferred, and converted as hereinafter provided. If the Initial Bond or any portion thereof is assigned and transferred or converted the Initial Bond must be surrendered to the Paying Agent/Registrar for cancellation, and each Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If only a portion of the Initial Bond is assigned and transferred, there shall be delivered to and registered in the name of the initial registered owner substitute Bonds in exchange for the unassigned balance of the Initial Bond in the same manner as if the initial registered owner were the assignee thereof. If any Bond or portion thereof other than the Initial Bond is assigned and transferred or converted each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is exchanged. A form of assignment shall be printed or endorsed on each Bond, excepting the Initial Bond, which shall be executed by the registered owner or its duly authorized attorney or representative to evidence an assignment thereof. Upon surrender of any Bonds or any portion or portions thereof for transfer of registration, an authorized representative of the Paying

Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered substitute Bond or Bonds, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Bond or Bonds), or to the previous registered owner in case only a portion of a Bond is being assigned and transferred, all in conversion of and exchange for said assigned Bond or Bonds or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 6(d), below, for the conversion and exchange of Bonds by any registered owner of a Bond. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Bond or Bonds, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to convert and exchange or replace Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution.

(d) Conversion and Exchange or Replacement; Authentication. Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Bond at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be converted into and exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal balance or principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If the Initial Bond is assigned and transferred or converted each substitute Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due

date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If a portion of any Bond (other than the Initial Bond) shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof (other than the Initial Bond) is assigned and transferred or converted, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange or replace Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided that any Bond authenticated in conversion of and exchange for or replacement of another Bond on or prior to the first scheduled Record Date for the Initial Bond shall bear interest from the date of the Initial Bond, but each substitute Bond so authenticated after such first scheduled Record Date shall bear interest from the interest payment date next preceding the date on which such substitute Bond was so authenticated, unless such Bond is authenticated after any Record Date but on or before the next following interest payment date, in which case it shall bear interest from such next following interest payment date; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged is due but has not been paid, then such Bond shall bear interest from the date to which such interest has been paid in full. THE INITIAL BOND issued and delivered pursuant to this Resolution is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed a certificate, in the form substantially as follows:

“PAYING AGENT/REGISTRAR’S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA,
Dallas, Texas,
Paying Agent/Registrar

Dated: _____

Authorized Representative”

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above Certificate, and no such Bond shall be deemed to be issued

or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for conversion and exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Section 1201.067, Texas Government Code, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was issued pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting any such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(e) In General. All Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF SUBSTITUTE BOND set forth in this Resolution.

(f) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Bonds, and with respect to the conversion and exchange of Bonds solely to the extent above provided in this Resolution.

(g) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or

its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

Section 7. FORM OF SUBSTITUTE BONDS. The form of all Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Bonds, and the Form of Assignment to be printed on each of the Bonds, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SUBSTITUTE BOND

[Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Bond Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC, and notwithstanding any other provision of the Bond Resolution to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.]

NO. ____	UNITED STATES OF AMERICA STATE OF TEXAS RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE BOND (REGIONAL WATER SYSTEM PROJECT) TAXABLE SERIES 2022A	PRINCIPAL AMOUNT \$_____
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUANCE DATE</u>
_____%	October 15, 20__	_____, 2022
		<u>CUSIP NO.</u> _____

ON THE MATURITY DATE specified above Riverbend Water Resources District (the “Issuer”), being a political subdivision of the State of Texas, hereby promises to pay to Cede & Co., or to the registered assignee hereof (either being hereinafter called the “registered owner”) the principal amount of _____ and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issuance Date specified above, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable on October 15, 2022, and semiannually on each April 15 and October 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA in Dallas, Texas, as paying agent/registrar (the “Paying Agent/Registrar”) for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the “Bond Resolution”) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the last business day of the month next preceding each such date (the “Record Date”) on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. However, notwithstanding the foregoing provisions, the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof; provided, however, for Bonds, the registered owner of which is the Texas Water Development Board (the “TWDB”), at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the “Interest and Redemption Fund” created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal

holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of an issue of Bonds initially dated February 1, 2022, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$55,800,000, FOR THE PURPOSE OF OBTAINING FUNDS REQUIRED TO PROVIDE FOR THE DESIGN, ACQUISITION, CONSTRUCTION, AND EQUIPMENT OF IMPROVEMENTS TO THE COMPANY FACILITIES TO PROVIDE REGIONAL WATER SERVICE FOR USE BY THE MEMBER ENTITIES.

ON APRIL 15, 2032, or any date thereafter, the Bonds having stated maturities on and after October 15, 2032 may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, in inverse order of maturity, and, if less than a whole maturity is to be redeemed, the Bonds or portions thereof to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary random method (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal the principal amount thereof, plus accrued interest to the date fixed for redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the mailing of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special revenue obligation of the Issuer which, together with the Series 2020 Bonds, Series 2022B Bonds and any Additional Parity Obligations which may be issued in the future, are secured by and payable from a first lien on and pledge of the “Pledged Revenues” as defined in the Bond Resolution, consisting primarily of payments to be received by the Issuer from the Member Entities under the Water Distribution and Supply Contracts (the “Contracts”), between the Issuer and each Member Entity with respect to the design, acquisition, construction, and equipment of improvements to the Company Facilities to provide regional water service for use by the Member Entities.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM AND TO THE EXTENT OF THE GROSS REVENUES DERIVED PRIMARILY FROM PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE MEMBER ENTITIES. NO OTHER ENTITY, INCLUDING THE STATE OF TEXAS, ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER OR THE MEMBER ENTITIES), OR ANY OTHER PUBLIC OR PRIVATE BODY, IS OBLIGATED, DIRECTLY, INDIRECTLY, CONTINGENTLY, OR IN ANY OTHER MANNER, TO PAY SUCH PRINCIPAL OR INTEREST FROM ANY OTHER SOURCE WHATSOEVER. THE OWNER OF THIS BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (INCLUDING SPECIFICALLY TAXES RAISED OR TO BE RAISED BY THE ISSUER) OR FROM ANY OTHER FUNDS OF THE ISSUER EXCEPT THE GROSS REVENUES. NO REPRESENTATION IS MADE HEREIN WITH RESPECT TO THE ANTICIPATED SUFFICIENCY OF THE GROSS REVENUES. NO PART OF THE PHYSICAL PROPERTY OF THE ISSUER IS ENCUMBERED BY ANY LIEN OR SECURITY INTEREST FOR THE BENEFIT OF THE OWNERS OF THIS BOND.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Parity Obligations payable from and secured by a first lien on and pledge of the “Pledged Revenues” on a parity with this Bond and series of which it is a part.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the “Pledged Revenues”.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution. The Issuer has no taxing power.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and attested and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

RIVERBEND WATER RESOURCES DISTRICT

Secretary, Board of Directors,

President, Board of Directors

(ISSUER SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

_____,
Paying Agent/Registrar

Dated: _____

Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please Insert Social Security or
Other Identifying Number of Assignee

/ _____ /

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint
_____ to transfer said Bond on the books kept for registration thereof
with full power of substitution in the premises.

Date: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever; and

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

Section 8. ADDITIONAL DEFINITIONS. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Additional Parity Obligations” shall mean the additional parity revenue bonds permitted to be authorized in the future by this Resolution and by the Series 2022B Resolution.

“Board” shall mean the Board of Directors of the Issuer, being the governing body of the Issuer, and it is further resolved that the declarations and covenants of the Issuer contained in this Resolution are made by, and for and on behalf of the Board and the Issuer, and are binding upon the Board and the Issuer for all purposes.

“Contract” or “Contracts” shall mean each Water Distribution and Supply Contract entered into by the Issuer and each of the Member Entities.

“Gross Revenues” shall mean all payments and amounts received by the Issuer pursuant to Section 5.02 of the Contract, and all investments, interest, and income from any Fund created pursuant to this Resolution.

“Fund” shall mean any fund created by this Resolution.

“Issuer” shall mean Riverbend Water Resources District.

“Issuance Date” shall mean the date of delivery of the Bonds to the initial purchaser thereof.

“Outstanding” means, when used with respect to Parity Obligations, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution of the Issuer authorizing other Parity Obligations or Additional Parity Obligations, except:

(1) Parity Obligations theretofore cancelled and delivered to the Issuer or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 20 of this Resolution or any comparable section of any resolution authorizing other Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution and any resolution authorizing other Parity Obligations; and

(4) Parity Obligations under which the obligations of the Issuer have been released, discharged or extinguished in accordance with the terms thereof.

“Parity Obligations” shall mean, collectively, the Series 2020 Bonds, the Bonds, the Series 2022B Bonds, and any Additional Parity Obligations hereafter issued by the Issuer or obligations issued to refund any of the foregoing (as determined within the sole discretion of the Issuer’s Board of Directors in accordance with applicable law) if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

“Pledged Revenues” shall mean: (a) the payments to be made to the Issuer by the Member Entities pursuant to Section 3(a)(1) of the Contracts and (b) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Parity Obligations.

“Project” shall mean the Planned Improvements as defined in the Contract, being the regional water system described in the Riverbend Regional Water Master Plan, dated July 25, 2018, including without limitation a new surface water treatment plant with an initial treatment capacity of 25 million gallons per day, a new raw water intake at Wright Patman Lake, water transmission lines, storage facilities, pumps, and related infrastructure for the distribution and sale of treated water, raw water, and reuse water.

“Series 2020 Bonds” shall have the meaning assigned thereto in the preambles hereof.

“Series 2020 Bond Resolutions” shall have the meaning assigned thereto in the preambles hereof.

“Series 2022A Bonds” or “Bonds” shall mean, collectively the Initial Bond as described and defined in Section 1 of this Resolution, and all substitute bonds exchanged therefor as well as all other substitute and replacement bonds issued pursuant to this Resolution.

“Series 2022A Resolution” or “Resolution” shall mean this resolution authorizing the Bonds.

“Series 2022B Bonds” shall mean the Issuer’s Contract Revenue Bonds (Regional Water System Project), Series 2022B being issued contemporaneously with the Bonds.

“Series 2022B Resolution” shall mean the resolution adopted by the Issuer on the date hereof authorizing the issuance of the Series 2022B Bonds.

“TWDB” shall mean the Texas Water Development Board.

“year” shall mean the 12 month period beginning each September 1, or such other 12 month period hereafter established by the Issuer as a fiscal year for the purposes of this Resolution.

Section 9. PLEDGE. (a) The Bonds, and the interest thereon, are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Redemption Fund as provided in this Resolution. It is specifically recognized that the Member Cities are required to make payments, from the gross revenues of their respective waterworks and sewer systems, to the Issuer pursuant to the Contracts sufficient to enable the Issuer to make all deposits and payments provided for herein, and that the Bonds, and the interest thereon, are and shall be payable from and secured by a first lien on and pledge of all of the Pledged Revenues and the Pledged Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter described.

(b) The Bonds and the interest thereon constitute and shall be special obligations of the Issuer payable solely from the Pledged Revenues, and the owner or owners thereof shall never have the right to demand payment thereof out of funds raised or to be raised from taxation. The Issuer has no taxing power.

Section 10. REVENUE FUND. The Issuer previously created and established pursuant to the Series 2020 Bond Resolutions, and there shall be maintained at an official depository of the Issuer (which must be a member of the Federal Deposit Insurance Corporation) a separate fund to be entitled the “Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Revenue Fund” (hereafter called the “Revenue Fund”). All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt and shall be deposited from the Revenue Fund in the manner and amounts hereinafter provided.

Section 11. INTEREST AND REDEMPTION FUND. For the sole purpose of paying the principal of and interest on all outstanding Bonds and any Additional Parity Obligations, as the same come due, the Issuer previously created and established pursuant to the Series 2020 Bond Resolutions and shall be maintained with the Paying Agent/Registrar, a separate fund to be entitled the “Riverbend Water Resources District Contract Revenue Bonds (Regional Water System

Project) Interest and Redemption Fund” (hereinafter called the “Interest and Redemption Fund”). The Pledged Revenues shall be deposited into the Interest and Redemption Fund from the Revenue Fund when and as required by this Resolution.

Section 12. [RESERVED].

Section 13. INVESTMENTS. Money in every Fund required to be maintained by this Resolution may, at the option of the Issuer, be invested as provided in the Public Funds Investment Act, Chapter 2256, Texas Government Code, for the investment of funds of the entities described therein; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times when expected to be needed. Interest and income derived from such deposits and investments shall be credited to the Fund from which the deposit or investment was made and shall be used only for the purpose or purposes for which such Fund is required or permitted to be used. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 14. FUNDS SECURED. All Funds required to be maintained by this Resolution shall be secured in the manner and to the fullest extent by law, including particularly, the Public Funds Collateral Act, Chapter 2257, Texas Government Code, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 15. DEBT SERVICE REQUIREMENTS. (a) Immediately after the delivery of the Bonds the Issuer shall deposit to the credit of the Interest and Redemption Fund, from the proceeds received from the sale and delivery of the Bonds, all accrued interest, to be used to pay part of the interest coming due on the Bonds.

(b) The Issuer shall transfer from the Pledged Revenues credited to the Revenue Fund and deposit to the credit of the Interest and Redemption Fund the amounts, at the times, as follows:

(1) on or before the fifth day prior to each interest payment date for the Bonds, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds and any Additional Parity Obligations on such next succeeding interest payment date;

(2) on or before the fifth day prior to each principal payment date for the Bonds, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the principal scheduled to mature and come due, on the Bonds and any Additional Parity Obligations on such next succeeding principal payment date;

(3) on or before the fifth day prior to any optional redemption date set by the Issuer for any Bonds, such amount as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds scheduled to be redeemed on such optional redemption date; and

(4) any amounts required to be deposited therein pursuant to Sections 30 and 31 of this Resolution

Section 16. DEFICIENCIES. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Redemption Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

Section 17. EXCESS PLEDGED REVENUES. Subject to making the required deposits to the credit of the Interest and Redemption Fund, when and as required by this Resolution, or any Resolution authorizing the issuance of Additional Parity Obligations, the excess Pledged Revenues may be used by the Issuer for any other lawful purpose.

Section 18. CONSTRUCTION FUND. There shall be established a separate fund to be known as the "Taxable Series 2022A Bond Construction Fund" (the "Construction Fund") with the Issuer's depository bank and upon the delivery of the Bonds, and subject to making the deposits required by Sections 12 and 15(a) hereof, the remaining proceeds of the Bonds shall be deposited into the Construction Fund. Subject to any escrow or trust and agency fund requirements imposed by the TWDB pursuant to Section 31 hereof, money in the Construction Fund shall be subject to disbursements by the Issuer for payment of all costs incurred in carrying out the purpose for which the Bonds are issued.

Section 19. PAYMENT OF BONDS. On or before the fourteenth calendar day of each April and of each October hereafter while any of the Bonds or Additional Parity Obligations are outstanding and unpaid, the Issuer shall make available to the paying agents therefor, out of the Interest and Redemption Fund, if necessary, money sufficient to pay such interest on and such principal of the Bonds and Additional Parity Obligations as will accrue or mature on the April 15 or October 15 immediately following.

Section 20. FINAL DEPOSITS. (a) At such times as the aggregate amount of money and investments in the Interest and Redemption Fund are at least equal in market value to (1) the aggregate principal amount of all unpaid (unmatured and matured) outstanding Bonds and Additional Parity Obligations, plus (2) the aggregate amount of all unpaid interest, including all unpaid (unmatured and matured) outstanding interest coupons, appertaining to such Bonds and Additional Parity Obligations, no further deposits need be made into the Interest and Redemption Fund. In determining the amount of such Bonds and Additional Parity Obligations, and unpaid interest appertaining thereto, outstanding at any time, there shall be subtracted and excluded the amount of any such Bonds and Additional Parity Obligations, and unpaid interest appertaining thereto, which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents therefor sufficient for such redemption.

(b) Any money deposited with the Paying Agent/Registrar in trust for the payment of the principal of, redemption premium, if any, or interest on any Bond and remaining unclaimed for four years after such principal of, redemption premium, if any, or interest on such Bond has become due and payable shall, subject to the unclaimed property laws of the State of Texas, be paid to the Issuer; provided, however, that before the Paying Agent/Registrar shall be required to make any such repayment, the Paying Agent/Registrar may at the expense of the Issuer cause to be published at least once, in a financial newspaper, journal, or publication of general circulation in The City of New York, New York, or in the State of Texas, a notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the

date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. After the payment of such unclaimed moneys to the Issuer, the owner of such Bond shall thereafter look only to the Issuer for the payment thereof, and all liability of the Paying Agent/Registrar with respect to such money shall thereupon cease.

Section 21. ADDITIONAL PARITY OBLIGATIONS. (a) The Issuer shall have the right and power at any time and from time to time, and in one or more Series or issues, to authorize, issue, and deliver additional parity revenue bonds or notes (herein called "Additional Parity Obligations"), in any amounts, for any lawful purpose of or relating to the Project and the Planned Improvements (as such term is defined in the Contracts), as permitted by the Contracts, including the refunding of any Parity Obligation. Such Additional Parity Obligations, if and when authorized, issued, and delivered in accordance with this Resolution, shall be secured by and made payable equally and ratably on a parity with the Bonds and the Series 2022B Bonds, and all other Outstanding Parity Obligations, from a first lien on and pledge of the Pledged Revenues; provided, however, that for so long as the TWDB is the holder of Outstanding Parity Obligations, such Pledged Revenues may not be pledged to the payment of any Additional Parity Obligations secured by a pledge of the same Pledge Revenues unless the Issuer demonstrates to the TWDB Executive Administrator=s satisfaction that the Pledged Revenues will be sufficient for the repayment of all then Outstanding Parity Obligations and the proposed Additional Parity Obligations.

(b) The Interest and Redemption Fund established by this Resolution shall secure and be used to pay all Additional Parity Obligations as well as the Bonds and the Series 2022B Bonds. However, each Resolution under which Additional Parity Obligations are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other Resolution or Resolutions authorizing Additional Parity Obligations to be deposited to the credit of the Interest and Redemption Fund, the Issuer shall deposit to the credit of the Interest and Redemption Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Parity Obligations then being issued, as the same come due.

(c) The principal of all Additional Parity Obligations must be scheduled to be paid or mature on October 15 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on April 15 and October 15.

(d) The Issuer further reserves the right to issue bonds, notes, or other obligations of inferior liens and bonds, notes, or other obligations payable from sources other than Pledged Revenues.

Section 22. FURTHER REQUIREMENTS FOR ADDITIONAL PARITY OBLIGATIONS. Additional Parity Obligations shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, without the consent of owners of at least 51% in aggregate principal amount of Bonds outstanding, no installment or series of Additional Parity Obligations shall be issued unless:

(a) a certificate is executed by the President or the chief administrative officer of the Issuer to the effect that no default exists in connection with any of the covenants or requirements of the Resolution or resolutions authorizing the issuance of all then

outstanding Parity Obligations and that the Interest and Redemption Fund contains the amount then required to be on deposit therein;

(b) an opinion of Bond Counsel is rendered to the effect that (i) such Additional Parity Obligations are valid and binding obligations of the Issuer and enforceable in accordance with their terms subject to governmental immunity, bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or remedies generally and to the extent that certain equitable remedies, including specific performance may not be available; (ii) such Additional Parity Obligations have been duly and validly authorized and issued in accordance with law; and

(c) the Resolution authorizing the issuance of such Additional Parity Obligations shall provide for the payment of principal and interest on such Additional Parity Obligations.

Section 23. GENERAL COVENANTS. The Issuer further covenants and agrees that:

(a) PERFORMANCE. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and each resolution authorizing the issuance of Additional Parity Obligations, and in each and every Bond and Outstanding Parity Obligation; that it will promptly pay or cause to be paid the principal of and interest on every Bond and Outstanding Parity Obligation, on the dates and in the places and manner prescribed in such resolutions and Bonds or Outstanding Parity Obligations; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Interest and Redemption Fund; and any holder of the Bonds or Outstanding Parity Obligations may require the Issuer, its Board, and its officials and employees, to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of other Parity Obligations, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board, and its officials and employees.

(b) ISSUER'S LEGAL AUTHORITY. The Issuer is a duly created and existing conservation and reclamation district of the State of Texas pursuant to Article 16, Section 59 of the Texas Constitution and the Issuer Act, and is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) OPERATION OF PROJECT. While the Bonds or any Parity Obligations are outstanding and unpaid it will cause the Project to be continuously and efficiently operated and maintained in good condition, repair, and working order in accordance with the Contracts.

(d) FURTHER ENCUMBRANCE. While the Bonds or any Parity Obligations are outstanding and unpaid, the Issuer shall not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Parity Obligations, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution authorizing the issuance of

Outstanding Parity Obligations; but the right of the Issuer and the Board to issue revenue bonds payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(e) **RECORDS.** Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Project, the Pledged Revenues, and all Funds described in this Resolution; and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholder.

(f) **AUDITS.** The Issuer covenants that within 120 days after the close of each Fiscal Year, it shall have had made, and will file with the TWDB, so long as it owns any Bonds, and the rating agencies which have issued a rating on the Bonds, in such quantity as each may require, an audited financial statement for itself prepared in accordance with the requirements of Section 49.192, Texas Water Code, as amended.

Copies of such audit shall be filed in the office of the Issuer and shall be open for inspection by any interested person during normal office hours. The Issuer shall furnish a copy of such audit reports any owner of Bonds upon request.

(g) **GOVERNMENTAL AGENCIES.** It will comply with all of the terms and conditions of any and all agreements applicable to the Project and the Bonds or Outstanding Parity Obligations entered into between the Issuer and any governmental agency, and the Issuer will take all action necessary to enforce said terms and conditions; and the Issuer will obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the Project.

(h) **CONTRACTS WITH MEMBER ENTITIES.** It will comply with the terms and conditions of the Contracts and will cause the Member Entities to comply with all of its obligations thereunder, particularly the obligation to fix and collect rates for services sufficient to pay the Bonds and any other Outstanding Parity Obligations, by all lawful means.

(i) **INSPECTION.** Any registered owner of any Bonds shall have the right at all reasonable times to inspect all financial records, accounts, audits, and data of the Issuer relating to the Project. In addition, so long as the TWDB or other state agency holds any of the Bonds, the Issuer shall give any duly authorized agent of such agency access to and right to copy any records, reports and files of the Issuer pertaining to the Project, and shall prepare and furnish to such agency such reports on the physical condition and finances of the Project as such agency shall request.

(j) **BUDGET.** It will prepare, adopt, and place into effect an annual budget (the "Annual Budget") for operation and maintenance of the Planned Improvements (as defined in the Contracts) for each fiscal year, including in each Annual Budget such items as are customarily and reasonably contained in a regional water system budget under generally accepted accounting procedures. The Issuer shall, at least thirty days subsequent to adopting and placing into effect each Annual Budget, furnish, without cost, a copy of same to the TWDB, so long as it owns any Bonds, and to any owner of 25% or more in aggregate principal amount of all then Outstanding Parity Obligations who may so request.

(k) PERMITS. It will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the Project and which have been obtained from any governmental agency; and the Issuer has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the Project.

Section 24. AMENDMENT OF RESOLUTION. (a) The holders or owners of Parity Obligations aggregating 51% in principal amount of the aggregate principal amount of all then Outstanding Parity Obligations shall have the right from time to time to approve any amendment to this Resolution or any other resolution authorizing the issuance of Parity Obligations, which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in said resolutions or in the Parity Obligations so as to:

- (1) Make any change in the maturity of the Outstanding Parity Obligations;
- (2) Reduce the rate of interest borne by any of the Outstanding Parity Obligations;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds or Additional Parity Obligations;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Parity Obligations, or impose any conditions with respect to such payment;
- (5) Affect the rights of the holders of less than all of the Parity Obligations then Outstanding;
- (6) Change the minimum percentage of the principal amount of Parity Obligations necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend a resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of Texarkana, Texas, or in the City of Austin, Texas, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent for each Series of Parity Obligations for inspection by all holders of Parity Obligations. Such publication is not required, however, if notice in writing is given to each holder of Parity Obligations.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the holders or owners of at least 51% in aggregate principal amount of all Parity Obligations then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the resolution being amended shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all the holders or owners of then Outstanding Parity Obligations and all future Additional Parity Obligations shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendment.

(e) Any consent given by the holder or owner of any Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders or owners of the same Parity Obligation during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder or owner who gave such consent, or by a successor in title, by filing notice thereof with each Paying Agent for each Series of Parity Obligations and the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the then Outstanding Parity Obligations as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) The ownership of all registered Parity Obligations shall be ascertained by the registration books pertaining thereto kept by the Paying Agent/Registrar. The Issuer may conclusively assume that such holding or ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 25. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section 25, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Pledged Revenues pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Notwithstanding the provisions of subsection (a), the Issuer expressly reserves the right, pursuant to Section 1207.033(c), Texas Government Code, to later call a Defeased Bond for redemption in accordance with the provisions of this Resolution.

(c) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying

Agent/Registrar which is not required for the payment of the Bonds and interest thereon with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer.

(d) The term “Defeasance Securities” as used in this Section, means any securities and obligations now or hereafter authorized by State of Texas law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(e) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

(f) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select such amount of Bonds by such random method as it deems fair and appropriate.

(g) So long as the TWDB is the registered owner of any of the Bonds, the Issuer shall provide written notice to the TWDB of a defeasance of the Bonds pursuant to subsection (a) of this Section.

Section 26. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bonds or Bond authorized by this Resolution is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal,

printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1201.067, Texas Government Code, this Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 27. CUSTODY, APPROVAL, AND REGISTRATION OF INITIAL BOND; BOND COUNSEL'S OPINION, CUSIP NUMBERS, INSURANCE, AND PREAMBLE. The General Manager of the Issuer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to the Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Initial Bond or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. If insurance is obtained on any of the Bonds, the Initial Bond and all the Bonds shall bear an appropriate legend concerning insurance as provided by the insurer. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes.

Section 28. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Initial Bond shall be used along with other bond proceeds for the acquisition, by purchase and construction, of the Project in accordance with the Contracts; provided that after completion of the Project, if any of such interest earnings remain on hand, such interest earnings along with any surplus bond proceeds shall be deposited in the Interest and Sinking Fund.

Section 29. ESCROW AGREEMENT AND ESCROW ACCOUNT. (a) The Escrow Agreement relating to the Bonds between the Issuer and the escrow agent named therein (the "Escrow Agent") substantially in the form and content attached hereto as Exhibit A, specifying the duties and responsibilities of the Issuer and the Escrow Agent, is hereby approved and the President of the Board is hereby authorized and directed to execute the Escrow Agreement on behalf of the Issuer. The Escrow Agent named in the Escrow Agreement is hereby appointed as the Escrow Agent pursuant to such Escrow Agreement.

(b) On the closing date, the Issuer shall cause the proceeds from the sale of the Bonds to be deposited into the Escrow Account or, if agreed to by the TWDB, all or a portion of the proceeds of the Bonds may be deposited into the Construction Fund or as otherwise directed by the Issuer.

(c) Except as provided in Section 36 moneys disbursed from the Escrow Account established pursuant to the Escrow Agreement shall be applied only for the projects for which the Bonds are issued.

(d) The security for, and the investment of, funds on deposit in the Escrow Account shall be governed by the provisions of the Escrow Agreement.

Section 30. SALE OF INITIAL BOND. The Bonds hereby sold and shall be delivered to the Texas Water Development Board for cash for the principal amount thereof. In accordance with its Resolution No. 20-075, the Texas Water Development Board will purchase the Bonds, with an amount approved by the Texas Water Development Board to be deposited to the Construction Fund authorized by Section 18 hereof (the "Construction Fund") upon initial delivery of the Bonds, and the balance of the proceeds to be deposited to the Escrow Account authorized by Section 29 hereof until authorized for transfer to the Construction Fund by the Texas Water Development Board. The officers of the Issuer are authorized to do any and all things necessary in connection with the issuance of the Bonds, and are authorized to execute and deliver such certificates as are necessary or appropriate in connection with the issuance of the Bonds. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the TWDB or its designee.

Section 31. DTC REGISTRATION. The Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and the Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the federal Securities Exchange Act of 1934, as amended, and the Issuer accepts, but in no way verifies, such representations. The Initial Bond authorized by this Resolution shall be delivered to and registered in the name of the TWDB. However, it is a condition of delivery and sale that the TWDB, immediately after such delivery, shall cause the Paying Agent/Registrar, as provided for in this Resolution, to cancel said Initial Bond and deliver in exchange therefor a substitute Bond for each maturity of such Initial Bond, with each such substitute Bond to be registered in the name of CEDE & CO., the nominee of DTC, and it shall be the duty of the Paying Agent/Registrar to take such action. It is expected that DTC will hold the Bonds on behalf of the TWDB and/or the DTC Participants, as defined and described in the Official Statement referred to and approved in Section 29 hereof (the "DTC Participants"). So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC in all respects the same as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book entry system which will identify beneficial ownership of the Bonds by DTC Participants in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and the DTC Participants pursuant to rules and regulations established by them, and that the substitute Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided.

The Issuer is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or the DTC Participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the TWDB and the DTC Participants to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The Issuer does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. The Issuer reserves the right and option at any time in the future, in its sole discretion, to terminate the DTC (CEDE & CO.) book-entry only registration requirement described above, and to permit the Bonds to be registered in the name of any owner. If the Issuer exercises its right and option to terminate such requirement, it shall give written notice of such termination to the Paying Agent/ Registrar and to DTC, and thereafter the Paying Agent/Registrar shall, upon presentation and proper request, register any Bond in any name as provided for in this Resolution. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered substitute Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Resolution, substitute Bonds will be duly delivered as provided in this Resolution, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds.

Section 32. CONTINUING DISCLOSURE UNDERTAKING. (a).Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The Issuer shall provide annually to the MSRB, within twelve months after the end of each fiscal year ending in or after 2022, financial information and operating data with respect to the Issuer to the extent that such information is customarily prepared by the Issuer and is publicly available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements filed with the Texas Water Development Board as part of the Issuer’s application to the Texas Water Development Board, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information that is available to the Issuer

by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Notice of Certain Events. (i) The Issuer shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (i) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer., and (ii) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Issuer shall file notice with the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Subsection (b) of this Section by the time required by such Subsection.

(d) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by Subsection (a) hereof of any Bond calls and defeasance that cause the Issuer to no longer be such an “obligated person”.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other

provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 33. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 34. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 35. SECURITY INTEREST. Article 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 36. TEXAS WATER DEVELOPMENT BOARD. The provisions of this Section shall apply so long as the Bonds, or any of them, are owned by the TWDB. The Issuer hereby

agrees to comply with all conditions set forth in TWDB Resolution No. 20-075, which conditions are incorporated herein.

(a) Annual Audit Reporting. The Issuer shall provide the Texas Water Development Board with an annual report prepared in accordance with generally accepted auditing standards by a certified public accountant or licensed public accountant, to be submitted without charge within 120 days of the close of each fiscal year.

(b) Covenant to Abide with Rules. The Issuer will abide with all applicable laws of the State of Texas and Rules of the Texas Water Development Board relating to the loan of funds evidenced by the Bonds and the Project for which the Bonds are issued, sold and delivered.

(c) Water Conservation Program. The Issuer agrees and covenants that it will implement an approved water conservation program in accordance with 31 TAC § 371.71.

(d) Records and Accounts. The Issuer agrees and covenants that it will maintain current, accurate and complete records and accounts regarding the System in accordance with 31 TAC § 371.71.

(e) Environmental Determinations. The Issuer agrees and covenants that it will comply with any special conditions of the environmental determination of the Executive Administrator in accordance with 31 TAC § 371.71.

(f) Prohibition on Use of Proceeds. The Issuer covenants and agrees that none of the proceeds of the Bonds will be expended on costs incurred or to be incurred relating to the sampling, testing, removing or disposing of potentially contaminated soils and/or media at the project site.

(g) Indemnification. The Issuer further agrees, to the extent permitted by law, to indemnify, hold harmless and protect the Texas Water Development Board from any and all claims or causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, removal and off site disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Issuer, its contractors, consultants, agents, officials and employees as a result of activities relating to the Project.

(h) Conveyance of Obligations. Prior to any action by the Issuer to convey its obligations under the Bonds to another entity, if permitted by law, the conveyance and the assumption of such obligations must be approved by the Texas Water Development Board. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as a sale-transfer-merger with another retail public utility.

(i) Davis-Bacon Act Compliance. All laborers and mechanics employed by contractors and subcontractors for the Project who are paid from proceeds of the Bonds on deposit in the Construction Fund shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality of the Issuer in accordance with the federal Davis-Bacon Act and the U.S. Department of Labor's implementing regulations pertaining thereto.

(j) Federal Funding Accountability and Transparency Act. The Issuer shall provide the Texas Water Development Board with all information required by the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282.

(k) DUNS Number and CAGE Code. The Issuer shall obtain a Data Information Numbering System (DUNS) Number and shall register with the System for Award Management to obtain a Commercial and Government Entity (CAGE) Code, and maintain current registration at all times during which the Bonds are outstanding.

(l) Timely Expenditures. All proceeds of the Bonds will be timely and expeditiously used, as required by applicable federal statutes and U.S. Environmental Protection Agency regulations, and the Issuer shall adhere to a project construction schedule acceptable to the Executive Administrator that facilitates timely use of funds and project completion.

(m) As-Built Plans. The Issuer shall provide to the Texas Water Development Board a full and complete set of "as-built" plans relating to the Project, promptly upon completion of the Project.

(n) Final Accounting. The Issuer shall render a final accounting of the cost of the Project to the Texas Water Development Board within 60 days of the completion of the Project. If the total cost of the Project, as finally completed, is less than originally estimated, so that the proper share of the participation by the Texas Water Development Board in the Project is reduced, such surplus proceeds shall be used in accordance with subsection (o) below.

(o) Surplus Proceeds. Notwithstanding any other provision of this Resolution or the Bonds restricting early redemption of the Bonds, the Issuer shall use any surplus proceeds from the Bonds that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Texas Water Development Board's ("TWDB") Executive Administrator (the "Executive Administrator"), including without limitation to redeem, on any date, the Bonds owned by the TWDB, at a price of par plus accrued interest to the date fixed for redemption.

(p) Insurance. Insurance coverage be obtained and maintained by the Issuer in an amount sufficient to protect the interest of the Texas Water Development Board in the Project.

(q) Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of the Bonds or this Resolution that restricts or limits the TWDB's full exercise of such remedies shall be of no force and effect.

(r) American Iron and Steel Requirements. The Issuer will abide by all applicable construction contract requirements related to the use of iron and steel products in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

(s) Covenant Regarding Taxes and System Rates. The Issuer hereby agrees that, for so long as the Bonds are outstanding, to maintain and collect sufficient rates and charges to produce System revenues in an amount necessary to meet the debt service requirements of all Bonds and to maintain the funds established and required by the Bonds.

(t) Outlay Reports. The Issuer shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

Section 37. FURTHER PROCEDURES. (a) The President and Secretary, respectively, of the Board of Directors of the Issuer, the General Manager, Operations Manager, and Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, and the sale of the Bonds, including without limitation the Blanket Issuer Letter of Representations to DTC. The expenses of issuing the Bonds shall be paid from the proceeds from the sale of the Initial Bond. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

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EXHIBIT A

ESCROW AGREEMENT

(Attached)

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. H.
RWRD RESO 20220126-08
Series 2022B Tax Exempt Bond**

RIVERBEND RESOLUTION 20220126-08

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF
RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE
BONDS (REGIONAL WATER SYSTEM PROJECT), SERIES 2022B, AND
APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES
RELATING THERETO**

WHEREAS, Riverbend Water Resources District (the “Issuer”) was created by the Texas Legislature in 2009 as a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, effective June 19, 2009 as a water district with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the Issuer, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, the Issuer has previously issued its Contract Revenue Bonds (Regional Water System Project), Taxable Series 2022A and Contract Revenue Bonds (Regional Water System Project), Series 2022B (collectively, the Series 2022 Bonds) pursuant to Resolution Nos. 20221028-003 and 20221028-004, respectively (collectively, the “Series 2022 Bond Resolutions”), in order finance improvements to certain “Company Facilities” as defined in said Series 2022 Bond Resolutions; and

WHEREAS, the bonds hereinafter authorized are being issued and secured on a parity with the Outstanding Parity Obligations with respect to the pledge of the Pledged Revenues (as defined herein); and

WHEREAS, the Issuer has previously identified regional water infrastructure projects under the Riverbend Regional Water Master Plan Study to be completed in order to improve and operate the Company Facilities;

WHEREAS, the Cities of Annona, Avery, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village, Central Bowie Water Supply Corporation and Oak Grove Water Supply Corporation (each, a “Member Entity” and collectively, the “Member Entities”) desire to effectuate the improvement of the Company Facilities pursuant to the Riverbend Regional Water Master Plan Study (the “Planned Improvements”) and provide for regional water service, including that needed by the Member Entities; and

WHEREAS, the Issuer has entered into a Water Distribution and Supply Contract (each, a “Contract” and collectively, the “Contracts”) with each Member Entity with respect to the funding and construction by the Issuer, for the benefit of the Member Entities, of the Planned Improvements and any additional regional improvements or enhancements; and

WHEREAS, the Board of Directors of the Issuer is authorized to issue the bonds hereinafter authorized pursuant to the Issuer Act, the Contracts, and other applicable law; and

WHEREAS, the Issuer has received Resolution Nos. 20-075 and 20-076 from the Texas Water Development Board (the “TWDB”) approving financial assistance to the Issuer in the

aggregate amount of \$199,700,000 in multi-year financing, including the purchase of the Issuer's Series 2022A Bonds to be authorized hereby and the purchase of the Taxable Series 2022A Bonds (each as defined herein); and

WHEREAS, the Issuer deems it necessary and advisable to authorize the adoption of this Resolution; and

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

Section 1. AMOUNT AND PURPOSE OF THE BONDS. The bond or bonds of Riverbend Water Resources District (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$37,200,000, FOR THE PURPOSE OF OBTAINING FUNDS REQUIRED TO PROVIDE FOR THE DESIGN, ACQUISITION, CONSTRUCTION, AND EQUIPMENT OF IMPROVEMENTS TO THE COMPANY FACILITIES TO PROVIDE REGIONAL WATER SERVICE FOR USE BY THE MEMBER ENTITIES.

Section 2. DESIGNATION OF THE BONDS. Each bond issued pursuant to this Resolution shall be designated: "RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE BOND (REGIONAL WATER SYSTEM PROJECT), SERIES 2022B", and initially there shall be issued, sold, and delivered hereunder a single fully registered bond, without interest coupons, payable in installments of principal (the "Initial Bond"), but the Initial Bond may be assigned and transferred and/or converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Bonds" as used in this Resolution shall mean and include collectively the Initial Bond and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL BOND.

(a) The Initial Bond is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Bond, without interest coupons, dated February 1, 2022, in the denomination and aggregate principal amount of \$37,200,000 numbered TR-1, payable in annual installments of principal to the initial registered owner thereof, to-wit: Texas Water Development Board, or to the registered assignee or assignees of said Bond or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Bond to be payable on the dates, respectively, and in the principal amounts, respectively, stated in the FORM OF INITIAL BOND set forth in this Resolution.

(b) The Initial Bond (i) may and shall be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, (ii) may be assigned and transferred, (iii) may be converted and exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Initial Bond shall be payable, all as provided, and in the manner required or indicated, in the FORM OF INITIAL BOND set forth in this Resolution.

Section 4. INTEREST. The unpaid principal balance of the Initial Bond shall bear interest from the Issuance Date to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Bond, and said interest shall be payable, all in the manner provided and at the rates and on the dates stated in the FORM OF INITIAL BOND set forth in this Resolution.

Section 5. FORM OF INITIAL BOND. The form of the Initial Bond, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Bond, shall be substantially as follows:

FORM OF INITIAL BOND

NO. TR-1

\$37,200,000

UNITED STATES OF AMERICA
STATE OF TEXAS
RIVERBEND WATER RESOURCES DISTRICT
CONTRACT REVENUE BOND
(REGIONAL WATER SYSTEM PROJECT)
SERIES 2022B

Riverbend Water Resources District (the “Issuer”), being a political subdivision of the State of Texas, hereby promises to pay to the TEXAS WATER DEVELOPMENT BOARD, or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the “registered owner”) the aggregate principal amount of \$37,200,000 (THIRTY SEVEN MILLION TWO HUNDRED THOUSAND AND 00/100 DOLLARS) in annual installments of principal due and payable on October 15 in each of the years, and to pay interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of delivery of the Bonds (which date appears in the Delivery Certificate endorsed on this Bond), on the balance of each such installment of principal, respectively, from time to time remaining unpaid, in the respective principal amounts and at the rates per annum, as set forth in the following schedule:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2022	1,175,000	0.000%	2037	1,225,000	0.420%
2023	1,200,000	0.000	2038	1,230,000	0.450
2024	1,200,000	0.000	2039	1,240,000	0.480
2025	1,200,000	0.000	2040	1,245,000	0.530
2026	1,195,000	0.000	2041	1,250,000	0.580
2027	1,195,000	0.000	2042	1,260,000	0.610
2028	1,200,000	0.030	2043	1,265,000	0.640
2029	1,200,000	0.120	2044	1,275,000	0.670
2030	1,200,000	0.180	2045	1,285,000	0.690
2031	1,205,000	0.230	2046	1,290,000	0.700
2032	1,205,000	0.260	2047	1,300,000	0.710
2033	1,210,000	0.290	2048	1,310,000	0.720
2034	1,215,000	0.330	2049	1,320,000	0.730
2035	1,215,000	0.360	2050	1,330,000	0.740

2036 1,220,000 0.390

2051 1,340,000 0.750

with said interest being payable on October 15, 2022 and semiannually on each April 15 and October 15 thereafter while this Bond or any portion hereof is outstanding and unpaid.

THE INSTALLMENTS OF PRINCIPAL OF AND THE INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The installments of principal and the interest on this Bond are payable to the registered owner hereof through the services of BOKF, NA in Dallas, Texas, as paying agent/registrar (the "Paying Agent/Registrar") for this Bond. Payment of all principal of and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal and/or interest payment date by check dated as of such date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such principal and/or interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided that, if the Texas Water Development Board (the "TWDB") is the registered owner of this Bond, at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. The Issuer covenants with the registered owner of this Bond that on or before each principal and/or interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND has been authorized in accordance with the Constitution and laws of the State of Texas FOR THE PURPOSE OF OBTAINING FUNDS REQUIRED TO PROVIDE FOR THE DESIGN, ACQUISITION, CONSTRUCTION, AND EQUIPMENT OF IMPROVEMENTS TO THE COMPANY FACILITIES TO PROVIDE REGIONAL WATER SERVICE FOR USE BY THE MEMBER ENTITIES.

ON APRIL 15, 2032, or any date thereafter, the Bonds having stated maturities on and after October 15, 2032 may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if less than a whole maturity is to be redeemed, the Bonds or portions thereof to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary random method (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal the principal amount thereof, plus accrued interest to the date fixed for redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository

for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the mailing of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND, to the extent of the unpaid or unredeemed principal balance hereof, or any unpaid and unredeemed portion hereof in any integral multiple of \$5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Bond, or any portion or portions hereof in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any such portion or portions hereof by the initial registered owner hereof. A new bond or bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds) or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Bond or any portion hereof. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all

purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Bond Resolution, this Bond, to the extent of the unpaid or unredeemed principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Bond which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute bond issued in exchange for any portion of this Bond shall have a single stated principal maturity date), upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. If this Bond or any portion hereof is assigned and transferred or converted each bond issued in exchange for any portion hereof shall have a single stated principal maturity date corresponding to the due date of the installment of principal of this Bond or portion hereof for which the substitute bond is being exchanged, and shall bear interest at the rate applicable to and borne by such installment of principal or portion thereof. Such bonds, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Bond or portion hereof for which they are being exchanged. No such bond shall be payable in installments, but shall have only one stated principal maturity date. AS PROVIDED IN THE BOND RESOLUTION, THIS BOND IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the bonds issued and delivered in exchange for this Bond or any portion hereof may be assigned and transferred, and converted, subsequently, as provided in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

IN THE EVENT any Paying Agent/Registrar for this Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owner of this Bond.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special revenue obligation of the Issuer which, together with the Series 2020 Bonds, Taxable Series 2022A Bonds and any Additional Parity Obligations which may be issued in the future, are secured by and payable from a first lien on and pledge of the "Pledged Revenues" as defined in the Bond Resolution, consisting primarily of payments to be received by the Issuer from the Member Entities

under the Water Distribution and Supply Contracts (the “Contracts”), between the Issuer and each Member Entity with respect to the design, acquisition, construction, and equipment of improvements to the Company Facilities to provide regional water service for use by the Member Entities.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM AND TO THE EXTENT OF THE GROSS REVENUES DERIVED PRIMARILY FROM PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE MEMBER ENTITIES. NO OTHER ENTITY, INCLUDING THE STATE OF TEXAS, ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER OR THE MEMBER ENTITIES), OR ANY OTHER PUBLIC OR PRIVATE BODY, IS OBLIGATED, DIRECTLY, INDIRECTLY, CONTINGENTLY, OR IN ANY OTHER MANNER, TO PAY SUCH PRINCIPAL OR INTEREST FROM ANY OTHER SOURCE WHATSOEVER. THE OWNER OF THIS BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (INCLUDING SPECIFICALLY TAXES RAISED OR TO BE RAISED BY THE ISSUER) OR FROM ANY OTHER FUNDS OF THE ISSUER EXCEPT THE GROSS REVENUES. NO REPRESENTATION IS MADE HEREIN WITH RESPECT TO THE ANTICIPATED SUFFICIENCY OF THE GROSS REVENUES. NO PART OF THE PHYSICAL PROPERTY OF THE ISSUER IS ENCUMBERED BY ANY LIEN OR SECURITY INTEREST FOR THE BENEFIT OF THE OWNERS OF THIS BOND.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Parity Obligations payable from and secured by a first lien on and pledge of the “Pledged Revenues” on a parity with this Bond.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the “Pledged Revenues”.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution. The Issuer has no taxing power.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between the registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, has caused the official seal of the Issuer to be duly impressed or placed in facsimile on this Bond, and has caused this Bond to be dated as of February 1, 2022.

RIVERBEND WATER RESOURCES DISTRICT

Secretary, Board of Directors,

President, Board of Directors,

(ISSUER SEAL)

FORM OF REGISTRATION CERTIFICATE OF THE
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF DELIVERY CERTIFICATE

DELIVERY CERTIFICATE

This Bond was delivered to and paid for by the purchaser thereof on _____.

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please Insert Social Security or
Other Identifying Number of Assignee

/ _____ /

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint
_____ to transfer said Bond on the books kept for registration thereof
with full power of substitution in the premises.

Date: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon
the face of the within Bond in every particular, without alteration or enlargement
or any change whatever; and

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in
a Securities Transfer Association recognized signature guarantee program.

Section 6. ADDITIONAL CHARACTERISTICS OF THE BONDS. Registration and Transfer. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA in Dallas, Texas (the "Paying Agent/Registrar") books or records of the registration and transfer of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such Bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing (i) the assignment of the Bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in conversion and exchange therefor in the manner herein provided. The Initial Bond, to the extent of the unpaid or unredeemed principal balance thereof, may be assigned and transferred by the initial registered owner thereof once only, and to one or more assignees designated in writing by the initial registered owner thereof. All Bonds issued and delivered in conversion of and exchange for the Initial Bond shall be in any denomination or denominations of any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated principal maturity date), shall be in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, and shall have the characteristics, and may be assigned, transferred, and converted as hereinafter provided. If the Initial Bond or any portion thereof is assigned and transferred or converted the Initial Bond must be surrendered to the Paying Agent/Registrar for cancellation, and each Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If only a portion of the Initial Bond is assigned and transferred, there shall be delivered to and registered in the name of the initial registered owner substitute Bonds in exchange for the unassigned balance of the Initial Bond in the same manner as if the initial registered owner were the assignee thereof. If any Bond or portion thereof other than the Initial Bond is assigned and transferred or converted each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is exchanged. A form of assignment shall be printed or endorsed on each Bond, excepting the Initial Bond, which shall be executed by the registered owner or its duly authorized attorney or representative to evidence an assignment thereof. Upon surrender of any Bonds or any portion or portions thereof for transfer of registration, an authorized representative of the Paying

Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered substitute Bond or Bonds, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Bond or Bonds), or to the previous registered owner in case only a portion of a Bond is being assigned and transferred, all in conversion of and exchange for said assigned Bond or Bonds or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 6(d), below, for the conversion and exchange of Bonds by any registered owner of a Bond. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Bond or Bonds, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to convert and exchange or replace Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution.

(d) Conversion and Exchange or Replacement; Authentication. Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Bond at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be converted into and exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF SUBSTITUTE BOND set forth in this Resolution, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal balance or principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If the Initial Bond is assigned and transferred or converted each substitute Bond issued in exchange for any portion of the Initial Bond shall have a single stated principal maturity date, and shall not be payable in installments; and each such Bond shall have a principal maturity date corresponding to the due

date of the installment of principal or portion thereof for which the substitute Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If a portion of any Bond (other than the Initial Bond) shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof (other than the Initial Bond) is assigned and transferred or converted, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange or replace Bonds as provided herein, and each fully registered bond delivered in conversion of and exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be converted and exchanged or replaced. It is specifically provided that any Bond authenticated in conversion of and exchange for or replacement of another Bond on or prior to the first scheduled Record Date for the Initial Bond shall bear interest from the date of the Initial Bond, but each substitute Bond so authenticated after such first scheduled Record Date shall bear interest from the interest payment date next preceding the date on which such substitute Bond was so authenticated, unless such Bond is authenticated after any Record Date but on or before the next following interest payment date, in which case it shall bear interest from such next following interest payment date; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged is due but has not been paid, then such Bond shall bear interest from the date to which such interest has been paid in full. THE INITIAL BOND issued and delivered pursuant to this Resolution is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed a certificate, in the form substantially as follows:

“PAYING AGENT/REGISTRAR’S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA,
Dallas, Texas,
Paying Agent/Registrar

Dated: _____

Authorized Representative”

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above Certificate, and no such Bond shall be deemed to be issued

or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for conversion and exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Section 1201.067, Texas Government Code, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was issued pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting any such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(e) In General. All Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF SUBSTITUTE BOND set forth in this Resolution.

(f) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Bonds, and with respect to the conversion and exchange of Bonds solely to the extent above provided in this Resolution.

(g) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or

its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

Section 7. FORM OF SUBSTITUTE BONDS. The form of all Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Bonds, and the Form of Assignment to be printed on each of the Bonds, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SUBSTITUTE BOND

[Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Bond Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC, and notwithstanding any other provision of the Bond Resolution to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.]

NO. ____	UNITED STATES OF AMERICA STATE OF TEXAS RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE BOND (REGIONAL WATER SYSTEM PROJECT) SERIES 2022B	PRINCIPAL AMOUNT \$_____
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<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUANCE DATE</u>	<u>CUSIP NO.</u>
_____%	October 15, 20__	_____, 2022	_____

ON THE MATURITY DATE specified above Riverbend Water Resources District (the “Issuer”), being a political subdivision of the State of Texas, hereby promises to pay to Cede & Co., or to the registered assignee hereof (either being hereinafter called the “registered owner”) the principal amount of _____ and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issuance Date specified above, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable on October 15, 2022, and semiannually on each April 15 and October 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA in Dallas, Texas, as paying agent/registrar (the “Paying Agent/Registrar”) for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the “Bond Resolution”) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared at the close of business on the last business day of the month next preceding each such date (the “Record Date”) on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. However, notwithstanding the foregoing provisions, the payment of such interest may be made by any other method acceptable to the Paying Agent/Registrar and requested by, and at the risk and expense of, the registered owner hereof; provided, however, for Bonds, the registered owner of which is the Texas Water Development Board (the “TWDB”), at the option of the TWDB and at the expense of the Issuer, such payment shall be made by wire transfer pursuant to written directions of the TWDB. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the “Interest and Redemption Fund” created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal

holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of an issue of Bonds initially dated February 1, 2022, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$37,200,000, FOR THE PURPOSE OF OBTAINING FUNDS REQUIRED TO PROVIDE FOR THE DESIGN, ACQUISITION, CONSTRUCTION, AND EQUIPMENT OF IMPROVEMENTS TO THE COMPANY FACILITIES TO PROVIDE REGIONAL WATER SERVICE FOR USE BY THE MEMBER ENTITIES.

ON APRIL 15, 2032, or any date thereafter, the Bonds having stated maturities on and after October 15, 2032 may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, in inverse order of maturity, and, if less than a whole maturity is to be redeemed, the Bonds or portions thereof to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary random method (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal the principal amount thereof, plus accrued interest to the date fixed for redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the mailing of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special revenue obligation of the Issuer which, together with the Series 2020 Bonds, Taxable Series 2022A Bonds and any Additional Parity Obligations which may be issued in the future, are secured by and payable from a first lien on and pledge of the “Pledged Revenues” as defined in the Bond Resolution, consisting primarily of payments to be received by the Issuer from the Member Entities under the Water Distribution and Supply Contracts (the “Contracts”), between the Issuer and each Member Entity with respect to the design, acquisition, construction, and equipment of improvements to the Company Facilities to provide regional water service for use by the Member Entities.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM AND TO THE EXTENT OF THE GROSS REVENUES DERIVED PRIMARILY FROM PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE MEMBER ENTITIES. NO OTHER ENTITY, INCLUDING THE STATE OF TEXAS, ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER OR THE MEMBER ENTITIES), OR ANY OTHER PUBLIC OR PRIVATE BODY, IS OBLIGATED, DIRECTLY, INDIRECTLY, CONTINGENTLY, OR IN ANY OTHER MANNER, TO PAY SUCH PRINCIPAL OR INTEREST FROM ANY OTHER SOURCE WHATSOEVER. THE OWNER OF THIS BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (INCLUDING SPECIFICALLY TAXES RAISED OR TO BE RAISED BY THE ISSUER) OR FROM ANY OTHER FUNDS OF THE ISSUER EXCEPT THE GROSS REVENUES. NO REPRESENTATION IS MADE HEREIN WITH RESPECT TO THE ANTICIPATED SUFFICIENCY OF THE GROSS REVENUES. NO PART OF THE PHYSICAL PROPERTY OF THE ISSUER IS ENCUMBERED BY ANY LIEN OR SECURITY INTEREST FOR THE BENEFIT OF THE OWNERS OF THIS BOND.

THE ISSUER has reserved the right, subject to the restrictions stated in the Bond Resolution, to issue Additional Parity Obligations payable from and secured by a first lien on and pledge of the “Pledged Revenues” on a parity with this Bond and series of which it is a part.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the registered owners of 51% in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the “Pledged Revenues”.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution. The Issuer has no taxing power.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and attested and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

RIVERBEND WATER RESOURCES DISTRICT

Secretary, Board of Directors,

President, Board of Directors

(ISSUER SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

_____,
Paying Agent/Registrar

Dated: _____

Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please Insert Social Security or
Other Identifying Number of Assignee

/ _____ /

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint
_____ to transfer said Bond on the books kept for registration thereof
with full power of substitution in the premises.

Date: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever; and

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

Section 8. ADDITIONAL DEFINITIONS. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Additional Parity Obligations” shall mean the additional parity revenue bonds permitted to be authorized in the future by this Resolution and by the Taxable Series 2022A Resolution.

“Board” shall mean the Board of Directors of the Issuer, being the governing body of the Issuer, and it is further resolved that the declarations and covenants of the Issuer contained in this Resolution are made by, and for and on behalf of the Board and the Issuer, and are binding upon the Board and the Issuer for all purposes.

“Contract” or “Contracts” shall mean each Water Distribution and Supply Contract entered into by the Issuer and each of the Member Entities.

“Gross Revenues” shall mean all payments and amounts received by the Issuer pursuant to Section 5.02 of the Contract, and all investments, interest, and income from any Fund created pursuant to this Resolution.

“Fund” shall mean any fund created by this Resolution.

“Issuer” shall mean Riverbend Water Resources District.

“Issuance Date” shall mean the date of delivery of the Bonds to the initial purchaser thereof.

“Outstanding” means, when used with respect to Parity Obligations, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution of the Issuer authorizing other Parity Obligations or Additional Parity Obligations, except:

(1) Parity Obligations theretofore cancelled and delivered to the Issuer or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 20 of this Resolution or any comparable section of any resolution authorizing other Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution and any resolution authorizing other Parity Obligations; and

(4) Parity Obligations under which the obligations of the Issuer have been released, discharged or extinguished in accordance with the terms thereof.

“Parity Obligations” shall mean, collectively, the Series 2020 Bonds, the Bonds, the Taxable Series 2022A Bonds, and any Additional Parity Obligations hereafter issued by the Issuer or obligations issued to refund any of the foregoing (as determined within the sole discretion of the Issuer’s Board of Directors in accordance with applicable law) if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

“Pledged Revenues” shall mean: (a) the payments to be made to the Issuer by the Member Entities pursuant to Section 3(a)(1) of the Contracts and (b) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Parity Obligations.

“Project” shall mean the Planned Improvements as defined in the Contract, being the regional water system described in the Riverbend Regional Water Master Plan, dated July 25, 2018, including without limitation a new surface water treatment plant with an initial treatment capacity of 25 million gallons per day, a new raw water intake at Wright Patman Lake, water transmission lines, storage facilities, pumps, and related infrastructure for the distribution and sale of treated water, raw water, and reuse water.

“Series 2020 Bonds” shall have the meaning assigned thereto in the preambles hereof.

“Series 2020 Bond Resolutions” shall have the meaning assigned thereto in the preambles hereof.

“Series 2022B Bonds” or “Bonds” shall mean, collectively the Initial Bond as described and defined in Section 1 of this Resolution, and all substitute bonds exchanged therefor as well as all other substitute and replacement bonds issued pursuant to this Resolution.

“Series 2022B Resolution” or “Resolution” shall mean this resolution authorizing the Bonds.

“Taxable Series 2022A Bonds” shall mean the Issuer’s Contract Revenue Bonds (Regional Water System Project), Taxable Series 2022A being issued contemporaneously with the Bonds.

“Taxable Series 2022A Resolution” shall mean the resolution adopted by the Issuer on the date hereof authorizing the issuance of the Taxable Series 2022A Bonds.

“TWDB” shall mean the Texas Water Development Board.

“year” shall mean the 12 month period beginning each September 1, or such other 12 month period hereafter established by the Issuer as a fiscal year for the purposes of this Resolution.

Section 9. PLEDGE. (a) The Bonds, and the interest thereon, are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Redemption Fund as provided in this Resolution. It is specifically recognized that the Member Cities are required to make payments, from the gross revenues of their respective waterworks and sewer systems, to the Issuer pursuant to the Contracts sufficient to enable the Issuer to make all deposits and payments provided for herein, and that the Bonds, and the interest thereon, are and shall be payable from and secured by a first lien on and pledge of all of the Pledged Revenues and the Pledged Revenues are further pledged irrevocably to the establishment and maintenance of the Funds hereinafter described.

(b) The Bonds and the interest thereon constitute and shall be special obligations of the Issuer payable solely from the Pledged Revenues, and the owner or owners thereof shall never have the right to demand payment thereof out of funds raised or to be raised from taxation. The Issuer has no taxing power.

Section 10. REVENUE FUND. The Issuer previously created and established pursuant to the Series 2020 Bond Resolutions, and there shall be maintained at an official depository of the Issuer (which must be a member of the Federal Deposit Insurance Corporation) a separate fund to be entitled the “Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Revenue Fund” (hereafter called the “Revenue Fund”). All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt and shall be deposited from the Revenue Fund in the manner and amounts hereinafter provided.

Section 11. INTEREST AND REDEMPTION FUND. For the sole purpose of paying the principal of and interest on all outstanding Bonds and any Additional Parity Obligations, as the same come due, the Issuer previously created and established pursuant to the Series 2020 Bond Resolutions and there shall be maintained with the Paying Agent/Registrar, a separate fund to be entitled the “Riverbend Water Resources District Contract Revenue Bonds (Regional Water

System Project) Interest and Redemption Fund” (hereinafter called the “Interest and Redemption Fund”). The Pledged Revenues shall be deposited into the Interest and Redemption Fund from the Revenue Fund when and as required by this Resolution.

Section 12. [RESERVED].

Section 13. INVESTMENTS. Money in every Fund required to be maintained by this Resolution may, at the option of the Issuer, be invested as provided in the Public Funds Investment Act, Chapter 2256, Texas Government Code, for the investment of funds of the entities described therein; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times when expected to be needed. Interest and income derived from such deposits and investments shall be credited to the Fund from which the deposit or investment was made and shall be used only for the purpose or purposes for which such Fund is required or permitted to be used. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 14. FUNDS SECURED. All Funds required to be maintained by this Resolution shall be secured in the manner and to the fullest extent by law, including particularly, the Public Funds Collateral Act, Chapter 2257, Texas Government Code, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 15. DEBT SERVICE REQUIREMENTS. (a) Immediately after the delivery of the Bonds the Issuer shall deposit to the credit of the Interest and Redemption Fund, from the proceeds received from the sale and delivery of the Bonds, all accrued interest, to be used to pay part of the interest coming due on the Bonds.

(b) The Issuer shall transfer from the Pledged Revenues credited to the Revenue Fund and deposit to the credit of the Interest and Redemption Fund the amounts, at the times, as follows:

(1) on or before the fifth day prior to each interest payment date for the Bonds, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds and any Additional Parity Obligations on such next succeeding interest payment date;

(2) on or before the fifth day prior to each principal payment date for the Bonds, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Redemption Fund and available for such purpose, to pay the principal scheduled to mature and come due, on the Bonds and any Additional Parity Obligations on such next succeeding principal payment date;

(3) on or before the fifth day prior to any optional redemption date set by the Issuer for any Bonds, such amount as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds scheduled to be redeemed on such optional redemption date; and

(4) any amounts required to be deposited therein pursuant to Sections 30 and 31 of this Resolution

Section 16. DEFICIENCIES. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Redemption Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

Section 17. EXCESS PLEDGED REVENUES. Subject to making the required deposits to the credit of the Interest and Redemption Fund, when and as required by this Resolution, or any Resolution authorizing the issuance of Additional Parity Obligations, the excess Pledged Revenues may be used by the Issuer for any other lawful purpose.

Section 18. CONSTRUCTION FUND. There shall be established a separate fund to be known as the "Series 2022B Bond Construction Fund" (the "Construction Fund") with the Issuer's depository bank and upon the delivery of the Bonds, and subject to making the deposits required by Sections 12 and 15(a) hereof, the remaining proceeds of the Bonds shall be deposited into the Construction Fund. Subject to any escrow or trust and agency fund requirements imposed by the TWDB pursuant to Section 31 hereof, money in the Construction Fund shall be subject to disbursements by the Issuer for payment of all costs incurred in carrying out the purpose for which the Bonds are issued.

Section 19. PAYMENT OF BONDS. On or before the fourteenth calendar day of each April and of each October hereafter while any of the Bonds or Additional Parity Obligations are outstanding and unpaid, the Issuer shall make available to the paying agents therefor, out of the Interest and Redemption Fund, if necessary, money sufficient to pay such interest on and such principal of the Bonds and Additional Parity Obligations as will accrue or mature on the April 15 or October 15 immediately following.

Section 20. FINAL DEPOSITS. (a) At such times as the aggregate amount of money and investments in the Interest and Redemption Fund are at least equal in market value to (1) the aggregate principal amount of all unpaid (unmatured and matured) outstanding Bonds and Additional Parity Obligations, plus (2) the aggregate amount of all unpaid interest, including all unpaid (unmatured and matured) outstanding interest coupons, appertaining to such Bonds and Additional Parity Obligations, no further deposits need be made into the Interest and Redemption Fund. In determining the amount of such Bonds and Additional Parity Obligations, and unpaid interest appertaining thereto, outstanding at any time, there shall be subtracted and excluded the amount of any such Bonds and Additional Parity Obligations, and unpaid interest appertaining thereto, which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents therefor sufficient for such redemption.

(b) Any money deposited with the Paying Agent/Registrar in trust for the payment of the principal of, redemption premium, if any, or interest on any Bond and remaining unclaimed for four years after such principal of, redemption premium, if any, or interest on such Bond has become due and payable shall, subject to the unclaimed property laws of the State of Texas, be paid to the Issuer; provided, however, that before the Paying Agent/Registrar shall be required to make any such repayment, the Paying Agent/Registrar may at the expense of the Issuer cause to be published at least once, in a financial newspaper, journal, or publication of general circulation in The City of New York, New York, or in the State of Texas, a notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the

date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. After the payment of such unclaimed moneys to the Issuer, the owner of such Bond shall thereafter look only to the Issuer for the payment thereof, and all liability of the Paying Agent/Registrar with respect to such money shall thereupon cease.

Section 21. ADDITIONAL PARITY OBLIGATIONS. (a) The Issuer shall have the right and power at any time and from time to time, and in one or more Series or issues, to authorize, issue, and deliver additional parity revenue bonds or notes (herein called “Additional Parity Obligations”), in any amounts, for any lawful purpose of or relating to the Project and the Planned Improvements (as such term is defined in the Contracts), as permitted by the Contracts, including the refunding of any Parity Obligation. Such Additional Parity Obligations, if and when authorized, issued, and delivered in accordance with this Resolution, shall be secured by and made payable equally and ratably on a parity with the Bonds and the Taxable Series 2022A Bonds, and all other Outstanding Parity Obligations, from a first lien on and pledge of the Pledged Revenues; provided, however, that for so long as the TWDB is the holder of Outstanding Parity Obligations, such Pledged Revenues may not be pledged to the payment of any Additional Parity Obligations secured by a pledge of the same Pledge Revenues unless the Issuer demonstrates to the TWDB Executive Administrator=s satisfaction that the Pledged Revenues will be sufficient for the repayment of all then Outstanding Parity Obligations and the proposed Additional Parity Obligations.

(b) The Interest and Redemption Fund established by this Resolution shall secure and be used to pay all Additional Parity Obligations as well as the Bonds and the Taxable Series 2022A Bonds. However, each Resolution under which Additional Parity Obligations are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other Resolution or Resolutions authorizing Additional Parity Obligations to be deposited to the credit of the Interest and Redemption Fund, the Issuer shall deposit to the credit of the Interest and Redemption Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Parity Obligations then being issued, as the same come due.

(c) The principal of all Additional Parity Obligations must be scheduled to be paid or mature on October 15 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on April 15 and October 15.

(d) The Issuer further reserves the right to issue bonds, notes, or other obligations of inferior liens and bonds, notes, or other obligations payable from sources other than Pledged Revenues.

Section 22. FURTHER REQUIREMENTS FOR ADDITIONAL PARITY OBLIGATIONS. Additional Parity Obligations shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, without the consent of owners of at least 51% in aggregate principal amount of Bonds outstanding, no installment or series of Additional Parity Obligations shall be issued unless:

(a) a certificate is executed by the President or the chief administrative officer of the Issuer to the effect that no default exists in connection with any of the covenants or requirements of the Resolution or resolutions authorizing the issuance of all then

outstanding Parity Obligations and that the Interest and Redemption Fund contains the amount then required to be on deposit therein;

(b) an opinion of Bond Counsel is rendered to the effect that (i) such Additional Parity Obligations are valid and binding obligations of the Issuer and enforceable in accordance with their terms subject to governmental immunity, bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or remedies generally and to the extent that certain equitable remedies, including specific performance may not be available; (ii) such Additional Parity Obligations have been duly and validly authorized and issued in accordance with law; and

(c) the Resolution authorizing the issuance of such Additional Parity Obligations shall provide for the payment of principal and interest on such Additional Parity Obligations.

Section 23. GENERAL COVENANTS. The Issuer further covenants and agrees that:

(a) **PERFORMANCE.** It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and each resolution authorizing the issuance of Additional Parity Obligations, and in each and every Bond and Outstanding Parity Obligation; that it will promptly pay or cause to be paid the principal of and interest on every Bond and Outstanding Parity Obligation, on the dates and in the places and manner prescribed in such resolutions and Bonds or Outstanding Parity Obligations; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Interest and Redemption Fund; and any holder of the Bonds or Outstanding Parity Obligations may require the Issuer, its Board, and its officials and employees, to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of other Parity Obligations, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board, and its officials and employees.

(b) **ISSUER'S LEGAL AUTHORITY.** The Issuer is a duly created and existing conservation and reclamation district of the State of Texas pursuant to Article 16, Section 59 of the Texas Constitution and the Issuer Act, and is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) **OPERATION OF PROJECT.** While the Bonds or any Parity Obligations are outstanding and unpaid it will cause the Project to be continuously and efficiently operated and maintained in good condition, repair, and working order in accordance with the Contracts.

(d) **FURTHER ENCUMBRANCE.** While the Bonds or any Parity Obligations are outstanding and unpaid, the Issuer shall not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Parity Obligations, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution authorizing the issuance of

Outstanding Parity Obligations; but the right of the Issuer and the Board to issue revenue bonds payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(e) **RECORDS.** Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Project, the Pledged Revenues, and all Funds described in this Resolution; and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholder.

(f) **AUDITS.** The Issuer covenants that within 120 days after the close of each Fiscal Year, it shall have had made, and will file with the TWDB, so long as it owns any Bonds, and the rating agencies which have issued a rating on the Bonds, in such quantity as each may require, an audited financial statement for itself prepared in accordance with the requirements of Section 49.192, Texas Water Code, as amended.

Copies of such audit shall be filed in the office of the Issuer and shall be open for inspection by any interested person during normal office hours. The Issuer shall furnish a copy of such audit reports any owner of Bonds upon request.

(g) **GOVERNMENTAL AGENCIES.** It will comply with all of the terms and conditions of any and all agreements applicable to the Project and the Bonds or Outstanding Parity Obligations entered into between the Issuer and any governmental agency, and the Issuer will take all action necessary to enforce said terms and conditions; and the Issuer will obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the Project.

(h) **CONTRACTS WITH MEMBER ENTITIES.** It will comply with the terms and conditions of the Contracts and will cause the Member Entities to comply with all of its obligations thereunder, particularly the obligation to fix and collect rates for services sufficient to pay the Bonds and any other Outstanding Parity Obligations, by all lawful means.

(i) **INSPECTION.** Any registered owner of any Bonds shall have the right at all reasonable times to inspect all financial records, accounts, audits, and data of the Issuer relating to the Project. In addition, so long as the TWDB or other state agency holds any of the Bonds, the Issuer shall give any duly authorized agent of such agency access to and right to copy any records, reports and files of the Issuer pertaining to the Project, and shall prepare and furnish to such agency such reports on the physical condition and finances of the Project as such agency shall request.

(j) **BUDGET.** It will prepare, adopt, and place into effect an annual budget (the "Annual Budget") for operation and maintenance of the Planned Improvements (as defined in the Contracts) for each fiscal year, including in each Annual Budget such items as are customarily and reasonably contained in a regional water system budget under generally accepted accounting procedures. The Issuer shall, at least thirty days subsequent to adopting and placing into effect each Annual Budget, furnish, without cost, a copy of same to the TWDB, so long as it owns any Bonds, and to any owner of 25% or more in aggregate principal amount of all then Outstanding Parity Obligations who may so request.

(k) PERMITS. It will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the Project and which have been obtained from any governmental agency; and the Issuer has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the Project.

Section 24. AMENDMENT OF RESOLUTION. (a) The holders or owners of Parity Obligations aggregating 51% in principal amount of the aggregate principal amount of all then Outstanding Parity Obligations shall have the right from time to time to approve any amendment to this Resolution or any other resolution authorizing the issuance of Parity Obligations, which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in said resolutions or in the Parity Obligations so as to:

- (1) Make any change in the maturity of the Outstanding Parity Obligations;
- (2) Reduce the rate of interest borne by any of the Outstanding Parity Obligations;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds or Additional Parity Obligations;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Parity Obligations, or impose any conditions with respect to such payment;
- (5) Affect the rights of the holders of less than all of the Parity Obligations then Outstanding;
- (6) Change the minimum percentage of the principal amount of Parity Obligations necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend a resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of Texarkana, Texas, or in the City of Austin, Texas, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent for each Series of Parity Obligations for inspection by all holders of Parity Obligations. Such publication is not required, however, if notice in writing is given to each holder of Parity Obligations.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the holders or owners of at least 51% in aggregate principal amount of all Parity Obligations then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the resolution being amended shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all the holders or owners of then Outstanding Parity Obligations and all future Additional Parity Obligations shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendment.

(e) Any consent given by the holder or owner of any Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders or owners of the same Parity Obligation during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder or owner who gave such consent, or by a successor in title, by filing notice thereof with each Paying Agent for each Series of Parity Obligations and the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the then Outstanding Parity Obligations as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) The ownership of all registered Parity Obligations shall be ascertained by the registration books pertaining thereto kept by the Paying Agent/Registrar. The Issuer may conclusively assume that such holding or ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 25. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section 25, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Pledged Revenues pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Notwithstanding the provisions of subsection (a), the Issuer expressly reserves the right, pursuant to Section 1207.033(c), Texas Government Code, to later call a Defeased Bond for redemption in accordance with the provisions of this Resolution.

(c) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying

Agent/Registrar which is not required for the payment of the Bonds and interest thereon with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer.

(d) The term “Defeasance Securities” as used in this Section, means any securities and obligations now or hereafter authorized by State of Texas law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(e) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

(f) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select such amount of Bonds by such random method as it deems fair and appropriate.

(g) So long as the TWDB is the registered owner of any of the Bonds, the Issuer shall provide written notice to the TWDB of a defeasance of the Bonds pursuant to subsection (a) of this Section.

Section 26. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bonds or Bond authorized by this Resolution is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal,

printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1201.067, Texas Government Code, this Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 6(d) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 27. COVENANTS REGARDING TAX-EXEMPTION. (a) Covenants. The Issuer covenants to refrain from any action which would adversely affect, or to take such action to assure, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986 (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code, or if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is, directly or indirectly, used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less, or, in the case of refunding bond, for a period of 90 days or less, until such proceeds are needed for the purpose for which the Bonds or refunding bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United State Department of the Treasury (the "Treasury Regulations"), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage), section 149(g) of the Code (relating to hedge bonds);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to assure that the proceeds of the Bonds will be used solely for new money projects.

(11) to assure that the Issuer will not acquire any of the Texas Water Development Board's source series bonds in an amount related to the amount of Bonds acquired by the Texas Water Development Board.

(12) to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in

accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder.

For purposes of the foregoing (a)(1) and (a)(2), the Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs its President or General Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. The Issuer covenants to comply with the covenants contained in this section after defeasance of the Bonds.

In order to facilitate compliance with the covenant in subsection (a)(9) above, a “Rebate Fund” is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation, the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(b) Reimbursement. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 28. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT; DISPOSITION OF THE PROJECT. (a) The Issuer covenants to account for the expenditure of Bond proceeds and investment earnings to be used for the construction or acquisition of the property constituting the Project financed with proceeds of the sale of the Bonds on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made or (2) such construction or acquisition is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the Bonds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the Bonds on the Bonds.

(b) The Issuer covenants that the property constituting the Project financed with proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 29. CUSTODY, APPROVAL, AND REGISTRATION OF INITIAL BOND; BOND COUNSEL'S OPINION, CUSIP NUMBERS, INSURANCE, AND PREAMBLE. The General Manager of the Issuer is hereby authorized to have control of the Initial Bond issued hereunder and all necessary records and proceedings pertaining to the Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Initial Bond or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. If insurance is obtained on any of the Bonds, the Initial Bond and all the Bonds shall bear an appropriate legend concerning insurance as provided by the insurer. The preamble to this Resolution is hereby adopted and made a part hereof for all purposes.

Section 30. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Initial Bond shall be used along with other bond proceeds for the acquisition, by purchase and construction, of the Project in accordance with the Contracts; provided that after completion of the Project, if any of such interest earnings remain on hand, such interest earnings along with any surplus bond proceeds shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to this Resolution in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 31. ESCROW AGREEMENT AND ESCROW ACCOUNT. (a) The Escrow Agreement relating to the Bonds between the Issuer and the escrow agent named therein (the "Escrow Agent") substantially in the form and content attached hereto as Exhibit A, specifying the duties and responsibilities of the Issuer and the Escrow Agent, is hereby approved and the President of the Board is hereby authorized and directed to execute the Escrow Agreement on behalf of the Issuer. The Escrow Agent named in the Escrow Agreement is hereby appointed as the Escrow Agent pursuant to such Escrow Agreement.

(b) On the closing date, the Issuer shall cause the proceeds from the sale of the Bonds to be deposited into the Escrow Account or, if agreed to by the TWDB, all or a portion of the proceeds of the Bonds may be deposited into the Construction Fund or as otherwise directed by the Issuer.

(c) Except as provided in Section 38, moneys disbursed from the Escrow Account established pursuant to the Escrow Agreement shall be applied only for the projects for which the Bonds are issued.

(d) The security for, and the investment of, funds on deposit in the Escrow Account shall be governed by the provisions of the Escrow Agreement.

Section 32. SALE OF INITIAL BOND. The Bonds hereby sold and shall be delivered to the Texas Water Development Board for cash for the principal amount thereof. In accordance with its Resolution No. 20-076, the Texas Water Development Board will purchase the Bonds, with an amount approved by the Texas Water Development Board to be deposited to the Construction Fund authorized by Section 18 hereof (the "Construction Fund") upon initial delivery of the Bonds, and the balance of the proceeds to be deposited to the Escrow Account authorized by Section 31 hereof until authorized for transfer to the Construction Fund by the Texas Water Development Board. The officers of the Issuer are authorized to do any and all things necessary in connection with the issuance of the Bonds and are authorized to execute and deliver such certificates as are necessary or appropriate in connection with the issuance of the Bonds. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the TWDB or its designee.

Section 33. DTC REGISTRATION. The Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and the Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the federal Securities Exchange Act of 1934, as amended, and the Issuer accepts, but in no way verifies, such representations. The Initial Bond authorized by this Resolution shall be delivered to and registered in the name of the TWDB. However, it is a condition of delivery and sale that the TWDB, immediately after such delivery, shall cause the Paying Agent/Registrar, as provided for in this Resolution, to cancel said Initial Bond and deliver in exchange therefor a substitute Bond for each maturity of such Initial Bond, with each such substitute Bond to be registered in the name of CEDE & CO., the nominee of DTC, and it shall be the duty of the Paying Agent/Registrar to take such action. It is expected that DTC will hold the Bonds on behalf of the TWDB and/or the DTC Participants, as defined and described in the Official Statement referred to and approved in Section 29 hereof (the "DTC Participants"). So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC in all respects the same as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book entry system which will identify beneficial ownership of the Bonds by DTC Participants in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and the DTC Participants pursuant to rules and regulations established by them, and that the substitute Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided.

The Issuer is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or the DTC Participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the TWDB and the DTC Participants to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The Issuer does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. The Issuer reserves the right and option at any time in the future, in its sole discretion, to terminate the DTC (CEDE & CO.) book-entry only registration requirement described above, and to permit the Bonds to be registered in the name of any owner. If the Issuer exercises its right and option to terminate such requirement, it shall give written notice of such termination to the Paying Agent/ Registrar and to DTC, and thereafter the Paying Agent/Registrar shall, upon presentation and proper request, register any Bond in any name as provided for in this Resolution. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered substitute Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Resolution, substitute Bonds will be duly delivered as provided in this Resolution, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds.

Section 34. CONTINUING DISCLOSURE UNDERTAKING. (a).Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The Issuer shall provide annually to the MSRB, within twelve months after the end of each fiscal year ending in or after 2022, financial information and operating data with respect to the Issuer to the extent that such information is customarily prepared by the Issuer and is publicly available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements filed with the Texas Water Development Board as part of the Issuer’s application to the Texas Water Development Board, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information that is available to the Issuer

by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Notice of Certain Events. (i) The Issuer shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (i) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer., and (ii) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Issuer shall file notice with the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Subsection (b) of this Section by the time required by such Subsection.

(d) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by Subsection (a) hereof of any Bond calls and defeasance that cause the Issuer to no longer be such an “obligated person”.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other

provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 35. ATTORNEY GENERAL FEES. The Issuer hereby authorizes and directs payment from legally available funds of the Issuer, of the nonrefundable examination fee of the Attorney General of the State of Texas required by Section 1202.004, Texas Government Code, as amended.

Section 36. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 37. SECURITY INTEREST. Article 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 38. TEXAS WATER DEVELOPMENT BOARD. The provisions of this Section shall apply so long as the Bonds, or any of them, are owned by the TWDB. The Issuer hereby

agrees to comply with all conditions set forth in TWDB Resolution No. 20-076, which conditions are incorporated herein.

(a) Annual Audit Reporting. The Issuer shall provide the Texas Water Development Board with an annual report prepared in accordance with generally accepted auditing standards by a certified public accountant or licensed public accountant, to be submitted without charge within 120 days of the close of each fiscal year.

(b) Covenant to Abide with Rules. The Issuer will abide with all applicable laws of the State of Texas and Rules of the Texas Water Development Board relating to the loan of funds evidenced by the Bonds and the Project for which the Bonds are issued, sold and delivered.

(c) Water Conservation Program. The Issuer agrees and covenants that it will implement an approved water conservation program in accordance with 31 TAC § 371.71.

(d) Records and Accounts. The Issuer agrees and covenants that it will maintain current, accurate and complete records and accounts regarding the System in accordance with 31 TAC § 371.71.

(e) Environmental Determinations. The Issuer agrees and covenants that it will comply with any special conditions of the environmental determination of the Executive Administrator in accordance with 31 TAC § 371.71.

(f) Prohibition on Use of Proceeds. The Issuer covenants and agrees that none of the proceeds of the Bonds will be expended on costs incurred or to be incurred relating to the sampling, testing, removing or disposing of potentially contaminated soils and/or media at the project site.

(g) Indemnification. The Issuer further agrees, to the extent permitted by law, to indemnify, hold harmless and protect the Texas Water Development Board from any and all claims or causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, removal and off site disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Issuer, its contractors, consultants, agents, officials and employees as a result of activities relating to the Project.

(h) Conveyance of Obligations. Prior to any action by the Issuer to convey its obligations under the Bonds to another entity, if permitted by law, the conveyance and the assumption of such obligations must be approved by the Texas Water Development Board. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as a sale-transfer-merger with another retail public utility.

(i) Davis-Bacon Act Compliance. All laborers and mechanics employed by contractors and subcontractors for the Project who are paid from proceeds of the Bonds on deposit in the Construction Fund shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality of the Issuer in accordance with the federal Davis-Bacon Act and the U.S. Department of Labor's implementing regulations pertaining thereto.

(j) Federal Funding Accountability and Transparency Act. The Issuer shall provide the Texas Water Development Board with all information required by the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282.

(k) DUNS Number and CAGE Code. The Issuer shall obtain a Data Information Numbering System (DUNS) Number and shall register with the System for Award Management to obtain a Commercial and Government Entity (CAGE) Code and maintain current registration at all times during which the Bonds are outstanding.

(l) Timely Expenditures. All proceeds of the Bonds will be timely and expeditiously used, as required by applicable federal statutes and U.S. Environmental Protection Agency regulations, and the Issuer shall adhere to a project construction schedule acceptable to the Executive Administrator that facilitates timely use of funds and project completion.

(m) As-Built Plans. The Issuer shall provide to the Texas Water Development Board a full and complete set of "as-built" plans relating to the Project, promptly upon completion of the Project.

(n) Final Accounting. The Issuer shall render a final accounting of the cost of the Project to the Texas Water Development Board within 60 days of the completion of the Project. If the total cost of the Project, as finally completed, is less than originally estimated, so that the proper share of the participation by the Texas Water Development Board in the Project is reduced, such surplus proceeds shall be used in accordance with subsection (o) below.

(o) Surplus Proceeds. Notwithstanding any other provision of this Resolution or the Bonds restricting early redemption of the Bonds, the Issuer shall use any surplus proceeds from the Bonds that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Texas Water Development Board's ("TWDB") Executive Administrator (the "Executive Administrator"), including without limitation to redeem, on any date, the Bonds owned by the TWDB, at a price of par plus accrued interest to the date fixed for redemption.

(p) Insurance. Insurance coverage be obtained and maintained by the Issuer in an amount sufficient to protect the interest of the Texas Water Development Board in the Project.

(q) Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of the Bonds or this Resolution that restricts or limits the TWDB's full exercise of such remedies shall be of no force and effect.

(r) American Iron and Steel Requirements. The Issuer will abide by all applicable construction contract requirements related to the use of iron and steel products in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

(s) Covenant Regarding Taxes and System Rates. The Issuer hereby agrees that, for so long as the Bonds are outstanding, to maintain and collect sufficient rates and charges to produce System revenues in an amount necessary to meet the debt service requirements of all Bonds and to maintain the funds established and required by the Bonds.

(t) Outlay Reports. The Issuer shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

Section 39. FURTHER PROCEDURES. (a) The President and Secretary, respectively, of the Board of Directors of the Issuer, the General Manager, Operations Manager, and Chief Financial Officer of the Issuer, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, and the sale of the Bonds, including without limitation the Blanket Issuer Letter of Representations to DTC and federal tax documents or returns. The expenses of issuing the Bonds shall be paid from the proceeds from the sale of the Initial Bond. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

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EXHIBIT A
ESCROW AGREEMENT
(Attached)

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, JANUARY 26, 2022**

**AGENDA ITEM VI. J.
Riverbend Water Resources District's
Future Growth Plan**

Proposed RWRD Growth Plan – Fully Implemented by 2026

